

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF SOUTH)
KENTUCKY RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR A GENERAL ADJUSTMENT)
OF RATES, APPROVAL OF DEPRECIATION)
STUDY, AND OTHER GENERAL RELIEF)**

**CASE NO.
2021-00407**

**RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION TO SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION, DATED JANUARY 19, 2022**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)	
SOUTH KENTUCKY RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR A)	CASE NO.
GENERAL ADJUSTMENT OF RATES,)	2021-00407
APPROVAL OF A DEPRECIATION STUDY,)	
AND OTHER GENERAL RELIEF)	

VERIFICATION OF KENNETH E. SIMMONS


COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF PULASKI)

Kenneth E. Simmons, President and Chief Executive Officer of South Kentucky Rural Electric Cooperative Corporation, being duly sworn, states that he has supervised the preparation of certain responses to Commission Staff's Second Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.


 Kenneth E. Simmons

The foregoing Verification was signed, acknowledged and sworn to before me this 28th day of January, 2022, by Kenneth E. Simmons.




 Commission expiration: Aug 31, 2025

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

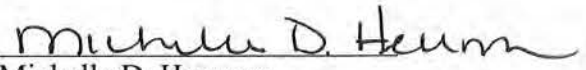
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COOPERATIVE CORPORATION FOR A)	CASE NO.
GENERAL ADJUSTMENT OF RATES,)	2021-00407
APPROVAL OF A DEPRECIATION STUDY,)	
AND OTHER GENERAL RELIEF)	


VERIFICATION OF MICHELLE D. HERRMAN

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF PULASKI)

Michelle D. Herrman, Vice-President of Finance and Member Services of South Kentucky Rural Electric Cooperative Corporation, being duly sworn, states that she has supervised the preparation of certain responses to Commission Staff's Second Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.


 Michelle D. Herrman

The foregoing Verification was signed, acknowledged and sworn to before me this 28th day of January, 2022, by Michelle D. Herrman.


 Commission expiration: Aug 31, 2025



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

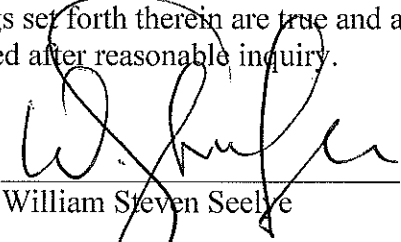
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COOPERATIVE CORPORATION FOR A)	CASE NO.
GENERAL ADJUSTMENT OF RATES,)	2021-00407
APPROVAL OF A DEPRECIATION STUDY,)	
AND OTHER GENERAL RELIEF)	

VERIFICATION OF WILLIAM STEVEN SEELYE

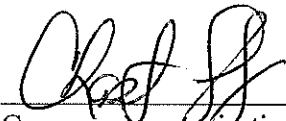
STATE OF NORTH CAROLINA)
)
COUNTY OF BUNCOMBE)

William Steven Seelye, Managing Partner, The Prime Group, LLC on behalf of South Kentucky Rural Electric Cooperative Corporation, being duly sworn, states that he has supervised the preparation of certain responses to Commission Staff's Second Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



William Steven Seelye

The foregoing Verification was signed, acknowledged and sworn to before me this 31 day of January, 2022, by William Steven Seelye.



Commission expiration: 06/08/2026

SOUTH KENTUCKY RECC

PSC CASE NO. 2021-00407

SECOND REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22

REQUEST 1

RESPONSIBLE PERSON: Michelle Herrman

COMPANY: South Kentucky RECC

Request 1. Refer to the Application, paragraph 26, Exhibit 9, Direct Testimony of Michelle D. Herrman (Herrman Testimony) page 8, lines 14-18. Regarding the reduction of interest earned on the Rural Utilities Service cushion of credit program, explain why South Kentucky RECC did not remove the funds and pay down a higher interest rate loan when the interest rates decreased from 5.00 percent to 0.09 percent.

Response 1. When the 2018 Farm Bill was approved in late 2018, South Kentucky reviewed the interest rates on its loan portfolio with RUS/FFB. The interest rates on South Kentucky's RUS/FFB portfolio ranged from 1.00% to 3.699%, with a blended interest rate of 2.90%. Part of the provisions included a gradual ramp down of the Cushion of Credit interest earning rate. On October 1, 2020, the 5.00% interest earning rate was to be reduced to 4.00%. While the provision in the Farm bill did allow for the prepayment of RUS/FFB long term debt through the use of the balance in their Cushion of Credit without penalty, the election would have had to been made prior to September 30, 2020. Since the highest interest rate loan and blended interest rate of South Kentucky's RUS/FFB portfolio

was below the 4% interest earning rate, South Kentucky elected to keep the funds in the Cushion of Credit program.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 2**

RESPONSIBLE PERSON: Michelle Herrman
COMPANY: South Kentucky RECC

Request 2. Refer to the Application, paragraph 26, and Herrman Testimony, page 8, lines 6-9, regarding the decision to apply capital credits to eliminate bad debt.

- a. Explain what led to this decision.
- b. Provide all documentation regarding this decision.
- c. Provide the current balance of capital credits.

Response 2.

a. In 2018, South Kentucky's Board of Directors began review of the Organization's Capital Credit Policy. As part of that review, staff consulted with various sources for guidance on the topic including in person NRECA training, the Capital Credit Task Force Report and Capital Credit Task Force Report Legal Supplement. Discussed in both reports and in the in person training, was the use of member capital credit balances to satisfy past member bad debt amounts. Similarly, during this time frame South Kentucky began utilizing a new provider to assist with collection on past due accounts. As part of

the new collection provider's services was to be the reporting to the appropriate credit bureaus notifying them of the amounts owed after the prescribed period of time. Similarly, discussions with this provider indicated that, in general, they do not actively pursue the collection of past due amounts that are three years old or older as the debtor becomes harder to locate. In consideration of the above, South Kentucky decided to include the provision to recapture bad debt that was older than 4 years old using the available member balance in capital credits into the policy.

Using the capital credit balance of a past member who has left the cooperative with a bad debt, when reasonable efforts to recoup those funds through an alternate means are exhausted, is beneficial to the current cooperative membership as a whole, because the recaptured amount is recorded as an offset to the current year bad debt expense. This offset has a positive effect on operating margins in the year the debt is recaptured.

b. Please see attached. The attachments are South Kentucky's Capital Credit Policy, the Capital Credit Task Force Report and the Capital Credit Task Force Report Legal Supplement.

c. The total amount of assigned capital credits as of December 31, 2021 through the year 2020, is \$136,190,461.95. Of this amount, \$57,877,914.17 is related to South Kentucky and \$78,312,547.78 is related to our Generation & Transmission provider, East Kentucky Power Cooperative, Inc. ("EKPC").

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

**POLICY402
CAPITAL CREDIT ALLOCATION & RETIREMENT**

I. OBJECTIVE

A. To specify the process and conditions under which patronage capital credits are determined, allocated and retired.

II. DEFINITION

A. "Capital Credits" is defined as margins credited to cooperative members each year based on their electric purchases from the cooperative. Used by the cooperative as working capital for a period of time, then paid back to individual members. Also called "patronage capital."

B. "Margin" is defined as the difference between a cooperative's income and its expenses; returned to members in the form of capital credits as the cooperative's financial status permits.

C. "Patronage" is defined as purchases by the member owner.

III. POLICY

A. Patronage Capital Credit Determination and Allocation

I. Year-end operating margins will be allocated to members based on their patronage from the delivery, purchase, and payment of electric energy for the year.

A. The Board of Directors shall have the discretion, on a case-by-case basis, to deviate from the requirement and amortize over a reasonable number of years any adjustment related to a cumulative effect of accounting principle change, consistent with generally accepted accounting principles, and required to be booked as patronage capital from operations. Such action shall only be taken by written Resolution of the Board of Directors fully explaining the details and justification for the deviation.

2. Non-Operating margins from sources other than furnishing electric service shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, may, as determined by the Board, be used, retained, or equitably allocated to its patrons in proportion to the value of Cooperative service used by the patron during the fiscal year, and timely paid for by the Patron. (Non-operating margins are allocated

separately because at time of retirement the cooperative's tax status may impact decision on retiring these margins.)

4. The books and records of the Cooperative shall be set up and kept in such a manner that, at the end of each fiscal year, the amount of margins, if any, so furnished by each member is clearly reflected and credited in the patronage capital credit account of each member.

5. The Cooperative shall not enter into private agreements through which a patron or former patron forfeits the right to the allocation or retirement of capital credits. The Cooperative shall not require any patron or former patron to forfeit the right to the allocation or retirement of capital credits.

B. General Retirement of Patronage Capital Credits

1. The Board of Directors will annually approve the amount of total capital credits to be refunded during the current calendar year, if any.

a. Consideration will be given to determine if non-Operating margins eligible for retirement should be retired or retained as permanent equity.

b. The decision to authorize capital credits will take into consideration the equity position of the cooperative and the ability to fund the retirement utilizing cash held by the cooperative.

2. The general retirement amount will be determined by reducing the annual approved amount by estate and business entity settlements and the portion applied to the accounts written off during the calendar year.

3. Approval of general retirements by the Board of directors shall determine both the amounts authorized for payment along with the method used for such retirement calculation.

4. G & T capital credits allocated to the Cooperative will be allocated to the member but not refunded until the G & T refunds these capital credits to the Cooperative.

5. When a member has been paid all of their capital credits other than their G & T capital credits, their remaining G&T capital credits will be moved to permanent equity.

6. Retirements must be in compliance with current mortgage agreements.

7. Retirements may be paid to the member via check or credited to active member accounts as approved by the Board of Directors. Retirement checks will not be issued until the accumulative amount eligible to be retired is \$5 or more.

C. Special Retirements, Estates

1. This section shall apply to those estates of natural persons where death occurred on or after the effective date of this policy.

2. The estate of a deceased natural person shall have the choice of retiring the accumulated capital credits of the deceased member's account at its present value (on a discounted basis) or the estate may choose to receive the capital credits in full in accordance with the general retirement procedures of the Cooperative. The underlying rationale for determining a present value of the accumulated capital credits is that to not do so deprives the Cooperative of the use of such capital for the period of time between the time of the special retirement and the time when the capital credits would have been retired in accordance with general retirement policies of the Cooperative. In addition, special retirements to estates provide benefits to the heirs of a deceased member that are not available to living members.

3. The personal representative making application shall present a written request to the Cooperative for such election for payment of capital credits earned by the deceased member. In the event that the final bill and any other amount owed exceed the membership and deposit, the unpaid balance shall be deducted from the capital credits to be paid.

4. The discount rate is The Wall Street Journal prime rate on the first business day of the month during which the capital credits are paid plus 2.25%. The discount rate shall take into consideration that capital credits are considered to be fully vested after 22 years of their allocation to the member. The discount shall be credited to donated capital as prescribed by the Rural Development Utilities Program.

5. Refunds to estates shall not exceed \$500,000 collectively in any 12-month period.

D. Special Retirements, Bad Debt Write-offs

1. Annually, any member bad debt that has been written off and that remains uncollected for a period of 4 years or more, shall have the bad debt, (and any associated interest thereon at the Kentucky legal rate on judgements in effect when such amount became overdue, compounded annually), reduced by applying the capital credit balance to the uncollectible balance. Any attempts at debt collection shall cease in regard to the amount satisfied by the capital credit balance applied to the bad debt. Any remaining uncollectible amounts may still be pursued for payment. Similarly, any capital credits remaining after all debt is satisfied, shall be refunded on the normal retirement cycle.

G. In **NO** case shall cash payments for either General or Special Retirements be made to any member until all accounts of said member have been satisfied.


H. The bylaws shall govern the treatment of any situations not expressly provided for in this

policy.

IV. RESPONSIBILITY

- A. The President/Chief Executive Officer, shall ensure compliance with the requirements set forth herein by:
- 1 Developing the practices and procedures necessary to allocate and retire capital credits according to this policy; and
 - 2 Recommending to the Board the manner, method, timing, and amount for allocating and retiring capital credits; and
 - 3 Recommending to the Board revisions to this policy; and
 - 4 For the administration of this policy.
- B. The Board is responsible for:
- 1 Approving the manner, method, timing, and amount for allocating and retiring capital credits; and
 - 2 Reviewing, discussing, and evaluating this policy on a regular basis; and
 - 3 Reviewing, discussing, and evaluating the General Manager/CEO's recommendations for revising this policy; and
 - 4 Maintaining Cooperative compliance with this policy.

Approved By The Board of Directors


Board Chairperson

ORIGINAL DATE APPROVED: 06/26/2019

DATE(S) REVIEWED: 01/13/2022

DATE(S) REVISED: 01/13/2022

Capital Credits Task Force Report

A DISTRIBUTION COOPERATIVE'S GUIDE TO MAKING CAPITAL CREDITS DECISIONS

In Memoriam



Stephen J. Picara

The Capital Credits Task Force dedicates this report and the work it represents to the memory of Stephen J. Picara. As executive director of Tax, Finance & Accounting Policy for NRECA, Steve was a valuable resource for the task force and for the entire cooperative network. He had a detailed knowledge of tax, finance and accounting principles, rules and regulations, especially as applied to electric cooperatives. Even more important, he was skilled at sharing his knowledge in ways that anyone could understand. Whatever value this report has can in large part be attributed to Steve's contributions, his wisdom and his commitment. He was a supremely competent advocate for electric cooperatives.

More than that, Steve was a truly nice and decent person. He was never too busy to take the time to answer a question, or even the same question again. It was a pleasure for all of us to work with him. He will be greatly missed and long remembered.

Capital Credits Task Force Report

**A Distribution Cooperative's Guide to
Making Capital Credits Decisions**

**National Rural Electric
Cooperative Association**

**National Rural Utilities
Cooperative Finance Corporation**

January 2005

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A Message from the Task Force



Back Row (Left to Right): James Andrews, Joe Cole, Dave Eames, Roger Yoder, R. Layne Morrill, Jack Preston, Charles Barton, Mike Bash, Bill Kopacz, John R. Smith, Charles Lopez

Front Row (Left to Right): Eunice Bartels, Gene Smith, Debbie Robinson

Not Pictured Michael Whiteside, Gary Voigt, Denise Barrera

The well-known business scandals of recent years present a challenge and an opportunity to explain why cooperatives are different from other forms of business. A cooperative's capital credits policy and practices can clearly demonstrate this authentic difference.

Establishing a capital credits policy is one of the most important responsibilities of a co-op's board of directors. It requires the board to make important decisions, not only about allocating and retiring capital credits, but also about the co-op's capital structure. This report has been developed to assist cooperatives in making these key decisions.

In December 2003, CFC and NRECA appointed the Capital Credits Task Force to conduct a study of capital credits issues and provide guidance to cooperatives. During our deliberations we reviewed extensive information on capital credits issues. We sought the advice of many experts, including lawyers, accountants, tax advisers, data processing specialists and the RUS staff. We also sought the input of other co-ops and conducted two surveys to determine practices and concerns.

Each cooperative has unique circumstances that affect its capital credits decisions, but the task force found that there are many common issues. Wherever possible, the task force has provided information about alternative approaches to these issues. We also offer our recommendations where we believe that the appropriate action is clear and applicable in most situations. The task force believes very strongly that every staff member and every co-op director should understand the co-op's capital credits policy, be able to explain it to members, and be able to answer any questions that members might have.

We urge each electric cooperative to use this report as a guide to a thorough review of its capital credits policy and practices. Such a review is worthy of each co-op's time and attention because capital credits demonstrate—in a tangible and powerful way—the cooperative difference that is central to the future success and growth of the entire rural electric cooperative network.



Acknowledgments

The task force acknowledges with thanks the contributions of the experts who shared their time, knowledge and experience, including:

Ron Camp

Southeastern Data Cooperative
Tucker, Georgia

Kevin Dolan

Deloitte & Touche
Atlanta, Georgia

Vern Dosch

NISC
St. Peters, Missouri

Bill Miller

Bollinger, Segars, Gilbert & Moss, LLP
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Alan Spen, Karl Pfeil and Lina Santoro

Fitch Ratings
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Thomas M. Strait

Washington Utility Group
Washington, D.C.

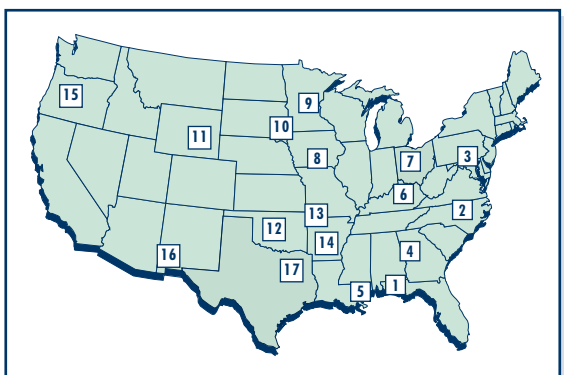
Richard G. Tisinger, Sr.

Tisinger, Tisinger, Vance & Greer, P.C.
Carrollton, Georgia

Their understanding of the issues facing the electric cooperative network and their willingness to assist the task force in its deliberations is much appreciated.

Thanks also to RUS, CFC and NRECA for providing staff support for the project, including project coordinators Rich Larochelle, CFC, and Mike Ganley, NRECA; Diana Alger and Patrick Sarver, RUS; Steve Piccara, Bob Patton, and Ty Thompson, NRECA; and Lynn Midgette, Claudia Phillips, Tom Nusbaum, Marty Crowson, Jim Kaufman and Beth Ann Johnson, CFC; and to Patricia Lloyd Williams and Vicki Albizo for editorial services.

Task Force Members



Chairman

1. Gene Smith *CEO*
Choctawhatchee EC, De Funiak Springs, FL

Region I

2. James Andrews *Director*
Randolph EMC, Liberty, NC

3. Joe Cole *Manager, Finance & Corporate Services*
Adams EC, Gettysburg, PA

Region II

4. Michael Whiteside *President & CEO*
Coweta-Fayette EMC, Newnan, GA

Region III

5. Charles Lopez *Director*
Coast EPA, Bay St. Louis, MS

6. Dave Eames *Vice President, Finance & Planning*
East Kentucky PC, Winchester, KY

Region IV

7. Roger Yoder *President*
Union Rural EC, Marysville, OH

Region V

8. John R. Smith *CEO*
Pella CEA, Pella, IA

Region VI

9. Mike Bash *Director of Finance*
Connexus Energy, Ramsey, MN

10. Eunice Bartels *Director*
Sioux Valley Energy, Colman, SD

Region VII

11. Jack Preston *Director*
Wyrulec Company, Lingle, WY

Region VIII

12. Charles Barton *Manager of Finance*
Oklahoma EC, Norman, OK

13. R. Layne Morrill *Director*
White River Valley EC, Branson, MO

14. Gary Voigt *CEO*
Arkansas ECC, Little Rock, AR

Region IX

15. Bill Kopacz *General Manager*
Midstate EC, LaPine, OR

Region X

16. Denise Barrera *Manager of Finance*
Columbus EC, Deming, NM

17. Debbie Robinson *CEO & General Manager*
Wood County EC, Quitman, TX

Recommendations of the Task Force

Following is a summary of the task force's 12 recommendations.

Strategic Goals

A Board-Approved Policy: Every electric cooperative should have a policy for annually allocating capital credits and, subject to the board of directors' discretion and the cooperative's financial condition, annually retiring capital credits.

Equity Management Plan: Every electric cooperative should develop and implement an equity management plan that supports its capital credits policy based on the co-op's equity and debt requirements, financial performance and competitive situation. The equity management plan should include rates that will generate adequate cash to provide capital credits retirements.

Adequate Equity Level: Each electric cooperative should seek to maintain an equity level adequate to retire capital credits on an annual basis and meet the goals and requirements of its equity management plan. The task force suggests that a reasonable equity level for most distribution systems is in the range of 30 to 50 percent, depending on the cooperative's financial and competitive situation.

Permanent Equity: The development of permanent equity should not be a goal of a cooperative's capital credits policy. Any advantages of permanent equity, such as building a cooperative's equity level or developing reserves, can be achieved in more direct ways that do not involve the same tax, takeover or other risks inherent in a policy of permanent equity.

Allocating Capital Credits

Member Notification: Cooperatives should notify members in writing of the dollar amount of annual capital credits allocations.

Contractual Forfeiture: Electric cooperatives should not enter contracts that require members to forfeit the right to capital credits in return for other considerations, such as reduced rates.

Retiring Capital Credits

Selecting Retirement Method Based on Goals: Each cooperative should choose a retirement method that will help the co-op achieve its goals, recognizing the effect the tenure and age of its members has on the perception of the value of membership in the cooperative. The task force strongly recommends that each cooperative know the percentage of its current membership receiving a capital credits retirement each year and seek to maximize that percentage.

Discount Special, Not General, Retirements: If an electric cooperative chooses to make special retirements, such as retirements to estates, the amount of the retirement should be discounted to reflect the time value of money. Cooperatives should not offer discounted general retirements.

Recommended Discount Rate: If a cooperative makes discounted capital credits retirements, the task force suggests that the discount rate selected should be based on the cooperative's weighted cost of capital, which includes the cost of equity and the cost of debt.

Age of Members: Electric cooperatives should not make special capital credits retirements based solely on the age of the member.

Compliance

Director Flexibility and Discretion: Every electric cooperative should review its bylaws, state laws and other applicable governing factors in terms of the impact on capital credits policies. If a cooperative's bylaws do not permit the board to exercise sufficient discretion regarding the method for allocating or retiring capital credits, the cooperative should consider seeking changes to give directors such flexibility in determining capital credits policies.

Maximizing the Benefits of Capital Credits Decisions

Communications Plan: Every cooperative should have a communications plan for educating members about capital credits and the cooperative's capital credits policies. Every director and each employee should understand the policy and be able to explain how it works and why it was adopted to members who have questions.

Executive Summary

In 1976, the first Capital Credits Study Committee issued a comprehensive report addressing many questions concerning capital credits. While the information in that report continues to be valid, since that time there have been many new developments, such as:

- Demographic changes among cooperative consumers,
- An increase in the use of discounting of capital credits retirements,
- Interest in developing permanent equity,
- An increased awareness of alternative retirement methods that may better demonstrate cooperative value to today's consumers, and
- Diversification into additional services.

In December 2003, the NRECA and CFC boards of directors appointed the Capital Credits Task Force to conduct a new capital credits study. The 17-member task force includes seven CEOs, five CFOs and five directors from co-ops representing the diversity of the electric cooperative network in terms of size and geographic location. It includes representatives from generation and transmission (G&T) cooperatives and distribution cooperatives.

In addition to reviewing the extensive information already available on capital credits, the task force enlisted the assistance of legal, tax, finance and accounting experts as well as the RUS staff to advise it on relevant issues. It sought and received input from the cooperative network through many channels, including separate surveys of distribution cooperatives and G&T cooperatives to identify their current practices and concerns.

While every cooperative has unique circumstances that affect capital credits decisions, the task force found many common issues. In its report, the task force addresses basic issues, evaluates alternative approaches and guides the co-op through the process of establishing a comprehensive policy.

Capital Credits Basics

Capital credits are the primary source of equity for most cooperatives, and allocating and retiring capital credits are two of the practices that distinguish cooperatives from other businesses. In 2003, electric distribution cooperatives returned \$351 million in general capital credits retirements to consumers and \$94 million in special retirements, primarily to estates.

Adopting and implementing a capital credits policy are key responsibilities of a co-op's board of directors and management. As the elected representatives of the members, directors must understand the co-op's capital credits policy and be able to explain why it was adopted and how it works to members who have questions. Management and staff are responsible for executing the board's policy. In doing so, a cooperative will face important decisions, including:

- What funds will be allocated to members,
- How funds will be allocated,
- How members will be notified of their allocations,
- What amount of capital credits to retire each year,
- Which retirement method to use,
- Whether to make special retirements,
- Whether to discount any retirements and, if so, the discount rate to use, and
- Which approach to retiring capital credits will maximize the value for the co-op and its members.

The board should also establish an equity management plan to support capital credits policies that allows it to balance equity and debt effectively to meet a variety of financial needs and criteria, including:

- Maintaining financial strength,
- Meeting mortgage requirements,
- Funding new construction,
- Retiring capital credits, and
- Ensuring fairness across generations.

Allocating Capital Credits

To qualify for federal tax-exempt status under Internal Revenue Code (IRC) Section 501(c)(12), a co-op generally must allocate capital credits to patrons each year and maintain records sufficient to reflect the equity of each member in the assets of the cooperative. State statutes and regulations and the cooperative's bylaws may impose additional allocation requirements and restrictions.

Audit guidelines issued by the Internal Revenue Service require a cooperative to allocate operating margins. Depending on circumstances, the board may have some discretion in choosing whether to allocate other patronage-sourced margins, non-patronage sourced margins or losses.

Co-ops may allocate capital credits on a variety of bases, provided that the basis is fair and equitable to patrons, including:

- Value (dollar amount of purchases),
- Quantity (kilowatt-hours or other measure), or
- Cost of service (contribution to margins).

A cooperative may use different allocation methods for different customer classes, but the same method must be used for all customers within a class.

A co-op must keep adequate records of each member's rights and interests in the cooperative's assets, including capital credits balances and a history of patronage. A co-op cannot terminate a member's rights and interests if the member moves or otherwise terminates membership, so the co-op must maintain records for former members until their capital credits are retired.

There are no requirements under Section 501(c)(12) for an exempt co-op to notify patrons of capital credits allocations, although many choose to do so, and the Capital Credits Task Force specifically recommends such annual notification as an important best practice. A taxable cooperative is required to give each member a written notice of the specific dollar amount within 8 1/2 months from the end of the co-op's tax year in order to claim a patronage dividend exclusion against its patronage-sourced margins.

Retiring Capital Credits

There are good business reasons to retire capital credits. It provides tangible evidence of members' ownership in the cooperative and demonstrates the difference between cooperatives and other organizations. Since the funds members invest in the cooperative do not earn dividends or other financial remuneration, retiring capital credits is a way to ensure that each generation of members pays its own way by providing its own equity. Failure to retire capital credits can have a negative impact on public relations and even lead to litigation or a hostile takeover if unhappy members try to recover their investment in the cooperative.

There are also legal reasons to retire capital credits in order to preserve a cooperative's status under the tax laws, but the IRS and the courts give cooperative boards considerable discretion in determining when to retire capital credits.

The board determines whether the co-op is in a financial position to retire capital credits and, if so, the dollar amount to retire in a given year. That decision is influenced by a number of factors, including:

- The co-op's financial performance,
- Its equity management plan,
- Rate competitiveness, and
- Regulatory bodies.

Other considerations include lender requirements and the views of the financial markets, both of which influence the cooperative's ability to obtain funds in the future. The board may choose to retire a percentage of the previous year's margins, capital credits allocated for specific years or a specific dollar amount.

Unless the bylaws or other authority specify retirement procedures, the board decides how capital credits are returned. In determining a method, the board should consider factors such as:

- **Cooperative philosophy.** Who should provide equity to the co-op, current and newer members or longer-term and former members?
- **Membership expectations.** Do the members expect to receive a retirement every year?
- **Demographics.** Is the membership of the cooperative stable, or is the rate of turnover high?
- **Customer classes.** Are sales predominantly to residential consumers, or are there significant sales to commercial customers?
- **Cooperative's accounting procedures.** Can the cooperative's accounting system and data service provider easily implement the method chosen?
- **Sellout exposure.** Could failure to retire capital credits lead to internal or external pressure to sell the cooperative?

Common retirement methods for general retirements include:

- First-in, first-out (FIFO),
- Percentage of total allocated capital credits,
- Percentage/FIFO hybrid, and
- FIFO/Last-in, first-out (LIFO) hybrid.

While FIFO continues to be the most commonly used method, the use of hybrid approaches is increasing because they provide benefits to current consumers. The Capital Credits Task Force recommends that before a cooperative retires capital credits in any year, it should know the percentage of its current members that will receive a capital credits refund, and select a retirement method or hybrid of methods that will maximize that percentage.

The board may decide as part of its policy to authorize special retirements of capital credits to recognize special circumstances, such as the death of a member. A special retirement allows the cooperative to make a payment sooner than it otherwise would. However, there is a real cost to the other members of the cooperative to retire capital credits out of sequence, and there is a benefit to the member to receive money sooner than the member would otherwise. Discounting special retirements to reflect the time value of money provides a fair way to recognize special circumstances while continuing to treat members equitably.

If a cooperative elects to discount capital credits retirements, the board must then choose the appropriate discount rate. It is important that the board consider this issue carefully, because the discount rate is the key to making discounted retirements fair and equitable. Too high a rate penalizes the member. Too low a rate penalizes the cooperative and its remaining members.

There is no one standard that is appropriate for every cooperative in every situation. The measure chosen should be easy to calculate, easy to explain and defensible. It should be fair to members both individually and collectively. The Capital Credits Task Force recommends that cooperatives use their own weighted average cost of capital as the discount rate.

Compliance Issues

A cooperative's policy for allocating and retiring capital credits must comply with applicable state and federal laws as well as the co-op's articles of incorporation and bylaws. The policy should also take into consideration the requirements of lenders and the financial markets. Directors should understand the legal and financial consequences of decisions they make about capital credits.

Maximizing the Benefit of Capital Credit Retirements

The act of distributing capital credits retirements offers an opportunity to address the special value of co-op membership. Basic knowledge of the characteristics of its membership, especially the age and tenure of members, can help a co-op devise capital credits policies and communications programs that will maximize the benefit of capital credits retirements.

A well-designed communications plan can help members understand what they are receiving. Communications materials should answer questions from the member's perspective, such as:

- What are capital credits?
- Why is it important for electric cooperatives to allocate and retire capital credits?
- How do capital credits benefit the cooperative and membership?
- Who receives capital credits allocations?
- When and how are capital credits returned?

In addition to written materials, the Capital Credits Task Force recommends that cooperatives take the time and devote the effort to ensure that every co-op employee and every co-op director understands the co-op's capital credits policy and is able to explain it to co-op members.

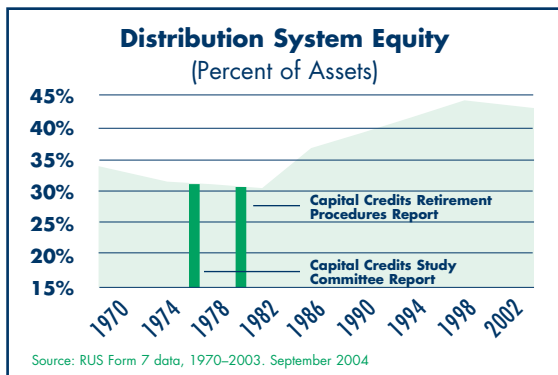
Thoughtful timing and the method of the distribution can maximize the benefit of that communication. The best approach for an individual co-op depends on what it wants to accomplish, demographics and the size of the distributions. For example, the co-op may issue retirements at a time when members will appreciate extra money or when the cooperative wants to draw attention to cooperative principles. The co-op can issue the retirement as a check or bill credit effectively, depending on its goals and communications plan.

Members, nonmembers and the public respond very favorably to the concept, principles and values that electric cooperatives offer consumers. An effective capital credits policy can help build member loyalty and educate consumers about the advantages of cooperative membership.

Origins of the Capital Credits Task Force

Electric cooperatives were born of necessity. They have succeeded for almost 70 years because they conduct business in accordance with core principles and values that put the consumer first. The foremost goal of every electric cooperative is to deliver power reliably at a reasonable cost. Co-ops have adopted a basic set of principles to guide their efforts to achieve that goal. Returning the funds members invest in the cooperative—capital credits—to the members is an important part of the cooperative philosophy.¹

In the early years of the rural electric program, cooperatives were seldom able to return capital credits, because systems needed to retain equity in order to meet member needs and build financial strength. By the early 1970s, however, the composite equity of electric distribution systems approached 35 percent. Yet in 1975 only 127 systems out of 1,050 borrowers reporting to the Rural Electrification Administration (REA)² made general capital credits retirements. Cooperative leaders recognized that it was time to address this issue. The National Rural Electric Cooperative Association (NRECA) and the National Rural Utilities Cooperative Finance Corporation (CFC) jointly commissioned the first Capital Credits Study Committee in 1974 to investigate the issues regarding capital credits and to make recommendations that cooperatives could incorporate into their own objectives, policies and programs. The committee report,³ issued in February 1976, was the first document to address the legal, accounting and philosophical aspects of equity management, capital credits allocations and capital credits retirements in a comprehensive manner.



Since the original capital credits studies in 1976 and 1980, co-ops have substantially increased equity levels.

The first Capital Credits Study Committee succeeded in focusing attention on capital credits issues, but many co-ops needed more information about the procedural aspects of retirement. In 1980, the Capital Credits Retirement Procedures Task Force was appointed to evaluate alternatives and develop guidelines for co-ops considering a retirement program. The task force report,⁴ issued in August 1980, provided a thorough examination of retirement issues and made 12 specific recommendations related to administering capital credits policies.

The original Capital Credits Study Committee based its deliberations on the need for member understanding and support and the financial requirements of the cooperatives.

The committee recommended that co-ops retire capital credits to emphasize the benefits of member ownership. It also emphasized the importance of maintaining financial strength

in order to ensure access to capital, recommending a minimum equity level of 30 percent.

In the time since that report was completed, most cooperatives have complied with those recommendations. Analysis of the 2003 Form 7 data reported to RUS and CFC shows that the composite equity of distribution cooperatives exceeded 40 percent, and 84 percent of eligible systems were retiring capital credits.⁵ Electric distribution cooperatives are now retiring more than \$300 million in capital credits each year. (Additional information about trends in co-op equity and capital credits retirement levels is available online at Cooperative.com.)

Now that capital credits allocations have grown to significant dollar amounts, there are a number of reasons for taking another look at capital credits issues. For example, there have been questions about the practices of some co-ops that have accumulated significant equity but do not retire capital credits. Some co-ops face contractual, legal and regulatory challenges in retiring capital credits. Others have chosen to accumulate equity as a matter of policy.

¹The Tennessee Valley Authority (TVA) interprets its power contracts with electric cooperatives as prohibiting the retirement of capital credits. Because of this prohibition, the information and recommendations contained in this report may not apply, or may apply differently, to electric cooperatives served by TVA. Further, because of the TVA power contract, case law in the U.S. Court of Appeals for the Sixth Circuit regarding the tax-exempt status of electric cooperatives, and the application of Internal Revenue Code (IRC) Section 501(c)(12) to mutual, as well as cooperative, organizations, the Internal Revenue Service (IRS) has accepted certain capital credits practices by TVA electric cooperatives. It is unclear whether the IRS would accept similar practices in other areas of the country.

²REA was the predecessor to the Rural Utilities Service (RUS).

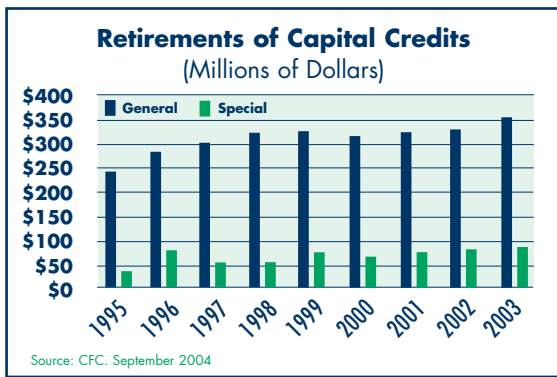
³*Final Report and Recommendations*, Capital Credits Study Committee, February 1976.

⁴*Capital Credits Retirement Procedures*, *The Report of the Capital Credits Retirement Procedures Task Force*, August 1980.

⁵The number of eligible systems does not include cooperatives served by TVA, Public Power Districts and mutual companies. As noted above, TVA has interpreted its power contracts with electric cooperatives as prohibiting the retirement of capital credits.

More and more cooperative boards are looking at their patronage capital policies and asking some very good questions, such as:

- Do current and historic policies maximize benefits to the cooperative and for its members?
- Do the co-op's practices balance the need to return capital to the members with the need to maintain the financial strength of the cooperative?



Co-ops are retiring capital credits in significant dollar amounts.

appropriate for those co-ops may be different than those appropriate for co-ops serving stable areas with less customer turnover.

Other developments since the last studies include an increase in the use of discounting, new interest in developing permanent equity and increased awareness of alternatives to the traditional first-in, first-out (FIFO) retirement method. There also are new legal, accounting and operating issues that require attention, and many co-ops now offer diversified services.

In December 2003, the NRECA and CFC boards of directors adopted a recommendation by the NRECA issues committee to appoint a Capital Credits Task Force to conduct a new study of capital credits issues. The task force was put in place to address:

- The balance between retaining capital credits to build co-op financial strength and returning those benefits of ownership to co-op members,
- The advantages, disadvantages and legal issues associated with the various allocation and retirement methods,
- Short- and long-term trends in equity development and capital credits retirements,
- Tax and accounting considerations, and
- Legal issues arising from state and federal laws and regulations.

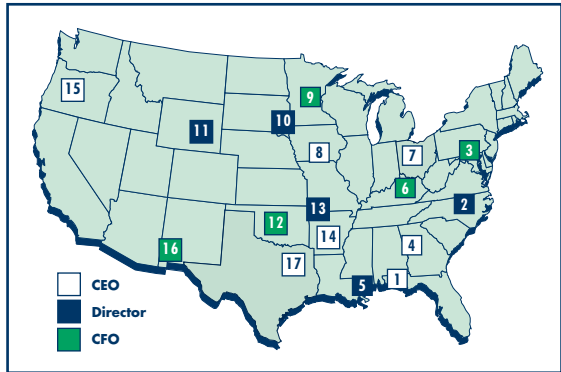
Survey Results

Seventy-eight percent of respondents to the task force survey say they retire capital credits annually, and 80 percent retired capital credits in 2003. The respondents also reported that on average, 72.8 percent of their current members received a retirement in 2003.

Source: *Survey Report*, Capital Credits Task Force, March 9, 2004

In addition, the demographics of some cooperative service territories have changed substantially since the 1970s studies. Some serve areas with rapid growth and a high rate of member turnover.⁶ While basic capital credits tenets still apply, the practices and procedures

The 17-member task force includes seven CEOs, five CFOs and five directors from co-ops representing the diversity of the cooperative network in terms of size and geographic location. It includes representatives from generation and transmission (G&T) cooperatives and distribution cooperatives. A list of the task force members is included on page 6.



The Capital Credits Task Force represents co-ops across the nation.

- | | | |
|---------------------------|--------------------|----------------------|
| 1. Gene Smith
Chairman | 6. Dave Eames | 12. Charles Barton |
| 2. James Andrews | 7. Roger Yoder | 13. R. Layne Morrill |
| 3. Joe Cole | 8. John R. Smith | 14. Gary Voigt |
| 4. Michael Whiteside | 9. Mike Bash | 15. Bill Kopacz |
| 5. Charles Lopez | 10. Eunice Bartels | 16. Denise Barrera |
| | 11. Jack Preston | 17. Debbie Robinson |

The task force has enlisted the assistance of legal, tax, finance and accounting experts to advise it on relevant issues. It has sought and received input from the cooperative network through several channels, including separate surveys of distribution cooperatives and G&T cooperatives to determine their practices and concerns. The distribution survey was sent to 885 cooperatives; 509, or 58 percent, replied. Of those responding, 78 percent retire capital credits annually, and 43 percent use the FIFO method.⁷ Many co-ops report using a hybrid of two methods. Survey respondents said that the strengths associated with current policies for retiring capital credits include creating loyalty and good member relations, demonstrating the benefit of being a member/owner and consistency. Weaknesses cited include little benefit to new and current members, too much lag time, and the difficulty and expense of administering the program.

A survey of G&T systems was sent to 80 cooperatives; 30, or 38 percent, replied. Of those responding, 97 percent said they allocate capital credits with about 50 percent retiring on an

annual basis. While results indicated that it is not a common practice for a G&T cooperative to collaborate with its distribution members on a capital credits plan, it is clear that directors and CEOs of distribution systems, serving as G&T directors, do influence the amount and timing of patronage retirements, providing some coordination of patronage allocation and retirement practices.

(Complete survey results are available online at Cooperative.com.)

The task force has produced this document with the hope that it will enable co-ops to consider a variety of successful practices and adopt an approach best suited for the unique requirements of their membership.

⁷ See page 39.

Chapter 1: Capital Credits Basics

Questions for board consideration

- What are capital credits?
- How do capital credits help co-ops operate in accordance with cooperative principles?
- What are the business advantages of allocating and retiring capital credits?
- Should cooperatives convert some capital credits to permanent equity?
- What are the responsibilities of the board of directors and management regarding capital credits policies?

All business organizations need capital to operate, which is usually supplied by a combination of equity and debt. A stock company, such as an investor-owned utility, can raise equity by selling shares of stock, or ownership, in the company to the general public. Stockholders invest in the stock willingly with the expectation of earning a return on the investment through dividends and capital appreciation.

An electric cooperative generally cannot issue stock and pay dividends to the general public.⁸ However, it still needs to maintain an adequate level of equity to ensure financial health and stability.

WHAT ARE CAPITAL CREDITS?

The most significant source of equity for most cooperatives is the retention of margins from the sale of products and services.⁹ These margins are allocated to patrons as capital credits based on their purchases from the cooperative, or patronage.

A cooperative's capital credits practices are grounded in cooperative principles. They are also governed by:

- Federal laws and regulations,
- State laws and regulations,
- Articles of incorporation,
- Mortgage covenants and other contractual obligations,
- Bylaws, and
- Board policies.

Other factors affecting capital credits practices include financial considerations, such as the need to balance debt and equity to maintain creditworthiness, rate competitiveness, accounting practices, and the opportunity to use capital credits to build greater awareness of the values and heritage that make co-ops unique among electricity providers.

Keywords

member Any individual or entity that is entitled to participate in cooperative elections and vote and to share in patronage capital allocations.

patron Any individual or entity doing business with the cooperative that is entitled to share in patronage capital allocations. All members are patrons. All patrons, however, are not necessarily members. Only members are entitled to participate in cooperative elections. A cooperative also may have customers that are neither patrons entitled to share in patronage capital allocations nor members entitled to vote.

capital credits Margins credited to patrons of a cooperative based on their relative purchases from the cooperative. Capital credits are used by the cooperative as its primary equity base, then paid back to the membership as financial conditions permit. Capital credits reflect each member's ownership in the cooperative. Also called patronage capital or equity capital.

allocate capital credits To assign capital credits to members/patrons.

retire capital credits To pay capital credits to members/patrons either through cash, credit or property. Also called revolving, rotating or redeeming capital credits.

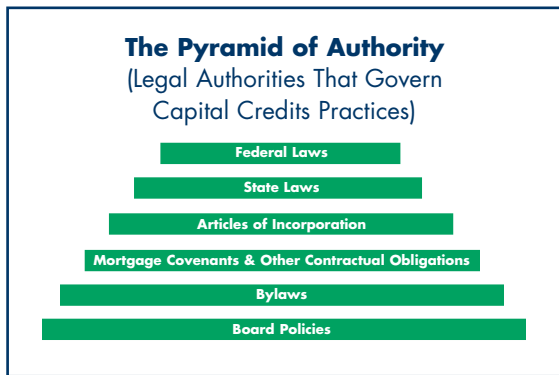
rotation period The period of time that capital credits are held by the cooperative before being returned to members. For example, a co-op retiring capital credits using the first-in, first-out (FIFO) method and a 20-year rotation period would return capital credits allocated in 1984 in 2004.

⁸ A few co-ops have suggested converting capital credits to preferred stock with a dividend of up to 8 percent in order to establish a permanent pool of equity (see page 19).

⁹ Other potential sources of co-op equity include items such as member fees and unallocated accumulated non-operating margins.

HOW DO CAPITAL CREDITS HELP CO-OPS OPERATE IN ACCORDANCE WITH COOPERATIVE PRINCIPLES?

The International Cooperative Alliance (ICA), an association that serves all kinds of cooperatives worldwide, has identified basic values shared by all co-ops: “Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.”¹⁰ The ICA has adopted seven principles to guide co-ops in putting these values into practice. Adherence to these principles is one of the characteristics that distinguish cooperatives from other electricity suppliers.



Membership in an electric cooperative is open to anyone who is able to purchase electric service through the cooperative and is willing to accept the responsibilities of membership. Each member also is an owner of the cooperative. As owners, the members want to see that the cooperative maintains good financial health. Maintaining adequate equity is part of the board of directors’ responsibility.

Member-owners control the cooperative by approving matters affecting the governance of the co-op and by electing members to serve on the board of directors. The board is accountable to the membership for the cooperative’s operations and results. This keeps operations focused on meeting member needs, and it also obligates the members to elect directors

who make sure the cooperative maintains fiscally sound operations.

Members have an economic stake in the cooperative. By acting together through the cooperative, members can obtain services that might otherwise not be available and achieve the advantages of economies of scale and bargaining power. They have an obligation to pay rates sufficient to meet the co-op’s operating expenses and financing needs, to provide for growth and to provide margins to meet equity goals. Members are also entitled to a return of their equity investment, at some point, in proportion to their use of services from the cooperative.

Electric cooperatives implement cooperative principles by, among other things, allocating capital credits to members each year and by retiring capital credits when authorized by the board of directors as the co-op’s financial situation allows. In devising a capital credits policy, it is important to remember that capital credits are an investment in the cooperative that should ideally be returned to the member on a reasonable, systematic basis.

Seven Principles Distinguish Co-ops from Other Electric Suppliers

- 1. Voluntary and Open Membership** Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- 2. Democratic Member Control** Cooperatives are democratic organizations controlled by their members who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

¹⁰ *Statement on the Cooperative Identity*, adopted at the 1995 Congress and General Assembly of the International Cooperative Alliance.

- 3. Member Economic Participation** Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. The members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.
- 4. Autonomy and Independence** Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
- 5. Education, Training and Information** Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of cooperation.
- 6. Cooperation Among Cooperatives** Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, regional, national and international structures.
- 7. Concern for Community** While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

WHAT ARE THE BUSINESS ADVANTAGES OF ALLOCATING AND RETIRING CAPITAL CREDITS?

Research shows that most consumers judge a cooperative on the basis of its quality of service and reasonableness of rates. A sound capital credits policy can help a cooperative improve member perception of its performance in these areas and distinguish it from other service providers. Research shows that returning capital credits to consumers contributes significantly to their perception of receiving good value as well as increasing their sense of membership. It can help a co-op connect with members in a way that contributes to satisfaction and customer loyalty.

Reduced cost of doing business Capital credit allocations help a cooperative qualify for cooperative status under federal income tax law, thus eliminating or reducing income tax liabilities and the associated costs.

Reduced net cost of electricity for members Capital credit retirements offset a portion of the costs consumers pay through electric rates.

Member education and public relations benefits A co-op member who receives a capital credits retirement receives a tangible reminder of the values and heritage that make cooperatives unique among electric providers.

Reduced vulnerability to takeover and sellout attempts Members who realize tangible benefits from cooperative ownership are more likely to resist takeover attempts, while failure to retire capital credits may provide an incentive for sellout.

Learn from Experience

Boone EC Educates the Educated

In the bustling university town of Columbia, Missouri, Boone Electric Cooperative knows it needs to think out of the box when it comes to educating its members about the cooperative way of doing business.

Home to three major universities and colleges, including University of Missouri's main campus, this 27,000-meter co-op disconnects and reconnects about 8,000 meters every year. "We have an extremely high volume of transient members," says Boone EC General Manager and CEO Roger Clark. "In the short time that many of them are here, it is a daily challenge to find creative ways of helping them see the benefits of cooperative membership."

One way Boone tackles this challenge is by using a LIFO/FIFO hybrid to retire its capital credits. "Last year we had such a good year—primarily weather driven—that we were able to retire \$3 million," Clark says. "We returned \$2 million in current-year margins and \$1 million in old margins. Since margins were so high this year, we decided to retire a higher percentage than usual—which is typically a 50/50 split."

Boone mails notices to its members at the end of March letting them know their portion of the capital credits allocation. In mid-December, just before the holidays, they send capital credits checks to qualifying members. "We know it costs more to send checks, but we believe the money is well spent. These checks are the best way for us to tell the cooperative story," Clark says. "Many times we'll get calls from members asking why they received a check—there is no better opportunity for us to explain what makes us different and what it means to them to be a member." He said one member even sent a special thank-you note to the co-op for her capital credits check. "This member told us that she wouldn't have been able to buy Christmas presents for her children without it."

When it comes to reviewing its capital credits policy, Boone says it's an ongoing process. "Our board and staff use the three-legged-stool approach—we look at where we want rates to be, where we want our equity and financial ratios to be, and how we can best meet our capital credits retirement goal for the year," Clark says. "We do this planning with the help of our 10-year financial forecast. It helps us to keep a healthy balance and ease into where we want to be down the road."

Boone is making big strides in a big college town. "Last year, for the first time, we ran an ad about our capital credits payout in the *Columbia Daily Tribune*. This got the attention of members and non-members alike," Clark says. "Customers of the local municipal utility wanted to know why they weren't getting checks from their utility!"

It's all about education at this university town co-op.

SHOULD COOPERATIVES CONVERT SOME CAPITAL CREDITS TO PERMANENT EQUITY?

One emerging issue is whether there is a need for cooperatives to create a pool of permanent equity not allocated to the members as capital credits. In some cases, permanent equity results from a business decision made for other reasons. For example, when a cooperative retires capital credits to an estate at a discount, the cooperative assumes ownership of the difference between the total allocation and the amount retired.¹¹ The decision to make that retirement was likely based on the mutual benefits to the cooperative and the member's estate. In another example, a cooperative may choose to not allocate an extraordinary gain for which it receives no cash. The decision is likely based on cash requirements rather than a desire to create additional equity.

Some cooperatives, however, have considered accruing permanent equity as a matter of policy. Whether to do so is a fundamental strategic decision. It represents a basic change in interpretation of cooperative principles. It also may require changes in allocation and retirement decisions.

¹¹ In some cases, the IRS has allowed cooperatives to reallocate the difference to remaining members of the cooperative. In other cases, the IRS has denied this approach.

There are at least three potential sources for funding permanent equity:

- Non-patronage-sourced margins,¹²
- The amounts remaining after discounted special retirements,¹³ and
- The amounts remaining after discounted general retirements.¹⁴

If a co-op chooses to develop permanent equity, its capital credits policies will determine the level that can be reasonably attained and how quickly it will be reached.

Those who favor developing permanent equity say that it:

- Provides permanent reserves,
- Allows the co-op to rotate operating margins more quickly, and
- Improves a co-op's credit profile when implemented in conjunction with a sound equity management plan.

In addition, permanent equity may provide capital for investing in diversified goods or services to meet member and community needs—when a cooperative may lawfully do so. Further, if an electric cooperative loses its federal income tax exemption, then retaining non-patronage-sourced, non-operating margins prevents the cooperative from being in the unenviable position of paying tax on these margins and having allocated them.

Those who oppose creating permanent equity say that it is not necessary because the same goals can be achieved through other means. In addition, adopting the practices that create permanent equity may appear to consumers to be unfair and contrary to cooperative principles.

Co-ops can manage their balance sheets without permanent equity because capital credits retirements are discretionary. The board determines when, how and how much to retire. If a co-op has a low level of equity overall, some say accumulating permanent equity can be an option for reaching an adequate equity level in a reasonable time frame. With an appropriate equity management planning process, however, the board can achieve the same thing by adjusting its capital credits retirement schedule. If a co-op already has a high level of equity, it probably would not benefit from developing permanent equity. If funds are needed for a special purpose, the co-op can establish a reserve for that purpose.¹⁵

In considering the issues associated with permanent equity, it is important to remember that a cooperative's equity does not belong to the cooperative. It belongs to its members. To the degree that an equity contribution becomes permanent, it now belongs to all members instead of an individual member. By creating permanent equity, the co-op may be creating an incentive for sellout as the members may perceive that their best option for getting their money back is to sell the cooperative.

Recommendation

Permanent Equity

The development of permanent equity should not be a goal of a cooperative's capital credits policy. Any advantages of permanent equity, such as building a cooperative's equity level or developing reserves, can be achieved in more direct ways that do not involve the same tax, takeover or other risks inherent in a policy of permanent equity.

¹² See page 24

¹³ See page 47

¹⁴ See page 47

¹⁵ See page 35

Some electric co-ops have proposed converting capital credits to preferred stock bearing a dividend of up to 8 percent as a means of creating permanent equity. IRS Publication 557¹⁶ states that cooperatives that are tax-exempt under Section 501(c)(12) may not issue stock that pays a dividend. The IRS has, however, acknowledged in an information letter that electric co-ops may have preferred stock but has refused to issue advanced rulings approving any particular terms and conditions for such an issuance. Whether the amount of stock issued would violate the subordination of capital principle would have to be determined on audit. In addition, many state electric cooperative acts require co-ops to operate on a non-profit basis, which in most cases precludes paying dividends on shares of stock issued to members. From a financial perspective, preferred stock is an expensive source of capital, particularly compared to debt and internally generated funds.

Depending on the source of the permanent equity, the co-op also may incur significant costs in terms of time and money in obtaining the legal and IRS rulings necessary to establish permanent equity. Creating permanent equity through discounting also may create taxable income. A cooperative considering this approach should consult its tax experts regarding approaches that will avoid creating taxable income.

In considering a policy to create permanent equity, the board must compare the potential costs and benefits with similar results that can be obtained through other means. There may be occasions when a cooperative has a unique need or opportunity that results in permanent equity, for example, as a result of retaining unclaimed capital credits; not allocating non-patronage-sourced, non-operating income; or discounting capital credits retirements. This approach may have value, but, depending on the source of permanent equity, the process may be complicated by state enabling statutes and potential federal tax liabilities. Any system contemplating the retention of permanent capital should seek expert advice in developing and implementing such a plan.

Directors Should Carefully Consider the Issues Before Adopting a Policy to Develop Permanent Equity

Arguments in Favor of Permanent Equity

- Provides permanent reserves
- May allow co-op to rotate remaining patronage capital more quickly
- May improve credit profile
- May reduce requirements for keeping records
- May be best alternative for treating extraordinary gains
- May provide capital for diversified goods and services
- Avoids allocation and taxation of non-patronage-sourced, non-operating margins

Arguments Against Permanent Equity

- Requires fundamental change in interpretation of cooperative philosophy and may require a change in bylaws
- May appear to members to be inconsistent with cooperative principles
- Could result in non-member taxable income
- Costs more than other sources of capital
- May create incentive for sellout
- May achieve same results more easily and less expensively through other means

WHAT ARE THE RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND MANAGEMENT REGARDING CAPITAL CREDIT POLICIES?

A co-op's board of directors and management have a responsibility to establish and periodically review the co-op's capital credits policy. The board's role is strategic in scope. It establishes a vision and basic principles for the cooperative. As the elected representatives of the members of the cooperative, directors must also understand the capital credits policy and be able to explain to members why it was adopted and how it works. Management and staff are responsible for developing and implementing procedures that will achieve the board's vision.

¹⁶ IRS Publication 557, *Tax-Exempt Status for Your Organization* (Rev. May 2003)

The process for establishing a capital credits policy is complex, and the board must make decisions about many issues, including:

- What funds will be allocated to members,
- How funds will be allocated,
- How members will be notified of their allocations,
- What amount of capital credits to retire each year,
- Which retirement method to use,
- Whether to make special retirements,
- Whether to discount any retirements and if so, the discount rate to use, and
- What approach to retiring capital credits will maximize the value for the co-op and its members.

In making these decisions, the board should be guided by the answers to two fundamental questions:

- What are the co-op's strategic goals for its capital credits policy?
- What techniques for allocating capital credits, retiring capital credits, refunding capital credits to members and communicating with members about capital credits will be most effective in helping the co-op achieve these goals?

The board must achieve all this while complying with applicable laws, regulations and the co-op's own bylaws. In some cases, a legal authority dictates the approach that must be taken. In other cases, the board has discretion to choose among alternatives, and the co-op's goals will determine the approach. These decisions are interrelated in that a decision on one issue may have consequences for another. Allocation, retirement, compliance and communication issues are discussed in greater detail in other sections of this report.

It is also important that the policy be supported by sound financial management. Each co-op should have an equity management plan that allows it to balance equity and debt effectively to meet a variety of financial needs and criteria, including:

- Maintaining financial strength,
- Meeting mortgage requirements,
- Funding new construction,
- Retiring capital credits, and
- Ensuring fairness across generations.

The information provided in this report can help co-ops understand the legal, accounting and financial issues affecting capital credits policies so that these goals are met. It is also important that a cooperative seek the advice of its own legal, accounting and tax consultants when reviewing and formulating policies. In the end, however, it is up to the board to evaluate information from all sources and make an independent decision on capital credits policies.

Recommendation

A Board-Approved Policy

Every electric cooperative should have a policy for annually allocating capital credits and, subject to the board of directors' discretion and the cooperative's financial condition, annually retiring capital credits.

Chapter 2: Allocating Capital Credits

Questions for board consideration

- What funds will the co-op allocate to members as capital credits?
- Should the co-op allocate non-operating margins?
- Should the co-op allocate losses?
- How should the co-op treat capital credits from affiliated organizations?
- On what basis should co-ops allocate capital credits?
- Can the co-op require a contractual forfeiture of rights to capital credits from some members?
- How should a co-op that offers multiple services allocate capital credits?
- Is the co-op keeping adequate records of each member's rights to capital credits?
- Is the co-op providing adequate notification to members of their capital credits allocations?
- When does a member's right to capital credits vest?

To qualify for federal tax-exempt status under Internal Revenue Code (IRC) Section 501(c)(12),¹⁷ a co-op generally must allocate capital credits to patrons each year and maintain records sufficient to reflect the equity of each member in the assets of the cooperative. State statutes and regulations and the cooperative's bylaws may impose additional allocation requirements and restrictions.

Section 501(c)(12) requires cooperatives to operate at cost with respect to its exempt purposes. For most electric distribution cooperatives, the exempt purpose will be providing electricity to patrons, unless the co-op engages in one or more "like activities" on a cooperative basis. That means that any excess of operating revenues collected over operating expenses from the provision of electricity must be allocated to patrons as capital credits, based on their participation, and ultimately returned to patrons.¹⁸ Additionally, the allocation of patronage capital must be subject to a pre-existing obligation and must be fair and equitable on the basis of patronage. While cooperatives may retain capital credits for a period of time to meet equity needs, Section 501(c)(12) generally requires a cooperative to allocate and assign capital credits to patrons each year and to maintain records of such allocations. Capital credits should be accounted for in a way that reflects the rights and interests of members in the net savings of the cooperative. These rights and interests must be protected and not forfeited.

It is important to note that the allocation reflects members' ownership, which will be redeemed at a future date determined by the board.¹⁹

Keywords

operating margins Revenues derived from the co-op's marketing, purchasing or providing electric and other qualifying tax-exempt services, as well as other revenues derived from utilization of the co-op's electric and other plant assets, less the expenses incurred to supply those services.

non-operating margins Income (revenues less related expenses) derived from non-electric products, services and/or investments.

patronage-sourced margins Revenues resulting from transactions that directly facilitate accomplishing the co-op's marketing, purchasing or service activities, less the expenses incurred to generate those revenues.

non-patronage-sourced margins Revenues resulting from activities that are not substantially related to the accomplishment of the co-op's marketing, purchasing or service activities less the expenses incurred to generate those revenues.

(Note: Accountants use the term margins and income interchangeably. Cooperatives tend to prefer the use of margin, as the word income can suggest profit.)

Survey Results

The task force survey found that some co-ops choose not to allocate some margins.

Item	Percent Not Allocating
Subsidiary or diversification accrued non-operating margins	30%
Non-cash non-operating margins	22%
Unbilled revenue or other similar accrued operating margins	21%
Inactive accounts with relatively small patronage	10%

Source: *Survey Report*, Capital Credits Task Force. March 9, 2004

¹⁷ When this report refers to requirements under 501(c)(12), it is referring to case law interpreting requirements for co-ops organized under 501(c)(12).

¹⁸ TVA interprets its power contracts with electric cooperatives as prohibiting the retirement of capital credits. Because of the TVA power contract, case law in the U.S. Court of Appeals for the Sixth Circuit regarding the tax-exempt status of electric cooperatives and the application of IRC 501(c)(12) to mutual, as well as cooperative, organizations, the IRS has accepted certain capital credits practices by electric cooperatives served by TVA. It is unclear whether the IRS would accept similar practices in other areas of the country.

¹⁹ For more information about the nature of capital credits, see page 16. For more information about the retirement of capital credits, see page 34.

Uniform System of Accounts Versus Tax Regulation

The RUS Uniform System of Accounts and the FERC Uniform System of Accounts assign specific accounts for operating and non-operating margins. Cooperatives that are not RUS borrowers and are not subject to FERC jurisdiction prepare financial statements in accordance with generally accepted accounting principles, or GAAP; the income accounts are similar to those of the RUS and FERC systems. Unfortunately, tax regulations are based on patronage-sourced margins and non-patronage-sourced margins. The definitions of patronage- and non-patronage-sourced margins have been determined by federal courts. Operating margins are generally considered patronage-sourced; however, non-operating margins may be either patronage-sourced or non-patronage-sourced income. Some examples as determined by court decisions include:

Patronage-sourced Income

- Operating margins, except for operating margins related to the sale of electric energy to non-member, non-patrons
- Patronage refunds from other cooperatives
- Interest income from short-term investment of seasonal surplus cash and income from temporary excess warehouse space
- Interest income from loans to cooperative's chief suppliers to ensure supplies for operations
- Interest income from short-term capital loans to a regional supply cooperative if such loans are made from patronage proceeds temporarily in cooperative's hands

Non-patronage-sourced Income

- Non-operating margins from subsidiaries
- Income from investments in securities
- Interest income from money management of excess operating funds
- Interest income from short-term placement of funds not immediately required for use
- Income from business done with or for a non-member or non-patron by a non-exempt cooperative

WHAT FUNDS WILL THE CO-OP ALLOCATE TO MEMBERS AS CAPITAL CREDITS?

IRS audit guidelines regarding cooperative principles require a cooperative to allocate operating margins. Tax laws, however, allow taxable cooperatives a deduction for all patronage-sourced income. Allocating all patronage-sourced income helps to minimize tax liabilities for taxable cooperatives. It is a prudent practice for tax-exempt cooperatives to allocate patronage-sourced income as well, in case the co-op is found to be taxable for a given year at a later date. For most co-ops the major source of patronage-sourced income will be operating margins.

Depending on state laws, the co-op's bylaws and other regulations, the board of directors may have the discretion to choose whether to allocate non-patronage-sourced income, such as non-operating income. Members do not receive a vested interest in any allocations until the capital credits are retired or the co-op is liquidated.²⁰

²⁰ See page 33.

Learn from Experience **When Not Allocating Makes Sense**

Many co-ops follow the practice of allocating all margins as capital credits. Some state laws, however, permit co-ops to retain non-operating margins. While many co-ops choose to allocate non-operating margins as a matter of philosophy, there may be circumstances when not allocating non-operating margins makes sense.

For example, in 2001, an exchange of subsidiary assets for an equity interest in a new business created an extraordinary accrued (non-cash) non-operating margin for Adams Electric Cooperative, Gettysburg, Pennsylvania. The co-op did not allocate the paper gain because it was uncertain as to whether it would ever receive any cash receipts. Instead, it retained it as a reserve to offset potential future non-operating margin losses, should they occur, which could otherwise diminish electric operating margin allocations in the year in which they occurred. The co-op does allocate cash received from the investment as capital credits.

SHOULD THE CO-OP ALLOCATE NON-OPERATING MARGINS?

Some co-ops have the option of not allocating non-operating margins. However, many cooperatives do so as a matter of philosophy and practicality.

One argument in favor of allocating non-operating margins is that members assume the risk of activities that produce non-operating margins. The risk may be significant in some cases, for example a non-electric business subsidiary. If there are losses, the members may have to pay higher rates to cover them. Members share in any disadvantages from these activities. Some boards, therefore, believe that members should also share in any margins or gains.

Another viewpoint is that cooperatives should not allocate non-operating margins in order to create permanent equity.²¹

There also may be occasions when it just makes sense to avoid allocating a non-operating margin, such as in the case of an extraordinary gain that does not result in cash to the cooperative. Additionally, the allocation and subsequent retirement of non-operating, non-patronage margins by a taxable cooperative may result in a taxable dividend to the patrons and may result in additional reporting by the non-exempt cooperative to the patrons.

SHOULD THE COOPERATIVE ALLOCATE LOSSES?

Unfortunately, sometimes a board must deal with losses. Most boards are extremely reluctant to allocate losses. In addition, RUS regulations²² prohibit distribution borrowers from allocating losses and require instead that systems accumulate and offset losses against future non-operating margins. RUS permits G&T systems to allocate losses, though the typical G&T practice is to offset losses against future gains.

Co-ops that are not RUS borrowers should have the flexibility to assign losses if that is the best option. For example, a co-op could earn positive margins on its core electric business and suffer ongoing losses in a subsidiary. If significant, the scale of the losses could prohibit the cooperative from ever retiring the capital credits allocated from electric operations. This could raise tax concerns about whether the co-op is really operating at cost in its electric business.

If a cooperative assigns a loss as a “negative allocation” for the specific year in question, then the retirement method chosen should consider this negative allocation when retiring capital credits so that, over time, the net amount of capital credits allocated to the patron is retired. The cooperative also must address how to handle any losses assigned to a patron that becomes inactive after the year of the loss and has a negative capital credits balance as a result of assignment of the loss. The ability to assign operating losses to members may require a bylaw amendment, as some bylaws require operating and non-operating losses to be offset against non-operating income.

²¹ See page 19.

²² 7 CFR 1767.41 Code of Federal Regulations, Accounting Methods and Procedures Required of All RUS borrowers.

Survey Results

Sixty-seven percent of respondents to the task force survey say they allocate G&T capital credits separately from operating margins, and 30 percent say they retire capital credits derived from a G&T allocation on a different basis than other allocated margins.

Source: *Survey Report*, Capital Credits Task Force.
March 9, 2004

Other options for dealing with losses include:

- Canceling prior-year capital credits of members generating the loss,
- Carrying the loss forward to offset future allocations, and
- Offsetting an unallocated reserve or similar amount, such as capital not assignable to the patrons prior to the dissolution of the cooperative.

The implementation of these options also may require a bylaw amendment. Options may be used in various combinations if the amended bylaws provide this flexibility. For example, to the extent that the loss exceeds the outstanding capital credits allocated in a prior year for a loss-year patron, the board may approve carrying this excess loss forward to offset future allocations or offset such excess against unallocated reserves or similar amounts.

The goal is to handle losses in a way that ensures that the capital credits allocated and retired represent overall margins generated by patrons purchasing electricity in proportion to the business done.

HOW SHOULD THE CO-OP TREAT CAPITAL CREDITS FROM AFFILIATED ORGANIZATIONS?

Many cooperatives receive capital credits allocations through membership in an affiliated organization, such as a G&T cooperative, a materials supply cooperative or CFC. These capital credits generally constitute patronage-sourced income even though they do not represent operating margins. It is prudent for co-ops to allocate capital credits received from affiliated organizations to their own members for tax purposes.

A cooperative has the option of developing a separate policy for allocating and retiring capital credits from affiliated organizations. It may choose a different allocation method and a different rotation period for these capital credits amounts. Some cooperatives believe a separate allocation is particularly desirable when the amount is likely to be sizeable, such as an allocation from a G&T. A separate allocation also may be desirable if the affiliated organization has a different rotation cycle from the receiving organization or if it is unlikely that the co-op will ever receive a cash retirement.

Other cooperatives prefer not to make separate allocations of capital credits received from affiliated organizations, arguing that capital credits allocations are not different from other sources of margins and that distribution systems should allocate and retire capital credits to their members without regard to the source of the margins.

Learn from Experience

Defining Fairness at Union REC

For co-ops with extremely large commercial and industrial loads, it can be challenging to ensure that these unique members—along with all other types of members—are treated fairly and equitably. Union REC in Marysville, Ohio, is faced with this issue every day in a big way—not only when it comes to setting rates, but also when it comes to retiring capital credits.

In addition to serving about 7,300 residential and commercial members in Union County, Ohio, Union REC serves the Honda of America Mfg., Inc., automobile and motorcycle facility as well as the Honda Research and Development facility. Honda has been a member of Union REC since 1979. The Honda facility—which produces 1,800 cars and 400 motorcycles a day—has brought a wealth of jobs to the central Ohio area and has contributed significantly to the overall economic health of the region. The combined automobile and motorcycle facility accounts for 69 percent of Union REC’s total annual kwh sales.

“Honda is very important to the economic success of Union REC, Union County and the central Ohio area,” says Union REC President/CEO Roger Yoder. “It is important to our community that we provide top-notch electric services to this important member. In our dealings with them, we must be professional, competitive, and ethical.”

Union offers Honda a completely unbundled, cost-of-service based rate that includes a separate line item on their monthly invoice called “Contribution to Operating Cost,” which represents Honda’s contribution to margins. Union’s board of trustees and staff believe that this rate approach—which provides Honda with a competitive rate while keeping margins as low as possible—is an equitable and fair way for the co-op to treat Honda and its other members. “The rate structure basically fixes the amount of margins generated by Honda and provides us with an easy method to identify and allocate Honda’s margins,” Yoder says. “When the board of trustees approved retiring all of 1988 capital credits and a portion of 2001 capital credits last year, Honda’s amount was significant. The retirement is refunded on their invoice over a 12-month period. This method is mutually advantageous to Honda, the co-op and our members.”

Previously, the margin was a product of a markup on wholesale energy and demand. “As Honda’s load would increase, the margins would increase potentially to a disproportionate level compared to our other classes of members,” Yoder says. “Using the fixed margin rate, the margins are not based on energy or demand charges. Therefore, kwh sales or revenues are not used to allocate capital credits to Honda, which would create an unfair allocation of capital credits compared to the other classes of members.”

Union’s capital credits policy is based on the premise of fairness and consistency. “We feel the capital credits process is a basic fundamental principal of our cooperative business structure and that it is important in distinguishing us from other utilities,” Yoder says. “Our equity management and cost-of-service studies include generating sufficient revenues to fairly and equitably plan for the rotation of capital credits to all members.”

ON WHAT BASIS SHOULD CO-OPS ALLOCATE CAPITAL CREDITS?

Co-ops may allocate capital credits on a variety of bases, provided that the basis is fair and equitable to patrons, including:

- Value (dollar amount of purchases),
- Quantity (kilowatt hours or other measure), or
- Cost of service (contribution to margins).

The most frequently used approach is to allocate capital credits based on the value of purchases from the co-op.

Recommendation

Contractual Forfeiture

Electric cooperatives should not enter contracts that require members to forfeit the right to capital credits in return for other considerations, such as reduced rates.

A cooperative may use different allocation methods for different customer classes, but the same method must be used for all customers within a class. As a practical matter, it would be burdensome for most cooperatives to allocate on a cost-of-service basis to individuals in the residential class, but it might be the best option for large commercial customers.

The board should carefully consider various options before adopting an allocation basis. The IRS expects the allocation method to be fair and equitable and to be consistently applied from year to year. While it is possible to change allocation methods occasionally, the board should have a valid business purpose, other than tax avoidance, for doing so.

CAN THE CO-OP REQUIRE A CONTRACTUAL FORFEITURE OF RIGHTS TO CAPITAL CREDITS FROM SOME MEMBERS?

Some cooperatives have considered adopting policies that allow certain members, such as large commercial or industrial accounts, to contractually forfeit capital credits in exchange for rate reductions. Some have also considered bylaw changes that deny capital credits to certain member groups or classes of members.

The goal of such practices is usually related to economic development. Large customers bring value to the community through jobs, taxes and other contributions. Co-ops justify special rates and practices as an important part of the effort to keep rates low in order to keep employers in the community, something that benefits all members, and to avoid the disruption and imbalance that can occur with large patronage capital allocations and retirements.

Contracts that deny capital credits to any members or class of members are questionable from a tax perspective and should be avoided. Under IRC Section 501(c)(12), in order to qualify as a member of the cooperative, a customer must have:

- A right to participate in management, and
- A right to share in capital credits.

If a large customer relinquishes the right to capital credits, then it is no longer considered to be a member of the cooperative, and income from the customer could have serious implications for the co-op's ability to comply with the 85-percent member income requirement of Section 501(c)(12). The IRS also could assert that the company is not operating in a cooperative manner. Asking a member to forego capital credits also is contrary to the provisions of RUS Bulletin 102-1, which says, "No patron should be asked by contract or otherwise to waive his capital credits." Additionally, Revenue Ruling 72-36²³ provides that if, under the bylaws, a member's rights and interest have been forfeited, then the organization has not operated on a mutual or cooperative basis and is, therefore, not exempt.

²³ The complete text of Revenue Ruling 72-36, 1972-1 C.B. 151 is shown on page 58.

Learn from Experience

Glacier Explores Procedures for Multiple Services

Due to changing competitive conditions in the late 1990s, Glacier Electric Cooperative, Inc., Cut Bank, Montana, began exploring opportunities to provide additional services, such as natural gas, propane, home security, Internet communications and satellite television services. The co-op's plan was to establish a different class of membership for each new service. The members of each class would share in capital credits based on the margins earned by that class and purchases made by the member under that class of service.

In January 1999, Glacier received a private letter ruling from the IRS accepting Glacier's plan for forming three operating units—an electric division for electricity, a gas division for propane and natural gas, and a communications division for satellite television, home security and Internet communications services. The ruling also accepted Glacier's plan to establish separate classes of membership, based on the services purchased from the cooperative. In addition, the ruling found that the proposed natural gas, home security, Internet and satellite services would be considered "like activities" for the purposes of the 85 percent test. A subsequent ruling qualified propane as a "like activity."

The cooperative amended its bylaws to establish four different customer classes. For a time, Glacier did provide wire Internet service to one class of members. This activity never generated any margins to distribute to the "Class D" members of the cooperative. It was decided, however, not to pursue offering other services directly to members at this time. (Glacier has subsequently invested in a company that offers Internet services, but the customers of this for-profit company are not Glacier members.) "We have been very cautious about how we proceeded," General Manager Jasen Bronec said. "At this point we have not exercised the option to do some of the things we could do."

The letter does, however, provide insight into how the IRS might view other cooperatives considering similar actions. (A copy of the ruling is available online at Cooperative.com.)

One way to achieve the same goal and comply with legal requirements for capital credits is to establish a separate customer class for target customers. The co-op can then adopt a rate for that class that generates little or no margin and allocate capital credits based on customer-specific margins. To be defensible, the rate should be based on a cost-of-service study.

HOW SHOULD A CO-OP THAT OFFERS MULTIPLE SERVICES ALLOCATE CAPITAL CREDITS?

According to a Power Online survey of cooperative diversification activities in 2003, 93.5 percent of distribution cooperatives responding offer, or own businesses that offer, one or more services in addition to basic electric energy.²⁴ Some of these services are related to electric services and offered at no charge while others are not. In some cases, the services are offered on a for-profit basis. If a co-op provides services in addition to electricity, it is important to consider the ramifications for capital credits policies.

Recommendation

Member Notification

Cooperatives should notify members in writing of the dollar amount of annual capital credits allocations.

Cooperatives should be aware that the Section 501(c)(12) requirement to operate at cost demands that co-ops account separately for the costs and expenses associated with each service provided in order to avoid cross-subsidization of services. Cross-subsidization also may raise issues with respect to the state public service commission requirements, unrelated business income taxes (UBIT) and unfair competition. It is important that the board adopt a policy that is fair, equitable and consistently applied from year to year.

Accounting for capital credits for multiple services offered on a cooperative basis can impose a substantial administrative burden on the co-op. In at least one private letter ruling, issued to Glacier Electric Cooperative, Cut Bank, Montana, in 1999, the IRS allowed a co-op to combine similar services into one allocation pool, provided that:

- Patrons of one service are also patrons of the other services in the pool;
- The co-op's articles of incorporation, bylaws or written policies specify the composition of the pool and how capital credits are to be allocated;
- The co-op notifies the members of each pool of the risks and benefits of combining the services into one pool;
- A majority of the co-op's members agree to the pool; and
- Members periodically approve the pooling agreement.²⁵

For example, an electric co-op that offers telecom services might be able to combine local, long distance and Internet service in one pool for allocation purposes. It would probably not be able to combine electric and telecom services in one pool.

The co-op may adopt different retirement methods and cycles for different allocation pools. Additionally, losses from an allocation pool would be handled in accordance with the methods provided in the bylaws and board policies. The method would be applied to the allocation pool with the loss.

IS THE CO-OP KEEPING ADEQUATE RECORDS OF EACH MEMBER'S RIGHTS TO CAPITAL CREDITS?

A co-op must keep adequate records of each member's rights and interests in the cooperative's assets. In addition to capital credits balances, the records should include a history of patronage in order to allocate gains on appreciated assets and to distribute any assets (i.e. net savings of an organization) remaining after liabilities are paid if the cooperative is dissolved. A co-op cannot terminate a member's rights and interests if the member moves or otherwise terminates membership, so the co-op must maintain capital credits information and contact information if possible for former members. The co-op can shift some of the burden to

²⁵ Michael Seto and Cheryl Chasin, *General Survey of IRC 501(c)(12) Cooperatives and Examination of Current Issues*, which is available on Cooperative.com.

departing members by asking that they notify the co-op of future address changes. It can also be argued that there is a standard of reasonableness and that maintaining records for a lengthy period of time, such as 20 years, is adequate. Whether this argument is acceptable to the IRS and other authorities is uncertain.

Maintaining these records and keeping track of former customers can be costly and burdensome, particularly for co-ops operating in service territories with high rates of customer turnover.

The United States Postal Service provides a variety of services designed to assist users in tracking customer address changes, including the National Change of Address program.²⁶

Individual states may impose specific requirements for keeping records and for publishing public notices of capital credits in unclaimed or escheat situations.

IS THE CO-OP PROVIDING ADEQUATE NOTIFICATION TO MEMBERS OF THEIR CAPITAL CREDITS ALLOCATIONS?

Another decision the board must make is whether to give members an annual written notice of capital credits allocations, and if so, what type of notice to provide. There are no requirements under Section 501(c)(12) for an exempt co-op to notify patrons of capital credits allocations, although most choose to do so.

A taxable or nonexempt cooperative, one that fails the 85-percent test, is required to give each member a written notice of the specific dollar amount within 8 1/2 months from the end of the co-op's tax year in order to claim a patronage dividend exclusion against its patronage-sourced margins. Acceptable notification methods include:

- U.S. mail,
- Message on bill, and
- Message associated with electronic bill payment.

The method chosen should take into account the privacy issues associated with communicating financial information.

If a co-op has multiple allocations, for example, capital credits from its own operations and a separate allocation from an affiliated organization, it has the option of providing a combined allocation notice with separate line items for separate allocations or issuing a separate notice for each allocation. A more general notification method, such as including the allocation formula on bills, may be insufficient to allow a taxable co-op to claim a patronage dividend exclusion.

Survey Results

Seventy-seven percent of respondents to the task force survey say they notify patrons annually of the dollar amount of their capital credits allocations.

Source: *Survey Report*, Capital Credits Task Force.
March 9, 2004

Keyword

vest To confer ownership of property upon a person, to invest a person with full title to property or to give a person an immediate, fixed right of present or future enjoyment.

There are strong arguments in favor of exempt co-ops notifying members of their patronage capital allocations, particularly systems that are close to failing the 85-percent test. If an IRS audit later finds the co-op to be taxable for a particular year and the co-op has failed to provide the proper notification, then the co-op will not be able to exclude capital credits from margins in computing its tax liability. Regardless of the co-op's situation with regard to the 85-percent test, notification provides an excellent opportunity to communicate with members regarding cooperative values while providing a tangible demonstration of the value of cooperative membership. Not sharing information with members about the degree of their economic participation is missing an opportunity.

WHEN DOES A MEMBER'S RIGHT TO CAPITAL CREDITS VEST?

A key legal issue associated with capital credits is the determination of when a member's rights to the payment of capital credits vests—upon allocation or retirement. Whatever other provisions they contain, the bylaws of most electric cooperatives say that the co-op can only retire capital credits if the board of directors determines that the retirement will not impair or adversely affect the cooperative's financial position. Because of this required board determination, the majority of court cases addressing this issue have held that a cooperative member's right to the payment of capital credits vests upon retirement, not allocation. Thus the member has no vested right until the board takes formal action to retire capital credits.

This is an important distinction because it affects the rights and obligations of both the co-op and the member under federal tax law, federal bankruptcy law and RUS regulations, as well as state contract, property and corporate law.²⁷

²⁷ For more information about legal issues related to vesting, please see Section D, Vesting of Capital Credits in *Legal Issues Associated with Capital Credits*, available online at Cooperative.com.

Chapter 3: Retiring Capital Credits

Questions for board consideration

- Why should a cooperative retire capital credits?
- What amount of capital credits should the co-op retire?
- How do co-ops fund capital credits retirements?
- What method of retiring capital credits best meets the co-op's strategic goals?
- Should the board authorize special retirements?
- Should the co-op apply discounts to early retirements?
- How might a security interest in capital credits affect the co-op?
- How might the bankruptcy of a member affect the co-op?
- What other retirement issues should the board address?
- Can the co-op use unclaimed capital credits to add value for members?

While the legal requirements for allocating capital credits are quite specific, the requirements for retirements are more flexible. Questions such as when to retire, how much to retire and what method to use can be complex and difficult to answer. The answers are affected by the co-op's financial and competitive situation, the demographics of its membership and its goals for capital credits.

WHY SHOULD A COOPERATIVE RETIRE CAPITAL CREDITS?

There are both good business and legal reasons for retiring capital credits. The third cooperative principle establishes that members contribute capital equitably to the operation of the cooperative. The funds invested in the cooperative do not earn dividends or other financial remuneration. Retiring capital credits is a way of ensuring that each generation of members pays its own way by providing its own equity.

Retiring capital credits provides tangible evidence of members' ownership in the cooperative. It provides a unique opportunity to demonstrate the difference between cooperatives and other forms of business organization. It also helps solidify member loyalty by demonstrating the value of membership in the cooperative. Failure to retire capital credits can have a negative impact on public relations and even lead to litigation or a hostile takeover if unhappy members try to recover their investment in the cooperative.

There also are legal reasons to retire capital credits in order to preserve a cooperative's status under the tax laws, but it is necessary for the board, along with its advisers, to interpret the criteria. The IRS does not specifically define the conditions and circumstances that trigger the actual retirement, and the IRS and the courts give the board considerable discretion in determining when to retire capital credits.

Keyword

reserves Funds set aside to meet expected or unexpected future needs, such as plant expansion or storm recovery.

IRS Revenue Ruling 72-36 allows a co-op to establish and maintain “reasonable reserves” for any legitimate business purpose, such as plant expansion, repayment of debt, storm recovery or the purchase of new businesses.²⁸ The IRS requires all co-ops to keep records of the rights and interests of members in reserve accounts but does not require tax-exempt co-ops to notify members of their interest in reserves. If the reserve is no longer needed, the funds in the account may be reassigned to capital credits.

The ruling prohibits the unreasonable accumulation of capital beyond the reasonable needs of the organization’s business, but it says that whether there is an improper accumulation of funds depends on individual circumstances. There has been no test case on this issue, and there is very little legal guidance to define reasonable reserves. Thus, depending on the board’s tolerance for risk, some co-ops maintain relatively low reserve levels while others maintain high reserve levels, even when it means that they do not retire capital credits. In practice, a board may be able to delay patronage capital retirements based upon a decision that capital is needed to meet specific business purposes.

The IRS has rarely challenged the business judgment of boards that fail to authorize capital credits retirements. At some point, however, capital accumulation may exceed any legitimate business need. If challenged by the IRS, this has the potential for serious consequences, such as the loss of cooperative status under federal tax law and member relations problems, which could lead to lawsuits to claim member capital or even action by members to sell the system in order to recoup their investments in the cooperative.

Under state law, if an electric cooperative allocates capital credits, then it probably has a legal obligation to retire these capital credits at a later date. The cooperative’s board of directors, however, has considerable discretion in deciding when and how to retire capital credits, in accordance with any bylaw, policy or other requirements. If the board retires capital credits in an unreasonable, improper or arbitrary manner or if it fails to retire capital credits without a reasonable, proper and non-arbitrary reason, then the directors may be liable for abuse of discretion. There appears to be little statutory or case law specifying the parameters for abuse of discretion liability regarding capital credits retirements. Existing case law holds that, when addressing rates, capital credits and similar issues, directors of electric cooperatives are protected by the business judgment rule. In addition, courts have been hesitant to interfere with cooperative decisions regarding the retirement of capital credits.²⁹

Nevertheless, directors have an obligation to make responsible decisions. It is important that each board member understand the board’s retirement policies and decisions, including whether, how much and how to retire capital credits. As the members’ representative, each director must be able to explain the issues and decisions to members who have questions.

WHAT AMOUNT OF CAPITAL CREDITS SHOULD THE CO-OP RETIRE?

It is the board’s responsibility to determine whether the co-op is in a financial position to retire capital credits and, if so, the dollar amount to retire in a given year. That decision is influenced by a number of factors, including:

- The co-op’s financial performance,
- Its equity management plan,
- Rate competitiveness, and
- Regulatory bodies.

Other considerations include lender requirements³⁰ and the views of the financial markets,³¹ both of which influence the cooperative’s ability to obtain funds in the future. The board may choose to retire a percentage of the previous year’s margins, capital credits allocated for specific years or a specific dollar amount.

²⁸ The complete text of Revenue Ruling 72-36, 1972-1 C.B. 151 is shown on page 58.

²⁹ For more information, please see Section B-4, Obligation to Retire in *Legal Issues Associated with Capital Credits*, available online at [Cooperative.com](https://www.cooperative.com).

³⁰ See page 61.

³¹ See page 62 and *Comments of Fitch Ratings*, available online at [Cooperative.com](https://www.cooperative.com).

Financial Performance

The board should consider the impact of any proposed capital credits retirement on the cooperative's liquidity, equity level and rates along with its ability to comply with loan agreements and mortgage covenants. A sound equity management plan can help the board evaluate this issue.

Equity Management Plan

It is good business practice to generate adequate capital to fund operating costs, reserves and some pre-determined portion of plant growth and renewal, but a cooperative should not retain capital above a level that is reasonable and justifiable. A sound equity management plan can help a co-op meet this test by balancing the need to maintain adequate levels of equity, obtain debt at a reasonable cost and retire capital credits in a timely manner. The plan should reflect individual factors affecting financial requirements, including:

- The cost and availability of capital,
- Loan and mortgage requirements of lenders,
- Capital requirements for utility plant, and
- The co-op's competitive position.

The equity management plan should take into account the need to ensure fairness across the generations of members served by the co-op.

An equity management plan helps a co-op manage debt, equity, rates and capital credits, given the system's rate of growth, and existing and proposed capital structure. The plan should not be a static document. Good business planning requires that the plan be reviewed and updated annually to reflect changing circumstances, such as fluctuations in the cost of debt and equity capital, changes in the rate of growth, competition and other variables.

The first step in developing the plan should be to determine the cost of capital. The cost of debt depends on a number of factors, including the capital markets, the cooperative's own financial strength and changes in government lending programs. The cost of debt is generally less than the cost of equity. Since a cooperative is not allowed to pay a return on equity contributed by its members, some people say that the cost of equity to a cooperative is zero, but that is incorrect. The Goodwin formula³² offers a more realistic view. It calculates the rate of return on equity a co-op must earn to maintain equity at a given level while meeting growth needs and retiring capital credits. It shows that there is a cost to equity even for a co-op experiencing very low growth.

Recommendation

Management Equity Plan

Every electric cooperative should develop and implement an equity management plan that supports its capital credits policy based on the co-op's equity and debt requirements, financial performance and competitive situation. The equity management plan should include rates that will generate adequate cash to provide capital credits retirements.

Keyword

equity management The phrase the cooperative network has historically used to refer to capital structure planning and decision making.

Survey Result

Sixty percent of respondents to the task force survey say their capital credits retirement program is based on a formal equity management or financial plan.

Source: *Survey Report*, Capital Credits Task Force, March 9, 2004

It is also important to consider the viewpoint of the member, who loses the opportunity to use the funds retained by the cooperative for other purposes, such as investments or retiring personal debt. While each member is different, the cost of its equity investment in the co-op is probably at least as high as the return the member could expect to earn on a similar investment, such as a 10-year Treasury bond, and may be as high as a credit card rate.³³

In considering the cost to members, it is important to consider the cost of equity in reserves as well as the cost of equity allocated as capital credits. Like margins, money to fund reserve accounts comes from contributions from members, which carry a cost to the member.

Some cooperatives have reached the conclusion that it is in the members' best interest to finance the co-op entirely through equity, while others would use 100 percent debt financing if possible. The best approach avoids either extreme. Higher equity provides flexibility and a cushion against hard times, such as a natural or financial disaster, but may make a takeover more attractive to members. If a co-op maintains a very high level of equity and fails to return capital credits, it may also raise a question as to whether the co-op is operating on a cooperative basis. Lower equity raises concerns for lenders and may affect the co-op's ability to obtain new debt capital, a particularly important concern for co-ops experiencing faster rates of growth. Higher equity may result in a lower interest cost on debt, although this is less of an issue with program lenders. The cost of debt is still likely to be less than the opportunity cost for the member's equity, so lower equity is likely to result in a lower overall cost to the member.

A carefully considered equity management plan can help a system balance these competing interests to determine its optimum equity level. Maintaining equity in the optimum range provides the lowest cost of capital, ensures that the co-op has access to adequate capital and allows for return of capital credits on a reasonable basis. The Boatman Theorem, developed by Jim Boatman, who served as an area representative and director of Planning and Program Analysis for CFC, offers one method for determining the amount of equity that should be retired as capital credits each year. It says that the percentage amount of equity that should be returned each year is equal to the difference between the co-op's rate of return on equity (which can be determined from the Goodwin model) and the co-op's growth in capital.³⁴

Rate Competitiveness

Rate considerations are an important part of a co-op's equity management plan. Most co-ops do not have to choose between having competitive rates and retiring capital credits. Developing an equity management plan that includes rates sufficient to provide for capital credits retirements is an essential part of the planning process.

³³ See page 49.

³⁴ Additional information about the Goodwin formula can be found in Appendix 6.

The cash members receive from capital credits retirements may effectively offset part of costs paid through rates. Depending on the retirement method adopted, this can have an immediate impact.

Regulatory Requirements

Cooperatives that are subject to state regulation of rates or other activities must comply with any regulatory rulings affecting capital credits retirements.³⁵

HOW DO CO-OPS FUND CAPITAL CREDITS RETIREMENTS?

Even co-ops that are strongly committed to retiring capital credits sometimes express concern about having adequate cash to fund capital credits retirements and meet other needs. While margins and depreciation on plant investment are sources of funds for patronage capital retirements, there are competing uses for the cash, such as plant additions and principal payments on existing debt.

Some cooperatives have expressed a concern that they may have to adopt higher rates or borrow funds to repay capital credits. As a practical matter, planning for availability and use of cash involves a process that considers funding capital additions, amortization of existing debt, capital credits retirements, rates and rate parity, and equity levels. Cooperatives should develop equity management plans that take into consideration the many uses of funds and the need to build and/or maintain financial strength for future ratepayers. Cooperatives pay for capital additions with general funds, and often requisition debt after construction is completed. Good cash management demands that funds be borrowed only when they can be put to use, as the co-op is unlikely to be able to earn a return on invested funds that is higher than the cost of borrowing. It is an acceptable practice to borrow, if necessary, in order to have the actual cash to retire patronage capital. If the cooperative is following its equity management plan, it should be indifferent to the actual source of cash at the time of retirement. Ultimately, all costs to the cooperative are funded out of rates, either directly or through payments of principal and interest.

Recommendation

Adequate Equity Level

Each electric cooperative should seek to maintain an equity level adequate to retire capital credits on an annual basis and meet the goals and requirements of its equity management plan. The task force suggests that a reasonable equity level for most distribution systems is in the range of 30 to 50 percent, depending on the cooperative's financial and competitive situation.

Learn from Experience

Butler REC Strikes a Healthy Balance

At Butler Rural Electric Cooperative in Oxford, Ohio, capital credits are an integral part of the strategic planning process and play a significant role in ensuring that its members are protected as much as possible from volatile rates.

“Like other co-ops, we believe our more than 10,000 members are our highest priority,” General Manager Michael Sims said. Butler continually strives to be responsive to its local communities and to improve the lives of its members. “For many years, our board has viewed our capital credits policy as not only a way to show our members how we are different from other utilities but also as a tool for enabling us to offer them competitive and stable rates.”

Butler uses a percentage/FIFO hybrid for returning capital credits. “We return 100 percent of capital credits accrued 15 years prior and a percentage of the previous year’s patronage,” Sims said. “Last year we had an exceptional year. A very cold winter and a very warm summer caused our kwh sales and margins to soar. While we normally might return about 15 percent of current-year margins, last year our board decided to return 35 percent. Our members appreciate that we keep rates stable but that they also see a special reward through capital credits when we have an exceptional year.”

Communication becomes very important for Butler so members understand the role of capital credits. Using its 10-year financial forecast, which is an important part of its equity management plan, Butler plans for the long-term with an emphasis on minimizing rate fluctuations. “Balance is very important. Our capital credits approach is designed to provide a cushion of rate protection for our members. When things are good, they benefit. Other years, the payout is more modest,” Sims said. “For three years now, we have done an annual customer attitude survey. Our survey tells us that our members seem to recognize and understand the value of this approach.” Butler strives to keep communications with its members very straightforward and not technical. In addition to its member newsletter and bill statements and stuffers, Butler boasts a dynamic Web site, including an informative, easy-to-read FAQ section on capital credits.

“When we’re able to explain why we’re different, members embrace our cooperative roots,” Sims said. Predictable rates, reliable electric service, and strong ties with community do tell the cooperative story, and will keep the story alive and well far into the future.

WHAT METHOD OF RETIRING CAPITAL CREDITS BEST MEETS THE CO-OP’S STRATEGIC GOALS?

In addition to determining what level of capital credits to retire, the board must also determine how to retire capital credits.

Lenders earn a return on their investments in loans through interest payments. Investors in stock companies earn a return on their investments through dividends and capital appreciation. Members do not earn a return on their investment (through margins) in a cooperative. Instead they receive the benefits of electric service provided at a cost that does not include profits, and their investment, or margins paid, is ultimately returned through capital credits retirements.

Unless the bylaws or other authority specify retirement procedures, it is up to the board to decide how capital credits are returned. In determining a method, the board should consider factors such as:

- **Cooperative philosophy** Who should provide equity to the co-op, current and newer members or longer-term and former members?
- **Membership expectations** Do the members expect to receive a retirement every year?

- **Demographics** Is the membership of the cooperative stable, or is the rate of turnover high?³⁶
- **Customer classes** Are sales predominantly to residential consumers, or are there significant sales to commercial customers?
- **Cooperative's accounting procedures** Can the cooperative's accounting system and data service provider easily implement the method chosen?
- **Sellout exposure** Could failure to retire capital credits lead to internal or external pressure to sell the cooperative?

The board also must consider the desirability of special retirements, such as those to estates, in addition to general retirements to all members and whether to discount capital credits, either voluntarily or involuntarily, for general and/or special retirements.

Each method for retiring capital credits has advantages and disadvantages, and the one chosen should be the one that best meets the objectives of the individual cooperative. Common retirement methods for general retirements include:

- First-in, first-out (FIFO),
- Percentage of total allocated capital credits,
- Last-in, first-out, (LIFO),
- Percentage/FIFO hybrid, and
- FIFO/LIFO hybrid.

While FIFO continues to be the most commonly used method, the use of hybrid approaches is increasing because they provide benefits to current consumers.

In adopting any new capital credits retirement plan, the board should be sure to consider potential legal and accounting issues, including what is fair to longer-term members. If an electric cooperative's bylaws require it to retire capital credits according to a specific method, then there are unique legal issues to consider if a bylaw amendment is necessary. For example, if an electric cooperative amends its bylaws to revise the method for retiring capital credits, then members not voting for the amendment could argue that their conditional contract right to capital credits retirements under the previous method is sufficiently substantial that they are not bound by the bylaw amendment. If, however, they accept capital credits retirements under the bylaw amendment, then they may be prevented from challenging the amendment. The legal issues involving amending capital credits retirement bylaws are complex and often unclear. For additional information, see "Legal Issues Associated with Capital Credits Retirements," which can be found on Cooperative.com.

Recommendation

Selecting Retirement Method Based on Goals

Each cooperative should choose a retirement method that will help the co-op achieve its goals, recognizing the effect the tenure and age of its members has on the perception of the value of membership in the cooperative. The task force strongly recommends that each cooperative know the percentage of its current membership receiving a capital credits retirement each year and seek to maximize that percentage.

Survey Results

Eighty-three percent of respondents to the task force survey said that the co-op's bylaws allow the board to select the capital credits retirement method while 17 percent said that the bylaws require a specific method. Respondents reported using the following retirement methods:

Method	Percent Using
FIFO	43%
LIFO/FIFO Hybrid	21%
Percentage/FIFO Hybrid	15%
Other	21%

Source: *Survey Report*, Capital Credits Task Force, March 9, 2004

FIFO

The FIFO method retires capital credits in the order in which they were allocated. It is the method most commonly used historically and today, and it is one of the easiest to administer. It can be defended from the standpoint that each generation of members pays its own way. FIFO's goal is to keep every member's money for the same period of time. It is most favorable to long-term members, whether they are still receiving service or not. Those who have provided capital to the cooperative for a longer time without receipt of interest or dividends, obtain a return of that capital before other members who made capital available to the cooperative for a shorter period of time. Systems with low growth and member turnover may continue to benefit from the FIFO retirement method, because most members will receive services and remain active, loyal members for a long time.

However, FIFO may no longer be the best method for other cooperatives. There is a significant delay between the time when the member receives a capital credits allocation and receives the first retirement. It is not favorable to newer members, who may use larger amounts of electricity than members did years ago and therefore contribute more to overall equity.

FIFO does little to build loyalty among newer members or to educate those members about the benefits of cooperative ownership.

Percentage of Total Allocated Capital Credits

The percentage method retires a percentage of each member's total capital credits account, regardless of when the capital credits were allocated. For example, if the co-op decides to retire 5 percent of its capital credits, each member would receive payment for 5 percent of its total capital credits contributions. An advantage of this approach is that both longer-term and newer members share in the distribution of capital, providing an educational and member loyalty opportunity for all members. Another advantage is that it provides the biggest refund to those who have contributed the most capital to the organization (the higher amount in the capital credits account, the greater the dollar amount of the retirement). The percentage method emphasizes a member's total participation in the co-op over time rather than that of a single year.

However, some members may raise the question as to why some recent allocations are retired ahead of older allocations. There also may be additional administrative requirements to maintain records, as it may take longer to completely retire the oldest allocations.

In the case of inactive members, if a percentage of each capital credits account is returned each year, the total amount of the account will get smaller and smaller but will never reach zero. The board should establish a minimum level for former members' accounts at which the entire balance will be refunded.

Learn from Experience

Wood County EC Takes Pride in Giving Back to Community

Situated in beautiful northeast Texas about 90 minutes east of Dallas, Wood County Electric Cooperative takes pride in giving back to its community. Wood County's directors and employees serve on local school and industrial boards, participate in chambers of commerce and show up regularly at 4-H club meetings, livestock shows and other local events. "We're driven by a unique spirit of cooperation and independence," General Manager Debbie Robinson said. "We seek to provide the most reliable, cost-effective electric power possible to our members, and we strive daily to fulfill the dreams of our founders."

But the giving back to community doesn't stop here. Since the mid 1970s, Wood County has been retiring capital credits to its 22,000 members based on the percentage method. "Based historically on an RUS guideline, we generally retire 25 percent of prior year's margins," Chief Financial Officer Trey Teaff said. "However, this is an annual decision, and our board uses our 10-year financial forecast along with our equity management policy as a tool for determining the dollar amount of our retirement. To calculate an individual member's payout, we take the total retirement dollars and divide them by the total allocated balance for all current and former members. This gives us our factor—or percentage. This factor is then multiplied by the capital credits balance in each member's account to determine the check amount."

Using the percentage method, nearly 70 percent of Wood County's current members received a check this year. "It generally only takes a few years for a new member to have a capital credits account balance big enough to pay out," Teaff said. "There is great value to reaching this many members...particularly when it comes in the form of a check just before the holidays. Very few people are excluded, and the longer you've been receiving electric power from us the more you benefit."

While Wood County is a mostly rural system, the co-op experiences steady growth each year. This Texas co-op's capital credits approach reaches out to newer members effectively but it also recognizes, rewards and, in Texas style, "tips its hat" to long-time supporters.

LIFO

The LIFO method retires capital credits in the reverse order in which they were allocated. It provides an efficient way to get money back into the hands of current members almost immediately. It can help a cooperative with a fast-growing or transient membership build loyalty because it demonstrates the benefits of the cooperative business model immediately. It also minimizes the difficulty of locating former members to make retirements.

One drawback, however, is that members who have had capital invested in the cooperative for the longest period of time are the last to be paid back, and some longer-term capital credits investments may never be repaid. This has the potential of creating public relations or other difficulties if the older or former members perceive they are being penalized and challenge the board's action. For these reasons, LIFO is generally not used alone but rather is adopted as part of a hybrid approach.

Hybrid Methods—General

Hybrid methods combining two or more approaches are becoming increasingly popular because they allow the co-op to honor the contribution of longer-term members while also recognizing the contribution of other, newer members.

The greatest benefit of the hybrid approach is that the advantages of one retirement method chosen can partially offset the disadvantages of the other. A hybrid plan, however, may require more staff resources because it may be more difficult to explain to members and to administer.

LIFO/FIFO Hybrid

The LIFO/FIFO hybrid is currently the major alternative to the FIFO technique. It recognizes the contributions of longer-term members while providing retirements to most current members.

It may, however, require more staff resources and may also exclude former members with capital credits that are neither first nor last in but rather between those extremes.

Percentage/FIFO Hybrid

The percentage/FIFO hybrid is the third most commonly used technique. It provides a way to continue to recognize the contribution of longer-term members while providing a refund to most members. It also can be a useful tool for transitioning from FIFO to the percentage approach. This method also emphasizes a member's total participation in the co-op over time rather than that of a single year.

It may, however, require more staff resources, and some members may raise the question as to why some recent allocations are retired ahead of older allocations.

SHOULD THE BOARD AUTHORIZE SPECIAL RETIREMENTS?

The board may decide as part of its policy to authorize special retirements of capital credits to recognize special circumstances. Retiring capital credits to the estates of deceased members is a widespread practice with 73 percent of the co-ops responding to the task force survey reporting estate retirements. In recent years, some co-ops have implemented, or considered implementing, other special retirements, including:

- Members who have attained a certain age,
- Inactive members,
- Overdue accounts, and
- Early general retirements.

Since the 1976 capital credits study, there has been a trend toward discounting early retirements.³⁷

The board must decide whether the advantages of a particular special retirement outweigh any possible disadvantages. One question to consider is whether special retirements unlawfully discriminate against some members in favor of others. From a cooperative law standpoint, unless a governing legal authority, such as state law, federal law or the co-op's bylaws, says otherwise, the cooperative can probably make special retirements as long as the retirements are reasonable and fair and as long as all similarly situated members are treated the same. Whether a particular special retirement is determined to be reasonable and fair depends on the specific facts and circumstances of the individual cooperative and retirement. Every cooperative should consult its legal and tax advisers regarding its current and proposed special retirements.³⁸

Estates

Although discretionary on the co-op's part, the most common special retirement is to estates. From the members' perspective, estate retirements help the family of the deceased member meet funeral costs and other expenses and allow the estate administrator to achieve a timely settlement of the estate. The major benefit to the co-op is that it closes out the member's records. It can be difficult and sometimes impossible to locate the heirs of an estate 20 years after the death of a member. This can result in unclaimed capital credits being paid to the state under the Uniform Disposition of Unclaimed Property Act or a possible escheat situation. If a co-op retires capital credits to the estates of deceased individual members, there is a legal issue regarding whether it must retire capital credits to dissolving or liquidating corporate members.

³⁷ See page 47.

³⁸ For more information, please see Section E, Special Capital Credit Retirements in *Legal Issues Associated with Capital Credits*, available online at Cooperative.com.

Learn from Experience

Linn County REC Says It's Not Magic...It's Just Good Business!

While Linn County Rural Electric Cooperative, Marion, Iowa, is quick to say that there's nothing magical about what they're doing with capital credits, this mid-sized cooperative is getting the attention of its growing membership in simple ways through consistency, flexibility and communication.

When asked how long they've been retiring capital credits, Linn County CEO Kim Colberg jokingly responds, "Well...since the beginning of time, of course!" That's a slight exaggeration, but the cooperative has made it a high priority to consistently return capital credits to members since its incorporation, with few exceptions. "Up until the late 1990s we had always used the traditional FIFO method but, as part of our long-term planning process, our board felt we really needed to rethink our approach," Colberg said.

The co-op learned from a study done by its power supplier that a very large percentage of its membership has been on line for less than five years. The traditional capital credits policy was "doing the job," but there was clearly a missed opportunity for enhancing Linn County's relationship with its growing number of newer members. "As you'll hear from other cooperatives, getting the attention of these newer members is never easy," Colberg said. "Our decision to change to a hybrid method—we now return a percentage of our current year's allocation along with earlier allocations—has gotten our members' attention and it has made a difference."

The co-op aggressively communicates the value of capital credits and promotes all of its capital credits activities in its newsletters, on its Web site, and in its bill statements. Linn County's members receive their capital credits in the form of a credit on their bill. "We've saved money with this approach but, more importantly, we've received positive feedback from our members that they prefer the credit. It just becomes very important to show the credit as a separate line item so it doesn't go unnoticed. Additionally, we show the credit in a note box at the top of each bill," Colberg said. "We have also found that many commercial members prefer to see the credit on their bill. Oftentimes, when a check is mailed, it's goes to corporate headquarters and gets lost in the shuffle. From the co-op's perspective, it's nice to showcase the savings in a visible way that is reflected on their bill."

Linn County's situation isn't unique but it does serve as a reminder that as cooperative communities and memberships evolve, so must cooperative policies. "Our board wanted the utmost flexibility to use capital credits as another way of reaching and educating our newer members while still effectively and fairly serving our long-time members," Colberg said. Linn County's policy reflects its desire to balance these needs with the important task of ensuring the co-op's financial health today and far into the future.

Age-related Retirements

Retiring capital credits to members who reach a certain age, 65 for example, benefits the member directly instead of the estate and rewards older members for their loyalty to the cooperative. It may, however, be discriminatory against other members unless a discount is applied, or it may become a financial burden to other members as the membership ages.

If the co-op does not receive federal financial assistance, there does not appear to be a general prohibition against this type of discrimination. However, if the co-op receives federal financial assistance from RUS or otherwise, then age-related special retirements may violate the Age Discrimination Act of 1975 (ADA) as well as RUS and other regulations.³⁹ In addition, depending on the outcome of current deliberations, SFAS No. 150 may require a cooperative to classify as a liability capital credits that will be retired when a member reaches a specific age.

Recommendation

Age of Members

Electric cooperatives should not make special capital credits retirements based solely on the age of the member.

Inactive Members

As with retirements to estates, retiring capital credits to inactive members, such as those moving out of the service territory, simplifies record-keeping and eliminates potential escheat situations. A possible problem, however, is that a member could change the name of the service from one member of the household to another in order to get the refund. The board may wish to apply conditions to this type of special retirement, such as a period of time that the account must be inactive. This approach also may improperly discriminate against active members unless an appropriate discount is applied to the refund.

Bad Debts

Under the bylaws of most electric cooperatives, unpaid debts to the cooperative are offset against retired capital credits. Under a policy of general application, some cooperatives use special retirements to reduce bad debts by retiring capital credits and applying the amount to inactive accounts of members who leave the cooperative owing money. Co-ops also can apply a discount to the retirement⁴⁰ and impose a processing fee to reflect the actual cost to the co-op and reduce any incentive for current members to withhold bill payments in order to collect capital credits. This type of special retirement should not be used for active accounts.

While this approach does not actually generate additional cash income, it may help the co-op reduce its bad debts and simplify its books. Keep in mind that if the former member is involved in a bankruptcy proceeding or files for bankruptcy within 90 days after the offset, there may be restrictions on the cooperative's ability to do this.⁴¹

Other Issues

The IRS permits both voluntary and involuntary special retirements. For example, the co-op may give an estate the choice of voluntarily accepting a discounted retirement now or a full value retirement at the scheduled retirement date. The board could decide to make involuntary retirements to overdue accounts or those leaving the system. Some people say that involuntary retirements are contrary to cooperative principles and that the member should always consent to an early retirement. In addition, state law may prohibit or limit involuntary discounting of capital credits.

Questions to answer in considering any special retirement include:

- Is the retirement fair and reasonable to both the members receiving the retirement and to the other members of the cooperative?
- Are all similarly situated members treated the same?
- Will it pose an undue burden on future or current members?

As with other aspects of capital credits retirements, there is not necessarily a right or wrong approach to special retirements. What is important is for the board to understand the consequences of the decision it makes.

⁴⁰See page 47.

⁴¹For more information, please see Section F, Security Interest in Capital Credits in *Legal Issues Associated with Capital Credits*, available online at Cooperative.com.

Each Capital Credits Retirement Method Offers Advantages and Disadvantages

Method	Percent Using*	Definition	Advantages	Disadvantages
FIFO First-in, First-out	43	Retires in order allocated	Helps each generation pay its own way; Rewards loyalty of long-term members for use of capital without interest or dividends	Creates significant delay between allocation and retirement; Does not reward newer members, who may use more services and contribute more to overall equity
FIFO/ Percentage Hybrid	15	Combines FIFO and Percentage of Total Allocated Capital Credits approaches	Recognizes use of longer-term members' capital while providing retirements to all members	May have additional administrative requirements; May be less favorable to longer-term members
LIFO Last-in, First-out	1	Retires in reverse of order allocated	Demonstrates benefits of co-op membership by rewarding most members immediately; Reduces difficulty of making retirements to former members	May raise question of fairness as more recent allocations retired ahead of older allocations; Older allocations will never be retired
LIFO/FIFO Hybrid	21	Combines FIFO and LIFO approaches	Recognizes contribution of longer-term members while providing retirements to current members	May have additional administrative requirements; May be less favorable to longer-term members and former members with capital credits between extremes
Percentage of Total Allocated Capital Credits	N/A	Retires percentage of each member's capital credits account each year	Lets older and new members share in return of capital; Provides largest refund to those who have contributed most capital	May raise question of fairness; May have additional administrative requirements
Special Retirements	N/A	Recognizes special circumstances through retirements, such as retirements to estates; may be discounted to ensure fairness	Addresses specific needs for each group; May create permanent equity	May treat members differently; May create taxable income

*Source: Survey Report, Capital Credits Task Force, March 9, 2004

Recommendation

Discount Special,
Not General, Retirements

If an electric cooperative chooses to make special retirements, such as retirements to estates, the amount of the retirement should be discounted to reflect the time value of money. Cooperatives should not offer discounted general retirements.

Keyword

discount To calculate the present value of an amount that would otherwise be received in the future to reflect the time value of money.

SHOULD THE CO-OP APPLY DISCOUNTS TO EARLY CAPITAL CREDITS RETIREMENTS?

Most cooperatives make both special and general capital credits retirements. A special retirement allows the cooperative to make a payment sooner than it otherwise would. There can be good reasons for doing that, especially in the case of accounts that are no longer active due to a death or a member leaving the system. There is, however, a real cost to the other members of the cooperative to retire capital credits out of sequence, and there is a benefit to the member to receive money sooner than the member would otherwise. Some cooperatives discount, or reduce the amount of, special retirements to reflect the time value of money. Discounting provides a fair way to recognize special circumstances while continuing to treat members equally.

A few cooperatives also offer early general retirements at a discount. The primary reason cited for this is a desire to create permanent equity.⁴² The decision to make general retirements out of cycle is, however, different from the decision to offer special retirements. A discounted special retirement offers a fair way to treat atypical circumstances. Discounting general retirements does not have the same leveling effect among the membership because in a general retirement, all members receive the same nominal dollars. It is difficult to administer such a practice fairly while maintaining a strong financial performance, and it may put the cooperative at risk for failing the 85-percent test.

The IRS has issued a number of private-letter rulings concerning discounting capital credits refunds, but the treatment of discounts is an issue that is still evolving. Any discount plan should take into consideration the potential to create non-member income affecting the co-op's tax status under the 85-percent member income test in IRC Section 501(c)(12).

In order to preserve its position in potential litigation with respect to Subchapter T cooperatives, the IRS has taken the conservative position that any amount retained by a Section 501(c)(12) cooperative after a discounted capital credits retirement is non-member income.⁴³

Three private-letter rulings in 2003 found that a discounting plan does not adversely affect cooperative status nor does it jeopardize the ability to exclude allocated capital credits from income. These rulings also found that a discounting plan creates non-member taxable income under the 85-percent test since the amount is not maintained in the name of the member. Other IRS rulings issued in 2003 to exempt electric co-ops, however, held that no income would be recognized if the amount of the capital credits retained by the cooperative as part of the discounting process was held in the participant's name and redeemable only upon liquidation.

⁴² See page 19.

⁴³ The IRS took the position in a case involving Gold Kist, Inc., a Subchapter T cooperative, that the amount remaining after a discounted capital credits refund resulted in non-patronage income because the co-op had received a tax benefit in the form of a deduction of the entire amount. The 11th Circuit Court of appeals in Atlanta ultimately ruled that no income resulted from the discounting. This ruling only applies to Sub T cooperatives in states under the jurisdiction of the 11th Circuit and does not apply to exempt or nonexempt rural electric cooperatives. The IRS is expected to litigate this issue in another jurisdiction.

Other discounting issues that have not been resolved by the IRS include:

- The level of board discretion,
- Whether discounting requires member consent, and
- Whether discounting can be applied to a limited group of members.

The impact of state laws on discounts also is uncertain. Historically, cooperatives have looked primarily to federal tax rules and regulations for guidance on capital credits; however, courts, electric cooperative members and others are increasingly examining the impact of state electric cooperative statutes on capital credits issues.

The Discount Rate

If a cooperative elects to discount some capital credits retirements, the board must then choose the appropriate discount rate. It is important that the board consider this issue carefully, because the discount rate is the key to making discounted retirements fair and equitable. Too high a rate penalizes the member. Too low a rate penalizes the cooperative and its remaining members. The board should be able to justify and verify the rate chosen.

There are various options for the discount rate. Some people argue that equity is free; thus, the discount rate should be zero. Other people argue that the discount rate should be equal to the co-op's cost of equity, because the co-op is giving up equity. There is a cost associated with capital credits returned to members, because it must be replaced, either with debt or more equity.

There is no one standard that is appropriate for every cooperative in every situation. The co-op can evaluate the cost from the perspective of the cooperative, the member or an outside benchmark. The measure chosen should be easy to calculate, easy to explain and defensible. It should be fair to members both individually and collectively. The co-op's weighted cost of capital, which reflects the cost of both debt and equity, meets these criteria.

Since rates change often, the rate chosen should be reviewed and adjusted periodically to ensure that it continues to be fair.

Recommendation

Recommended Discount Rate

If a cooperative makes discounted capital credits retirements, the task force suggests that the discount rate should be based on the cooperative's weighted cost of capital, which includes the cost of equity and the cost of debt.

Survey Results

Seventeen percent of respondents to the task force survey said they discounted general capital credits retirements. Sixty-four percent of survey respondents discount capital credits retirements to estates.

Source: *Survey Report*, Capital Credits Task Force.
March 9, 2004

A Co-op's Weighted Cost of Capital Is an Appropriate Benchmark for Discount Rate

The co-op's weighted cost of capital reflects the cost of both debt and equity. It provides a reasonable standard for the discount rate for discounting capital credits retirements. This example assumes a co-op has:

- 40 percent equity,
- 60 percent debt and
- A cost of capital equal to the median for distribution co-ops in 2003, including an average weighted cost of debt of 5.0 percent and an average cost of equity of 9 percent.

$$\text{Co-op's Weighted Cost of Capital} = [\text{Average Weighted Cost of Debt} \times \text{Percent Debt}] + [\text{Cost of Equity} \times \text{Percent Equity}]$$

Element of Capital	Co-op's Cost	Percent of Capitalization	Contribution to Cost of Capital
Debt	5.0 %	X 60	= 3.0%
Equity	+ 9.0 %	X 40	= 3.6%
Weighted Cost of Capital/Suggested Discount Rate			6.6%

A Capital Credits Discount Rate Should Be Justifiable and Verifiable

Rate	Amount (percent)*
Co-op's average cost of debt	5.0
Co-op's average cost of equity	9.0
Co-op's weighted cost of capital	6.6

Other Benchmarks	Source	Amount (percent)*
Member's long-term mortgage rate	Federal Housing Finance Board	5.96
20-year bond, A-rated utility	Bankrate.com	6.0
Co-op's theoretical cost of equity	Goodwin formula (3 percent growth rate)	6.72–11.71
Investor-owned utility benchmark	Return on equity (after tax)	10–11
Member's alternative investment option	10-year Treasuries	4.2
Member's credit card rate	Bankrate.com	12.7 (fixed) 13.8 (short-term variable)

*As of September 2004

The Discount Rate Should Be Fair to Both Co-op and Member

The following example shows the capital credits retirement due a member that has been allocated \$50 each year for 20 years for a total of \$1,000 after the retirement has been discounted at various rates.

Discount Rate (Percent)	Discounted Capital Credits Refund to Member	Amount Retained by Cooperative
4	\$680	\$320
6	\$574	\$426
8	\$490	\$509
10	\$426	\$574
12	\$373	\$627

Member Consent

If a cooperative may legally discount capital credits retirements without member consent, then a board should still consider making discounted retirements subject to member agreement. For example, a member leaving the service territory would have the option of accepting a capital credits retirement at a discount or leaving the investment with the cooperative until the normally occurring retirement date. If the policy is structured correctly, both the member and the co-op should be indifferent financially to the decision, although some members may have a preference for receiving the retirement sooner rather than later.

HOW MIGHT A SECURITY INTEREST IN CAPITAL CREDITS AFFECT THE CO-OP?

To secure a member's obligation to pay an electric cooperative, the co-op may desire to create and perfect a security interest in the member's capital credits. This security interest may protect the co-op against other creditors of the member, like banks, who knowingly or unknowingly have a security interest in the member's capital credits. It also may provide certain preferences and priorities if the member files for bankruptcy, and it may allow the cooperative to offset discharged debts against the member's retired capital credits. Creating and perfecting a security interest in capital credits has practical and legal advantages and disadvantages. When addressing security interest issues, a co-op should consult its attorney.⁴⁴

HOW MIGHT THE BANKRUPTCY OF A MEMBER AFFECT THE CO-OP?

When a member of an electric cooperative files for bankruptcy, it raises important issues regarding the member's capital credits. First of all, the co-op cannot discontinue service to a member because of the bankruptcy filing or because of debts owed to the cooperative at the time of the bankruptcy filing. The co-op can, however, require the member to provide adequate assurance that the member will pay for future electric service. A co-op could seek to use the member's capital credits as part of this assurance.

Second, the bankruptcy court or trustee may seek to force the cooperative to immediately retire and pay the member's capital credits into the bankruptcy estate. Existing case law, however, indicates that the court or trustee does not have this right. Third, the bankruptcy filing may affect the cooperative's ability to set off or recoup the member's debt to the cooperative (even when the debt is discharged) against the member's capital credits, whether retired now or in the future. Fourth, having a security interest in the member's capital credits may be an advantage, or a disadvantage. Fifth, the bankruptcy filing may impose a duty upon the cooperative to report the member's capital credits to the trustee or court. These issues are complex and confusing and an electric cooperative should consult its attorney.⁴⁵

⁴⁴ For additional information, please see Section F, Security Interest in Capital Credits in *Legal Issues Associated with Capital Credits*, available online at Cooperative.com.

⁴⁵ For additional information, please see Section G, Capital Credits in Bankruptcy in *Legal Issues Associated with Capital Credits*, available online at Cooperative.com.

Learn from Experience

Farmers EC Gives Members a Fair and Reasonable Choice

When it comes to dealing with the capital credits account of a deceased member, Farmers Electric Cooperative in Clovis, New Mexico, wants to be sensitive to a member's family as well as a prudent steward of all its members' investments. As many cooperatives have experienced, finding this balance is never easy.

"Our board and staff have always pursued an aggressive capital credits policy, which includes a discount policy," Farmers EC General Manager Lance Adkins said. Farmers uses a formula developed by its accounting firm to calculate the percentage of capital credits it will return each year. The co-op generally retires a percentage of its capital credits from every year, ranging from 100 percent of its oldest year's margins to a fairly high percent of its current-year margins. In fact, for the last several years, Farmers has retired from 40 to 50 percent of its current-year margins.

"This policy has worked well for our co-op. We believe that it's important, especially for our newer members, to see that capital credits check each year. We can talk and write about member ownership all we want, but a check makes it real to them," Adkins said. The co-op also offers special capital credits retirements to estates at a discount. "The portion of our policy that allows for discounting is not our most popular program, but we feel strongly that it is reasonable, fair to members, and financially prudent for our co-op."

The kwh sales to Farmers' membership is divided fairly equally between residential, small and large commercial, and irrigators. "It wouldn't have much financial impact to retire capital credits early at 100 percent of their value to residential customers, but this wouldn't be the case with our other member classes," Adkins said. "An early retirement for these members could have a significant financial impact on our co-op. The goal of our policy is to treat all our members equally and fairly."

Farmers offers the member's estate representative a choice between receiving the retirement on the normal schedule or receiving a payout of all capital credits at a discounted rate. The discount rate is calculated on sliding scale based on the year of the allocation. Finally, Farmers also offers these members the option to donate their capital credits—at 100 percent on their normal cycle—to an education foundation that funds scholarships for Farmers' members and, sometimes, their direct dependents.

"There's certainly not one answer for this issue. We strive to be fair and to minimize the financial exposure to our co-op long-term," Adkins said. Many co-ops will continue to wrestle with this issue and will need to stay abreast of both tax and legal issues to protect the co-op and its members' investments.

WHAT OTHER RETIREMENT ISSUES SHOULD THE BOARD ADDRESS?

Minimum Amount for Capital Credits Checks

Some cooperatives set a minimum retirement amount for capital credits checks, such as \$5 to \$10. If the capital credits payment due to an active member is less than the minimum, the retired amount is held until it can be combined with future capital credits retirements to reach the minimum check level. In the case of inactive accounts where there is no expectation of additional future capital credits allocations, the co-op may choose to retire the full amount, possibly at a discount, and clear the capital credits account. Some co-ops apply a reasonable service charge for maintaining records on inactive accounts that do not meet the minimum check amount.

Multiple Accounts

Some consumers have multiple billing accounts, such as an account for a residence and a business. These may be accumulated into one capital credits account. There may, however, be problems if some of the accounts fall into different classes of service covered by different capital credits policies. A co-op can avoid this issue by establishing a different capital credits account for each billing account.

SFAS 150

The current generally accepted accounting procedures for capital credits⁴⁶ require assigned capital credits with no fixed maturity date to be reported as equity.

In May 2003, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards #150 (SFAS 150) to address issues regarding classification of equity and liabilities. The reason for the proposed standard is to improve the transparency of financial instruments that have both equity and liability characteristics and to conform U.S. accounting procedures to international practice.

As originally proposed, SFAS 150 said that mandatorily redeemable financial instruments, including capital credits, payable at a date certain or when an event certain to occur does occur, should be considered a liability, not equity. In other words, if a co-op member could demand payment based on an event certain to happen, the member's capital credits account would be considered a mandatorily redeemable liability. Depending on the ultimate definition of a mandatorily redeemable obligation, the proposed standard had the potential to substantially reduce a cooperative's level of equity. The cooperative network was able to gain an indefinite delay in the implementation of this standard while the matter was under consideration.

NRECA, CFC and RUS filed joint comments with the FASB in October 2003, arguing that the Board discretion exercised in the redemption of capital credits upon the death of its members or under other circumstance is little different from the discretion that boards of for-profit companies exercise in distributing dividends to shareholders. If future dividend payments are not to be considered a liability under SFAS 150, then capital credits should not be considered a liability.

In October 2004, the FASB tentatively adopted a new-equity liability classification plan that would base the equity or liability classification of financial instruments issued by a business enterprise, including stock, capital credits and other items, on the degree to which the financial instrument reflects an "ownership relationship" in the business. Financial instruments that establish a "direct ownership relationship"—interests that are the most subordinated and that share in the business's risks and rewards, including capital credits—would always be considered equity. Financial instruments with an "indirect ownership relationship"—interests indexed to and in the same direction as the most subordinated interest—would be considered equity only if their ultimate settlements, if any, would establish a direct ownership relationship. Otherwise, they would be considered liabilities. Financial instruments that establish neither a direct nor indirect ownership relationship will be considered liabilities if they require or may require settlement.

Under this plan, cooperatives would continue to report their allocated capital credits on the balance sheet as equity without regard to any obligation to retire the capital credits. The proposed reporting approach, if finalized, would essentially reverse prior FASB interpretations of SFAS 150 that co-op capital credits with a legal or constructive obligation to retire should be reported on the co-op balance sheet as a liability.

The FASB is now considering a requirement to report financial instruments with a direct ownership relationship, such as capital credits, that carry a settlement obligation as a separate line item of equity identifying the obligation to retire. If this proposal is ultimately adopted, however, unlike the earlier SFAS 150 liability treatment of capital credits, it should not impact the results of a co-op's financial ratios and tests.

At this writing, issues surrounding SFAS 150 continue to evolve. NRECA, CFC and RUS will continue to monitor and respond to the FASB’s actions, and NRECA is participating in the FASB’s Liabilities and Equity Resource Group to advise the FASB staff. (Current information on the status of SFAS 150 is available on Cooperative.com.)

CAN THE CO-OP USE UNCLAIMED CAPITAL CREDITS TO ADD VALUE FOR MEMBERS?

Former cooperative members should inform the co-op of any changes in address so that the co-op can locate them for future capital credits retirements. As a practical matter, many do not. If the co-op wishes to locate the member, Internet searches, national telephone directories and U.S. Postal Service records can help track them down.

If a former member does not claim retired capital credits, then state law governs the right to these unclaimed capital credits. Forty-four states have adopted an unclaimed property act. These acts provide for the state to take custody of (but not title to) property that is not claimed for a specified period of time. Escheat acts allow the state to take ownership of property that is abandoned or unclaimed for a specified period of time. In general, unclaimed capital credits are governed by an unclaimed property act, instead of an escheat act.

With regard to unclaimed capital credits, 27 states provide that unclaimed capital credits may remain with the cooperative; however, 10 of these states require that the funds be used for specific purposes, such as education, charity or economic development.

In the remaining states, there is apparently no specific statute addressing the co-op’s ability to retain capital credits.

Cooperatives without authority to retain unclaimed capital credits have considered several approaches to reducing or eliminating unclaimed capital credits, such as applying a service charge, providing for voluntary or involuntary assignment or transfer of unclaimed capital credits to the cooperative if the member cannot be located in a specified period of time and requiring members to request capital credits retirements. Each of these approaches has unique legal considerations in determining its enforceability. If a co-op adopts such an approach and a court invalidates the action, the co-op may have to pay interest and penalties to the state as well as the full amount of the unclaimed capital credits.

Each cooperative should review its practices to be sure they are in compliance with appropriate law. Cooperatives that must render unclaimed capital credits to the state may want to consider requesting statutory relief.⁴⁷

Some States Allow Cooperatives to Retain Unclaimed Capital Credits	
State Law Provisions	States
Co-ops retain with no conditions	Alabama, Alaska, Arkansas, Florida, Idaho, Illinois, Indiana, Kansas, Michigan, Mississippi, North Dakota, Oklahoma, Oregon, South Dakota, Virginia, Washington, Wyoming
Co-ops retain with conditions	Colorado, Delaware, Iowa, Louisiana, Minnesota, Montana, New Mexico, Texas, Utah, Wisconsin
No express statute	Arizona, California, Georgia, Hawaii, Kentucky, Maine, Maryland, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Vermont, Virginia

⁴⁷ For more information, see Section H, Unclaimed Capital Credits in *Legal Issues Associated with Capital Credits*, available online at Cooperative.com.

Chapter 4: Compliance Issues

Questions for the Board's Consideration

- Is the co-op in compliance with federal laws and regulations affecting capital credits allocations and retirements?
- Is the co-op in compliance with state laws and regulations affecting capital credits retirements?
- Are the co-op's capital credits policies in compliance with the requirements of lenders?
- Are the co-op's capital credits policies compatible with the requirements of the financial markets?

A cooperative's policies for allocating and retiring capital credits should be in compliance with applicable state and federal laws as well as the co-op's articles of incorporation and bylaws. The policies should take into consideration the requirements of lenders and the financial markets. Directors should understand the legal and financial consequences of decisions they make about capital credits.

IS THE CO-OP IN COMPLIANCE WITH FEDERAL LAWS AND REGULATIONS AFFECTING CAPITAL CREDITS ALLOCATIONS AND RETIREMENTS?

Federal laws provide special tax rules to recognize the value of cooperative businesses. IRC Section 501(c)(12) grants tax-exempt status to electric and telephone cooperatives, among others, if certain conditions are met. IRC Section 1381-1388 (Subchapter T) applies to most other cooperatives. While these cooperatives are taxable, Subchapter T allows them a tax deduction for patronage-sourced income allocated to their patrons if the requirements regarding allocations of patronage capital and other conditions are satisfied. Electric and telephone cooperatives that do not qualify for tax exemption under Section 501(c)(12) are not subject to Subchapter T and are governed by co-op case law established before Subchapter T was enacted in 1962.

Recommendation

Flexibility and Discretion

Every electric cooperative should review its bylaws, state laws and other applicable governing factors in terms of the impact on capital credits policies. If a cooperative's bylaws do not permit the board to exercise sufficient discretion regarding the method for allocating or retiring capital credits, the cooperative should consider seeking changes to give directors such flexibility in determining capital credits policies.

Mutual Company or Cooperative?

IRC 501(c)(12) provides a federal income tax exemption to certain mutual companies and cooperatives that meet other requirements. What's the difference? Both are organized to provide services—often those that would not otherwise be available—to member-owners essentially at cost. The key difference is how they treat any margins collected.

A **mutual company** uses any margins above the cost of providing services to reduce costs in future years. Examples of mutual companies include mutual insurance associations, such as State Farm Insurance, and credit unions, such as the Agriculture Federal Credit Union. There are also a number of mutual electric associations.

A **cooperative** returns its margins to the members through capital credits allocations and retirements.

Income Tax Consequences of Various Forms of Organization			
	Exempt Electric Co-op	Taxable Electric Co-op	Taxable General Co-op
Governing Authority	IRC Sec. 501(c)(12)	Pre-'62 Co-op Case Law	IRC Sec. 1381 (Sub T)
Requirements to Qualify	Engage primarily in “like organization” activities (utility and ancillary services). Non-like income is non-member income; Operate as a cooperative. Meet the 85-percent member income test.	Operate on a cooperative basis; Receive more than 15 percent non-member income (or have exempt status revoked); Serve in “rural areas” as defined in Sec 5 of the RE Act.	1. Operate on a cooperative basis. 2. Not primarily engaged in providing electric and telephone service to “rural areas.”
Determination of Co-op Taxable Income	Exempt for income tax on activities “substantially related” to tax-exempt purpose. Taxable on unrelated business income (UBI).	Segregate income and deductions between patronage and non-patronage-sourced activities. Exclude from income any assigned capital credits with respect to patronage-sourced activities.	1. Segregate income and deductions between patronage and non-patronage activities. 2. Deduct capital credits on patronage income (paid minimum of 20 percent cash with remainder written assignment—qualified). 3. Deduct non-qualified written allocations of capital credits on patronage income when paid in cash.
Tax Effect of Capital Credits on Member	1. Co-op is not required to issue Form 1099. 2. If a business, capital credits refund is includable in taxable income at redemption, not allocation.	Co-op is required to issue Form 1099-MISC at redemption over \$600. If a business, capital credits refund is includable in taxable income at redemption, not allocation.	Co-op is required to issue Form 1099-PATR over \$10 for qualified notices made and non-qualified notices paid. Patron includes in income at assignment, or allocation, for qualified capital credits and at redemption for non-qualified.
Ability to Establish Diversified Activities within Co-op	1. Very limited. Ancillary activities are [a] insubstantial or [b] incident to and in furtherance of utility service. 2. Subject to UBI Tax, if not “substantially related” to tax-exempt purpose.	May engage in diversified activities so long as primary activity is still providing electric/telephone service to “rural areas.”	May engage in diversified activities so long as majority of business is still with members (i.e., business is still a co-op).
Ability to Establish Subsidiary for Diversified Activities	According to Rev Rule 2002-55, a tax-exempt electric co-op may establish a for-profit subsidiary for valid business reasons without jeopardizing the parent’s tax-exempt status; According to IRC 337(d) liquidation of for-profit subsidiary into tax-exempt parent results in taxable gain on assets appreciation.	No tax restrictions on formation of subsidiary; For-profit subsidiary income is non-patronage sourced, and hence, taxable. Tax-free liquidation of for-profit subsidiary into taxable parent.	No tax restrictions on formation of subsidiary. For-profit subsidiary income is non-patronage sourced, and hence, taxable. Tax-free liquidation of for-profit subsidiary into taxable parent.
Ability to File a Consolidated Tax Return (offsetting losses of subsidiary against taxable income of parent)	Consolidated return cannot be filed for tax-exempt organization.	Consolidated return is permissible.	Consolidated return is permissible.

*Source: IRS Regulations, Section 1.61-5

IRC Section 501(c)(12)

IRC Section 501(c)(12) exempts certain cooperatives, including electric and telephone cooperatives, and mutual companies from federal income taxation if they provide utility and related services to members, and if they pass the 85-percent test. While some Section 501(c)(12) utilities may choose to operate as mutual companies, the tax issues associated with mutual companies are beyond the scope of this report.

In order to qualify for the federal tax exemption under Section 501(c)(12), a cooperative must:

- Engage in specified activities,
- Operate under cooperative principles, and
- Derive 85 percent or more of their income from members annually.

Cooperative principles IRC Section 501(c)(12) does not define what it means to operate as a cooperative. The IRS has, however, adopted key principles⁴⁸ based on case law and experience, including:

- *Subordination of capital.* The members of the cooperative (unlike shareholders in an investor-owned firm) control the cooperative and share in any savings or financial benefits. Voting rights are based on membership—one member, one vote—rather than financial investment in the organization or use of services. Interest or dividends are not paid on members' equity investments.
- *Democratic control by members of the cooperative.* Members participate in policy- and decision-making for the organization. A co-op holds annual meetings for members to elect board members to operate the co-op, to approve certain matters affecting the governance of the cooperative and to otherwise participate in guiding the organization.
- *Vesting in and allocation of capital credits among the members.* The excess of a cooperative's operating revenues over its operating expenses belong to its members. The organization must allocate any operating margins to members in proportion to the amount of business done with the cooperative.
- *Operation at cost.* A cooperative must not operate for profit and should strive to avoid losses.

The 85-percent test Once the IRS issues a determination letter granting tax-exempt status, a co-op is exempt from federal income tax in any year in which it receives 85 percent or more of income from members for the sole purpose of meeting losses and expenses. There are two requirements for member income: it must be collected from members on a cooperative basis, and it must be derived from services specified in Section 501(c)(12).

If the co-op fails the test in a given year, it is subject to federal income tax for that year. However, it does not have to re-apply for exempt status if it continues to meet the other Section 501(c)(12) requirements. Thus a co-op could pass the test in Year 1, fail (and pay income taxes) in Year 2 and pass again in Year 3 without changing its status with the IRS.

It is possible—and it has happened with a few G&Ts—for the IRS to revoke tax-exempt status if an agent auditing the cooperative sees evidence that the co-op is unlikely to pass the 85 percent test in the foreseeable future.

Other issues Exempt electric cooperatives are required to pay federal taxes on any unrelated business income. For example, sales and service of appliances to customers who do not purchase electricity from the cooperative generate unrelated income, which is subject to taxation.⁴⁹

Exempt cooperatives are also subject to restrictions on diversified activities. Generally, any income from activities that do not qualify for exemption must be treated as non-member income for purposes of the 85-percent member income test, even if the customer is a member of the cooperative.

Many cooperatives are concerned about the consequences of failing the 85-percent test. While the co-op would have to pay income taxes on non-patronage-sourced income (approximately equivalent to non-member income), patronage-sourced income is eligible for exclusion from federal gross income and may, therefore, be nontaxable, provided the cooperative properly notified members of the dollar amount of annual capital credits allocations. For most cooperatives, the remaining taxable income is likely to be relatively small, and the financial impact of losing tax-exempt status maybe minimal under today's circumstances.

Of greater concern is the possibility of a cooperative losing its status as a "cooperative" under federal tax law. In that case, member and nonmember income would be taxed separately under the provisions of IRC 277, the statutory provision that applies to membership organizations that are not tax-exempt under other sections of the tax code. The financial impact of that occurrence could be substantial. It is, therefore, important for the cooperative to protect its status as a cooperative by meeting the IRS requirements for operating as a cooperative.

As the competitive structure of the electric utility industry continues to evolve, some cooperatives may find themselves earning non-member revenues from new sources. In assessing the impact of any new development, co-ops must determine whether it affects the 85-percent test.

Subchapter T

Cooperatives organized under IRC Section 1381, Subchapter T generally operate on a taxable basis. Subchapter T cooperatives are primarily engaged in providing services other than electric and telephone service in rural areas. While some electric cooperatives have organized Subchapter T cooperatives to provide non-electric services, discussion of the issues associated with Subchapter T co-ops is beyond the scope of this report.

Pre-1962 Co-op Case Law

An electric cooperative that fails the 85-percent member income test is considered by the IRS to be taxable. Unlike most taxable cooperatives, however, taxable electric cooperatives are generally not subject to the provisions of Subchapter T, *provided* that they serve "persons in rural areas."⁵⁰ Instead, the taxable income of such taxable electric cooperatives is determined under administrative and case law in effect prior to the passage of Subchapter T in 1962 (pre-62 co-op case law). Taxable rural electric co-ops are generally allowed to exclude from federal gross income capital credits that have been allocated to patrons from patronage-sourced income, reducing tax liability, provided the cooperative properly notified members of the dollar amount of the capital credits allocations.

Tax regulations provide that the term "rural area" is the same as the term is defined in Section 5 of the Rural Electrification Act of 1936, as amended.⁵¹ These tax regulations do not specify, however, how much of a cooperative's service area or what percentage of the cooperative's patrons must meet this "rural area" test, so the tax treatment of taxable electric cooperatives that serve in both rural and urbanized areas is an undecided issue.

IRC Section 501(c)(12), which contains the provisions required for an electric cooperative to be tax-exempt, includes no "rural area" requirement. Furthermore, neither qualification for tax-exemption under IRC Section 501(c)(12) nor the applicability of Subchapter T is dependent on whether the cooperative is an RUS borrower.

⁵⁰ IRC Section 1381(a)(2)(C).

⁵¹ IRC Section 1.1381-1Cb(4).

Revenue Ruling 72-36, 1972-1 CB 151 — IRC Sec. 501

Reference(s): Code Sec. 501 Reg Sec. 1.501(c)(12)-1

Certain requirements that cooperative companies must meet for exemption under section 501(c)(12) of the code are explained.

Full Text The Internal Revenue Service has received inquiries from cooperative companies regarding certain requirements for exemption from federal income tax under section 501(c)(12) of the Internal Revenue Code of 1954.

Section 501(c)(12) of the code provides for exemption from federal income tax of mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations, if 85 percent or more of their income consist of amounts collected from members for the sole purpose of meeting losses and expenses.

Section 1.501(c)(12)-1(a) of the Income Tax Regulations provides that excess funds on hand at the end of the year may be retained to meet future losses and expenses, or returned to members.

The specific questions and their answers are as follows:

Question 1 Should the interests of members in the savings of an organization be determined in proportion to their business with the organization?

Answer Yes. In accordance with fundamental cooperative and mutual principles, the rights and interests of the members in the savings of an organization should be determined in proportion to their business with the organization. The interests of members in the savings of the organization may be determined in proportion to either the value or the quantity of the services purchased from the organization, provided such basis is realistic in terms of actual cost of the services to the organization.

Question 2 Can funds be retained in excess of those needed to meet current losses and expenses for such purposes as retiring indebtedness incurred in acquiring assets, expanding the services of the organization, or maintaining reserves for necessary purposes?

Answer Yes. However, such funds may not be accumulated beyond the reasonable needs of the organization's business. Whether there is an improper accumulation of funds depends upon the particular circumstances of each case.

Question 3 Where an organization retains funds for purposes other than meeting current losses and expenses, must the organization's records show each member's rights and interest in the funds it retains?

Answer Yes. To maintain its mutual or cooperative character an organization must keep such records as are necessary to determine, at any time, each member's rights and interest in the assets of the organization.

Question 4 What is the effect on exemption of a forfeiture of a former member's rights and interest where the bylaws provide for such forfeiture upon withdrawal or termination?

Answer If, under the bylaws, a member's rights and interest have been forfeited, the organization has not operated on a mutual or cooperative basis and is therefore not exempt.

Question 5 Where, upon dissolution, an organization has gains from the sale of an appreciated asset, how should these gains be distributed?

Answer Such gains should be distributed to all persons who were members during the period which the asset was owned by the organization in proportion to the amount of business done by such members during that period, insofar as is practicable.

IS THE CO-OP IN COMPLIANCE WITH STATE LAWS GOVERNING CAPITAL CREDITS?

Enabling Legislation

A cooperative is organized under the laws of the state in which it is incorporated.⁵² Traditional electric cooperatives are incorporated and operate in 47 states. The state issues articles of incorporation authorizing the cooperative to be formed and conduct business. Electric cooperatives in approximately 30 states are organized under specific electric cooperative acts. Twenty-eight of these acts address what happens to excess revenues, effectively governing the allocation and retirement of capital credits. Fourteen of these acts contain language similar or identical to the language in Model A; six, Model B; and five, Model C (see below).

Electric cooperatives in 11 states are incorporated under a general cooperative act; in three states, they are incorporated under a nonprofit corporation act; and in three states, under a business corporation act. Most general cooperative acts address excess revenue. Most nonprofit or business corporation acts do not, but they authorize bylaws that may address treatment of excess revenues.

Capital Credits Policies of Electric Cooperatives May Be Governed by State Statutes

The 28 electric cooperative acts that address excess revenues contain language similar or identical to the language adopted in Model A, Model B or Model C.

Model A, 14 States

Alabama, Florida, Kansas, Louisiana, Maine, Maryland, Missouri, Montana, New Mexico, New York, Oklahoma, South Carolina, Tennessee, Vermont

Revenues of a cooperative for any fiscal year in excess of the amount thereof necessary:

1. To defray expenses of the cooperative and of the operation and maintenance of its facilities during such fiscal year;
2. To pay interest and principal obligations of the cooperative coming due in such fiscal year;
3. To finance, or to provide a reserve for the financing of, the construction or acquisition by the cooperative of additional facilities to the extent determined by the board of directors;
4. To provide a reasonable reserve for working capital;
5. To provide a reserve for the payment of indebtedness of the cooperative maturing more than one year after the date of the incurrence of such indebtedness in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following fiscal year; and
6. To provide a fund for education in cooperation and for the dissemination of information concerning the effective use of electric energy and other services made available by the cooperative

shall, unless otherwise determined by a vote of the members, be distributed by the cooperative to its members as patronage refunds prorated in accordance with the patronage of the cooperative by the respective members paid for during such fiscal year. Nothing herein contained shall be construed to prohibit the payment by a cooperative of all or any part of its indebtedness prior to the date when the same shall become due.

⁵² For more information, please see Section B-2, State Capital Credit Statutes in *Legal Issues Associated with Capital Credits*, available online at Cooperative.com.

Model B, 6 States

Arkansas, Mississippi, Nebraska, North Dakota, Pennsylvania, Texas

The revenues of a cooperative shall be devoted first to the payment of operating and maintenance expenses and the principal and interest on outstanding obligations, and thereafter to such reserves for improvement, new construction, depreciation, and contingencies as the board of directors may from time to time prescribe. Revenues not required for these purposes shall be returned from time to time to the members on a pro rata basis according to the amount of business done with each during the period either in cash, in abatement of current charges for electric energy, or otherwise as the board of directors determines. This return may be made by way of general rate reduction to members if the board of directors so elects.

Model C, 5 States

Alaska, Arizona, Kentucky, South Dakota, Virginia

A cooperative shall be operated on a nonprofit basis for the mutual benefit of its members and patrons. The bylaws of a cooperative or its contracts with members and patrons shall contain such provisions relative to the disposition of revenues and receipts as may be necessary and appropriate to establish and maintain its nonprofit and cooperative character.

In addition, the Model C is identical to section 23 of the Rural Electrification Administration's January 3, 1949, Uniform Electric Cooperative Act.

Other Approaches

Cooperative Act

California, Colorado, Hawaii, Iowa, Michigan, Minnesota, Nevada, Oregon, Utah, Washington, Wisconsin

Business Corporation Act

Delaware, New Jersey, West Virginia

Nonprofit Corporation Act

Idaho, Illinois, Ohio

Unique Electric Cooperative Act

Georgia, Indiana, Wyoming

Does Not Address Capital Credits

New Hampshire, North Carolina

No Electric Cooperatives

Connecticut, Massachusetts, Rhode Island

State Public Service Commissions

Cooperatives in 43 states are subject to some form of state regulation, including 24 states that exercise some degree of statutory authority over rates. State commissions may have regulations, policies or rulings affecting capital credits allocations and retirements. For example, the Arkansas Public Service Commission regulates Arkansas Electric Cooperative Corporation (AECC), a generation and transmission cooperative, and its 17 member distribution cooperatives. The commission requires three distribution cooperatives to make capital credits retirements to their consumer members any time they receive a capital credits refund from AECC. Requirements like this can affect financial planning, capital credits allocation procedures and other aspects of the distribution systems' operations.

In reviewing and revising capital credits policies, each system has an obligation to be aware of and comply with any state regulatory requirements.

ARE THE CO-OP'S CAPITAL CREDITS POLICIES IN COMPLIANCE WITH THE REQUIREMENTS OF LENDERS?

RUS

Since the early days of the rural electric program, RUS has maintained a philosophy that borrowers should achieve an adequate level of equity before retiring capital credits in order to ensure financial stability and the co-op's ability to repay its RUS loans. Recognizing that capital credits retirements can also be an important tool for ensuring the success of the cooperative, RUS has, over time, reduced the threshold requirements for retirement without prior approval.

RUS operational control regulations⁵³ grant prior automatic approval for capital credits retirements if the borrower's equity will be equal to or greater than 30 percent of total assets after the retirement. Otherwise, capital credits retirements require specific approval. This regulation is important because it provides a mechanism for borrowers subject to older loan documents to retire capital credits without obtaining additional approvals.

The current RUS loan contract⁵⁴ allows borrowers to retire capital credits if:

- The co-op's equity level will be equal to or greater than 30 percent of total assets after the retirement, or
- The co-op's equity level is greater than 20 percent and the total amount of all distributions during the calendar year are equal to or less than 25 percent of the prior year's margins.

Regardless of its equity level, a borrower also may make retirements to estates. Otherwise, a cooperative must obtain written approval to make capital credits retirements.

Borrowers who have failed to make payments on RUS debt or are otherwise in default of their loan documents with RUS are prohibited by both regulations and the current loan agreement from making capital credits retirements under any circumstances.

CFC

CFC's loan covenants allow borrowers to retire patronage capital provided equity will be equal to or greater than 20 percent after the retirement. If equity will be less than 20 percent, the borrower may retire up to 30 percent of the previous year's margins. Borrowers who are in default of payments or other loan agreement provisions may not retire capital credits.

⁵³ 7 C.F.R. 1717.67 (2004)

⁵⁴ Loan Contract with Distribution Borrowers, Sec. 6.8 Limitations on Distribution, 7 C.F.R. pt. 1718, subpt. C. app. A (2004)

ARE THE CO-OP'S CAPITAL CREDITS POLICIES COMPATIBLE WITH THE REQUIREMENTS OF THE FINANCIAL MARKETS?

The cooperative network's financial performance, collectively and individually, affects both access to and cost of funds from the financial markets. Whether a system approaches the markets directly or works through CFC—whose ability to raise funds depends directly on member performance—effective equity management contributes to a positive view from the financial community.

Fitch Ratings met with the task force to discuss its current analytical approach to evaluating electric cooperatives. The rating agency, which primarily rates G&T cooperatives, also discussed its views of distribution systems. Fitch takes a balanced approach in assessing key credit factors, looking for adequate financial strength for both the G&T cooperative and its member systems. In evaluating financial protection for lenders, it looks for:

- Adequate cash flow coverage,
- Strong equity position,
- Liquidity,
- A well-defined business plan, and
- An experienced management team and board.

Fitch does not rely solely on ratio targets to assign a rating category. However, for an A rating it would usually expect a G&T system to achieve:

- Equity of about 20 percent,
- Annual TIER and DSC of about 1.25, and
- Liquidity of about 60 days of operating expenses.

In terms of overall distribution system performance, assuming systems of reasonable quality with average credit features in terms of size, demographics, cost of power, retail rates and other factors, Fitch told the Capital Credits Task Force that the following ranges of financial ratios would be appropriate for an investment grade rating:

- 30 to 50 percent equity,
- Debt to funds available for debt service (FADS) of 10 or less,⁵⁵
- Liquidity sufficient to meet 45 to 75 days of operating expenses, and
- Annual TIER and DSC of 1.5 to 2.0 or higher.

With regard to capital credits, Fitch says that the ability to be flexible in the timing and amount of payments made to customers is looked upon most favorably. Having control over the payments gives the systems the ability to build equity more quickly and provides another tool for managing liquidity over the longer term.

In developing its equity management plan, each system has to establish a target range for its performance based on its own operating environment.⁵⁶

Learn from Experience

Connexus Gives Capital Credits Cash Back to Members

Connexus Energy, Ramsey, Minnesota, uses capital credits retirements to connect with members and the local community under a program it calls Cash Back. “It’s designed to be a central part of how customers relate to us,” said Mike Bash, Connexus Chief Financial Officer. “We call it Cash Back to try to gain value recognition of why the cooperative way of doing business is a better deal.”



(Left to Right): Michael McGlone, Salvation Army Heat Share; Karen Barber, American Red Cross; Mike Bash, Connexus Energy; Ann Olson Bercher, Minnesota Historical Society; Judy Karmack, Habitat for Humanity.

The original Connexus bylaws required the co-op to use the First-in, First-out (FIFO) method of retiring capital credits. “Only 12 percent of our customers were getting any cash back under the FIFO method,” Bash said. “We wanted to maximize the number of current customers that were receiving capital credits.”

Connexus amended its bylaws in 1994 to allow the board of directors to determine the method of capital credits retirement. In 2002, the co-op introduced Cash Back, a percentage-based retirement approach that ensures that virtually 100 percent of customers have the opportunity receive a capital credits retirement—Cash Back—or to donate the amount to one of four community organizations. “We are trying to balance getting money to current customers with acknowledging the obligation we have to former members to return their capital.”

It takes about three months to carry out the Cash Back process. After the co-op completes the analysis detailing the Cash Back refunds, it sends a mailer to members notifying them of the amount and giving them the choice of the bill credit or donation. If the consumer chooses to keep the Cash Back, no action is needed. Consumers who choose the donation return a post card included with the mailer. Then the co-op credits bills and makes the contributions.

In 2004, 5,120 consumers donated almost \$64,000 of more than \$2.7 million in Cash Back payments to:

- Salvation Army Heat Share, a program that provides utility payment assistance;
- Habitat for Humanity, an organization that builds affordable houses;
- American Red Cross, a local chapter that provides humanitarian services in the community; and
- Minnesota Historical Society, proprietors of a local heritage farm.

These organizations were selected because their work relates to the co-op’s role in the community. “The local symphony orchestra may be really important to the community, but it doesn’t have a relationship to our role as a utility,” Bash said. The co-op holds a ceremony to present the check to each organization, providing a photo opportunity that generates newspaper articles and positive press coverage. Member contributions made through Cash Back are tax-deductible.

The cooperative promotes the program through the mailer, the Connexus Web site, bill envelopes, the bill itself, newsletters and newspaper ads. “It is part of our year-round message that you get Cash Back from your electric utility. That is a distinguishing point, and the community giving fits with other things we do throughout the year,” Bash said.

Chapter 5: Maximizing the Benefits of Capital Credits Decisions

Questions for board consideration

- What should a co-op know about its members?
- How can the co-op use capital credits retirements to communicate with members about the value of cooperative membership?
- What is the best time to issue capital credits retirements?
- What is the best method for issuing capital credits retirements?

Members, nonmembers and the public respond very favorably to the concept, principles and values that electric cooperatives offer consumers. In developing and implementing a capital credits policy, co-ops sometime overlook the opportunity to distribute capital credits payments in a way that will build member loyalty and educate consumers about the advantages of cooperative membership.

Learn from Experience

South Plains EC Tells the Cooperative Story

Whether it's through a promotional stuffer, a newspaper ad, or the local pages of its statewide magazine, South Plains Electric Cooperative in Lubbock, Texas, makes sure its 23,000 members understand the cooperative difference.

In September each year, just before their annual meeting, South Plains EC includes a catchy promotional stuffer with its mailing of capital credits checks to members. "We take this opportunity to differentiate our co-op from the other utility providers in our area," said South Plains EC Manager of Communications Lynn Simmons. "The stuffer is not highly technical—it mainly promotes how we operate differently as a co-op. The front side provides general information but members can flip it over and see enough detail that they can actually calculate their own retirement."

South Plains EC also educates its members about capital credits by providing comprehensive information in its annual report, which is part of the local pages in its Texas statewide magazine, *Texas Co-op Power*. "An entire page is devoted to explaining capital credits, why we have them, and how they make us different," Simmons said. "We also include a history of our allocations and refunds."

The co-op uses a FIFO/LIFO hybrid for retiring capital credits. "Last year we retired about a million dollars, representing half of our allocated margins for our most current year and half from previous years," said the co-op's Director of Finance and Administration Ronnie Rucker. "We've been experiencing heavy residential growth so many of our members have been members for less than five years. Many of them don't realize that they are part of a co-op. Usually within a year or two, a new member will receive their first capital credits check, and we feel this is a great way of demonstrating the benefits of belonging to South Plains."

South Plains also decided to reach out to both members and nonmembers to tell the cooperative story with a series of capital credits ads in 14 local newspapers. Each ad carried the same message but the photography was customized for the co-op's different types of members. "Our system is basically divided equally between residential, small commercial, irrigation and large industrial—in our case, oil companies," Simmons said. "As a Touchstone Energy co-op, we have very affordable access to a huge library of photos. We were able to have the photo in each ad speak directly to each of these members."

South Plains misses no opportunities to make sure that every member has the chance to learn what it means to be an owner of their electric utility. "Our goal is to consistently make ourselves visible as a community partner," Simmons said. "We just keep telling the story."

Recommendation

Communications Plan

Every cooperative should have a communications plan for educating members about capital credits and the cooperative's capital credits policies. Every director and each employee should understand the policy and be able to explain how it works and why it was adopted to members who have questions.

WHAT SHOULD A CO-OP KNOW ABOUT ITS MEMBERS?

Basic knowledge of the characteristics of its membership can help a co-op devise capital credits policies and communications programs that will maximize the benefit of capital credits retirements. Research shows that two of the most important characteristics are tenure of membership and age.

Tenure of Membership

According to the U.S. Census Bureau, 40.1 million U.S. residents—14.2 percent—moved between 2002 and 2003. While that is a decline from the 17 percent moving in 1994, it demonstrates that geographic mobility is an important aspect of American life.

The bureau also found that moving rates varied by the characteristics of the movers.

- Young adults had the highest moving rates with about one-third of 20-29-year olds moving—more than twice the rate of the population as a whole.
- Non-Hispanic whites were less mobile than other race and Hispanic-origin groups.
- Almost one-third of renters moved.
- People with income below poverty were more likely to move than those above poverty.

Fifty-nine percent of the moves were within the same county while 19 percent were to a different county within the same state; 19 percent were to a different state; and 3 percent were from abroad. In addition, the bureau found that 32.3 percent of the movers moved less than 50 miles. The median distance was 155.3 miles. The Midwest and Northeast regions experienced net migration losses of population while the South and the West had net migration gains.⁵⁷ While this information cannot be generally applied to an individual cooperative, it does confirm that many co-ops are likely to experience significant turnover every year. Census data is available in many forms down to individual blocks and can help a co-op understand the characteristics of its new members.

Age

Touchstone Energy recently completed a member attitude survey of the membership of five electric cooperatives. A substantial majority of those surveyed in all age groups agreed that it was an important value for cooperatives to give money back to their customers when operating revenues exceed costs. However, the number of those surveyed who strongly agreed that co-ops actually give money back to consumers varied substantially across age groups with younger members being much less likely to agree than older members. The results indicate an opportunity for these cooperatives to use capital credits refunds to demonstrate to younger members that cooperatives operate in accordance with their values.

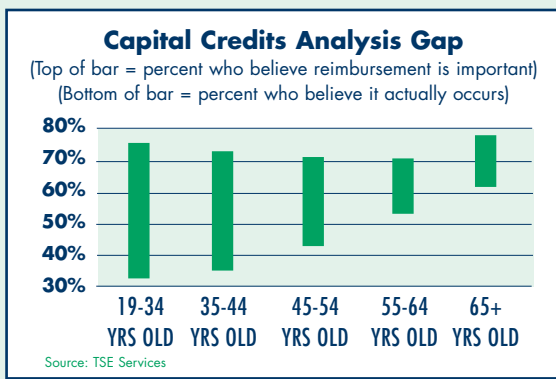
⁵⁷ U.S. Census Bureau, *Geographical Mobility: 2002 to 2003*, March 2004. Detailed census information is available at www.census.gov.

Research Shows Age Matters

Touchstone Energy recently commissioned TSE Services, a market research firm owned by North Carolina’s electric cooperatives, to study consumer attitudes. The researchers presented the following statement to members of five electric cooperatives:

“Cooperatives give money back to their customers when revenues exceed costs.”

A significant majority of consumers in all age groups ranked this as a very important value. When asked whether they agreed with the statement, the differences among age groups were striking. As few as 33 percent of members under age 35 strongly agreed with the statement, yet 75 percent of that group reported the attribute as very important. The results indicate a need to develop stronger connections with younger members.



The majority of consumers of all ages agree that it is important for cooperatives to give money back to consumers. However, younger consumers are much less likely to perceive that co-ops actually do return funds to consumers

younger members. The point is that co-ops must know their members in order to connect with them.

In addition, a key drivers analysis done as part of this survey shows that giving money back to consumers contributes significantly to their perception of receiving a good value for the money they spend as well as their sense of membership. These perceptions have been shown to contribute strongly to high levels of satisfaction and customer loyalty.

While these results are specific to the original five participants, the results have been confirmed in efforts completed since the Touchstone study. Other co-ops may find it interesting to explore the attitudes of their younger members using similar methods.

Understanding population trends and viewpoints can help co-ops devise policies and communication materials that tie the co-op to its members more strongly. For example, co-ops with a growing Hispanic population may want to develop Spanish language materials. Co-ops with a very transient population may want to develop programs that target newcomers and

HOW CAN THE CO-OP USE CAPITAL CREDITS RETIREMENTS TO COMMUNICATE WITH MEMBERS ABOUT THE VALUE OF COOPERATIVE MEMBERSHIP?

Communicating with Different Audiences

A cooperative has to communicate its message about capital credits to several different audiences. The message should be tailored to fit the needs of those different audiences and timed for the maximum benefit.

Cooperative employees As soon as the co-op has determined the amount of capital credits it plans to retire, the manner and timetable, the cooperative should educate and inform the employees of the decision. It should be kept in mind that the employees are the frontline contact with the membership, and members will ask them questions regarding the co-op’s capital credits retirement plans.

Neighboring cooperatives Once the cooperative has finalized its capital credits retirement strategy and plans, the cooperative should notify those electric cooperatives bordering their service areas and the statewide association of the board’s decision. This advance notice will help them be prepared to respond to inquiries about their own equity/capitalization needs that their members might present upon learning of the neighboring cooperative’s plan.

The cooperative's members The cooperative should carefully contemplate formulating answers to the questions consumers might ask. In addition, once the co-op announces the retirement of capital credits and distribution of checks, it should be prepared to handle a significant number of inquires from heirs and others who will claim to have the right to some former member capital credits. This also will include spouses of former members who have since divorced.

Media At the time the cooperative makes its initial announcement about retirement of capital credits, it should inform the media that cover the cooperative's service area about the amount of capital credits to be retired, the timetable and overall dollar amount of the retirement. The media, too, will need to be educated about capital credits and the value they bring to the membership and the cooperative business.

Public officials It is a good idea to alert state and federal legislative representatives about the cooperative's intentions. Such advance information can build a stronger awareness among these elected officials of the cooperative's commitment to the membership and community's economic well-being.

Studies have found that loyalty among consumers who identify with being a member of the cooperative is stronger than that of those who identify only with being a satisfied consumer. A member education and communication program that explains why co-ops are a different kind of utility and what benefits a consumer gains from being served by a cooperative is essential to fostering member identity. It is a long-term process that requires a long-term investment of time and energy as well as money. It also means that the co-op must operate in a way that embraces cooperative principles of member ownership, control and economic participation.

The act of distributing capital credits retirements offers an opportunity to address the special value of co-op membership. A well-designed capital credits retirement procedure will include a communications plan to help members understand what they are receiving. Capital credits are the members' investment in the cooperative. The investment has provided part of the capital needed to operate the co-op. By making that investment, members have reduced the cost of electricity for themselves and the other members. Capital credit retirements represent the return of that investment.

Communications materials should answer questions the member might have from the member's perspective, such as:

- What are capital credits?
- Why is it important for electric cooperatives to allocate and retire capital credits?
- How do capital credits benefit the cooperative and membership?
- Who receives capital credits allocations?
- When and how are capital credits returned?

Unclaimed capital credits may provide another opportunity to demonstrate the value of cooperative membership. If state laws allow the cooperative to retain unclaimed capital credits,⁵⁸ the co-op may designate a special purpose for these funds, such as a scholarship program for students from cooperative families.

⁵⁸ See page 59.

Research Shows Members Unaware of Cooperative Difference

In May 2001 (during the California energy crisis), Peter D. Hart Research Associate, Inc., conducted seven focus group sessions in California, Texas, Kentucky and North Carolina, followed by a survey in June and July of more than 1,600 consumers, including co-op members and customers who purchase electricity from another type of supplier. The study was designed to elicit information that would help co-ops succeed in a competitive environment.

The study found that most American consumers were happy with their electric utility, regardless of the type of supplier, and that consumers believe that they can expect better service from a co-op. The study also found that consumers are not knowledgeable about the special nature of co-ops.

“The general public is largely unaware of the co-op option, and co-op members themselves are not tightly bonded to their co-op,” the Hart report said. The report goes on to say, “Co-ops have two broad message themes to sustain themselves:

- Co-ops reliably provide energy at a reasonable cost.
- Co-ops are special organizations whose values mean better service for their members—the owners.”

The researchers concluded that co-ops are doing well in making the first argument—but so are other electric utilities. They recommended that co-ops concentrate on the second message by building greater awareness of the values and heritage that make co-ops unique among electric providers.

While the project did not specifically address the issue of capital credits, a co-op can structure the capital credits retirement process to convey the message that the co-op is connected to the community and that it treats member-consumers with respect.

Source: Peter D. Hart Research Associates, Inc.

Research Shows Fostering Member Identity Pays

The NRECA Market Research Services analyzed randomly selected samples of responses from 22,244 residential co-op members and 4,268 other residential electric customers aggregated from customer satisfaction and attitude studies conducted for co-ops from late fall 1999 through 2001. The consumers represented a diverse geographic area nationally. The purpose of the study was to determine whether there are benefits for electric service providers that are cooperatives and that are recognized by their customers as cooperatives.

The study found that co-op members who have some level of identity as member-owners of their co-op are more satisfied and loyal than both the members who do not have that sense of identity and members who don't know that their provider is a cooperative. This finding held true across the various demographic groups studied.

The study found that “Fostering member identity pays dividends in terms of satisfaction and loyalty to co-ops.” The study concluded that having members who have an identity as member-owners pays dividends in satisfaction and loyalty.

While this study did not analyze capital credits specifically, capital credits are a valuable tool that can help forge a strong identity among consumers that they are indeed also members and owners of a cooperative that is responsive to their needs.

Source: NRECA Market Research Services

Learn from Experience

It's PEC Day in Oklahoma!

The annual meeting of Peoples Electric Cooperative is such a big event that the mayor of Ada, Oklahoma, declared it PEC Day. The 13,000-member co-op, which serves 11 counties in south central Oklahoma, draws an annual meeting attendance of 7,000 to 9,000 people, representing about 3,000 co-op members, every year.

How they do it? “It isn’t easy—it’s a lot of work!” said PEC Executive VP and General Manager Randy Ethridge. “The biggest factor is that we personally hand each member that attends the meeting their capital credits retirement check.” Members travel as much as an hour each way to attend the meeting and receive their check.

With the help of most of its employees and police and other services provided by the city, PEC sponsors one of the biggest social gatherings of the fall season in the area. It’s a family affair. Members and their guests enjoy live musical entertainment, prizes, arts and crafts booths, activities for the kids, and a smorgasbord of food provided by local vendors. And even though doors don’t open until 9 a.m., members start lining up before 7:30 a.m. so they can register and pick up their share of the co-op’s margins for the year.

“This event takes lots of planning and support from employees and the local community,” Ethridge said. “We have 40 employees working 20 to 25 registration lines and registering members, thanking them for their support and handing them their checks. The logistics are mind boggling, but every year it works and we build member support and goodwill.” Attendance continues to increase each year. Twenty years ago, the co-op had difficulty obtaining a required 5-percent quorum. Now, the meeting easily draws 25 to 30 percent of its membership. The co-op is confident that it will easily surpass a quorum at every annual meeting.

PEC uses a FIFO/percentage hybrid for retiring capital credits. Last year, the co-op’s board decided to retire 20 percent of its current-year margins. “This amounted to an average check of \$50 to \$75 per member. Many local merchants offer special promotions on PEC Day to encourage members to spend their check right away and, in fact, we have so many people attending the meeting that we provide satellite transportation from many local shopping centers in the area,” Ethridge said.

For this co-op, the annual meeting presents an opportunity to demonstrate to their members that they own the business and that it does make a difference.

WHAT IS THE BEST TIME TO ISSUE CAPITAL CREDITS RETIREMENTS?

Thoughtful timing and the method of the distribution can maximize the benefit of that communication. The best approach for an individual co-op depends on what it wants to accomplish, demographics and the size of the distributions. For example, the co-op may issue retirements at a time when members will appreciate extra money or when the cooperative wants to draw attention to cooperative principles, such as:

- In December before the holidays,
- At the end of the school year,
- During the peak season for utility bills,
- In conjunction with the annual meeting, or
- In October during National Cooperative Month.

Learn from Experience

Sioux Valley Energy Spreads Post-holiday Cheer with Bill Credits

Along with post-holiday bills, members of Sioux Valley Energy, Colman, South Dakota, find a pleasant surprise in their January mailboxes: a credit on their electric bill for their capital credits retirement. Some co-ops are afraid customers will not recognize refunds issued through bill credits, but that hasn't been a problem at Sioux Valley. To be sure customers don't miss it, the co-op includes a bright yellow bill insert explaining the retirement and what it represents. The refund also is publicized in the co-op's newsletter and statewide magazine. The co-op issues checks to consumers who have left the system.

Consumers like this approach, according to Eunice Bartels, board vice president. "We have had a good response to this method of retiring our capital credits," she said. The co-op likes the savings over issuing checks—more than \$5,900 in postage in 2004 and additional savings as a result of not purchasing and processing checks.

The cooperative undertook a review of its capital management practices in 2002 to evaluate the impact of several factors. The co-op is experiencing growth and is also investing heavily in plant maintenance and line replacements. In addition, it wants to increase its equity level to help reduce the cost of borrowing funds. As a result, the board decided to reduce the amount set aside for annual capital credits retirements from 5 percent of total equity to 2.5 percent, including the estate retirements.

The co-op uses the FIFO/LIFO method for general retirements, retiring 70 percent of the oldest capital credits on the books and 30 percent of the most recent year allocated.

In 2004, Sioux Valley issued bill credits to 15,994 members and checks to 5,062 members for a total of \$585,000 in general capital credits retirements. The co-op also retires capital credits to estates throughout the year.

The co-op evaluates its financial condition each year to determine whether capital credits retirements are prudent. "Repayment of capital credits will remain a year-to-year decision for the board," said Don Marker, General Manager. "We're happy that our strong financial condition made these retirements possible."

WHAT IS THE BEST METHOD FOR ISSUING CAPITAL CREDITS RETIREMENTS?

The co-op can issue the retirement as a check or bill credit. There are advantages and disadvantages to each approach. A check provides a more tangible demonstration of the return, but the administrative costs are higher. A bill credit may be overlooked on the bill, but it is a less costly approach.

Check or Bill Credit?

Capital credit retirements issued through either a check or a bill credit can provide an opportunity for positive interaction with members. The key is to have a well-thought-out plan for using the retirement to emphasize the benefits of cooperative membership.

Retirement Format	Advantages	Disadvantages
Check	<ul style="list-style-type: none">• Tangible evidence of ownership• Marketing flexibility	<ul style="list-style-type: none">• Higher administrative costs
Bill Credit	<ul style="list-style-type: none">• Lower administrative costs	<ul style="list-style-type: none">• Easy to overlook on bill• Must still send check to inactive patrons receiving a retirement

A co-op may decide to take different approaches with different customer classes. One way to focus attention on patronage capital retirements is to make a formal presentation of large capital credits checks, especially to visible institutions like schools or hospitals, and encourage media coverage. This can help maintain good relations with large accounts and also educate the membership as a whole.

A co-op's capital credits policy can be a valuable tool for building greater awareness of the values and heritage that make cooperatives unique among electric providers.

Chapter 6: Conclusion and Recommendations

The primary purpose of the task force is to educate boards of directors about current capital credits issues and encourage co-ops to review capital credits policies. While each cooperative has unique circumstances that affect its capital credits decisions, there are also common issues. In this report, the task force has provided alternative approaches to many of these issues. However, the task force recognizes that its work would not be complete if it did not make recommendations on issues when it believes that the appropriate action is clear and applicable in most situations. It is the task force's hope that these recommendations will help co-ops meet capital credits obligations in a way that strengthens the value of all cooperatives.

WHAT ARE THE RECOMMENDATIONS OF THE CAPITAL CREDITS TASK FORCE?

While there are many aspects to the process of developing a capital credits policy, the board of directors has two basic responsibilities: to establish strategic goals for the co-op's capital credits policy and to determine the techniques for allocating, retiring, refunding and communicating with members about capital credits that will be most effective in helping the co-op achieve these goals while complying with applicable laws, regulations and the co-op's own bylaws. The task force has adopted recommendations to address each of these areas.

Strategic Goals

A Board-Approved Policy: Every electric cooperative should have a policy for annually allocating capital credits and, subject to the board of directors' discretion and the cooperative's financial condition, annually retiring capital credits.

Members have an economic stake in the cooperative. Through rates, they invest funds in the cooperative that enable them to receive services that might not otherwise be available. The return of that investment through the allocation and retirement of capital credits is one of the concepts that defines a cooperative and distinguishes it from another form of business. It also helps to ensure that each generation of consumers provides its own capital. Various federal and state laws and regulations as well as many cooperatives' articles of incorporation and bylaws also address capital credits requirements.

The 1976 Capital Credits Study Committee recommended that electric cooperatives retire capital credits: "In order to develop a sense of ownership on the part of the members and to reward our members for the capital they contribute, capital credits should be retired even though the amounts in any given year may be relatively small."⁵⁹

That statement continues to be true. Capital credits provide a tangible demonstration of the value of the cooperative form of organization and of the benefits of cooperative membership.

A checklist to assist boards in considering the issues that must be addressed in establishing a capital credits policy is included in Appendix 3.

Equity Management Plan: Every electric cooperative should develop and implement an equity management plan that supports its capital credits policy based on the co-op's equity and debt requirements, financial performance and competitive situation. The equity management plan should include rates that will generate adequate cash to provide capital credits retirements.

Planning for capital credits retirements is a financial responsibility just like planning to repay debt, build equity and finance capital additions. An equity management plan provides the financial foundation that the board needs to balance debt and equity effectively to meet a variety of financial needs and criteria, including retiring capital credits.

The equity management plan guides the board in making decisions about rates and other issues that will allow the cooperative to generate adequate capital to fund growth and other needs without retaining member funds longer than is necessary or in amounts in excess of its needs.

Adequate Equity Level: Each electric cooperative should seek to maintain an equity level adequate to retire capital credits on an annual basis and meet the goals and requirements of its equity management plan. The task force suggests that a reasonable equity level for most distribution systems is in the range of 30 to 50 percent, depending on the cooperative's financial and competitive situation.

A cooperative's equity level is one of the key indicators of financial health, and maintaining an appropriate equity level is a primary goal of the equity management plan. It is also important for the cooperative network as a whole to continue to achieve a strong financial performance in order to maintain access to adequate amounts of capital at a reasonable cost. While most discussions focus on the need to maintain minimum equity levels—the Capital Credits Study Committee recommended a minimum equity level of 30 percent—it is also possible for a cooperative to create and retain excessive equity. The financial community generally equates equity in the 30 to 50 percent range with an investment-grade rating for distribution systems. The task force believes that this is an appropriate range for the equity level of most electric distribution cooperatives.

Permanent Equity: The development of permanent equity should not be a goal of a cooperative's capital credits policy. Any advantages of permanent equity, such as building a cooperative's equity level or developing reserves, can be achieved in more direct ways that do not involve the same tax, takeover or other risks inherent in a policy of permanent equity.

Some tax advisers have suggested that cooperatives should create a pool of permanent equity that is not allocated to members as capital credits. Permanent equity may be created as a consequence of a business decision made for other reasons, such as discounting special capital credits retirements to estates. Beyond that, some cooperatives have considered adopting a goal of accruing permanent equity as a matter of policy through discounting general retirements, retaining non-patronage-sourced margins or other means.

Those who favor permanent equity say that it can provide permanent reserves, allow the co-op to rotate remaining patronage capital more quickly and improve the co-op's credit profile, among other suggested benefits. Any advantages of permanent equity, however, can be achieved more easily and with less expense through careful planning and execution of the co-op's equity management plan. Adopting a goal of creating permanent equity requires a fundamental change in the interpretation of cooperative philosophy and should be avoided.

Allocating Capital Credits

Member Notification: Cooperatives should notify members in writing of the dollar amount of annual capital credits allocations.

Depending on individual circumstances and tax status, a cooperative may or may not be legally required to notify each member of the specific amount allocated to the individual capital credits account each year.

Each member is an owner of the cooperative; each member supports the cooperative financially through the rates paid for electricity and other services; and each member is entitled to capital credits. It is consistent with cooperative principles, and common sense, that each member is entitled to know the amount of capital credits allocated each year, whether or not there is a binding legal requirement to that effect.

Contractual Forfeiture: Electric cooperatives should not enter contracts that require members to forfeit the right to capital credits in return for other considerations, such as reduced rates.

Contractual forfeiture of capital credits is inconsistent with cooperative principles and questionable from a tax perspective. Since similar results can be achieved through other means, the practice should be avoided.

Retiring Capital Credits

Selecting Retirement Method Based on Goals: Each cooperative should choose a retirement method that will help the co-op achieve its goals, recognizing the effect the tenure and age of its members has on the perception of the value of membership in the cooperative. The task force strongly recommends that each cooperative know the percentage of its current membership receiving a capital credits retirement each year and seek to maximize that percentage.

Historically, the first-in, first-out (FIFO) method has been the most commonly used capital credits retirement method. The 1976 Capital Credits Study Committee recommended that cooperatives consider adopting the percentage method, citing the need to involve current members more fully in the capital credits process.

Today, the Capital Credits Task Force recognizes that the demographics of members served vary widely among electric cooperatives. Some cooperatives serve a relatively stable membership while others are experiencing a high rate of turnover. Research has shown that tenure and age affect the way members perceive the value of cooperative membership differently. The capital credits retirement method can contribute to or reduce perceptual differences.

Rather than recommend a one-size-fits-all approach, the task force suggests that each cooperative establish specific goals for capital credits retirements based on its unique member demographics, operating characteristics and legal requirements. The board should adopt a retirement method that will achieve those goals. For example, if the goal is to reward long-term patronage, the FIFO method may be the best approach. If the goal is to educate newer members in the value of the cooperative form of organization, the percentage method may be the best choice. If the cooperative wants to be sure as many members as possible receive a capital credits refund, it may prefer a hybrid method.

What is most important is that each system retires capital credits in a manner that maximizes the value to its membership.

Discount Special, Not General, Retirements: If an electric cooperative chooses to make special retirements, such as retirements to estates, the amount of the retirement should be discounted to reflect the time value of money. Cooperatives should not offer discounted general retirements.

Many cooperatives make special retirements of capital credits in recognition of unusual circumstances, such as the death of a member. Some cooperatives also offer general retirements at a discount, either in order to create permanent equity or to reduce record-keeping requirements for members leaving the system.

Early retirements allow the cooperative to make a payment sooner than it otherwise would. There is a real cost to the other members of the cooperative to do that, and there is a benefit to the member to receive money sooner than the member would otherwise. It also may be unfair to some members to return investments in the cooperative to other members out of order. Discounting to reflect the time value of money is a way to balance the impact of special retirements so that no one experiences undue financial benefit or harm. Keep in mind that the Internal Revenue Service position with respect to discounts is still evolving, and discounting may result in non-member income.

The task force recognizes that special retirements are a well-established aspect of the capital credits policies of many cooperatives. Discounting those retirements preserves fairness to all members. Since the total amount of special retirements in a given year is likely to be small, the potential benefit to both the cooperative and member, for example, being able to close an estate and remove an account from the co-op's books, is likely to outweigh the potential risks.

Making general retirements at a discount is not an established practice for most systems. It is difficult to administer such a practice fairly while maintaining a strong financial performance, and it may put the cooperative at risk for failing the 85-percent test. The task force believes that cooperatives should not make general retirements at a discount. If a system wishes to do so, the task force recommends that it seek a private-letter ruling with regard to the impact on non-member income before implementing such a policy.

Recommended Discount Rate: If a cooperative makes discounted capital credits retirements, the task force suggests that the discount rate selected should be based on the cooperative's weighted cost of capital, which includes the cost of equity and the cost of debt.

It is important that discounted capital credits retirements be made in a fair and equitable manner. Choosing an appropriate discount rate is the key to making that happen. Too high a rate penalizes the member. Too low a rate penalizes the cooperative and its remaining members. There is no one standard that is appropriate for every cooperative in every situation. Rather, an individual board should be able to justify and verify the rate it selects. Since rates change often, the chosen rate should be reviewed and adjusted periodically to ensure that it continues to be fair.

Age of Members: Electric cooperatives should not make special capital credits retirements based solely on the age of the member.

Retiring capital credits to members who reach a certain age may discriminate against other members unless a discount is applied and may become a financial burden to other members as the membership ages. If the co-op receives federal financial assistance from RUS or otherwise, the retirement may violate the Age Discrimination Act of 1975. If the co-op does not receive federal financial assistance, there does not appear to be a general prohibition against the practice. It is, however, inconsistent with cooperative principles. Likewise, depending on the outcome of current deliberations, the practice may result in capital credits being classified as a liability under FAS 150.

Compliance

Director Flexibility and Discretion: Every electric cooperative should review its bylaws, state laws and other applicable governing factors in terms of the impact on capital credits policies. If a cooperative's bylaws do not permit the board to exercise sufficient discretion regarding the method for allocating or retiring capital credits, the cooperative should consider seeking changes to give directors such flexibility in determining capital credits policies.

Cooperatives have experienced many changes over time and will undoubtedly experience more changes in the future. It is impossible to anticipate what all of these changes might be, but it is possible to prepare for them by providing the board of directors with the greatest amount of flexibility possible in making future decisions. For example, FAS 150, if adopted as proposed in May 2003, would change accounting practices that have been followed for decades in a way that could have a substantial negative impact on the equity levels of systems that have mandatory provisions for the method of retiring capital credits. Adopting a more flexible approach now could help systems avoid this problem and others in the future.

Maximizing the Benefits of Capital Credits Decisions

Communications Plan: Every cooperative should have a communications plan for educating members about capital credits and the cooperative's capital credits policies. Every director and each employee should understand the policy and be able to explain how it works and why it was adopted to members who have questions.

A co-op's capital credits policy helps the co-op operate in accordance with cooperative principles and comply with applicable state and federal laws along with the co-op's articles of incorporation and bylaws. It also provides an opportunity to connect with members in a way that builds member loyalty and educates consumers about the advantages of cooperative membership. Communicating with members about capital credits allows the cooperative to explain why the co-op is a different kind of utility and the benefits the consumer gains from being a part of the cooperative.

Appendix 1: Online Resources

Users can access the following resources online at Cooperative.com:

Announcement 96-24, Exempt Organizations, Proposed Examination Guidelines Regarding Rural Electric Cooperatives

Guidelines for Exempt Organizations Internal Revenue Agents to use during the examinations of rural electric cooperatives

Capital Credits Retirement Procedures, The Report of the Capital Credits Retirement Procedures Task Force, August 1980

Specific recommendations related to administering capital credits policies

Code of Federal Regulations 7 CFR 1767 Accounting Requirements for RUS Electric Borrowers

Uniform System of Accounts for RUS borrowers

Comments of Fitch Ratings

Summary of Fitch presentation to Capital Credits Task Force, including criteria for assessing key credit factors

Distribution Cooperative Survey Results

Summary of capital credits practices of 509 distribution cooperatives

Final Report and Recommendations, Capital Credits Study Committee, February 1976

First document to address legal, accounting and philosophical aspects of equity management, capital credits allocations and capital credits retirements in a comprehensive manner

G&T Cooperative Survey Results

Summary of capital credits practices of 30 G&T cooperatives

History of Internal Revenue Service Rulings

Washington Utility Group summary of IRS rulings related to discounting capital credits retirements

Internal Revenue Code (IRC) Section 501(c)(12)

Regulation that grants tax-exempt status to electric cooperatives, among others, and establishes criteria for tax-exemption

IRS Publication 557, Tax-Exempt Status for Your Organization

Rules and procedures for organizations that seek tax-exempt status under Section 501(c)(12)

Legal Issues Associated with Capital Credits

Extensive review of legal rights and obligations of co-ops and their patrons regarding capital credits, including citations

Michael Seto and Cheryl Chasin, *General Survey of IRC 501(c)(12) Cooperatives and Examination of Current Issues*

General cooperative principles and rules governing IRC 501(c)(12) cooperatives, the history of IRC 501(c)(12) and other requirements that affect operations of IRC 501(c)(12) cooperatives, and current issues.

Private Letter Ruling on Allocation of Multiple Services

Text of letter accepting co-op's plan to form three operating units to provide electric, gas and telecom services

Trends in Equity and Capital Credits Retirements

Discussion of trends in co-op equity and capital credits retirement levels

Update on SFAS 150

The current status of the Financial Accounting Standards Board's actions regarding proposed standard governing treatment of equity and liabilities, including capital credits

Users also can find links to the following resources on Cooperative.com:

AICPA Audit and Accounting Guide, Audits of Agricultural Producers and Agricultural Cooperatives

Financial reporting model and guidance on generally accepted accounting procedures

U.S. Census Data

Available data to assist with market research and demographics studies

United States Postal Service Address Management Services

USPS provides a variety of services to assist users in tracking customer address changes

Appendix 2: Frequently Asked Questions

This document is generic in nature, intended to assist board members and staff in answering basic member questions about capital credits and the co-op's capital credits policy. Individual cooperatives wishing to use these questions and answers should first modify them to reflect the specific policies of the cooperative.

What is a cooperative?

A cooperative is a business that is owned and controlled by the people who use its services.

What are capital credits?

A cooperative does not earn profits in the sense that other businesses do. Instead, any margins, or revenues remaining after all expenses have been paid, are returned to the members in proportion to their usage of the co-op's services through capital credits allocations and retirements. Capital credits represent each member's share of the cooperative's margins and ownership of the co-op.

Electric cooperatives have returned nearly \$6 billion to their owners over the years and in 2003 returned more than \$300 million in capital credits.

What do cooperatives do with capital credits?

Every business needs to maintain a suitable balance between debt and equity to ensure its financial health and stability. Capital credits are the most significant source of equity for most electric cooperatives. Equity is used to help meet the expenses of the co-op, such as paying for new equipment to serve members and repaying debt. Capital credits help keep rates at a competitive level by reducing the amount of funds that must be borrowed.

How does the cooperative determine who receives capital credits?

Capital credits are allocated to each member of the cooperative every year based on participation in the cooperative. The board of directors determines the basis for the allocation. Frequently, the allocations are based on such measures as the total dollar amount of services purchased or kwh of electricity consumed.

How does the cooperative notify members about capital credits allocations and retirements?

Most cooperatives notify members of annual capital credits allocations through a letter, a message on each member's bill, the co-op's Web site or other methods.

How are capital credits disbursed?

Each year the board of directors determines whether the co-op's financial position permits the return, or retirement, of capital credits and, if so, what amount of capital credits will be retired.

The board also decides the method for determining which capital credits are returned. For example, many cooperatives retire capital credits using the First-in, First-out, or FIFO, method. That means that the capital credits that have been invested in the cooperative for the longest period of time are returned to members first. A cooperative using the FIFO method might return capital credits allocated in 1984 to members in 2004.

Other co-ops retire capital credits using the percentage method. That means that a portion of the total amount of capital credits allocated to a member over time are returned each year.

Another way to retire capital credits is to use a combination of methods, such as the FIFO/Percentage hybrid, which makes part of the capital credits retirement on the FIFO basis and part using the percentage method. The Last-in, First-out, or LIFO, method, which repays capital credits that have been invested in the cooperative for the shortest period of time first, is rarely used alone, but the FIFO/LIFO hybrid is a popular approach.

The approach that works best for an individual system depends on a number of factors, including the age and tenure of its membership.

Do members receive interest on capital credits?

Some cooperatives are prohibited from paying interest on capital credits by their articles of incorporation or other legal documents. Whether that is the case, co-ops do not pay interest on capital credits, because the money to pay that interest would have to be collected from members through higher rates.

What happens to a member's capital credits if the member moves away from the system?

A member who terminates service no longer receives additional capital credits allocations. The balance in the member's capital credits account is maintained until it is retired in full.

It usually is the member's responsibility to notify the co-op of any changes in address so that the member can be located when it is time for the co-op to retire capital credits allocated to the member's account.

What happens to a member's capital credits if the member dies?

Capital credits in the member's account belong to the member's estate. In order to assist the member's heirs in closing the estate, some co-ops offer a special capital credits retirement of the outstanding balance of the deceased member's capital credits account, often at a discount.

Why are some capital credits retirements discounted?

In the interest of fairness to all members, some co-ops discount capital credits retirements, such as special retirements to estates, to reflect the net present value of making a capital credits retirement now that would otherwise be made at a later date. The smaller amount received today, if invested until the normal retirement date, would be equal to the normal retirement amount.

Why does the co-op not charge lower rates instead of retaining capital credits?

The board of directors has a fiscal responsibility to maintain the financial integrity of the cooperative in a way that provides competitive rates and allows the return of capital credits to members. Having a sound equity management plan and a commitment to serving the members are key to achieving this.

Does the member have to report capital credits on tax returns?

Capital credits are a return of money paid for electricity in a previous year and are generally not taxable income for residential consumers. Commercial and industrial consumers should discuss any capital credits retirements with their tax advisers.

Appendix 3: Capital Credits Decision Checklist

must be addressed in establishing a capital credits policy.

Board Policy on Capital Credits

- Does the cooperative have a comprehensive written capital credits policy approved by the board of directors?
- Is the policy written so that it can be easily understood by the board, management, staff, members and others?
- Does the policy include:
 - A clear, concise statement of objectives?
 - A clear, concise policy statement?
 - The board's expectations as what the policy will achieve?
 - Any limits in terms of time, process or other constraints on the implementation of the policy?
 - Direction as to responsibility for enforcement and evaluation of the policy?
- Does the policy include the date of approval, any revisions and scheduled review?
- Is the policy readily available to those who need it?
- Does the board review the policy on an annual basis?
- Does the policy clearly state the co-op's objectives regarding capital credits?
- Does the policy establish a desired equity target?
- Does the policy provide for annual review and approval of allocations and retirements by the board?

Allocating Capital Credits

- What margin components will be allocated as capital credits?
 - Patronage-source income only (operating margins and other income as determined by tax regulations)
 - All income, including patronage-sourced and non-patronage-sourced income
- Will the co-op make separate allocations for some patronage-sourced margins?
 - Capital credit allocations received from a G&T
 - Capital credit allocations received from other affiliated organizations
 - Other (specify) _____
- Will the co-op allocate margins to customers in different classes based on the contribution of each class to the co-op's margins?
- On what basis will margins be allocated?
 - Dollar amount of services purchased
 - Quantity of kwh purchased
 - Dollar contribution to margin
 - Other (specify) _____
- For cooperatives offering multiple services, is the co-op required to allocate margins from

these services separately?

If so, is the cooperative in compliance with this requirement?

- How will the co-op notify members of the amount of capital credits allocations each year?
- U.S. mail
 - Message on bill
 - Electronically through online bill payment
 - Combination of methods (specify) _____
 - Other (specify) _____

Retiring Capital Credits

- What amount of capital credits will the co-op retire this year?
- What level of capital credits retirements is supported by the co-op's equity management plan and financial forecast?
 - Is the co-op's financial performance adequate to retire capital credits?
- What retirement method will the co-op use?
- What are the co-op's objectives for maximizing the value of capital credits retirements?
 - What is the age distribution of the co-op's members?
 - What is the tenure of the co-op's members?
 - What are the members' expectations regarding capital credits retirements?
 - What percentage of current members will receive a capital credits retirement?
 - Which retirement method best meets the co-op's objectives for maximizing the value of capital credits retirements?
 - First-in, First-out (FIFO)
 - Percentage of total allocated capital credits
 - Hybrid of FIFO and percentage method
 - Hybrid of FIFO and Last-in, First-out (LIFO) method
 - Other (specify) _____
- Should the cooperative make special capital credits retirements?
- What are the objectives of the special retirement?
 - Accommodate the estates of deceased members?
 - Other (specify) _____
- Should the co-op discount special capital credits retirements?
- Should discounted capital credits retirements be voluntary or mandatory?
 - What discount rate should the co-op use?

Maximizing the Value of Capital Credits Retirements

- What payment method for capital credits retirements provides the greatest value, considering the costs and benefits?
 - Check
 - Bill credit
 - Should the co-op set a minimum amount for retirement by check?
- What is the best time to issue capital credits refunds?
 - Around the holidays
 - At the end of the school year
 - At the annual meeting
 - During the peak season for utility bills
 - Other (specify) _____
- What is the co-op's plan for educating members about capital credits and the co-op's capital credits policies?
 - Can all of the co-op's board members explain the co-op's capital credits policy and answer specific questions from consumers?
 - Can all of the co-op's employees explain the co-op's capital credits policy and answer specific questions from consumers?
 - Does the co-op present information about capital credits on its Web site and in its newsletter or other publications?
- How can the co-op use unclaimed capital credits to enhance the perception of the co-op and contribute to the community?

Compliance Issues

- Is the co-op in compliance with the requirements of applicable authorities governing capital credits retirements?
 - Federal laws
 - State laws
 - Articles of incorporation
 - Mortgage covenants
 - Bylaws
- Is the co-op in compliance with applicable accounting standards?
- Are the cooperative's current practices in compliance with its capital credits policy?

Appendix 4: Sample Bylaws

The following sample electric cooperative capital credits bylaws address the allocation, notification, assignment, and retirement of capital credits. They do not address other bylaws impacting or involving capital credits, like bylaws governing dissolution, etc.

These sample bylaws are a guide and resource to assist electric cooperatives in adopting or amending capital credits bylaws. ***They are not “model” bylaws to be adopted without extensive review, consideration, and revision.***

These sample bylaws are based upon federal cooperative tax law and general state cooperative law. They are not based upon the law of any particular state. These sample bylaws are drafted primarily for an electric distribution cooperative that is exempt from federal income taxation, with some flexibility for fiscal years during which the cooperative becomes nonexempt, or taxable. ***Before considering, adopting, or amending capital credits bylaws, an electric cooperative should consult with its attorney and tax consultant.***

Because state laws vary, and because electric cooperatives may reach different policy decisions and have different tax considerations, these sample bylaws include alternative or optional language that is *[italicized and bracketed]*. As used in these sample bylaws, “Cooperative” means the electric cooperative and “Board” means the electric cooperative’s board of directors or trustees.

SAMPLE CAPITAL CREDITS BYLAW

Section X.XX – Allocation of Capital Credits. The term “patron” means, during a fiscal year: (1) a member of the Cooperative and (2) any other individual or entity purchasing a good or service from the Cooperative to whom the Cooperative is obligated to allocate capital credits, which obligation existed before the Cooperative received payment for the good or service.¹

For each good or service provided by the Cooperative on a cooperative basis during a fiscal year, the Cooperative shall equitably allocate to each patron, in proportion to the quantity or value of the good or service purchased by the patron during the fiscal year,² the Cooperative’s patronage earnings from providing the good or service during the fiscal year, which is the amount by which the Cooperative’s patronage sourced revenues from providing the good or service exceed the Cooperative’s patronage sourced expenses³ of providing the good or service, all as determined under federal cooperative tax law.⁴ If the Cooperative’s patronage sourced expenses of providing the good or service during the fiscal year exceed the Cooperative’s patronage sourced revenues from providing the good or service during the fiscal year, all as determined under federal cooperative tax law, then the Cooperative shall: (1) allocate this patronage loss to each patron in proportion to the quantity or value of the good or service purchased by the patron during the fiscal year;⁵ (2) offset this patronage loss with the Cooperative’s patronage earnings from providing the good or service during the most recent past fiscal year(s) or the next succeeding future fiscal year(s); or (3) offset this patronage loss first with the Cooperative’s nonpatronage earnings during the current fiscal year, second with the Cooperative’s unallocated nonpatronage earnings during any past fiscal year(s), and third with the Cooperative’s nonpatronage earnings during any future fiscal year(s).

¹ This definition of “patron” is based upon federal cooperative tax law. Through contract or otherwise, a non-member customer may be legally entitled to an allocation of capital credits.

² As allowed by state cooperative law, an electric cooperative may revise this and similar clauses to add the following italicized language to read, “in proportion to the quantity or value of the good or service purchased by the patron during the fiscal year *and timely paid for* by the patron.”

³ As allowed by state cooperative law, and consistent with federal cooperative tax law, an electric cooperative may further define the “expenses” referenced in these sample bylaws.

⁴ Patronage earnings generally include all operating income. They also include some nonoperating income, like interest earned on reasonable amounts of working capital and possibly the gain on the sale of capital assets. Under federal cooperative tax law, an exempt electric cooperative is obligated to allocate operating margins only, instead of all patronage earnings. Under federal cooperative tax law, other exempt cooperatives, as well as nonexempt cooperatives, are obligated or encouraged to allocate all patronage earnings, instead of operating margins only. For consistency and simplicity, and to mitigate the adverse tax consequences of an electric cooperative temporarily or permanently losing its exemption, these sample bylaws require the allocation of all patronage earnings, instead of operating margins only. An exempt electric cooperative, however, may choose to require the allocation of operating margins only, instead of all patronage earnings.

⁵ The Rural Utilities Service prohibits distribution borrowers from allocating operating losses.

APPENDIX 4 SAMPLE BYLAWS

[For each fiscal year, the Cooperative shall equitably allocate to each patron, in proportion to the quantity or value of goods or services purchased by the patron during the fiscal year, the Cooperative's nonpatronage earnings, which is the amount by which the Cooperative's nonpatronage sourced revenues during the fiscal year exceed the Cooperative's nonpatronage sourced expenses during the fiscal year, less any amount needed to offset a patronage loss. OR As determined by the Board, the Cooperative may use, retain, or equitably allocate the Cooperative's nonpatronage earnings, which is the amount by which the Cooperative's nonpatronage sourced revenues during a fiscal year exceed the Cooperative's nonpatronage sourced expenses during the fiscal year, less any amount needed to offset a patronage loss.⁶] [If the Cooperative's nonpatronage sourced expenses during the fiscal year exceed the Cooperative's nonpatronage sourced revenues during the fiscal year, then the Cooperative shall allocate this nonpatronage loss to each patron in proportion to the quantity or value of goods or services purchased by the patron during the fiscal year or offset this nonpatronage loss with the Cooperative's nonpatronage earnings during any fiscal year.]

For each amount allocated to a patron, the patron shall contribute a corresponding amount to the Cooperative as capital. The Cooperative shall credit all capital contributions from a patron to a capital account for the patron. The Cooperative shall maintain books and records reflecting the capital contributed by each patron. At the time of receipt by the Cooperative, each capital contribution will be treated as though the Cooperative paid the allocated amount to the patron in cash pursuant to a pre-existing legal obligation and the patron contributed the corresponding amount to the Cooperative as capital. The term "capital credits" means the amounts allocated to a patron and contributed by the patron to the Cooperative as capital.

Consistent with this bylaw, the allocation of capital credits is in the discretion of the Board and the Board shall determine the manner, method, and timing of allocating capital credits. As reasonable and fair, the Cooperative may allocate capital credits to classes of similarly situated patrons under different manners, methods, and timing, provided the Cooperative allocates capital credits to similarly situated patrons under the same manner, method, and timing. The Cooperative may use or invest unretired capital credits as determined by the Board.

If the Cooperative is a member, patron, or owner of an entity from which the Cooperative purchases a good or service used by the Cooperative in providing a good or service and from which the Cooperative is allocated a capital credits or similar amount, then, as determined by the Board and consistent with this bylaw, the Cooperative may separately identify and allocate to the Cooperative's patrons this capital credits or similar amount allocated by the entity.

Upon the Cooperative receiving written notice and sufficient proof of the death of a spouse in a joint membership, the Cooperative shall assign and transfer to the surviving spouse the capital credits allocated, or to be allocated, to the joint membership. Upon the Cooperative receiving written notice and sufficient proof of the dissolution of marriage between spouses in a joint membership, and unless otherwise instructed by a court or administrative body of competent jurisdiction, the Cooperative shall assign and transfer to each spouse one-half (1/2) of the capital credits allocated to the joint membership.⁷

[To secure a patron's obligation to pay all amounts owed to the Cooperative, including any compounded interest and late payment fee, and in return for the Cooperative providing a good or service to the patron, the Cooperative has a security interest in capital credits allocated to the patron. The patron authorizes the Cooperative to perfect this security interest by filing a financing statement.⁸]

⁶ State cooperative law may require a cooperative to allocate nonpatronage earnings. Federal cooperative tax law, however, does not require a cooperative to allocate nonpatronage earnings.

⁷ If state law and an electric cooperative's bylaws permit a joint membership comprised of individuals other than spouses, then the cooperative must revise this bylaw accordingly.

⁸ To be enforceable, a patron must usually sign or otherwise authenticate this security interest. To best protect and prioritize this security interest, an electric cooperative should perfect it, usually by filing a financing statement. State law usually includes detailed provisions governing the creation, enforcement, and perfection of security interests.

Section X.XX – Notification and Assignment of Capital Credits. Within a reasonable time following the end of each fiscal year, the Cooperative *[shall OR may]* notify each patron in writing of the stated dollar amount of capital credits allocated to the patron for the preceding fiscal year.⁹ Unless the Board determines otherwise, and unless these bylaws provide otherwise, the Cooperative may assign or transfer a patron’s capital credits only if:

(1) the Cooperative receives a written request signed by the patron to assign or transfer the capital credits, (2) the patron and the assignee or transferee comply with all reasonable requirements specified by the Cooperative, and (3) the Board approves the assignment or transfer.

Section X.XX – Retirement of Capital Credits. At any time before the Cooperative’s dissolution, liquidation, or other cessation of existence, the Cooperative may generally retire and pay some or all capital credits allocated to patrons and former patrons.

Upon the death of an individual patron or former patron, upon receiving a written request from the deceased individual’s legal representative, and under terms and conditions agreed upon by the Cooperative and the deceased individual’s legal representative, the Cooperative may specially retire some or all capital credits allocated to the individual. *[Upon the dissolution, liquidation, or other cessation of existence of an entity patron or former patron, upon receiving a written request from the former entity’s legal representative, and under terms and conditions agreed upon by the Cooperative and the former entity’s legal representative, the Cooperative may specially retire and pay some or all capital credits allocated to the former entity. OR Upon the dissolution, liquidation, or other cessation of existence of an entity patron or former patron, the Cooperative may not specially retire and pay capital credits allocated to the former entity.]* *[Upon the reorganization, merger, or consolidation of an entity patron or former patron, upon receiving a written request from the entity or the entity’s legal representative, and under terms and conditions agreed upon by the Cooperative and the entity or the entity’s legal representative, the Cooperative may specially retire and pay some or all capital credits allocated to the entity. OR Upon the reorganization, merger, or consolidation of an entity patron or former patron, the Cooperative may not specially retire and pay capital credits allocated to the entity.]*

If the Cooperative separately identified and allocated capital credits representing capital credits or similar amounts allocated to the Cooperative by an entity in which the Cooperative is or was a member, patron, or owner, then the Cooperative shall retire and pay these capital credits *[before or after OR after]* the entity retires and pays the capital credits or similar amounts to the Cooperative.

After retiring capital credits allocated to a patron or former patron, the Cooperative may recoup, offset, or setoff any amount owed to the Cooperative by the patron or former patron, including any compounded interest and late payment fee, by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed.

The Cooperative may retire and pay capital credits only if the Board determines that the retirement and payment will not adversely impact the Cooperative’s financial condition. Consistent with this bylaw, the retirement and payment of capital credits are in the discretion of the Board and the Board shall determine the manner, method, and timing of retiring and paying capital credits. As reasonable and fair, the Cooperative may retire and pay capital credits to classes of similarly situated patrons under different manners, methods, and timing, provided the Cooperative retires and pays capital credits to similarly situated patrons under the same manner, method, and timing. *[As determined by the Board, before the time the Cooperative anticipates normally retiring and paying capital credits, the Cooperative may retire some or all capital credits and pay the net present value of the retired capital credits. OR As agreed upon by the Cooperative and a patron or former patron, before the time the Cooperative anticipates normally retiring and paying capital credits allocated to the patron or former patron, the Cooperative may retire some or all of the capital credits and pay the net present value of the retired capital credits.]*

⁹ Federal cooperative tax law does not require an exempt electric cooperative to notify patrons of annual capital credits allocations. A nonexempt electric cooperative may exclude or deduct from its taxable income capital credits allocated to a patron, but only if the cooperative provides the patron written notice of the stated dollar amount of the allocation within 8 1/2 months after the end of a fiscal year. Accordingly, if the Internal Revenue Service audits an exempt electric cooperative and determines that the cooperative was unintentionally nonexempt during an earlier year, then the cooperative must have provided this written notice in order to exclude or deduct allocated capital credits from its taxable income.

APPENDIX 4 SAMPLE BYLAWS

The Cooperative may regularly impose a reasonable dormancy or service charge for each *[month OR year]* a patron or former patron fails to claim capital credits retired and paid to the patron or former patron. *[Through a voluntary written assignment signed by a patron or former patron, which assignment is revocable and is not a condition of the Cooperative providing a good or service to the patron, the patron or former patron may assign or transfer to the Cooperative any past, present, or future capital credits retired and paid to the patron or former patron, but not claimed by the patron or former patron within _____ () years of retirement and payment, provided the Cooperative undertook or undertakes reasonable measures to notify the patron or former patron of the retired and paid capital credits.]*

Appendix 5: Sample Board Policy

This “Sample Electric Cooperative Capital Credit Policy” is based upon general state cooperative law and federal cooperative tax law. It is not based upon the law of any particular state. In addition, this policy incorporates recommendations by the Capital Credits Task Force, as well as capital credits philosophical considerations discussed during task force meetings. This policy is primarily for an electric distribution cooperative that is exempt from federal income taxation, with flexibility for years during which the cooperative intentionally or unintentionally becomes nonexempt, or taxable.

Because state laws vary, and because electric cooperatives may reach different capital credits philosophical decisions and have different tax considerations, each cooperative should individually review and revise this policy to comply with its unique needs, desires, and requirements. This is not a “model” policy to be adopted without extensive review, consideration, and discussion. ***Before considering, adopting, or revising a capital credits policy, an electric cooperative should consult with its attorney and tax consultant.***

SAMPLE BOARD POLICY

Capital Credits Policy of _____

Adopted _____

I. Objective.

The objective of this Capital Credits Policy (“Policy”) is to state the general policy of _____ (“Cooperative”) for allocating and retiring capital credits.

II. Policy.

The Cooperative shall allocate and retire capital credits in a manner that: (1) is consistent with state and federal law; (2) is consistent with operating on a cooperative basis under federal tax law; (3) is fair and reasonable to the Cooperative’s patrons and former patrons; (4) provides the Cooperative with sufficient equity and capital to operate effectively and efficiently; and (5) protects the Cooperative’s financial condition. Subject to law, the Cooperative’s articles of incorporation, and the Cooperative’s bylaws, the allocation and retirement of capital credits are at the sole discretion of the Cooperative’s Board of Directors (“Board”).

III. Expectations.

A. Board Approval. The Cooperative shall allocate and retire capital credits according to the manner, method, timing, and amount approved by the Board.

B. Patronage Earning Allocations. For each good or service provided by the Cooperative on a cooperative basis during a fiscal year, the Cooperative shall equitably allocate to each patron, in proportion to the value of the good or service purchased by the patron during the fiscal year, the Cooperative’s patronage earnings from providing the good or service during the fiscal year.

C. Patronage Loss Allocations. For each good or service provided by the Cooperative on a cooperative basis, the Cooperative shall offset patronage losses with the Cooperative’s patronage earnings from providing the good or service during the next succeeding future fiscal year(s).

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- D. Nonpatronage Earning Allocations.** As approved by the Board, the Cooperative may use, retain, or equitably allocate the Cooperative's nonpatronage earnings.
- E. Nonpatronage Loss Allocations.** The Cooperative shall offset nonpatronage losses with the Cooperative's nonpatronage earnings during any fiscal year.
- F. General Capital Credits Retirements.** The Cooperative shall generally retire capital credits with the goals of: (1) maintaining an equity level between _____ percent (____ %) and _____ percent (____ %) of the Cooperative's total assets; (2) retiring some capital credits every year during the month(s) of _____; (3) retiring capital credits on a _____ basis; (4) retiring capital credits within _____ (____) years after their allocation; (5) communicating and promoting the cooperative principles; (6) fostering loyalty and support among patrons and former patrons; and (7) maximizing public relations and political goodwill.
- G. Special Capital Credits Retirements.** The Cooperative: (1) may specially retire capital credits upon the death of an individual patron or former patron; (2) may not specially retire capital credits upon the dissolution, liquidation, or cessation of existence of an entity patron or former patron; (3) may not specially retire capital credits upon the reorganization, merger, or consolidation of an entity patron or former patron; (4) may not specially retire capital credits upon a patron or former patron reaching a certain age; (5) may not specially retire capital credits upon a patron becoming a former patron; (6) may not specially retire capital credits upon a patron failing to pay an amount owed to the Cooperative within _____ (____) days of the date payment was due; and (7) may specially retire capital credits upon a former patron failing to pay an amount owed to the Cooperative within _____ (____) days of the date payment was due.
- H. Discounted General Capital Credits Retirements.** The Cooperative may not generally retire capital credits before the time the Cooperative anticipates normally retiring the capital credits and pay the discounted, net present value of the capital credits.
- I. Discounted Special Capital Credits Retirements.** For capital credits specially retired before the time the Cooperative anticipated normally retiring the capital credits, as agreed upon by the Cooperative and a patron or former patron, the Cooperative may pay the discounted, net present value of the capital credits.
- J. Recoupment.** After retiring, and before paying, capital credits allocated to a patron or former patron, the Cooperative may recoup, offset, or setoff any amount owed to the Cooperative by the patron or former patron by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed.

IV. Limitations.

- A. Forfeiture of Capital Credits.** The Cooperative shall not enter contracts through which a patron or former patron forfeits the right to the allocation or retirement of capital credits. The Cooperative shall not require any patron or former patron to forfeit the right to the allocation or retirement of capital credits.
- B. Patron Classes.** As reasonable and fair, and as approved by the Board, the Cooperative may allocate or retire capital credits to classes of similarly situated patrons or former patrons under different manners, methods, timing, and amounts, provided the Cooperative allocates and retires capital credits to similarly situated patrons and former patrons under the same manner, method, timing, and amount.
- C. Separate Allocations and Retirements.** The Cooperative shall separately identify and allocate to the Cooperative's patrons capital credits and similar amounts allocated to the Cooperative by an entity in which the Cooperative is a member, patron, or owner. The Cooperative may retire these separately identified and allocated capital credits only after the entity retires and pays the amounts to the Cooperative.

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- D. Notice of Allocation.** Within eight and one-half (8 1/2) months following a fiscal year, the Cooperative shall notify each patron in writing of the amount of capital credits allocated to the patron for the preceding fiscal year through a written notice stating the dollar amount allocated.
- E. Adverse Financial Impact.** The Cooperative shall not retire any capital credits unless the Board first determines that the retirement will not adversely impact the Cooperative's financial condition.
- F. Request and Agreement for Special Retirement.** The Cooperative may specially retire capital credits upon the death of a patron or former patron only upon receiving a written request from the appropriate legal representative, and only under terms and conditions agreed upon by the Cooperative and the appropriate legal representative.
- G. Discount Rate.** If the Cooperative retires capital credits before the time the Cooperative anticipates normally retiring the capital credits and pays the discounted, net present value of the capital credits, then the Cooperative shall use a discount rate equaling the Cooperative's weighted cost of capital.
- H. Minimum Amount.** The Cooperative shall not retire and pay capital credits in an amount less than five dollars (\$ 5.00), unless the retirement and payment is for all remaining capital credits allocated to a former patron.
- I. Payment and Notice of Retirement.** After the Cooperative retires capital credits allocated to a patron, the Cooperative shall pay the retired amount by sending a check for the amount to the patron's most current address listed on the Cooperative's records. After the Cooperative retires capital credits allocated to a former patron, the Cooperative shall pay the retired amount by sending a check for the amount to the former patron's most current address listed on the Cooperative's records.
- J. Unclaimed Capital Credits.** If a patron or former patron fails to claim a retired capital credits amount within _____ (____) days, then the Cooperative shall send a notice regarding the failure to the patron or former patron's most current address listed on the Cooperative's records. If the patron or former patron fails to claim the retired amount within _____ (____) days after the notice, then, for each year the patron or former patron fails to claim the retired amount, the Cooperative may impose a dormancy or service charge equaling _____ dollars (\$ ____). If a patron or former patron fails to claim the retired amount within _____ (____) years, then the Cooperative shall provide any notice and take any other action required by law, and may use the amount as permitted by law.

V. Responsibility.

- A. Implementation of Policy.** The Cooperative's general manager or chief executive officer ("Manager") is responsible for implementing this Policy and for developing the practices and procedures necessary to allocate and retire capital credits according to this Policy.
- B. Recommendations to Board.** The Cooperative's Manager is responsible for: (1) recommending to the Board the manner, method, timing, and amount for allocating and retiring capital credits; and (2) when in the best interest of the Cooperative and its patrons and former patrons, recommending to the Board revisions to this Policy.
- C. Review and Approval by Board.** The Board is responsible for: (1) reviewing, discussing, and evaluating the Manager's recommendations regarding the manner, method, timing, and amount for allocating and retiring capital credits; (2) approving the manner, method, timing, and amount for allocating and retiring capital credits; (3) reviewing, discussing, and evaluating this Policy every year; (4) reviewing, discussing, and evaluating the Manager's recommendations for revising this Policy; and (5) revising this Policy.
- D. Compliance with Policy.** The Board is responsible for the Cooperative's compliance with this Policy.

Appendix 6: Equity Management Theory

Revisiting Equity Management—The Art of Wise Compromise

Claudia Phillips, Vice President of Programs and Planning Analysis, CFC

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Background

The rural electric program had its beginnings in Franklin Roosevelt’s first term as president in the 1930s. It was simultaneously an effort to bring electricity to the rural areas and create jobs in the 48 states then building the electric lines, wiring houses and operating the newly created electric systems.

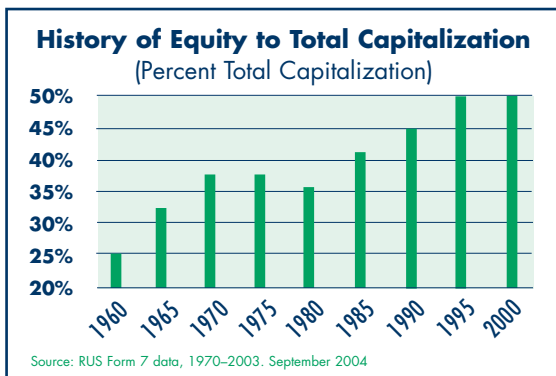
In most of the areas where the rural electrification program was established to provide electric service, the existing investor-owned utility companies exhibited little interest in making the necessary investments to serve the rural areas on an area-coverage basis. In their opinion, there would never be sufficient demand for electric service to provide the rate of return they deemed necessary to justify the investment.

In order for many projects to show feasibility, most Rural Electric Administration (REA) borrowers were established as non-profit cooperative corporations. In most states, enabling legislation had to be enacted to provide a framework under which these non-profit cooperative corporations could be created. As of December 31, 2000, most CFC and RUS (formerly REA) distribution borrowers are electric cooperatives with a relatively small group of public power districts (Nebraska) or public utility districts (Washington and Oregon).

These projects were feasible only with the combined advantages of long-term, low-interest REA loans for 100 percent of the project cost, exemption from federal income taxes because of their non-profit cooperative status, standardization of accounting, reporting, construction, etc. and a wealth of technical assistance from REA.

Most, if not all REA borrowers, were incorporated with an equity, which consisted only of a \$5 per consumer “membership fee” that was consumed largely by the organizational expenses of the fledgling businesses.

The Need for Margins and Equity



From the beginning, RUS recommended that its borrowers earn margins to build reserves against contingencies and to provide the rural electric cooperative members with some equity in the system that they “owned” but which was mortgaged to the federal government. It was evident in both policy and mortgage documents that a 40 percent equity level was desirable.

A capital credits allocation and refunding plan evolved that provided the rationale for a non-profit corporation charging rates for service in excess of the cost of providing service and “allocating” the “margins” back to the member-owners in proportion to their patronage. Provision was made to refund or revolve these allocated credits back to the members when cooperative boards of directors deemed that the financial

condition of the cooperative justified the capital credits refund.

Since that time, the composite equity of the rural electric distribution program has grown to 47 percent of total capitalization.

The Importance of Adequate Earnings Ratios

During the 1970s, when the federal government was faced with the situation that the growing capital requirements of the program far exceeded amounts they were willing to authorize, CFC was created by program leaders as a vehicle to attract capital in the private capital market. Today, with loans and guarantees outstanding to members of approximately \$22 billion, CFC continues to meet these needs.

As a private lender, CFC plays a significant role in educating the financial community about the financial health of its rural electric cooperative members. In fact, in connection with its first Collateral Trust Bond issue, CFC made potential investors aware of the rural electric program's outstanding composite earnings track record. During the decade preceding the sale of these collateral trust bonds, the composite earnings ratio of all rural electric distribution systems was within the 3.23 to 3.73 range, with the trend being upward with time. These consistently strong ratio achievements have contributed to CFC's ability to earn solid bond ratings from S&P and Moody's from its early years to today.

Since CFC's credit is a reflection of the creditworthiness of its member systems, its ability to sell long-term bonds at favorable interest rates is in large part a function of each member-distribution system maintaining adequate earnings ratios and equity levels.

Next Stage in the Life Cycle

The jump from meeting federal government requirements to meeting Wall Street's requirements to attract additional sources of debt capital on the open market required consistent maintenance of acceptable terms such as coverage and equity.

As part of this effort, CFC and NRECA created the Capital Credits Study Committee in 1976. The committee's charter was to study all aspects of the ideas, work and methods from various individuals and groups in the rural electric program, and develop and promulgate concepts regarding margins, equity levels and, ultimately, revenue requirements.

Regulatory commissions accepted the premise that investor-owned utilities must be allowed a rate of return sufficient to cover the interest on their outstanding long-term debt and to provide a reasonable return on the equity capital invested by the owners or stockholders. Soon cooperative leaders rapidly embraced the same philosophy.

Equity Management Planning

Mathematical models were developed, and later improved, that contained principal concepts indicating that there was an "optimum" equity level for every cooperative. This optimum level being a function of each system's blended cost of debt capital, its capital credits revolving cycle, its rate of growth in total capitalization, and its TIER (Times Interest Earned Ratio) objective. The models were able to prove that if a system's actual equity level were either higher or lower than the optimum level, higher electric rates would be needed in order to provide sufficient revenues to satisfy all of the constraints operating to restrict the cooperative's freedom of action.

James Goodwin, formerly with the REA, is credited with some of the first work in equity management for rural electric cooperatives. Goodwin developed a formula, that was later modified, that produced a percentage return on equity (Re) that is still used today in equity management planning.

APPENDIX 6 EQUITY MANAGEMENT THEORY

The modified Goodwin formula is as follows:

$$Re = \frac{(1 + g)^{n+1} - (1 + g)^n}{(1 + g)^n - 1} \times 100$$

Where Re = Rate of Return on Equity (as a percentage)

g = Rate of Growth in Total Capitalization

n = Period of Capital Credit Rotation (in years)

The formula produces the rate of return on equity to be earned each year on the total equity as of December 31 of the prior year in order to hold equity at its present level.

A table for values of Re for varying growth rates and varying periods of patronage capital rotation follows:

Return On Equity %								
Annual Rate of Growth	Period of Revolving Capital Credits (Years)							
	10	15	16	17	18	19	20	1000 (Infinity)
0.00	10.00	6.67	6.25	5.88	5.56	5.26	5.00	0.00
1.00	10.56	7.21	6.79	6.43	6.10	5.81	5.54	1.00
2.00	11.13	7.78	7.37	7.00	6.67	6.38	6.12	2.00
3.00	11.71	8.38	7.96	7.60	7.27	6.98	6.72	3.00
4.00	12.33	8.99	8.58	8.22	7.90	7.61	7.36	4.00
5.00	12.95	9.63	9.23	8.87	8.55	8.27	8.02	5.00
6.00	13.59	10.29	9.90	9.54	9.24	8.96	8.72	6.00
7.00	14.24	10.98	10.59	10.24	9.94	9.68	9.44	7.00
8.00	14.90	11.68	11.30	10.96	10.67	10.41	10.19	8.00
9.00	15.58	12.41	12.03	11.70	11.42	11.17	10.95	9.00
10.00	16.27	13.15	12.78	12.47	12.19	11.95	11.75	10.00
11.00	16.98	13.91	13.55	13.25	12.98	12.76	12.56	11.00
12.00	17.70	14.68	14.34	14.05	13.79	13.58	13.39	12.00
13.00	18.43	15.47	15.14	14.86	14.62	14.41	14.24	13.00
14.00	19.17	16.28	15.96	15.69	15.46	15.27	15.10	14.00
15.00	19.93	17.10	16.79	16.54	16.32	16.13	15.98	15.00
16.00	20.69	17.94	17.64	17.40	17.19	17.01	16.87	16.00
17.00	21.47	18.78	18.50	18.27	18.07	17.91	17.77	17.00
18.00	22.25	19.64	19.37	19.15	18.96	18.81	18.68	18.00
19.00	23.05	20.51	20.25	20.04	19.87	19.72	19.60	19.00
20.00	23.85	21.39	21.14	20.94	20.78	20.65	20.54	20.00

Using the Return on Equity chart to demonstrate, a system growing at 6 percent per year in total capitalization and revolving capital credits on a 20-year cycle would require an Re of 8.72 percent to maintain its present equity position. If a lower Re were earned, the percentage equity would fall. If a higher Re were earned, the percentage equity would increase. If a longer revolving cycle were used, a lower Re would be adequate. If a shorter cycle were used, a higher Re would be necessary. If there were no capital credits refunds (with a cycle of infinity years represented in the chart as “1000”), the Re would be the system’s rate of growth in that year.

The second component of total capitalization is debt capital, or long-term debt. Technically, the blended cost of a system's long-term debt would be calculated by multiplying the outstanding balance on each long-term note by the interest rate on that note, summing the interest amounts together, summing the note balances together, and dividing the total interest by the total of the outstanding note balances. For convenience, an approximation of the blended interest could be determined by dividing the total interest paid (on long-term debt) by the average of the total debt outstanding for the last full year and prior year.

$$\begin{array}{r} \text{Interest} \quad \quad \quad \underline{\$470,000} \\ \text{Principal} \quad (7,500,000 + \$8,166,666)/2 = 6.0\% \text{ Cost of Debt} \end{array}$$

It is important to be aware that the rate of change in the cost of debt can be influenced by many factors including:

- How fast new higher cost debt is requisitioned
- A system's rate of growth in plant
- The amount of internally generated funds invested in plant
- The amount refunded in capital credits each year
- How fast the older, low interest loans are amortized

The primary purpose of running a financially sound business in a financially sound manner is to ensure the availability of credit that will provide capital funds whenever debt capital is needed. While many factors enter into the ratings of credit risk and debt quality, the most commonly noted factor is interest coverage or TIER. By combining the criteria for patronage capital (as related to return on equity) with reasonable coverage criteria on interest charges (at what may be deemed a desirable capital structure) a valid indicator of the cooperative's financial health can be produced at minimal costs.

Putting the Pieces Together

Now, let's look at the total rates of return for a system having a 6 percent rate of growth (in TC), rotating capital credits on a 20-year cycle, and having a blended interest cost of 6 percent at various equity positions:

Equity Position	20%	40%	60%	80%
Equity @ 8.72%	1.74	3.49	5.23	6.98
Debt @ 6.00%	<u>4.80</u>	<u>3.60</u>	<u>2.40</u>	<u>1.20</u>
Total Rate of Return	6.54%	7.09%	7.63%	8.18%
TIER = $\frac{\text{Re} + \text{Interest}}{\text{Interest}}$	1.36	1.97	3.18	6.82

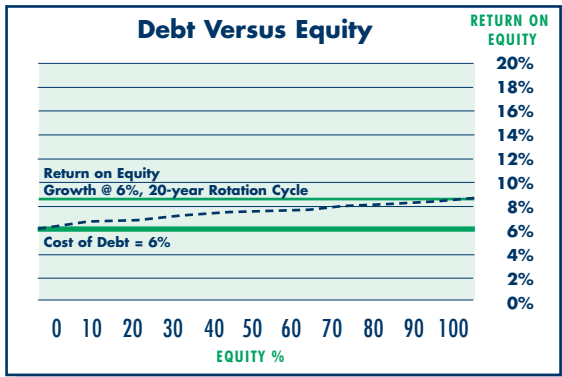
When the constant equity return prevailed, there was insufficient interest coverage at the lower equity position and excess coverage at the higher equity position.

APPENDIX 6 EQUITY MANAGEMENT THEORY

Next, let's look at the same system, with the same rates, with our constant criteria now being interest coverage, or TIER, of 3.0:

Equity Position	20%	40%	60%	80%
Equity Re Required	9.60	7.20	4.80	2.40
Interest	4.80	3.60	2.40	1.20
Total Rate of Return	14.40%	10.80%	7.20%	3.60%
TIER = $\frac{\text{Re} + \text{Interest}}{\text{Interest}}$	3.0	3.0	3.0	3.0

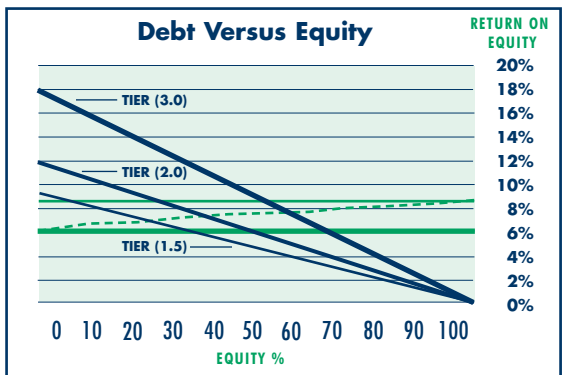
With a constant TIER goal, there is excessive return on equity at the lower equity positions and insufficient return on equity at the higher equity positions. It is obviously not prudent to operate at either extreme.



The graph at left provides a visual analysis of alternative approaches. Operating at 100 percent debt at 6 percent interest would be the cheapest alternative for the cooperative. Operating at 100 percent equity with a 20-year capital credits revolving cycle that results in an 8.72 percent return requirement would be the most expensive alternative. The diagonal line connecting the two denotes the blended cost alternatives of the debt and equity components to the cooperative.

As a practical matter, however, virtually every cooperative operates using a mixture of debt and equity. Mortgage provisions of RUS and CFC set TIER at minimum levels of 1.25 to 1.50 to ensure debt and interest payment coverage. These targets are not expected to provide the necessary margins to operate the business, maintain equity and retire capital credits on a consistent cycle. Most cooperatives will find they need to operate at a TIER level of between 2.0 and 3.0 to generate sufficient margins and cash flows to carry out the goals and objectives established by their cooperative's board of directors.

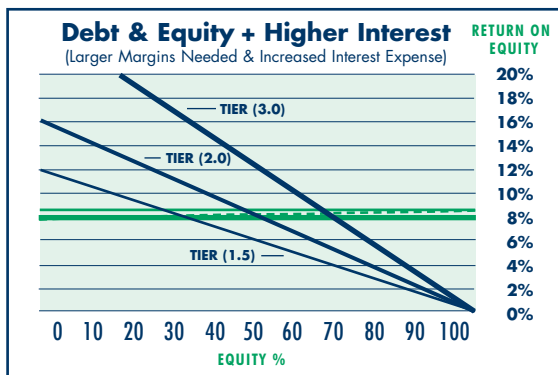
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The example at left illustrates that, given the costs of debt and equity, a 2.0 TIER would support an equity level of 41 percent and a 3.0 TIER would support an equity level of 57 percent.

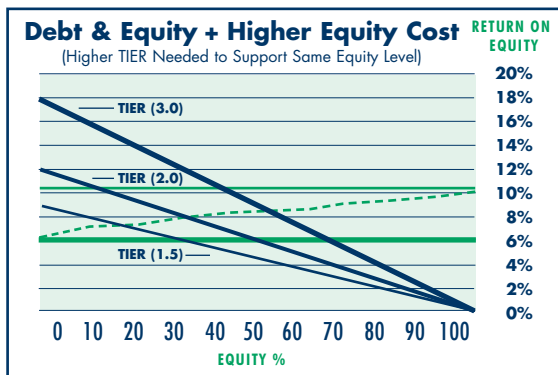
If interest costs were to rise to 8 percent, with everything else remaining the same, the resulting TIER level would drop. Larger margins would be needed, as the increased interest expense would drive up margin levels even though there is a lower TIER requirement.

If the cooperative chooses to maintain a 2.0 TIER, the resulting equity level would grow to 48 percent. A 3.0 TIER target would support an equity level of 64 percent.



If we assume that debt costs remain at 6 percent but equity costs increased as a result of growth to 8 percent and the capital credits revolving cycle remained on a 20-year cycle, our cost of equity rises to 10.19 percent. In the prior example the cooperative was able to maintain equity at 48 percent with a TIER of 2.0. Under this scenario, if the cooperative operates at a 2.0 TIER, the resulting equity level can be supported only to 38 percent. At a 3.0 TIER, equity would fall to 54 percent from the previous 57 percent. It is easy to see how the increases in debt and equity costs cause changes in TIER requirements.

The Art of Wise Compromise



Equity management concepts and models continue to remain a critical tool in developing and implementing equity management policies that are consistent with sound business practice and planning. Modeling enables a cooperative to test and set objectives at a level to support the optimum mix of debt and equity in order to minimize the cooperative's rate of return requirements and to meet its debt coverage obligations. In addition, it enables the cooperative to adhere to the cooperative principle of retiring capital credits back to its members as tangible evidence of ownership.

An electric cooperative, like any other business, functions in a dynamic environment. Change is constant and the cooperative doesn't always have control over that change. The needs of a

cooperative's membership, along with the strategic goals of the cooperative, must be continually re-evaluated and balanced. Each cooperative's board and staff have an obligation to move the cooperative in the direction that best positions the organization for the future. While the future can't be precisely predicted for each electric cooperative, we do know that the stronger the organization is financially, the more likely they are to meet the promise of service to their membership.

CFC has recently reintroduced an equity management modeling package. The package includes four of the most common capital credits retirement alternatives. The software is currently available on CFC's Web site at www.nrucfc.coop (through the Extranet). CFC regional vice presidents and staff also are available to conduct in-depth equity management presentations to cooperative boards and staff.

The following checklist includes questions designed to help a board be sure it considers the important issues that

Appendix 7: Glossary

allocate capital credits

To assign capital credits to members/patrons.

capital credits

Margins credited to patrons of a cooperative based on their relative purchases from the cooperative. Capital credits are used by the cooperative as its primary equity base, then paid back to the membership as financial conditions permit. Capital credits reflect each member's ownership in the cooperative. Also called patronage capital or equity capital.

cooperative

A business that returns its margins to the members through capital credits allocations and retirements.

discount

To calculate the present value of an amount that would otherwise be received in the future to reflect the time value of money.

equity management

The phrase the cooperative network has historically used to refer to capital structure planning and decision making.

member

Any individual or entity that is entitled to participate in cooperative elections and vote and share in patronage capital allocations.

mutual company

A business that uses any margins above the cost of providing services to reduce costs in future years. Examples of mutual companies include mutual insurance associations, such as State Farm Insurance, and credit unions, such as the Agriculture Federal Credit Union. There are also a number of mutual electric associations.

non-operating margins

Income (revenues less related expenses) derived from non-electric products, services and/or investments.

non-patronage-sourced margins

Revenues resulting from activities that are not substantially related to the accomplishment of the co-op's marketing, purchasing or service activities less the expenses incurred to generate those revenues.

operating margins

Revenues derived from the co-op's marketing, purchasing or providing electric and other qualifying tax-exempt services, as well as other revenues derived from utilization of the co-op's electric plant assets, less the expenses incurred to supply those services.

patron

Any individual or entity doing business with the cooperative that is entitled to share in patronage capital allocations. All members are patrons. All patrons, however, are not necessarily members. Only members are entitled to participate in cooperative elections. A cooperative also may have customers that are neither patrons entitled to share in patronage capital allocations nor members entitled to vote.

patronage-sourced margins

Revenues resulting from transactions that directly facilitate accomplishing the co-op's marketing, purchasing or service activities, less the expenses incurred to generate those revenues.

reserves

Funds set aside to meet expected or unexpected future needs, such as plant expansion or storm recovery.

retire capital credits

To pay capital credits to members/patrons, either through cash, credit or property. Also called revolving, rotating or redeeming capital credits.

rotation period

The period of time that capital credits are held by the cooperative before being returned to members. For example, a co-op retiring capital credits using the first-in, first-out (FIFO) method and a 20-year rotation period would return capital credits allocated in 1984 in 2004.

vest

To confer ownership of property upon a person, to invest a person with full title to property or to give a person an immediate, fixed right of present or future enjoyment.

The information in this Report of the Capital Credits Task Force is intended to be a helpful resource, not an exhaustive and complete examination of capital credits issues. Although this information may be helpful, decisions regarding capital credits policies and procedures are within the discretion and judgment of local electric cooperatives. Because these policies and procedures will vary depending upon state law and specific facts and circumstances, and because the law governing capital credits may change, it is imperative for a cooperative to consult with its legal counsel, as well as its tax and accounting consultant, when reviewing and analyzing the information in this report.



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Capital Credits Task Force Report

Legal Supplement



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Forward

In December 2003, NRECA and CFC appointed the Capital Credits Task Force to conduct a study of capital credit issues and provide guidance to electric cooperatives for making capital credit decisions. The findings, conclusions and recommendations of the Task Force are presented in the *Capital Credits Task Force Report, A Distribution Cooperative's Guide to Making Capital Credit Decisions*.

A cooperative's board of directors must be sure that its capital credits decisions are in compliance with applicable state and federal laws and regulations as well as the co-op articles of incorporation and bylaws. These requirements vary from state to state, and, depending upon an electric cooperative's governing documents, may vary from cooperative to cooperative. In addition, the law governing capital credits changes and evolves with time. However, there are issues common to all cooperatives. This report was developed as an appendix to the *Capital Credits Task Force Report* to provide a more detailed discussion of some of the current legal issues that affect most cooperatives for legal consultants and others interested in additional legal background.

Capital Credits Task Force Report

Legal Supplement

**National Rural Electric
Cooperative Association**

**National Rural Utilities
Cooperative Finance Corporation**

January 2005

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A. Introduction

Capital credits are an integral part of an electric cooperative's operations. For instance, allocating and retiring capital credits allow an electric cooperative to operate at cost – a fundamental requirement to become and remain a “cooperative” under federal tax law and a basic requirement under most electric cooperative acts. In addition, allocated but unretired capital credits provide an electric cooperative with operating capital. Further, retiring capital credits highlights a primary difference between a nonprofit, member-owned electric cooperative and a for-profit, investor-owned electric utility, while also providing an opportunity to recover amounts owed to the cooperative. For these reasons, among others, the treatment of capital credits is one of the most important responsibilities undertaken by an electric cooperative and its board of directors.

When addressing the treatment of capital credits, a cooperative and its board must examine, or be familiar with, certain legal issues associated with capital credits. These issues, however, vary from state to state, and, depending upon an electric cooperative's governing documents, they may vary from cooperative to cooperative. In addition, the law governing capital credits changes and evolves with time. For these reasons, an authoritative and exhaustive study of all the legal issues associated with capital credits is impossible. The following information addresses some, but not all, of these issues. Although this information may tangentially address federal cooperative tax law, it generally does not address legal and regulatory tax issues.

The comments and conclusions expressed in the following information are based upon general law, and not upon the law of any particular state, or any particular federal circuit or district. Likewise, these comments and conclusions may vary with specific facts and circumstances. ***For these reasons, the following information is intended to be a helpful resource, but not a definitive guide, for electric cooperatives when investigating and analyzing legal issues associated with capital credits. When examining capital credit legal issues, an electric cooperative should consult with its attorney, as well as its tax consultant.***

Under federal cooperative tax law, a “patron” is a person who does business with a cooperative and has a pre-existing legal right to the allocation of capital credits. Because all members of an electric cooperative usually do business with the cooperative and, through the cooperative's bylaws or other governing documents, have a pre-existing legal right to the allocation of capital credits, all members of the cooperative are usually patrons of the cooperative also. Patrons of an electric cooperative, however, also include any non-members who do business with the cooperative and, through a contract or otherwise, have a pre-existing legal right to the allocation of capital credits. In many instances, a cooperative's non-member patrons have similar, if not identical, legal rights and obligations as the cooperative's members regarding capital credits. For simplicity and clarity, the following information generally refers to members of an electric cooperative, instead of patrons of the cooperative.

If you have any questions or comments regarding the following information, please contact Tyrus H. Thompson, Corporate Counsel, National Rural Electric Cooperative Association, at 703-907-5855 or tyrus.thompson@nreca.coop.

B. General Law Governing Capital Credits

1. Nature of Capital Credits

Before examining the legal issues associated with capital credits, it is important to understand the legal nature of capital credits. In general, margins represent the amount by which a cooperative's annual revenue exceeds its annual expenses, or its excess revenue. Capital credits represent the distribution or return of this excess revenue to the cooperative's members in proportion to their business with the cooperative. As noted above, allocating and retiring capital credits allow an electric cooperative to operate on an at-cost, nonprofit basis.

Capital credits, whether referred to as patronage refunds, patronage dividends, equity credits, capital retains, or otherwise, are not allocated by a cooperative in cash or other manner of payment that would remove the funds from the cooperative's working capital. Emmanuel S. Tipon, Annotation, *Co-operative Associations: Rights in Equity Credits or Patronage Dividends* § 2, 50 A.L.R.2d 435, 442-48 (1973); 18 Am. Jur. 2d *Cooperative Associations* § 23 (1985); and 2 Marilyn E. Phelan, *Nonprofit Enterprises: Corporations, Trusts, and Associations* §§ 22:05 & 22:07 (2000); each citing, among others, *Clarke County Coop. v. Read*, 139 So.2d 639 (Miss. 1962). Instead, these amounts are allocated in a manner that provides or retains capital for the cooperative and reflects the ownership of the members in the retained capital, with the amounts being paid in cash at a future date determined by the cooperative. *Id.*

See also *Claasen v. Farmers Grain Coop.*, 490 P.2d 376, 379 (Kan. 1971) ("By reason of the characteristics of these credits as defined by this bylaw, they are considered as capital investments as distinguished from debts.") and *Evanenko v. Farmers Union Elevator*, 191 N.W.2d 258, 261 (N.D. 1971) ("Thus the law permits the board of directors of a cooperative to allocate such dividends as credits to a patron's account, rather than making distribution in cash. This is a practice which is followed by many cooperatives. The statute permits the board of directors to exercise its discretion as to whether the net proceeds of the cooperative should be paid out as patronage dividends or whether they should be retained by the cooperative and used as working capital.").

As explained by the Supreme Court of Mississippi, "equity credits represent patronage dividends which the board of directors of a cooperative, acting under statutory authority so to do, has elected to allocate to its patrons, not in cash or other medium of payment which would immediately take such funds out of the working capital of the cooperative, but in such manner as to provide or retain capital for the cooperative and at the same time reflect the ownership interest of the patron in such retained capital. The interest will be paid to the patron at some unspecified later date to be determined by the board of directors of the cooperative." *Clarke County Coop.*, *supra* at 641; *quoted at S. Pac. Transp. Co. v. Voluntary Purchasing Groups, Inc.*, 252 B.R. 373, 388 (E.D. Tex. 2000); *Hydro Coop. Ass'n v. Shantz*, 858 P.2d 123, 126 (Okla. Ct. App. 1993); *In re E. Maine Elec. Coop.*, 125 B.R. 329, 336 (Bankr. D. Me. 1991); *Shinn v. Growers Fertilizer Coop.*, 533 So.2d 1183, 1186 (Fla. Dist. Ct. App. 1988); *In re Shiflett*, 40 B.R. 493, 496 (Bankr. W.D. Va. 1984); *In re Cosner*, 3 B.R. 445, 447 (Bankr. D. Ore. 1980); *Evanenko*, *supra* at 261; and *Schmeckpeper v. Panhandle Coop. Ass'n.*, 143 N.W.2d 113, 120 (Neb. 1966); See also *Howard v. Eatonton Coop. Feed Co.*, 177 S.E.2d 658, 662 (Ga. 1970).

In 2003, the Court of Appeals of Colorado explained, "[La Plata Electric Association's] capital structure, like that of most cooperative associations, allows the association to retain some or all of the operating profit as working capital, but requires the association to credit each member's capital account to reflect the ownership interest of the member in the retained capital." *Bontrager v. La Plata Electric Association*, 68 P.3d 555, 563 (Col. Ct. App. 2003).

In 1983, while holding that capital credits allocated by an electric cooperative are not subject to the gross receipts tax, the Court of Civil Appeals of Alabama noted, “the amount paid by the member over and above the actual cost of the service was a contribution to the working capital of the cooperative for which the cooperative credited his personal account. Such capital was an obligation to the member against the assets of the cooperative.” State v. Pea River Elec. Coop., 434 So.2d 785, 786 (Ala. Civ. App. 1983). Although other courts have held that an electric cooperative’s capital credits are subject to a sales, gross receipts, or similar tax, these holdings do not dispute the character of capital credits, but determine the taxability of these amounts at the time of receipt without regard to whether amounts are later allocated as capital credits. *See* Four County Elec. Membership Corp. v. Powers, 386 S.E.2d 107 (N.C. Ct. App. 1989) (capital credits are subject to gross receipts franchise tax) and Lane Elec. Coop. v. Dep’t of Revenue, 765 P.2d 1237 (Ore. 1988) (capital credits are subject to gross revenue tax).

In 1978, the Court of Appeals of Kentucky observed, “The bylaws of South Kentucky [Rural Electric Cooperative Corporation] provided that all revenues received by the cooperative in excess of actual operating costs and expenses were received with the understanding that they were furnished by the cooperative’s customers as capital. [footnote quoting bylaw omitted] The cooperative was obligated to allocate such patronage capital to the individual capital accounts of its customers on an annual basis. The bylaws further provided that the board of directors could retire capital accounts if the board determined that the financial condition of the cooperative would not be impaired. Any such retirement of capital accounts should be on a first in, first out basis, the patronage capital for the earliest year being first retired. These bylaw provisions are valid and binding. They do not conflict with the provisions of KRS 279.160(3).” Richardson v. S. Ky. Rural Elec. Coop. Corp., 566 S.W.2d 779, 782-83 (Ky. Ct. App. 1978). The bylaws of many electric cooperatives include a section similar to the one discussed by the Court of Appeals of Kentucky.

Some courts have described an electric cooperative’s capital credits as a return of an “overcharge.” *See In re Wabash Valley Power Ass’n*, 72 F.3d 1305, 1315-17 (7th Cir. 1995) (“State law requires that customers be reimbursed for these overcharges.... Because the Members must eventually be reimbursed for overcharges, however, the ‘patronage capital’ funds are credited to individual cooperative Members in amounts proportional to their purchases of electricity.... The timing of repayment of these overcharges... Under Indiana law, the patronage capital accounts are... credits for overpayments for electric service.”); Pioneer Tele. Coop. v. Okla. Tax Comm’n, 832 P.2d 848, 850 (Okla. 1992) (“Courts in these states have held that the ‘margins’ created by overcharging are part of the ‘gross receipts’ and the taxes thereon are non-refundable,” *citing, among others, Lane Elec. Coop. and Four County Elec. Membership Corp., supra*); Cox v. S. Cent. Power Co., 565 N.E.2d 890, 891 (Ct. Comm. Pleas 1989) (“While it is clear that this procedure eliminates transformation of the overpayments into unclaimed funds, the funds belong to those members who agreed to the disposition.”); Bush v. Aiken Elec. Coop., 85 S.E.2d 716, 719 (S.C. 1955) (“It is true that no dividends are paid on invested capital and it may be proper, as held in [Greene, infra], to treat the patronage refunds in the nature of a return of an overcharge.”); and Greene County Rural Elec. Coop. v. Nelson, 12 N.W.2d 886, 888 (Iowa 1944) (“Any net earnings are returned on the basis not of membership or investment but of business done. It is literally no more than a return of an overcharge originally assessed to provide a margin of safety in the operation of the business.”).

See also Great Rivers Coop. of S.E. Iowa v. Farmland Industries, Inc., 198 F.3d 685, 701 (8th Cir. 1999) (“Further, any distribution of ‘profits’ were patronage refunds, i.e., a price or cost adjustment, resulting from the member’s own transactions with Farmland.”) and Phelan, *supra* § 22:07 (“Patronage dividends... are refunds or rebates that are distributed to all patrons of the cooperative ...”).

Other courts have described an electric cooperative's capital credits as a "rebate." See McCrary v. W. Farmers Elec. Coop., 323 P.2d 356, 360 (Okla. 1958) ("It must be borne in mind that these rural electric cooperatives are statutory non-profit corporations in which the membership is entitled to a rebate of all charges for service above certain specifically designated expenses and reserves," quoted in Ozark Border Elec. Coop. v. Stacy, 348 S.W.2d 586, 587 (Mo. Ct. App. 1961)). At least one court has described an electric cooperative's capital credits as an indirect reduction in rates. See United States v. Pickwick Elec. Membership Corp., 158 F.2d 272, 277 (6th Cir. 1946) ("Patronage refunds are in substance an indirect form of reduced rates.").

The Rural Utilities Service ("RUS") has noted, "Under capital credits, amounts paid by patrons in excess of costs and expenses of providing service are paid in as capital and are credited to the capital accounts of the patrons." RUS Bulletin 102-1 app. A (1964).

2. State Capital Credit Statutes

When examining the legal issues associated with capital credits, a key consideration is the state statute, if any, governing the allocation and retirement of capital credits. With the exceptions of Connecticut, Massachusetts, and Rhode Island, traditional electric cooperatives are incorporated and operating in all states. Cooperatives in approximately 30 of these 47 states are incorporated under an electric cooperative act.

As of March 31, 2004, electric cooperative acts in the following 28 states include a statute addressing the distribution or return of excess revenue: Alabama (Ala. Code § 37-6-20); Alaska (Alaska Stat. § 10.25.380); Arizona (Ariz. Rev. Stat. § 10-2067); Arkansas (Ark. Code Ann. § 23-18-327); Florida (Fla. Stat. Ann. § 425.21); Georgia (Ga. Code Ann. § 46-3-340); Indiana (Ind. Code Ann. § 8-1-13-17); Kansas (Kan. Stat. Ann. § 17-4623); Kentucky (Ky. Rev. Stat. Ann. § 279.095); Louisiana (La. Rev. Stat. § 12:420); Maine (Me. Rev. Stat. Ann. Tit. 35-A § 3705); Maryland (Md. Code Ann. Corps. & Ass'ns § 5-638); Mississippi (Miss. Code Ann. § 77-5-235); Missouri (Mo. Rev. Stat. § 394.170); Montana (Mont. Code Ann. § 35-18-316); Nebraska (Neb. Rev. Stat. Ann. § 70-726); New Mexico (N.M. Stat. Ann. § 62-15-20); New York (N.Y. Rural Elec. Coop. Law § 60); North Dakota (N.D. Cent. Code § 10-13-06); Oklahoma (Okla. Stat. Ann. tit. 18 § 437.19); Pennsylvania (15 Pa. Cons. Stat. § 7330); South Carolina (S.C. Code Ann. § 33-49-460); South Dakota (S.D. Codified Laws § 47-21-72); Tennessee (Tenn. Code Ann. § 65-25-212); Texas (Tex. Util. Code Ann. § 161.059); Vermont (Vt. Stat. Ann. tit. 30 § 3030); Virginia (Va. Code Ann. § 56-231.30); and Wyoming (Wyo. Stat. Ann. § 17-20-1301). Although these statutes do not refer to "capital credits," they effectively govern the allocation and retirement of capital credits.

Apparently, the electric cooperative acts in New Hampshire and North Carolina do not include statutes addressing the distribution or return of excess revenue. See, e.g., Four County Elec. Membership Corp. v. Powers, 386 S.E.2d 107, 111 (N.C. Ct. App. 1989) ("North Carolina has no such [capital credit] statute,...").

Of the remaining 17 states, electric cooperatives in the following 11 states are incorporated under a general cooperative act: California, Colorado, Hawaii, Iowa, Michigan, Minnesota, Nevada, Oregon, Utah, Washington, and Wisconsin. Most of these acts include a statute addressing the distribution or return of excess revenue. Electric cooperatives in Idaho, Illinois, and Ohio are incorporated under a nonprofit corporation act and electric cooperatives in Delaware, New Jersey, and West Virginia are incorporated under a business corporation act. Although most nonprofit or business corporation acts do not address the distribution or return of excess revenue, they authorize bylaws that may address these issues.

In the 28 electric cooperative acts addressing capital credits, the relevant statutes generally follow one of the following three models.

Alabama Model. The statutes in 14 states (Alabama, Florida, Kansas, Louisiana, Maine, Maryland, Missouri, Montana, New Mexico, New York, Oklahoma, South Carolina, Tennessee, and Vermont) are identical or similar to the following statute:

Revenues of a cooperative for any fiscal year in excess of the amount thereof necessary:

- (1) To defray expenses of the cooperative and of the operation and maintenance of its facilities during such fiscal year;*
- (2) To pay interest and principal obligations of the cooperative coming due in such fiscal year;*
- (3) To finance, or to provide a reserve for the financing of, the construction or acquisition by the cooperative of additional facilities to the extent determined by the board of directors;*
- (4) To provide a reasonable reserve for working capital;*
- (5) To provide a reserve for the payment of indebtedness of the cooperative maturing more than one year after the date of the incurrence of such indebtedness in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following fiscal year; and*
- (6) To provide a fund for education in cooperation and for the dissemination of information concerning the effective use of electric energy and other services made available by the cooperative,*

shall, unless otherwise determined by a vote of the members, be distributed by the cooperative to its members as patronage refunds prorated in accordance with the patronage of the cooperative by the respective members paid for during such fiscal year. Nothing herein contained shall be construed to prohibit the payment by a cooperative of all or any part of its indebtedness prior to the date when the same shall become due.

Of these 14 states, the statutes in 4 states (Alabama, Indiana, Louisiana, and Tennessee) do not include the words “unless otherwise determined by a vote of the members.” The statute in Louisiana, however, includes the words “unless otherwise determined by a vote of the board of directors.”

Arkansas Model. The statutes in 6 states (Arkansas, Mississippi, Nebraska, North Dakota, Pennsylvania, and Texas) are identical or similar to the following statute:

The revenues of a cooperative shall be devoted first to the payment of operating and maintenance expenses and the principal and interest on outstanding obligations, and thereafter to such reserves for improvement, new construction, depreciation, and contingencies as the board of directors may from time to time prescribe. Revenues not required for these purposes shall be returned from time to time to the members on a pro rata basis according to the amount of business done with each during the period either in cash, in abatement of current charges for electric energy, or otherwise as the board of directors determines. This return may be made by way of general rate reduction to members if the board of directors so elects.

Alaska Model. The statutes in 5 states (Alaska, Arizona, Kentucky, South Dakota, and Virginia) are identical or similar to the following statute:

A cooperative shall be operated on a nonprofit basis for the mutual benefit of its members and patrons. The bylaws of a cooperative or its contracts with members and patrons shall contain such provisions relative to the disposition of revenues and receipts as may be necessary and appropriate to establish and maintain its nonprofit and cooperative character.

The Alaska Model is identical to section 23 of the Rural Electrification Administration’s January 3, 1949 uniform Electric Cooperative Act.

The statutes in 3 states (Georgia, Indiana, and Wyoming) are unique combinations or deviations from one or more of these three models.

3. Specific Capital Credit Issues

While the 28 electric cooperative act capital credit statutes impact a number of important legal issues, their impact on the following specific issues is particularly noteworthy. Federal cooperative tax law also impacts each of these issues.

Non-Operating Margins. With the exceptions of Georgia and Tennessee, these statutes refer to “revenue” or “revenues,” without limitation to revenue from providing electric energy. In general, “revenue” means gross income or receipts, while “gross income” means total income from all sources and “gross receipts” means the total amount of money or other consideration received by a business for goods or services performed. Black’s Law Dictionary 710, 767, & 1319 (7th ed. 1999). These statutes, therefore, arguably require the allocation and retirement of operating margins, as well as non-operating margins. On the other hand, an argument could be made that, because these statutes are within electric cooperative acts, the state legislatures intended “revenue” to mean revenue from providing electric energy only and that these statutes do not require allocating and retiring non-operating margins.

As noted above, the statutes in 12 states (Florida, Kansas, Louisiana, Maine, Maryland, Missouri, Montana, New Mexico, New York, Oklahoma, South Carolina, and Vermont) require allocation and retirement “unless otherwise determined by a vote of” the members or board of directors. In these states, it seems the members of an electric cooperative (or the directors in Louisiana) could adopt a bylaw providing for the cooperative’s permanent retention of non-operating margins. Likewise, because the Alaska Model only requires bylaws that are necessary and appropriate for establishing and maintaining a nonprofit and cooperative character, it seems electric cooperatives in the 5 states with this model (Alaska, Arizona, Kentucky, South Dakota, and Virginia) could adopt a bylaw providing for the permanent retention of non-operating margins.

General Rate Reduction. The electric cooperative acts in 8 states (Alabama, Arkansas, Mississippi, Nebraska, North Dakota, Pennsylvania, Tennessee, and Texas) state that excess revenue may be distributed or returned as a general rate reduction to members.

Reserves. Most of the 28 electric cooperative act capital credit statutes state, or allow bylaws to state, that excess revenue is determined after funds are retained for “reserves.” That is, these statutes do not require a cooperative to allocate and retire reserves.

As explained by the Supreme Court of Tennessee, “A decision on [whether an electric cooperative had accumulated excess revenue] is very difficult since men knowledgeable in this particular field will differ as to just how much of the annual revenue should be held in reserve for working capital, additional facilities, and long-term debt. Shadow v. Volunteer Elec. Coop., 448 S.W.2d 416, 417 (Tenn. 1969). Both the Supreme Court of Tennessee and the Court of Appeals of Tennessee used RUS bulletins as guides in determining reserves and excess revenue. Shadow, *supra* at 419 (“We think justice will be served by remanding this cause to the trial court for that court to require the Cooperative to submit a plan to the court for the distribution of excessive revenues, using REA Bulletin 1-7 as a guide in determining the amount of excessive revenues.”) and French v. Appalachian Elec. Coop., 580 S.W.2d 565, 569 (Tenn. Ct. App. 1978) (“REA bulletins relating to reserves ... were upheld in their entirety in *Shadow et al v. Volunteer Electric Cooperative*, 223 Tenn. 552, 448 S.W.2d 416 (1969).”). As noted below, RUS rescinded REA Bulletin 1-7 in 1993.

Paying Dividends on Shares of Stock. Some electric cooperatives have considered allowing members to convert or exchange their allocated capital credits for shares of stock in the cooperative, which shares would pay a specific dividend. Some general cooperative acts expressly authorize issuing shares of stock and paying dividends. Few electric cooperative acts, however, include this authorization. Most electric cooperative acts state that a cooperative is “not organized for pecuniary profit” or must operate on a “nonprofit” basis, “without pecuniary gain,” or “without profit to its members.”

As explained by the Supreme Court of the United States, “A nonprofit entity is ordinarily understood to differ from a for-profit corporation principally because it ‘is barred from distributing its net earnings, if any, to individuals who exercise control over it, such as members, officers, directors, or trustees.’” Camps Newfound/Owatonna, Inc. v. Town of Harrison, 520 U.S. 564, 585 (1997); *See also* Bruce R. Hopkins, The Law of Tax-Exempt Organizations § 1.1(a) (8th ed. 2003) (“By contrast, the nonprofit organization generally is not permitted to distribute its profits (net earnings) to those who control it (such as directors and officers).”) and 1 Marilyn E. Phelan, Nonprofit Enterprises: Corporations, Trusts, and Associations § 1:01 (2000) (“A nonprofit enterprise ... is an organization in which no part of the income is distributable to its members, directors, or officers.”).

A “dividend” is a “portion of a company’s earnings or profits distributed pro rata to its shareholders, [usually] in the form of cash or additional shares.” Black’s Law Dictionary 492 (7th ed. 1999); *See also* Hopkins, *supra* § 27.1(b) (“Basically, a *dividend* is a share allotted to each of one or more persons who are entitled to share in the net profits generated by a business undertaking, usually a corporation; it is a payment out of the payor’s net profits.”). Unless state law provides otherwise, it seems that paying dividends on shares of stock violates a requirement to operate on a “nonprofit” or similar basis. *See* Hopkins, *supra* § 1.1(a) n. 6 (“A few states allow nonprofit organizations to issue stock. This is done as an ownership (and control) mechanism only; this type of stock does not carry with it any rights to earnings (such as dividends).”).

Again, some state statutes, but few electric cooperative acts, authorize a “nonprofit cooperative” to issue shares of stock and pay limited dividends to its members. Phelan, *supra* §§ 1:01 & 22:06 (“Some states have added a third category [of nonprofit corporation] – the nonprofit cooperative. The nonprofit cooperative is a different category of nonprofit because of the fact that the cooperative nonprofit can distribute some of its earnings to its members.... Most state statutes provide that a cooperative may issue stock... Return on stock investment in a cooperative generally is limited.... Preferred stock can be issued,...”). Apparently, state statutes authorizing cooperatives to issue shares of stock and pay dividends apply primarily to producer, as opposed to consumer, cooperatives. *See id.* §§ 22:01 & 22:06.

In general, an electric cooperative is directly or indirectly governed or influenced by a state’s nonprofit corporation act, at least to the extent the act is not inconsistent with an electric cooperative act. Most nonprofit corporation acts prohibit the payment of dividends. For instance, the American Bar Association’s Revised Model Nonprofit Corporation Act prohibits paying a “dividend or any part of the income or profit of a corporation to its members, directors or officers.” Revised Model Nonprofit Corp. Act §§ 1.40(10) & 13.01 (1987). This is a “basic rule.” *Id.* § 13.01 cmt. The “return of an overcharge,” however, is not prohibited. *Id.*

See also 11 William Meade Fletcher et al., Fletcher Cyclopedia of the Law of Private Corporations § 5320 (perm. ed., rev. vol. 2001) (“Other kinds of corporations such as cooperative associations, nonprofit corporations, and other membership corporations, are generally prohibited from paying or distributing dividends.”).

If state law requires an electric cooperative to operate on a “nonprofit” or similar basis, then, unless a statute specifically provides otherwise, it is questionable whether, under state law, the cooperative may pay dividends on shares of stock issued to its members.

4. Obligation to Retire Capital Credits

If an electric cooperative allocates capital credits, then its directors and employees often ask whether it is “required” to retire the capital credits. That is, assuming the cooperative is legally required to allocate capital credits, is it also legally required to retire the capital credits, or is allocation alone sufficient?

If an electric cooperative distributes or returns its excess revenue by allocating capital credits, then it probably has a legal obligation to retire these capital credits at a later date. *See* Great Rivers Coop. of S.E. Iowa v. Farmland Indus., Inc., 198 F.3d 685, 704 (8th Cir. 1999) (“Although Farmland has an obligation to redeem the credits at some point, ...”); In re Wabash Valley Power Ass’n, 72 F.3d 1305, 1316-17 (7th Cir. 1995) (“Members must eventually be reimbursed for overcharges, ... This language (‘property of the members’) strongly suggests an advance of a determinate amount of money from the Member to the cooperative with a fixed obligation to repay.”); Four County Elec. Membership Corp. v. Powers, 386 S.E.2d 107, 112 (N.C. Ct. App. 1989) (“Patronage capital ultimately owed to Taxpayer’s members ...”); Atchison County Farmers Union Coop. Ass’n v. Turnbull, 736 P.2d 917, 920 (Kan. 1987) & Howard v. Eatonton Coop. Feed Co., 177 S.E.2d 658, 662 (Ga. 1970) (“Equity credits ... represent an interest which will be paid to [members] at some unspecified later date to be determined by the board of directors.”); Clarke County Coop. v. Read, 139 So.2d 639, 641 (Miss. 1962) (“The interest will be paid to the patron at some unspecified later date to be determined by the board of directors of the cooperative.”); and 2 Marilyn E. Phelan, Nonprofit Enterprises: Corporations, Trusts, and Associations § 22:07 (2000) (“The equity credits are paid to the patrons at some unspecified later date determined by the board of directors of the cooperative.”).

But see Sho-Me Power Elec. Coop. v. United States, No. 01-3307-CV-S-WAK, 2004 U.S. Dist. LEXIS 8153, 3 (W.D. Mo. Mar. 1, 2004) (“The allocation of a dividend creates no obligation for the cooperative to ever retire amounts from the capital accounts by making cash payments to its patrons and the patrons have no enforceable rights to receive any monetary amounts.”).

As noted by RUS, “Clear recognition of the nature of capital credits, including actual retirement as it is deemed proper, is also a critical factor in maintaining the essential position of the cooperative as a nonprofit organization.” Rural Electrification Admin. Bulletin 102-1 intro. (1964). Likewise, “Capital credits should be returned to patrons on a revolving basis as soon as it is determined that the overall financial condition of a cooperative permits. Capital credit retirements on a systematic, continuing plan are basic to good cooperative functioning.” *Id.* app. A.

As discussed below, a cooperative’s board of directors has discretion in determining when to retire capital credits. If, however, the directors retire, or refuse to retire, capital credits in an unreasonable, improper, or arbitrary manner, then they may be liable for abuse of discretion. *See* Hydro Coop. Ass’n v. Shantz, 858 P.2d 123, 126 (Okla. Ct. App. 1993) (“Certainly, when exercising this discretion, the Board may not act arbitrarily or unreasonably, but must act for the benefit of the Association.”); French v. Appalachian Elec. Coop., 580 S.W.2d 565, 570 (Tenn. Ct. App. 1978) (“The membership may bring an appropriate action against the defendant if at some time in the future the defendant fails to properly distribute its revenues.”); Lake Region Packing Ass’n, Inc. v. Furze, 327 So.2d 212, 215 (Fla. 1976) (“We believe the District Court to have been eminently correct in that portion of its opinion which concluded, based on the authorities therein cited, that judicial review of a cooperative’s refusal to redeem would be available if the directors’ refusal to repay constituted an abuse of discretion, a breach of trust or was based upon fraud, illegality or inequity.”); Evanenko v. Farmers Union Elevator, 191 N.W.2d 258, 262 (N.D. 1971) (“It may be that the personal representative of a deceased member may be able to show that the financial condition of the cooperative is such that the denial of the payment by the board of directors within some reasonable period of time after the member’s death would be an abuse of discretion.”); Emmanuel S. Tipon, Annotation, *Cooperative Associations: Rights in Equity Credits or Patronage Dividends*, 50 A.L.R.3d 435 § 22 (1973); and Phelan, *supra* § 22:07 (“Judicial review of a cooperative’s refusal to redeem patronage credits is available if the directors’ refusal to repay constitutes fraud, illegality, or inequity.”).

Unfortunately, there appears to be little statutory or case law specifying the parameters for abuse of discretion liability regarding capital credit retirements. Fortunately, there is case law holding that, when addressing rates, capital credits, and similar issues, directors of electric cooperatives are protected by the business judgment rule. See Lill v. Cavalier Rural Elec. Coop., 456 N.W.2d 527, 530 (N.D. 1990) (“Normally, the good faith acts of corporate directors within the power of the corporation and in the exercise of honest business judgment are considered valid and the courts generally will not interfere with or regulate the conduct of the directors in the reasonable and honest exercise of their judgment and duties where their judgment is uninfluenced by personal consideration.”); French, *supra* at 570 (“The Chancellor’s attempt to retain jurisdiction to review the defendant’s financial decision is clearly erroneous. He is attempting to substitute his judgment for that of the defendant. ‘It is not the function of the courts to interfere with the internal workings of corporations in exercising their discretion within legal limits.’ [citations omitted] The Courts will not substitute their judgment for that of the board of directors where the board has acted in good faith within their corporate powers. [citations omitted] ... It is abundantly clear that courts should not attempt to obtain jurisdiction over discretionary decisions of cooperatives such as the defendant simply because the cooperatives may fail to carry out their responsibilities sometime in the future.”); Shadow v. Volunteer Elec. Coop., 448 S.W.2d 416, 419 (Tenn. 1969) (“The statute (sec. 65-2516) is mandatory in regard to the distribution of excessive revenues, but we do not construe the statute to require such be completed at the end of each fiscal year. On this point of the timing of the distribution of excessive revenues, in view of the many variable elements involved in keeping the Cooperative financially sound and at the same time furnish its members electricity at the lowest feasible rates, not unduly varying from year to year, we would construe the statute to allow the officers of the Cooperative discretion as to the completion of the distribution. The court should not interfere unless the Cooperative fails to implement a program required by the statute in the distribution of excessive revenues.”); *and* 18 Am. Jur. 2d Cooperative Associations § 19 (2004) (“Stockholders of a cooperative association are entitled to insist that the directors comply with the provisions of the charter and bylaws respecting the payment of dividends and retirement of outstanding stock, or establish a valid reason for noncompliance. Where the bylaws provide that members’ dividends are to be calculated by the board and based upon the amount of money deemed to be in excess of the financial needs of the cooperative, the board’s determination is subject to tests of good faith and business judgment.”). Application of the business judgment rule may vary from state to state.

In addition, courts seem hesitant to interfere with cooperative decisions regarding the retirement of capital credits. See Great Rivers Coop. of S.E. Iowa, *supra* at 704 (“Farmland utilizes the retainage funds in the interim to finance operations. It is not uncommon for a cooperative to redeem patronage dividends many years after the dividends have been allocated. See e.g., Gold Kist, Inc. v. Commissioner of Internal Revenue, 110 F.3d 769 (11th Cir. 1997) (cooperative’s typical holding period for patronage dividends was twenty years); In re Bonnema, 219 B.R. 951 (Bankr. N.D. Tex. 1998) (Patronage dividends will eventually be paid to patrons in cash, but often this occurs many years after the dividends have been allocated). The district court correctly concluded the class had failed to present sufficient evidence from which the trier of fact could find director self interest, fraud, or an abuse of discretion sufficient to overcome the business judgment rule.”) *and* Claasen v. Farmers Grain Coop., 490 P.2d 376, 381 (Kan. 1971) (“If we agreed with plaintiff’s contentions, we would be required to substitute our judgment for the judgment of the board of directors. This we are not inclined to do and conclude that we cannot become involved in the financial structure of this defendant to determine whether the board of directors acted reasonably under these circumstances.”).

If state law prescribes options for distributing excess revenue, then an electric cooperative’s retirement of capital credits may be prohibited or restricted by contract. See French, *supra* at 570 (“This type of [TVA] contract was approved in Shadow, *supra*.”) *and* Shadow, *supra* at 419 (“We think this contract with TVA in regard to the distribution of excessive revenues is valid and binding on the Cooperative and the court in the distribution of excessive revenues.”). Likewise, refunding or retiring capital credits is subject to state utility commission regulations and orders. See Dixie Elec. Membership Corp. v. La. P.U.C., 509 So.2d 1002 (La. 1987).

In 2004, the United States District Court for the Western District of Missouri noted in dictum, “When making such a decision [regarding the treatment of excess cash, an electric generation and transmission cooperative] had three basic options available to it. If there were sufficient cash resources, it could reduce that reserve (1) by retiring patronage capital with cash payments, (2) by reducing its income through a reduction in the amount it charged for electricity to its current customers, or (3) by providing a rebate to its current customers. Which method to use was within the sole discretion of [the cooperative].” Sho-Me Power Elec. Coop., *supra* at 6.

In 2003, the Court of Appeals of Colorado held that neither state law nor an electric cooperative’s bylaws restricted its use of unretired capital credits to providing electric energy only, but allowed the cooperative to invest these capital credits in subsidiaries. Bontrager v. La Plata Electric Association, 68 P.3d 555, 562-63 (Col. Ct. App. 2003).

Accordingly, although directors of an electric cooperative have discretion in determining when to retire capital credits, it seems that they are obligated to retire capital credits at some time. If they retire, or refuse to retire, capital credits in an unreasonable, improper, or arbitrary manner, then they may be liable for abuse of discretion. Their decisions, however, are generally protected by the business judgment rule and given deference by the courts.

C. Regulations and Bylaws Governing Capital Credits

1. Rural Utilities Service

If an electric cooperative has an outstanding loan made, guaranteed, or insured by the Rural Utilities Service, then RUS regulations, loan documents, and bulletins may impact the cooperative's allocation and retirement of capital credits.

Under a RUS regulation, if a borrower's loan documents require it to obtain RUS approval before retiring capital credits, then this approval is given if: (1) after the retirement, the borrower's equity will be greater than or equal to 30 percent of its total assets; (2) the borrower is current on all payments due on all notes secured under the mortgage; (3) the borrower is not otherwise in default under its loan documents; and (4) after the retirement, the borrower's current and accrued assets will not be less than its current and accrued liabilities (also known as the "current ratio" test). 7 C.F.R. § 1717.617 (LEXIS through May 6, 2004 Fed. Reg.); *See also* RUS Bulletin 102-2, "Waiver of Security Instrument Provisions Relating to Certain Retirements of Capital by Distribution Borrowers" (Issued May 4, 1959, Revised July 2, 1971) (requirement that borrower's equity be greater than or equal to 40% of its total assets presumably superseded by 7 C.F.R. § 1717.617).

Likewise, under the RUS model loan contract, a distribution borrower may not retire capital credits, except capital credits retired to the "estates of deceased natural patrons," without RUS prior written approval unless, after the retirement: (1) the borrower's equity will be greater than or equal to 30 percent of its total assets; or (2) the aggregate of all retirements made during the calendar year is less than or equal to 25 percent of the prior year's margins. 7 C.F.R. pt. 1718, subpt. C, app. A, § 6.8. The borrower, however, may not retire capital credits if: (1) it has not paid when due any principal installment, premium, or interest due under its notes; (2) it is otherwise in default under its loan contract; or (3) after the retirement, its current and accrued assets are less than its current and accrued liabilities (the "current ratio" test). *Id.*

In a May 15, 2002 memorandum, RUS waived compliance with the current ratio test for distributions by all electric borrowers, including power supply borrowers. RUS, however, reserved the right to withdraw this waiver on a case-by-case basis through written notice to borrowers. Memorandum from Blaine D. Stockton, Assistant Administrator, Electric Program, to All Electric Borrowers (May 15, 2002).

Under another RUS regulation, borrowers must maintain and keep their books of accounts according to the accounting principles prescribed in the regulation. 7 C.F.R. § 1767.41. The following principles directly address capital credits: 501 ("Patronage Capital Assignments"), 502 ("Patronage Capital Retirements"), 503 ("Operating and Nonoperating Margins"), 504 ("Patronage Capital From G&T Cooperatives"), 505 ("Patronage Capital Furnished by Other Cooperative Service Organizations"), and 506 ("Forfeited Membership Fees"). *Id.*

Among other things, principle 501 prohibits a distribution cooperative from allocating losses ("In the event that a distribution cooperative incurs a net loss, that loss shall not be allocated to its members (patrons). The loss shall be accumulated and offset by future nonoperating margins."). *Id.* Principle 504 allows a G&T to allocate losses ("A distribution cooperative shall not recognize its proportionate share of losses incurred by the G&T. G&T losses shall be accumulated and offset as provided for in the bylaws. Unlike distribution cooperatives, a G&T has the option to offset accumulated losses with future operating and/or nonoperating margins."). *Id.*

On March 5, 1964, RUS issued Bulletin 102-1 (Electric) entitled "Capital Credits – Consumer Benefits," which included appendix A. On December 12, 1973, RUS issued a one-page supplement to this bulletin explaining that electric cooperatives are not required to file Internal Revenue Service ("IRS") Form 1099-PATR. On August 28, 1974, RUS added Appendix B to the bulletin. Currently, RUS has a project to update the bulletin.

The purpose of RUS Bulletin 102-1 is to “set forth recommendations for electric and telephone cooperative borrowers concerning capital credits and related consumer benefits.” Importantly, this bulletin includes “recommendations,” instead of “requirements.” Accordingly, the recommendations in RUS Bulletin 102-1 do not appear to be legally binding. On the other hand, a court or regulatory agency may consider the recommendations as evidence of whether certain capital credit practices are, or are not, reasonable. The age of the bulletin, however, would seem to decrease its probative value.

As explained in its introductory memorandum, RUS submitted Bulletin 102-1 and the accompanying capital credit bylaw provisions to the IRS. The IRS “advised that ‘the information and recommendations set forth in the Bulletin and the proposed bylaw provisions do not appear to be in conflict with the position of the Service as based on applicable provisions of the Internal Revenue Code and Regulations.’”

In Appendix A to Bulletin 102-1, RUS generally recommended, among other things: (1) retiring capital credits on a revolving, first-in, first-out basis; (2) using non-operating margins to offset operating and non-operating losses incurred during the current or prior years and allocating the remaining non-operating margins; (3) allocating capital credits based upon the total dollar volume of business done, or on a fair and reasonable variation that is more equitable; (4) allocating and retiring capital credits allocated by a power supply cooperative in the same manner and as part of other capital credit allocations and retirements; (5) not retiring capital credits to patrons discontinuing service, either in cash or against unpaid bills; (6) combining the allocation of operating and non-operating margins, but maintaining separate records of operating and non-operating margins; and (7) notifying each patron of the amount of annual capital credit allocations.

In Appendix B to Bulletin 102-1, RUS generally suggested, as alternatives to the recommendations in Appendix A, that: (1) a distribution cooperative separately allocate capital credits allocated to it by a power supply cooperative; (2) a distribution cooperative retire capital credits allocated by a power supply cooperative only after the power supply cooperative retires the capital credits allocated to the distribution cooperative; and (3) a power supply cooperative use operating margins, in addition to non-operating margins, to offset losses incurred during the current or prior years.

RUS previously issued Bulletin 1-7 addressing capital credits. In April 1993, RUS rescinded this bulletin. As noted in RUS Bulletin 102-1, Bulletin 1-7 recommended, among other things, reserves for a borrower’s conduct of its business.

On March 7, 1960, RUS revised Bulletin 100-2, “Minutes of the Meetings of Boards of Directors, Members or Stockholders,” which was originally issued on September 11, 1956. Under this revised bulletin, borrowers must furnish to RUS two certified copies of the minutes of any board of directors or member meetings at which: (1) “Bylaw provisions or policy concerning the handling of margins and capital are established or amended;” or (2) “Action is taken with respect to any general patronage dividends or retirement of capital, or general cancellation or abatement of charges for electric energy.”

2. Amending Capital Credit Bylaws

Historically, the bylaws of many electric cooperatives stated that, when the cooperative’s board of directors decided to retire capital credits, it would do so on a first-in, first-out basis. More recently, and for valid reasons, many cooperatives have considered amending their bylaws to provide a different method for retiring capital credits, or to authorize the board of directors to determine the method for these retirements. Inevitably, the question arises whether an electric cooperative may amend its bylaws in this manner.

When joining an electric cooperative, members often sign a membership application agreeing to follow the cooperative's bylaws. In addition, case law often describes a corporation's bylaws as a contract between it and its shareholders or members. Further, the bylaws of most cooperatives state that they may be amended. So, does a member's agreement or contractual requirement to follow a cooperative's bylaws, and the bylaws' reserved power of amendment, mean that the member must follow bylaw amendments governing capital credit retirements? Unfortunately, the answer depends heavily upon state law. In answering the question, however, some general information may be helpful.

General Law. In general, a corporation's bylaws governing its internal affairs, administrative policies, and governance structure, as well as relations between its shareholders, members, directors, and officers, may be amended. Usually, however, a bylaw granting a contract or vested right to a corporation's shareholders or members may not be amended unless the shareholders or members affected by the amendment consent to it. 18A Am. Jur. 2d *Corporations* § 327 (1985); 18 C.J.S. *Corporations* §§ 115(a) & 119(a) (1990); and 8 William Meade Fletcher et al., *Fletcher Cyclopedia of the Law of Private Corporations* §§ 4177.10 & 4188 (perm. ed., rev. vol. 2001).

Likewise, an association or cooperative's bylaw granting a contract or vested right to its members may not be amended unless the members affected by the amendment agree to it, regardless of whether the members agreed to follow future bylaw amendments. Dag E. Ytreberg, Annotation, *Co-Operative Associations: Validity and Enforceability of Bylaw Amendment Reducing Benefits Available to Members*, 61 A.L.R. 3d 976, 977 (1975) (“[W]hat little authority there is on the point holds that even where a member of a co-operative association agrees to be bound by existing and future bylaws, future bylaws may not validly abrogate existing contracts between the association and its members.”); 6 Am. Jur. 2d *Associations and Clubs* § 10 (1999); 18 Am. Jur. 2d *Cooperative Associations* § 14 (1985); and 7 C.J.S. *Associations* § 6(c) (1980). Courts disagree regarding what types of bylaw amendments impair a contract or vested right. Fletcher, *supra* § 4177.20.

In 1972, in what appears to be one of, or the, leading cooperative case, the Supreme Court of New Jersey held that a bylaw amendment by the members of a fishermen's cooperative revising from “fair book value” to original purchase price the amount to be paid for a person's shares upon the person's termination of membership was ineffective against a former member. Before his termination from membership, the former member “strongly objected to this amendment at the time of its adoption.” Lambert v. Fishermen's Dock Coop., 297 A.2d 566 (N.J. 1972), *cited in* Carter v. Dixie Elec. Membership Corp., 717 So.2d 691, 695 (La. Ct. App. 1998); Skane v. Star Valley Ranch Ass'n, 826 P.2d 266, 272 (Wyo. 1992); Kanawha-Roane Lands, Inc. v. Burford, 359 S.E.2d 618, 621 (W.Va. 1987); O'Leary v. Bd. of Dirs., 278 N.W.2d 217, 222 (Wis. Ct. App. 1979); and Blount v. Taft, 246 S.E.2d 763, 773 (N.C. 1978).

In particular, the Supreme Court of New Jersey noted, “It is the law generally that a reserved right to amend the by-laws of an association, whether to be exercised by the majority or, in some cases, a larger proportion of stockholders, members or directors, is a limited rather than an absolute right, even though the reservation is expressed in broad and general terms. It is often said that such a right to amend may not be extended so as to impair or destroy a contract or vested right, that it does not authorize the adoption of an amendment which will have such an effect, and that in general the exercise of such a right should be confined to matters touching the administrative policies and affairs of the corporation, the relations of members and officers with the corporation and among themselves, and like matters of internal concern.” *Id.* at 568, *citing* Fletcher, *supra* § 4177 & 1 Hornstein, *Corporation Law and Practice* § 269 (1959). Further, the court added, “Elsewhere the general rule limiting the exercise of the reserved right to amend by-laws to such matters as will not substantially affect basic rights of stockholders or members has been applied to cooperatives like the defendant.” *Id.* at 570-71, *citing* Whitney v. Farmers Coop. Grain Co., 193 N.W. 103 (Neb. 1923) and Loch v. Paola Farmers Union Coop Creamery & Store Ass'n, 285 P. 523 (Kan. 1930).

See also Evans v. Yakima Valley Grape Growers, Ass'n, 328 P.2d 671, 674 (Wash. 1958) (holding, among other things, that a member of a corporation that marketed the grape crops of its members did not vote for, and was not bound by, a bylaw amendment revising the purchase price of grapes from the “general market price” to one paid out of a crop pool of all the members, *citing* Fletcher, *supra* § 4188).

In 1998, the Court of Appeal of Louisiana, Second Circuit concluded that the bylaws of an electric membership corporation “may be amended by the manner therein specified or as provided by statute, if no corporate obligation or vested right is thereby impaired or destroyed.” Because the plaintiff did not have a vested right to seek nomination for election to the board of directors, the court held that a bylaw amendment impacting plaintiff’s qualification for election was effective. Carter, *supra*.

In particular, the Court of Appeal of Louisiana noted, “The general exercise of the right to amend the by-laws of a corporation, a limited right, should be confined to administrative policies and affairs of the corporation, the relations of members and officers with the corporation and among themselves, and like matters of internal concern. The reserved right to amend by-laws must be construed as referring only to reasonable amendments and not to such amendments as would materially alter the charter contract or impair or destroy a basic contractual or vested right, such as amendments impacting plans of insurance, altering consideration to be received upon redemption of shares, or the right to receive upon termination of his membership the fair book value of his shares under the by-law in effect when he purchases his stock.” *Id.* at 695, *citing* Lambert and Ytreberg, *supra*.

Interestingly, in 2004, the United States District Court for the Western District of Missouri stated, in a footnote, that an electric generation and transmission cooperative “could have changed its bylaws [from a first-in/first-out capital credit retirement requirement] to permit a last-in/first-out retirement.” Sho-Me Power Elec. Coop. v. United States, No. 01-3307-CV-S-WAK, 2004 U.S. Dist. LEXIS 8153 n. 5 (W.D. Mo. Mar. 1, 2004). The court, however, did not elaborate on, explain, or provide citations for its statement.

Electric Cooperative Bylaws. As discussed below, a member of a cooperative does not have a “vested” right to the retirement of capital credits. At most, a member has a conditional contract right to this retirement. *See* Black’s Law Dictionary 288, 290, & 1323 (7th ed. 1999) (A conditional right “depends on an uncertain event; a right that may or may not exist.”) and Restatement (Second) of Contracts § 224 (1981) (“A condition is an event, not certain to occur, which must occur, unless its non-occurrence is excused, before performance under a contract becomes due.”). That is, a member’s right to the retirement of capital credits depends upon one or more discretionary determinations by the cooperative’s board of directors.

Because a member does not have a vested right to the retirement of capital credits, an argument can be made that the cooperative may amend its bylaws governing these retirements. That is, the cooperative may amend bylaws governing the method of capital credit retirements. Indeed, the protection against amending bylaws granting vested or contract rights “does not extend to rights which are not contractual or vested, or to mere inchoate rights, even though they might mature into vested rights at some future time.” Fletcher, *supra* § 4188, *citing, among others, Mooney v. Farmers Mercantile & Elevator Co., 164 N.W. 804, 805-06 (Minn. 1917) (“And if it be conceded, in harmony with [plaintiff’s] contention, that the [cooperative’s] long continued practice and custom of distributing the profits of the company in equal proportions to all stockholders became in legal effect a by-law, it is clear that the corporation could, without infringement of stockholders’ rights, abandon the custom or modify it to any extent deemed fair and reasonable, precisely as a formally enacted by-law upon that or upon any other subject could be amended or wholly repealed. The power of amendment when no vested rights are impaired is clear. [citation omitted] And with such power conceded, as it must be, the only inquiry is whether by reason of some right arising from the custom plaintiff is in position to insist that it be continued during the life of the corporation. We discover no such right.”).*

On the other hand, a member could argue that, if a cooperative's board of directors decides to retire capital credits, then the member has a vested right to retirement in the method specified in the bylaws, which right may not be impaired through a bylaw amendment. Some courts, however, enforce bylaws granting a vested right only if the shareholder in question relied on the bylaw and enforcing it would not impose an unreasonable hardship on the other shareholders. Fletcher, *supra* § 4188. Under this reasoning, a bylaw amendment altering the method of retiring capital credits would not be enforced against members opposing the amendment, provided they proved that they relied on the previous bylaw and that enforcing the previous bylaw would not impose an unreasonable hardship on other members. The amendment, however, could be enforced against all other members.

Under a similar, but stronger, argument, a member could assert that the conditional contract right to the retirement of capital credits is sufficiently substantial to protect against bylaw amendments impairing this right. Accordingly, if a member did not consent to the bylaw amendment, then it would be ineffective as applied to the member. Although a member is bound by a bylaw amendment affecting the member's contract rights if the member consents to it, this consent will not be "readily implied, nor will it be presumed, but must be proven." Fletcher, *supra* § 4188.

Arguably, if a member accepts, without objection, capital credits retired according to a method authorized or prescribed in an amended bylaw, then the member is estopped from challenging the bylaw amendment. In general, "estoppel" prevents a person from asserting a claim or right that contradicts what the person previously said or did. Black's Law Dictionary, *supra* at 570.

Under estoppel by acceptance of benefits, if a person accepts the benefits of a transaction, then the person ratifies, is bound by, and is estopped from avoiding the transaction. 28 Am. Jur. 2d *Estoppel and Waiver* § 65 (2000) and 31 C.J.S. *Estoppel and Waiver* § 123(a) (1996). The person against whom estoppel is claimed must have acted with knowledge of the material facts and rights regarding the transaction, and the person claiming estoppel must have acted without knowledge of the facts on which estoppel is based and must have detrimentally relied upon the acceptance of benefits. 28 Am. Jur. 2d, *supra* § 66 and 31 C.J.S., *supra* § 123(b). Further, the estoppel must be equitable and the acceptance of benefits must be inconsistent with the position subsequently taken by the person against whom estoppel is claimed. Id. In particular, acceptance of a partial payment does not preclude a claim for the remaining amount due. 28 Am. Jur. 2d, *supra* § 66 and 31 C.J.S., *supra* § 124.

Under estoppel by acquiescence, if a person acquiesces in or ratifies an act or transaction, then the person is estopped from repudiating the act or transaction. 28 Am. Jur. 2d, *supra* § 63 and 31 C.J.S., *supra* §§ 134-135. The person against whom estoppel is claimed must have acquiesced with actual or constructive knowledge of the material facts and rights regarding the act or transaction and, sometimes, the person claiming estoppel must have detrimentally relied upon the acquiescence. Id. Implied waiver of a contract involves considerations and effects similar to estoppel. *See* 13 Samuel Williston, A Treatise on the Law of Contracts §§ 39:27-36 (4th ed. 2000).

To strengthen its ability to prevent a member from challenging a bylaw amendment revising the method for retiring capital credits, an electric cooperative should: (1) individually notify all members of the proposed bylaw amendment, which notice the cooperative is probably already required to provide; (2) individually notify all members of the adopted bylaw amendment; (3) to encourage acceptance of future capital credit retirements, continue to retire some capital credits under the method specified in the previous bylaw, particularly if the previous method was first-in, first-out; and (4) when paying retired capital credits, clearly and conspicuously state that the retirement and payment is pursuant to the amended bylaw and that accepting the payment constitutes consent to, ratification of, and intent to comply with the amended bylaw. The degree to which these actions will prevent a member from challenging the bylaw amendment will depend heavily upon state law.

If, for whatever reason, a court holds that an electric cooperative improperly amended its capital credit retirement bylaw, and that members are not estopped from challenging the bylaw amendment, then the court's remedy could substantially impact the cooperative, particularly in a class action lawsuit.

D. Vesting of Capital Credits

1. *Electric Cooperative Bylaws*

When examining the legal issues associated with capital credits, a critical question is when does a cooperative member's right to the payment of capital credits "vest." That is, does a member's right to the payment of capital credits vest upon allocation of the capital credits, or upon retirement of the capital credits? For both an electric cooperative and its members, the answer to this question has important implications.

To "vest" means to confer ownership of property upon a person, to invest a person with full title to property, or to give a person an immediate, fixed right of present or future enjoyment. Black's Law Dictionary 1557 (7th ed. 1999). To be "vested" means to have a completed, consummated right for present or future enjoyment, to not be contingent, to be unconditional, or to be absolute. Id. A "vested right" means a "right that so completely and definitely belongs to a person that it cannot be impaired or taken away without the person's consent." Id. at 1324.

The bylaws of some electric cooperatives state that the cooperative must retire capital credits on a specified basis, like first-in, first-out. The bylaws of other electric cooperatives state that the cooperative's board of directors determines the manner, method, and frequency of retiring capital credits. In these cooperatives, the boards of directors often adopt policies of general application governing the retirement of capital credits. The bylaws of most electric cooperatives, however, also state that the cooperative may only retire capital credits if the board of directors determines that the retirement will not impair or adversely affect the cooperative's financial condition. Under the bylaws of most electric cooperatives, therefore, the retirement of capital credits is contingent or conditioned upon one or more determinations by the cooperative's board of directors. Accordingly, it seems that a member's right to the payment of capital credits does not vest until the board makes the required determination(s) and the cooperative retires the capital credits.

As discussed above, if an electric cooperative's board of directors never makes the required determination(s) for retiring capital credits, then, depending upon the facts and circumstances, the members may have a cause of action against the board for breach of fiduciary duty, malfeasance, abuse of discretion, or mismanagement. The members, however, would probably not have a contract or property cause of action against the cooperative for failing to retire capital credits.

2. *Case Law*

As indicated in the following cases, the majority of courts addressing this issue have held that a cooperative member's right to the payment of capital credits, patronage dividends, or similar amounts vests upon retirement, and not upon allocation. In other words, these amounts are not due and payable until the cooperative's board of directors determines that they are due and payable.

In 1999, the United States Court of Appeals for the Eighth Circuit held that two directors of a farmers cooperative did not breach their fiduciary duties by failing to redeem capital credits in order of their issuance. In so holding, the court noted that, under the cooperative's bylaws and articles of incorporation, "the board clearly had discretionary authority with respect to the retirement of the capital credits." Although the cooperative "has an obligation to redeem the credits at some point, nothing in the articles or the bylaws specify a time frame for redemption. Rather, the discretion granted to the Board in connection with the redemption of capital credits, of necessity, includes the Board's determination of the timing of the redemptions and [the cooperative's] financial ability to redeem the credits. [The cooperative] utilizes the retainage funds in the interim to finance operations. It is not uncommon for a cooperative to redeem patronage dividends many years after the dividends have been allocated." Great Rivers Coop. of S.E. Iowa v. Farmland Indus., Inc., 198 F.3d 685, 703-04 (8th Cir. 1999).

In 1990, the Supreme Court of New Mexico noted that, under the bylaws of a cooperative marketing association of dairy farmers, the "redemption of [a member's capital retain] certificates is at the discretion of the board of directors." Valley Fed. Sav. Bank v. Stahl, 793 P.2d 851, 853 (N.M. 1990).

In 1988, the United States Court of Appeals for the Fourth Circuit explained that under state law and the bylaws of an agricultural cooperative association, “[a patron’s] interest [in patronage certificates] is limited; the [patronage] certificates are not currently due and payable or payable on [patron’s] demand. Rather, the [patronage] certificates represent a contingent entitlement; [patron’s] right to a share of [cooperative’s] profits payable at such time, and in such increments, as [cooperative’s] board determines in the exercise of its discretion.” *In re FCX, Inc.*, 853 F.2d 1149, 1153 (4th Cir. 1988).

In 1987, the Supreme Court of Kansas held that a member’s equity credits in a farmers cooperative were “contingent and not immediately payable” and became “vested when the board of directors, following the bylaws, exercises its sound discretion and determines that [payments of the equity credits] can be made without causing undue financial hardship to the [cooperative].” In prohibiting the member from offsetting his equity credits against debts owed to the cooperative, the court stated that a cooperative member “cannot contend that when equity credits are allocated upon the books of the [cooperative] that an indebtedness is created which can be used as a setoff against a debt the member... owes the [cooperative].” *Atchison County Farmers Union Coop. Ass’n v. Turnbull*, 736 P.2d 917, 921 (Kan. 1987); *See also Claassen v. Farmers Grain Coop.*, 490 P.2d 376 (Kan. 1971) (cooperative’s board of directors had discretion to retire patronage dividends and widow of deceased member could not compel retirement).

In 1976, the Supreme Court of Florida stated that, absent an abuse of discretion, breach of trust, fraud, illegality, or inequity, “the decisions to date indicate that repayment rights [regarding an agricultural cooperative’s allocated amounts] do not vest until dissolution unless applicable bylaw provisions require earlier repayment.” In this case, the cooperative redeemed allocated amounts on approximately a ten to twelve year cycle. *Lake Region Packing Ass’n v. Furze*, 327 So.2d 212, 215 (Fla. 1976).

In 1970, the Supreme Court of Georgia held that a member of a farmers cooperative could not setoff patronage allocations against amounts owed by the member to the cooperative. In so holding, the court noted, “Redemption of patronage allocations is a matter within the discretion of the directors of the co-operative. It is well established that ‘equity credits allocated to a patron on the books of a co-operative do not reflect an indebtedness which is presently due and payable by the co-operative to such patron. Such equity credits represent patronage dividends which the board of directors of a co-operative, acting under statutory authority so to do, has elected to allocate to its patrons, not in cash or other medium of payment which would immediately take such funds out of the working capital of the co-operative, but in such manner as to provide or retain capital for the co-operative and at the same time reflect the ownership interest of the patron in such retained capital. Equity credits are not an indebtedness of a co-operative which is presently due and payable to the members, but represent an interest which will be paid to them at some unspecified later date to be determined by the board of directors. Therefore, equity credits cannot be used as a setoff against a member’s present indebtedness to the association.” *Howard v. Eatonton Coop. Feed Co.*, 177 S.E.2d 658, 662 (Ga. 1970); *See also Gold Kist, Inc. v. Wilson*, 490 S.E.2d 466, 470 (Ga. Ct. App. 1997) and *Georgia Turkey Farms, Inc. v. Hardigree*, 369 S.E.2d 803 (Ga. Ct. App. 1988).

In 1971, the Supreme Court of North Dakota held that a farmers cooperative was not required to pay the administratrix of a deceased member’s estate the deceased member’s allocated patronage credits. In so holding, the court first noted that where other courts have considered this issue, “they have held that patronage credits are not such an indebtedness on the part of the cooperative due the patron which can be collected at any time.” Likewise, the court noted that patronage credits are a contingent interest that “becomes vested only when the board of directors, in the exercise of its sound discretion, determines that such payments can be made in cash without causing undue financial hardship to the cooperative.” Under the principle behind cooperative law, the “vesting of such interest should be the result of a positive declaration by the board of directors, acting in the exercise of its discretion, determining when such interest should vest.” Indeed, the court added, “the board cannot be compelled to jeopardize the financial status of the cooperative by being forced to make such payments.” *Evanenko v. Farmers Union Elevator*, 191 N.W.2d 258, 261-62 (N.D. 1971).

In 1962, the Supreme Court of Mississippi noted that it was “well settled that equity credits allocated to a patron on the books of a cooperative do not reflect an indebtedness which is presently due and payable by the cooperative.” Instead, these equity credits are an “interest [that] will be paid to the patron at some unspecified later date to be determined by the board of directors of the cooperative.” The court, therefore, held that a patron’s equity credits in a farmers’ cooperative cannot be used as a set-off against amounts owed to the cooperative under a note signed by the patron. In this case, the cooperative’s bylaws provided that “the oldest equity credits shall be first paid and retired.” Clarke County Coop. v. Read, 139 So.2d 639, 641-43 (Miss. 1962).

See also Sho-Me Power Elec. Coop. v. United States, No. 01-3307-CV-S-WAK, 2004 U.S. Dist. LEXIS 8153, 3 (W.D. Mo. Mar. 1, 2004) (“The allocation of a dividend creates no obligation for the cooperative to ever retire amounts from the capital accounts by making cash payments to its patrons and the patrons have no enforceable rights to receive any monetary amounts.”); Gold Kist, Inc. v. Comm’r, 110 F.3d 769, 770 (11th Cir. 1997); *In re Wabash Valley Power Ass’n*, 72 F.3d 1305, 1315-16 (7th Cir. 1995) (“The timing of repayment of these overcharges is left to the discretion of the Wabash Board.”); Hydro Coop. Ass’n v. Shantz, 858 P.2d 123, 127 (Okla. Ct. App. 1993) (“In conclusion, we hold that stock and stock credits in a cooperative marketing association constitute an interest of a member of the cooperative which is contingent and not immediately payable. The interest becomes vested when the established criteria for withdrawal or transfer set out in the [Cooperative Marketing Association Act] or the bylaws are met or when the board of directors, in the exercise of its sound discretion, determines that such payment can be made in cash.”); Four County Elec. Membership Corp. v. Powers, 386 S.E.2d 107, 109 (N.C. App. 1989); Atwood Grain & Supply Co. v. Comm’r, 60 T.C. 412, 420-22 (T.C. 1973); Shadow v. Volunteer Elec. Coop., 448 S.W.2d 416, 419 (Tenn. 1969); 2 Marilyn E. Phelan, Nonprofit Enterprises: Law and Taxation §§ 20:05 & 07 (1989); Emmanuel S. Tipon, Annotation, *Co-operative Associations: Rights in Equity Credits or Patronage Dividends* § 7, 50 A.L.R.3d 435 (1973); and 18 Am. Jur. 2d *Cooperative Associations* §§ 22-24 (1985).

In 1976, however, the Court of Appeals of Colorado held that members of a cooperative agricultural marketing association were entitled to setoff accrued but unpaid patronage dividends against amounts owed by the members to the cooperative. Unlike the bylaws of most electric cooperatives, the bylaws of the cooperative stated that a member “Shall . . . invest in the capital of this association in capital credits *as requested by the board of directors* all sums of money which represent the member’s share of net margins [or patronage dividends] of the agricultural products sold . . . and, in addition, such further sum or sums of money *as the board of directors may specify*.” These bylaws also stated that capital credits were repayable in the discretion of the cooperative’s board of directors. Presumably, because the cooperative’s board of directors failed to require the members to invest accrued capital credits in the cooperative, the cooperative failed to debit the members’ patronage dividend accounts and credit their capital credit accounts. The court, therefore, concluded that all of the members’ patronage dividends were due and owing. S.E. Colo. Coop. v. Ebright, 563 P.2d 30 (Colo. Ct. App. 1976).

Because the bylaws of most electric cooperatives require that members contribute their patronage share of the cooperative’s annual operating margins to the cooperative as capital credited to a capital credits account, the holding in S.E. Colo. Coop. v. Ebright should not apply to most electric cooperatives. *See In re Axvig*, 68 B.R. 910, 917 (Bankr. D.N.D. 1987) (“The court is aware of [S.E. Colo. Coop. v. Ebright] where the court allowed setoff of a patronage dividend account against a debtor’s debt owed the cooperative. However, Ebright is inapposite to the case at bar because the cooperative did not exercise its *discretion* under the bylaws to transfer funds from the patronage dividend ledger to the capital ledger; thus, the cooperative’s obligation to the debtor was properly due and owing. All defendant cooperatives in the case at bar have bylaw requirements that patronage earnings either be paid in cash or returned to capital, and the option does not exist for the earnings to perpetually sit in an earnings account that is due and payable.”).

For additional cases addressing the nature of a member’s interest in capital credits and the discretion of a cooperative’s board of directors in retiring capital credits, please see the cases discussed below under security interests and bankruptcy.

In summary, under the bylaws of most electric cooperatives, and pursuant to the majority of case law, a member of the cooperative has a contingent or conditional right to the payment of capital credits. This right vests upon the discretionary determination by the cooperative's board of directors to retire the capital credits, and not upon the cooperative's allocation of the capital credits. As discussed below, if an electric cooperative generally retires capital credits upon the death of individual members, then some courts may require the cooperative to retire capital credits upon the dissolution or liquidation of entity members, but not upon the reorganization of entity members.

3. Internal Revenue Code

For federal income tax reasons, business members of an electric cooperative probably prefer that their right to the payment of capital credits vests upon retirement, and not upon allocation.

Section 1385 of the Internal Revenue Code ("IRC") addresses amounts includible in a cooperative patron's gross income. 26 U.S.C.A. § 1385 (West 2002). The general rule of section 1385, however, applies only to patronage dividends received from an organization governed by IRC subtitle A, chapter 1, subchapter T, part I ("Subchapter T"). *Id.* § 1385(a). Subchapter T does not govern electric cooperatives that are exempt from federal income taxation, or that are engaged in furnishing electric energy to persons in rural areas. *Id.* § 1381(a)(2)(A) & (C).

Treasury Regulation 1.61-5 addresses, among other things, allocations by cooperative associations and their tax treatment as to patrons. Treas. Reg. § 1.61-5 (as amended in 1965). Treasury Regulation 1.61-5 applies to patrons of rural electric cooperatives. *Id.* § 1.61-5(a). Under this regulation, if an electric cooperative allocates capital credits to a patron with respect to supplies, equipment, or services, the cost of which was deductible by the patron under IRC sections 162 ("Trade or business expense") or 212 ("Expenses for production of income"), then, in computing the patron's gross income, the patron must include as ordinary income the "fair market value" of the capital credits at the time of their allocation. *Id.* § 1.61-5(a) & (b)(1)(iii).

If capital credits allocated to a patron contain "an unconditional promise to pay a fixed sum of money on demand or at a fixed or determinable time," then the capital credits are considered to have a fair market value at the time of allocation, "unless it is clearly established to the contrary." *Id.* § 1.61-5(b)(1)(iii). If, however, capital credits allocated to a patron are "payable only in the discretion of the cooperative association" or are "otherwise subject to conditions beyond the control of the patron," then the capital credits are considered not to have any fair market value at the time of allocation, "unless it is clearly established to the contrary." *Id.*

Under Treasury Regulation 1.61-5, if an electric cooperative retires capital credits to a patron with respect to supplies, equipment, or services, the cost of which was deductible by the patron under IRC sections 162 or 212, then, in computing the patron's gross income, the patron must include as ordinary income the amount of cash, or the fair market value of property, received at the time of retirement. *Id.* § 1.61-5(a) and (b)(1)(i), (ii), & (iv). Under this regulation, if an electric cooperative allocates or retires capital credits to a patron with respect to supplies, equipment, or services, the cost of which was not deductible under IRC sections 162 or 212, then, in computing the patron's gross income, the amount of the capital credits is not included. *Id.* § 1.61-5(a) & (b)(3)(i).

Accordingly, if a business member's right to the payment of capital credits vests upon allocation, then, in computing the member's gross income, the fair market value of the allocated capital credits is included. Presumably, this fair market value would be, at a minimum, the present value of the capital credits based upon the current market interest rate and the cooperative's bylaw or policy governing the manner, method, and frequency of retiring capital credits. If, however, a business member's right to the payment of capital credits vests upon retirement, then, in computing the member's gross income, the fair market value of allocated capital credits is not included, but the amount or fair market value of retired capital credits is included. In order to defer the taxation of capital credits from allocation until retirement, business members of an electric cooperative would probably assert that their right to the payment of capital credits vests upon retirement, and not upon allocation.

4. Bankruptcy Law, State Law, and RUS

For bankruptcy, state law, and RUS reasons, electric cooperatives probably prefer that a member's right to the payment of capital credits vests upon retirement, and not upon allocation.

As discussed below, because a member's right to the payment of capital credits vests upon retirement, and not upon allocation, the estate of a member that commences a case under federal bankruptcy law does not generally include the right to an immediate retirement of capital credits. To prevent an immediate retirement and payment of a bankrupt member's capital credits, electric cooperatives probably prefer that the member's right to the payment of the capital credits vests upon retirement, and not upon allocation.

If a member's right to the payment of capital credits vests upon allocation, then, under state property, contract, or corporate law, an electric cooperative may be limited in its ability to modify the manner, method, or frequency of retiring these capital credits without the consent of the affected members. Likewise, the cooperative may be limited in its ability to offset past or future losses against capital credits. For these reasons, electric cooperatives probably prefer that a member's right to the payment of capital credits vest upon retirement, and not upon allocation.

As discussed above, RUS regulations and the RUS model loan contract limit an electric cooperative's ability to retire capital credits, other than to the estates of deceased members, without the prior written approval of RUS. If a member's right to the payment of capital credits vests upon allocation, and not upon retirement, then a RUS borrower may be forced to retire capital credits in violation of RUS regulations and its RUS loan contract. For this reason, electric cooperatives probably prefer that a member's right to the payment of capital credits vests upon retirement, and not upon allocation.

E. Special Capital Credits Retirements

1. Discrimination

Some electric cooperatives have, or have considered adopting, a bylaw or policy under which the cooperative retires some or all capital credits to members upon certain events, like a member dying, leaving the cooperative's service area, or reaching a specific age. Although each of these special retirements has unique legal considerations, including unique federal cooperative tax law considerations, they all involve the question of whether they improperly discriminate among members in violation of general cooperative law.

In general, discrimination means, "Differential treatment; [especially], a failure to treat all persons equally when no reasonable distinction can be found between those favored and those not favored." [Black's Law Dictionary](#) 479 (7th ed. 1999). Under this definition, differential treatment with a reasonable distinction would not be "discrimination."

Most electric cooperative acts are silent regarding discrimination. Some acts, however, prohibit *all* discriminatory terms and conditions of membership. *See* Miss. Code Ann. § 77-5-225 ("Any person may become and remain a member if such person shall use energy supplied by such corporation and shall comply with the terms and conditions in respect to membership contained in the by-laws of such corporation, which terms and conditions shall be nondiscriminatory.").

Other electric cooperative acts prohibit *unreasonable* preferences, advantages, and discrimination. *See* N.C. Gen. § 117-16.1 ("No electric membership corporation shall, as to rates or services, make or grant any unreasonable preference or advantage to any member or subject any member to any unreasonable prejudice or disadvantage. No electric membership corporation shall establish or maintain any unreasonable difference as to rates or services either as between localities or as between classes of service.") and Tenn. Code Ann. § 65-25-211(a)(1)(A) ("The terms and conditions of a cooperative, as set forth in its articles of incorporation, bylaws or otherwise, for the admission of members and for the rendering of service to patrons:... Shall not unreasonably discriminate as to its services, or its rates, charges or service rules and regulations, between or among consumers of the same class, or two (2) or more different consumer classes, or two (2) or more localities; and... Shall not afford any unreasonable preference or advantage in favor of, or any unreasonable prejudice or disadvantage against, any consumers, consumer classes or localities."). Likewise, some electric territorial acts prohibit *unreasonable* discrimination. *See, e.g.*, Ga. Code. Ann. § 46-3-11(a).

Some electric cooperative acts authorize articles of incorporation or bylaws specifying different member classes with different qualifications and rights. *See* Mont. Code Ann. § 35-18-301 ("The articles of incorporation or the bylaws may... prescribe additional qualifications, limitations, rights, and obligations in respect to any membership and membership class,... The articles of incorporation or the bylaws of a cooperative may provide for classifications of members in a cooperative.") and Va. Code Ann. § 56-231.30(A) ("A cooperative may have one or more classes of members. If the cooperative has more than one class of members, the designation of each class and the qualifications and rights of the members of each class shall be set forth in the bylaws of the cooperative."). Again, the majority of electric cooperative acts are silent regarding discrimination.

For cooperatives in general, case law seems to indicate that, unless a cooperative's articles of incorporation, bylaws, or contracts provide otherwise, the cooperative may discriminate among its members, provided the discrimination is reasonable and fair. That is, a cooperative may not unreasonably or unfairly discriminate among its members.

See 40 W. 67th St. Corp. v. Pullman, 790 N.E.2d 1174, 1182 (N.Y. 2003) (“[A 1990 case] cautions that the broad powers of cooperative governance carry the potential for abuse when a Board singles out a person for harmful treatment or engages in unlawful discrimination, vendetta, arbitrary decisionmaking or favoritism. We reaffirm that admonition and stress that those types of abuses are incompatible with good faith and the exercise of honest judgment.”); Kelley v. Broadmoor Coop. Apartments, 676 A.2d 453, 460 (D.C. 1996) (“We have previously recognized that a regulation may be unreasonable if it has ‘an unfair or disproportionate impact on only certain unit owners,’” *citing* Johnson v. Hobson, 505 A.2d 1313, 1318 (D.C. 1986) (“Thirdly, courts have analyzed the substance of condominium regulations to determine whether they have an unfair or disproportionate impact on only certain unit owners.”) *and cited in* Willens v. 2720 Wis. Ave. Coop. Ass’n, 844 A.2d 1126, 1136 (D.C. 2004)); N.W. Wholesale Stationers, Inc. v. Pac. Stationary & Printing Co., 472 U.S. 284, 296 (U.S. 1985) (“Wholesale purchasing cooperatives must establish and enforce reasonable rules in order to function effectively.”); Barendse v. Knappa Water Ass’n, 490 P.2d 990, 993 (Ore. 1971) (“A cooperative association, although it may deal with its members upon any reasonable basis, may not discriminate among them unreasonably or unfairly.”); Milk Producers, Inc. v. Campbell, 459 S.W.2d 114, 117 (Ark. 1970) (“Cases from other jurisdictions hold that in absence of anything to the contrary in the association charter or by-laws or in the contract between the association and its members, a cooperative association is free to deal with its members on any reasonable basis.”); Benson Coop. Creamery Ass’n v. First Dist. Ass’n, 170 N.W.2d 425, 428 (Minn. 1969) (“A cooperative association is not entitled to discriminate unreasonably between members in good standing.”); Bertram v. Danish Creamery Ass’n, 261 P.2d 349, 351 (Cal. Ct. App. 1953) (“Thus it necessarily follows that since nothing in the bylaws, articles, nor any contract bound the association to take, or any member to deliver, any milk, the association was free to deal with its members on any reasonable basis; and in so doing could apply different conditions of purchase as to members where, in the interest of the association, there existed reasonable and natural grounds for such varying conditions. The association was not bound to treat each member exactly as it did all the others when to do so would be a detriment to the association. It may be conceded it could not unfairly discriminate but it could discriminate.”); Coop. Milk Serv., Inc. v. Hepner, 81 A.2d 219, 225 (Md. 1951) (“We may assume that defendant could not lawfully make any arbitrary discrimination between its members, *e.g.*, between those who were and those who were not members of the Washington association; that it could not benefit one class at the expense of another by giving more favorable terms to one class, knowing that the other class was not able to take advantage of such terms.”); *and* Olympia Milk Producers Ass’n v. Herman, 29 P.2d 676, 679 (Wash. 1934) (“[I]t now may be considered settled law that, in the absence of arbitrary action, unfair discrimination, fraud, or something of like nature, the general control conferred upon the association by the contract will not be interfered with by the courts.”).

See also 15 U.S.C.S. § 13b (Matthew Bender & Co., LEXIS through Pub. L. No. 234, approved June 1, 2004) (“Nothing in [the Robinson-Patman Price Discrimination Act] shall prevent a cooperative association from returning to its members, producers, or consumers the whole, or any part of, the net earnings or surplus resulting from its trading operations, in proportion to their purchases or sales from, to, or through the association.”); 16A William Meade Fletcher et al., Fletcher Cyclopedia of the Law of Private Corporations § 8287 (Westlaw 2003) (“A cooperative marketing association cannot discriminate unreasonably between members in good standing.”); *and* 18 Am. Jur. Cooperative Associations § 31 (1985) (“In the absence of anything to the contrary in the charter or bylaws of the association, or in any contract between the association and its members, a cooperative association is free to deal with its members on any reasonable basis. It is not bound to treat each member exactly as it does all the others when to do so would be a detriment to the association. Thus, while it may not unfairly discriminate between members in good standing, it may establish reasonable bases and classifications in the structure of prices to be paid members. In this regard, it has been held that to permit a cooperative association to refuse to accept skim milk of one member while accepting it from others without justifiable reason or good cause, absent advance understanding between the parties, would be to countenance a form of discrimination which would be inconsistent with the relationship between a cooperative association and its membership. A cooperative association may deal with its members as a group, and call upon certain of them to surrender something of their own individual advantage in order to improve marketing conditions for those less fortunately situated. Thus, a system of assessments against members to pay members for surplus milk delivered to dealers who themselves were unable to pay for it has been held valid.”).

For electric cooperatives, what little case law and regulatory guidance exists seems to indicate that a cooperative may discriminate among its members, provided the discrimination is reasonable and fair, and provided all similarly situated members are treated the same.

In 1967, the Supreme Court of North Dakota held that an electric cooperative's rate classes, which classes were based upon member businesses and the services available to the members, were reasonable and justified. Lillethun v. Tri-County Elec. Coop., 152 N.W.2d 147 (N.D. 1967). In its opinion, the court noted, "It would appear that a reasonable classification of members of an electric co-operative is not only convenient but absolutely necessary to effect the purposes of the co-operative. If that is true, then such classification is justified." Id. at 151.

Further, the court commented, "We believe that the amount which the [electric cooperative] is obligated to pay for a patronage capital, under a reasonable interpretation of the bylaws, would be such sum as the individual consumer, in any reasonable classification, pays in excess of the operating costs and expenses for energy furnished to the classification to which he belongs. Thus, if there is an excess above operating costs and expenses for furnishing power to the class to which a consumer belongs, each member of that class should be credited on his capital account with the amount arrived at by taking the total amount of energy used by such patron and comparing it to the total amount of energy used by all patrons in the classification, and crediting each patron on a pro rata basis. The account of each individual consumer, however, cannot be considered separately. If the classification is reasonable and justified, as we believe it is in this case, his account must be considered on the basis of the class to which he belongs." Id. at 152-53.

See also Lill v. Cavalier Rural Elec. Coop., 456 N.W.2d 527, 530 (N.D. 1990) ("The [disconnection and reconnection charge, pursuant to a policy,] against [a member of an electric cooperative] was not discriminatory because all customers were treated alike and the charge was not unjust because the [cooperative] had the inherent power to set rates, fees and other charges in such a manner sufficient to operate its business in a prudent manner.") and Hargrave v. Canadian Valley Elec. Coop., 792 P.2d 50, 58 (Okla. 1990) ("This rule requiring those engaged in a "public business" to render service to the public without discrimination does not mean a uniformity of rates or prices for services rendered to the public. A "public business" cannot be required to charge the same rate for services rendered to different classes, or to people different situated. The discrimination that is prohibited must be an *arbitrary* or an *unjust* discrimination. A mere difference in prices for a commodity furnished to different classes would not constitute an unjust discrimination.").

As noted by RUS, "Where service is being rendered to various groups of consumers (such as industrials and commercials) under different rate structures and possibly under different cost of service conditions, it may be appropriate in some cases, that in the determination of the amounts of capital, if any, furnished by such consumers, different approaches or factors be used for these different groups of consumers. To conform to the principle of non-profit operation, such determinations must be reasonably supportable by differences in the cost of service to and the rates paid by such consumers and be reasonably designed to ascertain as accurately as possible the amount paid by the consumers in excess of the cost of service to those consumers." RUS Bulletin 102-1 app. A p. 5 (1964).

For both cooperatives in general and electric cooperatives, and as discussed above and below, courts have allowed "discriminatory" bylaws, contracts, and policies providing for the retirement of capital credits out of priority, including discretionary retirements to the estates of deceased members. *See* Great Rivers Coop. of S.E. Iowa v. Farmland Indus., Inc., 198 F.3d 685 (8th Cir. 1999); Mitchelville Coop. v. Indian Creek Corp., 469 N.W.2d 258 (Iowa Ct. App. 1991); Schill v. Langdon Farmers Union Oil Co., 442 N.W.2d 408 (N.D. 1989); Richardson v. S. Ky. Rural Elec. Coop., 566 S.W.2d 779 (Ky. Ct. App. 1978); *In re* Great Plains Royalty Corp., 471 F.2d 1261 (8th Cir. 1973); Claassen v. Farmers Grain Coop., 490 P.2d 376 (Kan. 1971); and Evanenko v. Farmers Union Elevator, 191 N.W.2d 258, 261-62 (N.D. 1971). As discussed below, these retirements involve the additional discriminatory issue of whether dissolved or liquidated corporate members must be treated the same as deceased individual members.

As discussed above, if an electric cooperative's board of directors retires capital credits in an unreasonable, improper, or arbitrary manner, then its directors may be liable for abuse of discretion. Presumably, this liability includes retirements that unreasonably and unfairly discriminate among members or that treat similarly situated members differently.

In summary, unless an electric cooperative's state law, articles of incorporation, bylaws, contracts, or policies provide otherwise, and subject to the requirements of federal cooperative tax law, as well as state and federal discrimination law, it seems that, under general cooperative law, the cooperative may discriminate among members and former members in retiring capital credits, provided the discrimination is reasonable and fair, and provided all similarly situated members and former members are treated the same.

2. Past Due Debt

The bylaws of many electric cooperatives state that the cooperative may offset a member's debt against the member's retired capital credits. Some electric cooperatives have considered adopting a bylaw or policy under which, if a member terminates membership in the cooperative and owes the cooperative a past due debt, then the cooperative: (1) retires, on a net present value basis, the member's capital credits in an amount equal to the member's debt; and (2) offsets the member's debt against the member's retired capital credits. Some cooperatives have considered adopting a similar bylaw or policy under which, if any member owes the cooperative a debt that remains past due for more than a specified number of days, then the cooperative: (1) retires, on a net present value basis, the member's capital credits in an amount equal to the member's debt; and (2) offsets the member's debt, including late or interest payments and an administrative fee, against the member's retired capital credits.

Under federal bankruptcy law, if a person commences a bankruptcy case, then, in general, the trustee or debtor in possession may avoid any preferential transfer of the debtor's interest in property: (1) to a creditor; (2) for a debt owed by the debtor before the transfer; (3) made while the debtor was insolvent, which insolvency is presumed on and during the 90 days preceding the filing of the bankruptcy petition; (4) made on or within 90 days before the filing of the bankruptcy petition; and (5) that enables the creditor to receive more than the creditor would receive if the case were under chapter 7, the transfer had not been made, and the creditor was paid as provided under federal bankruptcy law. 11 U.S.C.S. §§ 547(b) & (f) and 1107(a) (LEXIS through Pub. L. No. 227, approved May 7, 2004). A "transfer" means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property." *Id.* § 101(54).

The trustee or debtor in possession, however, may not avoid a transfer to the extent it was: (1) intended by the debtor and creditor to be a "contemporaneous exchange for new value given to the debtor;" and (2) in fact a substantially contemporaneous exchange. *Id.* §§ 547(c)(1) & 1107(a). Likewise, the trustee or debtor in possession may not avoid a transfer to the extent that, after the transfer, the creditor gave "new value" to the debtor: (1) that was not secured by an otherwise unavoidable security interest; and (2) on account of which new value the debtor did not make an otherwise unavoidable transfer to the creditor. *Id.* §§ 547(c)(4) & 1107(a). "New value" means, among other things, money or money's worth in goods, services, or new credit, but does not include an obligation substituted for an existing obligation. *Id.* § 547(a)(2).

In addition, the trustee or debtor in possession may not avoid a transfer to the extent it was: (1) in payment of a debt incurred in the debtor and creditor's "ordinary course of business or financial affairs;" (2) made in the debtor and creditor's "ordinary course of business or financial affairs;" and (3) made according to "ordinary business terms." *Id.* §§ 547(c)(2) & 1107(a). Further, the trustee or debtor in possession may not avoid a transfer if, in a case filed by an individual whose debts are primarily consumer debts, the aggregate value of all property constituting or affected by the transfer is less than \$600. *Id.* §§ 547(c)(8) & 1107(a). "Consumer debt" means debt incurred by an individual primarily for a personal, family, or household purpose. *Id.* § 101(8).

Also under federal bankruptcy law, a trustee or debtor in possession may avoid any fraudulent transfer of the debtor's interest in property made on or within one year before the filing of the bankruptcy petition, if the debtor voluntarily or involuntarily: (1) made the transfer with "actual intent to hinder, delay, or defraud" any entity to which the debtor was or became indebted; or (2) received less than a "reasonably equivalent value" in exchange for the transfer and met one of three other conditions. Id. §§ 548(a)(1)(A) & 1107(a).

As discussed below, federal bankruptcy law does not generally affect a creditor's right to offset the creditor's debt that arose before commencement of the case against the debtor's debt that arose before the case. Id. § 553(a). This setoff protection, however, is unavailable if the creditor's debt to the debtor was incurred: (1) within 90 days before the filing of the bankruptcy petition; (2) while the debtor was insolvent, which insolvency is presumed on and during the 90 days preceding the filing of the bankruptcy petition; and (3) for the purpose of obtaining a right of setoff against the debtor. Id. § 553(a)(3) & (c). A setoff of this type of creditor's debt may be attacked as a preferential transfer. 5 Mark I. Bane et al., Collier on Bankruptcy § 553.09(1)(c)(ii) (15th ed. rev. 2004). Otherwise, "creditors would have a clear incentive to arrange and take the setoffs that these sections prohibit as quickly as possible to avoid the prohibition, a result demonstrably at odds with the intention of the drafters of the [Bankruptcy] Code." Id.

If a creditor offsets mutual debts on or within 90 days before the filing of the bankruptcy petition, then the trustee or debtor in possession may recover the amount offset to the extent that the "insufficiency," or the amount by which the debtor's debt exceeds the creditor's debt, is less on the date of setoff than on another specified date during the 90 days. 11 U.S.C.S. §§ 553(b) & 1107(a). That is, regardless of any preferential transfer considerations, the trustee or debtor in possession "may recover from [the] creditor the amount of a prepetition setoff to the extent that the setoff permitted the creditor to recover more than the creditor would have recovered if the setoff had occurred at certain benchmark points in time." Collier on Bankruptcy, *supra* § 553.09(2).

The purpose of this provision "is to discourage creditors from taking setoffs against debts owed to insolvent debtors under circumstances where a creditor might be sorely tempted to take a setoff because of an improved setoff opportunity. By providing for the recovery of the amount of the improvement, section 553(b) ostensibly eliminates the temptation to 'seize the moment.'" Id. Although the "mechanics of section 553(b) are somewhat cumbersome in their application," the creditor may keep the offset amount less any improvement caused by the timing of the setoff during the 90 days before the filing of the bankruptcy petition. Id. § 553.09(2)(b). If the creditor has other security of sufficient value, then any "insufficiency" may be covered by the other secured property and no improvement to the creditor results. In this case, the creditor may have a complete defense to any action to recover the improvement. Id. § 553.09(2)(c).

If a bankruptcy trustee or debtor in possession avoids a preferential transfer, fraudulent transfer, or offset, then the trustee or debtor in possession may recover the property transferred, or the value of the property transferred, from the initial transferee. 11 U.S.C.S. §§ 550(a)(1) & 1107(a).

If a member or former member of an electric cooperative owes the cooperative a past due debt, and if the cooperative retires the member or former member's capital credits and offsets the debt against the retired capital credits, then the offset is probably a "transfer" under federal bankruptcy law. If the member or former member commences a bankruptcy case within 90 days after the retirement and offset, then the trustee or debtor in possession may have the ability to avoid the offset as a preferential transfer under section 547. Because the cooperative's retirement and debt to the member or former member was incurred within 90 days before the filing of the bankruptcy petition, the cooperative probably does not have setoff protection under section 553.

If the cooperative gives “new value” to the member contemporaneously with or after the transfer, through supplying electric energy, new credit, or otherwise, then it seems the trustee or debtor in possession is prohibited from avoiding the transfer under section 547(c)(1) or (4). Likewise, if: (1) the debt was for supplying electric energy to the debtor in the ordinary course of the debtor and cooperative’s business; (2) the cooperative, in the ordinary course of its business and pursuant to a bylaw or policy of general application, regularly retires and offsets capital credits to members or former members owing the cooperative past due debts; and (3) the retirement and offsetting were made according to ordinary business terms, then it seems the trustee or debtor in possession is prohibited from avoiding the transfer under section 547(c)(2). Further, if: (1) the debtor is an individual whose debts are primarily consumer debts; and (2) the value of the transfer is less than \$600, then it seems the trustee or debtor in possession is prohibited from avoiding the transfer under section 547(c)(8).

Even though the trustee or debtor in possession may be prohibited from avoiding the offset as a preferential transfer, depending upon the “insufficiency,” the trustee or debtor in possession may be able to recover some of the amount offset under section 553(b).

If the member or former member commences a bankruptcy case within one year after the transfer, then the trustee or debtor in possession may have the ability to avoid the offset as a fraudulent transfer under section 548. If, however, the cooperative retired the capital credits and offset the debt under a bylaw or policy of general application, then it seems doubtful that the debtor made the transfer with “actual intent to hinder, delay, or defraud” another entity. Likewise, because the offset amount equals the debt to the cooperative, it seems the debtor received a “reasonably equivalent value” for the transfer.

If the bankruptcy trustee or debtor in possession is permitted to avoid the transfer or recover some of the amount offset, then the electric cooperative must pay some or all of the retired capital credits into the bankruptcy estate. As discussed below, without this special retirement and subsequent avoiding of the transfer, the cooperative would not usually be required to retire and pay the capital credits into the bankruptcy estate.

3. Age

Some electric cooperatives have, or have considered adopting, a bylaw or policy under which the cooperative retires some or all capital credits to an individual after he or she reaches a specified age. For electric cooperatives that do not receive federal financial assistance, through the Rural Utilities Service, the Federal Emergency Management Agency (“FEMA”), or otherwise, there does not appear to be a general age discrimination prohibition against this type of special retirement. For cooperatives that receive federal financial assistance, through RUS, FEMA, or otherwise, this special retirement may violate the Age Discrimination Act of 1975 (“ADA”), as well as RUS and FEMA regulations.

ADA. Congress enacted the ADA on November 28, 1975. Older Americans Amendments of 1975 tit. III, Pub. L. No. 94-135, 89 Stat. 713, 728-32 (codified as amended at 42 U.S.C.S. §§ 6101-07 (Matthew Bender, LEXIS through Pub. L. No. 223, approved Apr. 30, 2004)). The purpose of the ADA is “to prohibit discrimination on the basis of age in programs or activities receiving Federal financial assistance.” 42 U.S.C.S. § 6101. Subject to some exceptions, the ADA states, “no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance.” Id. § 6102. A program or activity means all of the operations of, among other things, a corporation or other private organization, any part of which receives federal financial assistance. Id. § 6107(4).

An action does not violate the ADA or any regulation issued under the ADA if, in the program or activity involved, the “action reasonably takes into account age as a factor necessary to the normal operation or the achievement of any statutory objective of such program or activity” or “the differentiation made by such action is based upon reasonable factors other than age.” Id. § 6103(b)(1). Further, the ADA does not authorize action by any federal department or agency regarding “any employment practice of any employer” and does not amend or modify the Age Discrimination in Employment Act of 1967 (“ADEA”) or any rights or responsibilities under the ADEA. Id. § 6103(c).

If a federal department or agency prescribes regulations under the ADA, and if a recipient of assistance fails to comply with the regulations, then the department or agency may, among other things, terminate, or refuse to grant or continue, assistance under the program or activity. *Id.* § 6104(a). Before taking this action, the department or agency must advise the appropriate person of the failure to comply with the regulation and determine that compliance cannot be voluntarily secured. *Id.* § 6104(c). After exhausting administrative remedies and providing certain notice, an “interested person” may bring an action to “enjoin a violation of the [ADA].” *Id.* § 6104(e). If demanded by the person, a court “shall” award to the prevailing plaintiff the costs of suit, including a reasonable attorney’s fee. *Id.* § 6104(e)(1).

Although there is conflicting case law, the legislative history of the ADA seems to indicate that the act applies to discrimination against younger persons, as well as older persons. *See Rannels v. Hargrove*, 731 F. Supp. 1214, 1221 (E.D. Pa. 1990) (“Hargrove maintains that the ADA does not apply to the situation at issue here. This may be read in part as an argument that an age-based distinction of the sort complained of here — one that benefits the older rather than the younger — is not within the scope of the [ADA]. Rannels, in essence, has put forth a charge of reverse age discrimination, in that we commonly think of age-based discrimination as injuring older citizens. Whether such claims are cognizable under the ADA appears to be a question of first impression. My examination of the statute and the legislative history leads me to conclude that these claims are. . . . The legislative history, on balance, supports the broad anti-discrimination language explicit in the [ADA]. While clear, unequivocal statements of congressional intent to limit the range of the ADA might persuade me to do so, no such statements are present here. I thus hold that the ADA covers discrimination on the basis of age, whether against the old or the young, and . . .”).

See also Howard Eglit, *The Age Discrimination Act of 1975, As Amended: Genesis and Selected Problem Areas*, 57 Chi.-Kent L. Rev. 915, 917 (“[The ADA’s prohibition on discrimination based on age applies] across the age spectrum so as to protect victims both young and old,” *citing* H.R. Rep. No. 94-67, at 16 (1975) & 121 Cong. Rec. 9212 (statement of Rep. Brademas) (1975) as establishing that the ADA’s “scope extends to discrimination at any age, a conclusion consonant with the language of the [ADA].”) & 919-20 (“Unlike the earlier [ADEA], however, the ADA is not confined to a defined age group – those aged 40 to 70; rather it extends to persons of all ages from infancy through death: a benefit for the young apparently derived from a spillover of heightened age discrimination consciousness on the part of the legislators.”) (1981); Lee E. Teitelbaum, *The Age Discrimination Act and Youth*, 57 Chi.-Kent L. Rev. 969, 973 (1981) (“The ADA possesses, however, a feature that is not found in other such laws: it extends not only to the politically visible group which sought its passage – the elderly and their spokesmen – but to an even larger group that was not represented before Congress, the young. . . . What is not clear is why the drafters of the [ADA] decided to include discrimination against youth in the Act; debates and committee reports are entirely silent on this subject beyond the fact that the law is indeed intended to ban all age discrimination.”); and Peter H. Schuck, *The Graying of Civil Rights Law: The Age Discrimination Act of 1975*, 89 Yale L.J. 27, 29 (1979) (“In adding age to the list of protected characteristics, Congress stressed that the ADA does not protect merely the elderly or persons who attain a particular age, but *all* persons at *all* times during their lives,” *citing* H.R. Rep. No. 94-67, at 16 (1975) & 121 Cong. Rec. 9212 (statement of Rep. Brademas) (1975)) (emphasis original).

But see *Parker v. Wakelin*, 887 F. Supp. 14, 15 (D. Me. 1995) (“Defendants argue here that this class of Plaintiffs cannot properly assert unfair discrimination against them as younger persons in favor of other members who are older. There appears to be only one court decision on this question regarding the [ADA] and it concluded, in dictum, that the broad, general language of the ADA of 1975 does provide such protection. [*Rannels, supra*] However, this Court does not join the court in *Rannels* in its reading of the [ADA]. There is simply no basis to conclude that [the ADA], part of the ‘Older Americans Amendments of 1975’ and enacted to address the unique problems faced by older workers, can be used to protect younger workers as well.”); *See also* *General Dynamics Land Systems, Inc. v. Cline*, 124 S. Ct. 1236, 1248 (U.S. 2004) (“We see the text, structure, purpose, and history of the ADEA, along with its relationship to other federal statutes, as showing that the statute does not mean to stop an employer from favoring an older employee over a younger one.”).

RUS. Under a RUS regulation, “Borrowers are required to comply with certain regulations on nondiscrimination in program services and benefits... as set forth in RUS Bulletins 20-15 and 20-19 or their successors; 7 CFR parts 15 and 15b; and 45 CFR part 90.” 7 C.F.R. § 1710.122 (LEXIS through Apr. 28, 2004 Fed. Reg.). RUS Bulletin 1790-1, entitled “Nondiscrimination Among Beneficiaries of RUS Programs,” is dated January 28, 2000 and supersedes and rescinds RUS Bulletin 20-19. The bulletin expires seven years from the date of its approval.

As stated in section 4.1 of RUS Bulletin 1790-1, a RUS borrower becomes subject to the ADA upon receiving a loan made by RUS, an advance of funds, or a note or bond under which the advance of funds is requested. Section 4.2 of the bulletin states, “To the extent that ... the [ADA] [applies] to each RUS borrower, no person in the United States shall, on the basis of ... age ... be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under the RUS electric, telecommunications, and rural development programs.” In a “not all inclusive” list illustrating prohibited actions, section 4.3.1 of the bulletin states that RUS borrowers shall not, among other things, discriminate on the basis of age “in the rates, terms, or conditions in providing service to customers” or “with respect to [a] member’s or stockholder’s rights.” Under section 9.1 of the bulletin, findings of noncompliance will be brought to the attention of the RUS borrower in an effort to resolve the noncompliance voluntarily.

FEMA. Under FEMA regulations, the provisions of the ADA generally apply to any program or activity receiving federal financial assistance from FEMA. *See* 44 C.F.R. §§ 7.910-7.949 (LEXIS through Apr. 28, 2004 Fed. Reg.). Under these regulations, “Federal financial assistance” generally means any grant, entitlement, loan, cooperative agreement, contract, or arrangement by which FEMA provides or makes available assistance in the form of funds, services or federal personnel, or real and personal property or any interest in or use of property. *Id.* § 7.913. Before FEMA enforces the ADA or its regulations, FEMA must advise the recipient of its failure to comply with the ADA or the FEMA regulation and determine that voluntary compliance cannot be obtained. *Id.* § 7.945(c).

Likewise, under FEMA Director’s Policy No. 2-01, dated July 17, 2001, “No person shall, on the grounds of... age... be denied the benefits of, be deprived of participation in, or be discriminated against in any program or activity conducted by or receiving financial assistance from FEMA.” In addition, FEMA “supports and implements to the fullest extent the... ADA.” These discrimination prohibitions “extend to all entities receiving Federal financial assistance from [FEMA].”

If the ADA and its implementing regulations apply to age discrimination against younger individuals, and if an electric cooperative receives financial assistance from RUS, FEMA, or another federal department or agency, then it seems that, unless a specific statutory or regulatory exception applies, a special retirement of capital credits based upon a member’s age may violate the ADA, as well as RUS and possibly FEMA regulations. Presumably, the special retirement is not “necessary to the normal operation or the achievement of any statutory objective” of RUS or FEMA. Fortunately, if a federal department or agency, like RUS or FEMA, determines that an electric cooperative violates its ADA regulations, then the department or agency must seek to have the cooperative voluntarily comply with the regulations before commencing any enforcement action. The cooperative, therefore, will have an opportunity to revise its special retirement bylaw or policy before facing enforcement action. Unfortunately, a member of the cooperative not qualifying for the special retirement of capital credits based upon age may be an “interested person” under the ADA. If so, then the member may bring an action to enjoin application of the special retirement. If the member prevails, then the cooperative must pay the member’s costs of suit, including a reasonable attorney’s fee.

4. Deceased Members

Regardless of whether an electric cooperative's bylaws or policies govern the manner, method, and frequency of general capital credit retirements, they usually authorize the board of directors to retire capital credits upon the death of a "patron" or a "natural person patron." As indicated in the following cases, courts are divided regarding whether a cooperative that retires capital credits upon the deaths of individual members must also retire capital credits upon the dissolutions or liquidations of entity members.

In 1991, the Court of Appeals of Iowa held that, under Iowa law, a cooperative is not prohibited from prioritizing the payment of patronage credits among deceased natural persons and corporations. Absent a statute or bylaw to the contrary, the court held that corporations are not considered natural persons for prioritizing payments of patronage credits for deceased natural persons. In so holding, the court found the rationale in Richardson v. S. Ky. Rural Elec. Coop., discussed below, "for distinguishing between a corporation and a natural person persuasive." Mitchelville Coop. v. Indian Creek Corp., 469 N.W.2d 258 (Iowa Ct. App. 1991).

In 1989, the Supreme Court of North Dakota held that if a cooperative retires patronage credits upon the death of an individual patron, then "where there is an absence of a bylaw provision to the contrary," the cooperative must retire capital credits upon the legal dissolution of a corporate patron. Although the cooperative retired capital credits upon the death of individual patrons pursuant to a policy, the terms of the policy were unclear. In one instance, the court referenced a policy for retiring patronage credits "upon the death of a natural person." In another instance, the court referenced a policy for retiring patronage credits "upon the death of the patron." In another instance, the court referenced a policy for retiring patronage credits "upon the death of an individual patron." Schill v. Langdon Farmers Union Oil Co., 442 N.W.2d 408 (N.D. 1989). If an electric cooperative's bylaws expressly prohibit retiring capital credits upon the dissolution or liquidation of an entity member, then this case would seem to be distinguishable.

In 1978, the Court of Appeals of Kentucky held that even if the bylaws of an electric cooperative authorized the retirement of capital credits "upon the death of any patron," and even if the cooperative retired capital credits upon the deaths of individual members, the cooperative was not required to retire capital credits upon the dissolution of a corporate member. In so holding, the court noted that other sections of the bylaws recognized the difference between the "death" of an individual member and the "cessation of existence" of a corporate member. Regarding In re Great Plains Royalty Corp., discussed below, the court stated, "we cannot agree that the death of a natural person can be equated with the dissolution or bankruptcy of a corporation." In addition, the court explained "several valid and rational reasons for making such a distinction." Richardson v. S. Ky. Rural Elec. Coop., 566 S.W.2d 779 (Ky. Ct. App. 1978).

In 1973, the United States Court of Appeals for the Eighth Circuit held that if the bylaws of a cooperative authorize the board of directors, "upon the death of any patron" and "acting under policies of general application," to retire capital credits to the patron's estate, and if the cooperative consistently retires capital credits to the estates of deceased individual patrons, then the cooperative must retire capital credits to the estate of a "bankrupt and defunct" corporate patron. Because the court characterized the corporate patron in question as being "de facto" dead and "unlikely ever to 'come back to 'life' in the sense of again doing business,'" the patron probably commenced a liquidation case under chapter 7 of the federal bankruptcy law. As explained by the court, retiring capital credits upon the death of individual patrons, but not upon the dissolution or bankruptcy of corporate members, would violate both a North Dakota statute prohibiting discrimination between members and the bylaw requiring retirement "under policies of general application."

Although the court agreed that cases like Evanenko v. Farmers Union Elevator, discussed above, stand for the proposition that capital credits are not an indebtedness due to patrons unless the board of directors authorizes paying the capital credits, the court added that “this appeal presents a question not controlled by Evanenko.” In re Great Plains Royalty Corp., 471 F.2d 1261 (8th Cir. 1973), *see also In re Axvig*, 68 B.R. 910, 916 (Bankr. D.N.D. 1987) (“The Great Plains court held that a Chapter 7 corporation’s estate is entitled to the same treatment as that given to the estate of an individual patron who dies and that the bylaw provisions for retirement of capital stock apply to the Trustee of the bankrupt corporation.”). If an electric cooperative’s bylaws authorize retiring capital credits upon the death of any “individual” or “natural person” member, and if the cooperative’s state law does not expressly prohibit discrimination among members, then this case would seem to be distinguishable. Likewise, if an entity member commences a reorganization case under chapter 11 of the federal bankruptcy law, instead of a liquidation case under chapter 7, and requests an immediate retirement of capital credits, then this case would seem to be distinguishable.

F. Security Interest in Capital Credits

1. Advantages and Disadvantages of a Security Interest

To secure a member's obligation to pay all amounts owed to the cooperative, including payments for electric energy and damages caused by the member's failure to comply with the cooperative's articles of incorporation, bylaws, or membership application, and in return for furnishing the member electric energy, an electric cooperative may desire to create and perfect a security interest in the member's capital credits under revised Article 9 of the Uniform Commercial Code ("U.C.C."). *See, e.g., Hite v. P.U.D. No. 2 of Grant County*, 772 P.2d 481 (Wash. 1989) ("At issue in this case is whether a public utility district may contract with its customers for a lien to secure the payment of electricity charges. We hold that it can,...").

In general, the U.C.C. governs commercial transactions and most states have enacted a version of the U.C.C. The purposes and policies underlying the U.C.C. are to: (1) simplify, clarify, and modernize the law governing commercial transactions; (2) permit the continued expansion of commercial practices through custom, usage, and agreement of the parties; and (3) make uniform the laws among the various jurisdictions. U.C.C. § 1-102(2) (1995). Article 9 of the U.C.C., which is often cited as the Uniform Commercial Code—Secured Transactions ("Article 9"), provides a comprehensive scheme for regulating security interests in personal property and fixtures. U.C.C. § 9-101 & cmt. 1 (1999). In 1998, the U.C.C. sponsors approved a revision of Article 9. *Id.* § 9-101 cmt. 2.

The bylaws of many electric cooperatives state that a member's retired capital credits are reduced or offset by any amounts owed by the member. Creditors of a member, particularly banks, however, may have created and perfected a security interest in all property owned by the member. *See In re Barr*, 180 B.R. 156 (Bankr. N.D. Tex. 1995). If the security interest includes general intangibles, then, as discussed below, it includes a member's capital credits and could have priority over a cooperative's right to offset amounts owed by the member. For example, in 1990, the Supreme Court of New Mexico held that a bank had a perfected security interest in the "capital retains" allocated to a cooperative member, and that this interest had priority over the cooperative's right to offset amounts owed by the member against the member's redeemed capital retains. *Valley Fed. Sav. Bank v. Stahl*, 793 P.2d 851, 854 (N.M. 1990). Depending upon state law, courts differ regarding whether cooperative bylaw restrictions on assigning capital credits prevent a member from granting a creditor, like a bank, a security interest in the member's capital credits. *Compare In re Bonnema*, 219 B.R. 951 (Bankr. N.D. Tex. 1998) with *In re Van Tol*, 255 B.R. 57 (B.A.P. 10th Cir. 2000).

By creating and perfecting a security interest in a member's capital credits, an electric cooperative may protect its right to reduce or offset the retired capital credits against another creditor's perfected security interest in the capital credits. Further, as noted above, a security interest in a member's capital credits may secure the member's obligation to pay for any damages incurred by the cooperative and caused by the member's failure to comply with the cooperative's articles of incorporation, bylaws, or membership application. For instance, this security interest could secure a member's obligation to pay for any damages caused by the member's failure to grant the cooperative an easement. As discussed below, a perfected security interest in a member's capital credits may also provide an electric cooperative with certain preferences and priorities in any case commenced by a member under federal bankruptcy law.

In addition, although the discharge of a case under federal bankruptcy law may discharge a "debt," it generally does not discharge a "lien." *See* 11 U.S.C.S. § 524 (LEXIS through Pub. L. No. 227, approved May 7, 2004) and 5 Mark I. Bane et al., *Collier on Bankruptcy* § 524.01 (15th ed. rev. 2004). A "lien" means charge against or interest in property to secure payment of a debt or performance of an obligation." 11 U.S.C.S. § 101(37). A "security interest" means lien created by an agreement." *Id.* § 101(51).

Accordingly, after a bankruptcy case is discharged, a creditor may enforce a valid lien on the debtor's property that existed when the bankruptcy petition was filed, unless the lien was avoided, paid, or otherwise eliminated as part of the case. *Collier on Bankruptcy*, *supra* § 524.02(2)(d). For example, a mortgagee's lien survives and is unaffected by a discharge, regardless of whether the mortgagee files a proof of claim or otherwise asserts its interest during the bankruptcy case. *Id.* Further, the mortgagee may proceed with foreclosure proceedings after the discharge without any prior application to the bankruptcy court. *Id.*

If an electric cooperative creates a security interest in a member's capital credits, and if the member has a debt to the cooperative discharged in a bankruptcy case, then, unless the cooperative's lien was avoided during the case, the cooperative may enforce its lien by offsetting the discharged debt against capital credits retired and paid to the member. As discussed below, however, the equitable doctrine of recoupment may also protect an electric cooperative if it offsets a debt discharged in bankruptcy against a member's retired capital credits.

As also discussed below, having a security interest in a member's capital credits may obligate an electric cooperative to immediately retire some or all of the capital credits if the member commences a chapter 11 bankruptcy case—an obligation not imposed upon an unsecured electric cooperative. Further, the administrative effort necessary to create and perfect a security interest in capital credits may not justify obtaining the security interest.

If an electric cooperative has not historically created or perfected a security interest in the capital credits of a member or class of members, then it may decide to prospectively begin creating and perfecting these security interests. Although there appears to be no statute, case law, or IRS ruling on the issue, a strong argument can be made that creating and perfecting a security interest in the capital credits of new members, without creating and perfecting a security interest in the capital credits of existing members, does not violate the cooperative principles under federal tax law.

2. Creating a Security Interest

When an electric cooperative creates a security interest in a member's capital credits, the sections of revised Article 9 defining security interest and general intangible, as well as the sections defining and governing a security agreement and the attachment and enforceability of a security interest, are important.

Security Interest. As used in revised Article 9, a security interest means “an interest in personal property or fixtures which secures payment or performance of an obligation.” U.C.C. § 9-102(c) & cmt.1 and art. 9 app. I (1999), *referencing* U.C.C. § 1-201(37) (1995). As discussed above, an electric cooperative's security interest in a member's capital credits may secure the member's obligation to pay all amounts owed to the cooperative, including payments for electric energy and damages caused by the member's failure to comply with the cooperative's articles of incorporation, bylaws, or membership application.

Under revised Article 9, the property subject to a security interest is “collateral,” and the person in whose favor a security interest is created or provided for under a security agreement is a “secured party.” U.C.C. § 9-102(12) & 72(A) (1999). A person having an interest, other than a security interest or other lien, in the collateral is a “debtor.” *Id.* § 9-102(28)(A) & cmt. 2(a). Accordingly, if an electric cooperative creates a security interest in a member's capital credits, then the capital credits are the collateral, the cooperative is the secured party, and the member is the debtor.

As discussed above, under the bylaws of most electric cooperatives, a member of the cooperative has a contingent or conditional right to the payment of capital credits, which right vests upon retirement, but not allocation, of the capital credits. The rights and obligations provided in revised Article 9, however, apply whether title to collateral is in the secured party or the debtor. *Id.* § 9-202. Accordingly, regardless of the contingent or conditional nature of a member's right to the payment of capital credits, and regardless of whether “title” to capital credits is in an electric cooperative or the member, the cooperative may create and perfect a security interest in the member's capital credits.

General Intangible. Under former Article 9, unless a share or stock certificate (which may be different from a patronage or capital certificate) was issued evidencing a member's interest in a cooperative, the member's interest in capital credits was an equity interest and the capital credits were “general intangibles.” *In re Van Tol*, 255 B.R. 57 (B.A.P. 10th Cir. 2000); *In re Bonnema*, 219 B.R. 951 (Bankr. N.D. Tex. 1998); *In re Barr*, 180 B.R. 156 (Bankr. N.D. Tex. 1995); *In re Wholesale Warehouse, Inc.*, 141 B.R. 59 (Bankr. D. N.J. 1992); *Valley Fed. Sav. Bank v. Stahl*, 793 P.2d 851 (N.M. 1990); *In re Beck*, 96 B.R. 161 (Bankr. C.D. Ill. 1988); *In re Axvig*, 68 B.R. 910 (Bankr. D. N.D. 1987); *In re Shiflett*, 40 B.R. 493 (Bankr. W.D. Va. 1984); and *In re Cosner*, 3 B.R. 445 (Bankr. D. Or. 1980).

Under former Article 9, a “general intangible” meant, “any personal property (including things in action) other than goods, accounts, chattel paper, documents, instruments, investment property, rights to proceeds of written letters of credit, and money.” U.C.C. § 9-106 (1995). Under revised Article 9, a “general intangible” means “any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction.” U.C.C. § 9-102(42) (1999). Described as the “residual category of personal property,” the definition of a general intangible was revised to exclude commercial tort claims, deposit accounts, and letter-of-credit rights. *Id.* § 9-102 cmt. 5(d).

A capital credit is neither a commercial tort claim nor a letter-of-credit right. *Id.* § 9-102(13) & (51). Because a capital credit is not “maintained with a bank,” it is not a deposit account. *Id.* § 9-102(29). Under revised Article 9, therefore, a capital credit is a general intangible.

Under revised Article 9, a “payment intangible” is a subset of general intangible and means “a general intangible under which the account debtor’s principal obligation is a monetary obligation.” *Id.* § 9-102(61) & cmt. 5(d). Because an electric cooperative’s “principal obligation” regarding capital credits is a “monetary obligation,” capital credits may be payment intangibles under revised Article 9. It is the “sale” of a payment intangible, however, that is the subject of revised Article 9. *Id.* § 9-102 cmt. 5(d). As used in revised Article 9, a “sale” consists in the passing of title from seller to the buyer for a price.” U.C.C. § 9-102(b) (1999) *and* U.C.C. § 2-106(1) (1995). In general, allocating capital credits to a member and creating a security interest in these capital credits probably does not involve a “sale” of these capital credits. Accordingly, although capital credits may be payment intangibles under revised Article 9, this designation probably does not impact the creation or perfection of a security interest in capital credits.

Security Agreement. Under revised Article 9, an agreement that creates or provides for a security interest is a “security agreement.” U.C.C. § 9-102(73) (1999). Whether an agreement creates a security interest depends not upon whether the parties intend that the law characterize the transaction as a security interest, but upon whether the transaction falls within the definition of “security interest.” *Id.* § 9-102 cmt. 3(b). A membership application using clear and specific language may be the security agreement through which an electric cooperative creates or provides for a security interest in a member’s capital credits. Likewise, a contract using clear and specific language may be the security agreement through which an electric cooperative creates or provides for a security interest in a nonmember patron’s capital credits. As discussed below, because a member does not sign or otherwise authenticate an electric cooperative’s articles of incorporation or bylaws, these documents may not be the security agreement through which the cooperative creates or provides for an enforceable security interest in the member’s capital credits, or through which the member authorizes the filing of a financing statement.

Other than consumer goods and commercial tort claims, a security agreement may create or provide for a security interest in after-acquired collateral. *Id.* § 9-204(a) & (b). A membership application or contract, therefore, may create or provide an electric cooperative with a security interest in a member’s or nonmember patron’s capital credits allocated in subsequent years. Likewise, a security agreement may provide that the collateral secures future advances or other value, whether or not the advances or value are given pursuant to a commitment. *Id.* § 9-204(c) & cmt. 5. A membership application or contract, therefore, may provide that a member’s capital credits secure the member’s obligation to pay all amounts owed to the electric cooperative arising in the future.

Attachment and Enforceability. Under revised Article 9, a security interest “attaches” to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment. U.C.C. § 9-203(a) (1999). The term “attach” describes the point at which property becomes subject to a security interest. *Id.* § 9-308 cmt. 2.

In general, a security interest is enforceable against the debtor and third parties with respect to the collateral if: (1) value has been given, with a person giving “value” for rights if the person acquires the rights, among other things, in return for extending immediately available credit or in return for any consideration sufficient to support a simple contract, U.C.C. § 1-202(44) (1995) *and* U.C.C. §§ 9-102(c) & 9-203(b)(1) (1999); (2) the “debtor has rights in the collateral,” with “rights” including limited rights short of full ownership, U.C.C. § 9-203(b)(2) & cmt. 6 (1999); and (3) among other possible conditions, the “debtor has authenticated a security agreement that provides a description of the collateral,” with “authenticated” including a signature and with the “description” being sufficient, whether or not it is specific, if it reasonably identifies the collateral, such as identifying the collateral by specific listing, category, type of collateral defined in the U.C.C., quantity, computational or allocational formula or procedure, or any other method if the identity of the collateral is objectively determinable, and including after-acquired collateral, *id.* §§ 9-102(7)(A), 9-108(a) & (b), 9-108 cmt. 3, *and* 9-203(b)(3)(A).

Accordingly, an electric cooperative has an enforceable security interest in a member’s capital credits if: (1) the cooperative gives value for the security interest by acquiring the security interest in return for furnishing the member electric energy, which furnishing is generally on credit; (2) the member has a conditional or contingent right to payment of the capital credits; and (3) the member signs a security agreement reasonably identifying the capital credits.

Because a member does not sign or otherwise authenticate an electric cooperative’s articles of incorporation or bylaws, a security interest created through these documents is probably unenforceable. An argument can be made, however, that if a member of an electric cooperative signs a membership application agreeing to the terms of the cooperative’s articles of incorporation or bylaws, which articles or bylaws comply with all other requirements of a security agreement, then the member has authenticated a security agreement creating an enforceable security interest.

3. Perfecting a Security Interest

In general, a security agreement that creates or provides for a security interest is effective between the parties, against purchasers of the collateral, and against creditors. U.C.C. § 9-201(a) & cmt. 2 (1999). In order, however, to protect and prioritize its security interest against other creditors and transferees of the debtor, in particular against any representatives of creditors in insolvency proceedings instituted by or against the debtor, the secured party must “perfect” its security interest. *Id.* §§ 9-308 cmt. 2 & 9-317. When a security interest attaches, it may be either perfected or unperfected. *Id.* § 9-308 cmt. 2. Usually, a security interest is “perfected” after it has attached and all of the applicable requirements in sections 9-310 through 9-316 of revised Article 9 have been satisfied. *Id.* § 9-308(a). If these requirements are satisfied before the security interest attaches, then the security interest is perfected when it attaches. *Id.* § 9-308(a). Although an unperfected security interest is generally effective, if an electric cooperative wants to best protect and prioritize its security interest in a member’s capital credits, then it must perfect the security interest. For instance, as discussed below, a bankruptcy trustee or debtor in possession may avoid an unperfected security interest in personal property subject to Revised Article 9 of the U.C.C.

Typically, an electric cooperative must file a financing statement to perfect a security interest in a member’s capital credits. *Id.* § 9-310(a); *See also* Valley Fed. Sav. Bank v. Stahl, 793 P.2d 851, 854 (N.M. 1990). Although a secured party may generally perfect a security interest in negotiable documents, goods, instruments, money, tangible chattel paper, or certificated securities by taking possession or delivery of the collateral, capital credits, as discussed above, are general intangibles and are not one of these listed types of collateral. *Id.* § 9-313(a). Likewise, although a security interest in investment property, deposit accounts, letter-of-credit rights, or electronic chattel paper may be perfected by certain control, capital credits are not one of these listed types of collateral. *Id.* § 9-314(a).

Subject to state law, an electric cooperative must file a financing statement in a central statewide office, a local office, or both. *Id.* § 9-501(a) & cmt. 2. A financing statement is sufficient to perfect a security interest in a member's capital credits if it provides the name of the member, provides the name of the cooperative, and indicates the collateral covered by the financing statement. *Id.* § 9-502(a). A financing statement sufficiently indicates the collateral that it covers if it provides a description of the collateral similar to the above-discussed description provided in a security agreement. *Id.* §§ 9-203(b)(3)(A) & 504(1); *See also Valley Fed. Sav. Bank, supra* at 854-55. Unlike former Article 9, revised Article 9 does not require that a debtor sign the financing statement. *Id.* § 9-502 cmt. 3. Under revised Article 9, however, a debtor must authorize the filing of a financing statement. *Id.* § 9-509(a)(1) & cmt. 3 and § 9-502 cmt. 3. By signing a security agreement, a debtor authorizes filing a financing statement. *Id.* § 9-509(b) & cmt. 4. The financing statement may be filed before the security agreement is made or a security interest attaches and does not need to mention after-acquired property or future obligations. *Id.* §§ 9-204 cmt. 7, 9-502(d), *and* 9-502 cmt. 2.

Revised Article 9 includes special rules for filing a financing statement perfecting a security interest in the collateral of a "transmitting utility," and an electric cooperative is probably a transmitting utility. *Id.* §§ 9-102(80)(D) & cmt. 8 *and* 9-501(b) & cmt. 5. These special rules, however, do not apply to perfecting a security interest in the collateral of a customer of a transmitting utility. Accordingly, these special rules probably do not apply to perfecting a security interest in an electric cooperative member's capital credits.

Because of the time and expense of filing a financing statement, an electric cooperative may decide to file these statements for a specified class of members only. Using reasonable and fair factors to determine each member class, and treating each member of each class the same, could limit the possibility that the cooperative improperly discriminates among members in violation of state or federal law.

G. Capital Credits in Bankruptcy

1. Adequate Assurance of Payment

Inevitably, some members of an electric cooperative will commence a case under federal bankruptcy law. These members may be entities commencing a liquidation case under “chapter 7” or a reorganization case under “chapter 11,” or individuals commencing a case under “chapter 12 or 13”. When members of an electric cooperative commence a bankruptcy case, it is important to know how their capital credits should be treated.

In general, after a person commences a case under federal bankruptcy law, a “utility” may not “alter, refuse, or discontinue service to, or discriminate against,” the person solely because the person commenced the case or because a debt owed by the person to the utility for service rendered before the case was not paid when due. 11 U.S.C.S. § 366(a) (MB, LEXIS through Pub. L. No. 108-3 approved Jan. 13, 2003) [hereinafter “Bankruptcy Code”]. The Bankruptcy Code does not define “utility.” 3 Mark I. Bane et al., *Collier on Bankruptcy* ¶ 366.05 (15th ed. 2002) [hereinafter “*Collier on Bankruptcy*”]. Obviously, the term includes regulated public utilities providing electric energy. *Id.* In addition, courts generally read the term broadly to include any provider of services, including electric energy, with a monopoly. *Id.* An electric cooperative is probably a “utility” under section 366 of the Bankruptcy Code. See *In re Gehrke*, 57 B.R. 97 (Bankr. D. Ore. 1985).

A utility, however, may “alter, refuse, or discontinue service” if the person fails to furnish, within 20 days after the commencement of the case, “adequate assurance of payment” for service rendered after the commencement of the case. Bankruptcy Code, *supra* § 366(b). This adequate assurance of payment may be in the form of a “deposit or other security.” *Id.* Upon request of an interested party and following notice and a hearing, a court may order reasonable modification of the amount of the adequate assurance of payment. *Id.* Regardless of any adequate assurance of payment furnished by the person, the utility may not “discriminate against” the person. *Id.* § 366 and 3 *Collier on Bankruptcy*, *supra* ¶ 366.04.

Bankruptcy courts are afforded “reasonable discretion” in determining what constitutes adequate assurance of payment under section 366(b). *Virginia Elec. & Power Co. v. Caldor, Inc.*, 117 F.3d 646, 650 (2nd Cir. 1997); *In re Spencer*, 218 B.R. 290, 293 (Bankr. W.D. N.Y. 1998); *In re Utica Floor Maintenance, Inc.*, 25 B.R. 1010, 1013 (Bankr. N.D. N.Y. 1982); and *In re Cunha*, 1 B.R. 330, 332-33 (Bankr. E.D. Va. 1979). As explained by the United States Court of Appeals for the Second Circuit, the Bankruptcy Code does not define the term “other security” in the context of section 366(b) and bankruptcy courts should not be “shackle[d]” with “unnecessarily rigid rules” in determining what constitutes adequate assurance of payment under section 366(b). *Virginia Elec. & Power Co.*, *supra* at 649-52.

Accordingly, if a member of an electric cooperative commences a bankruptcy case, then the cooperative may not “alter, refuse, or discontinue service” to the member unless the member fails to furnish adequate assurance of payment. In addition to, or instead of, other types of adequate assurance of payment available to utilities, an electric cooperative could seek an assurance involving the member’s capital credits.

For instance, as “other security” under section 366(b), the cooperative could seek an agreement from the member that, if the member fails to pay for service rendered after the commencement of the case, then the member agrees to an immediate and discounted retirement of capital credits to the extent needed to pay for the service. Before seeking this adequate assurance of payment, the cooperative would need to adopt a policy requiring similar treatment for all members, or for all members of a member class, under similar circumstances. For example, the policy could require the cooperative to seek this type of adequate assurance of payment from all members, or from all members of a member class, commencing a case under the Bankruptcy Code. Likewise, the policy could authorize the cooperative to retire the capital credits as necessary under these agreements. Presumably, a bankruptcy court would, or at least could, exercise “reasonable discretion” and determine that this agreement constitutes adequate assurance of payment under section 366(b). As discussed below, the cooperative may already have a duty to provide notice regarding the member’s capital credits.

If an electric cooperative has not created and perfected a security interest in a member's capital credits, then a bankruptcy trustee or debtor in possession might assert that: (1) any retirement of the member's capital credits after the commencement of the case becomes property of the bankruptcy estate; and (2) the cooperative's claim is unsecured. *See* Bankruptcy Code, *supra* §§ 506 & 541(a)(7). As discussed below, however, the equitable doctrine of recoupment would seem to allow the cooperative to reduce any payment of retired capital credits by the amount of the cooperative's claim against the member, particularly for service rendered after the commencement of the case. Further, court approval of capital credits as adequate assurance of payment under section 366 would seem to protect any retirement of capital credits, and the corresponding offset of amounts owed by the member for service rendered after commencement of the case.

Seeking adequate assurance of payment involving a member's capital credits has advantages and disadvantages. Considering the recent trend of courts to limit the adequate assurance of payment required from debtors under section 366(b), one advantage of this adequate assurance is the additional opportunity for an electric cooperative to recover payment for service rendered after the commencement of a bankruptcy case. That is, adequate assurance involving a member's capital credits is better than no substantive adequate assurance. A disadvantage is that a court may be more reluctant to require other adequate assurance of payment from the member. In addition, knowing that an electric cooperative may retire capital credits to pay for services rendered after the commencement of a case may motivate a member to not pay for the service.

2. The Estate

Under the Bankruptcy Code, the commencement of a case creates an estate. Bankruptcy Code, *supra* § 541(a). Among other things, this estate is generally comprised of "all legal or equitable interests of the debtor." *Id.* § 541(a)(1). The estate, however, only succeeds to the property interests that the debtor possessed prior to the commencement of the case—no more and no less. Rutherford Hosp., Inc. v. RNH P'ship, 168 F.3d 693, 699 (4th Cir. 1999); Demczyk v. Mut. Life Ins. Co. of N.Y., 126 F.3d 823, 831 (6th Cir. 1997); Integrated Solutions, Inc. v. Serv. Support Specialties, Inc., 124 F.3d 487, 492-93 (3rd Cir. 1997); In re Carousel Int'l Corp., 89 F.3d 359, 363 (7th Cir. 1996); and 5 Collier on Bankruptcy, *supra* ¶ 541.01.

As discussed above, under the bylaws of most electric cooperatives, a member has a contingent or conditional right to the payment of capital credits. This right vests upon the discretionary determination by the cooperative's board of directors to retire the capital credits, and not upon the cooperative's allocation of the capital credits.

Accordingly, a bankruptcy estate may include a member's contingent or conditional right to the payment of capital credits, subject to applicable transfer or assignment restrictions, but the estate does not generally include a right to immediate retirement and payment of the capital credits. *See In re Greensboro Lumber Co.*, 157 B.R. 921 (Bankr. M.D. Ga. 1993) (involving Rayle Electric Membership Corporation); *In re Beck*, 96 B.R. 161 (Bankr. C.D. Ill. 1988) (involving Assumption Cooperative Grain Company); *In re Schauer*, 835 F.2d 1222 (8th Cir. 1987) and *In re Schauer*, 62 B.R. 526 (Bankr. D. Minn. 1986) (both involving Bongards Creameries); *In re Axvig*, 68 B.R. 910 (Bankr. D. N.D. 1987) (involving "various electrical, agriculture supply, and agricultural marketing cooperatives"); *In re Lamar Farmers Exchange*, 76 B.R. 712 (Bankr. W.D. Miss. 1987) (involving MFA, Incorporated); *In re Shiflett*, 40 B.R. 493 (Bankr. W.D. Va. 1984) (involving Valley of Virginia Cooperative Milk Producers Association); and *In re Cosner*, 3 B.R. 445 (Bankr. D. Ore. 1980) (involving Eugene Farmers Cooperative). *For similar statements regarding cooperatives, capital credits, and the Bankruptcy Code in cases involving a cooperative debtor, see S. Pac. Transp. Co. v. Voluntary Purchasing Groups, Inc.*, 252 B.R. 373 (E.D. Tex. 2000); *In re Eastern Maine Elec. Coop.*, 125 B.R. 329 (Bankr. D. Me. 1991); and *In re E.L.F. Farmers Coop. Ass'n*, 170 F. Supp. 497 (D. N.J. 1958). Otherwise, if a bankruptcy estate included a right to the immediate retirement and payment of a member's capital credits, then the estate would include greater property rights than the member possessed at the commencement of the case. An electric cooperative, therefore, should not generally be ordered to immediately retire and pay a member's capital credits into a bankruptcy estate.

A member may list the right to payment of capital credits by an electric cooperative on the member's schedule of assets required under section 521(1) of the Bankruptcy Code. Bankruptcy Code, *supra* § 521(1). If so, then, unless the court orders otherwise, and unless the capital credits are otherwise administered at the time of the closing of the bankruptcy case, this right is abandoned to the member. *Id.* § 554(c) and 9A Am. Jur.2d 2d *Bankruptcy* § 1196 (2002). Although this right may be abandoned to the member, the cooperative, member, trustee, or debtor in possession may have filed a proof of claim for amounts owed by the member to the cooperative. *Id.* §§ 501 & 1107. If so, then a discharge or confirmation of a chapter 11 plan may prohibit the cooperative from collecting the amounts owed by the member. *Id.* §§ 524 & 1141. Unless the cooperative has a security interest in the capital credits as discussed above, and unless otherwise allowed under the equitable doctrine of recoupment as discussed below, this discharge or confirmation may prohibit the cooperative from reducing the capital credits retired and paid to the member by the amounts owed the cooperative. As discussed above and below, this right of offset is usually provided through an electric cooperative's bylaws or security agreement.

As discussed above, some courts have held that a cooperative bylaw or policy allowing the board of directors to retire capital credits upon the death of a member requires the board, if it retires capital credits upon the death of individual members, to retire capital credits upon the liquidation, but not the reorganization, of entity members.

Although a court should not order an electric cooperative to immediately retire and pay a member's capital credits into the bankruptcy estate, it may improperly do so, or it may consider a liquidating entity member to be "deceased" and order the cooperative to immediately retire and pay the member capital credits into the bankruptcy estate.

As noted above, if an electric cooperative has not created and perfected a security interest in a member's capital credits, then a bankruptcy trustee or debtor in possession might assert that: (1) any retirement of the member's capital credits after the commencement of the case becomes property of the bankruptcy estate; and (2) the cooperative's claim is unsecured. *See* Bankruptcy Code, *supra* §§ 506 & 541(a)(7). As discussed below, however, the equitable doctrine of recoupment would seem to allow the cooperative to reduce any payment of retired capital credits by the amount of the cooperative's claim against the member.

3. Setoff and Recoupment

If a member of an electric cooperative commences a bankruptcy case, then the concepts of setoff and recoupment become important in the cooperative's efforts to recover amounts owed by the member.

Setoff. In general, the Bankruptcy Code "does not affect any right of a creditor to offset a mutual debt owing by such creditor to the debtor that arose before the commencement of the case under [the Bankruptcy Code] against a claim of such creditor against the debtor that arose before the commencement of the case." Bankruptcy Code, *supra* § 553(a) (emphasis supplied). Section 553, however, does not create a right of setoff—it merely preserves a right of setoff existing under nonbankruptcy law. 5 *Collier on Bankruptcy*, *supra* ¶ 553.01[2] and 9D Am. Jur. 2d *Bankruptcy* § 2554 (1999). As discussed above, the bylaws of many electric cooperatives create a right for the cooperative to setoff any amounts owed by a member against any capital credits retired and paid to the member.

If a member owes an electric cooperative money, or to the extent that a court orders the cooperative to immediately retire and pay a member's capital credits to a bankruptcy estate, section 553 could protect the cooperative's bylaw right to setoff the member's debt against the member's retired capital credits. Although a "claim" may be contingent, a "debt" means "liability on a claim," and section 553 addresses "debts" and not "claims." Bankruptcy Code, *supra* §§ 101(5) & 12) and 553(a). Many of the above discussed cases holding that a cooperative member's right to the payment of capital credits vests upon retirement and not upon allocation also hold that the cooperative's "debt" to the member arises upon retirement and not upon allocation.

For this reason, if an electric cooperative retires capital credits after the commencement of a bankruptcy case, then the cooperative's debt to the member does not arise "before the commencement" of the case and section 553 does not provide the cooperative setoff protection. *See, e.g., In re Greensboro Lumber Co.*, 157 B.R. 921, 925-928 (Bankr. M.D. Ga. 1993); *In re Axvig*, 68 B.R. 910, 919 (Bankr. D. N.D. 1987); and *In re Cosner*, 3 B.R. 445, 449 (Bankr. D. Or. 1980). To the extent that a member's capital credits exceed amounts owed to an electric cooperative, however, this same reasoning prevents the cooperative from having to retire and pay the excess capital credits to a bankruptcy trustee or debtor in possession under section 542(b). Bankruptcy Code, *supra* § 542(b) ("...", an entity that owes a debt that is property of the estate and that is matured, payable on demand, or payable on order, shall pay such debt to, or on the order of, the trustee, except to the extent that such debt may be offset under section 553 of [the Bankruptcy Code] against a claim against the debtor").

Recoupment—General. Related to the statutory concept of setoff under the Bankruptcy Code is the equitable doctrine of "recoupment." This doctrine is a "principle that diminishes a party's right to recover a debt to the extent that the party holds money or property of the debtor to which the party has no right" and "is ordinarily a defensive remedy going only to mitigation of damages." Black's Law Dictionary 559 (7th ed. 1999); *See also* 80 C.J.S. *Set-Off and Counterclaim* §§ 2, 37, 45 & 49 (2000). More generally, recoupment is the "recovery or regaining of something, esp. expenses;" the "withholding, for equitable reasons, of all or part of something that is due;" the "[r]eduction of a plaintiff's damages because of a demand by the defendant arising out of the same transaction;" and the "right of a defendant to have the plaintiff's claim reduced or eliminated because of the plaintiff's breach of contract or duty in the same transaction." Black's Law Dictionary *supra* at 1280.

The equitable doctrine of recoupment has "long applied in the bankruptcy context," is "more than academic," is "well-established" in bankruptcy cases, and, as courts have "virtually uniformly agreed," is preserved through the Bankruptcy Code. 5 Collier on Bankruptcy, *supra* ¶ 553.10; 9D Am. Jur. 2d, *supra* § 2558; Shalom L. Kohn, *Recoupment Re-Examined*, 73 Am. Bankr. L.J. 353 (1999); and Gary E. Sullivan, *In Defense of Recoupment: Why "Setoff" of Prepetition Utility Deposits Against Prepetition Debt is not Subject to the Automatic Stay*, 15 Bankr. Dev. J. 63, 71 (1999).

Under recoupment, a creditor is not generally subject to the requirements and limitations of setoff under the Bankruptcy Code and may receive preferential treatment over other creditors. 5 Collier on Bankruptcy, *supra* ¶ 553.10 ("...as a general rule, the requirements and limitations of section 553 do not apply to recoupment."); 9D Am. Jur. 2d, *supra* § 2558 ("A creditor properly invoking the recoupment doctrine can receive preferred treatment where setoff would not be permitted. ... Recoupment is not subject to the Bankruptcy Code's limitations on setoff"); Kohn, *supra* at 353 ("As currently applied by the courts, the recoupment doctrine enables a party to avoid the restrictions and burdens applicable to other creditors of a bankruptcy estate and achieve a favored treatment on its claims."); and Sullivan, *supra* at 71 ("In the context of bankruptcy, the doctrine of recoupment provides a creditor with a rarely sanctioned method for obtaining preferential treatment over other creditors. Many creditors overlook recoupment as a possible vehicle for recovery from the debtor not requiring the involvement of the bankruptcy court. ... The value of recoupment is grounded in the Code's treatment, or more accurately, nontreatment, of recoupment rights. Specifically, the Code fails to provide mention of, much less a system for dealing with, common law recoupment rights.")

In 1993, the Supreme Court of the United States noted, "It is well settled, moreover, that a bankruptcy defendant can meet a plaintiff-debtor's claim with a counterclaim arising out of the same transaction, at least to the extent that the defendant merely seeks recoupment. [citation omitted] Recoupment permits a determination of the 'just and proper liability on the main issue,' and involves 'no element of preference.' [citation omitted]." Reiter v. Cooper, 507 U.S. 258, 265 n. 2 (1993). Likewise, at least eight (8) United States Courts of Appeal have addressed the recoupment exception to the bankruptcy rules. Kohn, *supra* at 354 & n. 4.

Recoupment—Same Transaction. Under the Bankruptcy Code, setoff requires mutual obligations that arise out of the same or different transactions. Bankruptcy Code, *supra* § 553(a); 5 Collier on Bankruptcy, *supra* ¶ 553.10; and Kohn, *supra* at 355. Recoupment, however, requires obligations that arise out of the same transaction. 5 Collier on Bankruptcy, *supra* ¶ 553.10; 9D Am. Jur. 2d § 2558; and Kohn, *supra* at 355. Under recoupment, a debtor’s claim against a creditor is reduced by the creditor’s corresponding claim arising out of the same transaction. 5 Collier on Bankruptcy, *supra* ¶ 553.10 and Kohn, *supra* at 369.

In determining whether obligations arise out of the “same transaction,” courts focus on the facts of each case. 5 Collier on Bankruptcy, *supra* ¶ 553.10[1]. Courts often, but not always, hold that obligations arising out of a single contract satisfy the “same transaction” requirement. *Id.* Likewise, courts often, but not always, hold that obligations related to a creditor’s overpayment to a debtor before the commencement of a case satisfy the “same transaction” requirement. *Id.* In determining whether obligations arise out of the “same transaction,” courts generally apply a “logical relationship test” or an “integrated transaction test.” *Id.*

Under the logical relationship test, courts allow the recoupment of obligations that are so logically related and sufficiently interconnected that it would be unjust to require one party to fulfill its obligation without requiring the other party to fulfill its obligation. *Id.* Under the integrated transaction test, courts allow the recoupment of obligations that arise out of a single integrated transaction if it would be inequitable for the debtor to enjoy the benefits of the transaction without also meeting the obligations of the transaction. *Id.* Although both tests require equitable and fairness evaluations, the main difference between the tests is the “degree of interconnectedness” required between the relevant obligations. *Id.* The “better approach” is the logical relationship test. *Id.* Indeed, “The ‘same transaction’ test for recoupment in bankruptcy seems to have evolved into a fluid concept whereby a court that wants to permit recoupment finds it part of the same transaction, while a court that disfavors recoupment finds some means of holding that two transactions are involved.” Kohn, *supra* at 358.

Many utilities require customers to provide a security deposit securing payment for future utility service. After a customer provides a security deposit, a utility typically “posts” the deposit to the customer’s account and becomes indebted to the customer for the deposit, subject to the customer’s payment for utility service. Sullivan, *supra* at 64-65. If: (1) a customer commences a bankruptcy case and owes a utility for utility service rendered before the commencement of the case, and (2) application of the customer’s security deposit against the amounts owed by the customer constitutes a “setoff,” then the utility must request that a court grant relief from the automatic stay before applying the customer’s security deposit against the customer’s debt. Bankruptcy Code, *supra* §§ 362(a)(7), 362(d) & 553(a). On the other hand, if application of the customer’s security deposit against the amounts owed by the customer is a “recoupment,” then, as discussed below, the automatic stay does not apply and the utility does not need court relief to apply the security deposit against the debt.

Some courts have held that a debtor’s utility security deposit and subsequent utility service do not arise from the same transaction and that setting off the security deposit against the utility service debt requires court approval. *In re McMahan*, 129 F.3d 93, 97-99 (2nd Cir. 1997); 5 Collier on Bankruptcy, *supra* ¶ 553.10[1]; Kohn, *supra* at 359 & n. 25; and Sullivan, *supra* at 72-78. Other courts, however, have held that the security deposit and utility service arise from the same transaction and that a utility may recoup the security deposit without court approval. *Id.*

Recoupment—Timing, Automatic Stay, Discharge, and Avoidable Transfers. As discussed above, under section 553 of the Bankruptcy Code, a creditor must owe the debtor a debt “that arose before the commencement of the case.” Bankruptcy Code, *supra* § 553(a). Recoupment, however, does not require that the relevant obligation and the corresponding right of reduction arise before the commencement of the bankruptcy case. 5 Collier on Bankruptcy, *supra* ¶ 553.10[2]. That is, the majority of cases hold that a prepetition obligation may be recouped against a postpetition obligation, provided both obligations arise out of the same transaction. *Id.*

Under the Bankruptcy Code, the commencement of a case generally stays any action or proceeding against the debtor to recover a claim against the debtor that arose before the commencement of the case. Bankruptcy Code, *supra* § 362(a). In particular, the commencement of a bankruptcy case stays the “setoff” of any debt owed to the debtor that arose before the commencement of the case against any claim against the debtor. *Id.* § 362(a)(7). Although courts disagree, the majority of courts hold that the section 362 automatic stay does not apply to recoupment. 5 *Collier on Bankruptcy, supra* ¶ 553.10; 9D Am. Jur. 2d, *supra* § 2566; and Kohn, *supra* at 367.

Under the Bankruptcy Code, a discharge in a case voids any judgment at any time obtained to the extent that the judgment determines the debtor’s personal liability regarding any debt discharged under section 727, 944, 1141, 1228, or 1328 of the Bankruptcy Code. Bankruptcy Code, *supra* § 524(a)(1). Likewise, a discharge in a bankruptcy case operates as an injunction against commencing or continuing an action, employing a process, or acting to collect, recover, or offset this debt as a personal liability of the debtor. *Id.* § 524(a)(2). As discussed above, however, the Bankruptcy Code also states that it “does not affect any right of a creditor to offset a mutual debt owing by such creditor to the debtor that arose before the commencement of the case under [the Bankruptcy Code] against a claim of such creditor against the debtor that arose before the commencement of the case.” *Id.* § 553(a). These apparently conflicting sections of the Bankruptcy Code raise the question of whether the confirmation of a plan, or the discharge of a creditor’s claim, prevents the creditor from offsetting the claim against a prepetition debt that the debtor seeks to collect in a subsequent action. 5 *Collier on Bankruptcy, supra* ¶ 553.08.

A majority of courts addressing this question have held that the confirmation of a plan or discharge of a creditor’s claim under the Bankruptcy Code does not prohibit the creditor’s defensive use of setoff in a subsequent action by the debtor against the creditor. *Id.* ¶ 553.08[1]; *See also* 9D Am. Jur. 2d, *supra* § 2559. A minority of courts, however, has held that confirmation or discharge prohibits the creditor’s defensive use of setoff in a subsequent action by the debtor. *Id.* ¶ 553.08[1] & [2]; *See also* 9D Am. Jur. 2d, *supra* § 2559. In addressing this question, courts do not generally examine the language of the relevant sections of the Bankruptcy Code. *Id.* ¶ 553.08[1]. Instead, they rely on “broader principles implicated by the exercise of a right of setoff in the context of discharge and confirmation.” *Id.* In particular, courts focus on considerations of fairness and equity. *Id.* Courts also disagree whether a discharge of a creditor’s claim under the Bankruptcy Code prohibits the creditor’s defense of recoupment. Kohn, *supra* n. 20.

Under the Bankruptcy Code, a trustee or debtor in possession may avoid certain preferential or fraudulent transfers of a debtor’s interest in property before the commencement of a case and certain transfers of property of the estate after the commencement of a case. *See* Bankruptcy Code, *supra* §§ 547, 548, 549, & 1107. Because recoupment is a reduction in the creditor’s liability and not a transfer, and as long as recoupment is asserted as a defense and not a claim, recoupment does not involve an avoidable transfer. 5 *Collier on Bankruptcy, supra* ¶ 553.10; 9D Am. Jur. 2d, *supra* § 2558; and Kohn, *supra* n. 19.

Recoupment—Capital Credits. In the context of an electric cooperative, if: (1) a member commences a bankruptcy case; (2) the member owes the cooperative money for electric energy furnished by the cooperative before the commencement of the case; (3) the cooperative allocates, or previously allocated, capital credits to the member arising out of, or based upon, electric energy furnished before the commencement of the case; (4) the cooperative retires, at any time before or after commencement of the case, the capital credits and reduces the amount paid to the member by the amount of money owed by the member; and (5) the member, bankruptcy trustee, debtor in possession, or other person sues the cooperative for the full amount of the retired capital credits, then a strong argument can be made that the cooperative may successfully assert the equitable doctrine of recoupment in defense.

Although a similar argument could be made regarding capital credits arising out of, or based upon, electric energy furnished to the member after the commencement of the bankruptcy case, it seems the better argument is made regarding capital credits arising out of, or based upon, electric energy furnished to the member before the commencement of the case. *See* Kohn, *supra* at 383 (“[In conclusion,] as a general matter, recoupment should be allowed where the creditor is seeking to recoup its prepetition claim against prepetition amounts that it owes the debtor, but that recoupment should not be permitted where the recoupment is sought from goods or services provided through the debtor’s postpetition efforts.”).

Logically, it seems a strong argument can be made that an electric cooperative’s furnishing of electric energy to a member, and the cooperative’s allocation and retirement of capital credits related to that furnishing of electric energy, arise out of the “same transaction.” Certainly, to the extent a utility security deposit and utility service arise out of the same transaction, it seems the furnishing of electric energy and the allocation and retirement of capital credits arise out of the same transaction. Although courts disagree, the better view seems to be that a utility security deposit and the provision of utility service arise out of the same transaction. *See* Sullivan, *supra* at 85 (“[In conclusion, a] deposit which is provided to secure the performance of a utility account is, quite simply, part of the ‘same transaction’ as the account itself. Even under the most restrictive state law definition of recoupment, requiring that a right arise in ‘exactly the same’ or in the ‘identical’ transaction, the nature of a utility deposit affords the utility the right to recoup. Furthermore, public policy strongly supports a utility’s ability to recoup a prepetition deposit against a prepetition debt owed to that utility. Especially in the realm of utility accounts, a transaction is a transaction is a transaction.”).

Because setoff under section 553 of the Bankruptcy Code requires obligations that arise before the commencement of a case, capital credits retired after the commencement of a case are not protected by the section 553 setoff provisions. As discussed above, however, capital credits retired after the commencement of a bankruptcy case may be subject to recoupment. Furthermore, although courts disagree, it seems a strong argument can be made that an electric cooperative’s retirement of capital credits, reduced by the amount of money owed by a member, is not subject to the automatic stay under section 362 of the Bankruptcy Code.

As discussed above, the majority of cases hold that the confirmation of a plan or discharge of a claim under the Bankruptcy Code does not affect a creditor’s right to setoff under section 553. Likewise, a strong argument can be made that the confirmation of a member’s plan, or discharge of an electric cooperative’s claim, does not affect the cooperative’s recoupment right to retire the member’s capital credits, reduced by the amount of the cooperative’s claim. *See* Khon, *supra* n. 6 (“Interestingly, the cases do not consider whether the explicit preservation of the right of setoff in 11 U.S.C. § 553(a) (1994) should be read to imply that the Bankruptcy Code does not preserve the right of recoupment. The apparent assumption was that insofar as recoupment is a right similar to, but more powerful than, setoff, it would be illogical to assume that setoff was preserved but that recoupment was prohibited.”).

Because an electric cooperative’s exercise of the right of recoupment is a reduction in its obligation to the member, and not a transfer to the member, and as long as the cooperative asserts its right of recoupment as a defense, then a strong argument can be made that no avoidable transfer results.

4. Secured Claims

As a general matter, the Bankruptcy Code recognizes and prescribes a number of “special rights and protections” for holders of secured claims. 4 *Collier on Bankruptcy, supra* ¶ 506.02. If, through misapplication of bankruptcy law or a determination that a liquidated entity member should be treated the same as a deceased individual member, a bankruptcy court orders an electric cooperative to immediately retire and pay a member’s capital credits into the bankruptcy estate, then holding a perfected security interest in these capital credits could afford the cooperative these special rights and protections.

In addition, as discussed above, although the discharge of a case under the Bankruptcy Code may discharge a debt, it generally does not discharge a lien. Accordingly, if an electric cooperative holds a security interest in a member's capital credits, and if the member has a debt to the cooperative discharged in bankruptcy, then, unless the cooperative's lien was avoided during the bankruptcy case, and in addition to any recoupment rights, the cooperative may enforce its lien by offsetting the discharged debt against capital credits retired and paid to the member.

Under the Bankruptcy Code, an "allowed claim of a creditor secured by a lien on property in which the estate has an interest, ..., is a secured claim to the extent of the value of such creditor's interest in the estate's interest in such property, ..., and is an unsecured claim to the extent that the value of such creditor's interest ... is less than the amount of such allowed claim." Bankruptcy Code, *supra* § 506(a). As noted above, a "'lien' means charge against or interest in property to secure payment of a debt or performance of an obligation" and a "security interest' means lien created by an agreement." *Id.* § 101(37) & (51).

A security interest recognized under the U.C.C. is a common example of a secured claim under section 506. 4 *Collier on Bankruptcy*, *supra* ¶ 506.03(1)(a). As discussed above, an electric cooperative may create and perfect a security interest in a member's capital credits under the U.C.C. If a cooperative creates and perfects this security interest, then it may have a secured claim to the amounts owed by the member for services rendered by the cooperative. Accordingly, the cooperative could benefit from the special rights and protections prescribed for holders of secured claims under the Bankruptcy Code.

Under the Bankruptcy Code, a trustee or debtor in possession may avoid an unperfected security interest in personal property subject to Revised Article 9 of the U.C.C. 5 *Collier on Bankruptcy*, *supra* ¶ 544.05, *referencing* Bankruptcy Code, *supra* § 544(a) *and* U.C.C. §§ 9-102(a)(52)(c) & 9-317(a)(2) (2000). As determined by the Supreme Court of the United States, a voluntary or consensual secured claim under the Bankruptcy Code is one created by agreement between the debtor and the creditor and includes a security interest recognized under the U.C.C. 4 *Collier on Bankruptcy*, *supra* ¶ 506.04[2][a]. An involuntary secured claim is one fixed by operation of law that does not require the debtor's consent and includes a judicial or statutory lien. *Id.* In general, it seems that a bankruptcy trustee or debtor in possession may not avoid a voluntary lien. See Bankruptcy Code, *supra* §§ 544, 545, & 1107.

Regarding voluntary liens, section 552(a) of the Bankruptcy Code states that, in general, "property acquired by the estate or by the debtor after the commencement of the case is not subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case." Bankruptcy Code, *supra* § 552(a) (emphasis supplied) *and* 5 *Collier on Bankruptcy*, *supra* ¶ 552.01[2]. Under section 552(b)(1), however, if the security interest created by this security agreement extends to the debtor's property acquired before the commencement of the bankruptcy case, and to "proceeds, product, offspring, or profits" of this property, then the security interest extends to these "proceeds, product, offspring, or profits" acquired by the estate after the commencement of the case. Bankruptcy Code, *supra* § 552(b)(1). Based upon the equities of the case, a court may order otherwise. *Id.*

Accordingly, if an electric cooperative creates a security interest in a member's capital credits, but if the cooperative does not perfect the security interest, then a bankruptcy trustee or debtor in possession may avoid the security interest. If the cooperative perfects the security interest, then because the security interest is a voluntary lien, a bankruptcy trustee or debtor in possession may not avoid the security interest. Assuming that capital credits allocated to the member after the commencement of a bankruptcy case are not the "proceeds, product, offspring, or profits" of capital credits allocated to the member before the commencement of the case, then the security interest does not extend to capital credits allocated to the member after the commencement of the case. Although the cooperative may retain a perfected security interest in capital credits allocated to the member before the commencement of the case, and although this security interest may secure amounts owed by the member after the commencement of the case, this security interest does not extend to capital credits allocated to the member after the commencement of the case. In order to create a security interest in the member's capital credits allocated after the commencement of the case, the member would need to execute a new security agreement.

The Bankruptcy Code further states, “Notwithstanding any otherwise applicable nonbankruptcy law,” a plan under Chapter 11 shall provide adequate means for implementing the plan, such as, among other things, the “sale of all or any part of the property of the estate, either subject to or free of any lien, or the distribution of all or any part of the property of the estate among those having an interest in such property of the estate.” Bankruptcy Code, *supra* § 1123(a)(5)(D). In addition, the Bankruptcy Code states that a court must generally confirm a plan that does not discriminate unfairly and is “fair and equitable” regarding each class of claims or interests that is impaired under, and has not accepted, the plan. *Id.* § 1129(b)(1). Regarding a class of secured claims, a plan is “fair and equitable” if, among other things, it provides “for the realization by such holders of the indubitable equivalent of such claims.” *Id.* § 1129(b)(2)(A)(iii).

In 1988, the United States Court of Appeals for the Fourth Circuit acknowledged that a member’s patronage certificates in an agricultural cooperative were “not currently due and payable,” but were a “contingent entitlement” payable in the board of directors’ discretion. *In re FCX, Inc.*, 853 F.2d 1149, 1153 (4th Cir. 1988), *cert. denied*, 489 U.S. 1011 (1989). Although the member’s patronage certificates were part of the bankruptcy estate, the estate’s interest in them was limited to the same degree as the member’s interest. *Id.* at 1153-54. Under state law, therefore, the court held that the cooperative could not be ordered to immediately surrender the patronage certificates. *Id.* The court, however, added, “Were this the final point in our analysis, [cooperative] would be entitled to judgment in its favor. As we noted, however, our analysis does not end with the characterization of the property interests of the estate under state law.” *Id.* at 1154. Citing the bankruptcy clause of the Constitution of the United States of America, the court explained that it “must ask further whether there exists any conflicting bankruptcy law which overrides the discretionary power over the redemption of the patronage certificates vested in [the cooperative’s] board by state law and its by-laws.” *Id.*, *citing* U.S. Const. art. I, § 8, cl. 4 (“The Congress shall have power ... To establish ... uniform Laws on the subject of Bankruptcies throughout the United States.”).

As security for a member’s indebtedness to the cooperative, the cooperative’s articles of incorporation granted it a first lien on each member’s patronage certificates. Because of the clause of section 1123(a) stating, “Notwithstanding any otherwise applicable nonbankruptcy law,” and because the cooperative had an interest in the member’s patronage certificates, the court held that section 1123(a)(5)(D) “supersede[d] the discretionary power over surrender of the patronage certificates bestowed on [cooperative’s] board by its by-laws.” *Id.* Further, the court held that section 1123(a)(5) is an “empowering statute” that “does not simply provide a means to exercise the debtor’s pre-bankruptcy rights; it enlarges the scope of those rights, thus enhancing the ability of a trustee or debtor in possession to deal with property of the estate.” *Id.* at 1155. Based upon its analysis, the court believed that the “bankruptcy court had the authority to authorize [the member] to surrender patronage certificates in satisfaction of [the cooperative’s] secured claim. *Id.*

The court then noted that the “key question” was “exactly what amount of the certificates must be surrendered to satisfy fully [cooperative’s secured] claim.” *Id.* For instance, the “real dispute” was whether valuing the patronage certificates at face value, instead of present value, complied with the requirement under section 1129(b)(2)(iii) that the cooperative receive the “indubitable equivalent” of its claim. *Id.* at 1157. In addressing this question, the court noted that the cooperative had discretion under nonbankruptcy law to currently redeem the patronage certificates, or to delay redemption. *Id.* at 1158-59. Redeeming on a given day results in the certificates being valued on that day at face value, but delaying redemption indefinitely results in the certificates being valued on that day at “a present value uncertainly discounted below face value.” *Id.* at 1159.

In concluding, the court held, “Section 1123(a)(5)(D) provides authority for the bankruptcy court to order current redemption of, or setoff against, collateral to satisfy a secured creditor’s claim, even absent the authorization of that creditor necessary under nonbankruptcy law. Where a creditor seeks to force an uncertainly discounted present value upon collateral—in this case the patronage certificates—simply by deferring setoff from day to day rather than effecting it immediately by redemption as it might, we believe that § 1123(a)(5)(D) authorizes the bankruptcy court to forestall that effort and require immediate setoff. Otherwise, the creditor would be allowed to benefit at the expense of the bankrupt’s estate. Directing immediate setoff, hence valuation at face value, gives the creditor exactly the amount it would receive had it voluntarily chosen to agree to the debtor’s request for immediate setoff by redemption. This, we think, meets the ‘indubitable equivalent’ standard of § 1129(b)(2)(A)(iii).” *Id.*

In 1994, the United States Bankruptcy Court for the Middle District of Florida held that, despite contrary provisions in the Farm Credit Act, chapter 12 of the Bankruptcy Code allows a small family farmer to surrender capital surplus allocated to the farmer by a farm credit cooperative association, in which capital surplus the association had a security interest, in satisfaction of a debt owed to the association. *In re Carter*, 165 B.R. 518 (Bankr. M.D. Fla. 1994); *See also* Bankruptcy Code, *supra* § 1222(b)(8) (“Subject to subsections (a) and (c), the plan may ... provide for the sale of all or any part of the property of the estate or the distribution of all or any part of the property of the estate among those having an interest in such property.”). Citing *In re FCX, Inc.*, and because the association had discretion regarding when to retire allocated capital surplus, the court held that the farmer was entitled to setoff the face value, and not the present value, of the allocated capital surplus. *Id.* at 522-23.

Under the holding of *In re FCX, Inc.*, if a member of an electric cooperative commences a chapter 11 bankruptcy case, and if the cooperative possesses a security interest in the member’s capital credits, then a bankruptcy court may order the member to surrender to the cooperative its capital credits, valued at face value and not present value, as necessary to satisfy the cooperative’s claim. Oddly, this holding could place an electric cooperative at a disadvantage by having a security interest in a member’s capital credits. If an electric cooperative does not hold a security interest in a member’s capital credits, then *In re FCX, Inc.* is distinguishable and inapplicable. *In re Greensboro Lumber Co.*, 157 B.R. 921, 930 (Bankr. M.D. Ga. 1993).

5. Duty to Deliver and Account

Generally, if an entity is “in possession, custody, or control, during the case, of property [of the estate],” then the entity “shall deliver to the trustee, and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate.” Bankruptcy Code, *supra* §§ 542(a) & 363(b)(1). Further, subject to any applicable privilege, and after notice and a hearing, a court may order an attorney, accountant, or other person holding recorded information relating to the debtor’s property or financial affairs to turn over or disclose the recorded information to the trustee. *Id.* § 542(e).

Additionally, the commencement of a bankruptcy case generally “operates as a stay, applicable to all entities” of, among other things, any act “to exercise control over property of the estate.” *Id.* § 362(a)(3).

Section 362(a)(3) must be read with section 542(a) and the failure of an entity in possession of estate property to turnover the property to the trustee generally violates section 362(a)(3). 3 *Collier on Bankruptcy*, *supra* ¶ 362.03(5). Indeed, an entity’s duty to deliver property to the trustee under section 542(a) is “a mandatory duty arising upon the filing of the bankruptcy petition;” the “onus to return estate property is placed upon the possessor[,] it does not fall on the debtor to pursue the possessor;” and a creditor’s knowing retention of property of the estate violates section 362(a)(3). *In re Mountaineer Coal Co.*, 247 B.R. 633, 642 (Bankr. W.D. Va. 2000); *In re Bunton*, 246 B.R. 851, 853 (Bankr. N.D. Ohio 2000); *In re Sharon*, 234 B.R. 676, 682 (B.A.P. 6th Cir. 1999); *In re Colortran, Inc.*, 210 B.R. 823, 827 (B.A.P. 9th Cir. 1997); *In re Del Mission Ltd*, 98 F.3d 1147, 1151 (9th Cir. 1996); and *In re Knaus*, 889 F.2d 773, 774-75 (8th Cir. 1989).

As discussed above, an electric cooperative member's contingent or conditional right to the payment of capital credits is probably property of the member's bankruptcy estate. For this reason, the cooperative must generally "deliver" or "account for" the capital credits, or at a minimum notify the bankruptcy trustee or debtor in possession regarding the capital credits.

Many electric cooperative acts, however, and many electric cooperative bylaws, limit the ability of a member to assign or transfer the member's capital credits. As discussed above, although the member's conditional or contingent right to capital credits is property of the bankruptcy estate, this right is usually subject to assignment and transfer restrictions. A bankruptcy trustee or debtor in possession, therefore, may be prohibited from or limited in transferring the member's capital credits. Further, a member's conditional or contingent right to the future retirement and payment of the capital credits may have minimal present value. For these two reasons, the member's right to capital credits may be "of inconsequential value or benefit to the estate" and section 542(a) may not require the cooperative to deliver, account for, or provide notice of the capital credits.

H. Unclaimed Capital Credits

1. Escheat and Unclaimed Property Acts

Frequently, a member of an electric cooperative moves out of the cooperative's service area without providing a forwarding address. Likewise, a member may move within the cooperative's service area and change the member's name through marriage, divorce, or corporate reorganization, but without providing the cooperative with the new address or new name. Further, an individual member may die or an entity member may dissolve or liquidate without the cooperative's knowledge. When the cooperative retires capital credits allocated to these members and mails the payment to the members' old addresses or under the members' old names, the members or the members' successors in interest often fail to claim these payments. The disposition of these unclaimed capital credit payments, as well as a cooperative's actions to reduce or eliminate the amount of these payments, varies depending upon state law.

In addressing these issues, it is important to understand the differences between escheat acts and unclaimed property acts. In general, escheat acts embody a procedure through which ownership of property that remains abandoned or unclaimed for a stated time reverts to the state. 27A Am. Jur. 2d *Escheat* § 1 (1996); 30A C.J.S. *Escheat* § 2(a) (1992); and Black's Law Dictionary 564 (7th ed. 1999). On the other hand, unclaimed property acts embody a procedure through which custody of property that remains abandoned or unclaimed for a stated time is transferred to the state, with the state benefiting from using the property until the property is reunited with its owner. 27A Am. Jur. 2d, *supra* § 3 and 30A C.J.S., *supra* § 2(b); *See also Presley v. City of Memphis*, 769 S.W.2d 221, 223-24 (Tenn. Ct. App. 1988) and La. Health Serv. & Indem. Co. v. Tarver, 635 So.2d 1090, 1092 (La. 1994).

In most states, unclaimed intangible personal property, like unclaimed capital credits retired and paid by an electric cooperative, is subject to an unclaimed property act and not an escheat act. 27A Am. Jur. 2d, *supra* § 5; 1 Am. Jur. 2d *Abandoned, Lost, and Unclaimed Property* §§ 3 & 39 (1994); and 30A C.J.S., *supra* § 5(a). Accordingly, the disposition of unclaimed capital credit payments and the validity of actions that may reduce or eliminate these payments are generally determined under a state's unclaimed property act.

Since 1954, the National Conference of Commissioners on Uniform State Laws has approved the following uniform acts governing unclaimed property: (1) Uniform Disposition of Unclaimed Property Act (1954), which was adopted by three states, Unif. Disposition of Unclaimed Prop. Act (1954), 8A U.L.A. 267 (1993) [hereinafter "1954 Act"]; (2) Uniform Disposition of Unclaimed Property Act (1966), which was adopted by thirteen states, Unif. Disposition of Unclaimed Prop. Act (1966), 8A U.L.A. 207 (1993) [hereinafter "1966 Act"]; (3) Uniform Unclaimed Property Act (1981), which was adopted by twenty-six states, eight of which had adopted the 1966 or 1954 Act, Unif. Unclaimed Prop. Act (1981), 8C U.L.A. 151 (2001) [hereinafter "1981 Act"]; and (4) Uniform Unclaimed Property Act (1995), which has been adopted by at least ten states, Unif. Unclaimed Prop. Act (1995), 8C U.L.A. 87 (2001) [hereinafter "1995 Act"].

Approximately 44 states, therefore, have adopted one of the uniform unclaimed property acts. Although individual states may have modified a uniform act before adopting it, the uniform acts remain a primary resource for addressing the disposition of unclaimed capital credit payments and the validity of actions that reduce or eliminate these payments.

Under all of these uniform acts, the state takes custody, but not title, to unclaimed property and holds the property in perpetuity for the owner. 1995 Act, *supra* pref. n. The 1995 and 1981 Acts provide "exclusively for the disposition of unclaimed intangible property," with the exception of tangible property contained in safe deposit boxes. 1995 Act, *supra* § 1 cmt. and 1981 Act, *supra* § 1 cmt.

2. Disposition of Unclaimed Capital Credits

In general, the typical unclaimed property act provides that: (1) property is presumed “abandoned” if unclaimed by the apparent owner within a specified time and becomes subject to custody of the state, 1995 Act, *supra* §§ 2 & 4 and 1981 Act, *supra* §§ 2-16; (2) a holder of property presumed abandoned must report, and pay or deliver, the property to the state “administrator,” 1995 Act, *supra* §§ 7 & 8 and 1981 Act, *supra* §§ 17 & 19; (3) the administrator must publish notice regarding the property and assumes custody and responsibility for the safekeeping of the property, 1995 Act, *supra* §§ 9 & 10 and 1981 Act, *supra* §§ 18 & 20; (4) the administrator deposits the property or proceeds from the sale of the property in the state’s general fund, but may retain funds to pay claims, 1995 Act, *supra* § 13 and 1981 Act, *supra* § 23; and (5) a person claiming the property may file a claim with the administrator and, if allowed, the administrator must pay or deliver the property to the claimant, 1995 Act, *supra* § 15 and 1981 Act, *supra* § 24.

Under the 1995 and 1981 Acts, an electric cooperative is probably a “business association,” as well as a “utility.” 1995 Act, *supra* § 1(3) & (16) and cmt. (“The term [‘utility’] is intended to be broadly applied.”) and 1981 Act, *supra* § 1(5) & (15) and cmt. (“The definition of ‘business association’ ... expressly includes non-profit corporations.”). In addition, retired capital credits paid by an electric cooperative are probably “property.” 1995 Act, *supra* § 1(13) & cmt. (“[The definition of property is] intended to be all-inclusive; ... Thus, ‘property’ is not the check, note, certificate or other document that evidences the property interest, but the underlying right or obligation.”) and § 2 cmt. (“Section 2 continues the general proposition that all intangible property is within the coverage of this Act.”) and 1981 Act, *supra* § 1(10). Depending upon how capital credit payments are classified, they are probably presumed abandoned if unclaimed by the apparent owner within a period of between one and seven years. 1995 Act, *supra* § 2(a)(3), (4), (6), (13), & (15) and cmt. (“Intangible property held by a utility other than subscribers’ deposits and refunds are subject to the five year rule of subsection (a)(15).”) and 1981 Act, *supra* §§ 2, 5, & 10 and § 8 cmt. (“Intangible property held by utilities other than deposits are subject to the 5-year period ...”).

Of the 47 states in which traditional electric cooperatives operate, statutes in the following 27 states allow electric cooperatives to retain unclaimed capital credit payments, or allow bylaw provisions or board of director action retaining unclaimed capital credit payments, all of which are often subject to specific notice requirements: Alabama (Ala. Code § 35-12-24.1); Alaska (Alas. Stat. § 34.45.200); Arkansas (Ark. Code Ann. § 23-18-327); Colorado (Colo. Rev. Stat. § 7-55-107); Delaware (Del. Code Ann. tit. 26, § 909); Florida (Fla. Stat. § 717.117); Idaho (Idaho Code § 14-542); Illinois (765 Ill. Comp. Ann. § 1025/4); Indiana (Ind. Code § 8-1-13-11); Iowa (Iowa Code § 499.30A); Kansas (Kan. Stat. Ann. § 58-3974); Louisiana (La. Rev. Stat. Ann. § 12:420); Michigan (Mich. Comp. Laws § 450.3139); Minnesota (Minn. Stat. § 308A.711); Mississippi (Miss. Code Ann. § 89-12-11); Montana (Mont. Code Ann. § 35-18-316); New Mexico (N.M. Stat. Ann. § 7-8A-26); North Dakota (N.D. Cent. Code § 10-15-34.1); Oklahoma (Okla. Stat. tit. 60 § 655); Oregon (Or. Rev. Stat. § 62.425); South Dakota (S.D. Codified Laws § 47-16-54); Texas (Tex. Prop. Code Ann. § 74.3013); Utah (Utah Code Ann. § 54-3-26); Virginia (Va. Code Ann. § 56-231.31:1); Washington (Wash. Rev. Code § 23.86.160); Wisconsin (Wis. Stat. § 185.03); and Wyoming (Wyo. Stat. Ann. § 17-20-1301).

Of these 27 states, statutes in the following 17 states do not limit the cooperative’s use of the retained capital credit payments: Alabama, Alaska, Arkansas, Florida, Idaho, Illinois, Indiana, Kansas, Michigan, Mississippi, North Dakota, Oklahoma, Oregon, South Dakota, Virginia, Washington, and Wyoming. Statutes in the remaining 10 states limit the cooperative to using these retained payments for educational, charitable, economic development, or similar purposes.

In the following 20 states, there is apparently no clear and express statute addressing an electric cooperative’s ability to retain unclaimed capital credit payments: Arizona, California, Georgia, Hawaii, Kentucky, Maine, Maryland, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Vermont, and Virginia.

3. Reducing or Eliminating Unclaimed Capital Credits

As discussed below, some electric cooperatives take or implement actions that may reduce or eliminate the amount of unclaimed capital credit payments reported or paid to a state under an unclaimed property act. For purposes of the information discussed below, an electric cooperative's unclaimed capital credit payments are assumed to be subject to a state escheat or unclaimed property act.

Some of the actions discussed below were addressed in the February 1976 Final Report and Recommendations of the Capital Credits Study Committee, a committee commissioned by the National Rural Electric Cooperative Association ("NRECA") and the National Rural Utilities Cooperative Finance Corporation. Capital Credits Study Committee, *Final Report and Recommendations* (1976) [hereinafter "1976 Study Committee Report"]. Likewise, some of these actions were addressed at past NRECA legal seminars. As discussed below, however, statutory and case law has changed since the Study Committee Report and the legal seminars.

Statutes of Limitations. In the past, holders of property asserted that if the statute of limitations governing the owner's right to claim the property was shorter than the time specified in an escheat or unclaimed property act, then the act did not apply. For instance, if the statute of limitations expired and the owner of the property no longer had a legal right to claim the property, then the holder of the property asserted that the property was no longer abandoned or unclaimed. Although there are some contrary court holdings, the expiration of a statute of limitations does not generally prevent application of an escheat or unclaimed property act. 27A Am. Jur. 2d., *supra* § 21 and 30A C.J.S., *supra* §§ 5(a) & 13; *See also Travelers Express Co., Inc. v. State*, 732 P.2d 121 (Utah 1987). Further, each of the uniform unclaimed property acts states that the expiration of a statute of limitations does not prevent property from being presumed abandoned. 1995 Act, *supra* § 19(a); 1981 Act, *supra* § 29(a); 1966 Act, *supra* § 16; and 1954 Act, *supra* § 16. Accordingly, the expiration of the statute of limitations governing a member's right to claim retired capital credit payments probably does not alter an electric cooperative's obligation to report or pay the unclaimed capital credits to the state.

Interest and Penalties. If a court invalidates an electric cooperative's actions that improperly reduce or eliminate the amount of unclaimed capital credits reported or paid to the state, then, in addition to paying the full unclaimed amount to the state, the cooperative may have to pay interest on the full unclaimed amount, as well as a fine or penalty. Each of the uniform unclaimed property acts imposes fines or penalties upon persons who "willfully" fail to comply with the act. 1995 Act, *supra* § 24; 1981 Act, *supra* § 34; 1966 Act, *supra* § 25; and 1954 Act, *supra* § 25. The 1995 Act imposes a penalty upon a person who fails to comply with the act, without any willfulness requirement. 1995 Act, *supra* § 24. The 1995 and 1981 Acts require any person who fails to comply with the act to pay interest on the value of the unclaimed property, without any willfulness requirement. 1995 Act, *supra* § 24 and 1981 Act, *supra* § 34. In addition, the 1981, 1966, and 1954 Acts subject persons who "willfully" fail to comply with the act to possible imprisonment. 1981 Act, *supra* § 34; 1966 Act, *supra* § 25; and 1954 Act, *supra* § 25.

Taxes. As explained by the IRS, if, under a cooperative's bylaws, the rights and interests of a member are forfeited upon the member's withdrawal or termination from the cooperative, then the cooperative has not operated on a cooperative basis and is not exempt from federal income taxation. Rev. Rul. 72-36, 1972-1 C.B. 151. Accordingly, if, under an electric cooperative's articles of incorporation, bylaws, or membership application, the rights and interests of a former member in unclaimed capital credits are forfeited, then the IRS may determine that the cooperative has not operated on a cooperative basis and is not exempt from federal income taxation. Unless otherwise noted, as long as an electric cooperative member agrees to the actions discussed below upon joining the cooperative or before the actions occur, and as long as the cooperative makes a reasonable and good faith effort to locate and notify the member regarding retired capital credit payments, then the IRS has generally indicated through private letter rulings that the actions do not constitute a forfeiture jeopardizing the electric cooperative's "cooperative" or "exempt" status.

Service or Dormancy Charges. Through articles of incorporation, bylaw, or membership application provisions, some electric cooperatives deduct from a member's retired capital credits a service or dormancy charge for each year that the capital credits remain unclaimed. By deducting these charges, the cooperative reduces the amount of property that is reported or paid to the state. Presumably, this charge reimburses the cooperative for its cost associated with seeking to locate the member and maintaining the unclaimed capital credits.

Regarding these charges, the 1995 Act states:

A holder may deduct from property presumed abandoned a charge imposed by reason of the owner's failure to claim the property within a specified time only if there is a valid and enforceable contract between the holder and the owner under which the holder may impose the charge and the holder regularly imposes the charge, which is not regularly reversed or otherwise canceled.

1995 Act, *supra* § 5. This section is consistent with cases ruling on the issue of service charges under the 1981 and 1966 Acts. *Id.* cmt. For instance, in 1988, under Tennessee's Uniform Disposition of Unclaimed Property Act, the Court of Appeals of Tennessee held that the "expenses incurred in managing" unrefunded ticket proceeds were "lawful charges" and that "only" these expenses could be deducted from the proceeds. *Presley v. City of Memphis*, 769 S.W.2d 221, 24 (Tenn. Ct. App. 1988).

Under the 1995 Act, the amount of any service or dormancy charge is "limited to an amount that is not unconscionable." 1995 Act, *supra* § 5. This limitation was new in the 1995 Act and was drawn from article 2, section 302 of the U.C.C. *Id.* cmt. Under federal cooperative tax law, an unreasonable service or dormancy charge could constitute a forfeiture of a member's capital credits that jeopardizes the cooperative's exempt or cooperative status.

As often asserted by electric cooperatives, and as supported by case law, a cooperative's articles of incorporation, bylaws, and membership application are a contract between the cooperative and each member. Under the 1995, 1981, and 1966 Acts, therefore, an electric cooperative may deduct a service or dormancy charge from a member's unclaimed capital credits if there is a provision in these documents or other contract authorizing the deduction and the cooperative regularly deducts the charge without reversing or canceling it. Under federal cooperative tax law, the charge must be reasonable.

Deducting a service or dormancy charge from an individual member's unclaimed capital credits may drastically reduce or eliminate the amount reported or paid to the state. Because entity members generally have a larger amount of capital credits than individual members, deducting the same service or dormancy charge from an entity member's unclaimed capital credits may result in a less drastic reduction or elimination. If an electric cooperative deducts a larger service or dormancy charge from entity members' unclaimed capital credits, then it probably needs to justify the larger charge by indicating a greater cost associated with seeking to locate the entity members and maintaining their unclaimed capital credits.

Provisions in Articles of Incorporation, Bylaws, and Membership Applications. Provisions in some electric cooperative articles of incorporation, bylaws, and membership applications state that if a member fails to claim retired capital credit payments within a specified time, then the member assigns, transfers, or gifts the capital credits to the cooperative. Asserting that these capital credits are no longer presumed abandoned, the cooperative does not report or pay them to the state. As discussed below, although one court has held that these types of provisions are valid under a somewhat unique state act, the majority of statutory and case law holds that these types of provisions are invalid. The question of whether these provisions are an unreasonable condition for receiving electric service is not addressed.

1995 and 1981 Acts. As noted above, an electric cooperative's articles of incorporation, bylaws, and membership application are a contract between the cooperative and each member. Under the 1995 and 1981 Acts, the expiration of a period of limitation on an owner's right to receive or recover property specified by "contract" does not preclude the property from being presumed abandoned or affect a duty to file a report or to pay, deliver, or transfer the property under the act. 1995 Act, *supra* § 19(a) and 1981 Act, *supra* § 29(a). This provision "that the expiration of time periods set forth in contracts will not prevent the property from being reportable" was added in the 1981 Act and is consistent with cases like People ex rel. Callahan v. Marshall Field & Company, 404 N.E.2d 368 (Ill. App. Ct. 1980); Screen Actors Guild, Inc. v. Cory, 154 Cal. Rptr. 77 (Cal. Ct. App. 1979); and State v. Jefferson Lake Sulphur Co., 178 A.2d 329 (N.J. 1962), *cert. denied*, 370 U.S. 158 (1962). 1995 Act, *supra* § 19 cmt. and 1981 Act, *supra* § 29 cmt. Each of these cases is summarized below. It is important to note that this provision was added after the 1976 Study Committee Report.

Cox v. South Central Power Company. In 1989, the Court of Common Pleas of Franklin County, Ohio interpreted Ohio's unclaimed funds act and upheld an electric cooperative's Code of Regulation provision generally stating that, if a patron failed to assert a claim for retired capital credits within four years, then the capital credits were "considered an irrevocable assignment and gift to the cooperative and, thus, returned into the coffers of the cooperative." Cox v. S. Cent. Power Co., 565 N.E.2d 890 (Ct. Comm. Pleas 1989). As noted by the court:

The state urges that public policy is against the assignment or gift provisions of South Central's Code of Regulations. That position is not well-founded. The members are free to contract as they wish unless the contract is illegal, unconscionable or against public policy. If the members have agreed to waive the right to assert claims for credits after a specific period, then the court can discern no public policy contrary to that agreement. While it is clear that this procedure eliminates transformation of the overpayments into unclaimed funds, the funds belong to those members who agreed to the disposition. The state also contends that there can be no valid assignment or gift as contemplated by South Central's Code of Regulations and that, "[s]urely, owners of retired capital credits do not intend to give ... these capital credits to South Central." (See Page 12 of the Memorandum Contra.) In fact, by becoming a member of South Central, the members have agreed to such disposition and the state has presented no evidence to the contrary. To clarify, the funds do not revert to South Central, but rather to its members.

Id. at 891. In concluding, the court stated that there was "no public policy that would be contrary to South Central's system of capital credits." Id.

Apparently, this case was not appealed and has not been cited by any appellate court. Further, Ohio has not adopted any of the four uniform unclaimed property acts. 1995 Act, *supra* at 87; 1981 Act, *supra* at 151; 1966 Act, *supra* at 207; and 1954 Act, *supra* at 267; *See also* Ohio Rev. Code Ann. §§ 169.01-169.99 (Anderson 2001). Apparently, Ohio's unclaimed funds act does not include a section addressing contractual periods of limitation similar to the sections of the 1995 and 1981 Acts discussed above. *See* Ohio Rev. Code Ann. §§ 169.01-169.99 (Anderson 2001).

State v. Jefferson Lake Sulphur Company. In 1962, while interpreting the Custodial Escheat Act and in a case of first impression, the Supreme Court of New Jersey invalidated a provision in a corporation's certificate of incorporation generally stating that, if a dividend remains unclaimed for three years, then the funds set aside to pay the unclaimed dividend revert to the corporation and the corporation's obligation to pay the dividend ceases, provided that the corporation's board of directors may, at any time, authorize paying the dividend to the person previously entitled to it. State v. Jefferson Lake Sulphur Co., 178 A.2d 329 (N.J. 1962), *cert. denied*, 370 U.S. 158 (1962). In the court's judgment, the provision was an "attempted interposition of [the corporation's] private escheat law" and was "clearly opposed to the spirit and essence of the public custodial escheat law and to the broad public policy represented thereby." Id. at 338. This case has been described as the "seminal decision concerning contractual limitations" and unclaimed property. K. Reed Mayo, *Virginia's Acquisition of Unclaimed and Abandoned Personal Property*, 27 Wm. & Mary L. Rev. 409, 436-39 (1986). As noted by the Capital Credits Study Committee, this case illustrates the possible hazards involved with amending an electric cooperative's bylaws in order to avoid possible escheat. 1976 Study Committee Report, *supra* at 94.

Screen Actors Guild, Inc. v. Cory. In 1979, under California’s Unclaimed Property Law, the Court of Appeal of California voided a provision in a union’s bylaws generally stating that, if a member failed to claim his or her residual funds within six years, then the funds were automatically assigned to the union. Screen Actors Guild, Inc. v. Cory, 154 Cal. Rptr. 77 (Cal. Ct. App. 1979). As noted by the court, the provision was “a private escheat law obviously designed to frustrate operation of the [Unclaimed Property Law]” and “would deny to the state the benefit of the use of most of the unclaimed residuals [and was] contrary to a policy of express law, although not expressly prohibited.” Id. at 80. As further noted by the court, “a private escheat law cannot circumvent the effect of a public one.” Id.

People ex rel. Callahan v. Marshall Field & Company. In 1980, under the Illinois Uniform Disposition of Unclaimed Property Act, the Appellate Court of Illinois held that the failure of an owner to timely present a gift certificate or credit memorandum that included a provision requiring it to be presented within a specified time did not prevent the state from taking custody of the gift certificate or credit memorandum. People ex rel. Callahan v. Marshall Field & Co., 404 N.E.2d 368 (Ill. App. Ct. 1980). As noted by the court, holding otherwise “would result in a private escheat law whereby the holder rather than the State would enjoy the benefit of the unclaimed property. Such a result would be contrary to the obvious purpose and policy of the Act.” Id. at 374.

Blue Cross of Northern California v. Cory. In 1981, under California’s Unclaimed Property Law, the Court of Appeal of California invalidated a provision in a contract between a nonprofit hospital service corporation and its subscribers generally stating that, if a subscriber failed to negotiate a check issued by the corporation in payment of a claim within six months, then the claim was deemed withdrawn, but without preventing resubmission of the claim. Blue Cross of N. Cal. v. Cory, 174 Cal. Rptr. 901, 911-12 (Cal. Ct. App. 1981). As noted by the court, “a private escheat law cannot circumvent the effect of a public one.” Id. at 912.

In summary, based upon general statutory and case law, a provision in an electric cooperative’s articles of incorporation, bylaws, or membership application stating that if a member fails to claim retired capital credit payments within a specified time, then the member assigns, transfers, or gifts the capital credits to the cooperative is probably invalid.

If the provision states that the member retains the right to revoke any assignment or transfer, then an argument can be made that the expiration of the stated time has not limited the member’s right to receive or recover the unclaimed capital credits. Because of the custodial nature of unclaimed property acts, however, the state may argue that the legislature intended that the state, and not the cooperative, hold the unclaimed capital credit payments until the member reclaims them. The validity of a similar provision in an electric cooperative’s articles of incorporation, bylaws, or membership application conditioned upon a member’s failure to claim the member’s retired capital credits after the cooperative provides specified notice to the member, without specifying any time, is unclear. The same legal and public policy considerations that invalidate a provision conditioned on the expiration of a specified time may invalidate this provision.

Voluntary Assignments. Some electric cooperatives have considered providing members the opportunity to assign to the cooperative the member’s right to retired capital credit payments if the cooperative is unable to locate the member within a specified time or following specified notice to the member. In general, the assignment would be executed through a separate document independent of the cooperative’s articles of incorporation, bylaws, or membership application. Alternatively, the assignment could be executed through a separate section of the membership application requiring a separate signature or authorization. In each case, the assignment would be voluntary and would not be a condition of service. As discussed below, it is unclear whether these voluntary assignments violate an unclaimed property act or the public policy embodied in an unclaimed property act.

In general, an “assignment” is a transfer of property or a property right from one person to another and applies primarily to intangible personal property. 6 Am. Jur. 2d *Assignments* § 1 (1999); 6A C.J.S. *Assignments* § 2(a) (1975); and *Black’s Law Dictionary* 115 (7th ed. 1999). A contractual right can be assigned unless, among other things, the assignment is forbidden by statute or violates public policy. Restatement (Second) of Contracts § 317(2)(b) (1979). A conditional right may be assigned. *Id.* § 320. Likewise, unless otherwise provided by statute, a right to payment expected to arise out of a continuing business relationship may be assigned. *Id.* § 321(1). An assignment may be conditional or revocable by the assignor. *Id.* § 331.

As discussed above, a member of an electric cooperative has a contingent or conditional contract right to the retirement and payment of capital credits. Some electric cooperative acts, and many electric cooperative bylaws, restrict the ability of a member to transfer or assign the member’s membership interest or capital credits. As allowed by an electric cooperative act, if a cooperative’s bylaws are amended to authorize an assignment of capital credits to the cooperative, or to allow the cooperative’s board of directors to authorize these assignments, then a member may assign to the cooperative the member’s contingent or conditional contract right to the retirement and payment of capital credits. The assignment may be revocable or irrevocable, and may be contingent on the cooperative’s inability to locate the member. If, however, the assignment violates the provisions of, or the public policy embodied in, an unclaimed property act, then the assignment may be invalid.

For the same reasons that a provision in an electric cooperative’s articles of incorporation, bylaws, or membership application providing for the conditional assignment, transfer, or gift of unclaimed capital credits is invalid, a separate assignment may be invalid. The following two arguments, however, support the validity of a separate assignment. First, the assignment would be voluntary and would not be a condition of service. Conversely, assignments, transfers, or gifts of unclaimed capital credits in an electric cooperative’s articles of incorporation, bylaws, or membership application could be direct or indirect conditions of service. Second, as a nonprofit membership organization, a cooperative is uniquely qualified to hold unclaimed property for its members. As noted by the United States Department of Agriculture, “As applied to unclaimed patronage distributions, a reasonable argument can be made for retention by the cooperative to benefit the patron group, rather than seizure for the benefit of all citizens of the State.” Agric. Coop. Serv., U.S. Dep’t of Agric., Cooperative Information Report 37 *Keeping Cooperative Membership Rolls Current* 16 (1989).

If an electric cooperative solicits its members to voluntarily and conditionally assign their unclaimed capital credits to the cooperative, then the cooperative must do so in a fair and reasonable manner. As noted by the Supreme Court of New Jersey, “in a situation where a corporation seeks to influence its stockholders to ‘escheat’ their property to it rather than have it pass to the State, the fiduciary status which the corporation occupies with respect to the unclaimed dividends calls for full and fair disclosure of all the relevant facts upon which the stockholders’ decision should be formulated.” *Jefferson Lake, supra* at 333.

In summary, it is unclear whether a voluntary assignment of a member’s unclaimed capital credits conditioned upon an electric cooperative’s failure to locate the member within a specified time or upon the cooperative providing specified notice to the member violates an unclaimed property act or the public policy embodied in an unclaimed property act. Under federal cooperative tax law, it is unclear whether unclaimed capital credits assigned to the cooperative would be a contribution of capital, member income, or nonmember income under IRC § 501(c)(12).

Retirements Upon Request. Some electric cooperatives have proposed a procedure under which, before retiring capital credits, a cooperative notifies its members of its intent to retire capital credits and requires a member to return a document to the cooperative requesting the retirement. The cooperative then retires capital credits for each member returning the document, but does not retire capital credits for members not returning the document. Under this procedure, the cooperative asserts that members not returning the document do not acquire a right to payment of their capital credits and their capital credits do not become unclaimed. As discussed below, and based upon general statutory and case law, this procedure probably violates a state’s unclaimed property act.

1995 and 1981 Acts. As discussed above, the 1995 Act defines “property” as certain tangible property or “a fixed and certain interest in intangible property that is held, issued, or owed in the course of a holder’s business.” 1995 Act, *supra* § 1(13). This definition is not intended as a substantive addition to the 1981 Act. 1995 Act, *supra* § 1 cmt. Property, therefore, is not a check, note, certificate, or other document that evidences a property interest, but the underlying right or obligation. *Id.*, *citing Blue Cross of N. Cal.*, *supra*. Further, “The requirement that the right be ‘fixed and certain’ excludes unliquidated claims from the coverage of the Act, such as disputed tort claims.” *Id.*

An “unliquidated claim” is a “claim in which the liability of the party or the amount of the claim is in dispute.” *Black’s Law Dictionary* 240 (7th ed. 1999). Conversely, a “liquidated claim” is a “claim for an amount previously agreed on by the parties or that can be precisely determined by operation of law or by the terms of the parties’ agreement.” *Id.* Because the amount of allocated, but unretired, capital credits can be precisely determined, a member of an electric cooperative probably has a “fixed and certain” interest in the capital credits. As discussed above, an electric cooperative “owes” capital credits to members only after the cooperative retires the capital credits. The 1995 and 1981 Acts, however, define “property” as being “held, issued, or owed in the course of a holder’s business.” 1995 Act, *supra* § 1(13) & cmt. Because an electric cooperative holds allocated, but unretired, capital credits in the course of its business, these capital credits may be property under the 1995 and 1981 Acts.

Under the 1995 and 1981 Acts, property is payable or distributable notwithstanding the owner’s failure to make demand or present an instrument or document otherwise required to obtain payment. 1995 Act, *supra* § 2(e) and 1981 Act, *supra* § 2(b). This provision was intended to make clear that property is reportable notwithstanding that the owner, who has lost or otherwise forgotten his or her entitlement to property, fails to present to the holder evidence of ownership or to make a demand for payment. 1995 Act, *supra* § 2 cmt. and 1981 Act, *supra* § 2 cmt., *both citing Conn. Mut. Life Ins. Co. v. Moore*, 333 U.S. 541 (1948), discussed below; *Provident Inst. for Sav. v. Malone*, 221 U.S. 660 (1911); *Ins. Co. of N. Am. v. Knight*, 291 N.E.2d 40 (Ill. App. Ct. 1972); and *People ex rel. Callahan v. Marshall Field & Company*, 404 N.E.2d 368 (Ill. App. Ct. 1980), discussed above. In addition, this provision obviates the result reached in *Or. Racing Comm. v. Multonamah Kennel Club*, 411 P.2d 63 (Or. 1966), discussed below. *Id.* Requiring a member of an electric cooperative to return a document requesting retirement of the member’s capital credits is probably a requirement to “make demand or present an instrument or document otherwise required to obtain payment.” For purposes of the 1995 and 1981 Acts, therefore, a member’s capital credits are probably “payable or distributable” notwithstanding the member’s failure to return the requesting document.

As discussed above, the 1995 Act further states, “Property is unclaimed if, for the applicable period set forth in subsection (a), the apparent owner has not communicated in writing or by other means reflected in a contemporaneous record prepared by or on behalf of the holder, with the holder concerning the property or the account in which the property is held, and has not otherwise indicated an interest in the property. A communication with an owner by a person other than the holder or its representative who has not in writing identified the property to the owner is not an indication of interest in the property by the owner.” 1995 Act, *supra* § 2(c). Under this section of the 1995 Act, a member’s capital credits become unclaimed after the member fails to communicate with the cooperative within the specified time.

Connecticut Mutual Life Insurance Company v. Moore. In 1948, the Supreme Court of the United States addressed a section of the Abandoned Property Law of New York providing that money held or owed by a life insurance company under a policy issued on a person who has died and that remains unclaimed for seven years is deemed to be abandoned property. *Conn. Mut. Life Ins. Co. v. Moore*, 333 U.S. 541 (1948). In this case, life insurance companies that issued policies generally stating that the insurer was under no obligation until proof of death or other contingency was submitted, and the policy was surrendered, challenged the statute as being unconstitutional because it transformed a conditional obligation into a liquidated obligation. *Id.* In holding the statute constitutional, the Court noted:

Unless the state is allowed to take possession of sums in the hands of the companies classified by § 700 as abandoned, the insurance companies would retain moneys contracted to be paid on condition and which normally they would have been required to pay. We think that the classification of abandoned property established by the statute describes property that may fairly be said to be abandoned property and subject to the care and custody of the state and ultimately to escheat. The fact that claimants against the companies would under the policies be required to comply with certain policy conditions does not affect our conclusion. The state may more properly be custodian and beneficiary of abandoned property than any person.

Id. at 546. Further, “it would be beyond a reasonable requirement to compel the state to comply with conditions that may be quite proper as between the contracting parties. The state is acting as a conservator, not as a party to a contract.” Id. at 547.

State v. Texas Osage Royalty Pool, Inc. In 1965, under the Texas escheat act, the Court of Civil Appeals of Texas held that undistributed dividends that were payable only upon the surrender of mineral headright certificates in exchange for stock were subject to the act. State v. Tex. Osage Royalty Pool, Inc., 394 S.W.2d 241 (Tex. Civ. App. 1965). In so holding, the court rejected the corporation’s contention “that the State has no right to the undistributed dividends declared on the stock in question because the right to dividends, as distinguished from the right to stock, may validly be made dependent on compliance with the conditions imposed” by a resolution of the board of directors. Id. at 246.

Oregon Racing Commission v. Multonamah Kennel Club. In 1966, under Oregon’s Uniform Disposition of Unclaimed Property Act, the Supreme Court of Oregon held that indebtedness on a winning payable on demand pari-mutuel ticket was “payable or distributable,” and the applicable time period began, when payment was demanded and the ticket was presented. Or. Racing Comm. v. Multonamah Kennel Club, 411 P.2d 63 (Or. 1966). In explaining its holding, the court noted, “Money may be owing, though not payable.” Id. at 68. In concluding, the court stated that “as, presumably, every ticket presented will be paid, no situation now exists or is conceivable, which will make applicable the unclaimed property act to the licensee and the holders of pari-mutuel tickets.” Id. As explained above, the noted sections of the 1995 and 1981 Acts obviated this holding.

State v. Intermountain Farmers Association. In 1987, under Utah’s Uniform Disposition of Unclaimed Property Act, the Supreme Court of Utah held that the specified time for unclaimed patronage credits payable on demand was the time the cooperative would redeem the patronage credits, regardless of whether demand was made for payment. State v. Intermountain Farmers Ass’n, 668 P.2d 503, 506 (Utah 1983), *rev’d on other grounds*, Travelers Express Co., Inc. v. State, 732 P.2d 121 (Utah 1987). As noted by the court, “any interpretation that required demand for or reallocation of credits before commencing the seven-year period would render the Act practically meaningless for a class of payments to which it was specifically applicable.” Id.

In summary, capital credits allocated to a member of an electric cooperative are probably payable for purposes of an unclaimed property act, regardless of the member’s failure to request retirement of the capital credits.

Appendix: Capital Credits Policy Guide

This Electric Cooperative capital credits Policy Guide is a resource to assist an electric cooperative in adopting or revising a capital credits policy. Although this Guide is structured as a sample policy, it is not a “model” policy to be adopted without extensive review, consideration, and revision.

This Guide is based upon federal cooperative tax law and general state cooperative law. It is not based upon the law of any particular state. This Guide is primarily for an electric distribution cooperative that is exempt from federal income taxation, with flexibility for years during which the cooperative intentionally or unintentionally becomes nonexempt, or taxable. ***Before considering, adopting, or revising a capital credits policy, an electric cooperative should consult with its attorney and tax consultant.***

An electric cooperative should use this Guide in conjunction with the “Capital Credits Task Force Report—A Distribution Cooperative’s Guide to Making Capital Credits Decisions,” specifically including the report appendices entitled “Legal Issues Associated with Capital Credits” and “Sample Electric Cooperative Capital Credits Bylaws.”

Because state laws vary, and because electric cooperatives may reach different capital credits philosophical decisions and have different tax considerations, this Guide includes optional, variable, and alternative language. Optional and variable language is *italicized*. Alternative language is *{italicized and bracketed}*. Depending upon its state cooperative law, applicable federal cooperative tax law, capital credits philosophy, and financial condition, an electric cooperative may consider other language, or other combinations of language.

SAMPLE BOARD POLICY

Capital Credits Policy of _____
{*Adopted*}{*Revised*}_____

I. Objective.

The objective of this capital credits Policy (“Policy”) is to state the general policy of _____ (“Cooperative”) for allocating and retiring capital credits.

II. Policy.

The Cooperative shall allocate and retire capital credits in a manner that: (1) is consistent with state and federal law; (2) is consistent with operating on a cooperative basis under federal tax law; (3) is fair and reasonable to the Cooperative’s patrons and former patrons; (4) provides the Cooperative with sufficient equity and capital to operate effectively and efficiently; and (5) protects the Cooperative’s financial condition. Subject to law, the Cooperative’s articles of incorporation, and the Cooperative’s bylaws, the allocation and retirement of capital credits are at the sole discretion of the Cooperative’s Board of Directors (“Board”).

III. Expectations.

- A. Board Approval.** The Cooperative shall allocate and retire capital credits according to the manner, method, timing, and amount approved by the Board.¹

¹ In addition to the information in the Guide, an electric cooperative may further detail the approved manner, method, timing, and amount for allocating and retiring capital credits.

B. Patronage Earning Allocations.² For each good or service³ provided by the Cooperative on a cooperative basis⁴ during a fiscal year, the Cooperative shall equitably allocate to each patron, in proportion to the quantity or value⁵ of the good or service purchased by the patron during the fiscal year,⁶ the Cooperative's patronage earnings⁷ from providing the good or service during the fiscal year. *The Cooperative, however, may retain for necessary purposes, without allocation, patronage earnings to meet the reasonable future needs of providing the good or service, but the Cooperative shall keep records necessary to determine, at any time, the rights and interests of each patron and former patron in the retained patronage earnings.*⁸

C. Patronage Loss Allocations. For each good or service provided by the Cooperative on a cooperative basis, the Cooperative shall *{allocate patronage losses to each patron in proportion to the quantity or value of the good or service purchased by the patron during the fiscal year⁹} {offset patronage losses with the Cooperative's patronage earnings from providing the good or service during the most recent past fiscal year(s) or the next succeeding future fiscal year(s)} {offset patronage losses first with the Cooperative's nonpatronage earnings during the current fiscal year, second with the Cooperative's unallocated nonpatronage earnings during any past fiscal year(s), and third with the Cooperative's nonpatronage earnings during any future fiscal year(s)}.*

D. Nonpatronage Earning Allocations.¹⁰ *{The Cooperative shall equitably allocate to each patron, in proportion to the quantity or value of goods or services purchased by the patron, the Cooperative's nonpatronage earnings.} {As approved by the Board, the Cooperative may use, retain, or equitably allocate the Cooperative's nonpatronage earnings.}*

E. Nonpatronage Loss Allocations. *{The Cooperative shall allocate nonpatronage losses to each patron in proportion to the quantity or value of goods or services purchased by the patron during the fiscal year.} {The Cooperative shall offset nonpatronage losses with the Cooperative's nonpatronage earnings during any fiscal year.}*

F. General capital credits Retirements. The Cooperative shall generally retire capital credits with the goals of: (1) maintaining an equity level between _____ percent (____ %) and _____ percent (____ %) of the Cooperative's total assets; (2) retiring some capital credits every {year} {other year} during the month(s) of _____; (3) retiring capital credits on a {first-in, first-out} {percentage of total allocated capital credits} {last-in, first-out} {first-in, first-out and percentage of total allocated capital credits hybrid} {first-in, first-out and last-in, last-out hybrid} basis; (4) retiring capital credits within _____ (____) years after their allocation; (5) communicating and promoting the cooperative principles; (6) fostering loyalty and support among patrons and former patrons; and (7) maximizing public relations and political goodwill.¹¹

² In general, patronage earnings include all operating income. They also include some nonoperating income. Under federal cooperative tax law, an exempt electric cooperative is obligated to allocate operating margins only, instead of all patronage earnings. Under federal cooperative tax law, other exempt cooperatives, as well as nonexempt cooperatives, are obligated or encouraged to allocate all patronage earnings, instead of operating margins only. To mitigate the adverse tax consequences of an electric cooperative temporarily or permanently losing its exemption, whether intentionally or unintentionally, the cooperative may require the allocation of all patronage earnings, instead of operating margins only. An exempt electric cooperative, however, may choose to require the allocation of operating margins only, instead of all patronage earnings.

³ Depending upon the status of electric industry restructuring and other electric industry developments, an electric cooperative may define a good or service as both selling and distributing electric energy, selling electric energy only, or distributing electric energy only. If an electric cooperative provides diversified goods or services in addition to electric energy, then, under certain circumstances, federal cooperative tax law may permit the cooperative to group these goods or services into allocation units.

⁴ As allowed by state cooperative law and federal cooperative tax law, an electric cooperative may provide some goods and services on a noncooperative basis.

⁵ The "quantity" of electric energy purchased by a patron is usually measured in kilowatt-hours. The "value" of any good or service purchased by a patron is usually measured in dollars. If it wishes, an electric cooperative may specifically state that the allocation of capital credits is based upon quantity, or upon value. In either case, the cooperative may state the appropriate unit of measurement.

⁶ As allowed by state cooperative law, an electric cooperative may revise this and similar clauses to add the following italicized language to read, "in proportion to the quantity or value of the good or service purchased by the patron during the fiscal year *and paid for by the patron within _____ (____) days of the purchase.*"

⁷ Consistent with state cooperative law and federal cooperative tax law, an electric cooperative may further define and explain the calculation of patronage earnings.

⁸ This statement is consistent with Revenue Ruling 72-36, 1972-1 C.B. 151. Consistent with state cooperative law, an electric cooperative may further address reasonable reserves.

⁹ The Rural Utilities Service prohibits distribution borrowers from allocating operating losses.

¹⁰ State cooperative law may require an electric cooperative to allocate nonpatronage earnings. Federal cooperative tax law, however, does not require a cooperative to allocate nonpatronage earnings.

¹¹ Consistent with state cooperative law and federal cooperative tax law, an electric cooperative may state additional information regarding the general retirement of capital credits.

- G. Special capital credits Retirements.** The Cooperative: (1) *{may} {may not}* specially retire capital credits upon the death of an individual patron or former patron; (2) *{may} {may not}* specially retire capital credits upon the dissolution, liquidation, or cessation of existence of an entity patron or former patron; (3) *{may} {may not}* specially retire capital credits upon the reorganization, merger, or consolidation of an entity patron or former patron; (4) *{may} {may not}* specially retire capital credits upon a patron or former patron reaching a certain age;¹² (5) *{may} {may not}* specially retire capital credits upon a patron becoming a former patron; (6) *{may} {may not}* specially retire capital credits upon a patron failing to pay an amount owed to the Cooperative within _____ (____) days of the date payment was due; and (7) *{may} {may not}* specially retire capital credits upon a former patron failing to pay an amount owed to the Cooperative within _____ (____) days of the date payment was due.¹³
- H. Discounted General capital credits Retirements.** *{As approved by the Board, the Cooperative may} {As agreed upon by the Cooperative and a patron or former patron, the Cooperative may} {The Cooperative may not}* generally retire capital credits before the time the Cooperative anticipates normally retiring the capital credits and pay the discounted, net present value of the capital credits.
- I. Discounted Special capital credits Retirements.** For capital credits specially retired before the time the Cooperative anticipated normally retiring the capital credits, *{as approved by the Board, the Cooperative may} {as agreed upon by the Cooperative and a patron or former patron, the Cooperative may} {the Cooperative may not}* pay the discounted, net present value of the capital credits.
- J. Recoupment.** After retiring, and before paying, capital credits allocated to a patron or former patron, the Cooperative *{shall} {may}* recoup, offset, or setoff any amount owed to the Cooperative by the patron or former patron by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed.

IV. Limitations.

- A. Forfeiture of Capital Credits.** The Cooperative shall not enter contracts through which a patron or former patron forfeits the right to the allocation or retirement of capital credits. The Cooperative shall not require any patron or former patron to forfeit the right to the allocation or retirement of capital credits.
- B. Patron Classes.** As reasonable and fair, and as approved by the Board, the Cooperative may allocate or retire capital credits to classes of similarly situated patrons or former patrons under different manners, methods, timing, and amounts, provided the Cooperative allocates and retires capital credits to similarly situated patrons and former patrons under the same manner, method, timing, and amount.¹⁴
- C. Separate Allocations and Retirements.** The Cooperative *{shall} {shall not}* separately identify and allocate to the Cooperative's patrons capital credits and similar amounts allocated to the Cooperative by an entity in which the Cooperative is a member, patron, or owner.¹⁵ The Cooperative may retire these separately identified and allocated capital credits *{before or after} {only after}* the entity retires and pays the amounts to the Cooperative.
- D. Notice of Allocation.**¹⁶ Within eight and one-half (8½) months following a fiscal year, the Cooperative *{shall} {may}* notify each patron in writing of the amount of capital credits allocated to the patron for the preceding fiscal year through a written notice *{stating the dollar amount allocated} {including a formula used by the patron to determine the dollar amount allocated}*.

¹²Special retirements based upon the age of a patron or former patron may violate the Age Discrimination Act of 1975, particularly for electric cooperatives receiving financial assistance from RUS.

¹³If an electric cooperative specially retires capital credits based upon age, becoming a former patron, or a failure to pay an amount owed to the Cooperative, then the cooperative should include additional information guiding these special retirements.

¹⁴Consistent with state cooperative law and federal cooperative tax law, an electric cooperative may state additional information regarding approved capital credit allocations and retirements to patron classes.

¹⁵Examples of these entities include an electric generation and transmission cooperative, a financing cooperative, and an insurance cooperative.

¹⁶Federal cooperative tax law does not require an exempt electric cooperative to notify patrons of annual capital credit allocations. A nonexempt electric cooperative may exclude or deduct from its taxable income capital credits allocated to a patron, but only if the cooperative provides the patron written notice of the stated dollar amount of the allocation within 8½ months after the end of a fiscal year. Accordingly, if an electric cooperative intentionally or unintentionally fails to qualify for exemption, then it must provide or have provided this written notice in order to exclude or deduct allocated capital credits from its taxable income. Providing this written notice through a formula may be insufficient.

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- E. Adverse Financial Impact.** The Cooperative shall not retire any capital credits unless the Board first determines that the retirement will not adversely impact the Cooperative's financial condition.
- F. Request and Agreement for Special Retirement.** The Cooperative may specially retire capital credits upon the death, *dissolution, liquidation, cessation of existence, reorganization, merger, or consolidation* of a patron or former patron only upon receiving a written request from the appropriate legal representative, and only under terms and conditions agreed upon by the Cooperative and the appropriate legal representative.
- G. Discount Rate.** If the Cooperative retires capital credits before the time the Cooperative anticipates normally retiring the capital credits and pays the discounted, net present value of the capital credits, then the Cooperative shall use a discount rate equaling *{the Cooperative's average cost of debt} {the Cooperative's average cost of equity} {the Cooperative's weighted cost of capital} {the Cooperative's theoretical cost of equity} {the average rate paid on a patron or former patron's long-term mortgage} {the rate paid on a 20-year bond for an A-rated utility} {an investor-owned utility's return on equity, after tax} {the rate paid on a 10-year Treasury bond} {the rate paid on a patron or former patron's credit card}*.
- H. Minimum Amount.** The Cooperative shall not retire and pay capital credits in an amount less than _____ dollars (\$ _____), unless the retirement and payment is for all remaining capital credits allocated to a former patron.
- I. Payment and Notice of Retirement.** After the Cooperative retires capital credits allocated to a patron, the Cooperative shall pay the retired amount by *{crediting the amount on the patron's next bill} {sending a check for the amount to the patron's most current address listed on the Cooperative's records}*. After the Cooperative retires capital credits allocated to a former patron, the Cooperative shall *{send notice of the retired amount} {pay the retired amount by sending a check for the amount}* to the former patron's most current address listed on the Cooperative's records.
- J. Unclaimed Capital Credits.** If a patron or former patron fails to claim a retired capital credits amount within _____ (____) days, then the Cooperative shall send a notice regarding the failure to the patron or former patron's most current address listed on the Cooperative's records. If the patron or former patron fails to claim the retired amount within _____ (____) days after the notice, then, for each *{month} {year}* the patron or former patron fails to claim the retired amount, the Cooperative *{shall} {may}* impose a dormancy or service charge equaling *{_____ percent (____ %) of the retired amount} {_____ dollars (\$ _____)}*. If a patron or former patron fails to claim the retired amount within _____ (____) years, then the Cooperative shall provide any notice and take any other action required by law, and may use the amount as permitted by law.¹⁷

V. Responsibility.

- A. Implementation of Policy.** The Cooperative's general manager or chief executive officer ("Manager") is responsible for implementing this Policy and for developing the practices and procedures necessary to allocate and retire capital credits according to this Policy.
- B. Recommendations to Board.** The Cooperative's Manager is responsible for: (1) recommending to the Board the manner, method, timing, and amount for allocating and retiring capital credits; and (2) when in the best interest of the Cooperative and its patrons and former patrons, recommending to the Board revisions to this Policy.

C. Review and Approval by Board. The Board is responsible for: (1) reviewing, discussing, and evaluating the Manager's recommendations regarding the manner, method, timing, and amount for allocating and retiring capital credits; (2) approving the manner, method, timing, and amount for allocating and retiring capital credits; (3) reviewing, discussing, and evaluating this Policy every *{year}* *{other year}*; (4) reviewing, discussing, and evaluating the Manager's recommendations for revising this Policy; and (5) revising this Policy.

D. Compliance with Policy. The Board is responsible for the Cooperative's compliance with this Policy.

The information contained in this report is intended to be a helpful resource, but not a definitive guide, for electric cooperatives when investigating and analyzing legal issues associated with capital credits. Although this information may be helpful, decisions regarding capital credit policies and procedures are within the discretion and judgment of local electric cooperatives. When examining capital credit legal issues, an electric cooperative should consult with its attorney, as well as its tax consultant.



**National Rural Electric
Cooperative Association**

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SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/99/22
REQUEST 3

RESPONSIBLE PERSON: Ken Simmons
COMPANY: South Kentucky RECC

Request 3. Refer to the Application, Exhibit 8, Direct Testimony of Kenneth E. Simmons (Simmons Testimony), page 6, lines 14-22, and page 7, lines 1-4, regarding right-of-way (ROW) expenses.

- a. Provide supporting documentation for the increase in ROW expense of 11.84 percent between 2016 and 2020.
- b. Provide the annual ROW costs and costs per mile line for the past 10 years.
- c. Provide the request for proposal and all responses for the most recent ROW contract.
- d. Provide the current ROW contract.

Response 3.

- a. Please see the response to 3b below.
- b. Please see attached. The attachment is an Excel spreadsheet and is being uploaded separately into the Commission's electronic filing system.
- c. Please see attached. The unredacted attachment is being filed under seal pursuant to a Motion for Confidential Treatment.

d. Please see the current ROW contracts as follows: T&S Growth Solutions, Cumberland Tree Experts both hourly and spraying contracts, Phillips Tree Experts, WA Kendall and BMC Bushhogging.

SOUTH KENTUCKY RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/12 THRU 12/12
SUMMARY - DEPARTMENT BY ITEMID
ACCOUNTS 400.00 THRU 999.99

RUS

PAGE 1
RUN DATE 01/24/22 09:29 AM

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	106,447.65	.00	106,447.65-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	2,865.09	.00	2,865.09-	100.0-
1803	CASH 13	MISCELLANEOUS CASH RECEIVED	.00	.00	.00	.0
1803	CTEL 01	CONTRACTOR - LABOR	.00	.00	.00	.0
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	103,216.50	105,000.00	1,783.50	1.7
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	725,779.91	526,819.56	198,960.35-	37.8-
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	154,579.94	386,375.64	231,795.70	60.0
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	131,180.04	420,806.16	289,626.12	68.8
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	458,298.99	407,575.92	50,723.07-	12.4-
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	425,959.87	469,338.48	43,378.61	9.2
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	270,912.00	296,000.00	25,088.00	8.5
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	2,435.91	.00	2,435.91-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	629.90	.00	629.90-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	293.99	.00	293.99-	100.0-
1803	EMBF 07	SOCIAL SECURITY	19,844.30	.00	19,844.30-	100.0-
1803	EMBF 19	MEDICARE	4,641.16	.00	4,641.16-	100.0-
1803	EMDT 18	INSURANCE	711.09-	.00	711.09	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	1,525.49	4,000.00	2,474.51	61.9
1803	EMEX 07	BOOTS	132.15	.00	132.15-	100.0-
1803	GP391100	COMPUTER & PROCESSING EQUIPMENT	.20	.00	.20-	100.0-
1803	GP392000	TRANSPORTATION EQUIPMENT	8,350.00-	.00	8,350.00	100.0-
1803	LAOT 01	OVERTIME 1 1/2	900.78	7,072.00	6,171.22	87.3
1803	LARG 00	LABOR REGULAR	115,718.34	150,982.00	35,263.66	23.4
1803	LARG 03	VACATION LABOR	4,387.34	.00	4,387.34-	100.0-
1803	LARG 04	HOLIDAY LABOR	1,376.61	.00	1,376.61-	100.0-
1803	LARG 05	LEAVE OF ABSENCE LABOR	387.29	.00	387.29-	100.0-
1803	MSAD 01	OFFICE SUPPLIES AND MISC EXPENSE	69.39	120.00	50.61	42.2
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	1,505.90	3,960.00	2,454.10	62.0
1803	MSED 05	FIRST AID AND SAFETY SUPPLIES	805.59	960.00	154.41	16.1
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	1,820.22	1,500.00	320.22-	21.3-
1803	MSED 08	OPERATING SUPPLIES	4,243.12	3,720.00	523.12-	14.1-
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	40.46	960.00	919.54	95.8
1803	MSED 11	FEES/LICENSES	25.00	.00	25.00-	100.0-
1803	MSED 16	TESTING WORK EQUIP & RUBBER GOOD	505.05	.00	505.05-	100.0-
1803	SJOO 37	EXP COOP PART OF EMPL BENEFITS	142,835.30	86,060.00	56,775.30-	66.0-
1803	SJOO 52	KY SALES & USE TAX EXPENSE	683.91	240.00	443.91-	185.0-
1803	TREX 00	TRANSPORTATION EXPENSE	85,867.66	57,407.00	28,460.66-	49.6-
1803	TREX 13	GASOLINE - BULK - UNLEADED	297.60	.00	297.60-	100.0-
1803	UTIL 03	TELEPHONE - VERIZON	.00	.00	.00	.0
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	2,719.20	1,800.00	919.20-	51.1-
TOTAL			2,763,870.76	2,930,696.76	166,826.00	5.7
TOTAL FOR DIVISION 1			2,763,870.76	2,930,696.76	166,826.00	5.7

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	107,172.21	.00	107,172.21-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	5,042.97	.00	5,042.97-	100.0-
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	59,838.75	105,000.00	45,161.25	43.0
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	810,360.72	537,360.00	273,000.72-	50.8-
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	131,156.72	394,200.00	263,043.28	66.7
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	220,719.06	429,240.00	208,520.94	48.6
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	356,830.79	415,800.00	58,969.21	14.2
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	757,616.98	478,800.00	278,816.98-	58.2-
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	288,350.36	296,000.00	7,649.64	2.6
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	2,202.98	.00	2,202.98-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	632.95	.00	632.95-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	294.01	.00	294.01-	100.0-
1803	EMBF 07	SOCIAL SECURITY	20,612.73	.00	20,612.73-	100.0-
1803	EMBF 19	MEDICARE	4,820.71	.00	4,820.71-	100.0-
1803	EMDT 18	INSURANCE	946.65-	.00	946.65	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	1,428.00	4,000.00	2,572.00	64.3
1803	EMEX 07	BOOTS	.00	.00	.00	.0
1803	GP392000	TRANSPORTATION EQUIPMENT	7,000.00-	.00	7,000.00	100.0-
1803	LAOT 01	OVERTIME 1 1/2	749.06	7,000.00	6,250.94	89.3
1803	LARG 00	LABOR REGULAR	130,901.45	159,502.00	28,600.55	17.9
1803	LARG 03	VACATION LABOR	4,396.61	.00	4,396.61-	100.0-
1803	LARG 04	HOLIDAY LABOR	1,542.81	.00	1,542.81-	100.0-
1803	LARG 05	LEAVE OF ABSENCE LABOR	145.26	.00	145.26-	100.0-
1803	LTAX 04	RUSSELL COUNTY PAYROLL TAX	2.32-	.00	2.32	100.0-
1803	MSAD 01	OFFICE SUPPLIES AND MISC EXPENSE	89.61	120.00	30.39	25.3
1803	MSAD 15	FEES/SERVICE CHARGES/LICENSE	1.00	.00	1.00-	100.0-
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	3,155.46	3,960.00	804.54	20.3
1803	MSED 05	FIRST AID AND SAFETY SUPPLIES	201.67	960.00	758.33	79.0
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	3,183.82	1,500.00	1,683.82-	112.3-
1803	MSED 08	OPERATING SUPPLIES	5,729.18	3,900.00	1,829.18-	46.9-
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	70.41	960.00	889.59	92.7
1803	MSED 11	FEES/LICENSES	.00	120.00	120.00	100.0-
1803	MSED 16	TESTING WORK EQUIP & RUBBER GOOD	53.53	900.00	846.47	94.1
1803	SJOO 37	EXP COOP PART OF EMPL BENEFITS	155,169.00	109,496.00	45,673.00-	41.7-
1803	SJOO 52	KY SALES & USE TAX EXPENSE	256.44	900.00	643.56	71.5
1803	TREX 00	TRANSPORTATION EXPENSE	89,095.97	59,686.00	29,409.97-	49.3-
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	2,841.48	2,400.00	441.48-	18.4-
TOTAL			3,156,713.73	3,011,804.00	144,909.73-	4.8-
TOTAL FOR DIVISION 1			3,156,713.73	3,011,804.00	144,909.73-	4.8-

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	102,043.80	.00	102,043.80-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	1,188.45	.00	1,188.45-	100.0-
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	3,826.49	110,250.00	106,423.51	96.5
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	456,492.83	571,888.80	115,395.97	20.2
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	236,091.12	424,434.00	188,342.84	44.4
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	211,939.28	460,524.00	248,584.72	54.0
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	490,032.39	446,682.00	43,350.39-	9.7-
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	953,478.44	519,576.00	433,902.44-	83.5-
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	438,123.46	304,880.00	133,243.46-	43.7-
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	1,982.11	.00	1,982.11-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	671.98	.00	671.98-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	294.00	.00	294.00-	100.0-
1803	EMBF 07	SOCIAL SECURITY	22,613.00	.00	22,613.00-	100.0-
1803	EMBF 19	MEDICARE	5,288.70	.00	5,288.70-	100.0-
1803	EMDT 18	INSURANCE	1,101.22-	.00	1,101.22	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	2,088.06	1,800.00	288.06-	16.0-
1803	LAOT 01	OVERTIME 1 1/2	4,247.01	.00	4,247.01-	100.0-
1803	LARG 00	LABOR REGULAR	147,887.45	265,151.55	117,264.10	44.2
1803	LARG 03	VACATION LABOR	6,068.72	.00	6,068.72-	100.0-
1803	LARG 04	HOLIDAY LABOR	1,720.71	.00	1,720.71-	100.0-
1803	LARG 05	LEAVE OF ABSENCE LABOR	155.85	.00	155.85-	100.0-
1803	LARG 99	GROUP TERM LIFE INS (W-2 REPORT)	1,101.22	.00	1,101.22-	100.0-
1803	MSAD 01	OFFICE SUPPLIES AND MISC EXPENSE	85.23	.00	85.23-	100.0-
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	3,229.46	3,600.00	370.54	10.3
1803	MSED 02	TROUBLE - MEALS, ETC	45.33	.00	45.33-	100.0-
1803	MSED 05	FIRST AID AND SAFETY SUPPLIES	998.65	600.00	398.65-	66.4-
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	2,607.93	2,400.00	207.93-	8.7-
1803	MSED 08	OPERATING SUPPLIES	3,148.31	3,600.00	451.69	12.5
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	.00	960.00	960.00	100.0-
1803	MSED 11	FEES/LICENSES	.00	120.00	120.00	100.0-
1803	MSED 16	TESTING WORK EQUIP & RUBBER GOOD	.00	480.00	480.00	100.0-
1803	SJOO 37	EXP COOP PART OF EMPL BENEFITS	160,069.58	158,048.22	2,021.36-	1.3-
1803	SJOO 52	KY SALES & USE TAX EXPENSE	55.43	600.00	544.57	90.8
1803	TREX 00	TRANSPORTATION EXPENSE	89,074.55	103,455.81	14,381.26	13.9
1803	UTIL 03	TELEPHONE - VERIZON	.00	.00	.00	.0
1803	UTIL 09	ELECTRIC SERVICE - KU	.00	.00	.00	.0
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	2,752.75	2,820.00	67.25	2.4
TOTAL			3,348,301.11	3,381,870.38	33,569.27	1.0
TOTAL FOR DIVISION 1			3,348,301.11	3,381,870.38	33,569.27	1.0

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	110,912.86	.00	110,912.86-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	2,364.80	.00	2,364.80-	100.0-
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	19,112.50	108,884.96	89,772.46	82.4
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	151,414.72	576,000.00	424,585.28	73.7
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	676,347.85	432,000.24	244,347.61-	56.6-
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	558,814.65	450,000.00	108,814.65-	24.2-
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	284,652.32	450,000.00	165,347.68	36.7
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	900,244.24	528,000.00	372,244.24-	70.5-
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	248,731.71	310,000.10	61,268.39	19.8
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	1,789.11	.00	1,789.11-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	693.00	.00	693.00-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	294.03	.00	294.03-	100.0-
1803	EMBF 07	SOCIAL SECURITY	25,397.15	.00	25,397.15-	100.0-
1803	EMBF 19	MEDICARE	5,939.63	.00	5,939.63-	100.0-
1803	EMDT 18	INSURANCE	1,437.06-	.00	1,437.06	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	1,145.31	2,400.00	1,254.69	52.3
1803	GP392000	TRANSPORTATION EQUIPMENT	7,019.44-	.00	7,019.44	100.0-
1803	LAOT 01	OVERTIME 1 1/2	4,310.90	10,000.00	5,689.10	56.9
1803	LARG 00	LABOR REGULAR	165,467.49	275,502.19	110,034.70	39.9
1803	LARG 03	VACATION LABOR	7,808.55	.00	7,808.55-	100.0-
1803	LARG 04	HOLIDAY LABOR	3,428.65	.00	3,428.65-	100.0-
1803	MSAD 01	OFFICE SUPPLIES AND MISC EXPENSE	92.19	.00	92.19-	100.0-
1803	MSAD 07	FORMS/PRINTING	47.70	.00	47.70-	100.0-
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	4,549.73	3,600.00	949.73-	26.4-
1803	MSED 05	FIRST AID AND SAFETY SUPPLIES	36.94	360.00	323.06	89.7
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	3,670.49	2,400.00	1,270.49-	52.9-
1803	MSED 08	OPERATING SUPPLIES	2,731.02	3,600.00	868.98	24.1
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	300.00	960.00	660.00	68.8
1803	MSED 13	OVERHEAD LINE MAINTENANCE	1,985.00	.00	1,985.00-	100.0-
1803	MSET 05	TRANSFORMER&OCR TESTING & MAINT	.00	.00	.00	.0
1803	SJOO 37	EXP COOP PART OF EMPL BENEFITS	198,335.60	188,117.78	10,217.82-	5.4-
1803	SJOO 52	KY SALES & USE TAX EXPENSE	35.73	.00	35.73-	100.0-
1803	TREX 00	TRANSPORTATION EXPENSE	76,687.86	94,844.01	18,156.15	19.1
1803	TREX 09	DIESEL - BULK	96.18	.00	96.18-	100.0-
1803	TREX 13	GASOLINE - BULK - UNLEADED	78.34	.00	78.34-	100.0-
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	2,525.41	2,880.00	354.59	12.3
TOTAL			3,451,585.16	3,439,549.28	12,035.88-	.3-
TOTAL FOR DIVISION 1			3,451,585.16	3,439,549.28	12,035.88-	.3-

SOUTH KENTUCKY RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/16 THRU 12/16
SUMMARY - DEPARTMENT BY ITEMID
ACCOUNTS 400.00 THRU 999.99

RUS

PAGE
RUN DATE 12/02/21

03:38 PM

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	129,821.55	.00	129,821.55-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	9,541.57	.00	9,541.57-	100.0-
1803	AREC 00	OTHER ACCOUNTS RECEIVABLE	50.00-	.00	50.00-	100.0-
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	51,533.00	135,905.30	84,372.30	62.1
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	168,525.87	593,280.00	424,754.13	71.6
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	344,639.69	444,960.24	100,320.55	22.5
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	693,748.59	463,500.00	230,248.59-	49.7-
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	319,757.29	463,500.00	143,742.71	31.0
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	1,021,359.88	543,840.00	477,519.88-	87.8-
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	225,130.61	319,310.40	94,179.79	29.5
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	1,787.53	.00	1,787.53-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	714.00	.00	714.00-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	293.98	.00	293.98-	100.0-
1803	EMBF 07	SOCIAL SECURITY	26,957.16	.00	26,957.16-	100.0-
1803	EMBF 19	MEDICARE	6,304.54	.00	6,304.54-	100.0-
1803	EMDT 18	INSURANCE	1,919.82-	.00	1,919.82	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	1,444.54	2,400.00	955.46	39.8
1803	LAOT 01	OVERTIME 1 1/2	7,391.64	5,051.00	2,340.64-	46.3-
1803	LARG 00	LABOR REGULAR	168,581.79	311,144.44	142,562.65	45.8
1803	LARG 03	VACATION LABOR	7,212.26	.00	7,212.26-	100.0-
1803	LARG 04	HOLIDAY LABOR	2,553.24	.00	2,553.24-	100.0-
1803	LARG 05	LEAVE OF ABSENCE LABOR	365.70	.00	365.70-	100.0-
1803	LARG 10	PERFORMANCE BONUS	450.00	.00	450.00-	100.0-
1803	LARG 11	BONUS	1,200.00	.00	1,200.00-	100.0-
1803	MPRL 07	PUBLIC RELATIONS EXPENSE	150.32	.00	150.32-	100.0-
1803	MSAD 07	FORMS/PRINTING	132.50	.00	132.50-	100.0-
1803	MSAD 13	POSTAGE	7.57	.00	7.57-	100.0-
1803	MSAD 15	FEES/SERVICE CHARGES/LICENSE	1.23	.00	1.23-	100.0-
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	4,136.23	3,600.00	536.23-	14.9-
1803	MSED 02	TROUBLE - MEALS, ETC	81.16	.00	81.16-	100.0-
1803	MSED 05	FIRST AID AND SAFETY SUPPLIES	.00	360.00	360.00	100.0-
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	2,618.57	2,400.00	218.57-	9.1-
1803	MSED 08	OPERATING SUPPLIES	2,636.52	3,600.00	963.48	26.8
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	8.85	.00	8.85-	100.0-
1803	SJCO 37	EXP COOP PART OF EMPL BENEFITS	222,139.93	214,354.67	7,785.26-	3.6-
1803	TREX 00	TRANSPORTATION EXPENSE	74,978.26	78,085.64	3,107.38	4.0
1803	TREX 09	DIESEL - BULK	240.64	.00	240.64-	100.0-
1803	TREX 13	GASOLINE - BULK - UNLEADED	123.40	.00	123.40-	100.0-
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	2,485.32	2,880.00	394.68	13.7

Ken Simmons

TOTAL	3,497,085.11	3,588,171.69	91,086.58	2.5
TOTAL FOR DIVISION 1	3,497,085.11	3,588,171.69	91,086.58	2.5

*Cost per mile
ranging from
4068.77*

*3053.67 -
3356.45
9948.70*

*516.20 } 2016 = 6,774.67
per mile*

*3595 899.84 } 2020
474.40 } 7,576.69
per mile*

11.84%

SOUTH KENTUCKY RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/17 THRU 12/17
SUMMARY - DEPARTMENT BY ITEMID
ACCOUNTS 400.00 THRU 999.99

RUS

PAGE 1
RUN DATE 01/24/22
Witness: Ken Simmons
09:24 AM

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	122,606.84	.00	122,606.84-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	5,284.66	.00	5,284.66-	100.0-
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	.00	140,662.00	140,662.00	100.0-
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	236,738.26	602,044.80	365,306.54	60.7
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	515,884.50	460,533.84	55,350.66-	12.0-
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	631,368.50	479,722.56	151,645.94-	31.6-
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	264,706.03	404,722.56	140,016.53	34.6
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	807,341.83	562,874.40	244,467.43-	43.4-
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	247,471.48	390,486.25	143,014.77	36.6
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	2,161.27	.00	2,161.27-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	515.38	.00	515.38-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	293.99	.00	293.99-	100.0-
1803	EMBF 07	SOCIAL SECURITY	27,981.82	.00	27,981.82-	100.0-
1803	EMBF 19	MEDICARE	6,544.25	.00	6,544.25-	100.0-
1803	EMBF 98	GIFT CARDS, ETC	75.00	.00	75.00-	100.0-
1803	EMDT 18	INSURANCE	2,207.76-	.00	2,207.76-	100.0-
1803	EMDT 31	GIFT	75.00-	.00	75.00-	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	2,697.26	2,400.00	297.26-	12.4-
1803	GP391100	COMPUTER & PROCESSING EQUIPMENT	447.77	.00	447.77-	100.0-
1803	GP396000	POWER OPERATED EQUIPMENT	654.66	.00	654.66-	100.0-
1803	LAOT 01	OVERTIME 1 1/2	6,060.34	9,000.00	2,939.66	32.7
1803	LARG 00	LABOR REGULAR	173,700.73	334,123.01	160,422.28	48.0
1803	LARG 03	VACATION LABOR	7,559.04	.00	7,559.04-	100.0-
1803	LARG 04	HOLIDAY LABOR	2,055.45	.00	2,055.45-	100.0-
1803	LARG 05	LEAVE OF ABSENCE LABOR	615.41	.00	615.41-	100.0-
1803	LARG 10	PERFORMANCE BONUS	300.00	.00	300.00-	100.0-
1803	LARG 99	GROUP TERM LIFE INS (W-2 REPORT)	2,207.76	.00	2,207.76-	100.0-
1803	MPRL 04	DONATIONS	9.50	.00	9.50-	100.0-
1803	MPRL 07	PUBLIC RELATIONS EXPENSE	194.41	.00	194.41-	100.0-
1803	MSAD 01	OFFICE SUPPLIES AND MISC EXPENSE	220.37	.00	220.37-	100.0-
1803	MSAD 15	FEES/SERVICE CHARGES/LICENSE	5.83	.00	5.83-	100.0-
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	1,848.98	3,600.00	1,751.02	48.6
1803	MSED 05	FIRST AID AND SAFETY SUPPLIES	90.34	240.00	149.66	62.4
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	2,331.51	2,400.00	68.49	2.9
1803	MSED 08	OPERATING SUPPLIES	3,194.85	3,600.00	405.15	11.3
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	440.64	.00	440.64-	100.0-
1803	MSGP 05	BUILDING MAINTENANCE	118.25	.00	118.25-	100.0-
1803	SJOO 37	EXP COOP PART OF EMPL BENEFITS	206,081.95	220,953.41	14,871.46	6.7
1803	SJOO 52	KY SALES & USE TAX EXPENSE	28.94	.00	28.94-	100.0-
1803	TREX 00	TRANSPORTATION EXPENSE	63,607.84	80,485.15	16,877.31	21.0
1803	TREX 09	DIESEL - BULK	92.67	.00	92.67-	100.0-
1803	TREX 13	GASOLINE - BULK - UNLEADED	160.39	.00	160.39-	100.0-
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	2,389.62	2,700.00	310.38	11.5
TOTAL			3,343,805.56	3,700,547.98	356,742.42	9.6
TOTAL FOR DIVISION 1			3,343,805.56	3,700,547.98	356,742.42	9.6

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	116,438.01	.00	116,438.01-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	2,867.11	.00	2,867.11-	100.0-
1803	CASH 13	MISCELLANEOUS CASH RECEIVED	9.24-	.00	9.24	100.0-
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	.00	144,881.85	144,881.85	100.0-
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	123,046.11	598,638.12	475,592.01	79.4
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	340,027.27	452,881.80	112,854.53	24.9
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	297,082.69	472,646.28	175,563.59	37.1
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	270,116.42	395,396.28	125,279.86	31.7
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	1,269,293.93	558,292.68	711,001.25-	127.4-
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	320,779.24	402,200.80	81,421.56	20.2
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	2,628.16	.00	2,628.16-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	345.56	.00	345.56-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	336.01	.00	336.01-	100.0-
1803	EMBF 07	SOCIAL SECURITY	27,536.87	.00	27,536.87-	100.0-
1803	EMBF 19	MEDICARE	6,440.04	.00	6,440.04-	100.0-
1803	EMBF 98	GIFT CARDS, ETC	369.94	.00	369.94-	100.0-
1803	EMDT 18	INSURANCE	2,250.21-	.00	2,250.21	100.0-
1803	EMDT 31	GIFT	369.94-	.00	369.94	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	1,998.24	2,400.00	401.76	16.7
1803	GP392000	TRANSPORTATION EQUIPMENT	7,750.00-	.00	7,750.00	100.0-
1803	LAOT 01	OVERTIME 1 1/2	2,966.89	14,400.00	11,433.11	79.4
1803	LARG 00	LABOR REGULAR	166,824.82	331,460.37	164,635.55	49.7
1803	LARG 03	VACATION LABOR	7,258.88	.00	7,258.88-	100.0-
1803	LARG 04	HOLIDAY LABOR	3,225.21	.00	3,225.21-	100.0-
1803	LARG 05	LEAVE OF ABSENCE LABOR	452.19	.00	452.19-	100.0-
1803	LARG 10	PERFORMANCE BONUS	225.00	.00	225.00-	100.0-
1803	LARG 99	GROUP TERM LIFE INS (W-2 REPORT)	2,250.21	.00	2,250.21-	100.0-
1803	MPRL 04	DONATIONS	75.48	.00	75.48-	100.0-
1803	MSAD 01	OFFICE SUPPLIES AND MISC EXPENSE	452.68	.00	452.68-	100.0-
1803	MSAD 07	FORMS/PRINTING	68.90	.00	68.90-	100.0-
1803	MSAD 15	FEES/SERVICE CHARGES/LICENSE	2.56	.00	2.56-	100.0-
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	3,333.90	3,600.00	266.10	7.4
1803	MSED 02	TROUBLE - MEALS, ETC	108.50	.00	108.50-	100.0-
1803	MSED 05	FIRST AID AND SAFETY SUPPLIES	.00	240.00	240.00	100.0-
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	3,386.76	2,400.00	986.76-	41.1-
1803	MSED 08	OPERATING SUPPLIES	1,970.03	3,600.00	1,629.97	45.3
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	192.29	1,000.00	807.71	80.8
1803	SJOO 37	EXP COOP PART OF EMPL BENEFITS	203,907.42	221,993.73	18,086.31	8.1
1803	TREX 00	TRANSPORTATION EXPENSE	68,481.85	72,066.87	3,585.02	5.0
1803	TREX 09	DIESEL - BULK	62.54	.00	62.54-	100.0-
1803	TREX 13	GASOLINE - BULK - UNLEADED	122.67	.00	122.67-	100.0-
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	2,313.19	2,700.00	386.81	14.3
TOTAL			3,236,608.18	3,680,798.78	444,190.60	12.1
TOTAL FOR DIVISION 1			3,236,608.18	3,680,798.78	444,190.60	12.1

SOUTH KENTUCKY RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/19 THRU 12/19
SUMMARY - DEPARTMENT BY ITEMID
ACCOUNTS 400.00 THRU 999.99

RUS

PAGE 10
RUN DATE 01/24/22
Witness: Ken Simmons
09:25 AM

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	126,515.60	.00	126,515.60-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	12,679.07	.00	12,679.07-	100.0-
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	198,959.43	149,227.65	49,731.78-	33.3-
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	557,321.83	600,097.20	42,775.37	7.1
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	145,549.68	449,966.88	304,417.20	67.7
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	311,808.41	470,325.72	158,517.31	33.7
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	362,757.20	390,758.16	28,000.96	7.2
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	1,227,111.34	558,541.44	668,569.90-	119.7-
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	317,312.43	414,266.80	96,954.37	23.4
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	2,248.11	.00	2,248.11-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	299.69	.00	299.69-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	378.00	.00	378.00-	100.0-
1803	EMBF 07	SOCIAL SECURITY	27,276.12	.00	27,276.12-	100.0-
1803	EMBF 19	MEDICARE	6,379.18	.00	6,379.18-	100.0-
1803	EMDT 18	INSURANCE	1,908.98-	.00	1,908.98	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	3,432.61	2,544.00	888.61-	34.9-
1803	LAOT 01	OVERTIME 1 1/2	7,172.83	12,000.00	4,827.17	40.2
1803	LARG 00	LABOR REGULAR	154,001.91	294,408.22	140,406.31	47.7
1803	LARG 03	VACATION LABOR	6,207.12	.00	6,207.12-	100.0-
1803	LARG 04	HOLIDAY LABOR	1,810.41	.00	1,810.41-	100.0-
1803	LARG 10	PERFORMANCE BONUS	150.00	.00	150.00-	100.0-
1803	LARG 99	GROUP TERM LIFE INS (W-2 REPORT)	1,908.98	.00	1,908.98-	100.0-
1803	MPRL 36	FOOD PREPARATION & RELATED EXP	28.91	.00	28.91-	100.0-
1803	MSAD 01	OFFICE SUPPLIES AND MISC EXPENSE	85.83	600.00	514.17	85.7
1803	MSAD 07	FORMS/PRINTING	.00	120.00	120.00	100.0-
1803	MSAD 15	FEES/SERVICE CHARGES/LICENSE	2.56	.00	2.56-	100.0-
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	1,845.71	1,200.00	645.71-	53.8-
1803	MSED 02	TROUBLE - MEALS, ETC	116.50	.00	116.50-	100.0-
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	579.83	900.00	320.17	35.6
1803	MSED 08	OPERATING SUPPLIES	3,851.78	1,500.00	2,351.78-	156.8-
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	224.37	600.00	375.63	62.6
1803	MSED 11	FEES/LICENSES	125.00	.00	125.00-	100.0-
1803	SJOO 37	EXP COOP PART OF EMPL BENEFITS	193,005.87	188,885.24	4,120.63-	2.2-
1803	TREX 00	TRANSPORTATION EXPENSE	74,871.21	61,161.15	13,710.06-	22.4-
1803	TREX 09	DIESEL - BULK	34.19	.00	34.19-	100.0-
1803	TREX 13	GASOLINE - BULK - UNLEADED	148.68	.00	148.68-	100.0-
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	3,487.80	2,400.00	1,087.80-	45.3-
TOTAL			3,747,779.21	3,599,502.46	148,276.75-	4.1-
TOTAL FOR DIVISION 1			3,747,779.21	3,599,502.46	148,276.75-	4.1-

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	131,218.77	.00	131,218.77-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	515.73	.00	515.73-	100.0-
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	196,600.18	155,196.75	41,403.43-	26.7-
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	619,929.31	624,101.04	4,171.73	.7
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	171,897.06	467,965.56	296,068.50	63.3
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	326,429.65	489,138.72	162,709.07	33.3
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	219,311.92	406,388.52	187,076.60	46.0
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	1,137,356.31	580,883.04	556,473.27-	95.8-
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	309,233.13	430,837.43	121,604.30	28.2
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	2,556.45	.00	2,556.45-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	226.78	.00	226.78-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	294.01	.00	294.01-	100.0-
1803	EMBF 07	SOCIAL SECURITY	27,009.58	.00	27,009.58-	100.0-
1803	EMBF 19	MEDICARE	6,316.67	.00	6,316.67-	100.0-
1803	EMBF 98	GIFT CARDS, ETC	80.00	.00	80.00-	100.0-
1803	EMDT 18	INSURANCE	3,587.01-	.00	3,587.01	100.0-
1803	EMDT 31	GIFT	80.00-	.00	80.00	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	1,352.94	3,744.00	2,391.06	63.9
1803	EMEX 14	EMPLOYEE MISC EXPENSE	74.18	.00	74.18-	100.0-
1803	LAOT 01	OVERTIME 1 1/2	10,350.52	16,800.00	6,449.48	38.4
1803	LARG 00	LABOR REGULAR	141,444.33	318,604.46	177,160.13	55.6
1803	LARG 03	VACATION LABOR	10,033.85	.00	10,033.85-	100.0-
1803	LARG 04	HOLIDAY LABOR	2,035.71	.00	2,035.71-	100.0-
1803	LARG 05	LEAVE OF ABSENCE LABOR	4,107.23	.00	4,107.23-	100.0-
1803	LARG 17	COVID-19 REGULAR LABOR	3,332.31	.00	3,332.31-	100.0-
1803	LARG 99	GROUP TERM LIFE INS (W-2 REPORT)	3,587.01	.00	3,587.01-	100.0-
1803	MPRL 36	FOOD PREPARATION & RELATED EXP	.00	500.00	500.00	100.0-
1803	MSAD 01	OFFICE SUPPLIES AND MISC EXPENSE	14.38	600.00	585.62	97.6
1803	MSAD 15	FEES/SERVICE CHARGES/LICENSE	.35	.00	.35-	100.0-
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	480.46	2,400.00	1,919.54	80.0
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	2,025.56	900.00	1,125.56-	125.1-
1803	MSED 08	OPERATING SUPPLIES	1,144.24	1,500.00	355.76	23.7
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	693.01	1,200.00	506.99	42.2
1803	SJOO 37	EXP COOP PART OF EMPL BENEFITS	200,402.16	214,985.69	14,583.53	6.8
1803	TREX 00	TRANSPORTATION EXPENSE	65,600.23	77,786.14	12,185.91	15.7
1803	TREX 09	DIESEL - BULK	7.26	.00	7.26-	100.0-
1803	TREX 13	GASOLINE - BULK - UNLEADED	94.75	.00	94.75-	100.0-
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	3,810.82	2,400.00	1,410.82-	58.8-
TOTAL			3,595,899.84	3,795,931.35	200,031.51	5.3
TOTAL FOR DIVISION 1			3,595,899.84	3,795,931.35	200,031.51	5.3

SOUTH KENTUCKY RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/21 THRU 12/21
SUMMARY - DEPARTMENT BY ITEMID
ACCOUNTS 400.00 THRU 999.99

RUS

PAGE 10:28 AM
RUN DATE 01/25/22
Witness: Ken Simmons

DPT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1803	ACLB 00	ACCRUED LABOR - MONTH END	110,570.60	.00	110,570.60-	100.0-
1803	ACLB 02	ACCRUED LABOR (OT) - MONTH END	11,539.43	.00	11,539.43-	100.0-
1803	AREC 00	OTHER ACCOUNTS RECEIVABLE	171,617.56-	.00	171,617.56	100.0-
1803	CTEL 06	CONTRACTOR - BUSHHOGGING	.00	180,900.00	180,900.00	100.0-
1803	CTEL 07	CONTRACTOR-R/W CLEARING-WAYNE	639,765.69	662,400.00	22,634.31	3.4
1803	CTEL 08	CONTRACTOR-R/W CLEARING-MCCREARY	216,011.32	470,400.00	254,388.68	54.1
1803	CTEL 09	CONTRACTOR-R/W CLEARING-RUSSELL	434,619.08	492,000.00	57,380.92	11.7
1803	CTEL 10	CONTRACTOR-R/W CLEARING-CLINTON	377,738.58	411,000.00	33,261.42	8.1
1803	CTEL 11	CONTRACTOR-R/W CLEARING-PULASKI	1,450,799.14	577,200.00	873,599.14-	151.4-
1803	CTEL 18	CONTRACTOR - R/W SPRAYING	198,364.88	466,000.00	267,635.12	57.4
1803	DEPR 02	DEPRECIATION - GENERAL PLANT	2,664.72	.00	2,664.72-	100.0-
1803	EMBF 04	KENTUCKY UNEMPLOYMENT	265.41	.00	265.41-	100.0-
1803	EMBF 05	U S UNEMPLOYMENT	335.98	.00	335.98-	100.0-
1803	EMBF 07	SOCIAL SECURITY	29,093.00	.00	29,093.00-	100.0-
1803	EMBF 19	MEDICARE	6,804.08	.00	6,804.08-	100.0-
1803	EMBF 98	GIFT CARDS, ETC	70.00	.00	70.00-	100.0-
1803	EMDT 18	INSURANCE	3,095.08-	.00	3,095.08	100.0-
1803	EMDT 31	GIFT	70.00-	.00	70.00	100.0-
1803	EMEX 04	EDUCATIONAL/TRAINING EXPENSE	.00	2,250.00	2,250.00	100.0-
1803	GP397000	COMMUNICATION EQUIPMENT	88.12	.00	88.12-	100.0-
1803	LAOT 01	OVERTIME 1 1/2	7,724.83	17,500.00	9,775.17	55.9
1803	LARG 00	LABOR REGULAR	129,932.45	321,606.58	191,674.13	59.6
1803	LARG 03	VACATION LABOR	9,076.45	.00	9,076.45-	100.0-
1803	LARG 04	HOLIDAY LABOR	2,356.84	.00	2,356.84-	100.0-
1803	LARG 05	LEAVE OF ABSENCE LABOR	5,809.02	.00	5,809.02-	100.0-
1803	LARG 17	COVID-19 REGULAR LABOR	3,368.72	.00	3,368.72-	100.0-
1803	LARG 99	GROUP TERM LIFE INS (W-2 REPORT)	3,030.88	.00	3,030.88-	100.0-
1803	MSAD 01	OFFICE SUPPLIES AND MISC EXPENSE	.00	120.00	120.00	100.0-
1803	MSAD 07	FORMS/PRINTING	117.64	.00	117.64-	100.0-
1803	MSAD 13	POSTAGE	46.79	.00	46.79-	100.0-
1803	MSED 01	SMALL TOOLS/WORK EQUIPMENT	1,270.39	2,400.00	1,129.61	47.1
1803	MSED 05	FIRST AID AND SAFETY SUPPLIES	114.36	.00	114.36-	100.0-
1803	MSED 07	MAINTENANCE - TOOLS/WORK EQUIP	1,471.69	1,200.00	271.69-	22.6-
1803	MSED 08	OPERATING SUPPLIES	2,811.59	1,500.00	1,311.59-	87.4-
1803	MSED 10	PROPERTY DAMAGE, INJURIES, LOSS	.00	1,200.00	1,200.00	100.0-
1803	SJOO 37	EXP COOP PART OF EMPL BENEFITS	160,436.50	206,484.75	46,048.25	22.3
1803	TREX 00	TRANSPORTATION EXPENSE	71,894.59	66,855.84	5,038.75-	7.5-
1803	TREX 13	GASOLINE - BULK - UNLEADED	136.47	.00	136.47-	100.0-
1803	UTIL 14	TELEPHONE-CELL PHONE/ACCESSORIES	3,618.97	2,400.00	1,218.97-	50.8-
TOTAL			3,707,165.57	3,883,417.17	176,251.60	4.5
TOTAL FOR DIVISION 1			3,707,165.57	3,883,417.17	176,251.60	4.5



850 Center Way
Norcross, GA 30071

(770) 453-1410
pdengineers.com

Exhibit H ~ Invitation and Additional Bidding Instructions:

South Kentucky RECC: Right of Way Bidding for 2022 and 2023 work

You are invited to submit bids for upcoming distribution Right-of-Way (ROW) contracts per the attached for South Kentucky RECC (SKRECC). Bids must be submitted to Patterson & Dewar Engineers no later than **3:00 PM (Eastern), August 31, 2021.**

An informational meeting is being held on **July 30, 2021,** via Zoom **starting at 10:00 AM Eastern time.** Contractor participation at this meeting is **mandatory and failure to participate will disqualify the bidder. Bids must not be submitted until after this meeting. Please do not submit bids before this meeting.**

SKRECC reserves the right to reject any or all bids.

Please submit your proposal to Patterson & Dewar **via e-mail** by sending to the following e-mail address. **Please note that e-mail is the only means by which proposals are being accepted:**

sconover@pdengineers.com

All questions regarding the specifics of the attached should be addressed to the Consultant, Patterson & Dewar.

Consultant: Steve Conover
Patterson & Dewar Engineers, Inc.
75 Holt Rd
Jamestown, KY 42629

Telephone (606) 872-3501
sconover@pdengineers.com

GENERAL BID INSTRUCTIONS & BACKGROUND

The following must be returned to P&D via e-mail per the instructions given above:

- **Exhibit I (Microsoft Excel® Workbook ~ (SKRECC Bid Sheet for 2022 and 2023 Work) ~ Enter your bid values into the yellow highlighted areas within the Workbook. Please note that there are two**

Worksheets within the Workbook that the contractor should complete. The different Worksheets can be accessed by clicking the **different tabs at the bottom of the Workbook.** Remember to save the Workbook after you enter your information.

- **In addition to the hourly rates required in the workbook, please also send a PDF copy of your complete standard hourly prices** that will be applicable to this contract. Please also be very specific regarding overtime and holiday rates and terms.
- **Bidders are required to also submit** a MS Word document that gives a thorough description of the manpower and equipment that they plan to use for each of the circuits if they are awarded the work. If the manpower and equipment is to be exactly the same for all circuits, this should be stated. If the manpower and equipment will vary from circuit to circuit, please list it for each individual circuit. Note: This information is being requested for planning purposes by SKRECC.

SKRECC will inform the successful bidder/s sometime after the bids are evaluated. Afterwards, SKRECC will prepare the necessary contract/s with attachments and make arrangements with the successful bidder/s for signing the contracts. This is expected to take place within a few days after the bids are received.

Sincerely,



Steve Conover
75 Holt Rd.
Jamestown, KY 42629
sconover@pdengineers.com

Attachments

SKRECC Clearing Cost by Circuit for Clearing and Stump Treating (Type A work as described in Exhibit B for 2022 and 2023) (Please enter your prices in the yellow boxes)				
<p>Note to Contractor: Please read all contract documentation closely before entering bid information. Mileages are only estimates of primary line miles, and bids will be firm regardless of actual miles. Please also see the requirements concerning trimming of secondary and service lines in Exhibit B. Note: Maps will be provided as stated in Exhibit A. After completing this bid sheet, please also complete the hourly information on the second tab below.</p>				
Substation	Circuit Bid	Circuit Name	Estimated Miles	Year for Work
Cabin Hollow		Rush Branch	61.20	2022
Cabin Hollow		Cedar Grove	40.30	2022
Wiborg		Greenwood	119.20	2022
Wiborg		Beulah Heights	67.70	2022
Zula		Susie	45.20	2022
North Albany		Town	12.10	2022
North Albany		Burksville	20.50	2022
North Albany		Clinton County	4.60	2022
South Albany		Adam's Dock	50.20	2022
South Albany		Downtown	3.10	2022
Mt. Victory		To Mt. Victory	75.00	2023
Nelson Valley		Stilesville	50.30	2023
Nelson Valley		Eagle's Nest	14.90	2023
Nelson Valley		Rainbow Terrace	14.70	2023
Slat		Parnell	103.20	2023
Russell Springs		Hails Highway	59.80	2023
Windsor		Caintown	120.90	2023
Upchurch		Grider Hill	86.30	2023
Sewellton		Highway 55	108.50	2023
Substation Location Information:				
Cabin Hollow	50 Commerce Lane, Somerset, KY 42501			
Wiborg	162 Beulah Heights Road, Whitley City, KY 42653			
Zula	191 HWY 1009 N, Monticello, KY 42653			
North Albany	1028 Third Street, Albany, KY 42602			
South Albany	235 West Harper Lane, Albany, KY 42602			
Mt. Victory	2444 Old Whitney Road, Somerset, KY 42501			
Nelson Valley	134 Stilesville Road, Somerset, KY 42501			
Slat	101 Whispering Pines, Monticello, KY 42633			
Russell Springs	64 Old Sano Road, Russell Springs, Ky 42642			
Windsor	1905 Highway 80, Windsor, KY 42565			
Upchurch	594 Wray Ridge Road, Albany, KY 42602			
Sewellton	44 Highway 55, Jamestown, KY 42629			

Kevin Newton

From: Steve Conover <SConover@pdengineers.com>
Sent: Tuesday, August 31, 2021 2:08 PM
To: Kevin Newton; Don Bethel; David Upchurch
Subject: ROW Bid Results
Attachments: BID SUMMARY - 2021 for 22+23 RW WORK KY54.xlsx

Hello Everyone,

Attached is a bid summary spreadsheet with your bid results. I will also be forwarding you the original emails from each contractor so that you will have the additional information that was requested. After you have evaluated everything, please let me know the contracts that you want to award, and I will inform the contractors.

Thanks - Steve

Steve Conover

Distribution Engineering Consultant

Patterson & Dewar Engineers, Inc. (P&D)

75 Holt Road | Jamestown, KY 42629

O: (606) 872-3501

M: (606) 872-3501

sconover@pdengineers.com

South KY RECC 2021 Bidding for 2022 and 2023 Circuit Bid Work

Year			A Cut Above		Cumberland Tree		Phillips Tree		WA Kendall		Wolf Tree	
	Miles	Substation / Circuit	Circuit Bid	\$/mi	Circuit Bid	\$/mi	Circuit Bid	\$/mi	Circuit Bid	\$/mi	Circuit Bid	\$/mi
2022	61.2	Cabin Hollow / Rush Branch										
2022	40.3	Cabin Hollow / Cedar Grove										
2022	119.2	Wiborg / Greenwood										
2022	67.7	Wiborg / Beulah Heights										
2022	45.2	Zula / Susie										
2022	12.1	North Albany / Town										
2022	20.5	North Albany / Burkesville										
2022	4.6	North Albany / Clinton Co										
2022	50.2	South Albany / Adams Dock										
2022	3.1	South Albany / Downtown										
2023	75.0	Mt. Victory / To Mt. Victory										
2023	50.3	Nelson Valley / Stilesville										
2023	14.9	Nelson Valley / Eagles Nest										
2023	14.7	Nelson Valley / Rainbow Ter.										
2023	103.2	Slat / Parnell										
2023	59.8	Russell Springs / Halls Hwy										
2023	120.9	Windsor / Caintown										
2023	86.3	Upchurch / Grider Hill										
2023	108.5	Sewellton / Highway 55										

The below circuits will be done with hourly contracts since the circuit bid cost was higher than expected.

- Wiborg Greenwood circuit
- Mt. Victory To Mt. Victory circuit
- Upchurch Grider Hill circuit

Agreement for Services

Between South Kentucky Rural Electric Cooperative Corporation and T&S Growth Solutions LLC

This agreement made this 14 day of May, 2021 between **South Kentucky Rural Electric Cooperative Corporation** (“South Kentucky”), **P.O. Box 910, Somerset, KY 42502** and **T&S Growth Solutions LLC** (“T&S”), **11571 K-Tel Drive Minnetonka, MN 55343**, (collectively, the “Parties” wherein T&S agrees to perform the services described in Section 3.0 herein (the “Work”) for SOUTH KENTUCKY at the price set forth herein.

JOB DESCRIPTION

T&S will provide to SOUTH KENTUCKY, complete delivery of the Cambistat Growth Management Solution (“CGMS”) and related services, over an initial contract period of January 1, 2021 to December 31, 2023. T&S will deploy crews at its discretion based on the scope of work and completion timelines as identified by SOUTH KENTUCKY.

Work will consist of (1) application of the CGMS to trees within SOUTH KENTUCKY right-of-ways; (2) customer/member notification preceding application; (3) customer call center support to assist homeowners with questions about the CGMS; and (4) providing SOUTH KENTUCKY with fact sheets, door hangers, and brochures intended for educational purposes to be distributed to their members and participants.

Section 1.0 GENERAL TERMS AND CONDITIONS.

1.1 Work will commence within 60 days unless otherwise agreed upon by the Parties.

1.2 **INVOICING AND PAYMENT.** T&S will prepare and submit invoices weekly in arrears based on work completed. Payments for invoices will be due from SOUTH KENTUCKY based on Net-30 day terms from the date of invoice.

1.3 **PRICING.**

1.3.1 **Application Services.** For delivery of the CGMS, a charge of \$4.15 in 2021, \$4.27 in 2022, and \$4.48 in 2023 per diameter inch measured at breast height (DBH) of all trees treated will be payable by SOUTH KENTUCKY which includes application labor and material, data collection and applicable taxes.

1.3.2 **Reimbursable Travel Costs.** Out of pocket travel costs incurred by T&S for management services outside the scope of 1.3.1 and 1.3.2, will be invoiced at cost.

1.4 **CONFIDENTIALITY.** “Confidential Information” shall mean, with respect to any Party: all written, verbal, electronic and other information and documents such party provides or makes available to the other Party relating in any way to this Agreement that are marked as being “Proprietary” or “Confidential” to such Party at the time of disclosure; verbal information reduced to a writing and marked or designated as being “Proprietary” or “Confidential” to a such Party within seven Days after such verbal disclosure. “Confidential Information” shall not include any information that (a) was already known to the other Party at the time it was disclosed to such Party; (b) was available to the public at the time it was disclosed by such Party; (c) becomes available to the public after being disclosed by such Party through no wrongful act of, or breach of this Agreement by, the other Party; (d) is received by the other Party without restriction as to use or disclosure for the third party.

1.5 **USE AND DISCLOSURE OF CONFIDENTIAL INFORMATION.** The Parties shall not, during their association with each other or at any time thereafter, make available or divulge to any person, firm, corporation, or other entity or use for the Party’s benefit or the benefit of a third party, any information of or regarding the Parties, any of the Party’s affiliates or any confidential information pertaining to the business of any prospective or existing customer or client of the Parties, specifically including, but not limited to, business practices, business policies, methods of operation, sales and

marketing programs, training, questionnaires, technologies, methodologies, business and product development, trade secrets, customer and client lists and customer and client information, advertising strategies, business plans, financial information, marketing programs and methods, information submitted to the Parties by its customers, clients, suppliers, employees, consultants or co-ventures, or any other confidential or secret information concerning the business and affairs of the Parties, any of its affiliates or its prospective or existing customers or clients that is not generally known to the public (hereafter, collectively referred to as "Confidential Information").

1.6 **RETURN OF CONFIDENTIAL INFORMATION.** Upon termination of the Parties association with each other for any reason, the Parties shall deliver to each other all "**Confidential Information**" and all physical property of the other Party or any of its prospective or current customers or clients including, but not limited to, all software programs, computer hardware, media materials, sales and marketing materials, business and product development materials, advertising materials, customer and client lists, customer account records, training and operations material and memoranda, personnel records, code books, pricing information, financial information concerning or relating to the business, accounts, customers, suppliers, employees and affairs of each Party, together with any similar material whether or not of a secret or confidential nature, and ALL copies of any of the foregoing which are in any way related to each Parties business and which either Party has in its possession or which are subject to either Parties control.

1.7 **INTELLECTUAL PROPERTY.** The Parties acknowledge that nothing in this Agreement shall afford a Party any rights in or to the Trademarks or any other "**Intellectual Property**" rights or in the Product or any other products of the other Party. The Parties shall not at any time make any applications to register the Trademarks or any mark confusingly similar to the Trademarks of the other Party. The Parties acknowledge that any discovery or invention that is generated from the service(s) is the exclusive property of T&S. SOUTH KENTUCKY shall not have any right to claim interest or ownership (in part or in whole) in such discovery or invention. T&S will provide full application records and data to SOUTH KENTUCKY as identified in the scope of work.

Section 2.0 SOUTH KENTUCKY'S OBLIGATIONS

2.1 SOUTH KENTUCKY shall furnish and pay for plans, surveys and legal descriptions of the sites as needed. T&S shall be entitled to rely on the accuracy of information furnished by SOUTH KENTUCKY but shall exercise proper precautions in the safe performance of the Work.

2.2 Except for permits and fees which are the responsibility of T&S as set forth in the description of the work, SOUTH KENTUCKY shall secure and pay for all other necessary approvals, easements, assessments and charges required for the completion of the services within this agreement. SOUTH KENTUCKY shall have the sole determination of the need for any such changes before those changes are made.

2.3 If T&S fails to correct work performed which is not in accordance with the requirements of this Contract, or persistently fails to carry out the obligations described herein, SOUTH KENTUCKY may issue a written order to T&S to stop the work, or any portion thereof, until the cause for such order is eliminated.

Section 3.0 T&S'S OBLIGATIONS

3.1 **SITE INSPECTION.** T&S shall observe any conditions at the site affecting the work. These obligations are for the purpose of facilitating work to be performed by T&S and are not for the purpose of discovering errors, omissions or inconsistencies in information provided to T&S; however, any errors, omissions or inconsistencies discovered by T&S shall be reported promptly to SOUTH KENTUCKY.

3.2 **SUPERVISION & PROCEDURES.** T&S shall perform the work, using T&S's best skill and attention. T&S shall be solely responsible for and have control over work means, methods, techniques, sequences and procedures and for the coordination of the work within this Contract.

3.3 **T&S EMPLOYEES.** T&S shall be responsible to SOUTH KENTUCKY for acts and omissions of T&S's employees, and other persons or entities performing work for or on behalf of T&S. T&S shall enforce strict discipline and good order among its employees and other persons carrying out the Contract. T&S shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

3.4 **LABOR AND MATERIALS.** Unless otherwise provided in this Contract, T&S shall provide and pay for labor, materials, equipment, tools, and all other direct costs of performing the work. T&S may make substitutions based on shifts in work schedule and/or resource availability.

3.5 **GUARANTEE.** T&S guarantees a reduction in branch elongation of new growth between 40-70% on each tree treated. Should branch elongation reduction fall below 40%, T&S shall treat an equivalent amount of DBH at T&S's cost.

3.6 **PERMITS, FEES AND NOTICES.** T&S shall comply with and give notices required by laws, ordinances, rules, regulations applicable to performance of the Work.

3.7 **CLEANUP.** T&S shall keep the work premises and surrounding areas free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the work, T&S shall remove from and about the sites waste materials, rubbish, T&S's tools, equipment, and surplus material.

3.8 T&S shall provide SOUTH KENTUCKY, or its representatives, access to the work in preparation and progress wherever located.

Section 4.0 INDEMNIFICATIONS

4.1 **T&S Indemnification.** To the fullest extent permitted by law, T&S shall indemnify, defend and hold harmless SOUTH KENTUCKY and its Affiliates, and their respective directors, officers, employees, representatives, agents, advisors, consultants and counsel, collectively "SOUTH KENTUCKY's Indemnified Persons," from and against any and all damages, losses, claims, obligations, demands, assessments, penalties, liabilities, costs, and expenses (including attorney fees and expenses) ("Damages"), arising out of or resulting from performance of the Services or any breach of this Agreement by Contractor, its subcontractors or either of their respective Affiliates. For purposes of this Agreement, "Affiliate" of a Party means any other person that, directly or indirectly, controls, is controlled by, or is under common control with such Party and any person in which a Party has an ownership interest and to which the Party or an Affiliate of the Party provides services. For the purposes of this Section 12, "control" means the power to direct the management or policies directly or indirectly whether through the ownership of voting securities, by contract, or otherwise.

4.2 **SOUTH KENTUCKY Indemnification.** To the fullest extent permitted by law, SOUTH KENTUCKY shall indemnify, defend and hold harmless T&S and its Affiliates, and their respective directors, officers, employees, representatives, agents, advisors, consultants and counsel, collectively "T&S's Indemnified Persons," from and against any and all Damages, arising out of or resulting from any breach of this Agreement by SOUTH KENTUCKY or its Affiliates.

Section 5.0 CLAIMS AND DISPUTES

5.1 The parties shall endeavor to resolve their disputes by consultation. However if they are unable to resolve their dispute, the parties agree that any dispute related to this contract or work done pursuant thereto shall have a venue of the Circuit Court of Pulaski County, Kentucky, and the parties hereby submit to that court's jurisdiction and agree to the venue.

Section 6.0 CHANGES IN THE WORK

6.1 SOUTH KENTUCKY, without invalidating the Contract, may order changes in the work ("Change Orders") within the general scope of the Contract consisting of additions, deletions or other revisions. Such changes in the work shall be authorized by written Change Order signed by SOUTH KENTUCKY and T&S.

6.2 The cost or credit to SOUTH KENTUCKY from a Change Order shall be determined by

mutual agreement of the parties or at T&S's cost of labor, material, equipment, and reasonable overhead and profit.

Section 7.0 SAFETY PRECAUTIONS AND PROGRAMS

7.1 T&S shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the completion of the work. T&S shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to: employees engaged in the work and other persons who may be affected thereby; the work and materials and equipment to be incorporated therein; and other property at the site.

Section 8.0 INSURANCE

8.1 T&S shall maintain insurance with a company or companies lawfully authorized to do business in the jurisdiction in the State of Kentucky. This insurance shall be written for not less than limits of liability \$3,000,000 or in the amount required by law, whichever coverage is greater, and shall include liability insurance applicable to T&S's obligations. Certificates of Insurance acceptable to SOUTH KENTUCKY shall be provided to SOUTH KENTUCKY prior to commencement of the Work. Each policy shall contain a provision that the policy will not be canceled or allowed to expire until at least 30 days prior written notice has been given to SOUTH KENTUCKY, and SOUTH KENTUCKY shall be named as an additionally ensured with an endorsement by the insurance underwriter, not an agent.

Section 9.0 CORRECTION OF WORK

9.1 SOUTH KENTUCKY may inform T&S in writing within 30 days of discovery of any work that does not conform to the requirements of this Contract, whether discovered before or within the guarantee timeline as specified in section 3.5

9.2 T&S shall have 10 business days to review the rejected work and have an additional 45 days to correct the work rejected if necessary. Costs of correcting such rejected work, including additional testing and inspections and compensation for any third party's services and expenses made necessary thereby, shall be at T&S's expense.

Section 10.0 MISCELLANEOUS PROVISIONS

10.1 **ASSIGNMENT.** T&S may not assign the Contract without written consent of SOUTH KENTUCKY. Any attempt to assign the Contract without the consent of SOUTH KENTUCKY shall be void.

10.2 **NOTICES.** Any notice required hereunder or any other notice shall be deemed given when deposited in the U.S. Mail, Certified Mail with adequate postage affixed thereto to the address contained in this Agreement.

10.3 **LAW.** The Contract shall be governed by the laws of the State of Kentucky.

10.4 **ENTIRE AGREEMENT.** This Contract contains the entire agreement between the parties and there are no promises or undertakings not contained herein.

This Agreement entered into as of the day and year first written above.

SOUTH KENTUCKY COOPERATIVE INC.

T&S Growth Solutions LLC

By: 

By: 

Name: Kevin Newton

Name: Brandon Hughson

Title: Coo

Title: Director - VM services

BOARD RESOLUTION

Whereas, South Kentucky Rural Electric Cooperative Corporation has received pricing on the tree growth management system and;

Whereas, T & S Growth Solutions, LLC has submitted pricing for the years 2021 through 2023;

Be it resolved, that South Kentucky Rural Electric Cooperative Corporation accepts a contract beginning May 17, 2021 through December 31, 2023, with T & S Growth Solutions, LLC in an amount not to exceed [REDACTED] at the following price, per year:

2021 - [REDACTED] per inch diameter a (DBH)

2022 - [REDACTED] per inch diameter a (DBH)

2023 - [REDACTED] per inch diameter a (DBH)

I, Greg Beard, Secretary of South Kentucky Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt from the minutes of the Board of Directors meeting of the Cooperative, held on the 13th day of May 2021 at which meeting a quorum was present.



Greg Beard, Secretary

5-13-21

Date

GENERAL AGREEMENT

This agreement dated February 1, 2020, is between **SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**, hereafter referred to as the **COOPERATIVE**, and **PHILLIPS TREE EXPERTS, INC.**, hereafter referred to as the **CONTRACTOR**.

1. **AREA** or **AREAS** – **COOPERATIVE** System by Office Service Areas. The **COOPERATIVE** service area served by Somerset, McCreary, and Wayne District Offices routinely and depending on the needs of the cooperative may also include any and all other service areas.
2. **CONTRACTOR** will furnish and maintain during the term of this agreement minimum insurance of General Liability \$5,000,000; Automobile Liability \$500,000; Workers Compensation and Employer's Liability, as required by law; and Umbrella Catastrophe Liability of \$5,000,000. **COOPERATIVE** to be named as additional insured on insurance certificate. The **CONTRACTOR** is responsible to see that any changes or updates in insurance coverage, that would affect coverage, are reported immediately to **COOPERATIVE**.
3. **CONTRACTOR** must furnish all equipment, personnel, and supervision to perform task of trimming and clearing of right-of-way in **AREA** during the year(s). This work is to be scheduled for approximately 45 weeks during the year. Work before 7:00 a.m., after 5:00 p.m., or on Saturdays, Sundays, or legal holidays shall be approved by the **COOPERATIVE** before being performed.
4. **CONTRACTOR** is responsible for providing all necessary equipment and performing all maintenance and repairs on such equipment.
5. **CONTRACTOR** must obtain consent or permission for the necessary work from the property owners or public authorities having ownership or control over each tree to be trimmed or removed. Otherwise such required work is to be reported to **COOPERATIVE'S** Right-of-way Team.
6. **CONTRACTOR** must use care to obtain permission to enter upon property owner's land and to enter and leave gates, fences, etc, as found.
7. **CONTRACTOR** must investigate and attempt to settle all valid complaints for damages caused by his work from equipment, employees, or otherwise. These will be done with immediate attention, and all efforts shall be made to effect a prompt adjustment.

8. All brush, trees cut, etc., must be chipped or “wind rowed” along the edges of the right-of-way or in such other routine manner. Stumps of trees cut should be treated with an approved mixture. It is estimated that 30% of the brush and wood will have to be handled and removed from the location cut.
9. **CONTRACTOR** agrees to perform all work to the complete satisfaction of **COOPERATIVE** and in accordance with all federal, state, municipal, county, and other local laws, ordinances, and regulations applicable to said work. All work shall be performed in accordance with such of the following as may be applicable:
 - a) All tree trimming shall be done so as to obtain maximum clearance with due regard to current and future tree health and symmetry, and in conformity with permissions obtained. **All dangerous overhanging limbs shall be removed.**
 - b) All tree limbs shall be flush cut with tree if at all possible.
 - c) All trees and brush removed in right-of-way cutting shall be cut to within three inches of the ground line.
 - d) Bush hogging is a separate work from this contract. Right-of-way is to be left “wind rowed” so bush hogging is not hindered.
10. **CONTRACTOR** agrees to see that he and his personnel are courteous, polite, and present a favorable image to the public.
11. **CONTRACTOR** does not represent **COOPERATIVE** and has no authority to obligate **COOPERATIVE** for any payment or benefit of any kind to any person.
12. **CONTRACTOR** is to follow industry accepted safety rules as to, but not limited to, equipment guards and protection to ensure safety to the general public and **CONTRACTOR’S** and **COOPERATIVE’S** personnel.
13. **CONTRACTOR** is to use diligence to not damage the **COOPERATIVE’S** electric facilities or other facilities in discharging their duties.
14. **CONTRACTOR** agrees to indemnify and hold harmless **COOPERATIVE** and it’s Directors, Officers, Agents, and Employees from all Claims of whatsoever nature or kind, including those brought by employees of **CONTRACTOR** or subcontractors, arising out of or as a result of any act or failure to act, whether or not negligent, in connection with the performance of the work to be performed pursuant to this contract by **CONTRACTOR**, its’ employees, agents, and subcontractors. **CONTRACTOR** agrees to defend and pay all costs in defending these claims, including attorney fees.
CONTRACTOR agrees to pay any and all penalties or fines charged against the **COOPERATIVE** deriving from any act, or failure to act in connection of the work performance.

15. **CONTRACTOR** agrees to furnish weekly to **COOPERATIVE**, or its representative, daily time sheets showing the nature, amount, and location of work performed, together with the number of man-hours and equipment hours involved, and the number of trees trimmed and removed.
16. A) **CONTRACTOR** agrees to submit to **COOPERATIVE** weekly invoices.

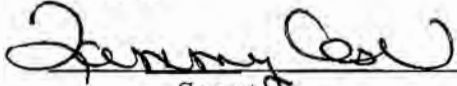
B) **COOPERATIVE** agrees to pay for the work provided herein to be done. Invoices received by **COOPERATIVE** shall be paid as soon as it has had a reasonable opportunity to satisfy itself that the work covered by such invoices has been performed in accordance with the terms of this agreement. Normally two weeks of invoices will be paid together within the ten (10) days of the second week's invoice receipt.
17. This agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns. But **CONTRACTOR** shall not assign any of its rights or duties under this agreement, or subcontract the whole or part of the work to be performed hereunder, without first having obtained the written consent of **COOPERATIVE** to such assignment or subcontract.
18. This contract is for a period of time from February 1, 2020 through January 31, 2023.
19. Should **CONTRACTOR** fail to carry out the work in a reasonably expected industry manner or to comply with any of the provisions of this agreement, **COOPERATIVE** may terminate this agreement upon thirty-(30) days written notice to **CONTRACTOR**.
20. **GOVERNING LAW:** This Agreement shall be governed by and construed under and in accordance with the laws of the Commonwealth of Kentucky.
21. **CONTRACTOR** shall pay all penalties associated with violations cited by any governing authority (Public Service Commission, OSHA, etc.).
22. **CONTRACTOR** shall have a Safety program in place and will produce documentation of Safety meetings, audits, or other necessary documents upon request.
23. **ASSIGNMENT:** This Agreement and the rights, duties, and obligations hereunder, shall not be assignable by Contractor without the prior written consent of Cooperative.

24. ENTIRE AGREEMENT: This Agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns.

This Agreement contains all the terms, conditions, and promises of the parties hereto. No modifications or waiver of this Agreement, or any provision thereof, shall be valid or binding, unless in writing and executed by both parties hereto. No waiver by either party or any breach of any term or provision of this Agreement shall be construed as a waiver of any succeeding breach of the same or any other term or provision.


IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate by their proper officers thereunto duly authorized the day and year first above written.


SOUTH KENTUCKY R.E.C.C.

Witness:

Secretary
1/21/2020
Date

BY: 
Chief Executive Officer
01/21/2020
Date

PHILLIPS TREE EXPERTS, INC.

Witness:

1/21/2020
Date

BY: 
1-21-2020
Date

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted it at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances
4. The terms “covered transaction,” “debarred,” “suspended,” “ineligible,” “lower tier covered transaction,” “participant,” “person,” “primary covered transaction,” “principal,” “proposal,” and “voluntarily excluded,” as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transaction,” without modification in all lower tier covered transaction and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the Non-procurement List (Tel. # 202-783-3238).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred ineligible for voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department of agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participant's responsibilities. The regulations were published as Part IV of the January 30, 1989, **Federal Register** (Pages 4722 – 4733).

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal Department or Agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

PHILLIPS TREE EXPERTS, INC.

RIGHT-OF-WAY TRIMMING/CLEARING

Organization's Name

Pr/Award # or Project Name

Jim Blanchard

Name and Title of Authorized Representative

Jim Blanchard

Signature

1-21-2020

Date

**CERTIFICATION FOR CONTRACTORS, GRANTS, LOANS, AND
COOPERATIVE AGREEMENTS**

The undersigned certifies, to the best of his/her knowledge and belief, that;

1. No Federal Appropriated Funds have been paid or will be paid, by or on behalf of this undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal Appropriated Funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or Cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its' instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and Cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

PHILLIPS TREE EXPERTS, INC **RIGHT-OF-WAY CLEARING/TRIMMING**

Organization Name

Jim Blanchard
NAME OF AUTHORIZED OFFICIAL

Jim Blanchard *1-21-2020*
SIGNATURE DATE

BOARD RESOLUTION

WHEREAS, South Kentucky Rural Electric Cooperative Corporation has previously taken hourly bids on Right-of- Way Clearance and tree trimming and;

WHEREAS, Phillips Tree Experts has submitted a low bid and;

WHEREAS, such bid was for a period of three years, beginning February 1, 2020 through January 31, 2023 therefore;

BE IT RESOLVED, that South Kentucky Rural Electric Cooperative Corporation accepts a three year contract with Phillips Tree Experts at the following prices:

Year 1

3 Man Bucket Crew & Bucket Truck with Chipper \$ [REDACTED]
2 Man Jarraff Crew & Equipment \$ [REDACTED]

Year 2

3 Man Bucket Crew & Bucket Truck with Chipper \$ [REDACTED]
2 Man Jarraff Crew & Equipment \$ [REDACTED]

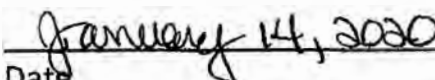
Year 3

3 Man Bucket Crew & Bucket Truck with Chipper \$ [REDACTED]
2 Man Jarraff Crew & Equipment \$ [REDACTED]

I, Greg Beard, Secretary of South Kentucky Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt from the minutes of the Board of Directors Meeting of the Cooperative, held on the 14th day of January, 2020 at which meeting a quorum was present.



Greg Beard, Secretary



Date

Kevin Newton

From: Steve Conover <SConover@pdengineers.com>
Sent: Friday, July 16, 2021 11:36 AM
To: Kevin Newton; David Upchurch; Don Bethel
Subject: FW: South KY RECC ROW Bidding
Attachments: Exhibit A ~ SKRECC 2020 RW Bid Instructions + Other.pdf; Exhibit B~ SKRECC RW Specs & additional cont requirements.pdf; Exhibit C ~ SKRECC 2021 acceptance of terms.pdf; Exhibit D ~ Contractor's EEOC.pdf; Exhibit E ~ Contractor's Debarment Certification.pdf; Exhibit F ~ Contracts, Grants, Loans, and Coop Agmts.pdf; Exhibit G ~ 2021 SKRECC RW Pre-bid Survey.xlsx; Exhibit I ~ Contract -Modified RUS 201 Circuit Bid + Hrly if req - for 21 wk.pdf

Gentlemen, I am forwarding you an example email with the attachments that was sent out today to the following eleven contractors:

- A Cut Above Tree Service
- Protec Terra
- Cumberland Tree Experts
- Phillips Tree Experts
- WA Kendall
- Evergreen Tree
- Burford's Tree Service
- Wright Tree Service
- Wolf / Davey
- Electricom
- Jaflo

At this point in time, we don't know how many of them will be interested in bidding, but at least seven of them seemed pretty sure that they would want to. I want to give you a heads up that eight of them that I have talked to have all said that they would prefer paper maps if they do become bidders. WA Kendall requested both paper and electronic maps and prefers "KMZ or shape files" for the electronic version.

Over the next few days I will be answering their questions and making sure that we get what is needed. They are required to have everything back to us by 3 PM on July 23, and after that I will get back with you to decide who gets to bid.

Thanks for allowing me to assist you with this project, and please let me know if you need anything,

Steve Conover

Distribution Engineering Consultant

Patterson & Dewar Engineers, Inc. (P&D)
75 Holt Road | Jamestown, KY 42629

O: (606) 872-3501
M: (606) 872-3501
sconover@pdengineers.com

From: Steve Conover
Sent: Friday, July 16, 2021 10:10 AM
To: Kelly Clapper <kelly@jaflores.com>; Bids <bids@jaflores.com>
Subject: South KY RECC ROW Bidding

Mr. Clapper,

Per my recent voice message that I left for you, please find attached the documents you will need for the pre-bid process of South KY RECC's right-of-way bidding for 2022 and 2023 circuit bid work. Please read Exhibit A first, which should guide you through the requirements. You will note that to be considered for addition to the bidder list, you must execute and return certain documents to me via email on or before 3:00 PM Eastern time on July 23rd, 2021. Shortly after receiving the pre bid submissions, we will inform potential bidders as to whether or not they have been accepted to bid.

Please respond to this email so that I will be assured that you have received this pre bid package. In your response, please also tell me if you would prefer paper or electronic maps of the circuits to be bid if you are chosen as a bidder.

Thanks, and let me know if you have any questions,

Steve Conover
Distribution Engineering Consultant

Patterson & Dewar Engineers, Inc. (P&D)
75 Holt Road | Jamestown, KY 42629

O: (606) 872-3501
M: (606) 872-3501
sconover@pdengineers.com

RIGHT-OF-WAY CLEARING CONTRACT

Contractor's Proposal

To: South Kentucky RECC (Hereinafter called the "Owner")

Article I ~ General

- Section 1. Offer to Clear** ~ The undersigned (hereinafter called the "Contractor" hereby proposes to furnish all labor and materials, equipment, machinery, tools, transportation as required, to clear rights-of-way for the rural electric system bearing the RUS Designation KY54 in strict accordance with the Specifications Requirements for the prices hereinafter stated.
- Section 2. Description of Project** ~ The Project will consist of lump sum circuit/substation clearing, along with hourly work if hourly work is requested by the Owner during the years of 2022 and 2023 as described herein.
- Section 3. Description of Contract** ~ The Descriptions, Exhibits, Plans, and Specifications attached hereto and made a part hereof, together with the Proposal and Acceptance constitutes the Contract.
- Section 4. Familiarity with Conditions** ~ The Contractor warrants that it has made careful examination of the site of the Project and of the Specifications and Drawings attached hereto, and has become informed as to the location and nature of the proposed work, the transportation facilities, the kind and character of soil and terrain to be encountered, and the kind of facilities required for undertaking and completing the Project, and has become acquainted with the labor conditions, state and local laws and regulations which would affect the proposed work.
- Section 5. License** ~ The Contractor warrants that a Contractor's License is , is not X, required, and if required, it possesses Contractor's license number NA for the State of NA in which the Project is located and said license expires on NA, 20NA.
- Section 6. Contractor's Bond** ~ The contractor agrees to furnish a bond prior to the commencement of work in the penal sum of not less than the estimated cost of the circuit bid work awarded with a surety or sureties listed by the United States Treasury Department as acceptable sureties. This bond must be in a form acceptable to the owner and in the event that the surety or sureties of the performance bond delivered to the owner shall at any time become unsatisfactory in the opinion of the owner, the contractor agrees to deliver to the owner another or an additional bond.
- Section 7. Taxes** ~ The labor prices for Right-of-Way Clearing in this Proposal include any sums which are or may be payable by the Contractor on account of taxes imposed by any taxing authority on payments for materials furnished or services performed by the Contractor under the terms of this Contract.

Article II ~ Clearing

Section 1. Time and Manner of Work.

- a. The Contractor agrees to commence work on the Project on a date (hereinafter called the "Commencement Date") which shall be determined by the Owner after its acceptance of this Proposal, but in no event will the Commencement Date be later than January 31, 2022 unless otherwise specified by the Owner. The Contractor further agrees to prosecute diligently and to complete clearing in strict accordance with the Specifications and Drawings within the agreed upon calendar days (excluding Sundays and other times to be defined by the Owner) after Commencement Date.
- b. The time for Completion of Clearing shall be extended for the period of any reasonable delay which is due exclusively to causes beyond the control and without the fault of the Contractor, including acts of God, fires, floods, inability to obtain materials and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible: Provided, however, that no such extension of time for completion shall be granted the Contractor unless within ten (10) days after the happening of any event relied upon by the Contractor for such an extension of time the Contractor shall have made a request therefore in writing to the Owner, and provided further that no delay in such time of completion or in the progress of the work which results from any of the above causes except acts or omissions of the Owner, shall result in any liability on the part of the Owner.
- c. The sequence of R/W Clearing shall be as set forth by the Owner, the names being the designations of areas (hereinafter also called the "Circuits") corresponding to the numbers / names shown on the maps provided to the Contractor, or if no Circuits are set forth by the Owner, the sequence of Clearing shall be as determined by the Owner.
- d. The Owner may from time to time during the progress of the work on the Project make such changes in, additions to or subtractions from the Specifications, Drawings and sequence of work provided for in the previous paragraph which are part of the Contractor's Proposal as conditions may warrant: Provided, however, that if any change in the work to be done shall require an extension of time, a reasonable extension will be granted if the Contractor shall make a written request therefore to the Owner within ten (10) days after any such change is made. And provided further, that if the cost to the Contractor of completion of the Project shall be materially increased by any such change or addition, the Owner shall pay the Contractor for the reasonable cost thereof in accordance with a Contract Amendment signed by the Owner and the Contractor, but no claim for additional compensation for any such change or addition will be considered unless the Contractor shall have made a written request therefore to the Owner prior to the commencement of work in connection with such change or addition.

Section 2. Environmental Protection ~ The Contractor shall perform work in such a manner as to maximize preservation of beauty, conservation of natural resources, and minimize marring and scarring of the landscape and silting of streams. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their

containers in or near streams, waterways or pastures. The Contractor shall follow, under the general direction of the Owner, the criteria relating to environmental protection as specified herein by the Owner.

Section 3. Supervision and Inspection.

- a. The Contractor shall cause the work on the Project to receive constant supervision by a competent foreman (hereinafter called the "foreman") who should be present at all times during working hours where work is being carried on. The Contractor shall also employ in connection with the Project, capable, experienced and reliable foremen and such skilled and "certified" workmen as may be required for the various classes of work to be performed. Directions and instructions given to the Foreman shall be binding upon the Contractor.
- b. The Owner reserves the right to require the removal from the Project of any employee of the Contractor if in the judgment of the Owner such removal shall be necessary in order to protect the interest of the Owner. The Owner shall have the right to require the Contractor to increase the number of its employees and to increase or change the amount or kind of tools and equipment if at any time the progress of the work shall be unsatisfactory to the Owner; but the failure of the Owner to give any such directions shall not relieve the Contractor of its obligations to complete the work within the time and in the manner specified in this Proposal.
- c. The manner of performance of the work, and all equipment used therein, shall be subject to the inspection and approval of the Owner. The Owner shall have the right to inspect all payrolls and other data and records of the Contractor relevant to the work. The Contractor will provide all reasonable facilities necessary for such inspection. The Contractor shall have an authorized agent accompany the inspector when final inspection is made and, if requested by the Owner, when any other inspection is made.
- d. In the event that the Owner shall determine that the work contains or may contain numerous defects, the Owner may choose to have an inspection made by an engineer approved by the Owner for the purpose of determining the exact nature, extent and location of such defects.
- e. The Engineer may recommend to the Owner that the Contractor suspend the work wholly or in part for such period or periods as the Engineer may deem necessary due to unsuitable weather or such other conditions as are considered unfavorable for the satisfactory prosecution of the work or because of the failure of the Contractor to comply with any of the provisions of the Contract: Provided, however, that the Contractor shall not suspend work pursuant to this provision without written authority from the Owner so to do. The time of completion hereinabove set forth shall be increased by the number of days of any such suspension, except when such suspension is due to the failure of the Contractor to comply with any of the provisions of this Contract. In the event that work is suspended by the Contractor with the consent of the Owner, the Contractor before resuming work shall give the Owner at least twenty-four (24) hours' notice thereof in writing.

Section 4. Unsuitable Workmanship ~ The acceptance of any workmanship by the Owner or the Engineer shall not preclude the subsequent rejection thereof if such workmanship shall be found to be unsuitable. Workmanship found unsuitable before final acceptance of the work shall be remedied, by and at the expense of the Contractor. The Contractor shall not be entitled to any payment hereunder so long as any unsuitable workmanship in respect to the Project, of which the Contractor shall have had notice, shall not have been remedied.

Article III--Payment

Section 1. Payments to Contractor.

- a. Within the Owner defined period(s), the Owner shall make partial payment to the Contractor for work accomplished during the preceding invoice period as approved by the Owner solely for the purposes of payment: Provided, however, that such approval by the Owner shall not be deemed approval of the workmanship or materials. Upon completion by the Contractor of the required work on a circuit, the Contractor shall deliver to the Owner certification showing (1) that all persons who have furnished labor in connection with the Project and subcontractors who have furnished services for the Project have been paid in full and (2) that the Contractor shall hold the Owner harmless against any liens arising out of the Contractor's performance hereunder which may have been or may be filed against the Owner. Upon the Owner's approval of such certification, the Owner shall make payment to the Contractor of all amounts to which the Contractor shall be entitled and which shall not have been paid.
- b. The Contractor shall be paid on the basis of the circuit percentage actually completed at the direction of the Owner shown by the Circuit Inventory: Provided, however, that the total cost shall not exceed the total contract price for the Circuit as set forth in the Acceptance, unless such excess shall have been approved in writing by the Owner.
- c. No payment shall be due while the Contractor is in default in respect of any of the provisions of this Contract and the Owner may withhold from the Contractor the amount of any claim by a third party against either the Contractor or the Owner based upon an alleged failure of the Contractor to perform the work hereunder in accordance with the provisions of the Contract.
- d. If no Circuits are designated in Article II, Section 1 (c) the term "Circuit" shall mean for purposes of this subsection (a) and Article IV, Section 3 (b) only, a part of the Project as designated by the Owner which represents at least twenty-five percent (25%) of the total contract price as stated in the Acceptance.
- e. Interest at the rate of zero percent (0%) per annum shall be paid by the Owner to the Contractor on all unpaid balances due on invoices, commencing fifteen (15) days after the due date; provided the delay in payment beyond the due date is not caused by any condition within the control of the Contractor. The due date for purposes of such invoice payment shall be the tenth day provided (1) the Contractor

on or before the fifth day of such invoicing cycle shall have submitted its certification of right-of-way clearing units completed during the preceding invoice and (2) the Owner on or before the 10 day of such invoicing cycle shall have approved such certification. If for reasons not due to the Contractor's fault, such approval shall not have been given on or before the tenth day of such invoice cycle, the due date for purposes of this subsection (e) shall be the tenth day of such invoice cycle notwithstanding the absence of the approval of the certification. The above procedures may be modified upon approval of both parties.

- f. Interest at the rate of zero percent (0%) per annum shall be paid by the Owner to the Contractor on the final payment for the Project or any completed Circuit thereof, commencing ten days after the due date. The due date for purposes of such final payment shall be the date of approval by the Owner of the Final Inventory and receipt of the Certificate of Contractor and Indemnity Agreement as conditions precedent to the making of final payment. The above procedures may be modified by the Owner.

Section 2. Payments to Subcontractors ~ The Contractor shall pay each subcontractor, if any, within five (5) days after receipt of any payment from the Owner, the amount thereof allowed the Contractor for and on account of services performed by each subcontractor.

Article IV--Particular Undertakings of the Contractor

Section 1. Protection to Persons and Property ~ The Contractor shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of Federal, state, and municipal safety laws and building and construction codes, as well as the safety rules and regulations of the Owner. All machinery and equipment and other physical hazards shall be guarded in accordance with the "Manual of Accident Prevention in Construction" of the Associated General Contractors of America unless such instructions are incompatible with Federal, state, or municipal laws or regulations.

The following provisions shall not limit the generality of the above requirements:

- a. The Contractor shall so conduct work on the Project as to cause the least possible obstruction of public highways.
- b. The Contractor shall provide and maintain all such guard lights and other protection for the public as may be required by applicable statutes, ordinances, and regulations or by local conditions.
- c. The Contractor shall do all things necessary or expedient to properly protect any and all parallel, converging, and intersecting lines, joint line poles, highways, and any and all property of others from damage, and in the event that any such parallel, converging and intersecting lines, joint line poles, highways, or other property are damaged in the course of work on the Project the Contractor shall at its own expense restore any or all of such damaged property immediately to as good a state as before such damage occurred.

- d. Where the right-of-way of the Project traverses cultivated lands, the Contractor shall limit the movement of his crews and equipment so as to cause as little damage as possible to crops, orchards, or property and shall endeavor to avoid marring the lands. All fences which are necessarily opened or moved during work on the project shall be replaced in as good condition as they were found and precautions shall be taken to prevent the escape of livestock. The Contractor shall not be responsible for loss of or damage to crops, orchards, or property (other than livestock) on the right-of-way necessarily incident to work on the Project and not caused by negligence or inefficient operation of the Contractor. The Contractor shall be responsible for all other loss of or damage to crops, orchards, or property, whether on or off the right-of-way, and for all loss of or damage to livestock caused by work on the Project. The right-of-way for purposes of this said section shall consist of an area extending as described in Exhibit B of this contract along the route of the Project lines, plus such area reasonably required by the Contractor for access to the route of the Project lines from public roads to carry on the work.
- e. The Project, from the commencement of work to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided, shall be under the charge and control of the Contractor and during such period of control by the Contractor all risks in connection with the work on the Project and the materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Contractor by reason of an act of God or other casualty or cause whether or not the same shall have occurred by reason of the Contractor's negligence.
- (i) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all claims, causes of action, losses, liabilities, and expenses (including reasonable attorney's fees) for personal loss, injury, or death to persons (including but not limited to Contractor's employees) and loss, damage to or destruction of Owner's property or the property of any other person or entity (including but not limited to Contractor's property) in any manner arising out of or connected with the Contract, or the materials or equipment supplied or services performed by Contractor, its subcontractors and suppliers of any tier. But nothing herein shall be construed as making Contractor liable for any injury, death, loss, damage, or destruction caused by the sole negligence of Owner.
- (ii) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all liens and claims filed or asserted against Owner, its directors, officers, and employees, or Owner's property or facilities, for services performed or materials or equipment furnished by Contractor, its subcontractors and suppliers of any tier, and from all losses, demands, and causes of action arising out of any such lien or claim. Contractor shall promptly discharge or remove any such lien or claim by bonding, payment, or otherwise and

shall notify Owner promptly when it has done so. If Contractor does not cause such lien or claim to be discharged or released by payment, bonding, or otherwise, Owner shall have the right (but shall not be obligated) to pay all sums necessary to obtain any such discharge or release and to deduct all amounts so paid from the amount due Contractor.

(iii) Contractor shall provide to Owner's satisfaction evidence of Contractor's ability to comply with the indemnification provisions of subparagraphs (i) and (ii) above.

f. Any and all excess earth, rock, debris, underbrush, and other useless material shall be removed by the Contractor from the site of the Project as rapidly as practicable as the work progresses. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their containers in or near streams, waterways or pastures.

g. Upon violation by the Contractor of any provisions of this section, after written notice of such violation given to the Contractor by the Owner, the Contractor shall immediately correct such violation. Upon failure of the Contractor so to do the Owner may correct such violation at the Contractor's expense.

h. The Contractor shall submit to the Owner monthly reports in duplicate of all accidents, giving such data as may be prescribed by the Owner.

(i) The Contractor shall not proceed with the cutting of "yard" trees without written notification from the Owner that proper authorization has been received from the owner of the property and the Contractor shall promptly notify the Owner whenever any landowner objects to the trimming or felling of any trees or the performance of any other work on his land in connection with the Project.

Section 2. Insurance ~ The Contractor shall take out and maintain throughout the period of this Agreement the following minimum amounts of insurance unless greater minimum amounts and/or other stipulations are required by Exhibit B of this contract. If additional insurance requirements are shown in Exhibit B beyond those shown below, the additional insurance requirements shall be necessary and shall be at the sole expense of the Contractor:

<u>TYPE</u>	<u>LEVEL</u>
1. Workers Compensation	Statutory
2. Employers Liability	Bodily Injury by Accident \$1,000,000 each accident
	Bodily Injury by Disease \$1,000,000 policy limit
	Bodily Injury by Disease \$1,000,000 each employee
3. Public Liability	Bodily Injury or Death \$1,000,000 each occurrence

	Property Damage	\$1,000,000 each occurrence
	Accidents	\$1,000,000 aggregate
4. Automobile Liability	Bodily Injury or Death	\$1,000,000 per person
		\$1,000,000 each occurrence
	Property Damage	\$1,000,000 each occurrence
5. Umbrella Liability	Each Occurrence and Aggregate	\$4,000,000

The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in this Section or Exhibit B. In any such event, the additional premium or premiums payable solely as the result of such additional insurance shall be added to the Contract price.

The Owner shall be named as "Additional Insured" and certificate holder on all policies of insurance required unless specified otherwise by the owner.

The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Owner. The Bidder shall furnish the Owner a certificate evidencing compliance with the foregoing requirements which shall provide not less than (30) days prior written notice to the Owner of any cancellation or material change in the insurance.

Section 3. Delivery of Possession and Control to the Owner.

- a.** *Upon written request of the Owner, the Contractor shall deliver to the Owner full possession and control of any portion of the Project provided the Contractor shall have been paid at least ninety percent (90%) of the cost of the work of such portion. Upon such delivery of possession and control to the Owner, the risks and obligations of the Contractor as set forth in Section 1(e) of this Article IV with respect to such portion so delivered to the Owner, shall be terminated:*

Provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to unsuitable workmanship as specified in Article II, Section 4.

- B** *Where the R/W Clearing of a Section as hereinbefore defined in Article II, Section 1 (c) and Article III, Section 1 (d) shall have been completed by the Contractor, the Owner agrees, after receipt of a written request from the Contractor, to accept delivery of possession and control of such Section upon having inspected the Section and having found the work acceptable. Upon such delivery of the possession and control of any such Section to the Owner, the risk and obligations of the Contractor as set forth in Article IV, Section 1 (e) hereof with respect to such Section so delivered to the Owner shall be terminated. Provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to unsuitable workmanship as specified in Article II, Section 4 hereof.*

Section 4. Assignment of Guarantees ~ All guarantees of materials and workmanship running in favor of the Contractor shall be transferred and assigned to the Owner prior to the time the Contractor receives final payment for any Section.

Article V--Remedies

Section 1. Completion on Contractor's Default ~ If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this Proposal, the Owner, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor a written notice requiring the Contractor to cause such default to be corrected forthwith.

Unless within twenty (20) days after the service of such notice upon the Contractor and the Surety, if any, such default shall be corrected or arrangements for the correction thereof satisfactory to the Owner shall be made, the Owner may take over the work on the Project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the contract price occasioned thereby.

The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Proposal and for such purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims, and demands.

Section 2. Liquidated Damages ~ The time of the Completion of Clearing is of the essence of the contract. Should the Contractor neglect, refuse or fail to complete the clearing within the time herein agreed upon, after giving effect to extensions of time, if any, herein provided, then, in that event and in view of the difficulty of estimating with exactness damages caused by such delay, the Owner shall have the right to deduct from and retain out of such monies which may be then due, or which may become due and payable to the Contractor the sum of NA dollars/per day for each and every day that such work is delayed in its completion beyond the specified time, as liquidated damages and not as a penalty.

Section 3. Cumulative Remedies ~ Every right or remedy herein conferred upon or reserved to the Owner shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute and the pursuit of any right or remedy shall not be construed as an election: Provided, however, that the provision of Section 2 of this Article shall be the exclusive measure of damages for failure by the Contractor to complete the clearing within the time herein agreed upon.

Article VI--Miscellaneous

Section 1. Definitions.

a. The term "Engineer" shall mean the engineer employed by the Owner to provide engineering services for the Project and said Engineer's duly authorized assistants and representatives. The term "Engineer"

will mean "Owner" if the Owner chooses to perform the work in-house and not employ an Engineer.

- b. The term "Completion of Clearing" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof.
- c. The term "Completion" shall mean full performance by the contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof relating to any Section of the Project or to the Project.

Section 2. Patent Infringement ~ The Contractor shall save harmless and indemnify the owner from any and all claims, suits and proceedings for the infringement of any patent or patents covering any materials or equipment used in construction of the Project.

Section 3. Permits for Explosives ~ All permits necessary for the handling or use of dynamite or other explosives in connection with the construction of the Project shall be obtained by and at the expense of the Contractor.

Section 4. Compliance with Statutes and Regulations ~ The Contractor will comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulations issued pursuant thereto, and 18 U.S.C. Secs. 286, 287, 1001, as amended. The Contractor understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of governmental agencies having jurisdiction in the premises.

Section 5. Equal Opportunity Provisions.

- a. **Contractor's Representations** ~ The Contractor represents that: It has X does not have 100 or more employees, and if it has, that it has X has not furnished the Equal Employment Opportunity --- Employers Information Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

The Contractor agrees that it will obtain, prior to the award of any subcontractor for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement, signed by the proposed subcontractor, that the proposed subcontractor has filed a current report on Standard Form 100. The Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this Contract will amount to more than \$10,000, the Contractor will file such report, as required by law, and notify, the Owner in writing of such filing prior to the Owner's acceptance of this Proposal.

- b. **Equal Opportunity Clause.** During the performance of this Contract, the Contractor agrees as follows:
 - (i) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that

employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.

- (ii) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (iii) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or worker's representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (iv) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- (v) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (vi) In the event of the Contractor's noncompliance with the Equal Opportunity Clause of this Contract or with any of the said rules, regulations or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- (vii) The Contractor will include this Equal Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

- (c) **Certificate of Non-Segregated Facilities.** The Contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time-clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it will retain such certifications in its files.

Section 6. Franchises and Rights-Of-Way ~ The Contractor will be under no obligation to obtain or assist in obtaining any franchises, authorizations, permits, or approvals required to be obtained by the Owner from Federal, state, county, municipal or other authority; any rights-of-way over private lands; or any agreements between the Owner and third parties with respect to the construction and operation of the Project.

Section 7. Non-Assignment of Contract ~ The Contractor shall not assign the Contract effected by an acceptance of this Proposal or any part thereof or enter into any contract with any person, firm or corporation for the performance of the Contractor's obligations thereunder, or any part thereof, without the approval in writing of the Owner.

Section 8. Extension to Successors and Assigns ~ Each and all of the covenants and agreements contained in the Contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

Section 9. Independent Contractor ~ The Bidder shall perform the work as an independent contractor, not as a subcontractor, agent, or employee of the Owner. Upon acceptance of this proposal, the successful Bidder shall be

the Contractor and all references in the Proposal to the Bidder shall apply to the Contractor.

Section 10. Acceptance by the Owner ~ The acceptance of a Proposal shall become effective the date of acceptance by the owner.

Description of Units

Right-of-Way Clearing Units:

This is a lump sum, "Clear by Circuit" contract and includes hourly rates as described within this proposal and attached exhibits/attachments.

Specifications

In preparing the right-of-way, trees shall be removed, underbrush cleared, and trees trimmed so that the right-of-way shall be clear from the ground up or as specified. Trees fronting each side of the right-of-way shall be trimmed symmetrically unless otherwise directed by the Owner. Dead trees beyond the right-of-way which would strike the line in falling shall be removed. Leaning trees beyond the right-of-way which would strike the line in falling and which would require topping if not removed may be removed or topped at the direction of the Owner.

The right-of-way shall be cleared in accordance with the instructions in the preceding paragraph and in addition as specified by the exhibits/attachments to this contract.

Contractor agrees to abide by and follow specifications per all attachments/exhibits to this contract.

The exhibits/attachments included in this contract along with this contract represent the agreement in its entirety between the parties. No other outside agreements whether spoken or written are a part of this contract.

Distribution Right-of-Way Clearing Prices (Circuit Bid)

The following circuit bid price shall be a firm, lump sum price regardless of the actual mileage encountered by the contractor while doing work on the circuits. The contractor affirms that the company has examined the required work in the field and accepts the lump sum prices regardless of the actual mileage encountered while performing the work.

Circuit Bid Prices will be added here

**Distribution Right-of-Way Clearing Prices
(Hourly)**

**Hourly Prices and possibly a reference to
attached hourly prices will be added here.**

Additional Stipulations concerning Hourly Work and Prices:

Overtime shall be at a rate of **X.X times** the regular hourly rate. Overtime shall be paid for work that the Owner requests, which exceeds 40 hours in a week or is outside the normal working hours.

If the Owner requires work on "Owner approved Holidays," the rate shall be **X.X times** the regular hourly rate.

All prices (Hourly Prices and Circuit Bid Prices) for 2022 and 2023 shall be at the prices originally bid with no increase in the prices for CPI or any other reason.

In all circumstances, overtime is only applied to labor and not to equipment.

The contractor will be reimbursed for any reasonable meal and lodging expenses while working storms, but only those expenses which the Owner approves.

If the Owner requests the Contractor to bring in extra temporary (off system) workers and equipment for emergency situations such as storm restoration, the Owner and Contractor shall negotiate rates and any special terms/conditions for those extra workers and equipment at the time the request is made unless other arrangement are agreed to in advance by the parties of this contract. All other terms/conditions applying to any temporary workers or equipment not changed by mutual agreement of the parties in writing shall be as stated in this contract and the attachments/exhibits hereto which are made a part of this contract.

The Contractor will provide a General Foreman or a Lead Contact Person on all lump sum bids that will be the single point of contact for the Owner's ROW Coordinator until the project is completed. There will be no charge to the Owner for this service. Normal hourly crews will not require a general foreman on most occasions since daily crew placement will be handled by the Owner's ROW Coordinator. If the ROW Coordinator requests additional help from a General Foreman, he/she will charge billable hours at the rate shown in the table above to the same account as the normal crews subject to the ROW Coordinator signing off on the time sheets. The overtime rate and conditions for when overtime is paid (emergency/storm work, etc.) for the General Foreman shall be as

described above for other contract workers. Any billable hourly work for a General Foreman must be pre-approved and requested by the Owner.

The Contractor shall provide a qualified Safety Person to check on the crews at no charge to the Owner. The schedule for checking crews will be determined by the Contractor.

It is understood by both parties that the hourly rates included in this contract are complete charges and there is not an extra charge per man (Per Diem) of any kind.

The General Foreman shall have a pickup truck and cell phone. There shall be no charge to the Owner for this.

Each Crew Foreman shall have a cell phone. There shall be no charge to the Owner for this.

All crews shall be equipped with all necessary saws, climbing gear, safety equipment and other necessary tools and equipment for right-of-way clearing work. There shall be no charge to the Owner for this. The only manpower and equipment charged for shall be as shown in the table above.

The number of and type of personnel and equipment making up each crew shall be determined by the Owner. The Contractor agrees to furnish manpower and equipment to the best of his ability to meet the needs of the owner. The Contractor understands and accepts the fact that the Owner reserves the right to terminate the contract for any reason at any time and that there is no guarantee of any specific types or amounts of work.

ATTEST:

????????????????????

Bidder

Secretary

President

Dated: _____

Address

This Proposal must be signed with the full name of the Contractor. If the Contractor is a partnership, the Proposal must be signed in the partnership name by a partner. If the Contractor is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the Corporation.

ACCEPTANCE

The Owner hereby accepts the foregoing Proposal of the Bidder, XXXXXXXXXXXXXXXX, for the right-of-way clearing of the following:

- Type "A" Circuit/Substation Bid Work as defined by this contract and the attachments hereto for XXXXXXXXXX Substation and XXXXXXXX Substation as shown above in this contract.
- Hourly work as defined by this contract and the attachments hereto if requested and commissioned by the Owner.

South Kentucky RECC
Owner

By: _____
Manager / CEO

Secretary

_____, 202X
Date of Contract



850 Center Way
Norcross, GA 30071

(770) 453-1410
pdengineers.com

EXHIBIT A: Bid Instructions and Other Requirements for Right of Way “Circuit Bidding” for South Kentucky Rural Electric Cooperative Corporation (SKRECC) (for 2022 and 2023 work)

July, 2021

General Information:

Owner: South Kentucky Rural Electric Cooperative Corporation
200 Electric Avenue
Somerset, KY 42501
Telephone: 606-678-4121

Consultant: Steve Conover, Distribution Consultant
Patterson & Dewar Engineers, Inc.
75 Holt Rd.
Jamestown, KY 42629
Telephone (606) 872-3501
sconover@pdengineers.com

This bid process is for “circuit bid” (lump sum) type work as defined below. Hourly prices will also be requested for occasional miscellaneous work which may arise that is outside the scope of the circuit bid tasks. Please see Exhibit B for more information on when hourly prices can become applicable. Bids will be evaluated based on adding the lump sum bid for each circuit to the expected hourly cost for each circuit. The number of expected hours for each circuit will be estimated by SKRECC and applied to bids after they are received. Therefore, it is important to provide competitive bids for both lump sum and hourly work. The following circuits are being bid per the above criteria (lump sum bid + expected hourly costs) for work in the years of 2022 and 2023:

<u>Substation</u>	<u>Circuit Name</u>	<u>Miles</u>	<u>Work Year</u>
Cabin Hollow	Rush Branch	61.2	2022
Cabin Hollow	Cedar Grove	40.3	2022
Wiborg	Greenwood	119.2	2022
Wiborg	Beulah Heights	67.7	2022
Zula	Susie	45.2	2022
North Albany	Town	12.1	2022

North Albany	Burkesville	20.5	2022
North Albany	Clinton County	4.6	2022
South Albany	Adam's Dock	50.2	2022
South Albany	Downtown	3.1	2022
Mt. Victory	To Mt. Victory	75.0	2023
Nelson Valley	Stilesville	50.3	2023
Nelson Valley	Eagles Nest	14.9	2023
Nelson Valley	Rainbow Terrace	14.7	2023
Slat	Parnell	103.2	2023
Russell Springs	Hails Highway	59.8	2023
Windsor	Caintown	120.9	2023
Upchurch	Grider Hill	86.3	2023
Sewellton	Highway 55	108.5	2023

Substation Location Information:

Cabin Hollow	50 Commerce Lane, Somerset, KY 42501
Wiborg	162 Beulah Heights Road, Whitley City, KY 42653
Zula	191 HWY 1009 N, Monticello, KY 42653
North Albany	1028 Third Street, Albany, KY 42602
South Albany	235 West Harper Lane, Albany, KY 42602
Mt. Victory	2444 Old Whitney Road, Somerset, KY 42501
Nelson Valley	134 Stilesville Road, Somerset, KY 42501
Slat	101 Whispering Pines, Monticello, KY 42633
Russell Springs	64 Old Sano Road, Russell Springs, Ky 42642
Windsor	1905 Highway 80, Windsor, KY 42565
Upchurch	594 Wray Ridge Road, Albany, KY 42602
Sewellton	44 Highway 55, Jamestown, KY 42629

The mileages shown above are only approximate and represent an estimate of primary line mileage. However, some trimming of secondary and service lines will be required as part of the work, and no extra monies are paid for that. Please see Exhibit B for more information. It will be the responsibility of the contractor to look at each circuit before submitting a bid, and circuit bids will be firm and binding regardless of the actual mileage encountered. No changes will be made on the Circuit Bid prices.

Pre-Bid Submissions:

- In order to be considered for inclusion on the Right of Way Bid List for this contract bidding you must execute and submit the following documents included in the Pre-Bid Package. These documents must be received per the instructions stated herein **on or before 3:00 PM (Eastern Time) July 23, 2021.**

- Exhibit C ~ Contractor's Acceptance of Requirements and Intent to Bid
 - Exhibit D ~ Certificate of Non-Segregated Facilities (Equal Opportunity Employment Certification)
 - Exhibit E ~ Debarment Certification
 - Exhibit F ~ Certification for Contracts, Grants, Loans, and Cooperative Agreements
 - Exhibit G ~ SKRECC Pre-Bid Questionnaire
- The Following documents are provided to the contractor as an aid in filling out the Pre-Bid materials and include terms and conditions that the contractor must agree to by executing Exhibit C. These documents do not need to be returned but they may be included as attachments/terms to the final contract:
 - Exhibit A ~ Bid Instructions and Other Requirements (This Document)
 - Exhibit B ~ SKRECC Additional Right-of-Way and Contract Specifications
 - Exhibit I ~ Example Contract (Modified RUS 201)
 - Note: Exhibit H is not included in the pre bid package and not needed by the contractor for a pre bid submission. This is an exhibit used later in the process for a bid Invitation and additional bidding instructions if necessary.
 - Pre Bid materials shall be submitted to the "Consulting Engineer" (Patterson & Dewar Engineers, Inc.), via email to sconover@pdengineers.com (Steve Conover). Please make high quality electronic scans of all PDF documents and save the spreadsheet (Exhibit G) in its original format. Emailing these documents is all that is required for a pre bid submission.
 - All questions and requests should be addressed to the Consulting Firm of Patterson & Dewar Engineers, Inc. via e-mail to sconover@pdengineers.com (Steve Conover).

If You Are Chosen as a Bidder:

- If you are chosen for inclusion on the Bidder List, you will later be invited to submit bids for Right-of-Way work for SKRECC. The following is provided to the contractor to aid in understanding the general scope of the upcoming work; however, SKRECC reserves the right to change any of the following items at its sole discretion.
- It is anticipated that **sometime on July 26th, 2021** that contractors will be informed as to whether or not they have been accepted as a bidder. After being accepted, bidders can go by the South KY RECC office in Somerset, KY and pick up maps of the circuits to bid. Please contact Don Bethel at 606-872-3087 and make arrangements for picking up the maps.
- SKRECC will hold a **Zoom meeting** with all selected bidders before bids are due. Contractor attendance will be mandatory. SKRECC will give as much notice as reasonably possible if the

date changes, but the date for the meeting is currently scheduled for **July 30th, 2021, beginning at 10:00 AM (Eastern Time)**. Unless SKRECC informs the contractor otherwise, this will be the time and date for the meeting. An invitation for the Zoom meeting will be sent out sometime after a contractor is accepted to bid.

- Bids must be submitted to Steve Conover of Patterson & Dewar engineers via a spreadsheet that must be sent to sconover@pdengineers.com . The spreadsheet will be provided to the contractors at a later date. **The bids are due by August 31st, 2021 before 3:00 PM Eastern time.**
- Along with the bid spreadsheet, bidders are required to submit a MS Word document that gives a thorough description of the manpower and equipment that they plan to use for each of the circuits if they are awarded the work. If the manpower and equipment is to be exactly the same for all circuits, this should be stated. If the manpower and equipment will vary from circuit to circuit, please list it for each individual circuit in the MS Word document. Note: This information is being requested by SKRECC for planning purposes. Please be thorough and complete in your response to this request.
- The Bid Spreadsheet and the above mentioned MS Word Document are all that is required to submit a bid, unless additional information is requested at a later date.
- **SKRECC reserves the Right to reject any or All Bids at its sole discretion.**
- All questions and requests should be addressed to the Consulting Firm of Patterson & Dewar Engineers, Inc. via e-mail (To sconover@pdengineers.com Steve Conover).
- The required contract work **must be completed by November 30th of the year the work is scheduled to be done.** The contractor may begin work once the contract is signed and SKRECC gives them permission to start.
- Once a contract is signed, the contractor shall begin work very soon and work on a schedule, acceptable to SKRECC. The contractor shall keep the required crews present and working on the SKRECC system until the work is completed. The contractor shall not remove crews for work at other utilities unless permission is granted by SKRECC to do so.
- Bid prices shall be such that they uniformly can be used for all work encompassing both energized and de-energized conditions.
- The manpower schedule that the contractor will be required to meet after contracts are signed is as follows:
 - Circuit Bid Crews: The number of crews needed will be determined by the number of crews required to complete the assigned work within the allotted time **(before November 30th of the year for which the work is scheduled).**
 - All crews must have the necessary equipment and manpower for the type of work being done. SKRECC shall have the right to determine the adequacy of equipment provided by the contractor, and the contractor must make necessary adjustment to manpower and equipment at the discretion of SKRECC.
 - SKRECC reserves the right to award bid work to multiple contracting companies.
 - Any contractor who is awarded circuit bid work will be required to provide manpower and equipment consistent with getting the work done on time and as directed by SKRECC.
 - Please see Exhibit B for additional information.

- Circuit bid contracts will be per RUS Form 201 with amendments applicable to SKRECC requirements and will include attachments thereto containing special terms and conditions applicable to SKRECC.
- Other RUS Documents could be required in the Contract.
- The successful bidders must be prepared to coordinate with SKRECC to complete required contracting documents and **start working early in the years for which the work is scheduled.**
- An orientation conference meeting will be held with the successful bidder/s at a time to be specified by SKRECC. The purpose of this meeting will be to review the schedules, establish procedures for handling staking sheets and other documents, and review required procedures, which includes the processing of payments to the contractor.
- During the entire process each proposal will be evaluated with **Safety, Reliability, Economic Value and ability of the contractors to successfully accomplish the work within the allotted time frames.**



Steve Conover
Senior Distribution Consultant
Patterson & Dewar Engineers, Inc.

Exhibit B ~ South Kentucky RECC (SKRECC) Right-of-Way Specifications and Additional Contract Requirements

1. The information within this document pertains to four types of right-of-way work applicable to SKRECC; however, this contract only includes Type A work with some Type C work possible when requested by SKRECC. Types B and D work will not be included in this contract.

- 1.1 Circuit Bid Clearing and Stump Treating (Type A work)
- 1.2 Circuit Bid Herbicide Spraying (Type B work)
- 1.3 Hourly Clearing and Stump Treating (Type C work)
- 1.4 Hourly Herbicide Spraying (Type D work)

2. The actual contract which will be executed with the successful bidder/s will be determined by SKRECC based upon the work awarded. The contracts used may be a modified RUS 201 or other SKRECC standard contracts. All contracts used may also have attachments/exhibits from the bid process documents which will become part of the contracts.

3. The number of crews and crew makeup initially required by SKRECC for Type C and D listed above will be determined by SKRECC at a later date. Please see Exhibit A for a rough estimate of the amount of each type of work that SKRECC anticipates. SKRECC reserves the right to split the contract work and award parts to multiple bidders based solely upon SKRECC's evaluation of the bids received.

4. All specifications and requirements herein are applicable to all four types of work listed above unless otherwise noted. References to any type of mechanical cutting or clearing activities are not applicable to Type B and Type D crews since these crews will be used only for herbicide applications.

5. Type A and Type C crews consists of ground clearing and side trimming of woody species to the specification stated herein. The Type A and Type C crews are also required to effectively stump treat everything cut with herbicide, except for cuts made by bushhogging. Type A crews

must furnish the stump treatment spray consisting of a herbicide mixture listed in paragraph 7.3 as a part of the circuit bid. Type C hourly crews will be responsible for the care and use of the stump spray herbicides listed in paragraph 7.3 as well but will be reimbursed for the herbicides at the time of use. All stump treatment herbicides amounts paid must be pre-approved by SKRECC. Note: The term "herbicides" as used in this document includes any surfactants (whether specifically stated or not) that may be required and appropriate for a given application at the discretion of SKRECC.

6. On all Type A and Type B work, the contractor must complete the circuit and/or section being worked on before moving on to another circuit and/or section, unless permission is granted by SKRECC to proceed otherwise. The contractor shall only proceed to new circuits and/or sections after permission is granted by SKRECC.

7. All herbicide applications must follow label directions and be in accord with all state or federal regulations governing licensed applicators. Please note the following concerning herbicide requirements for type B and type D crews bidding on SKRECC contracts:

7.1 The contractor must furnish the herbicides used on all circuit bid herbicide spraying work as a part of the contractor's circuit bid price. SKRECC does not pay the contractor any extra above the circuit bid price for herbicides used on circuit bid herbicide spraying work.

7.2 SKRECC shall reimburse the contractor for the cost of herbicides applied by hourly herbicide spraying crews. All amounts paid by SKRECC for herbicides must be pre-approved by SKRECC for hourly crews.

7.3 The herbicide mix to be used shall be as follows. The contractor may suggest different herbicides, but the final decision shall be at the discretion of SKRECC. In all cases the kill rates and guarantees mentioned below are applicable. Surfactants used must be consistent with the chosen mix to provide the required results and pre-approved by SKRECC

Stump treatment mixture: Garlon 4 Ultra, 20% Milestone, 1%, Stalker, 1%, Basal oil.

Foliar spray tank mix: Vastlan (Dow AgroSciences) (EPA # 52719-687), applied in accordance with all state and federal regulations, and in a manner to achieve the required kill rate as stated below.

The contractor may suggest other mixes, but any change requires the approval of SKRECC.

For all herbicide applications work, all unwanted woody species within the right-of-way area described in the specifications herein are to be treated with the herbicide and/or herbicide mixtures, and the contractor shall guarantee ninety percent (90%) coverage, control, and effective "kill" rate of the unwanted species. This active effective coverage, control, and "kill" rate shall be determined the following growing season by SKRECC appointee(s). If the contractor does not achieve this quantity and quality of coverage, control, and effective "kill" rate, then it shall reapply the herbicide and/or herbicide mixtures at no additional cost to SKRECC. This procedure will be repeated until the required percent coverage, control, and "kill" rate is achieved as determined by SKRECC's appointee(s).

8. Circuit bid prices shall be firm prices and will not be adjusted for any reason, including more or less mileage encountered by the contractor. Estimated mileages furnished by SKRECC are only rough estimates and it is the responsibility of the contractor to take this into account when bidding on circuits. The approximate mileage given for the substations to be cleared are for primary line miles and do not include secondary or service wire mileage. However, all secondary and service wires are to be cleared and included as a part of the contractor's circuit bid price. Bare secondary lines of less than 600 volts shall have a minimum trim clearance of ten (10') ft. Tree limbs around insulated secondary and service wires shall also be trimmed to provide a minimum clearance of

three foot (3') radius to prevent abrasions to the conductor insulation. Any dead trees within falling distances of a bare secondary or service conductor should be brought to the attention of SKRECC's Field Supervisor so it can be removed at his/her discretion.

9. Hourly bid prices shall be firm and not adjusted for any reason during the contract period.

10. Performance bond requirements shall be as defined in the modified RUS 201 contract document.

11. All forms of mechanical equipment (including aerial trimming equipment) will be allowed if the contractor complies with all requirements of the contract and meets all applicable safety and occupational requirements, including those of OSHA. However, SKRECC shall have the right to disallow certain equipment (including aerial trimming equipment) in residential area and other areas as the cooperative deems necessary. Areas of the system and equipment allowed within them will be on a case by case basis at the discretion of SKRECC.

12. SKRECC requires contractors to perform random drug testing of all employees – not just CDL drivers.

13. The Contractor will provide a General Foreman or a Lead Contact Person on all lump sum bids that will be the single point of contact for SKRECC's ROW Coordinator until the project is completed. There will be no charge to SKRECC for this service. Normal hourly crews will not require a general foreman on most occasions since daily crew placement will be handled by the SKRECC ROW Coordinator. If the ROW Coordinator requests additional help from a General Foreman, he/she will charge billable hours at the hourly rate agreed to in the final contract to the same account as the normal crews, subject to the ROW Coordinator signing off on the time sheets. The overtime rate agreed to in the contract and conditions for when overtime is paid (emergency/storm work, etc.) for the General Foreman shall be as described in the final contract for other contract workers. Any billable hourly work for a General

Foreman must be pre-approved and requested by SKRECC.

14. SKRECC has a strong interest in the safety of employees and the general public. This same interest is expected to be maintained by anyone that works as a contractor for this utility. SKRECC will require that ALL contractors follow rules that meet or exceed all of those set forth by the most current NESC (National Electric Safety Code), and all other applicable state and federal laws.

15. SKRECC reserves the right to stop the contractor's work immediately if SKRECC becomes aware that the contractor is in violation of any of the above mentioned safety requirements, and SKRECC reserves the right to terminate the contract due to safety concerns or other any other concerns at its sole discretion. SKRECC further reserves the right to inspect contractor work sites at its discretion.

16. The contractor is required to furnish SKRECC with all documentation pertaining to safety training and certification on a quarterly basis. This information will be mailed or delivered to SKRECC's designated employee by the first day of the month in each quarter. Contractor will also provide training records and qualifications of their employees prior to employees commencing work on SKRECC's system. SKRECC reserves the right to deny access and permission to work on SKRECC's system to any contractor employee due to insufficient training and or qualifications for work assignment. SKRECC reserves the right to deny access to and permission to work on SKRECC's system to any person that SKRECC deems to have an unsafe work history or substandard work procedures.

17. SKRECC will make a quarterly assessment of completed work. SKRECC reserves the right to require adjustments to manpower and equipment to crews at its sole discretion in order to meet the completion deadlines or to achieve other goals of SKRECC. Manpower and equipment adjustments are at the sole discretion of SKRECC.

18. SKRECC reserves the right at any time to determine that a contractor previously qualified is no longer qualified to perform the work or any part

of the work.

19. Contractor agrees to use Contractor's best efforts to perform the required tasks on SKRECC's right-of-ways located within the area served by SKRECC. Contractor must furnish all necessary equipment, qualified personnel, labor, and qualified supervision sufficient to properly and timely perform the required right-of-way tasks in those portions of the Area designated from time to time by SKRECC. Contractor is responsible for performing all maintenance and repairs on such equipment necessary to keep it in safe operating condition. Contractor shall provide any documentation requested by SKRECC including but not limited to employee training records and Contractor safety rules.

20. Contractor hereby acknowledges that it is an independent contractor for SKRECC and meets all necessary legal requirements to perform the tasks for which the Contractor places bids for at SKRECC. Contractor shall be free to determine and control its time, energy and skill to perform the work in accordance with the Agreement during Contractor's regular business hours, except that work shall not occur before 7:00 a.m., or after 6:00 p.m., or on Sundays, or legal holidays unless approved in advance by SKRECC.

21. Contractor acknowledges that SKRECC, in reliance upon the Agreement, is not withholding any taxes from sums paid to Contractor as compensation for services rendered under the Agreement. Additionally, Contractor acknowledges that SKRECC is not carrying workers compensation coverage or unemployment insurance coverage on Contractor or Contractor's employees due to the independent Contractor nature of the relationship. In the event Contractor should be adjudged not to be an independent Contractor, Contractor will indemnify SKRECC for any additional expenses resulting from such ruling.

22. Contractor agrees to perform all work to the complete satisfaction of SKRECC, in a workmanlike manner and of quality consistent with industry standard practices, and in accordance with all federal, state, municipal, county, and other local laws, ordinances, and regulations applicable to said work.

23. Contractor must investigate and use its good faith efforts to attempt to settle all valid complaints for damages caused by its work from equipment, employees, or otherwise. These complaints will be given immediate attention, and all efforts shall be made to effect a prompt settlement of valid complaints by the Contractor.

24. Contractor is to use diligence to not damage SKRECC's electric facilities or other facilities in discharging their duties. If there are damages caused by the contractor, to consumer or SKRECC facilities, the contractor may be invoiced for the damages or the outage.

25. Contractor agrees to see that all personnel are courteous, polite, and present a favorable image to the public. All representations made to the public will be truthful and honest to the best of Contractor's ability.

26. Contractor acknowledges that he/she does not represent SKRECC and has no authority to obligate SKRECC for any payment or benefit of any kind to any person.

27. Contractor agrees to defend, pay on behalf of, and hold harmless SKRECC and its directors, officer, agents, members and employees, from all claims, demands, causes of action, damages, costs, or liabilities, in law or in equity, of every kind and nature whatsoever, including but not limited to those brought by employees of Contractor or its subcontractors, and those brought as a result of any interruption, discontinuance, or interference with SKRECC's service to any of its customers, arising out of or as a result of any act or failure to act, whether or not negligent, in connection with the performance of the work to be performed pursuant to this proposal by Contractor its directors, officers, agents, employees, and subcontractors. Contractor agrees to defend and pay all costs in defending these claims, demands, causes of action, damages, costs, or liabilities, including attorney's fees, and Contractor shall also reimburse SKRECC for any and all legal and other expenses incurred by SKRECC in connection therewith. Furthermore, Contractor agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations

set forth above.

28. The Contractor's insurance policy must state that Contractor has contractual liability coverage and that SKRECC has been added as an additional insured and included as a certificate holder. Contractor and any subcontractor shall carry workers' compensation insurance as required by law. SKRECC shall receive a minimum thirty (30) day notice in the event of cancellation of insurance required by the agreement. Contractor shall furnish a certificate of insurance to SKRECC showing that the above obligations and requirements are provided for by a qualified insurance carrier, and showing SKRECC as an additional insured on such insurance annually prior to January 1 of the insured calendar year. It shall be the contractor's responsibility to provide SKRECC with a new proof prior to the expiration of the current proof.

29. The Agreement is for a period of time as defined within the contract executed by the parties. The Agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns.

30. Contractor shall identify its equipment and employees as a contractor for SKRECC. Contractor will comply with any identification requirements which may be imposed by Public Service Commission regulations or other law, and also any reasonable requirements which may be imposed by SKRECC. Contractor's vehicles shall be identified with a company logo that is legible. Magnetic signs furnished by SKRECC (one set per vehicle) stating "Contractor for South KY RECC" or equivalent shall be displayed at all times when at a work site.

31. The contractor shall pay any penalties associated with violations cited by any governing authority (i.e. Public Service Commission, OSHA, etc.).

32. The Agreement shall be governed by the laws of the State of Kentucky. Any lawsuits related to the Agreement shall be brought in the Pulaski County, Kentucky state courts.

33. No amendment or variation of the terms or conditions of the Agreement shall be valid unless in writing and signed by the parties. The

Contract executed by the parties and attachments thereto constitutes the entire Agreement between the parties regarding the subject matter hereof, and all other prior written or oral communications of any nature whatsoever are hereby merged into and superseded by the Agreement. The parties acknowledge that there are no other oral or written understandings, arrangements and/or agreements between the parties relating to the subject matter of the Agreement.

34. A waiver of any of the terms and conditions of the Agreement shall not be construed as a general waiver by any party, and such party shall be free to reinstate any such term or condition, with or without notice to the other parties.

35. Any headings used as part of the Agreement are for the convenience of the parties and are not to be construed as part of the Agreement.

36. In the event that any portion of the Agreement may be held to be invalid or unenforceable for any reason, it is agreed that said invalidity or unenforceability shall not affect the other portions of the Agreement, and that the remaining covenants, terms and conditions or portions thereof shall remain in full force and effect and any court of competent jurisdiction may so modify the objectionable provision as to make it valid, reasonable and enforceable.

37. If conflicting information or requirements is found in any of the contracting documents, the most stringent requirements for the contractor shall prevail unless SKRECC deems otherwise.

38. The rights of the parties under the Agreement are personal and not assignable.

39. Contractor agrees to pay SKRECC's reasonable expenses, including attorneys' fees and costs, incurred by SKRECC in enforcing the terms, conditions, and provisions of the Agreement.

40. SKRECC will furnish a ROW Coordinator to oversee all aspects of line clearing while contract crews are working on SKRECC's system. Any

and all questions that may arise should be brought before this designated person for resolution.

41. SKRECC will furnish systems maps to the contractor's ROW foreman or supervisor for the purpose of locating and recording all work done on SKRECC's system. After work has been completed in a particular area the maps shall be returned to SKRECC's ROW Coordinator.

42. Some crews will also have the opportunity to remove previously left yard trees and "off right-of-way" danger trees on an hourly basis. However, SKRECC shall have the final choice on whether or not to remove such trees. The contractor must contact SKRECC for a decision before commencing on clearing such trees.

43. Equipment must be maintained in good condition and with little or no oil leaks. SKRECC shall have the right to require that equipment which does not meet the approval of SKRECC be replaced. The decision of SKRECC shall be final.

44. Personnel must be "presentable" to the public. SKRECC shall have the final decision on any questions arising in this area of the contract.

45. Contractor shall perform 100% of the work directly without using subcontractors unless approval is granted by the SKRECC's ROW Coordinator.

46. The contractor must provide a written report to the SKRECC Field Supervisor for any OSHA reportable injury or violation, and any "near-miss" incident or accident must be promptly reported to the SKRECC Field Supervisor within one hour of occurrence.

47. Contract crews may be inspected by SKRECC's ROW coordinator or other SKRECC personnel on a routine basis.

48. SKRECC staff has the right to conduct site-visits of project areas on a routine basis.

49. Contractor invoicing for hourly work shall be submitted monthly (for previous month's work); and said invoice may be submitted electronically and paid electronically. Time sheets for hourly crews should be submitted weekly so invoicing can be paid in a timely manner. Payments from SKRECC will generally be made on or before the tenth of each month after receipt of invoice but payment of sections of circuit cutting will be paid after an inspection of the work has been made by a representative of SKRECC and all follow up work has been completed.

50. SKRECC requires the contractor to submit completed circuit bid work invoices in 25% increments.

51. SKRECC's ROW Coordinator will strive to provide answers to contractor questions and/or requests in a timely manner (usually within two or three business days). Any questions regarding acceptable methods of performing work shall be directed to SKRECC, and SKRECC will have the final determination on what is deemed acceptable.

52. Each crew shall have a cell phone furnished by the contractor or some other means of communication that SKRECC can use to contact them at all times. In the case of cell phones, the phone numbers shall be given to SKRECC's ROW Coordinator and said phone numbers kept current.

53. Each crew shall have tracking equipment installed on vehicles and SKRECC shall be given access to be able to see vehicle locations.

54. At least one contractor employee capable of speaking fluent English shall be on each job site at all times when the contractor is working.

55. Each crew must inform the ROW Coordinator or the SKRECC dispatcher of their location on the system each morning before beginning work and before departing at the end of each day.

56. Contractors may not park trucks on SKRECC property. Contractors may not park at substation property owned by East Kentucky Power

(EKP) without written permission from EKP.

57. SKRECC provided locks are installed on many "locked-gates"; contractor must not cut locks or chains unless permission is granted by the SKRECC ROW Coordinator.

58. Contractor will not perform or solicit any type of private tree trimming work on the customer's property while actively engaged in performing work for SKRECC under contract until all work on the circuit is completed.

59. Disposal of wood residue such as brush, wood, large sections of tree trunks, large limbs, wood chips and other such products produced or generated by working on SKRECC's system shall not obstruct roads, paths, or waterways. Disposal of said residue shall be the sole responsibility of the contractor and at approved locations. All disposal costs shall be included in the cost submitted on the SKRECC bid. When approved by property owners, logs and brush may be left or the chipped wood may be blown onto the property where the wood residue originated. This is the preferred scenario.

60. SKRECC has some lines within the Daniel Boone National Forest. Brush that is trimmed or cut in these areas shall be mulched down flat or mowed to less than two feet high. Windrows or brush are not allowed because of the concern of hot spots in case of fire. Also, if the ground is disturbed because of equipment being hung or other ground disturbance actions it shall be seeded and strawed to prevent erosion.

61. No trash (i.e. lunch sacks, cans, containers, etc.) or other non-wood residue shall be deposited and disposed of with chips collected from tree trimming operations. Crews are also required to leave their work area as clean as when they arrived with all trash disposed of properly.

62. Power outages caused by workers dropping limbs or trees on to energized lines are unacceptable and precautions shall be taken to make sure this does not happen. In the unlikely event that it does happen, SKRECC has the right to bill the contractor for the cost of repairs and

service restoration and any personal injury or property damage.

63. Contractors shall make available its crews for emergency work as determined by SKRECC, day or night, weekends, holidays, or during any natural or man-made disasters. The contractor shall furnish SKRECC the name and telephone number of the person to contact for emergency crews.

64. SKRECC Retains the Right to Reject Any or All Proposals Submitted in Response to this contract.

65. On multiphase lines, SKRECC's current requirement is 45 feet total width. This is the equivalent of 22.5 feet clearance on each side of the centerline. On single phase lines, SKRECC's current requirement is 30 feet total width. This is the equivalent of 15 feet on each side of the centerline. These distances are ground to sky unless permission to do otherwise is granted by SKRECC. Common sense would dictate that not all of SKRECC's existing lines can be cut to this exact specification, and in some circumstances, it will only be possible to clear the ROW back to the original corridor, which may be less than the current requirements. In any instance where large trees would need to be removed in order to meet SKRECC's current ROW specifications, SKRECC will pay the contractor hourly wages for the extra clearing work. Any questionable situation such as this must be directed to SKRECC's ROW Coordinator or his/her designee before work proceeds.

66. All limbs overhanging the primary line right of way corridors shall be removed by the contractor unless SKRECC gives permission in specific instances to reduce this requirement. The contractor must take this into consideration when bidding on SKRECC right of way work and adjust bid prices accordingly. The contractor may occasionally suggest reducing this requirement in specific instances, but SKRECC shall have the final decision on each situation.

67. All woody stem vegetation will be cut as close to the ground as practicable, but not to exceed three inches (3") above ground line. The cuts shall be made parallel with the ground.

68. If permission from the landowner is granted to remove a previously left yard tree which poses a threat to the power lines, SKRECC may choose to pay the contractor (or another contractor) hourly wages to remove the tree. Permission from SKRECC to remove the tree must be granted in each instance. All trees and woody brush located within the confines of what is considered to be the yard of homes or businesses will require that all brush be chipped or removed unless specific instructions are obtained from the land owner to leave the brush/wood onsite. In certain instances chips may be blown directly on the ground if permission can be obtained from the landowner. All yard tree removals shall be accompanied by written permission from the land owner and authorized by SKRECC before they can be removed on an hourly basis. All trees removed shall be cut flush with the ground line. SKRECC promotes the safe and economic removal of such trees within their ROW corridor in lieu of cycle trimming of said trees. This procedure promotes both the long-term reduction in clearing expenditures and the increase in expected system reliability.

69. Logs or debris shall not be placed below the high water mark of streams, springs, creeks and rivers or other bodies of water. Pastures and cultivated fields must be cleaned up unless permission to leave debris is granted by the landowner.

70. Poles and guy wires shall be clean of all brush, trees, and vines debris ten feet (10') around them.

71. Due to concern for livestock safety, any wild cherry tree cuttings must be removed from livestock areas.

72. When cutting back to a lateral it shall be 1/3 the size of the main limb.

73. No stump treatment will be used on federal or state owned lands.

74. Dead, dying, and/or danger trees outside of the ROW corridor will be considered for removal via hourly pricing. All trees in this category must be reviewed and approved by SKRECC before the tree or trees are

trimmed / removed.

75. The logs and brush that result from the integrated vegetation management operations should be handled in a manner consistent with adjoining land use, terrain, aesthetics, and fire risk. Logs may be recoverable for firewood or timber products and are often best left for the property owner. Brush can be loped evenly thru-out the unmaintained areas landscape and left lying in place or piled/windrowed along right-of-way edges if required by landowners. A wire zone consisting of a five foot (5') path under lines/phases needs to be cleared of all debris. This includes any overhang within three feet of the edges (on both sides) of the 5 ft path.

76. Wherever practical and permissible, dead or defective trees, trees that have been severely disfigured from past improper trimming techniques, and fast-growing trees located so as to be a potential hazard to SKRECC's primary overhead distribution system facilities shall be removed.

77. SKRECC's right-of-way easements allow for the maintenance of right-of-ways areas included within the easements; however, the contractor shall be required to use good judgment and take reasonable care when entering upon such areas. In all cases, respect for the property owner and other stakeholders shall be considered paramount by the contractor. In sensitive areas such as yards, subdivisions, highly maintained areas, posted lands, and similar circumstances, the contractor shall make a good faith effort (when reasonably possible) to inform property owners and/or other stakeholders of the contractor's presence and the general scope of the contractor's work before proceeding. Any situations in which a property owner or other stakeholder takes issue with the contractor's right to enter the property or complete the work shall be reported to SKRECC immediately in order to help facilitate a resolution. All gates, fences and consumer property are to be left in the same condition as found.

78. Severability/Partial Invalidity: The invalidation of any provision, or any portion of a provision, of this Agreement by any entity with proper

jurisdiction and authority does not invalidate the remaining provisions, or the remaining portion of a provision, of this Agreement.

79. Non-Waiver of Default: Failure of SKRECC to treat this Agreement as terminated by failure of the Contractor to comply with, or as a result of, a breach by the Contractor of any term or condition herein, shall not constitute a waiver of SKRECC'S right to this Agreement as terminated in the event of any subsequent failure to comply, or breach by the Contractor, and such right of termination by SKRECC shall be deemed a continuing one. Further acceptance of services by SKRECC shall not be deemed a waiver of Contractor's breach of any obligation hereunder or SKRECC's right to terminate this Agreement because of such breach. In the event SKRECC waives the breach of any covenant or condition or of Contractor's failure to comply with any terms hereof, the same shall not constitute a waiver of any other failure to comply or breach known at the time of such waiver. SKRECC'S right to declare default as set forth in this Agreement shall be deemed a continuing one. The waiver by SKRECC of any breach of a covenant or condition by the Contractor shall not constitute a waiver of any other breach of any other covenant or condition hereof.



850 Center Way
Norcross, GA 30071

(770) 453-1410
pdengineers.com

EXHIBIT C: Contractor's Acceptance of Requirements and Intent to Bid

The undersigned hereby certifies that the company indicated below:

- Desires to bid on all or part of South Kentucky RECC's Right-of Way contracting work to be completed by **November 30th of the year specified for completion (2022 or 2023).**
- Meets all requirements of and is willing to accept all terms and conditions as specified by:
 - RUS right of way contracting requirements
 - Exhibit A: Bid Instructions and Other Requirements
 - Exhibit B: South Kentucky RECC's Right-of-Way Specifications and Additional Contract Specifications
 - The South Kentucky RECC contract and applicable attachments

Signature

Date Signed

Printed Name

Name of Company

Title of Officer

Notary Public

My Commission Expires:

Exhibit D ~ Contractor's "Employer's Equal Opportunity Declaration" For South Kentucky RECC Contracting

A. Section 1 - Contractor Representations

a. Contractor represents that:

It has (), does not have () 100 or more employees, and if it has,

It has (), has not () furnished the Equal Employment Opportunity - Employers Information.

Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

Contractor agrees that it shall obtain, prior to the award of any subcontract for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement signed by the subcontractor showing that the proposed subcontractor has filed a current report on Standard Form 100.

Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this contract shall amount to more than \$10,000, contractor shall file such report, as required by law, and notify **South Kentucky RECC** in writing of such filing prior to **South Kentucky RECC's** acceptance of this Proposal.

b. Equal Opportunity Clause. During the performance of this contract, contractor agrees as follows:

1. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following:

Employment upgrading, demotion or transfer, recruitment or recruiting advertising, layoff or

termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.

2. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex or national origin.
3. The contractor shall send to each labor union or representative or workers, with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
5. The contractor shall furnish all information and reports required by Executive Order of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's non-compliance with the Equal Opportunity Clause of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in

accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as provided by law.

7. The contractor shall include his Equal Opportunity clause in every subcontract or purchase order unless exempted by the rule, regulation, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions shall be binding upon each subcontractor and Vendor. The contractor shall take such action with respect to any subcontractor or purchase order as the administering agency may direct as means of enforcing such provisions, including sanctions for non-compliance provided however, that in the event the contractor becomes involved in or is threatened with, litigation with a subcontractor or Vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
- c. Certificate of Non-segregated Facilities. The contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor certifies further that it shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it shall not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor certifies further that it shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it shall not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract. As used in this certification, the term "segregated facilities" means any waiting room, work areas, restrooms and washrooms, restaurants and other eating

areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom or otherwise. The contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time period) it shall obtain identical certifications from proposed subcontractors prior to the award of subcontractors exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it shall retain such certification in it's files.

Extension to Successors and Assigns

Each and all of the covenants and agreements contained in the contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

(Contractor)

(President)

(Address)

Attest: _____

Date of Proposal _____

This proposal shall be signed with the full name of the contractor. If the contractor is a partnership, the proposal shall be signed in the partnership name by a partner. If the contractor is a corporation, the proposal shall be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the secretary of the corporation.

Exhibit E ~ South Kentucky RECC
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in the covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms *covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded*, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transactions with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

CERTIFICATION

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Organization Name	PR/Award or Project Name
-------------------	--------------------------

Name and Title

Signature	Date
-----------	------

Exhibit F – South Kentucky RECC

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31 U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature

Date

Name and Title

Company Name

Exhibit G ~ South KY RECC (SKRECC) Pre-Bid Questionnaire and Data Request For Right of Way Contracting (Page 1 of 4)

Please complete the following survey by entering the required information in the blue shaded areas.

Please provide the following using OSHA 300 Logs, etc. as required:

	2018	2019	2020
List your firm's interstate Experience Modification Rate (EMR).			
List your firm's OSHA Recordable Rate			
List your firm's DART Rate			
List your firm's Lost Time Rate			
Number of Lost Workday Cases:			
Number of Restricted Workday Cases:			
Number of cases with medical attention only:			
Number of fatalities:			
Number of hours worked (do not include non work paid hrs)			
Number of times your organization has been cited by OSHA in last 3 yrs:			

Please answer the following questions with "Yes" or "No."

	Yes or No
Do you have a written safety program?	
Do you have a written drug testing policy that covers all employees (not just CDL)?	
Are all employees subject to drug tests based on reasonable suspicion?	
Are all employees subject to random drug tests?	
Does your company do drug screening and background checks on new hires?	
Do you conduct site safety inspections at least monthly?	
Do you require foremen to hold tailgate sessions daily and at each work site?	
Do you require foremen to conduct daily safety inspections at work sites?	
Do you have a designated and competent person assigned to safety management for the company?	
Do you have a safety orientation for all new hires?	
Does your safety orientation for new hires include fall protection?	
Does your safety orientation for new hires include safe ladder use?	
Does your safety orientation for new hires include fire protection?	
Does your safety orientation for new hires include first aid, MSDS and CPR?	
Does your safety orientation for new hires include energized equipment approach distances?	
Do you have an existing workforce capable of meeting SKRECC's work requirements?	
Do you commit to handling all complaints in a professional and timely manner?	
Are your personnel licensed for use of chemicals and herbicides commonly used in ROW maintenance?	
Do all of your workers meet OSHA requirements for the jobs which they are assigned?	
Do your foremen have advanced or additional safety training?	
Will you comply with all federal, state, and local laws/ordinances/etc applicable to this project?	
Will you name SKRECC as additional insured on your insurance policy as required by RUS?	
Will you provide SKRECC with a monthly safety report if requested?	
Do you agree not to use subcontractors without first getting the permission of SKRECC?	

Exhibit G Continued (Page 2 of 4)

Please enter the number of years that your company has been in business under its current name:

Please list below Key Personnel who are responsible and accountable for safety at your company:

--

Has your company been free of critical injury for the last year to date?

Note: Critical injury used here includes fatalities, dismemberment, or permanent total disability.

Please comment below:

--

In the space below please elaborate on your capabilities to furnish the manpower and equipment for fulfilling the requirements of SKRECC as described in the Pre-Bid Documents. Please also discuss your ability to perform the work and have it completed on time.

--

Are you presently or in the preceding 36 months have you been in legal proceedings with any electric utility at which you are or have provided electric contracting services. If yes, please explain below: Note: We are talking about legal proceedings with companies you work/contract for. Do not include information on lawsuits with utility customers or the general public.

--

Exhibit G Continued (Page 3 of 4)

In the space below please provide the name and address of you insurance company, along with the telephone number, name of the contact person, and other appropriate contact information.

To the best of your knowledge, does any officer, employee, or consultant of SKRECC have any financial interest or conflict of interest in your company? If the answer is "No" then simply type "No" in the box below. If the answer is "Yes" type "Yes" in the box below, and describe the conflict or possible conflict.

in the space below, please list any additional information or clarifications that you would like to provide.

Exhibit G Continued (Page 4 of 4)

In the space below please list three Electric cooperatives that you company is presently working for, and provide telephone numbers and contact person names:

In the space below, please provide the name, title, and contact information of the person completing this survey. Please also provide the same information for the contact person concerning this project if it is a different person. Please also provide the date that you completed this survey.

If you have any questions regarding this survey, please contact Steve Conover of Patterson and Dewar Engineers at sconover@pdengineers.com.

GENERAL AGREEMENT

This agreement made and entered into this 1ST day of JANUARY 2021, is between **SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**, hereafter referred to as the **COOPERATIVE**, and **CUMBERLAND TREE EXPERTS.**, hereafter referred to as the **CONTRACTOR**.

1. **AREA** or **AREAS** – **COOPERATIVE** system by Office Service Areas. The **COOPERATIVE** service area served by the Somerset, Whitley City, Russell Springs, Albany and Monticello District Offices routinely and during emergencies may also include any and all other service areas.
2. **CONTRACTOR** will furnish and maintain during the term of this agreement minimum insurance of General Liability \$5,000,000; Automobile Liability \$500,000; Workers Compensation and Employer's Liability, as required by law; and Umbrella Catastrophe Liability of \$5,000,000. **COOPERATIVE** to be named as additional insured on insurance certificate. The **CONTRACTOR** is responsible to see that any changes or updates in insurance coverage, that would affect coverage, are reported immediately to **COOPERATIVE**.
3. **CONTRACTOR** must furnish all equipment, personnel, and supervision to perform task of trimming and clearing of right-of-way in **AREA** during the year(s). Work before 7:00 a.m., after 5:00 p.m., or on Saturdays, Sundays, or legal holidays shall be approved by the **COOPERATIVE** before being performed.
4. **CONTRACTOR** is responsible for providing all necessary equipment and performing all maintenance and repairs on such equipment.
5. **CONTRACTOR** must obtain consent or permission for the necessary work from the property owners or public authorities having ownership or control over each tree to be trimmed or removed. Otherwise such required work is to be reported to **COOPERATIVE'S** Right-of-way Team.
6. **CONTRACTOR** must use care to obtain permission to enter upon property owner's land and to enter and leave gates, fences, etc., as found.
7. **CONTRACTOR** must investigate and attempt to settle all valid complaints for damages caused by his work from equipment, employees, or otherwise. These will be done with immediate attention, and all efforts shall be made to effect a prompt adjustment.

8. All brush, trees cut, etc., must be chipped or “wind rowed” along the edges of the right-of-way or in such other routine manner. It is estimated that 30% of the brush and wood will have to be handled and removed from the location cut.
9. **CONTRACTOR** agrees to perform all work to the complete satisfaction of **COOPERATIVE** and in accordance with all federal, state, municipal, county, and other local laws, ordinances, and regulations applicable to said work. All work shall be performed in accordance with such of the following as may be applicable:
 - a) All tree trimming shall be done so as to obtain maximum clearance with due regard to current and future tree health and symmetry, and in conformity with permissions obtained. **All dangerous overhanging limbs shall be removed.**
 - b) All tree limbs shall be flush cut with tree if at all possible.
 - c) All trees and brush removed in right-of-way cutting shall be cut to within three inches of the ground line.
 - d) Bush hogging is a separate work from this contract. Right-of-way is to be left “wind rowed” so bush hogging is not hindered.
10. **CONTRACTOR** agrees to see that he and his personnel are courteous, polite, and present a favorable image to the public.
11. **CONTRACTOR** does not represent **COOPERATIVE** and has no authority to obligate **COOPERATIVE** for any payment or benefit of any kind to any person.
12. **CONTRACTOR** is to follow industry accepted safety rules as to, but not limited to, equipment guards and protection to ensure safety to the general public and **CONTRACTOR’S** and **COOPERATIVE’S** personnel.
13. **CONTRACTOR** is to use diligence to not damage the **COOPERATIVE’S** electric facilities or other facilities in discharging their duties.
14. **CONTRACTOR** agrees to indemnify and hold harmless **COOPERATIVE** and its Directors, Officers, Agents, and Employees from all Claims of whatsoever nature or kind, including those brought by employees of **CONTRACTOR** or subcontractors, arising out of or as a result of any act or failure to act, whether or not negligent, in connection with the performance of the work to be performed pursuant to this contract by **CONTRACTOR**, its’ employees, agents, and subcontractors. **CONTRACTOR** agrees to defend and pay all costs in defending these claims, including attorney fees. **CONTRACTOR** agrees to pay any and all penalties or fines charged against

- the **COOPERATIVE** deriving from and act or failure to act in connection of the work performance.
15. **CONTRACTOR** agrees to furnish weekly to **COOPERATIVE**, or its representative, daily time sheets showing the nature, amount, and location of work performed, together with the number of man-hours and equipment hours involved, and the number of trees trimmed and removed.
 16. A) **CONTRACTOR** agrees to submit to **COOPERATIVE** weekly invoices.
B) **COOPERATIVE** agrees to pay for the work completed within fifteen (15) days of being invoiced and upon approval of work being completed according to specifications.
 17. This agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns. But **CONTRACTOR** shall not assign any of it's rights or duties under this agreement, or subcontract the whole or part of the work to be performed hereunder, without first having obtained the written consent of **COOPERATIVE** to such assignment or subcontract.
 18. This contract is for a period of time from JANUARY 01, 2021 thru DECEMBER 31, 2023.
 19. Should **CONTRACTOR** fail to carry out the work in a reasonably expected industry manner or to comply with any of the provisions of this agreement, **COOPERATIVE** may terminate this agreement upon thirty-(30) days written notice to **CONTRACTOR**.
 20. **GOVERNING LAW:** This Agreement shall be governed by and construed under and in accordance with the laws of the Commonwealth of Kentucky.
 21. **CONTRACTOR** shall pay all penalties associated with violations cited by any governing authority (Public Service Commission, OSHA, etc.).
 22. **ASSIGNMENT:** This Agreement and the rights, duties, and obligations hereunder, shall not be assignable by Contractor without the prior written consent of Cooperative.
 23. **ENTIRE AGREEMENT:** This Agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns.

This Agreement contains all the terms, conditions, and promises of the parties hereto. No modifications or waiver of this Agreement, or any provision thereof, shall be valid or binding, unless in writing and executed by both parties hereto. No waiver by either party or any breach of any term or provision of this Agreement shall be construed as a waiver of any succeeding breach of the same or any other term or provision.

**CERTIFICATION FOR CONTRACTORS, GRANTS, LOANS, AND
COOPERATIVE AGREEMENTS**

The undersigned certifies, to the best of his/her knowledge and belief, that;

1. No Federal Appropriated Funds have been paid or will be paid, by or on behalf of this undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal Appropriated Funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or Cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its' instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and Cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

CUMBERLAND TREE EXPERTS

2021 RIGHT-OF-WAY CLEARING/TRIMMING

Organization Name

Jeff T Perkins

NAME OF AUTHORIZED OFFICIAL

Jeff T Perkins
SIGNATURE

2-25-2021
DATE

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted it at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms “covered transaction,” “debarred,” “suspended,” “ineligible,” “lower tier covered transaction,” “participant,” “person,” “primary covered transaction,” “principal,” “proposal,” and “voluntarily excluded,” as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transaction,” without modification in all lower tier covered transaction and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the Non-procurement List (Tel. # 202-783-3238).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred ineligible for voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department of agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participant's responsibilities. The regulations were published as Part IV of the January 30, 1989, **Federal Register** (Pages 4722 – 4733).

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

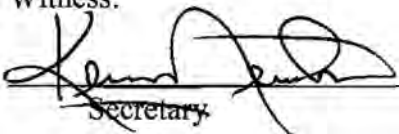
- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal Department or Agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

CUMBERLAND TREE EXPERTS	RIGHT-OF-WAY TRIMMING/CLEARING
Organization's Name	Pr/Award # or Project Name
<hr/>	
<i>Jeff T Perkins</i>	
Name and Title of Authorized Representative	
<hr/>	
<i>Jeff T Perkins</i>	<i>2.25.2021</i>
Signature	Date

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate by their proper officers thereunto duly authorized the day and year first above written.

SOUTH KENTUCKY R.E.C.C.

Witness:


Secretary

BY:


Chief Executive Officer

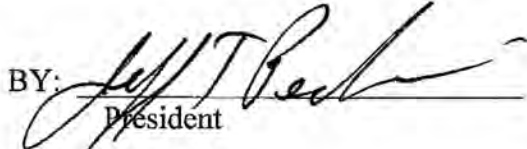
DATE: 2/25/21

CUMBERLAND TREE EXPERTS

Witness:



BY:


President

DATE: 2-25-2021

BOARD RESOLUTION

WHEREAS, SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION HAS TAKEN HOURLY BIDS ON RIGHT-OF-WAY LINE CLEARANCE;

BE IT RESOLVED, THAT SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION ACCEPTS A THREE YEAR CONTRACT BEGINNING JANUARY 01, 2021 THROUGH DECEMBER 31, 2023 WITH CUMBERLAND TREE EXPERTS. AT THE FOLLOWING PRICES:

**YEAR 1 \$92.32 /HOUR (INCLUDES FOREMAN,
2 CLIMBERS AND RELATED EQUIPMENT)
YEAR 2 \$95.09 / HOUR (INCLUDES FOREMAN,
2 CLIMBERS AND RELATED EQUIPMENT)
YEAR 3 \$ 97.94 / HOUR.(INCLUDES FOREMAN,
2 CLIMBERS AND RELATED EQUIPMENT)**

I, GREG BEARD, SECRETARY OF SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, DO HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT EXCERPT FROM THE MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE COOPERATIVE, HELD ON THE 11th DAY OF FEBRUARY 2021 AT WHICH MEETING A QUORUM WAS PRESENT.


GREG BEARD, SECRETARY

21 03 / 21
DATE



South Kentucky RECC

RUS Designation KY54

January 1, 2022 through November 30, 2023
Right-of-Way, Lump Sum Per Circuit & Hourly
Contract With
A Cut Above Tree Service

Prepared By: Steve Conover, Distribution Consultant

Patterson & Dewar Engineers, Inc.
P.O. Box 2808, Norcross, GA 30091-2808

Phone: (770) 453-1410 Fax: (770) 453-1411

Right-of-Way Contract Documents

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RIGHT-OF-WAY CLEARING CONTRACT

Contractor's Proposal

To: South Kentucky RECC (Hereinafter called the "Owner")

Article I ~ General

- Section 1. Offer to Clear** ~ The undersigned (hereinafter called the "Contractor" hereby proposes to furnish all labor and materials, equipment, machinery, tools, transportation as required, to clear rights-of-way for the rural electric system bearing the RUS Designation **KY54** in strict accordance with the Specifications Requirements for the prices hereinafter stated.
- Section 2. Description of Project** ~ The Project will consist of lump sum circuit/substation clearing, along with hourly work if hourly work is requested by the Owner during the years of 2022 and 2023 as described herein.
- Section 3. Description of Contract** ~ The Descriptions, Exhibits, Plans, and Specifications attached hereto and made a part hereof, together with the Proposal and Acceptance constitutes the Contract.
- Section 4. Familiarity with Conditions** ~ The Contractor warrants that it has made careful examination of the site of the Project and of the Specifications and Drawings attached hereto, and has become informed as to the location and nature of the proposed work, the transportation facilities, the kind and character of soil and terrain to be encountered, and the kind of facilities required for undertaking and completing the Project, and has become acquainted with the labor conditions, state and local laws and regulations which would affect the proposed work.
- Section 5. License** ~ The Contractor warrants that a Contractor's License is , is not X, required, and if required, it possesses Contractor's license number NA for the State of NA in which the Project is located and said license expires on NA, 20NA.
- Section 6. Contractor's Bond** ~ The contractor agrees to furnish a bond prior to the commencement of work in the penal sum of not less than the estimated cost of the circuit bid work awarded with a surety or sureties listed by the United States Treasury Department as acceptable sureties. This bond must be in a form acceptable to the owner and in the event that the surety or sureties of the performance bond delivered to the owner shall at any time become unsatisfactory in the opinion of the owner, the contractor agrees to deliver to the owner another or an additional bond.
- Section 7. Taxes** ~ The labor prices for Right-of-Way Clearing in this Proposal include any sums which are or may be payable by the Contractor on account of taxes imposed by any taxing authority on payments for materials furnished or services performed by the Contractor under the terms of this Contract.

Article II ~ Clearing

Section 1. Time and Manner of Work.

- a. The Contractor agrees to commence work on the Project on a date (hereinafter called the "Commencement Date") which shall be determined by the Owner after its acceptance of this Proposal, but in no event will the Commencement Date be later than January 15, 2022 unless otherwise specified by the Owner. The Contractor further agrees to prosecute diligently and to complete clearing in strict accordance with the Specifications and Drawings within the agreed upon calendar days (excluding Sundays and other times to be defined by the Owner) after Commencement Date.
- b. The time for Completion of Clearing shall be extended for the period of any reasonable delay which is due exclusively to causes beyond the control and without the fault of the Contractor, including acts of God, fires, floods, inability to obtain materials and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible: Provided, however, that no such extension of time for completion shall be granted the Contractor unless within ten (10) days after the happening of any event relied upon by the Contractor for such an extension of time the Contractor shall have made a request therefore in writing to the Owner, and provided further that no delay in such time of completion or in the progress of the work which results from any of the above causes except acts or omissions of the Owner, shall result in any liability on the part of the Owner.
- c. The sequence of R/W Clearing shall be as set forth by the Owner, the names being the designations of areas (hereinafter also called the "Circuits") corresponding to the numbers / names shown on the maps provided to the Contractor, or if no Circuits are set forth by the Owner, the sequence of Clearing shall be as determined by the Owner.
- d. The Owner may from time to time during the progress of the work on the Project make such changes in, additions to or subtractions from the Specifications, Drawings and sequence of work provided for in the previous paragraph which are part of the Contractor's Proposal as conditions may warrant: Provided, however, that if any change in the work to be done shall require an extension of time, a reasonable extension will be granted if the Contractor shall make a written request therefore to the Owner within ten (10) days after any such change is made. And provided further, that if the cost to the Contractor of completion of the Project shall be materially increased by any such change or addition, the Owner shall pay the Contractor for the reasonable cost thereof in accordance with a Contract Amendment signed by the Owner and the Contractor, but no claim for additional compensation for any such change or addition will be considered unless the Contractor shall have made a written request therefore to the Owner prior to the commencement of work in connection with such change or addition.

Section 2. Environmental Protection ~ The Contractor shall perform work in such a manner as to maximize preservation of beauty, conservation of natural resources, and minimize marring and scarring of the landscape and silting of streams. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their

containers in or near streams, waterways or pastures. The Contractor shall follow, under the general direction of the Owner, the criteria relating to environmental protection as specified herein by the Owner.

Section 3. Supervision and Inspection.

- a. The Contractor shall cause the work on the Project to receive constant supervision by a competent foreman (hereinafter called the "foreman") who should be present at all times during working hours where work is being carried on. The Contractor shall also employ in connection with the Project, capable, experienced and reliable foremen and such skilled and "certified" workmen as may be required for the various classes of work to be performed. Directions and instructions given to the Foreman shall be binding upon the Contractor.
- b. The Owner reserves the right to require the removal from the Project of any employee of the Contractor if in the judgment of the Owner such removal shall be necessary in order to protect the interest of the Owner. The Owner shall have the right to require the Contractor to increase the number of its employees and to increase or change the amount or kind of tools and equipment if at any time the progress of the work shall be unsatisfactory to the Owner; but the failure of the Owner to give any such directions shall not relieve the Contractor of its obligations to complete the work within the time and in the manner specified in this Proposal.
- c. The manner of performance of the work, and all equipment used therein, shall be subject to the inspection and approval of the Owner. The Owner shall have the right to inspect all payrolls and other data and records of the Contractor relevant to the work. The Contractor will provide all reasonable facilities necessary for such inspection. The Contractor shall have an authorized agent accompany the inspector when final inspection is made and, if requested by the Owner, when any other inspection is made.
- d. In the event that the Owner shall determine that the work contains or may contain numerous defects, the Owner may choose to have an inspection made by an engineer approved by the Owner for the purpose of determining the exact nature, extent and location of such defects.
- e. The Engineer may recommend to the Owner that the Contractor suspend the work wholly or in part for such period or periods as the Engineer may deem necessary due to unsuitable weather or such other conditions as are considered unfavorable for the satisfactory prosecution of the work or because of the failure of the Contractor to comply with any of the provisions of the Contract: Provided, however, that the Contractor shall not suspend work pursuant to this provision without written authority from the Owner so to do. The time of completion hereinabove set forth shall be increased by the number of days of any such suspension, except when such suspension is due to the failure of the Contractor to comply with any of the provisions of this Contract. In the event that work is suspended by the Contractor with the consent of the Owner, the Contractor before resuming work shall give the Owner at least twenty-four (24) hours' notice thereof in writing.

Section 4. Unsuitable Workmanship ~ The acceptance of any workmanship by the Owner or the Engineer shall not preclude the subsequent rejection thereof if such workmanship shall be found to be unsuitable. Workmanship found unsuitable before final acceptance of the work shall be remedied, by and at the expense of the Contractor. The Contractor shall not be entitled to any payment hereunder so long as any unsuitable workmanship in respect to the Project, of which the Contractor shall have had notice, shall not have been remedied.

Article III--Payment

Section 1. Payments to Contractor.

- a. Within the Owner defined period(s), the Owner shall make partial payment to the Contractor for work accomplished during the preceding invoice period as approved by the Owner solely for the purposes of payment: Provided, however, that such approval by the Owner shall not be deemed approval of the workmanship or materials. Upon completion by the Contractor of the required work on a circuit, the Contractor shall deliver to the Owner certification showing (1) that all persons who have furnished labor in connection with the Project and subcontractors who have furnished services for the Project have been paid in full and (2) that the Contractor shall hold the Owner harmless against any liens arising out of the Contractor's performance hereunder which may have been or may be filed against the Owner. Upon the Owner's approval of such certification, the Owner shall make payment to the Contractor of all amounts to which the Contractor shall be entitled and which shall not have been paid.
- b. The Contractor shall be paid on the basis of the circuit percentage actually completed at the direction of the Owner shown by the Circuit Inventory: Provided, however, that the total cost shall not exceed the total contract price for the Circuit as set forth in the Acceptance, unless such excess shall have been approved in writing by the Owner.
- c. No payment shall be due while the Contractor is in default in respect of any of the provisions of this Contract and the Owner may withhold from the Contractor the amount of any claim by a third party against either the Contractor or the Owner based upon an alleged failure of the Contractor to perform the work hereunder in accordance with the provisions of the Contract.
- d. If no Circuits are designated in Article II, Section 1 (c) the term "Circuit" shall mean for purposes of this subsection (a) and Article IV, Section 3 (b) only, a part of the Project as designated by the Owner which represents at least twenty-five percent (25%) of the total contract price as stated in the Acceptance.
- e. Interest at the rate of zero percent (0%) per annum shall be paid by the Owner to the Contractor on all unpaid balances due on invoices, commencing fifteen (15) days after the due date; provided the delay in payment beyond the due date is not caused by any condition within the control of the Contractor. The due date for purposes of such invoice payment shall be the tenth day provided (1) the Contractor

on or before the fifth day of such invoicing cycle shall have submitted its certification of right-of-way clearing units completed during the preceding invoice and (2) the Owner on or before the 10 day of such invoicing cycle shall have approved such certification. If for reasons not due to the Contractor's fault, such approval shall not have been given on or before the tenth day of such invoice cycle, the due date for purposes of this subsection (e) shall be the tenth day of such invoice cycle notwithstanding the absence of the approval of the certification. The above procedures may be modified upon approval of both parties.

- f. Interest at the rate of zero percent (0%) per annum shall be paid by the Owner to the Contractor on the final payment for the Project or any completed Circuit thereof, commencing ten days after the due date. The due date for purposes of such final payment shall be the date of approval by the Owner of the Final Inventory and receipt of the Certificate of Contractor and Indemnity Agreement as conditions precedent to the making of final payment. The above procedures may be modified by the Owner.

Section 2. Payments to Subcontractors ~ The Contractor shall pay each subcontractor, if any, within five (5) days after receipt of any payment from the Owner, the amount thereof allowed the Contractor for and on account of services performed by each subcontractor.

Article IV--Particular Undertakings of the Contractor

Section 1. Protection to Persons and Property ~ The Contractor shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of Federal, state, and municipal safety laws and building and construction codes, as well as the safety rules and regulations of the Owner. All machinery and equipment and other physical hazards shall be guarded in accordance with the "Manual of Accident Prevention in Construction" of the Associated General Contractors of America unless such instructions are incompatible with Federal, state, or municipal laws or regulations.

The following provisions shall not limit the generality of the above requirements:

- a. The Contractor shall so conduct work on the Project as to cause the least possible obstruction of public highways.
- b. The Contractor shall provide and maintain all such guard lights and other protection for the public as may be required by applicable statutes, ordinances, and regulations or by local conditions.
- c. The Contractor shall do all things necessary or expedient to properly protect any and all parallel, converging, and intersecting lines, joint line poles, highways, and any and all property of others from damage, and in the event that any such parallel, converging and intersecting lines, joint line poles, highways, or other property are damaged in the course of work on the Project the Contractor shall at its own expense restore any or all of such

damaged property immediately to as good a state as before such damage occurred.

- d. Where the right-of-way of the Project traverses cultivated lands, the Contractor shall limit the movement of his crews and equipment so as to cause as little damage as possible to crops, orchards, or property and shall endeavor to avoid marring the lands. All fences which are necessarily opened or moved during work on the project shall be replaced in as good condition as they were found and precautions shall be taken to prevent the escape of livestock. The Contractor shall not be responsible for loss of or damage to crops, orchards, or property (other than livestock) on the right-of-way necessarily incident to work on the Project and not caused by negligence or inefficient operation of the Contractor. The Contractor shall be responsible for all other loss of or damage to crops, orchards, or property, whether on or off the right-of-way, and for all loss of or damage to livestock caused by work on the Project. The right-of-way for purposes of this said section shall consist of an area extending as described in Exhibit B of this contract along the route of the Project lines, plus such area reasonably required by the Contractor for access to the route of the Project lines from public roads to carry on the work.
- e. The Project, from the commencement of work to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided, shall be under the charge and control of the Contractor and during such period of control by the Contractor all risks in connection with the work on the Project and the materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Contractor by reason of an act of God or other casualty or cause whether or not the same shall have occurred by reason of the Contractor's negligence.
 - (i) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all claims, causes of action, losses, liabilities, and expenses (including reasonable attorney's fees) for personal loss, injury, or death to persons (including but not limited to Contractor's employees) and loss, damage to or destruction of Owner's property or the property of any other person or entity (including but not limited to Contractor's property) in any manner arising out of or connected with the Contract, or the materials or equipment supplied or services performed by Contractor, its subcontractors and suppliers of any tier. But nothing herein shall be construed as making Contractor liable for any injury, death, loss, damage, or destruction caused by the sole negligence of Owner.
 - (ii) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all liens and claims filed or asserted against Owner, its directors, officers, and employees, or Owner's property or facilities, for services performed or materials or equipment furnished by Contractor, its subcontractors and suppliers of any tier, and from all

losses, demands, and causes of action arising out of any such lien or claim. Contractor shall promptly discharge or remove any such lien or claim by bonding, payment, or otherwise and shall notify Owner promptly when it has done so. If Contractor does not cause such lien or claim to be discharged or released by payment, bonding, or otherwise, Owner shall have the right (but shall not be obligated) to pay all sums necessary to obtain any such discharge or release and to deduct all amounts so paid from the amount due Contractor.

(iii) Contractor shall provide to Owner's satisfaction evidence of Contractor's ability to comply with the indemnification provisions of subparagraphs (i) and (ii) above.

f. Any and all excess earth, rock, debris, underbrush, and other useless material shall be removed by the Contractor from the site of the Project as rapidly as practicable as the work progresses. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their containers in or near streams, waterways or pastures.

g. Upon violation by the Contractor of any provisions of this section, after written notice of such violation given to the Contractor by the Owner, the Contractor shall immediately correct such violation. Upon failure of the Contractor so to do the Owner may correct such violation at the Contractor's expense.

h. The Contractor shall submit to the Owner monthly reports in duplicate of all accidents, giving such data as may be prescribed by the Owner.

(i) The Contractor shall not proceed with the cutting of "yard" trees without written notification from the Owner that proper authorization has been received from the owner of the property and the Contractor shall promptly notify the Owner whenever any landowner objects to the trimming or felling of any trees or the performance of any other work on his land in connection with the Project.

Section 2. Insurance ~ The Contractor shall take out and maintain throughout the period of this Agreement the following minimum amounts of insurance unless greater minimum amounts and/or other stipulations are required by Exhibit B of this contract. If additional insurance requirements are shown in Exhibit B beyond those shown below, the additional insurance requirements shall be necessary and shall be at the sole expense of the Contractor:

<u>TYPE</u>	<u>LEVEL</u>
1. Workers Compensation	Statutory
2. Employers Liability	Bodily Injury by Accident \$1,000,000 each accident
	Bodily Injury by Disease \$1,000,000 policy limit
	Bodily Injury by Disease \$1,000,000 each employee

3. Public Liability	Bodily Injury or Death	\$1,000,000 each occurrence
	Property Damage	\$1,000,000 each occurrence
	Accidents	\$1,000,000 aggregate
4. Automobile Liability	Bodily Injury or Death	\$1,000,000 per person
		\$1,000,000 each occurrence
	Property Damage	\$1,000,000 each occurrence
5. Umbrella Liability	Each Occurrence and Aggregate	\$4,000,000

The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in this Section or Exhibit B. In any such event, the additional premium or premiums payable solely as the result of such additional insurance shall be added to the Contract price.

The Owner shall be named as "Additional Insured" and certificate holder on all policies of insurance required unless specified otherwise by the owner.

The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Owner. The Bidder shall furnish the Owner a certificate evidencing compliance with the foregoing requirements which shall provide not less than (30) days prior written notice to the Owner of any cancellation or material change in the insurance.

Section 3. Delivery of Possession and Control to the Owner.

- a.** *Upon written request of the Owner, the Contractor shall deliver to the Owner full possession and control of any portion of the Project provided the Contractor shall have been paid at least ninety percent (90%) of the cost of the work of such portion. Upon such delivery of possession and control to the Owner, the risks and obligations of the Contractor as set forth in Section 1(e) of this Article IV with respect to such portion so delivered to the Owner, shall be terminated:*

Provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to unsuitable workmanship as specified in Article II, Section 4.

- B** *Where the R/W Clearing of a Section as hereinbefore defined in Article II, Section 1 (c) and Article III, Section 1 (d) shall have been completed by the Contractor, the Owner agrees, after receipt of a written request from the Contractor, to accept delivery of possession and control of such Section upon having inspected the Section and having found the work acceptable. Upon such delivery of the possession and control of any such Section to the Owner, the risk and obligations of the Contractor as set forth in Article IV, Section 1 (e) hereof with respect to such Section so delivered to the Owner shall be terminated. Provided, however, that nothing herein contained shall relieve the Contractor of any liability with*

respect to unsuitable workmanship as specified in Article II, Section 4 hereof.

Section 4. Assignment of Guarantees ~ All guarantees of materials and workmanship running in favor of the Contractor shall be transferred and assigned to the Owner prior to the time the Contractor receives final payment for any Section.

Article V--Remedies

Section 1. Completion on Contractor's Default ~ If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this Proposal, the Owner, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor a written notice requiring the Contractor to cause such default to be corrected forthwith.

Unless within twenty (20) days after the service of such notice upon the Contractor and the Surety, if any, such default shall be corrected or arrangements for the correction thereof satisfactory to the Owner shall be made, the Owner may take over the work on the Project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the contract price occasioned thereby.

The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Proposal and for such purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims, and demands.

Section 2. Liquidated Damages ~ The time of the Completion of Clearing is of the essence of the contract. Should the Contractor neglect, refuse or fail to complete the clearing within the time herein agreed upon, after giving effect to extensions of time, if any, herein provided, then, in that event and in view of the difficulty of estimating with exactness damages caused by such delay, the Owner shall have the right to deduct from and retain out of such monies which may be then due, or which may become due and payable to the Contractor the sum of NA dollars/per day for each and every day that such work is delayed in its completion beyond the specified time, as liquidated damages and not as a penalty.

Section 3. Cumulative Remedies ~ Every right or remedy herein conferred upon or reserved to the Owner shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute and the pursuit of any right or remedy shall not be construed as an election: Provided, however, that the provision of Section 2 of this Article shall be the exclusive measure of damages for failure by the Contractor to complete the clearing within the time herein agreed upon.

Article VI--Miscellaneous

Section 1. Definitions.

- a. The term "Engineer" shall mean the engineer employed by the Owner to provide engineering services for the Project and said Engineer's duly authorized assistants and representatives. The term "Engineer" will mean "Owner" if the Owner chooses to perform the work in-house and not employ an Engineer.
- b. The term "Completion of Clearing" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof.
- c. The term "Completion" shall mean full performance by the contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof relating to any Section of the Project or to the Project.

Section 2. Patent Infringement ~ The Contractor shall save harmless and indemnify the owner from any and all claims, suits and proceedings for the infringement of any patent or patents covering any materials or equipment used in construction of the Project.

Section 3. Permits for Explosives ~ All permits necessary for the handling or use of dynamite or other explosives in connection with the construction of the Project shall be obtained by and at the expense of the Contractor.

Section 4. Compliance with Statutes and Regulations ~ The Contractor will comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulations issued pursuant thereto, and 18 U.S.C. Secs. 286, 287, 1001, as amended. The Contractor understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of governmental agencies having jurisdiction in the premises.

Section 5. Equal Opportunity Provisions.

- a. **Contractor's Representations** ~ The Contractor represents that:
It has X does not have 100 or more employees, and if it has, that it has X has not furnished the Equal Employment Opportunity --- Employers Information Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

The Contractor agrees that it will obtain, prior to the award of any subcontractor for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement, signed by the proposed subcontractor, that the proposed subcontractor has filed a current report on Standard Form 100. The Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this Contract will amount to more than \$10,000, the Contractor will file such report, as required by law, and notify, the Owner in writing of such filing prior to the Owner's acceptance of this Proposal.

- b. *Equal Opportunity Clause. During the performance of this Contract, the Contractor agrees as follows:*
- (i) *The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.*
 - (ii) *The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.*
 - (iii) *The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or worker's representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
 - (iv) *The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.*
 - (v) *The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.*
 - (vi) *In the event of the Contractor's noncompliance with the Equal Opportunity Clause of this Contract or with any of the said rules, regulations or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.*
 - (vii) *The Contractor will include this Equal Opportunity Clause in every subcontract or purchase order unless exempted by rules,*

regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

- (c) Certificate of Non-Segregated Facilities. The Contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time-clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it will retain such certifications in its files.

Section 6. Franchises and Rights-Of-Way ~ The Contractor will be under no obligation to obtain or assist in obtaining any franchises, authorizations, permits, or approvals required to be obtained by the Owner from Federal, state, county, municipal or other authority; any rights-of-way over private lands; or any agreements between the Owner and third parties with respect to the construction and operation of the Project.

Section 7. Non-Assignment of Contract ~ The Contractor shall not assign the Contract effected by an acceptance of this Proposal or any part thereof or enter into any contract with any person, firm or corporation for the performance of the Contractor's obligations thereunder, or any part thereof, without the approval in writing of the Owner.

Section 8. Extension to Successors and Assigns ~ Each and all of the covenants and agreements contained in the Contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

Section 9. Independent Contractor ~ The Bidder shall perform the work as an independent contractor, not as a subcontractor, agent, or employee of the Owner. Upon acceptance of this proposal, the successful Bidder shall be the Contractor and all references in the Proposal to the Bidder shall apply to the Contractor.

Section 10. Acceptance by the Owner ~ The acceptance of a Proposal shall become effective the date of acceptance by the owner.

Description of Units

Right-of-Way Clearing Units:

This is a lump sum, "Clear by Circuit" contract and includes hourly rates as described within this proposal and attached exhibits/attachments.

Specifications

In preparing the right-of-way, trees shall be removed, underbrush cleared, and trees trimmed so that the right-of-way shall be clear from the ground up or as specified. Trees fronting each side of the right-of-way shall be trimmed symmetrically unless otherwise directed by the Owner. Dead trees beyond the right-of-way which would strike the line in falling shall be removed. Leaning trees beyond the right-of-way which would strike the line in falling and which would require topping if not removed may be removed or topped at the direction of the Owner.

The right-of-way shall be cleared in accordance with the instructions in the preceding paragraph and **in addition as specified by the exhibits/attachments to this contract.**

Contractor agrees to abide by and follow specifications per all attachments/exhibits to this contract.

The exhibits/attachments included in this contract along with this contract represent the agreement in its entirety between the parties. No other outside agreements whether spoken or written are a part of this contract.

Distribution Right-of-Way Clearing Prices (Circuit Bid)

The following circuit bid price shall be a firm, lump sum price regardless of the actual mileage encountered by the contractor while doing work on the circuits. The contractor affirms that the company has examined the required work in

the field and accepts the lump sum prices regardless of the actual mileage encountered while performing the work.

Substation	Circuit Bid	Circuit Name	Year for Work
North Albany		Town	2022
Nelson Valley		Eagle's Nest	2023
Nelson Valley		Rainbow Terrace	2023

Distribution Right-of-Way Clearing Prices (Hourly)

Item #1: Three Man Bucket and Chipper Crew (Foreman, Trimmer and Groundman) with necessary tools, saws and equipment.

The Price per hour for Item #1 = [REDACTED] **/hour**

Item #2: The Owner may request other combinations of manpower and equipment for hourly work rather than what is listed in Item #1. Shown below shall be the hourly prices that shall apply:

LABOR AND EQUIPMENT HOURLY RATES

<u>Item</u>	<u>Rate</u>
Bucket Truck	[REDACTED]
Chipper	[REDACTED]
Foreman	[REDACTED]
Trimmer	[REDACTED]
Groundman	[REDACTED]

Additional Stipulations concerning Hourly Work and Prices:

Overtime shall be at a rate of 1.5 **times** the regular hourly rate. Overtime shall be paid for work that the Owner requests, which exceeds 40 hours in a week or is outside the normal working hours. Any work performed on Owner approved holidays or Sundays shall be at a rate of 1.5 **times** the regular hourly rate.

In all circumstances, overtime is only applied to labor and not to equipment.

The contractor will be reimbursed for any reasonable meal and lodging expenses while working storms, but only those expenses which the Owner approves.

If the Owner requests the Contractor to bring in extra temporary (off system) workers and equipment for emergency situations such as storm restoration, the Owner and Contractor shall negotiate rates and any special terms/conditions for those extra workers and equipment at the time the request is made unless other arrangements are agreed to in advance by the parties of this contract. All other terms/conditions applying to any temporary workers or equipment not changed by mutual agreement of the parties in writing shall be as stated in this contract and the attachments/exhibits hereto which are made a part of this contract.

The Contractor will provide a General Foreman or a Lead Contact Person on all lump sum bids that will be the single point of contact for the Owner's ROW Coordinator until the project is completed. There will be no charge to the Owner for this service. Normal hourly crews will not require a general foreman on most occasions since daily crew placement will be handled by the Owner's ROW Coordinator. If the ROW Coordinator requests additional help from a General Foreman, he/she will charge billable hours at the rate shown in the table above to the same account as the normal crews subject to the ROW Coordinator signing off on the time sheets. The overtime rate and conditions for when overtime is paid (emergency/storm work, etc.) for the General Foreman shall be as described above for other contract workers. Any billable hourly work for a General Foreman must be pre-approved and requested by the Owner.

The Contractor shall provide a qualified Safety Person to check on the crews at no charge to the Owner. The schedule for checking crews will be determined by the Contractor.

It is understood by both parties that the hourly rates included in this contract are complete charges and there is not an extra charge per man (Per Diem) of any kind.

The General Foreman shall have a pickup truck and cell phone. There shall be no charge to the Owner for this.

Each Crew Foreman shall have a cell phone. There shall be no charge to the Owner for this.

All crews shall be equipped with all necessary saws, climbing gear, safety equipment and other necessary tools and equipment for right-of-way clearing work. There shall be no charge to the Owner for this. The only manpower and equipment charged for shall be as shown in the table above.

The number of and type of personnel and equipment making up each crew shall be determined by the Owner. The Contractor agrees to furnish manpower and equipment to the best of his ability to meet the needs of the owner. The Contractor understands and accepts the fact that the Owner reserves the right to terminate the contract for any reason at any time and that there is no guarantee of any specific types or amounts of work.

ATTEST:

A Cut Above Tree Service
Bidder

Secretary

President

Dated: _____

Address

This Proposal must be signed with the full name of the Contractor. If the Contractor is a partnership, the Proposal must be signed in the partnership name by a partner. If the Contractor is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the Corporation.

ACCEPTANCE

The Owner hereby accepts the foregoing Proposal of the Bidder, **A Cut Above Tree Service**, for the right-of-way clearing of the following:

- Type "A" Circuit/Substation Bid Work as defined by this contract and the attachments hereto.
- Hourly work as defined by this contract and the attachments hereto if requested and commissioned by the Owner.

South Kentucky RECC
Owner

By: _____
Manager / CEO

Secretary

Date

EXHIBIT A

**Bid Instructions and Other Requirements (Right of Way Contract Bidding)
for South KY RECC**



EXHIBIT A: Bid Instructions and Other Requirements for Right of Way “Circuit Bidding” for South Kentucky Rural Electric Cooperative Corporation (SKRECC) (for 2022 and 2023 work)

July, 2021

General Information:

Owner: South Kentucky Rural Electric Cooperative Corporation
200 Electric Avenue
Somerset, KY 42501
Telephone: 606-678-4121

Consultant: Steve Conover, Distribution Consultant
Patterson & Dewar Engineers, Inc.
75 Holt Rd.
Jamestown, KY 42629
Telephone (606) 872-3501
sconover@pdengineers.com

This bid process is for “circuit bid” (lump sum) type work as defined below. Hourly prices will also be requested for occasional miscellaneous work which may arise that is outside the scope of the circuit bid tasks. Please see Exhibit B for more information on when hourly prices can become applicable. Bids will be evaluated based on adding the lump sum bid for each circuit to the expected hourly cost for each circuit. The number of expected hours for each circuit will be estimated by SKRECC and applied to bids after they are received. Therefore, it is important to provide competitive bids for both lump sum and hourly work. The following circuits are being bid per the above criteria (lump sum bid + expected hourly costs) for work in the years of 2022 and 2023:

Substation	Circuit Name	Miles	Work Year
Cabin Hollow	Rush Branch	61.2	2022
Cabin Hollow	Cedar Grove	40.3	2022
Wiborg	Greenwood	119.2	2022
Wiborg	Beulah Heights	67.7	2022
Zula	Susie	45.2	2022
North Albany	Town	12.1	2022

North Albany	Burkesville	20.5	2022
North Albany	Clinton County	4.6	2022
South Albany	Adam's Dock	50.2	2022
South Albany	Downtown	3.1	2022
Mt. Victory	To Mt. Victory	75.0	2023
Nelson Valley	Stilesville	50.3	2023
Nelson Valley	Eagles Nest	14.9	2023
Nelson Valley	Rainbow Terrace	14.7	2023
Slat	Parnell	103.2	2023
Russell Springs	Hails Highway	59.8	2023
Windsor	Caintown	120.9	2023
Upchurch	Grider Hill	86.3	2023
Sewellton	Highway 55	108.5	2023

Substation Location Information:

Cabin Hollow	50 Commerce Lane, Somerset, KY 42501
Wiborg	162 Beulah Heights Road, Whitley City, KY 42653
Zula	191 HWY 1009 N, Monticello, KY 42653
North Albany	1028 Third Street, Albany, KY 42602
South Albany	235 West Harper Lane, Albany, KY 42602
Mt. Victory	2444 Old Whitney Road, Somerset, KY 42501
Nelson Valley	134 Stilesville Road, Somerset, KY 42501
Slat	101 Whispering Pines, Monticello, KY 42633
Russell Springs	64 Old Sano Road, Russell Springs, Ky 42642
Windsor	1905 Highway 80, Windsor, KY 42565
Upchurch	594 Wray Ridge Road, Albany, KY 42602
Sewellton	44 Highway 55, Jamestown, KY 42629

The mileages shown above are only approximate and represent an estimate of primary line mileage. However, some trimming of secondary and service lines will be required as part of the work, and no extra monies are paid for that. Please see Exhibit B for more information. It will be the responsibility of the contractor to look at each circuit before submitting a bid, and circuit bids will be firm and binding regardless of the actual mileage encountered. No changes will be made on the Circuit Bid prices.

Pre-Bid Submissions:

- In order to be considered for inclusion on the Right of Way Bid List for this contract bidding you must execute and submit the following documents included in the Pre-Bid Package. These documents must be received per the instructions stated herein **on or before 3:00 PM (Eastern Time) July 23, 2021.**

- Exhibit C ~ Contractor's Acceptance of Requirements and Intent to Bid
 - Exhibit D ~ Certificate of Non-Segregated Facilities (Equal Opportunity Employment Certification)
 - Exhibit E ~ Debarment Certification
 - Exhibit F ~ Certification for Contracts, Grants, Loans, and Cooperative Agreements
 - Exhibit G ~ SKRECC Pre-Bid Questionnaire
- The Following documents are provided to the contractor as an aid in filling out the Pre-Bid materials and include terms and conditions that the contractor must agree to by executing Exhibit C. These documents do not need to be returned but they may be included as attachments/terms to the final contract:
 - Exhibit A ~ Bid Instructions and Other Requirements (This Document)
 - Exhibit B ~ SKRECC Additional Right-of-Way and Contract Specifications
 - Exhibit I ~ Example Contract (Modified RUS 201)
 - Note: Exhibit H is not included in the pre bid package and not needed by the contractor for a pre bid submission. This is an exhibit used later in the process for a bid Invitation and additional bidding instructions if necessary.
 - Pre Bid materials shall be submitted to the "Consulting Engineer" (Patterson & Dewar Engineers, Inc.), via email to sconover@pdengineers.com (Steve Conover). Please make high quality electronic scans of all PDF documents and save the spreadsheet (Exhibit G) in its original format. Emailing these documents is all that is required for a pre bid submission.
 - All questions and requests should be addressed to the Consulting Firm of Patterson & Dewar Engineers, Inc. via e-mail to sconover@pdengineers.com (Steve Conover).

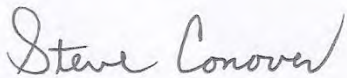
If You Are Chosen as a Bidder:

- If you are chosen for inclusion on the Bidder List, you will later be invited to submit bids for Right-of-Way work for SKRECC. The following is provided to the contractor to aid in understanding the general scope of the upcoming work; however, SKRECC reserves the right to change any of the following items at its sole discretion.
- It is anticipated that **sometime on July 26th, 2021** that contractors will be informed as to whether or not they have been accepted as a bidder. After being accepted, bidders can go by the South KY RECC office in Somerset, KY and pick up maps of the circuits to bid. Please contact Don Bethel at 606-872-3087 and make arrangements for picking up the maps.
- SKRECC will hold a **Zoom meeting** with all selected bidders before bids are due. Contractor attendance will be mandatory. SKRECC will give as much notice as reasonably possible if the

date changes, but the date for the meeting is currently scheduled for **July 30th, 2021, beginning at 10:00 AM (Eastern Time)**. Unless SKRECC informs the contractor otherwise, this will be the time and date for the meeting. An invitation for the Zoom meeting will be sent out sometime after a contractor is accepted to bid.

- Bids must be submitted to Steve Conover of Patterson & Dewar engineers via a spreadsheet that must be sent to sconover@pdengineers.com . The spreadsheet will be provided to the contractors at a later date. **The bids are due by August 31st, 2021 before 3:00 PM Eastern time.**
- Along with the bid spreadsheet, bidders are required to submit a MS Word document that gives a thorough description of the manpower and equipment that they plan to use for each of the circuits if they are awarded the work. If the manpower and equipment is to be exactly the same for all circuits, this should be stated. If the manpower and equipment will vary from circuit to circuit, please list it for each individual circuit in the MS Word document. Note: This information is being requested by SKRECC for planning purposes. Please be thorough and complete in your response to this request.
- The Bid Spreadsheet and the above mentioned MS Word Document are all that is required to submit a bid, unless additional information is requested at a later date.
- **SKRECC reserves the Right to reject any or All Bids at its sole discretion.**
- All questions and requests should be addressed to the Consulting Firm of Patterson & Dewar Engineers, Inc. via e-mail (To sconover@pdengineers.com Steve Conover).
- The required contract work **must be completed by November 30th of the year the work is scheduled to be done.** The contractor may begin work once the contract is signed and SKRECC gives them permission to start.
- Once a contract is signed, the contractor shall begin work very soon and work on a schedule, acceptable to SKRECC. The contractor shall keep the required crews present and working on the SKRECC system until the work is completed. The contractor shall not remove crews for work at other utilities unless permission is granted by SKRECC to do so.
- Bid prices shall be such that they uniformly can be used for all work encompassing both energized and de-energized conditions.
- The manpower schedule that the contractor will be required to meet after contracts are signed is as follows:
 - Circuit Bid Crews: The number of crews needed will be determined by the number of crews required to complete the assigned work within the allotted time **(before November 30th of the year for which the work is scheduled).**
 - All crews must have the necessary equipment and manpower for the type of work being done. SKRECC shall have the right to determine the adequacy of equipment provided by the contractor, and the contractor must make necessary adjustment to manpower and equipment at the discretion of SKRECC.
 - SKRECC reserves the right to award bid work to multiple contracting companies.
 - Any contractor who is awarded circuit bid work will be required to provide manpower and equipment consistent with getting the work done on time and as directed by SKRECC.
 - Please see Exhibit B for additional information.

- Circuit bid contracts will be per RUS Form 201 with amendments applicable to SKRECC requirements and will include attachments thereto containing special terms and conditions applicable to SKRECC.
- Other RUS Documents could be required in the Contract.
- The successful bidders must be prepared to coordinate with SKRECC to complete required contracting documents and **start working early in the years for which the work is scheduled.**
- An orientation conference meeting will be held with the successful bidder/s at a time to be specified by SKRECC. The purpose of this meeting will be to review the schedules, establish procedures for handling staking sheets and other documents, and review required procedures, which includes the processing of payments to the contractor.
- During the entire process each proposal will be evaluated with Safety, Reliability, Economic Value and ability of the contractors to successfully accomplish the work within the allotted time frames.



Steve Conover
Senior Distribution Consultant
Patterson & Dewar Engineers, Inc.

EXHIBIT B

South Kentucky RECC's Contractor Right-of-Way Specifications and
Additional Contract Specifications

Exhibit B ~ South Kentucky RECC (SKRECC) Right-of-Way Specifications and Additional Contract Requirements

1. The information within this document pertains to four types of right-of-way work applicable to SKRECC; however, this contract only includes Type A work with some Type C work possible when requested by SKRECC. Types B and D work will not be included in this contract.

- 1.1 Circuit Bid Clearing and Stump Treating (Type A work)
- 1.2 Circuit Bid Herbicide Spraying (Type B work)
- 1.3 Hourly Clearing and Stump Treating (Type C work)
- 1.4 Hourly Herbicide Spraying (Type D work)

2. The actual contract which will be executed with the successful bidder/s will be determined by SKRECC based upon the work awarded. The contracts used may be a modified RUS 201 or other SKRECC standard contracts. All contracts used may also have attachments/exhibits from the bid process documents which will become part of the contracts.

3. The number of crews and crew makeup initially required by SKRECC for Type C and D listed above will be determined by SKRECC at a later date. Please see Exhibit A for a rough estimate of the amount of each type of work that SKRECC anticipates. SKRECC reserves the right to split the contract work and award parts to multiple bidders based solely upon SKRECC's evaluation of the bids received.

4. All specifications and requirements herein are applicable to all four types of work listed above unless otherwise noted. References to any type of mechanical cutting or clearing activities are not applicable to Type B and Type D crews since these crews will be used only for herbicide applications.

5. Type A and Type C crews consists of ground clearing and side trimming of woody species to the specification stated herein. The Type A and Type C crews are also required to effectively stump treat everything cut with herbicide, except for cuts made by bushhogging. Type A crews

must furnish the stump treatment spray consisting of a herbicide mixture listed in paragraph 7.3 as a part of the circuit bid. Type C hourly crews will be responsible for the care and use of the stump spray herbicides listed in paragraph 7.3 as well but will be reimbursed for the herbicides at the time of use. All stump treatment herbicides amounts paid must be pre-approved by SKRECC. Note: The term “herbicides” as used in this document includes any surfactants (whether specifically stated or not) that may be required and appropriate for a given application at the discretion of SKRECC.

6. On all Type A and Type B work, the contractor must complete the circuit and/or section being worked on before moving on to another circuit and/or section, unless permission is granted by SKRECC to proceed otherwise. The contractor shall only proceed to new circuits and/or sections after permission is granted by SKRECC.

7. All herbicide applications must follow label directions and be in accord with all state or federal regulations governing licensed applicators. Please note the following concerning herbicide requirements for type B and type D crews bidding on SKRECC contracts:

7.1 The contractor must furnish the herbicides used on all circuit bid herbicide spraying work as a part of the contractor’s circuit bid price. SKRECC does not pay the contractor any extra above the circuit bid price for herbicides used on circuit bid herbicide spraying work.

7.2 SKRECC shall reimburse the contractor for the cost of herbicides applied by hourly herbicide spraying crews. All amounts paid by SKRECC for herbicides must be pre-approved by SKRECC for hourly crews.

7.3 The herbicide mix to be used shall be as follows. The contractor may suggest different herbicides, but the final decision shall be at the discretion of SKRECC. In all cases the kill rates and guarantees mentioned below are applicable. Surfactants used must be consistent with the chosen mix to provide the required results and pre-approved by SKRECC

Stump treatment mixture: Garlon 4 Ultra, 20% Milestone, 1%, Stalker, 1%, Basal oil.

Foliar spray tank mix: Vastlan (Dow AgroSciences) (EPA # 52719-687), applied in accordance with all state and federal regulations, and in a manner to achieve the required kill rate as stated below.

The contractor may suggest other mixes, but any change requires the approval of SKRECC.

For all herbicide applications work, all unwanted woody species within the right-of-way area described in the specifications herein are to be treated with the herbicide and/or herbicide mixtures, and the contractor shall guarantee ninety percent (90%) coverage, control, and effective "kill" rate of the unwanted species. This active effective coverage, control, and "kill" rate shall be determined the following growing season by SKRECC appointee(s). If the contractor does not achieve this quantity and quality of coverage, control, and effective "kill" rate, then it shall reapply the herbicide and/or herbicide mixtures at no additional cost to SKRECC. This procedure will be repeated until the required percent coverage, control, and "kill" rate is achieved as determined by SKRECC's appointee(s).

8. Circuit bid prices shall be firm prices and will not be adjusted for any reason, including more or less mileage encountered by the contractor. Estimated mileages furnished by SKRECC are only rough estimates and it is the responsibility of the contractor to take this into account when bidding on circuits. The approximate mileage given for the substations to be cleared are for primary line miles and do not include secondary or service wire mileage. However, all secondary and service wires are to be cleared and included as a part of the contractor's circuit bid price. Bare secondary lines of less than 600 volts shall have a minimum trim clearance of ten (10') ft. Tree limbs around insulated secondary and service wires shall also be trimmed to provide a minimum clearance of

three foot (3') radius to prevent abrasions to the conductor insulation. Any dead trees within falling distances of a bare secondary or service conductor should be brought to the attention of SKRECC's Field Supervisor so it can be removed at his/her discretion.

9. Hourly bid prices shall be firm and not adjusted for any reason during the contract period.

10. Performance bond requirements shall be as defined in the modified RUS 201 contract document.

11. All forms of mechanical equipment (including aerial trimming equipment) will be allowed if the contractor complies with all requirements of the contract and meets all applicable safety and occupational requirements, including those of OSHA. However, SKRECC shall have the right to disallow certain equipment (including aerial trimming equipment) in residential area and other areas as the cooperative deems necessary. Areas of the system and equipment allowed within them will be on a case by case basis at the discretion of SKRECC.

12. SKRECC requires contractors to perform random drug testing of all employees – not just CDL drivers.

13. The Contractor will provide a General Foreman or a Lead Contact Person on all lump sum bids that will be the single point of contact for SKRECC's ROW Coordinator until the project is completed. There will be no charge to SKRECC for this service. Normal hourly crews will not require a general foreman on most occasions since daily crew placement will be handled by the SKRECC ROW Coordinator. If the ROW Coordinator requests additional help from a General Foreman, he/she will charge billable hours at the hourly rate agreed to in the final contract to the same account as the normal crews, subject to the ROW Coordinator signing off on the time sheets. The overtime rate agreed to in the contract and conditions for when overtime is paid (emergency/storm work, etc.) for the General Foreman shall be as described in the final contract for other contract workers. Any billable hourly work for a General

Foreman must be pre-approved and requested by SKRECC.

14. SKRECC has a strong interest in the safety of employees and the general public. This same interest is expected to be maintained by anyone that works as a contractor for this utility. SKRECC will require that ALL contractors follow rules that meet or exceed all of those set forth by the most current NESC (National Electric Safety Code), and all other applicable state and federal laws.

15. SKRECC reserves the right to stop the contractor's work immediately if SKRECC becomes aware that the contractor is in violation of any of the above mentioned safety requirements, and SKRECC reserves the right to terminate the contract due to safety concerns or other any other concerns at its sole discretion. SKRECC further reserves the right to inspect contractor work sites at its discretion.

16. The contractor is required to furnish SKRECC with all documentation pertaining to safety training and certification on a quarterly basis. This information will be mailed or delivered to SKRECC's designated employee by the first day of the month in each quarter. Contractor will also provide training records and qualifications of their employees prior to employees commencing work on SKRECC's system. SKRECC reserves the right to deny access and permission to work on SKRECC's system to any contractor employee due to insufficient training and or qualifications for work assignment. SKRECC reserves the right to deny access to and permission to work on SKRECC's system to any person that SKRECC deems to have an unsafe work history or substandard work procedures.

17. SKRECC will make a quarterly assessment of completed work. SKRECC reserves the right to require adjustments to manpower and equipment to crews at its sole discretion in order to meet the completion deadlines or to achieve other goals of SKRECC. Manpower and equipment adjustments are at the sole discretion of SKRECC.

18. SKRECC reserves the right at any time to determine that a contractor previously qualified is no longer qualified to perform the work or any part

of the work.

19. Contractor agrees to use Contractor's best efforts to perform the required tasks on SKRECC's right-of-ways located within the area served by SKRECC. Contractor must furnish all necessary equipment, qualified personnel, labor, and qualified supervision sufficient to properly and timely perform the required right-of-way tasks in those portions of the Area designated from time to time by SKRECC. Contractor is responsible for performing all maintenance and repairs on such equipment necessary to keep it in safe operating condition. Contractor shall provide any documentation requested by SKRECC including but not limited to employee training records and Contractor safety rules.

20. Contractor hereby acknowledges that it is an independent contractor for SKRECC and meets all necessary legal requirements to perform the tasks for which the Contractor places bids for at SKRECC. Contractor shall be free to determine and control its time, energy and skill to perform the work in accordance with the Agreement during Contractor's regular business hours, except that work shall not occur before 7:00 a.m., or after 6:00 p.m., or on Sundays, or legal holidays unless approved in advance by SKRECC.

21. Contractor acknowledges that SKRECC, in reliance upon the Agreement, is not withholding any taxes from sums paid to Contractor as compensation for services rendered under the Agreement. Additionally, Contractor acknowledges that SKRECC is not carrying workers compensation coverage or unemployment insurance coverage on Contractor or Contractor's employees due to the independent Contractor nature of the relationship. In the event Contractor should be adjudged not to be an independent Contractor, Contractor will indemnify SKRECC for any additional expenses resulting from such ruling.

22. Contractor agrees to perform all work to the complete satisfaction of SKRECC, in a workmanlike manner and of quality consistent with industry standard practices, and in accordance with all federal, state, municipal, county, and other local laws, ordinances, and regulations applicable to said work.

23. Contractor must investigate and use its good faith efforts to attempt to settle all valid complaints for damages caused by its work from equipment, employees, or otherwise. These complaints will be given immediate attention, and all efforts shall be made to effect a prompt settlement of valid complaints by the Contractor.

24. Contractor is to use diligence to not damage SKRECC's electric facilities or other facilities in discharging their duties. If there are damages caused by the contractor, to consumer or SKRECC facilities, the contractor may be invoiced for the damages or the outage.

25. Contractor agrees to see that all personnel are courteous, polite, and present a favorable image to the public. All representations made to the public will be truthful and honest to the best of Contractor's ability.

26. Contractor acknowledges that he/she does not represent SKRECC and has no authority to obligate SKRECC for any payment or benefit of any kind to any person.

27. Contractor agrees to defend, pay on behalf of, and hold harmless SKRECC and its directors, officer, agents, members and employees, from all claims, demands, causes of action, damages, costs, or liabilities, in law or in equity, of every kind and nature whatsoever, including but not limited to those brought by employees of Contractor or its subcontractors, and those brought as a result of any interruption, discontinuance, or interference with SKRECC's service to any of its customers, arising out of or as a result of any act or failure to act, whether or not negligent, in connection with the performance of the work to be performed pursuant to this proposal by Contractor its directors, officers, agents, employees, and subcontractors. Contractor agrees to defend and pay all costs in defending these claims, demands, causes of action, damages, costs, or liabilities, including attorney's fees, and Contractor shall also reimburse SKRECC for any and all legal and other expenses incurred by SKRECC in connection therewith. Furthermore, Contractor agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations

set forth above.

28. The Contractor's insurance policy must state that Contractor has contractual liability coverage and that SKRECC has been added as an additional insured and included as a certificate holder. Contractor and any subcontractor shall carry workers' compensation insurance as required by law. SKRECC shall receive a minimum thirty (30) day notice in the event of cancellation of insurance required by the agreement. Contractor shall furnish a certificate of insurance to SKRECC showing that the above obligations and requirements are provided for by a qualified insurance carrier, and showing SKRECC as an additional insured on such insurance annually prior to January 1 of the insured calendar year. It shall be the contractor's responsibility to provide SKRECC with a new proof prior to the expiration of the current proof.

29. The Agreement is for a period of time as defined within the contract executed by the parties. The Agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns.

30. Contractor shall identify its equipment and employees as a contractor for SKRECC. Contractor will comply with any identification requirements which may be imposed by Public Service Commission regulations or other law, and also any reasonable requirements which may be imposed by SKRECC. Contractor's vehicles shall be identified with a company logo that is legible. Magnetic signs furnished by SKRECC (one set per vehicle) stating "Contractor for South KY RECC" or equivalent shall be displayed at all times when at a work site.

31. The contractor shall pay any penalties associated with violations cited by any governing authority (i.e. Public Service Commission, OSHA, etc.).

32. The Agreement shall be governed by the laws of the State of Kentucky. Any lawsuits related to the Agreement shall be brought in the Pulaski County, Kentucky state courts.

33. No amendment or variation of the terms or conditions of the Agreement shall be valid unless in writing and signed by the parties. The

Contract executed by the parties and attachments thereto constitutes the entire Agreement between the parties regarding the subject matter hereof, and all other prior written or oral communications of any nature whatsoever are hereby merged into and superseded by the Agreement. The parties acknowledge that there are no other oral or written understandings, arrangements and/or agreements between the parties relating to the subject matter of the Agreement.

34. A waiver of any of the terms and conditions of the Agreement shall not be construed as a general waiver by any party, and such party shall be free to reinstate any such term or condition, with or without notice to the other parties.

35. Any headings used as part of the Agreement are for the convenience of the parties and are not to be construed as part of the Agreement.

36. In the event that any portion of the Agreement may be held to be invalid or unenforceable for any reason, it is agreed that said invalidity or unenforceability shall not affect the other portions of the Agreement, and that the remaining covenants, terms and conditions or portions thereof shall remain in full force and effect and any court of competent jurisdiction may so modify the objectionable provision as to make it valid, reasonable and enforceable.

37. If conflicting information or requirements is found in any of the contracting documents, the most stringent requirements for the contractor shall prevail unless SKRECC deems otherwise.

38. The rights of the parties under the Agreement are personal and not assignable.

39. Contractor agrees to pay SKRECC's reasonable expenses, including attorneys' fees and costs, incurred by SKRECC in enforcing the terms, conditions, and provisions of the Agreement.

40. SKRECC will furnish a ROW Coordinator to oversee all aspects of line clearing while contract crews are working on SKRECC's system. Any

and all questions that may arise should be brought before this designated person for resolution.

41. SKRECC will furnish systems maps to the contractor's ROW foreman or supervisor for the purpose of locating and recording all work done on SKRECC's system. After work has been completed in a particular area the maps shall be returned to SKRECC's ROW Coordinator.

42. Some crews will also have the opportunity to remove previously left yard trees and "off right-of-way" danger trees on an hourly basis. However, SKRECC shall have the final choice on whether or not to remove such trees. The contractor must contact SKRECC for a decision before commencing on clearing such trees.

43. Equipment must be maintained in good condition and with little or no oil leaks. SKRECC shall have the right to require that equipment which does not meet the approval of SKRECC be replaced. The decision of SKRECC shall be final.

44. Personnel must be "presentable" to the public. SKRECC shall have the final decision on any questions arising in this area of the contract.

45. Contractor shall perform 100% of the work directly without using subcontractors unless approval is granted by the SKRECC's ROW Coordinator.

46. The contractor must provide a written report to the SKRECC Field Supervisor for any OSHA reportable injury or violation, and any "near-miss" incident or accident must be promptly reported to the SKRECC Field Supervisor within one hour of occurrence.

47. Contract crews may be inspected by SKRECC's ROW coordinator or other SKRECC personnel on a routine basis.

48. SKRECC staff has the right to conduct site-visits of project areas on a routine basis.

49. Contractor invoicing for hourly work shall be submitted monthly (for previous month's work); and said invoice may be submitted electronically and paid electronically. Time sheets for hourly crews should be submitted weekly so invoicing can be paid in a timely manner. Payments from SKRECC will generally be made on or before the tenth of each month after receipt of invoice but payment of sections of circuit cutting will be paid after an inspection of the work has been made by a representative of SKRECC and all follow up work has been completed.

50. SKRECC requires the contractor to submit completed circuit bid work invoices in 25% increments.

51. SKRECC's ROW Coordinator will strive to provide answers to contractor questions and/or requests in a timely manner (usually within two or three business days). Any questions regarding acceptable methods of performing work shall be directed to SKRECC, and SKRECC will have the final determination on what is deemed acceptable.

52. Each crew shall have a cell phone furnished by the contractor or some other means of communication that SKRECC can use to contact them at all times. In the case of cell phones, the phone numbers shall be given to SKRECC's ROW Coordinator and said phone numbers kept current.

53. Each crew shall have tracking equipment installed on vehicles and SKRECC shall be given access to be able to see vehicle locations.

54. At least one contractor employee capable of speaking fluent English shall be on each job site at all times when the contractor is working.

55. Each crew must inform the ROW Coordinator or the SKRECC dispatcher of their location on the system each morning before beginning work and before departing at the end of each day.

56. Contractors may not park trucks on SKRECC property. Contractors may not park at substation property owned by East Kentucky Power

(EKP) without written permission from EKP.

57. SKRECC provided locks are installed on many “locked-gates”; contractor must not cut locks or chains unless permission is granted by the SKRECC ROW Coordinator.

58. Contractor will not perform or solicit any type of private tree trimming work on the customer’s property while actively engaged in performing work for SKRECC under contract until all work on the circuit is completed.

59. Disposal of wood residue such as brush, wood, large sections of tree trunks, large limbs, wood chips and other such products produced or generated by working on SKRECC’s system shall not obstruct roads, paths, or waterways. Disposal of said residue shall be the sole responsibility of the contractor and at approved locations. All disposal costs shall be included in the cost submitted on the SKRECC bid. When approved by property owners, logs and brush may be left or the chipped wood may be blown onto the property where the wood residue originated This is the preferred scenario.

60. SKRECC has some lines within the Daniel Boone National Forest. Brush that is trimmed or cut in these areas shall be mulched down flat or mowed to less than two feet high. Windrows or brush are not allowed because of the concern of hot spots in case of fire. Also, if the ground is disturbed because of equipment being hung or other ground disturbance actions it shall be seeded and strawed to prevent erosion.

61. No trash (i.e. lunch sacks, cans, containers, etc.) or other non-wood residue shall be deposited and disposed of with chips collected from tree trimming operations. Crews are also required to leave their work area as clean as when they arrived with all trash disposed of properly.

62. Power outages caused by workers dropping limbs or trees on to energized lines are unacceptable and precautions shall be taken to make sure this does not happen. In the unlikely event that it does happen, SKRECC has the right to bill the contractor for the cost of repairs and

service restoration and any personal injury or property damage.

63. Contractors shall make available its crews for emergency work as determined by SKRECC, day or night, weekends, holidays, or during any natural or man-made disasters. The contractor shall furnish SKRECC the name and telephone number of the person to contact for emergency crews.

64. SKRECC Retains the Right to Reject Any or All Proposals Submitted in Response to this contract.

65. On multiphase lines, SKRECC's current requirement is 45 feet total width. This is the equivalent of 22.5 feet clearance on each side of the centerline. On single phase lines, SKRECC's current requirement is 30 feet total width. This is the equivalent of 15 feet on each side of the centerline. These distances are ground to sky unless permission to do otherwise is granted by SKRECC. Common sense would dictate that not all of SKRECC's existing lines can be cut to this exact specification, and in some circumstances, it will only be possible to clear the ROW back to the original corridor, which may be less than the current requirements. In any instance where large trees would need to be removed in order to meet SKRECC's current ROW specifications, SKRECC will pay the contractor hourly wages for the extra clearing work. Any questionable situation such as this must be directed to SKRECC's ROW Coordinator or his/her designee before work proceeds.

66. All limbs overhanging the primary line right of way corridors shall be removed by the contractor unless SKRECC gives permission in specific instances to reduce this requirement. The contractor must take this into consideration when bidding on SKRECC right of way work and adjust bid prices accordingly. The contractor may occasionally suggest reducing this requirement in specific instances, but SKRECC shall have the final decision on each situation.

67. All woody stem vegetation will be cut as close to the ground as practicable, but not to exceed three inches (3") above ground line. The cuts shall be made parallel with the ground.

68. If permission from the landowner is granted to remove a previously left yard tree which poses a threat to the power lines, SKRECC may choose to pay the contractor (or another contractor) hourly wages to remove the tree. Permission from SKRECC to remove the tree must be granted in each instance. All trees and woody brush located within the confines of what is considered to be the yard of homes or businesses will require that all brush be chipped or removed unless specific instructions are obtained from the land owner to leave the brush/wood onsite. In certain instances chips may be blown directly on the ground if permission can be obtained from the landowner. All yard tree removals shall be accompanied by written permission from the land owner and authorized by SKRECC before they can be removed on an hourly basis. All trees removed shall be cut flush with the ground line. SKRECC promotes the safe and economic removal of such trees within their ROW corridor in lieu of cycle trimming of said trees. This procedure promotes both the long-term reduction in clearing expenditures and the increase in expected system reliability.

69. Logs or debris shall not be placed below the high water mark of streams, springs, creeks and rivers or other bodies of water. Pastures and cultivated fields must be cleaned up unless permission to leave debris is granted by the landowner.

70. Poles and guy wires shall be clean of all brush, trees, and vines debris ten feet (10') around them.

71. Due to concern for livestock safety, any wild cherry tree cuttings must be removed from livestock areas.

72. When cutting back to a lateral it shall be 1/3 the size of the main limb.

73. No stump treatment will be used on federal or state owned lands.

74. Dead, dying, and/or danger trees outside of the ROW corridor will be considered for removal via hourly pricing. All trees in this category must be reviewed and approved by SKRECC before the tree or trees are

trimmed / removed.

75. The logs and brush that result from the integrated vegetation management operations should be handled in a manner consistent with adjoining land use, terrain, aesthetics, and fire risk. Logs may be recoverable for firewood or timber products and are often best left for the property owner. Brush can be loped evenly thru-out the unmaintained areas landscape and left lying in place or piled/windrowed along right-of-way edges if required by landowners. A wire zone consisting of a five foot (5') path under lines/phases needs to be cleared of all debris. This includes any overhang within three feet of the edges (on both sides) of the 5 ft path.

76. Wherever practical and permissible, dead or defective trees, trees that have been severely disfigured from past improper trimming techniques, and fast-growing trees located so as to be a potential hazard to SKRECC's primary overhead distribution system facilities shall be removed.

77. SKRECC's right-of-way easements allow for the maintenance of right-of-ways areas included within the easements; however, the contractor shall be required to use good judgment and take reasonable care when entering upon such areas. In all cases, respect for the property owner and other stakeholders shall be considered paramount by the contractor. In sensitive areas such as yards, subdivisions, highly maintained areas, posted lands, and similar circumstances, the contractor shall make a good faith effort (when reasonably possible) to inform property owners and/or other stakeholders of the contractor's presence and the general scope of the contractor's work before proceeding. Any situations in which a property owner or other stakeholder takes issue with the contractor's right to enter the property or complete the work shall be reported to SKRECC immediately in order to help facilitate a resolution. All gates, fences and consumer property are to be left in the same condition as found.

78. Severability/Partial Invalidity: The invalidation of any provision, or any portion of a provision, of this Agreement by any entity with proper

jurisdiction and authority does not invalidate the remaining provisions, or the remaining portion of a provision, of this Agreement.

79. Non-Waiver of Default: Failure of SKRECC to treat this Agreement as terminated by failure of the Contractor to comply with, or as a result of, a breach by the Contractor of any term or condition herein, shall not constitute a waiver of SKRECC'S right to this Agreement as terminated in the event of any subsequent failure to comply, or breach by the Contractor, and such right of termination by SKRECC shall be deemed a continuing one. Further acceptance of services by SKRECC shall not be deemed a waiver of Contractor's breach of any obligation hereunder or SKRECC's right to terminate this Agreement because of such breach. In the event SKRECC waives the breach of any covenant or condition or of Contractor's failure to comply with any terms hereof, the same shall not constitute a waiver of any other failure to comply or breach known at the time of such waiver. SKRECC'S right to declare default as set forth in this Agreement shall be deemed a continuing one. The waiver by SKRECC of any breach of a covenant or condition by the Contractor shall not constitute a waiver of any other breach of any other covenant or condition hereof.

EXHIBIT C

Contractor Acceptance of Terms and Intent to Bid



850 Center Way
Norcross, GA 30071

(770) 453-1410
pdengineers.com

EXHIBIT C: Contractor's Acceptance of Requirements and Intent to Bid

The undersigned hereby certifies that the company indicated below:

- Desires to bid on all or part of South Kentucky RECC's Right-of Way contracting work to be completed by **November 30th of the year specified for completion (2022 or 2023).**
- Meets all requirements of and is willing to accept all terms and conditions as specified by:
 - RUS right of way contracting requirements
 - Exhibit A: Bid Instructions and Other Requirements
 - Exhibit B: South Kentucky RECC's Right-of-Way Specifications and Additional Contract Specifications
 - The South Kentucky RECC contract and applicable attachments

Anthony Weiss
Signature

7/30/21
Date Signed

Anthony Weiss
Printed Name

A Cut Above Tree Service
Name of Company

Owner / Operator
Title of Officer

Eligabak Anderson
Notary Public

1-8-23 #613795
My Commission Expires:

EXHIBIT D

Contractor's Certificate of Non-Segregated Facilities (Equal Opportunity
Employment Certification)

Exhibit D ~ Contractor's "Employer's Equal Opportunity Declaration" For South Kentucky RECC Contracting

A. Section 1 - Contractor Representations

a. Contractor represents that:

It has (), does not have () 100 or more employees, and if it has,

It has (), has not () furnished the Equal Employment Opportunity - Employers Information.

Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

Contractor agrees that it shall obtain, prior to the award of any subcontract for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement signed by the subcontractor showing that the proposed subcontractor has filed a current report on Standard Form 100.

Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this contract shall amount to more than \$10,000, contractor shall file such report, as required by law, and notify South Kentucky RECC in writing of such filing prior to South Kentucky RECC's acceptance of this Proposal.

b. Equal Opportunity Clause. During the performance of this contract, contractor agrees as follows:

1. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following:

Employment upgrading, demotion or transfer, recruitment or recruiting advertising, layoff or

termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.

2. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex or national origin.
3. The contractor shall send to each labor union or representative or workers, with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
5. The contractor shall furnish all information and reports required by Executive Order of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's non-compliance with the Equal Opportunity Clause of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in

accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as provided by law.

7. The contractor shall include his Equal Opportunity clause in every subcontract or purchase order unless exempted by the rule, regulation, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions shall be binding upon each subcontractor and Vendor. The contractor shall take such action with respect to any subcontractor or purchase order as the administering agency may direct as means of enforcing such provisions, including sanctions for non-compliance provided however, that in the event the contractor becomes involved in or is threatened with, litigation with a subcontractor or Vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
- c. Certificate of Non-segregated Facilities. The contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor certifies further that it shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it shall not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor certifies further that it shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it shall not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract. As used in this certification, the term "segregated facilities" means any waiting room, work areas, restrooms and washrooms, restaurants and other eating

areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom or otherwise. The contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time period) it shall obtain identical certifications from proposed subcontractors prior to the award of subcontractors exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it shall retain such certification in it's files.

Extension to Successors and Assigns

Each and all of the covenants and agreements contained in the contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

A Cut Above Tree Service
(Contractor)

Anthony Weiss
(President) / OWNER

2513 Red Banks Rd, Burkesville, Ky
(Address)

Attest: _____

Date of Proposal 7/20/21

This proposal shall be signed with the full name of the contractor. If the contractor is a partnership, the proposal shall be signed in the partnership name by a partner. If the contractor is a corporation, the proposal shall be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the secretary of the corporation.

EXHIBIT E

Debarment Certification

Exhibit E ~ South Kentucky RECC
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in the covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms *covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded*, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transactions with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

- 9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- 10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

CERTIFICATION

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

A Cut Above Tree Service
 Organization Name PR/Award or Project Name

Anthony Weiss Owner/Operator
 Name and Title

Anthony Weiss 7/20/21
 Signature Date

EXHIBIT F

Certification for Contracts, Grants, Loans and Cooperative Agreements

Exhibit F – South Kentucky RECC

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31 U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Anthony Weiss 7/30/21
Signature Date

Anthony Weiss Owner/Operator
Name and Title

A Cut Above Tree Service
Company Name

EXHIBIT G

Contractor Pre Bid Questionnaire

Exhibit G ~ South KY RECC (SKRECC) Pre-Bid Questionnaire and Data Request For Right of Way Contracting (Page 1 of 4)

Please complete the following survey by entering the required information in the blue shaded areas.

Please provide the following using OSHA 300 Logs, etc. as required:

	2018	2019	2020
List your firm's interstate Experience Modification Rate (EMR).	0	0	0
List your firm's OSHA Recordable Rate	0	0	0
List your firm's DART Rate	0	0	0
List your firm's Lost Time Rate	0	0	0
Number of Lost Workday Cases:	0	0	0
Number of Restricted Workday Cases:	0	0	0
Number of cases with medical attention only:	0	0	0
Number of fatalities:	0	0	0
Number of hours worked (do not include non work paid hrs)	835	837	837
Number of times your organization has be cited by OSHA in last 3 yrs:	0	0	0

Please answer the following questions with "Yes" or "No."

	Yes or No
Do you have a written safety program?	Yes
Do you have a written drug testing policy that covers all employees (not just CDL)?	Yes
Are all employees subject to drug tests based on reasonable suspicion?	Yes
Are all employees subject to random drug tests?	Yes
Does your company do drug screening and background checks on new hires?	Yes
Do you conduct site safety inspections at least monthly?	Yes
Do you require foremen to hold tailgate sessions daily and at each work site?	Yes
Do you require foremen to conduct daily safety inspections at work sites?	Yes
Do you have a designated and competent person assigned to safety management for the company?	No
Do you have a safety orientation for all new hires?	Yes
Does your safety orientation for new hires include fall protection?	Yes
Does your safety orientation for new hires include safe ladder use?	No
Does your safety orientation for new hires include fire protection?	Yes
Does your safety orientation for new hires include first aid, MSDS and CPR?	Yes
Does your safety orientation for new hires include energized equipment approach distances?	Yes
Do you have an existing workforce capable of meeting SKRECC's work requirements?	Yes
Do you commit to handling all complaints in a professions and timely manner?	Yes
Are your personnel licensed for use of chemicals and herbicides commonly used in ROW maintenance?	No
Do all of your workers meet OSHA requirements for the jobs which they are assigned?	Yes
Do your foremen have advanced or additional safety training?	Yes
Will you comply with all federal, state, and local laws/ordnances/etc applicable to this project?	Yes
Will you name SKRECC as additional insured on your insurance policy as required by RUS?	Yes
Will you provide SKRECC with a monthly safety report if requested?	Yes
Do you agree not to use subcontractors without first getting the permission of SKRECC?	Yes

Exhibit G Continued (Page 2 of 4)

Please enter the number of years that your company has been in business under its current name:

3

Please list below Key Personnel who are responsible and accountable for safety at your company:

Anthony Weiss, Jonathan Thacker, Stephen Cox

Has your company been free of critical injury for the last year to date?

Note: Critical injury used here includes fatalities, dismemberment, or permanent total disability.

Please comment below:

Yes, no injury's

In the space below please elaborate on your capabilities to furnish the manpower and equipment for fulfilling the requirements of SKRECC as described in the Pre-Bid Documents. Please also discuss your ability to perform the work and have it completed on time.

We have a bucket, 13" chipper, Dump trailer
a full crew, and several saws

Are you presently or in the preceding 36 months have you been in legal proceedings with any electric utility at which you are or have provided electric contracting services. If yes, please explain below: Note: We are talking about legal proceedings with companies you work/contract for. Do not include information on lawsuits with utility customers or the general public.

No

Exhibit G Continued (Page 3 of 4)

In the space below please provide the name and address of you insurance company, along with the telephone number, name of the contact person, and other appropriate contact information.

Theresa Hopper
Kentucky Farm Bureau
270-433-7000

To the best of your knowledge, does any officer, employee, or consultant of SKRECC have any financial interest or conflict of interest in your company? If the answer is "No" then simply type "No" in the box below. If the answer is "Yes" type "Yes" in the box below, and describe the conflict or possible conflict.

No

In the space below, please list any additional information or clarifications that you would like to provide.

Exhibit G Continued (Page 4 of 4)

In the space below please list three Electric cooperatives that you company is presently working for, and provide telephone numbers and contact person names:

None

In the space below, please provide the name, title, and contact information of the person completing this survey. Please also provide the same information for the contact person concerning this project if it is a different person. Please also provide the date that you completed this survey.

Anthony Weiss
Owner/Operator
931-704-6394

If you have any questions regarding this survey, please contact Steve Conover of Patterson and Dewar Engineers at sconover@pdengineers.com.

EXHIBIT H

Bid Invitation and Additional Bidding Instructions



Exhibit H ~ Invitation and Additional Bidding Instructions:

South Kentucky RECC: Right of Way Bidding for 2022 and 2023 work

You are invited to submit bids for upcoming distribution Right-of-Way (ROW) contracts per the attached for South Kentucky RECC (SKRECC). Bids must be submitted to Patterson & Dewar Engineers no later than **3:00 PM (Eastern), August 31, 2021.**

An informational meeting is being held on **July 30, 2021**, via Zoom **starting at 10:00 AM Eastern time.** Contractor participation at this meeting is **mandatory and failure to participate will disqualify the bidder. Bids must not be submitted until after this meeting. Please do not submit bids before this meeting.**

SKRECC reserves the right to reject any or all bids.

Please submit your proposal to Patterson & Dewar **via e-mail** by sending to the following e-mail address. **Please note that e-mail is the only means by which proposals are being accepted:**

sconover@pdengineers.com

All questions regarding the specifics of the attached should be addressed to the Consultant, Patterson & Dewar.

Consultant: Steve Conover
Patterson & Dewar Engineers, Inc.
75 Holt Rd
Jamestown, KY 42629

Telephone (606) 872-3501
sconover@pdengineers.com

GENERAL BID INSTRUCTIONS & BACKGROUND

The following must be returned to P&D via e-mail per the instructions given above:

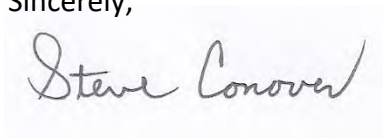
- **Exhibit I (Microsoft Excel® Workbook ~ (SKRECC Bid Sheet for 2022 and 2023 Work) ~ Enter your bid values into the yellow highlighted areas within the Workbook. Please note that there are two**

Worksheets within the Workbook that the contractor should complete. The different Worksheets can be accessed by clicking the **different tabs at the bottom of the Workbook**. Remember to save the Workbook after you enter your information.

- **In addition to the hourly rates required in the workbook, please also send a PDF copy of your complete standard hourly prices** that will be applicable to this contract. Please also be very specific regarding overtime and holiday rates and terms.
- **Bidders are required to also submit** a MS Word document that gives a thorough description of the manpower and equipment that they plan to use for each of the circuits if they are awarded the work. If the manpower and equipment is to be exactly the same for all circuits, this should be stated. If the manpower and equipment will vary from circuit to circuit, please list it for each individual circuit. Note: This information is being requested for planning purposes by SKRECC.

SKRECC will inform the successful bidder/s sometime after the bids are evaluated. Afterwards, SKRECC will prepare the necessary contract/s with attachments and make arrangements with the successful bidder/s for signing the contracts. This is expected to take place within a few days after the bids are received.

Sincerely,

A handwritten signature in cursive script that reads "Steve Conover". The signature is written in black ink on a light-colored background.

Steve Conover

75 Holt Rd.

Jamestown, KY 42629

sconover@pdengineers.com

Attachments

GENERAL AGREEMENT

FOR

CONTRACT BUSHHOGGING

BETWEEN

BMC CONTRACTING, LLC.

AND

**SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

GENERAL AGREEMENT FOR CONTRACT BUSHHOGGING

This agreement made and entered into this 1st day of July 2020 for 2 years by and between South Kentucky Rural Electric Cooperative Corporation, located at 200 Electric Avenue, Post Office Box 910, Somerset, Kentucky 42502 (hereinafter called the "Cooperative.")

And BMC Contracting, LLC located at 481 Adena Drive/P.O Box 450 Mt. Sterling, Kentucky 40444 (hereinafter called the "Contractor.")

BMC Contracting, LLC. will bushhog right-of-way for South Kentucky Rural Electric Cooperative Corporation under the following conditions:

1. Work will normally be (5) 8-hour days – Monday through Friday
2. Bushhog all right-of-way previously bushhogged by contract. Some light and scattered; other heavy and continuous.
3. Cut danger trees about to fall that can be handled and trim light small growth around fences, poles, and guys. Report problem right-of-way that contract is not to deal with to South Kentucky Right-of-Way Manager (such as overhand -cutting requirements).
4. Contact property owners for permission to enter and leave their property and exercise diligent care to close gates, fix fences, and other necessary operational practices.
5. Be responsible to investigate and settle complaints and claims caused by the bushhogging crew.
6. Contractor is responsible for providing all necessary equipment and performing all maintenance and repairs of such equipment.
7. The Contractor is responsible to provide the necessary training to ensure the safety of his employees and for the methods of work being performed. Monthly or by-weekly report to be sent with bill statements.
8. Be courteous, polite, and present a favorable image in representing the Cooperative.
9. Provide the Right-of-Way Manager:
 - a) Maps marked as to light and heavy bushhogging – color coded and by line.
 - b) Reasonable estimate of accurate length and width of bushhogged right-of-way by line and span.
10. Provide notice of required insurance: \$500,000 Public and Property Damage, \$500,000 Auto Liability, \$5,000,000 Umbrella,

Workmen's Compensation as required by statute. Also, contractual liability insurance with South Kentucky Rural Electric Cooperative Corporation named as additional insured and South Kentucky notified of any changes in insurance.

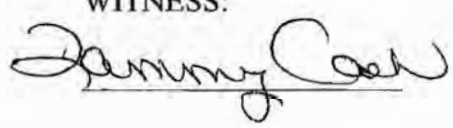

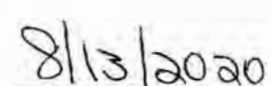
11. BMC Contracting, LLC. agrees to defend, pay on behalf of and hold harmless South Kentucky Rural Electric Cooperative Corporation and its' directors, officers, agents, and employees from all claims of whatsoever nature or kind, including those brought by employees of BMC Contracting LLC. or subcontractors, arising out of or as a result of any act or failure to act, whether or not negligent, in collection with the performance of the work to be performed pursuant to this contract by BMC Contracting, LLC. its' employees, agents, and subcontractors. BMC Contracting, LLC. agrees to defend and pay all costs in defending these claims, including attorney fees.

12. Further, BMC Contracting, LLC. agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations set forth above. The minimum insurance limits of liability shall be \$500,000 bodily injury and property damage. South Kentucky Rural Electric Cooperative Corporation shall receive as minimum 30-day notice in the event of cancellation of insurance required by this agreement. BMC Contracting, LLC. shall furnish a certificate of insurance to South Kentucky Rural Electric Cooperative Corporation showing that a qualified insurance carrier provides for the above obligations and requirements, and showing South Kentucky Rural Electric Cooperative Corporation as an additional insured on such insurance.

13. The cost per mile of the contract in 2020–2022 is [REDACTED] per mile.

APPROVED:

BMC Contracting, LLC.

WITNESS:   
Owner _____ Date
481 Adena Drive/ P.O. Box 450
Mt. Sterling, Kentucky 40353

South Kentucky Rural Electric Cooperative Corporation

WITNESS:   
CEO _____ Date



BOARD RESOLUTION

Whereas, South Kentucky Rural Electric Cooperative Corporation has taken unit pricing bids on Right-of-Way Bushhogging and;

Whereas, BMC Contracting LLC, Inc. has submitted the lowest bid for vegetation control on South Kentucky Rights-of-Way and;

Whereas, BMC Contracting LLC Inc. has met all pre-bid qualifications now therefore;

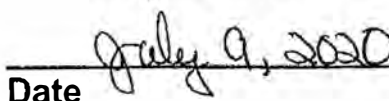
Be it resolved, that South Kentucky Rural Electric Cooperative Corporation accepts a two year contract beginning July 2020 – June 2022, with BMC Contracting LLC Inc. at the following prices:

Bushhogging Per Mile of Line [REDACTED]

I, Greg Beard, Secretary of South Kentucky Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt from the minutes of the Board of Directors Meeting of the Cooperative, held on the 9th day of July 2020 at which meeting a quorum was present.



Greg Beard, Secretary



Date

**RIGHT-OF-WAY GROUND SPRAYING
AGREEMENT**

BETWEEN

**SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

AND

CUMBERLAND TREE EXPERTS

RIGHT-OF-WAY SPRAYING

AGREEMENT

This agreement made and entered into this 1st day of JANUARY 1 2021 by and between South Kentucky Rural Electric Cooperative Corporation, located at 925 North Main Street, Post Office Box 910, Somerset, Kentucky 42502 (hereinafter called the "Cooperative.")

And Cumberland Tree Experts, located at Post Office Box 713, Monticello, Kentucky, 42633 (hereinafter called the "Contractor.")

WITNESSETH:

That for and in consideration of the premises and the separate and several and mutual agreements of the parties hereto, the Contractor hereby agrees to spray with herbicide such trees, brush, saplings, and other growth and vegetation as may be designated by the Cooperative in order to clear the Cooperative's electric distribution lines from interference or possible interference from obstructing trees, limbs, branches, and other growth at the price and upon the terms and conditions as follows, to-wit:

1. The Contractor shall furnish all labor, tools, machinery, materials, supplies, and equipment of every kind, and shall do and perform each and every act and thing necessary or proper for carrying out and performing the above mentioned work (hereinafter collectively referred to as "work").
2. In performing the work, the Contractor shall:
 - a. Apply herbicides in the amount necessary to constitute a thorough and complete coverage of all standing trees, brush, saplings, and other undesirable woody stem vegetation on Cooperative designated right-of-way to achieve and "effective control" as defined under the terms of this agreement.
 - b. Not apply herbicides when it is raining or one half-hour before or after a rain.
 - c. Spray all trees or brush on highways and other public places in accordance with the requirements of the public authorities having jurisdiction.
 - d. Obtain from the Cooperative information as to the nature of the electric circuits involved before the work is commenced. It being expressly understood by the Contractor that the electric circuits of the Cooperative are to continue in normal operation during the performance of any job constituting a part of the work, and that the Contractor is to provide and use all protective equipment necessary for the protection of the Contractor's employees and to guard against interference with the normal operation of such electric circuits.

3. The Contractor shall perform and carry out the work in accordance with the directions and instructions of the Cooperative's Right-of-Way Manager or his/her properly designated representative, and in the absence of specific directions for any particular type of work in the manner best suited to the conditions surrounding the performance of the work.
4. The Contractor shall procure, prior to doing any job constituting a part of work, all necessary permits, consents, authorizations, releases, and waiver of damages from all property owners involved, and from all State, Municipal, and other governmental authorities having jurisdiction, including the State Highway Commission of Kentucky and U.S. Forest Service. The Contractor shall immediately notify the Cooperative if the Contractor is unable to procure any of the necessary aforesaid permits, consents, authorizations, releases, and waiver of damages or is required to pay a charge therefore. The Contractor shall permit the Cooperative in every such case to assist the Contractor in procuring the required consents and authorizations. The Contractor shall not obligate the Cooperative to make any payment to property owners, State, Municipal, and other governmental agencies for or in connection with the spraying of trees, brush, or the obtaining of such consents and authorizations.
5. The Contractor hereby warrants and guarantees that all the work will be done and performed in proper manner and according to approved methods employed at the time in the doing of like work by skilled employees. The Contractor shall use, at all times, proper skill and care in the completion of the work and shall take all due and proper precautions to prevention injury to any person or property.
6. The Contractor shall, upon completion of a job at each location constituting a part of the work, promptly remove all of its apparatus, equipment, and debris in accordance with all applicable laws, ordinances, and regulations and to the satisfaction of the property owners involved and the Cooperative.
7. The Contractor, at its own cost and expense shall procure and keep in force during the entire term of this agreement, a policy or policies of insurance, in form and in such amounts acceptable to the Cooperative and issued by some responsible and reliable insurance company, adequately covering the Contractor and Cooperative as named, insured with public liability and property damage insurance (including such type of insurance on all automotive equipment of the Contractor) and Contractor's protective liability insurance (including such type of insurance on automotive equipment) in connection with all the work to be performed hereunder, upon the request of the Cooperative the Contractor shall deliver said insurance policy or policies, or proper certificate or certificates as to such insurance to the Cooperative.

8. The Contractor shall obtain and keep in force during the whole of the effective period of this agreement an appropriate policy of Worker's Compensation Insurance and shall forthwith deliver to the Cooperative a certificate to that effect; shall pay all sums due any person on account of a work related injury or disease occurring in the course of the performance of any part of said work as Contractor may be required to do by any Workmen's Compensation Law or Employer's Liability Law applicable; and shall indemnify and save harmless the Cooperative from any and all liability to pay any such sums.
9. The Contractor shall present to the duly designated representative of the Cooperative at the beginning of each week a report in a form satisfactory to the Cooperative of each day's work by the Contractor hereunder in the preceding week.
10. The Cooperative shall pay to the Contractor for all work performed hereunder at a rate of \$196.70 per acre of right-of-way treated with approved herbicide for the first two years and \$ 206.53 for the following third year.

The aforementioned payment and compensation shall cover and be in full payment of all costs and expenses incurred by the Contractor in connection with the work, including insurance, all form of taxes, and all labor, tools, and equipment. The Cooperative will pay 100% of the invoice price submitted by the Contractor when approved by the Right-of-Way Team Leader.

11. This agreement shall become effective upon the execution hereof and shall continue in full force and effect until the work is completed and final payment is made, except that the Cooperative shall have the right to terminate this agreement by giving the Contractor at least ten (10) days written notice of its intention to terminate. Upon such termination, the Cooperative shall pay the Contractor, under the rates and conditions provided herein, only for work performed to the date of termination, upon such payment for termination the Cooperative shall have no further obligation or liability under this agreement. The Cooperative's Chief Operating Officer or his/her designee shall have the authority to require the Contractor to immediately suspend any work at any time when, in his/her sole opinion, such work is not being performed in a manner consistent with achieving the desired results under this agreement. Following such suspension of work, the Cooperative's Chief Operating Officer, or his/her designee, may allow the Contactor to resume work or terminate the contract, as appropriate.
12. The Contractor shall have no authority to act or bind the Cooperative and shall act for itself alone, it being the intention that the Contractor shall be and remain an independent Contractor, and that nothing herein contained shall be construed as inconsistent with the status.

13. The Contractor shall not assign this agreement or any part thereof, or sublet any of the work to be performed hereunder by the Contractor without first having obtained the written consent of the cooperative thereto.
14. The work considered in this agreement is integrated vegetation control and maintenance of right-of-way.
15. No spraying will be done on Saturdays, Sundays and/or legal holidays without the express consent of the Cooperative's Right-of-Way Manager.
16. The method of evaluating the effectiveness of the Contractor's work will be as follows:
 - a. The Cooperative representative will periodically meet during the course of the work with the Contractor Representative to ensure quality control and approve acreage amounts.
 - b. The objective of the observation and inspection is to obtain "**Effective Control**" of the target brush being sprayed. "**Effective Control**" is defined as 95% of "**above the ground line kill**" for all species of brush and woody plants in any specific right-of-way area during the management cycle period of 18 months commencing upon the date of initial application.
 - c. The Contractor shall provide a written guarantee of the afore stated 95% above the "ground line kill" for all species of brush and woody plants during the management cycle period of 18 months from the date of herbicide application to the Cooperative, with the remedy for less than stated performance to be 100% reimbursement for all reapplication costs. This guarantee may be a signed performance guarantee from a third party chemical company.
17. The herbicide chemical to be used in the work will be known by their respective brand names: Viewpoint and Opensite along with a surfactant. No substitute herbicide chemical agent may be used by the Contractor without written consent from the Cooperative's Right-of-Way Team Manager. Mixture, handling, transport, and application shall be per specific instructions listed in Attachment A, attached hereto and made a part hereof.
18. A Pre-Spray Conference with at least one representative of the Contractor and the Cooperative will be held before any work is done to discuss the work program.
19. The Contractor will be responsible for the proper storage and disposal of all herbicide chemicals and the containers for same, according to any and all Federal and State Regulations.
20. All work will be done in accordance with all Federal and State Safety Standards.

21. Contractor shall pay all penalties associated with violations cited by any governing authority (Public Service Commission, OSHA, etc.).
22. Contractor shall have a Safety program in place and will produce documentation of Safety meetings, audits, or other necessary documents upon request.
23. The Contractor will instruct its' crew(s) to use his/their best efforts to serve and report to the Cooperative's Inspector, circumstances, or conditions on the right-of-way which could be regarded as unsafe or dangerous such as damaged or broken equipment or evidence of human activity.
24. Contractor agrees to defend, pay on behalf of and hold harmless South Kentucky Rural Electric Cooperative Corporation and its' directors, officers, agents, and employees from all claims of whatsoever nature or kind, including those brought by employees of Contractor, arising out of or as a result of any act or failure to act, whether or not negligent, in collection with the performance of the work to be performed pursuant to this contract by Contractor, its' employees, agents, and subcontractors. Contractor agrees to defend and pay all costs in defending these claims, including attorney fees.

Further, Contractor agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations set forth above. The minimum insurance limits of liability shall be \$5,000,000 bodily injury and property damage with a \$5,000,000 aggregate. South Kentucky Rural Electric Cooperative Corporation shall receive as minimum 30-day notice in the event of cancellation of insurance required by this agreement. Contractor shall furnish a certificate of insurance to South Kentucky Rural Electric Cooperative Corporation showing that a qualified insurance carrier provides for the above obligations and requirements, and showing South Kentucky Rural Electric Cooperative Corporation as an additional insured on such insurance.

25. This Agreement may be amended or extended by written supplement executed by the undersigned parties.
26. The term of this agreement is from January 1, 2021 thru December 31, 2023.

ATTACHMENT A

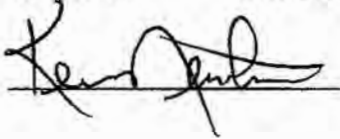
Chemicals to be used in all right-of-way spraying will be as listed below with each chemical's relative usage expressed as a percentage of one (1) diluted, mixed, U S Gallon of application solution.

<u>Chemical Name</u>	<u>MFG</u>	<u>Chemical Content</u> Per 100 Gallon Mix	<u>EPA Reg. No.</u>
Foliar Vine Spray			
Streamline	DuPont	10 oz per 100	352-848
Basil Vine Spray			
Garlon Ultra	Dow	15 %	62719-527
Stalker	Basf	1 %	241-398
Milestone	Dow	2 %	62719-519
<hr/>			
Foliar Brush Spray			
Viewpoint	Dupont	18 oz per 150 gallon	352-847
Opensite	Dow	5 oz per 150 gallon	62719-597

Surfactant will be added per manufacturers recomendations

IN WITNESS WHEREOF, the Parties hereto have executed this instrument as evidenced by the respective authorized signatures the day and date first above written.

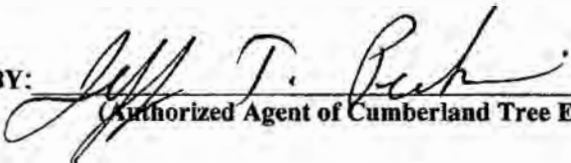
WITNESS: **SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**



BY: 
_____ **(Authorized Agent of South Kentucky RECC)**

DATE: 2/25/21 _____

WITNESS:

BY: 
_____ **(Authorized Agent of Cumberland Tree Experts)**

DATE: 2.24.2021 _____

BOARD RESOLUTION

WHEREAS, SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION HAS PREVIOUSLY TAKEN ACRE BIDS ON RIGHT-OF-WAY LINE SPRAYING;

BE IT RESOLVED, THAT SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION ACCEPTS A THREE YEAR CONTRACT BEGINNING JANUARY 1, 2021 THROUGH DECEMBER 31, 2023 WITH CUMBERLAND TREE EXPERTS. AT THE FOLLOWING PRICES:

YEAR 1 [REDACTED]
YEAR 2 [REDACTED]
YEAR 3 [REDACTED]

I, GREG BEARD, SECRETARY OF SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, DO HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT EXCERPT FROM THE MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE COOPERATIVE, HELD ON THE 11th DAY OF FEBRUARY 2021 AT WHICH MEETING A QUORUM WAS PRESENT.



Greg Beard, SECRETARY

2/23/21

DATE



BOARD RESOLUTION

WHEREAS, South Kentucky Rural Electric Cooperative Corporation has taken circuit bids on right-of-way line clearance;

BE IT RESOLVED, that South Kentucky Rural Electric Cooperative Corporation accepts the below circuit bid contract beginning January 1, 2022, through December 31, 2023, with **PHILLIPS TREE EXPERTS** at the following prices:

Year 2022:

Cabin Hollow Substation/Cedar Grove
Circuit Bid: [REDACTED]

I, Boris Haynes, Secretary/Treasurer of South Kentucky Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt from the minutes of the Board of Directors Meeting of the Cooperative, held on the ninth day of December 2021, at which meeting a quorum was present.

Boris Haynes
BORIS HAYNES, SECRETARY/TREASURER

12/9/21
DATE



South Kentucky RECC

RUS Designation KY54

January 1, 2022 through November 30, 2022
Right-of-Way, Lump Sum Per Circuit & Hourly
Contract With
Phillips Tree Experts, LLC

Prepared By: Steve Conover, Distribution Consultant

Patterson & Dewar Engineers, Inc.
P.O. Box 2808, Norcross, GA 30091-2808

Phone: (770) 453-1410 Fax: (770) 453-1411

Right-of-Way Contract Documents

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RIGHT-OF-WAY CLEARING CONTRACT

Contractor's Proposal

To: South Kentucky RECC (Hereinafter called the "Owner")

Article I ~ General

- Section 1. Offer to Clear** ~ The undersigned (hereinafter called the "Contractor" hereby proposes to furnish all labor and materials, equipment, machinery, tools, transportation as required, to clear rights-of-way for the rural electric system bearing the RUS Designation KY54 in strict accordance with the Specifications Requirements for the prices hereinafter stated.
- Section 2. Description of Project** ~ The Project will consist of lump sum circuit/substation clearing, along with hourly work if hourly work is requested by the Owner during the year of 2022 as described herein.
- Section 3. Description of Contract** ~ The Descriptions, Exhibits, Plans, and Specifications attached hereto and made a part hereof, together with the Proposal and Acceptance constitutes the Contract.
- Section 4. Familiarity with Conditions** ~ The Contractor warrants that it has made careful examination of the site of the Project and of the Specifications and Drawings attached hereto, and has become informed as to the location and nature of the proposed work, the transportation facilities, the kind and character of soil and terrain to be encountered, and the kind of facilities required for undertaking and completing the Project, and has become acquainted with the labor conditions, state and local laws and regulations which would affect the proposed work.
- Section 5. License** ~ The Contractor warrants that a Contractor's License is , is not X, required, and if required, it possesses Contractor's license number NA for the State of NA in which the Project is located and said license expires on NA, 20NA.
- Section 6. Contractor's Bond** ~ The contractor agrees to furnish a bond prior to the commencement of work in the penal sum of not less than the estimated cost of the circuit bid work awarded with a surety or sureties listed by the United States Treasury Department as acceptable sureties. This bond must be in a form acceptable to the owner and in the event that the surety or sureties of the performance bond delivered to the owner shall at any time become unsatisfactory in the opinion of the owner, the contractor agrees to deliver to the owner another or an additional bond.
- Section 7. Taxes** ~ The labor prices for Right-of-Way Clearing in this Proposal include any sums which are or may be payable by the Contractor on account of taxes imposed by any taxing authority on payments for materials furnished or services performed by the Contractor under the terms of this Contract.

Article II ~ Clearing

Section 1. Time and Manner of Work.

- a. The Contractor agrees to commence work on the Project on a date (hereinafter called the "Commencement Date") which shall be determined by the Owner after its acceptance of this Proposal, but in no event will the Commencement Date be later than January 15, 2022 unless otherwise specified by the Owner. The Contractor further agrees to prosecute diligently and to complete clearing in strict accordance with the Specifications and Drawings within the agreed upon calendar days (excluding Sundays and other times to be defined by the Owner) after Commencement Date.
- b. The time for Completion of Clearing shall be extended for the period of any reasonable delay which is due exclusively to causes beyond the control and without the fault of the Contractor, including acts of God, fires, floods, inability to obtain materials and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible: Provided, however, that no such extension of time for completion shall be granted the Contractor unless within ten (10) days after the happening of any event relied upon by the Contractor for such an extension of time the Contractor shall have made a request therefore in writing to the Owner, and provided further that no delay in such time of completion or in the progress of the work which results from any of the above causes except acts or omissions of the Owner, shall result in any liability on the part of the Owner.
- c. The sequence of R/W Clearing shall be as set forth by the Owner, the names being the designations of areas (hereinafter also called the "Circuits") corresponding to the numbers / names shown on the maps provided to the Contractor, or if no Circuits are set forth by the Owner, the sequence of Clearing shall be as determined by the Owner.
- d. The Owner may from time to time during the progress of the work on the Project make such changes in, additions to or subtractions from the Specifications, Drawings and sequence of work provided for in the previous paragraph which are part of the Contractor's Proposal as conditions may warrant: Provided, however, that if any change in the work to be done shall require an extension of time, a reasonable extension will be granted if the Contractor shall make a written request therefore to the Owner within ten (10) days after any such change is made. And provided further, that if the cost to the Contractor of completion of the Project shall be materially increased by any such change or addition, the Owner shall pay the Contractor for the reasonable cost thereof in accordance with a Contract Amendment signed by the Owner and the Contractor, but no claim for additional compensation for any such change or addition will be considered unless the Contractor shall have made a written request therefore to the Owner prior to the commencement of work in connection with such change or addition.

Section 2. Environmental Protection ~ The Contractor shall perform work in such a manner as to maximize preservation of beauty, conservation of natural resources, and minimize marring and scarring of the landscape and silting of streams. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their

containers in or near streams, waterways or pastures. The Contractor shall follow, under the general direction of the Owner, the criteria relating to environmental protection as specified herein by the Owner.

Section 3. Supervision and Inspection.

- a. The Contractor shall cause the work on the Project to receive constant supervision by a competent foreman (hereinafter called the "foreman") who should be present at all times during working hours where work is being carried on. The Contractor shall also employ in connection with the Project, capable, experienced and reliable foremen and such skilled and "certified" workmen as may be required for the various classes of work to be performed. Directions and instructions given to the Foreman shall be binding upon the Contractor.
- b. The Owner reserves the right to require the removal from the Project of any employee of the Contractor if in the judgment of the Owner such removal shall be necessary in order to protect the interest of the Owner. The Owner shall have the right to require the Contractor to increase the number of its employees and to increase or change the amount or kind of tools and equipment if at any time the progress of the work shall be unsatisfactory to the Owner; but the failure of the Owner to give any such directions shall not relieve the Contractor of its obligations to complete the work within the time and in the manner specified in this Proposal.
- c. The manner of performance of the work, and all equipment used therein, shall be subject to the inspection and approval of the Owner. The Owner shall have the right to inspect all payrolls and other data and records of the Contractor relevant to the work. The Contractor will provide all reasonable facilities necessary for such inspection. The Contractor shall have an authorized agent accompany the inspector when final inspection is made and, if requested by the Owner, when any other inspection is made.
- d. In the event that the Owner shall determine that the work contains or may contain numerous defects, the Owner may choose to have an inspection made by an engineer approved by the Owner for the purpose of determining the exact nature, extent and location of such defects.
- e. The Engineer may recommend to the Owner that the Contractor suspend the work wholly or in part for such period or periods as the Engineer may deem necessary due to unsuitable weather or such other conditions as are considered unfavorable for the satisfactory prosecution of the work or because of the failure of the Contractor to comply with any of the provisions of the Contract: Provided, however, that the Contractor shall not suspend work pursuant to this provision without written authority from the Owner so to do. The time of completion hereinabove set forth shall be increased by the number of days of any such suspension, except when such suspension is due to the failure of the Contractor to comply with any of the provisions of this Contract. In the event that work is suspended by the Contractor with the consent of the Owner, the Contractor before resuming work shall give the Owner at least twenty-four (24) hours' notice thereof in writing.

Section 4. Unsuitable Workmanship ~ The acceptance of any workmanship by the Owner or the Engineer shall not preclude the subsequent rejection thereof if such workmanship shall be found to be unsuitable. Workmanship found unsuitable before final acceptance of the work shall be remedied, by and at the expense of the Contractor. The Contractor shall not be entitled to any payment hereunder so long as any unsuitable workmanship in respect to the Project, of which the Contractor shall have had notice, shall not have been remedied.

Article III--Payment

Section 1. Payments to Contractor.

- a. Within the Owner defined period(s), the Owner shall make partial payment to the Contractor for work accomplished during the preceding invoice period as approved by the Owner solely for the purposes of payment: Provided, however, that such approval by the Owner shall not be deemed approval of the workmanship or materials. Upon completion by the Contractor of the required work on a circuit, the Contractor shall deliver to the Owner certification showing (1) that all persons who have furnished labor in connection with the Project and subcontractors who have furnished services for the Project have been paid in full and (2) that the Contractor shall hold the Owner harmless against any liens arising out of the Contractor's performance hereunder which may have been or may be filed against the Owner. Upon the Owner's approval of such certification, the Owner shall make payment to the Contractor of all amounts to which the Contractor shall be entitled and which shall not have been paid.
- b. The Contractor shall be paid on the basis of the circuit percentage actually completed at the direction of the Owner shown by the Circuit Inventory: Provided, however, that the total cost shall not exceed the total contract price for the Circuit as set forth in the Acceptance, unless such excess shall have been approved in writing by the Owner.
- c. No payment shall be due while the Contractor is in default in respect of any of the provisions of this Contract and the Owner may withhold from the Contractor the amount of any claim by a third party against either the Contractor or the Owner based upon an alleged failure of the Contractor to perform the work hereunder in accordance with the provisions of the Contract.
- d. If no Circuits are designated in Article II, Section 1 (c) the term "Circuit" shall mean for purposes of this subsection (a) and Article IV, Section 3 (b) only, a part of the Project as designated by the Owner which represents at least twenty-five percent (25%) of the total contract price as stated in the Acceptance.
- e. Interest at the rate of zero percent (0%) per annum shall be paid by the Owner to the Contractor on all unpaid balances due on invoices, commencing fifteen (15) days after the due date; provided the delay in payment beyond the due date is not caused by any condition within the control of the Contractor. The due date for purposes of such invoice payment shall be the tenth day provided (1) the Contractor

on or before the fifth day of such invoicing cycle shall have submitted its certification of right-of-way clearing units completed during the preceding invoice and (2) the Owner on or before the 10 day of such invoicing cycle shall have approved such certification. If for reasons not due to the Contractor's fault, such approval shall not have been given on or before the tenth day of such invoice cycle, the due date for purposes of this subsection (e) shall be the tenth day of such invoice cycle notwithstanding the absence of the approval of the certification. The above procedures may be modified upon approval of both parties.

- f. Interest at the rate of zero percent (0%) per annum shall be paid by the Owner to the Contractor on the final payment for the Project or any completed Circuit thereof, commencing ten days after the due date. The due date for purposes of such final payment shall be the date of approval by the Owner of the Final Inventory and receipt of the Certificate of Contractor and Indemnity Agreement as conditions precedent to the making of final payment. The above procedures may be modified by the Owner.

Section 2. Payments to Subcontractors ~ The Contractor shall pay each subcontractor, if any, within five (5) days after receipt of any payment from the Owner, the amount thereof allowed the Contractor for and on account of services performed by each subcontractor.

Article IV--Particular Undertakings of the Contractor

Section 1. Protection to Persons and Property ~ The Contractor shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of Federal, state, and municipal safety laws and building and construction codes, as well as the safety rules and regulations of the Owner. All machinery and equipment and other physical hazards shall be guarded in accordance with the "Manual of Accident Prevention in Construction" of the Associated General Contractors of America unless such instructions are incompatible with Federal, state, or municipal laws or regulations.

The following provisions shall not limit the generality of the above requirements:

- a. The Contractor shall so conduct work on the Project as to cause the least possible obstruction of public highways.
- b. The Contractor shall provide and maintain all such guard lights and other protection for the public as may be required by applicable statutes, ordinances, and regulations or by local conditions.
- c. The Contractor shall do all things necessary or expedient to properly protect any and all parallel, converging, and intersecting lines, joint line poles, highways, and any and all property of others from damage, and in the event that any such parallel, converging and intersecting lines, joint line poles, highways, or other property are damaged in the course of work on the Project the Contractor shall at its own expense restore any or all of such

damaged property immediately to as good a state as before such damage occurred.

- d. Where the right-of-way of the Project traverses cultivated lands, the Contractor shall limit the movement of his crews and equipment so as to cause as little damage as possible to crops, orchards, or property and shall endeavor to avoid marring the lands. All fences which are necessarily opened or moved during work on the project shall be replaced in as good condition as they were found and precautions shall be taken to prevent the escape of livestock. The Contractor shall not be responsible for loss of or damage to crops, orchards, or property (other than livestock) on the right-of-way necessarily incident to work on the Project and not caused by negligence or inefficient operation of the Contractor. The Contractor shall be responsible for all other loss of or damage to crops, orchards, or property, whether on or off the right-of-way, and for all loss of or damage to livestock caused by work on the Project. The right-of-way for purposes of this said section shall consist of an area extending as described in Exhibit B of this contract along the route of the Project lines, plus such area reasonably required by the Contractor for access to the route of the Project lines from public roads to carry on the work.
- e. The Project, from the commencement of work to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided, shall be under the charge and control of the Contractor and during such period of control by the Contractor all risks in connection with the work on the Project and the materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Contractor by reason of an act of God or other casualty or cause whether or not the same shall have occurred by reason of the Contractor's negligence.
 - (i) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all claims, causes of action, losses, liabilities, and expenses (including reasonable attorney's fees) for personal loss, injury, or death to persons (including but not limited to Contractor's employees) and loss, damage to or destruction of Owner's property or the property of any other person or entity (including but not limited to Contractor's property) in any manner arising out of or connected with the Contract, or the materials or equipment supplied or services performed by Contractor, its subcontractors and suppliers of any tier. But nothing herein shall be construed as making Contractor liable for any injury, death, loss, damage, or destruction caused by the sole negligence of Owner.
 - (ii) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all liens and claims filed or asserted against Owner, its directors, officers, and employees, or Owner's property or facilities, for services performed or materials or equipment furnished by Contractor, its subcontractors and suppliers of any tier, and from all

losses, demands, and causes of action arising out of any such lien or claim. Contractor shall promptly discharge or remove any such lien or claim by bonding, payment, or otherwise and shall notify Owner promptly when it has done so. If Contractor does not cause such lien or claim to be discharged or released by payment, bonding, or otherwise, Owner shall have the right (but shall not be obligated) to pay all sums necessary to obtain any such discharge or release and to deduct all amounts so paid from the amount due Contractor.

(iii) Contractor shall provide to Owner's satisfaction evidence of Contractor's ability to comply with the indemnification provisions of subparagraphs (i) and (ii) above.

- f. Any and all excess earth, rock, debris, underbrush, and other useless material shall be removed by the Contractor from the site of the Project as rapidly as practicable as the work progresses. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their containers in or near streams, waterways or pastures.
- g. Upon violation by the Contractor of any provisions of this section, after written notice of such violation given to the Contractor by the Owner, the Contractor shall immediately correct such violation. Upon failure of the Contractor so to do the Owner may correct such violation at the Contractor's expense.
- h. The Contractor shall submit to the Owner monthly reports in duplicate of all accidents, giving such data as may be prescribed by the Owner.
 - (i) The Contractor shall not proceed with the cutting of "yard" trees without written notification from the Owner that proper authorization has been received from the owner of the property and the Contractor shall promptly notify the Owner whenever any landowner objects to the trimming or felling of any trees or the performance of any other work on his land in connection with the Project.

Section 2. Insurance ~ The Contractor shall take out and maintain throughout the period of this Agreement the following minimum amounts of insurance unless greater minimum amounts and/or other stipulations are required by Exhibit B of this contract. If additional insurance requirements are shown in Exhibit B beyond those shown below, the additional insurance requirements shall be necessary and shall be at the sole expense of the Contractor:

TYPE

LEVEL

1. Workers Compensation

Statutory

2. Employers Liability

Bodily Injury by Accident \$1,000,000 each accident

Bodily Injury by Disease \$1,000,000 policy limit

Bodily Injury by Disease \$1,000,000 each employee

3. Public Liability	Bodily Injury or Death	\$1,000,000 each occurrence
	Property Damage	\$1,000,000 each occurrence
	Accidents	\$1,000,000 aggregate
4. Automobile Liability	Bodily Injury or Death	\$1,000,000 per person
		\$1,000,000 each occurrence
	Property Damage	\$1,000,000 each occurrence
5. Umbrella Liability	Each Occurrence and Aggregate	\$4,000,000

The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in this Section or Exhibit B. In any such event, the additional premium or premiums payable solely as the result of such additional insurance shall be added to the Contract price.

The Owner shall be named as "Additional Insured" and certificate holder on all policies of insurance required unless specified otherwise by the owner.

The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Owner. The Bidder shall furnish the Owner a certificate evidencing compliance with the foregoing requirements which shall provide not less than (30) days prior written notice to the Owner of any cancellation or material change in the insurance.

Section 3. Delivery of Possession and Control to the Owner.

- a. *Upon written request of the Owner, the Contractor shall deliver to the Owner full possession and control of any portion of the Project provided the Contractor shall have been paid at least ninety percent (90%) of the cost of the work of such portion. Upon such delivery of possession and control to the Owner, the risks and obligations of the Contractor as set forth in Section 1(e) of this Article IV with respect to such portion so delivered to the Owner, shall be terminated:*

Provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to unsuitable workmanship as specified in Article II, Section 4.

- B** *Where the R/W Clearing of a Section as hereinbefore defined in Article II, Section 1 (c) and Article III, Section 1 (d) shall have been completed by the Contractor, the Owner agrees, after receipt of a written request from the Contractor, to accept delivery of possession and control of such Section upon having inspected the Section and having found the work acceptable. Upon such delivery of the possession and control of any such Section to the Owner, the risk and obligations of the Contractor as set forth in Article IV, Section 1 (e) hereof with respect to such Section so delivered to the Owner shall be terminated. Provided, however, that nothing herein contained shall relieve the Contractor of any liability with*

respect to unsuitable workmanship as specified in Article II, Section 4 hereof.

Section 4. Assignment of Guarantees ~ All guarantees of materials and workmanship running in favor of the Contractor shall be transferred and assigned to the Owner prior to the time the Contractor receives final payment for any Section.

Article V--Remedies

Section 1. Completion on Contractor's Default ~ If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this Proposal, the Owner, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor a written notice requiring the Contractor to cause such default to be corrected forthwith.

Unless within twenty (20) days after the service of such notice upon the Contractor and the Surety, if any, such default shall be corrected or arrangements for the correction thereof satisfactory to the Owner shall be made, the Owner may take over the work on the Project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the contract price occasioned thereby.

The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Proposal and for such purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims, and demands.

Section 2. Liquidated Damages ~ The time of the Completion of Clearing is of the essence of the contract. Should the Contractor neglect, refuse or fail to complete the clearing within the time herein agreed upon, after giving effect to extensions of time, if any, herein provided, then, in that event and in view of the difficulty of estimating with exactness damages caused by such delay, the Owner shall have the right to deduct from and retain out of such monies which may be then due, or which may become due and payable to the Contractor the sum of NA dollars/per day for each and every day that such work is delayed in its completion beyond the specified time, as liquidated damages and not as a penalty.

Section 3. Cumulative Remedies ~ Every right or remedy herein conferred upon or reserved to the Owner shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute and the pursuit of any right or remedy shall not be construed as an election: Provided, however, that the provision of Section 2 of this Article shall be the exclusive measure of damages for failure by the Contractor to complete the clearing within the time herein agreed upon.

Article VI--Miscellaneous

Section 1. Definitions.

- a. The term "Engineer" shall mean the engineer employed by the Owner to provide engineering services for the Project and said Engineer's duly authorized assistants and representatives. The term "Engineer" will mean "Owner" if the Owner chooses to perform the work in-house and not employ an Engineer.
- b. The term "Completion of Clearing" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof.
- c. The term "Completion" shall mean full performance by the contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof relating to any Section of the Project or to the Project.

Section 2. Patent Infringement ~ The Contractor shall save harmless and indemnify the owner from any and all claims, suits and proceedings for the infringement of any patent or patents covering any materials or equipment used in construction of the Project.

Section 3. Permits for Explosives ~ All permits necessary for the handling or use of dynamite or other explosives in connection with the construction of the Project shall be obtained by and at the expense of the Contractor.

Section 4. Compliance with Statutes and Regulations ~ The Contractor will comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulations issued pursuant thereto, and 18 U.S.C. Secs. 286, 287, 1001, as amended. The Contractor understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of governmental agencies having jurisdiction in the premises.

Section 5. Equal Opportunity Provisions.

- a. **Contractor's Representations** ~ The Contractor represents that:
It has X does not have 100 or more employees, and if it has, that it X has not furnished the Equal Employment Opportunity --- Employers Information Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

The Contractor agrees that it will obtain, prior to the award of any subcontractor for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement, signed by the proposed subcontractor, that the proposed subcontractor has filed a current report on Standard Form 100. The Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this Contract will amount to more than \$10,000, the Contractor will file such report, as required by law, and notify, the Owner in writing of such filing prior to the Owner's acceptance of this Proposal.

- b. *Equal Opportunity Clause. During the performance of this Contract, the Contractor agrees as follows:*
- (i) *The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.*
 - (ii) *The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.*
 - (iii) *The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or worker's representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
 - (iv) *The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.*
 - (v) *The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.*
 - (vi) *In the event of the Contractor's noncompliance with the Equal Opportunity Clause of this Contract or with any of the said rules, regulations or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.*
 - (vii) *The Contractor will include this Equal Opportunity Clause in every subcontract or purchase order unless exempted by rules,*

regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

- (c) **Certificate of Non-Segregated Facilities.** The Contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time-clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it will retain such certifications in its files.

Section 6. Franchises and Rights-Of-Way ~ The Contractor will be under no obligation to obtain or assist in obtaining any franchises, authorizations, permits, or approvals required to be obtained by the Owner from Federal, state, county, municipal or other authority; any rights-of-way over private lands; or any agreements between the Owner and third parties with respect to the construction and operation of the Project.

Section 7. Non-Assignment of Contract ~ The Contractor shall not assign the Contract effected by an acceptance of this Proposal or any part thereof or enter into any contract with any person, firm or corporation for the performance of the Contractor's obligations thereunder, or any part thereof, without the approval in writing of the Owner.

Section 8. Extension to Successors and Assigns ~ Each and all of the covenants and agreements contained in the Contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

Section 9. Independent Contractor ~ The Bidder shall perform the work as an independent contractor, not as a subcontractor, agent, or employee of the Owner. Upon acceptance of this proposal, the successful Bidder shall be the Contractor and all references in the Proposal to the Bidder shall apply to the Contractor.

Section 10. Acceptance by the Owner ~ The acceptance of a Proposal shall become effective the date of acceptance by the owner.

Description of Units

Right-of-Way Clearing Units:

This is a lump sum, "Clear by Circuit" contract and includes hourly rates as described within this proposal and attached exhibits/attachments.

Specifications

In preparing the right-of-way, trees shall be removed, underbrush cleared, and trees trimmed so that the right-of-way shall be clear from the ground up or as specified. Trees fronting each side of the right-of-way shall be trimmed symmetrically unless otherwise directed by the Owner. Dead trees beyond the right-of-way which would strike the line in falling shall be removed. Leaning trees beyond the right-of-way which would strike the line in falling and which would require topping if not removed may be removed or topped at the direction of the Owner.

The right-of-way shall be cleared in accordance with the instructions in the preceding paragraph and **in addition as specified by the exhibits/attachments to this contract.**

Contractor agrees to abide by and follow specifications per all attachments/exhibits to this contract.

The exhibits/attachments included in this contract along with this contract represent the agreement in its entirety between the parties. No other outside agreements whether spoken or written are a part of this contract.

Distribution Right-of-Way Clearing Prices (Circuit Bid)

The following circuit bid price shall be a firm, lump sum price regardless of the actual mileage encountered by the contractor while doing work on the circuits. The contractor affirms that the company has examined the required work in

the field and accepts the lump sum prices regardless of the actual mileage encountered while performing the work.

Substation	Circuit Bid	Circuit Name
Cabin Hollow	██████████	Cedar Grove

Distribution Right-of-Way Clearing Prices
(Hourly)

Item #1: Three Man Bucket and Chipper Crew (Foreman, Trimmer and Groundman) with necessary tools, saws and equipment.

The Price per hour for Item #1 = ██████████/hour

Item #2: The Owner may request other combinations of manpower and equipment for hourly work rather than what is listed in Item #1. Shown below shall be the hourly prices that shall apply:

LABOR AND EQUIPMENT HOURLY RATES

<u>Item</u>	<u>Rate</u>
Foreman	██████████
Climber	██████████
Groundman	██████████
Notifier	██████████
4x4 Pickup	██████████
Bucket 70ft	██████████
Bucket	██████████
Split Dump	██████████
Chipper	██████████
Jarraff	██████████
Basil (\$/oz)	██████████

Additional Stipulations concerning Hourly Work and Prices:

Overtime shall be at a rate of 1.5 times the regular hourly rate. Overtime shall be paid for work that the Owner requests, which exceeds 40 hours in a week or is outside the normal working hours. Any work performed on Owner approved holidays or Sundays shall be at a rate of 1.5 times the regular hourly rate.

In all circumstances, overtime is only applied to labor and not to equipment.

The contractor will be reimbursed for any reasonable meal and lodging expenses while working storms, but only those expenses which the Owner approves.

If the Owner requests the Contractor to bring in extra temporary (off system) workers and equipment for emergency situations such as storm restoration, the Owner and Contractor shall negotiate rates and any special terms/conditions for those extra workers and equipment at the time the request is made unless other arrangement are agreed to in advance by the parties of this contract. All other terms/conditions applying to any temporary workers or equipment not changed by mutual agreement of the parties in writing shall be as stated in this contract and the attachments/exhibits hereto which are made a part of this contract.

The Contractor will provide a General Foreman or a Lead Contact Person on all lump sum bids that will be the single point of contact for the Owner's ROW Coordinator until the project is completed. There will be no charge to the Owner for this service. Normal hourly crews will not require a general foreman on most occasions since daily crew placement will be handled by the Owner's ROW Coordinator. If the ROW Coordinator requests additional help from a General Foreman, he/she will charge billable hours at the rate shown in the table above to the same account as the normal crews subject to the ROW Coordinator signing off on the time sheets. The overtime rate and conditions for when overtime is paid (emergency/storm work, etc.) for the General Foreman shall be as described above for other contract workers. Any billable hourly work for a General Foreman must be pre-approved and requested by the Owner.

The Contractor shall provide a qualified Safety Person to check on the crews at no charge to the Owner. The schedule for checking crews will be determined by the Contractor.

It is understood by both parties that the hourly rates included in this contract are complete charges and there is not an extra charge per man (Per Diem) of any kind.

The General Foreman shall have a pickup truck and cell phone. There shall be no charge to the Owner for this.

Each Crew Foreman shall have a cell phone. There shall be no charge to the Owner for this.

All crews shall be equipped with all necessary saws, climbing gear, safety equipment and other necessary tools and equipment for right-of-way clearing work. There shall be no

charge to the Owner for this. The only manpower and equipment charged for shall be as shown in the table above.

The number of and type of personnel and equipment making up each crew shall be determined by the Owner. The Contractor agrees to furnish manpower and equipment to the best of his ability to meet the needs of the owner. The Contractor understands and accepts the fact that the Owner reserves the right to terminate the contract for any reason at any time and that there is no guarantee of any specific types or amounts of work.

ATTEST:

Phillips Tree Experts, LLC

Bidder

Taylor Friedrich
Secretary

[Signature]
President

Dated:

12/16/21

Address

This Proposal must be signed with the full name of the Contractor. If the Contractor is a partnership, the Proposal must be signed in the partnership name by a partner. If the Contractor is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the Corporation.

ACCEPTANCE

The Owner hereby accepts the foregoing Proposal of the Bidder, **Phillips Tree Experts, LLC**, for the right-of-way clearing of the following:

- Type "A" Circuit/Substation Bid Work as defined by this contract and the attachments hereto.
- Hourly work as defined by this contract and the attachments hereto if requested and commissioned by the Owner.

South Kentucky RECC

Owner

By:

[Signature]
Manager / CEO

[Signature]
Secretary
COO

12/13/21
Date

EXHIBIT A

**Bid Instructions and Other Requirements (Right of Way Contract Bidding)
for South KY RECC**



EXHIBIT A: Bid Instructions and Other Requirements for Right of Way “Circuit Bidding” for South Kentucky Rural Electric Cooperative Corporation (SKRECC) (for 2022 and 2023 work)

July, 2021

General Information:

Owner: South Kentucky Rural Electric Cooperative Corporation
200 Electric Avenue
Somerset, KY 42501
Telephone: 606-678-4121

Consultant: Steve Conover, Distribution Consultant
Patterson & Dewar Engineers, Inc.
75 Holt Rd.
Jamestown, KY 42629
Telephone (606) 872-3501
sconover@pdengineers.com

This bid process is for “circuit bid” (lump sum) type work as defined below. Hourly prices will also be requested for occasional miscellaneous work which may arise that is outside the scope of the circuit bid tasks. Please see Exhibit B for more information on when hourly prices can become applicable. Bids will be evaluated based on adding the lump sum bid for each circuit to the expected hourly cost for each circuit. The number of expected hours for each circuit will be estimated by SKRECC and applied to bids after they are received. Therefore, it is important to provide competitive bids for both lump sum and hourly work. The following circuits are being bid per the above criteria (lump sum bid + expected hourly costs) for work in the years of 2022 and 2023:

<u>Substation</u>	<u>Circuit Name</u>	<u>Miles</u>	<u>Work Year</u>
Cabin Hollow	Rush Branch	61.2	2022
Cabin Hollow	Cedar Grove	40.3	2022
Wiborg	Greenwood	119.2	2022
Wiborg	Beulah Heights	67.7	2022
Zula	Susie	45.2	2022
North Albany	Town	12.1	2022

North Albany	Burkesville	20.5	2022
North Albany	Clinton County	4.6	2022
South Albany	Adam's Dock	50.2	2022
South Albany	Downtown	3.1	2022
Mt. Victory	To Mt. Victory	75.0	2023
Nelson Valley	Stilesville	50.3	2023
Nelson Valley	Eagles Nest	14.9	2023
Nelson Valley	Rainbow Terrace	14.7	2023
Slat	Parnell	103.2	2023
Russell Springs	Hails Highway	59.8	2023
Windsor	Caintown	120.9	2023
Upchurch	Grider Hill	86.3	2023
Sewellton	Highway 55	108.5	2023

Substation Location Information:

Cabin Hollow	50 Commerce Lane, Somerset, KY 42501
Wiborg	162 Beulah Heights Road, Whitley City, KY 42653
Zula	191 HWY 1009 N, Monticello, KY 42653
North Albany	1028 Third Street, Albany, KY 42602
South Albany	235 West Harper Lane, Albany, KY 42602
Mt. Victory	2444 Old Whitney Road, Somerset, KY 42501
Nelson Valley	134 Stilesville Road, Somerset, KY 42501
Slat	101 Whispering Pines, Monticello, KY 42633
Russell Springs	64 Old Sano Road, Russell Springs, Ky 42642
Windsor	1905 Highway 80, Windsor, KY 42565
Upchurch	594 Wray Ridge Road, Albany, KY 42602
Sewellton	44 Highway 55, Jamestown, KY 42629

The mileages shown above are only approximate and represent an estimate of primary line mileage. However, some trimming of secondary and service lines will be required as part of the work, and no extra monies are paid for that. Please see Exhibit B for more information. It will be the responsibility of the contractor to look at each circuit before submitting a bid, and circuit bids will be firm and binding regardless of the actual mileage encountered. No changes will be made on the Circuit Bid prices.

Pre-Bid Submissions:

- In order to be considered for inclusion on the Right of Way Bid List for this contract bidding you must execute and submit the following documents included in the Pre-Bid Package. These documents must be received per the instructions stated herein **on or before 3:00 PM (Eastern Time) July 23, 2021.**

- Exhibit C ~ Contractor's Acceptance of Requirements and Intent to Bid
 - Exhibit D ~ Certificate of Non-Segregated Facilities (Equal Opportunity Employment Certification)
 - Exhibit E ~ Debarment Certification
 - Exhibit F ~ Certification for Contracts, Grants, Loans, and Cooperative Agreements
 - Exhibit G ~ SKRECC Pre-Bid Questionnaire
- The Following documents are provided to the contractor as an aid in filling out the Pre-Bid materials and include terms and conditions that the contractor must agree to by executing Exhibit C. These documents do not need to be returned but they may be included as attachments/terms to the final contract:
 - Exhibit A ~ Bid Instructions and Other Requirements (This Document)
 - Exhibit B ~ SKRECC Additional Right-of-Way and Contract Specifications
 - Exhibit I ~ Example Contract (Modified RUS 201)
 - Note: Exhibit H is not included in the pre bid package and not needed by the contractor for a pre bid submission. This is an exhibit used later in the process for a bid Invitation and additional bidding instructions if necessary.
 - Pre Bid materials shall be submitted to the "Consulting Engineer" (Patterson & Dewar Engineers, Inc.), via email to sconover@pdengineers.com (Steve Conover). Please make high quality electronic scans of all PDF documents and save the spreadsheet (Exhibit G) in its original format. Emailing these documents is all that is required for a pre bid submission.
 - All questions and requests should be addressed to the Consulting Firm of Patterson & Dewar Engineers, Inc. via e-mail to sconover@pdengineers.com (Steve Conover).

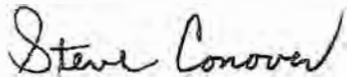
If You Are Chosen as a Bidder:

- If you are chosen for inclusion on the Bidder List, you will later be invited to submit bids for Right-of-Way work for SKRECC. The following is provided to the contractor to aid in understanding the general scope of the upcoming work; however, SKRECC reserves the right to change any of the following items at its sole discretion.
- It is anticipated that **sometime on July 26th, 2021** that contractors will be informed as to whether or not they have been accepted as a bidder. After being accepted, bidders can go by the South KY RECC office in Somerset, KY and pick up maps of the circuits to bid. Please contact Don Bethel at 606-872-3087 and make arrangements for picking up the maps.
- SKRECC will hold a **Zoom meeting** with all selected bidders before bids are due. Contractor attendance will be mandatory. SKRECC will give as much notice as reasonably possible if the

date changes, but the date for the meeting is currently scheduled for **July 30th, 2021, beginning at 10:00 AM (Eastern Time)**. Unless SKRECC informs the contractor otherwise, this will be the time and date for the meeting. An invitation for the Zoom meeting will be sent out sometime after a contractor is accepted to bid.

- Bids must be submitted to Steve Conover of Patterson & Dewar engineers via a spreadsheet that must be sent to sconover@pdengineers.com . The spreadsheet will be provided to the contractors at a later date. **The bids are due by August 31st, 2021 before 3:00 PM Eastern time.**
- Along with the bid spreadsheet, bidders are required to submit a MS Word document that gives a thorough description of the manpower and equipment that they plan to use for each of the circuits if they are awarded the work. If the manpower and equipment is to be exactly the same for all circuits, this should be stated. If the manpower and equipment will vary from circuit to circuit, please list it for each individual circuit in the MS Word document. Note: This information is being requested by SKRECC for planning purposes. Please be thorough and complete in your response to this request.
- The Bid Spreadsheet and the above mentioned MS Word Document are all that is required to submit a bid, unless additional information is requested at a later date.
- **SKRECC reserves the Right to reject any or All Bids at its sole discretion.**
- All questions and requests should be addressed to the Consulting Firm of Patterson & Dewar Engineers, Inc. via e-mail (To sconover@pdengineers.com Steve Conover).
- The required contract work **must be completed by November 30th of the year the work is scheduled to be done.** The contractor may begin work once the contract is signed and SKRECC gives them permission to start.
- Once a contract is signed, the contractor shall begin work very soon and work on a schedule, acceptable to SKRECC. The contractor shall keep the required crews present and working on the SKRECC system until the work is completed. The contractor shall not remove crews for work at other utilities unless permission is granted by SKRECC to do so.
- Bid prices shall be such that they uniformly can be used for all work encompassing both energized and de-energized conditions.
- The manpower schedule that the contractor will be required to meet after contracts are signed is as follows:
 - Circuit Bid Crews: The number of crews needed will be determined by the number of crews required to complete the assigned work within the allotted time **(before November 30th of the year for which the work is scheduled).**
 - All crews must have the necessary equipment and manpower for the type of work being done. SKRECC shall have the right to determine the adequacy of equipment provided by the contractor, and the contractor must make necessary adjustment to manpower and equipment at the discretion of SKRECC.
 - SKRECC reserves the right to award bid work to multiple contracting companies.
 - Any contractor who is awarded circuit bid work will be required to provide manpower and equipment consistent with getting the work done on time and as directed by SKRECC.
 - Please see Exhibit B for additional information.

- Circuit bid contracts will be per RUS Form 201 with amendments applicable to SKRECC requirements and will include attachments thereto containing special terms and conditions applicable to SKRECC.
- Other RUS Documents could be required in the Contract.
- The successful bidders must be prepared to coordinate with SKRECC to complete required contracting documents and **start working early in the years for which the work is scheduled.**
- An orientation conference meeting will be held with the successful bidder/s at a time to be specified by SKRECC. The purpose of this meeting will be to review the schedules, establish procedures for handling staking sheets and other documents, and review required procedures, which includes the processing of payments to the contractor.
- During the entire process each proposal will be evaluated with **Safety, Reliability, Economic Value and ability of the contractors to successfully accomplish the work within the allotted time frames.**



Steve Conover
Senior Distribution Consultant
Patterson & Dewar Engineers, Inc.

EXHIBIT B

**South Kentucky RECC's Contractor Right-of-Way Specifications and
Additional Contract Specifications**

Exhibit B ~ South Kentucky RECC (SKRECC) Right-of-Way Specifications and Additional Contract Requirements

1. The information within this document pertains to four types of right-of-way work applicable to SKRECC; however, this contract only includes Type A work with some Type C work possible when requested by SKRECC. Types B and D work will not be included in this contract.

1.1 Circuit Bid Clearing and Stump Treating (Type A work)

1.2 Circuit Bid Herbicide Spraying (Type B work)

1.3 Hourly Clearing and Stump Treating (Type C work)

1.4 Hourly Herbicide Spraying (Type D work)

2. The actual contract which will be executed with the successful bidder/s will be determined by SKRECC based upon the work awarded. The contracts used may be a modified RUS 201 or other SKRECC standard contracts. All contracts used may also have attachments/exhibits from the bid process documents which will become part of the contracts.

3. The number of crews and crew makeup initially required by SKRECC for Type C and D listed above will be determined by SKRECC at a later date. Please see Exhibit A for a rough estimate of the amount of each type of work that SKRECC anticipates. SKRECC reserves the right to split the contract work and award parts to multiple bidders based solely upon SKRECC's evaluation of the bids received.

4. All specifications and requirements herein are applicable to all four types of work listed above unless otherwise noted. References to any type of mechanical cutting or clearing activities are not applicable to Type B and Type D crews since these crews will be used only for herbicide applications.

5. Type A and Type C crews consists of ground clearing and side trimming of woody species to the specification stated herein. The Type A and Type C crews are also required to effectively stump treat everything cut with herbicide, except for cuts made by bushhogging. Type A crews

must furnish the stump treatment spray consisting of a herbicide mixture listed in paragraph 7.3 as a part of the circuit bid. Type C hourly crews will be responsible for the care and use of the stump spray herbicides listed in paragraph 7.3 as well but will be reimbursed for the herbicides at the time of use. All stump treatment herbicides amounts paid must be pre-approved by SKRECC. Note: The term "herbicides" as used in this document includes any surfactants (whether specifically stated or not) that may be required and appropriate for a given application at the discretion of SKRECC.

6. On all Type A and Type B work, the contractor must complete the circuit and/or section being worked on before moving on to another circuit and/or section, unless permission is granted by SKRECC to proceed otherwise. The contractor shall only proceed to new circuits and/or sections after permission is granted by SKRECC.

7. All herbicide applications must follow label directions and be in accord with all state or federal regulations governing licensed applicators. Please note the following concerning herbicide requirements for type B and type D crews bidding on SKRECC contracts:

7.1 The contractor must furnish the herbicides used on all circuit bid herbicide spraying work as a part of the contractor's circuit bid price. SKRECC does not pay the contractor any extra above the circuit bid price for herbicides used on circuit bid herbicide spraying work.

7.2 SKRECC shall reimburse the contractor for the cost of herbicides applied by hourly herbicide spraying crews. All amounts paid by SKRECC for herbicides must be pre-approved by SKRECC for hourly crews.

7.3 The herbicide mix to be used shall be as follows. The contractor may suggest different herbicides, but the final decision shall be at the discretion of SKRECC. In all cases the kill rates and guarantees mentioned below are applicable. Surfactants used must be consistent with the chosen mix to provide the required results and pre-approved by SKRECC

Stump treatment mixture: Garlon 4 Ultra, 20% Milestone, 1%, Stalker, 1%, Basal oil.

Foliar spray tank mix: Vastlan (Dow AgroSciences) (EPA # 52719-687), applied in accordance with all state and federal regulations, and in a manner to achieve the required kill rate as stated below.

The contractor may suggest other mixes, but any change requires the approval of SKRECC.

For all herbicide applications work, all unwanted woody species within the right-of-way area described in the specifications herein are to be treated with the herbicide and/or herbicide mixtures, and the contractor shall guarantee ninety percent (90%) coverage, control, and effective "kill" rate of the unwanted species. This active effective coverage, control, and "kill" rate shall be determined the following growing season by SKRECC appointee(s). If the contractor does not achieve this quantity and quality of coverage, control, and effective "kill" rate, then it shall reapply the herbicide and/or herbicide mixtures at no additional cost to SKRECC. This procedure will be repeated until the required percent coverage, control, and "kill" rate is achieved as determined by SKRECC's appointee(s).

8. Circuit bid prices shall be firm prices and will not be adjusted for any reason, including more or less mileage encountered by the contractor. Estimated mileages furnished by SKRECC are only rough estimates and it is the responsibility of the contractor to take this into account when bidding on circuits. The approximate mileage given for the substations to be cleared are for primary line miles and do not include secondary or service wire mileage. However, all secondary and service wires are to be cleared and included as a part of the contractor's circuit bid price. Bare secondary lines of less than 600 volts shall have a minimum trim clearance of ten (10') ft. Tree limbs around insulated secondary and service wires shall also be trimmed to provide a minimum clearance of

three foot (3') radius to prevent abrasions to the conductor insulation. Any dead trees within falling distances of a bare secondary or service conductor should be brought to the attention of SKRECC's Field Supervisor so it can be removed at his/her discretion.

9. Hourly bid prices shall be firm and not adjusted for any reason during the contract period.

10. Performance bond requirements shall be as defined in the modified RUS 201 contract document.

11. All forms of mechanical equipment (including aerial trimming equipment) will be allowed if the contractor complies with all requirements of the contract and meets all applicable safety and occupational requirements, including those of OSHA. However, SKRECC shall have the right to disallow certain equipment (including aerial trimming equipment) in residential area and other areas as the cooperative deems necessary. Areas of the system and equipment allowed within them will be on a case by case basis at the discretion of SKRECC.

12. SKRECC requires contractors to perform random drug testing of all employees – not just CDL drivers.

13. The Contractor will provide a General Foreman or a Lead Contact Person on all lump sum bids that will be the single point of contact for SKRECC's ROW Coordinator until the project is completed. There will be no charge to SKRECC for this service. Normal hourly crews will not require a general foreman on most occasions since daily crew placement will be handled by the SKRECC ROW Coordinator. If the ROW Coordinator requests additional help from a General Foreman, he/she will charge billable hours at the hourly rate agreed to in the final contract to the same account as the normal crews, subject to the ROW Coordinator signing off on the time sheets. The overtime rate agreed to in the contract and conditions for when overtime is paid (emergency/storm work, etc.) for the General Foreman shall be as described in the final contract for other contract workers. Any billable hourly work for a General

Foreman must be pre-approved and requested by SKRECC.

14. SKRECC has a strong interest in the safety of employees and the general public. This same interest is expected to be maintained by anyone that works as a contractor for this utility. SKRECC will require that ALL contractors follow rules that meet or exceed all of those set forth by the most current NESC (National Electric Safety Code), and all other applicable state and federal laws.

15. SKRECC reserves the right to stop the contractor's work immediately if SKRECC becomes aware that the contractor is in violation of any of the above mentioned safety requirements, and SKRECC reserves the right to terminate the contract due to safety concerns or other any other concerns at its sole discretion. SKRECC further reserves the right to inspect contractor work sites at its discretion.

16. The contractor is required to furnish SKRECC with all documentation pertaining to safety training and certification on a quarterly basis. This information will be mailed or delivered to SKRECC's designated employee by the first day of the month in each quarter. Contractor will also provide training records and qualifications of their employees prior to employees commencing work on SKRECC's system. SKRECC reserves the right to deny access and permission to work on SKRECC's system to any contractor employee due to insufficient training and or qualifications for work assignment. SKRECC reserves the right to deny access to and permission to work on SKRECC's system to any person that SKRECC deems to have an unsafe work history or substandard work procedures.

17. SKRECC will make a quarterly assessment of completed work. SKRECC reserves the right to require adjustments to manpower and equipment to crews at its sole discretion in order to meet the completion deadlines or to achieve other goals of SKRECC. Manpower and equipment adjustments are at the sole discretion of SKRECC.

18. SKRECC reserves the right at any time to determine that a contractor previously qualified is no longer qualified to perform the work or any part

of the work.

19. Contractor agrees to use Contractor's best efforts to perform the required tasks on SKRECC's right-of-ways located within the area served by SKRECC. Contractor must furnish all necessary equipment, qualified personnel, labor, and qualified supervision sufficient to properly and timely perform the required right-of-way tasks in those portions of the Area designated from time to time by SKRECC. Contractor is responsible for performing all maintenance and repairs on such equipment necessary to keep it in safe operating condition. Contractor shall provide any documentation requested by SKRECC including but not limited to employee training records and Contractor safety rules.

20. Contractor hereby acknowledges that it is an independent contractor for SKRECC and meets all necessary legal requirements to perform the tasks for which the Contractor places bids for at SKRECC. Contractor shall be free to determine and control its time, energy and skill to perform the work in accordance with the Agreement during Contractor's regular business hours, except that work shall not occur before 7:00 a.m., or after 6:00 p.m., or on Sundays, or legal holidays unless approved in advance by SKRECC.

21. Contractor acknowledges that SKRECC, in reliance upon the Agreement, is not withholding any taxes from sums paid to Contractor as compensation for services rendered under the Agreement. Additionally, Contractor acknowledges that SKRECC is not carrying workers compensation coverage or unemployment insurance coverage on Contractor or Contractor's employees due to the independent Contractor nature of the relationship. In the event Contractor should be adjudged not to be an independent Contractor, Contractor will indemnify SKRECC for any additional expenses resulting from such ruling.

22. Contractor agrees to perform all work to the complete satisfaction of SKRECC, in a workmanlike manner and of quality consistent with industry standard practices, and in accordance with all federal, state, municipal, county, and other local laws, ordinances, and regulations applicable to said work.

23. Contractor must investigate and use its good faith efforts to attempt to settle all valid complaints for damages caused by its work from equipment, employees, or otherwise. These complaints will be given immediate attention, and all efforts shall be made to effect a prompt settlement of valid complaints by the Contractor.

24. Contractor is to use diligence to not damage SKRECC's electric facilities or other facilities in discharging their duties. If there are damages caused by the contractor, to consumer or SKRECC facilities, the contractor may be invoiced for the damages or the outage.

25. Contractor agrees to see that all personnel are courteous, polite, and present a favorable image to the public. All representations made to the public will be truthful and honest to the best of Contractor's ability.

26. Contractor acknowledges that he/she does not represent SKRECC and has no authority to obligate SKRECC for any payment or benefit of any kind to any person.

27. Contractor agrees to defend, pay on behalf of, and hold harmless SKRECC and its directors, officer, agents, members and employees, from all claims, demands, causes of action, damages, costs, or liabilities, in law or in equity, of every kind and nature whatsoever, including but not limited to those brought by employees of Contractor or its subcontractors, and those brought as a result of any interruption, discontinuance, or interference with SKRECC's service to any of its customers, arising out of or as a result of any act or failure to act, whether or not negligent, in connection with the performance of the work to be performed pursuant to this proposal by Contractor its directors, officers, agents, employees, and subcontractors. Contractor agrees to defend and pay all costs in defending these claims, demands, causes of action, damages, costs, or liabilities, including attorney's fees, and Contractor shall also reimburse SKRECC for any and all legal and other expenses incurred by SKRECC in connection therewith. Furthermore, Contractor agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations

set forth above.

28. The Contractor's insurance policy must state that Contractor has contractual liability coverage and that SKRECC has been added as an additional insured and included as a certificate holder. Contractor and any subcontractor shall carry workers' compensation insurance as required by law. SKRECC shall receive a minimum thirty (30) day notice in the event of cancellation of insurance required by the agreement. Contractor shall furnish a certificate of insurance to SKRECC showing that the above obligations and requirements are provided for by a qualified insurance carrier, and showing SKRECC as an additional insured on such insurance annually prior to January 1 of the insured calendar year. It shall be the contractor's responsibility to provide SKRECC with a new proof prior to the expiration of the current proof.

29. The Agreement is for a period of time as defined within the contract executed by the parties. The Agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns.

30. Contractor shall identify its equipment and employees as a contractor for SKRECC. Contractor will comply with any identification requirements which may be imposed by Public Service Commission regulations or other law, and also any reasonable requirements which may be imposed by SKRECC. Contractor's vehicles shall be identified with a company logo that is legible. Magnetic signs furnished by SKRECC (one set per vehicle) stating "Contractor for South KY RECC" or equivalent shall be displayed at all times when at a work site.

31. The contractor shall pay any penalties associated with violations cited by any governing authority (i.e. Public Service Commission, OSHA, etc.).

32. The Agreement shall be governed by the laws of the State of Kentucky. Any lawsuits related to the Agreement shall be brought in the Pulaski County, Kentucky state courts.

33. No amendment or variation of the terms or conditions of the Agreement shall be valid unless in writing and signed by the parties. The

Contract executed by the parties and attachments thereto constitutes the entire Agreement between the parties regarding the subject matter hereof, and all other prior written or oral communications of any nature whatsoever are hereby merged into and superseded by the Agreement. The parties acknowledge that there are no other oral or written understandings, arrangements and/or agreements between the parties relating to the subject matter of the Agreement.

34. A waiver of any of the terms and conditions of the Agreement shall not be construed as a general waiver by any party, and such party shall be free to reinstate any such term or condition, with or without notice to the other parties.

35. Any headings used as part of the Agreement are for the convenience of the parties and are not to be construed as part of the Agreement.

36. In the event that any portion of the Agreement may be held to be invalid or unenforceable for any reason, it is agreed that said invalidity or unenforceability shall not affect the other portions of the Agreement, and that the remaining covenants, terms and conditions or portions thereof shall remain in full force and effect and any court of competent jurisdiction may so modify the objectionable provision as to make it valid, reasonable and enforceable.

37. If conflicting information or requirements is found in any of the contracting documents, the most stringent requirements for the contractor shall prevail unless SKRECC deems otherwise.

38. The rights of the parties under the Agreement are personal and not assignable.

39. Contractor agrees to pay SKRECC's reasonable expenses, including attorneys' fees and costs, incurred by SKRECC in enforcing the terms, conditions, and provisions of the Agreement.

40. SKRECC will furnish a ROW Coordinator to oversee all aspects of line clearing while contract crews are working on SKRECC's system. Any

and all questions that may arise should be brought before this designated person for resolution.

41. SKRECC will furnish systems maps to the contractor's ROW foreman or supervisor for the purpose of locating and recording all work done on SKRECC's system. After work has been completed in a particular area the maps shall be returned to SKRECC's ROW Coordinator.

42. Some crews will also have the opportunity to remove previously left yard trees and "off right-of-way" danger trees on an hourly basis. However, SKRECC shall have the final choice on whether or not to remove such trees. The contractor must contact SKRECC for a decision before commencing on clearing such trees.

43. Equipment must be maintained in good condition and with little or no oil leaks. SKRECC shall have the right to require that equipment which does not meet the approval of SKRECC be replaced. The decision of SKRECC shall be final.

44. Personnel must be "presentable" to the public. SKRECC shall have the final decision on any questions arising in this area of the contract.

45. Contractor shall perform 100% of the work directly without using subcontractors unless approval is granted by the SKRECC's ROW Coordinator.

46. The contractor must provide a written report to the SKRECC Field Supervisor for any OSHA reportable injury or violation, and any "near-miss" incident or accident must be promptly reported to the SKRECC Field Supervisor within one hour of occurrence.

47. Contract crews may be inspected by SKRECC's ROW coordinator or other SKRECC personnel on a routine basis.

48. SKRECC staff has the right to conduct site-visits of project areas on a routine basis.

49. Contractor invoicing for hourly work shall be submitted monthly (for previous month's work); and said invoice may be submitted electronically and paid electronically. Time sheets for hourly crews should be submitted weekly so invoicing can be paid in a timely manner. Payments from SKRECC will generally be made on or before the tenth of each month after receipt of invoice but payment of sections of circuit cutting will be paid after an inspection of the work has been made by a representative of SKRECC and all follow up work has been completed.

50. SKRECC requires the contractor to submit completed circuit bid work invoices in 25% increments.

51. SKRECC's ROW Coordinator will strive to provide answers to contractor questions and/or requests in a timely manner (usually within two or three business days). Any questions regarding acceptable methods of performing work shall be directed to SKRECC, and SKRECC will have the final determination on what is deemed acceptable.

52. Each crew shall have a cell phone furnished by the contractor or some other means of communication that SKRECC can use to contact them at all times. In the case of cell phones, the phone numbers shall be given to SKRECC's ROW Coordinator and said phone numbers kept current.

53. Each crew shall have tracking equipment installed on vehicles and SKRECC shall be given access to be able to see vehicle locations.

54. At least one contractor employee capable of speaking fluent English shall be on each job site at all times when the contractor is working.

55. Each crew must inform the ROW Coordinator or the SKRECC dispatcher of their location on the system each morning before beginning work and before departing at the end of each day.

56. Contractors may not park trucks on SKRECC property. Contractors may not park at substation property owned by East Kentucky Power

(EKP) without written permission from EKP.

57. SKRECC provided locks are installed on many “locked-gates”; contractor must not cut locks or chains unless permission is granted by the SKRECC ROW Coordinator.

58. Contractor will not perform or solicit any type of private tree trimming work on the customer’s property while actively engaged in performing work for SKRECC under contract until all work on the circuit is completed.

59. Disposal of wood residue such as brush, wood, large sections of tree trunks, large limbs, wood chips and other such products produced or generated by working on SKRECC’s system shall not obstruct roads, paths, or waterways. Disposal of said residue shall be the sole responsibility of the contractor and at approved locations. All disposal costs shall be included in the cost submitted on the SKRECC bid. When approved by property owners, logs and brush may be left or the chipped wood may be blown onto the property where the wood residue originated. This is the preferred scenario.

60. SKRECC has some lines within the Daniel Boone National Forest. Brush that is trimmed or cut in these areas shall be mulched down flat or mowed to less than two feet high. Windrows or brush are not allowed because of the concern of hot spots in case of fire. Also, if the ground is disturbed because of equipment being hung or other ground disturbance actions it shall be seeded and strawed to prevent erosion.

61. No trash (i.e. lunch sacks, cans, containers, etc.) or other non-wood residue shall be deposited and disposed of with chips collected from tree trimming operations. Crews are also required to leave their work area as clean as when they arrived with all trash disposed of properly.

62. Power outages caused by workers dropping limbs or trees on to energized lines are unacceptable and precautions shall be taken to make sure this does not happen. In the unlikely event that it does happen, SKRECC has the right to bill the contractor for the cost of repairs and

service restoration and any personal injury or property damage.

63. Contractors shall make available its crews for emergency work as determined by SKRECC, day or night, weekends, holidays, or during any natural or man-made disasters. The contractor shall furnish SKRECC the name and telephone number of the person to contact for emergency crews.

64. SKRECC Retains the Right to Reject Any or All Proposals Submitted in Response to this contract.

65. On multiphase lines, SKRECC's current requirement is 45 feet total width. This is the equivalent of 22.5 feet clearance on each side of the centerline. On single phase lines, SKRECC's current requirement is 30 feet total width. This is the equivalent of 15 feet on each side of the centerline. These distances are ground to sky unless permission to do otherwise is granted by SKRECC. Common sense would dictate that not all of SKRECC's existing lines can be cut to this exact specification, and in some circumstances, it will only be possible to clear the ROW back to the original corridor, which may be less than the current requirements. In any instance where large trees would need to be removed in order to meet SKRECC's current ROW specifications, SKRECC will pay the contractor hourly wages for the extra clearing work. Any questionable situation such as this must be directed to SKRECC's ROW Coordinator or his/her designee before work proceeds.

66. All limbs overhanging the primary line right of way corridors shall be removed by the contractor unless SKRECC gives permission in specific instances to reduce this requirement. The contractor must take this into consideration when bidding on SKRECC right of way work and adjust bid prices accordingly. The contractor may occasionally suggest reducing this requirement in specific instances, but SKRECC shall have the final decision on each situation.

67. All woody stem vegetation will be cut as close to the ground as practicable, but not to exceed three inches (3") above ground line. The cuts shall be made parallel with the ground.

68. If permission from the landowner is granted to remove a previously left yard tree which poses a threat to the power lines, SKRECC may choose to pay the contractor (or another contractor) hourly wages to remove the tree. Permission from SKRECC to remove the tree must be granted in each instance. All trees and woody brush located within the confines of what is considered to be the yard of homes or businesses will require that all brush be chipped or removed unless specific instructions are obtained from the land owner to leave the brush/wood onsite. In certain instances chips may be blown directly on the ground if permission can be obtained from the landowner. All yard tree removals shall be accompanied by written permission from the land owner and authorized by SKRECC before they can be removed on an hourly basis. All trees removed shall be cut flush with the ground line. SKRECC promotes the safe and economic removal of such trees within their ROW corridor in lieu of cycle trimming of said trees. This procedure promotes both the long-term reduction in clearing expenditures and the increase in expected system reliability.

69. Logs or debris shall not be placed below the high water mark of streams, springs, creeks and rivers or other bodies of water. Pastures and cultivated fields must be cleaned up unless permission to leave debris is granted by the landowner.

70. Poles and guy wires shall be clean of all brush, trees, and vines debris ten feet (10') around them.

71. Due to concern for livestock safety, any wild cherry tree cuttings must be removed from livestock areas.

72. When cutting back to a lateral it shall be 1/3 the size of the main limb.

73. No stump treatment will be used on federal or state owned lands.

74. Dead, dying, and/or danger trees outside of the ROW corridor will be considered for removal via hourly pricing. All trees in this category must be reviewed and approved by SKRECC before the tree or trees are

trimmed / removed.

75. The logs and brush that result from the integrated vegetation management operations should be handled in a manner consistent with adjoining land use, terrain, aesthetics, and fire risk. Logs may be recoverable for firewood or timber products and are often best left for the property owner. Brush can be loped evenly thru-out the unmaintained areas landscape and left lying in place or piled/windrowed along right-of-way edges if required by landowners. A wire zone consisting of a five foot (5') path under lines/phases needs to be cleared of all debris. This includes any overhang within three feet of the edges (on both sides) of the 5 ft path.

76. Wherever practical and permissible, dead or defective trees, trees that have been severely disfigured from past improper trimming techniques, and fast-growing trees located so as to be a potential hazard to SKRECC's primary overhead distribution system facilities shall be removed.

77. SKRECC's right-of-way easements allow for the maintenance of right-of-ways areas included within the easements; however, the contractor shall be required to use good judgment and take reasonable care when entering upon such areas. In all cases, respect for the property owner and other stakeholders shall be considered paramount by the contractor. In sensitive areas such as yards, subdivisions, highly maintained areas, posted lands, and similar circumstances, the contractor shall make a good faith effort (when reasonably possible) to inform property owners and/or other stakeholders of the contractor's presence and the general scope of the contractor's work before proceeding. Any situations in which a property owner or other stakeholder takes issue with the contractor's right to enter the property or complete the work shall be reported to SKRECC immediately in order to help facilitate a resolution. All gates, fences and consumer property are to be left in the same condition as found.

78. Severability/Partial Invalidity: The invalidation of any provision, or any portion of a provision, of this Agreement by any entity with proper

jurisdiction and authority does not invalidate the remaining provisions, or the remaining portion of a provision, of this Agreement.

79. Non-Waiver of Default: Failure of SKRECC to treat this Agreement as terminated by failure of the Contractor to comply with, or as a result of, a breach by the Contractor of any term or condition herein, shall not constitute a waiver of SKRECC'S right to this Agreement as terminated in the event of any subsequent failure to comply, or breach by the Contractor, and such right of termination by SKRECC shall be deemed a continuing one. Further acceptance of services by SKRECC shall not be deemed a waiver of Contractor's breach of any obligation hereunder or SKRECC's right to terminate this Agreement because of such breach. In the event SKRECC waives the breach of any covenant or condition or of Contractor's failure to comply with any terms hereof, the same shall not constitute a waiver of any other failure to comply or breach known at the time of such waiver. SKRECC'S right to declare default as set forth in this Agreement shall be deemed a continuing one. The waiver by SKRECC of any breach of a covenant or condition by the Contractor shall not constitute a waiver of any other breach of any other covenant or condition hereof.

EXHIBIT C

Contractor Acceptance of Terms and Intent to Bid



850 Center Way
Norcross, GA 30071

(770) 453-1410
patterson.com

EXHIBIT C: Contractor's Acceptance of Requirements and Intent to Bid

The undersigned hereby certifies that the company indicated below:

- Desires to bid on all or part of South Kentucky RECC's Right-of Way contracting work to be completed by November 30th of the year specified for completion (2022 or 2023).
- Meets all requirements of and is willing to accept all terms and conditions as specified by:
 - RUS right of way contracting requirements
 - Exhibit A: Bid Instructions and Other Requirements
 - Exhibit B: South Kentucky RECC's Right-of-Way Specifications and Additional Contract Specifications
 - The South Kentucky RECC contract and applicable attachments

Signature

7-21-2021

Date Signed

Printed Name

Name of Company

Title of Officer

Notary Public

My Commission Expires:

11-30-2022

EXHIBIT D

**Contractor's Certificate of Non-Segregated Facilities (Equal Opportunity
Employment Certification)**

Exhibit D ~ Contractor's "Employer's Equal Opportunity Declaration" For South Kentucky RECC Contracting

A. Section 1 - Contractor Representations

- a. Contractor represents that:

It has (), does not have () 100 or more employees, and if it has,

It has (), has not () furnished the Equal Employment Opportunity - Employers Information.

Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

Contractor agrees that it shall obtain, prior to the award of any subcontract for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement signed by the subcontractor showing that the proposed subcontractor has filed a current report on Standard Form 100.

Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this contract shall amount to more than \$10,000, contractor shall file such report, as required by law, and notify **South Kentucky RECC** in writing of such filing prior to **South Kentucky RECC's** acceptance of this Proposal.

- b. Equal Opportunity Clause. During the performance of this contract, contractor agrees as follows:

1. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following:

Employment upgrading, demotion or transfer, recruitment or recruiting advertising, layoff or

termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.

2. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex or national origin.
3. The contractor shall send to each labor union or representative or workers, with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
5. The contractor shall furnish all information and reports required by Executive Order of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's non-compliance with the Equal Opportunity Clause of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in

accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as provided by law.

7. The contractor shall include his Equal Opportunity clause in every subcontract or purchase order unless exempted by the rule, regulation, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions shall be binding upon each subcontractor and Vendor. The contractor shall take such action with respect to any subcontractor or purchase order as the administering agency may direct as means of enforcing such provisions, including sanctions for non-compliance provided however, that in the event the contractor becomes involved in or is threatened with, litigation with a subcontractor or Vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

- c. **Certificate of Non-segregated Facilities.** The contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor certifies further that it shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it shall not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor certifies further that it shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it shall not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract. As used in this certification, the term "segregated facilities" means any waiting room, work areas, restrooms and washrooms, restaurants and other eating

areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom or otherwise. The contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time period) it shall obtain identical certifications from proposed subcontractors prior to the award of subcontractors exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it shall retain such certification in it's files.

Extension to Successors and Assigns

Each and all of the covenants and agreements contained in the contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

Phillips Tree Experts LLC
(Contractor)

Jim Blanchard
(President)

P.O. Box 664

Corbin, Kentucky 40702
(Address)

Attest: _____

Date of Proposal _____

This proposal shall be signed with the full name of the contractor. If the contractor is a partnership, the proposal shall be signed in the partnership name by a partner. If the contractor is a corporation, the proposal shall be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the secretary of the corporation.

EXHIBIT E

Debarment Certification

Exhibit E ~ South Kentucky RECC
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in the covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms *covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded*, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transactions with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

CERTIFICATION

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Phillips Tree Experts, LLC
Organization Name PR/Award or Project Name

Brett Blanchard, Supervisor
Name and Title


 7-21-2021
Signature Date

EXHIBIT F

Certification for Contracts, Grants, Loans and Cooperative Agreements

Exhibit F – South Kentucky RECC

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31 U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

 7-21-2021
Signature Date

Brett Blanchard, Supervisor
Name and Title

Phillips Tree Experts, LLC
Company Name

EXHIBIT G

Contractor Pre Bid Questionnaire

Exhibit G ~ South KY RECC (SKRECC) Pre-Bid Questionnaire and Data Request For Right of Way Contracting (Page 1 of 4)

Please complete the following survey by entering the required information in the blue shaded areas.

Please provide the following using OSHA 300 Logs, etc. as required:

	2018	2019	2020
List your firm's interstate Experience Modification Rate (EMR).	0.55	0.53	0.50
List your firm's OSHA Recordable Rate	0.62	0.62	0.00
List your firm's DART Rate	0.62	0.00	0.00
List your firm's Lost Time Rate	0.62	0.00	0.00
Number of Lost Workday Cases:	1	0	0
Number of Restricted Workday Cases:	0	0	0
Number of cases with medical attention only:	0	1	0
Number of fatalities:	0	0	0
Number of hours worked (do not include non work paid hrs)	324,858	321,785	288,517
Number of times your organization has be cited by OSHA in last 3 yrs:	1	0	0

Please answer the following questions with "Yes" or "No."

	Yes or No
Do you have a written safety program?	Yes
Do you have a written drug testing policy that covers all employees (not just CDL)?	Yes
Are all employees subject to drug tests based on reasonable suspicion?	Yes
Are all employees subject to random drug tests?	Yes
Does your company do drug screening and background checks on new hires?	Yes
Do you conduct site safety inspections at least monthly?	Yes
Do you require foremen to hold tailgate sessions daily and at each work site?	Yes
Do you require foremen to conduct daily safety inspections at work sites?	Yes
Do you have a designated and competent person assigned to safety management for the company?	Yes
Do you have a safety orientation for all new hires?	Yes
Does your safety orientation for new hires include fall protection?	Yes
Does your safety orientation for new hires include safe ladder use?	Yes
Does your safety orientation for new hires include fire protection?	Yes
Does your safety orientation for new hires include first aid, MSDS and CPR?	Yes
Does your safety orientation for new hires include energized equipment approach distances?	Yes
Do you have an existing workforce capable of meeting SKRECC's work requirements?	Yes
Do you commit to handling all complaints in a professions and timely manner?	Yes
Are your personnel licensed for use of chemicals and herbicides commonly used in ROW maintenance?	Yes
Do all of your workers meet OSHA requirements for the jobs which they are assigned?	Yes
Do your foremen have advanced or additional safety training?	Yes
Will you comply with all federal, state, and local laws/ordnances/etc applicable to this project?	Yes
Will you name SKRECC as additional insured on your insurance policy as required by RUS?	Yes
Will you provide SKRECC with a monthly safety report if requested?	Yes
Do you agree not to use subcontractors without first getting the permission of SKRECC?	Yes

Exhibit G Continued (Page 2 of 4)

Please enter the number of years that your company has been in business under its current name:

60

Please list below Key Personnel who are responsible and accountable for safety at your company:

Gilbert Mills - Regional Safety Supervisor
Jim Blanchard
Brett Blanchard

Has your company been free of critical injury for the last year to date?

Note: Critical injury used here includes fatalities, dismemberment, or permanent total disability.

Please comment below:

Yes

In the space below please elaborate on your capabilities to furnish the manpower and equipment for fulfilling the requirements of SKRECC as described in the Pre-Bid Documents. Please also discuss your ability to perform the work and have it completed on time.

Phillips Tree Experts, LLC will provide manpower and equipment as needed for fulfilling this SKRECC Job. Phillips has been working for SKRECC for 19 years and we are very familiar with SKRECC's area and procedures.

Are you presently or in the preceding 36 months have you been in legal proceedings with any electric utility at which you are or have provided electric contracting services. If yes, please explain below: Note: We are talking about legal proceedings with companies you work/contract for. Do not include information on lawsuits with utility customers or the general public.

No

Exhibit G Continued (Page 3 of 4)

In the space below please provide the name and address of you insurance company, along with the telephone number, name of the contact person, and other appropriate contact information.

Sedgwick 1-844-802-2506
Sedgwick manages claims on behalf of Greenwich Insurance Company

To the best of your knowledge, does any officer, employee, or consultant of SKRECC have any financial interest or conflict of interest in your company? If the answer is "No" then simply type "No" in the box below. If the answer is "Yes" type "Yes" in the box below, and describe the conflict or possible conflict.

No

in the space below, please list any additional information or clarifications that you would like to provide.

Phillips Tree Experts, LLC has been working for SKRECC for the past 19 years and understands the area as well as the quality of work SKRECC expects. We appreciate the opportunity to bid SKRECC's work again this year.

Exhibit G Continued (Page 4 of 4)

In the space below please list three Electric cooperatives that you company is presently working for, and provide telephone numbers and contact person names:

Hackson Energy Cooperative
Cotact: Eric Glovier Phone: 606-364-1000

Kentucky Utilities Company
Contact: Kevin Montgomery Phone: 859-367-1147

Cumberland Valley Electric
Contact: Steve Hampton Phone 606-524-1374

In the space below, please provide the name, title, and contact information of the person completing this survey. Please also provide the same information for the contact person concerning this project if it is a different person. Please also provide the date that you completed this survey.

Kennita Blanchard
Office Manager
Office: 606-528-4145
Cell: 606-215-2851
7/21/2021

if you have any questions regarding this survey, please contact Steve Conover of Patterson and Dewar Engineers at sconover@pdengineers.com.

EXHIBIT H

Bid Invitation and Additional Bidding Instructions

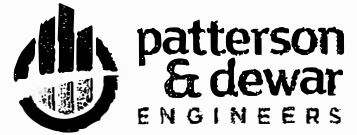


Exhibit H ~ Invitation and Additional Bidding Instructions:

South Kentucky RECC: Right of Way Bidding for 2022 and 2023 work

You are invited to submit bids for upcoming distribution Right-of-Way (ROW) contracts per the attached for South Kentucky RECC (SKRECC). Bids must be submitted to Patterson & Dewar Engineers no later than **3:00 PM (Eastern), August 31, 2021.**

An informational meeting is being held on **July 30, 2021,** via Zoom **starting at 10:00 AM Eastern time.** Contractor participation at this meeting is **mandatory and failure to participate will disqualify the bidder. Bids must not be submitted until after this meeting. Please do not submit bids before this meeting.**

SKRECC reserves the right to reject any or all bids.

Please submit your proposal to Patterson & Dewar **via e-mail** by sending to the following e-mail address. **Please note that e-mail is the only means by which proposals are being accepted:**

sconover@pdengineers.com

All questions regarding the specifics of the attached should be addressed to the Consultant, Patterson & Dewar.

Consultant: Steve Conover
Patterson & Dewar Engineers, Inc.
75 Holt Rd
Jamestown, KY 42629

Telephone (606) 872-3501
sconover@pdengineers.com

GENERAL BID INSTRUCTIONS & BACKGROUND

The following must be returned to P&D via e-mail per the instructions given above:

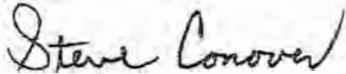
- **Exhibit I (Microsoft Excel® Workbook ~ (SKRECC Bid Sheet for 2022 and 2023 Work) ~ Enter your bid values into the yellow highlighted areas within the Workbook. Please note that there are two**

Worksheets within the Workbook that the contractor should complete. The different Worksheets can be accessed by clicking the **different tabs at the bottom of the Workbook**. Remember to save the Workbook after you enter your information.

- **In addition to the hourly rates required in the workbook, please also send a PDF copy of your complete standard hourly prices** that will be applicable to this contract. Please also be very specific regarding overtime and holiday rates and terms.
- **Bidders are required to also submit** a MS Word document that gives a thorough description of the manpower and equipment that they plan to use for each of the circuits if they are awarded the work. If the manpower and equipment is to be exactly the same for all circuits, this should be stated. If the manpower and equipment will vary from circuit to circuit, please list it for each individual circuit. Note: This information is being requested for planning purposes by SKRECC.

SKRECC will inform the successful bidder/s sometime after the bids are evaluated. Afterwards, SKRECC will prepare the necessary contract/s with attachments and make arrangements with the successful bidder/s for signing the contracts. This is expected to take place within a few days after the bids are received.

Sincerely,



Steve Conover
75 Holt Rd.
Jamestown, KY 42629
sconover@pdengineers.com

Attachments



BOARD RESOLUTION

WHEREAS, South Kentucky Rural Electric Cooperative Corporation has taken circuit bids on right-of-way line clearance;

BE IT RESOLVED, that South Kentucky Rural Electric Cooperative Corporation accepts the below circuit bid contract beginning January 1, 2022, through December 31, 2023, with **Kendall Vegetation Service** at the following prices:

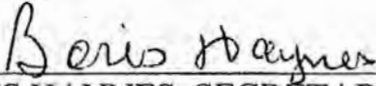
YEAR 2022:

- Cabin Hollow Substation/Rush Branch Circuit - [REDACTED]
- Wiborg Substation/Beulah Heights Circuit - [REDACTED]
- Zula Substation/Susie Circuit - [REDACTED]
- North Albany Substation/Burkesville Circuit - [REDACTED]
- Clinton County School Circuit - [REDACTED]
- South Albany Substation/Adams Dock Circuit - [REDACTED]
- Downtown Circuit - [REDACTED]

YEAR 2023:

- Nelson Valley Substation/Stilesville Circuit - [REDACTED]
- Slat Substation/Parnell Circuit - [REDACTED]
- Russell Springs Substation/Hails Hwy Circuit - [REDACTED]
- Windsor Substation/Caintown Circuit - [REDACTED]
- Sewellton Substation/Highway 55 Circuit - [REDACTED]

I, Boris Haynes, Secretary/Treasurer of South Kentucky Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt from the minutes of the Board of Directors Meeting of the Cooperative, held on the ninth day of December 2021, at which meeting a quorum was present.


BORIS HAYNES, SECRETARY/TREASURER

12/9/21
DATE



South Kentucky RECC

RUS Designation KY54

January 1, 2022 through November 30, 2023
Right-of-Way, Lump Sum Per Circuit & Hourly
Contract With
W.A. Kendall & Co., Inc.

Prepared By: Steve Conover, Distribution Consultant

Patterson & Dewar Engineers, Inc.
P.O. Box 2808, Norcross, GA 30091-2808

Phone: (770) 453-1410 Fax: (770) 453-1411

South Kentucky RECC (SKRECC)

Right-of-Way Contract Documents

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RIGHT-OF-WAY CLEARING CONTRACT

Contractor's Proposal

To: South Kentucky RECC (Hereinafter called the "Owner")

Article I ~ General

- Section 1. Offer to Clear** ~ The undersigned (hereinafter called the "Contractor" hereby proposes to furnish all labor and materials, equipment, machinery, tools, transportation as required, to clear rights-of-way for the rural electric system bearing the RUS Designation KY54 in strict accordance with the Specifications Requirements for the prices hereinafter stated.
- Section 2. Description of Project** ~ The Project will consist of lump sum circuit/substation clearing, along with hourly work if hourly work is requested by the Owner during the years of 2022 and 2023 as described herein.
- Section 3. Description of Contract** ~ The Descriptions, Exhibits, Plans, and Specifications attached hereto and made a part hereof, together with the Proposal and Acceptance constitutes the Contract.
- Section 4. Familiarity with Conditions** ~ The Contractor warrants that it has made careful examination of the site of the Project and of the Specifications and Drawings attached hereto, and has become informed as to the location and nature of the proposed work, the transportation facilities, the kind and character of soil and terrain to be encountered, and the kind of facilities required for undertaking and completing the Project, and has become acquainted with the labor conditions, state and local laws and regulations which would affect the proposed work.
- Section 5. License** ~ The Contractor warrants that a Contractor's License is , is not X, required, and if required, it possesses Contractor's license number NA for the State of NA in which the Project is located and said license expires on NA, 20NA.
- Section 6. Contractor's Bond** ~ The contractor agrees to furnish a bond prior to the commencement of work in the penal sum of not less than the estimated cost of the circuit bid work awarded with a surety or sureties listed by the United States Treasury Department as acceptable sureties. This bond must be in a form acceptable to the owner and in the event that the surety or sureties of the performance bond delivered to the owner shall at any time become unsatisfactory in the opinion of the owner, the contractor agrees to deliver to the owner another or an additional bond.
- Section 7. Taxes** ~ The labor prices for Right-of-Way Clearing in this Proposal include any sums which are or may be payable by the Contractor on account of taxes imposed by any taxing authority on payments for materials furnished or services performed by the Contractor under the terms of this Contract.

Article II ~ Clearing

Section 1. Time and Manner of Work.

- a. The Contractor agrees to commence work on the Project on a date (hereinafter called the "Commencement Date") which shall be determined by the Owner after its acceptance of this Proposal, but in no event will the Commencement Date be later than January 15, 2022 unless otherwise specified by the Owner. The Contractor further agrees to prosecute diligently and to complete clearing in strict accordance with the Specifications and Drawings within the agreed upon calendar days (excluding Sundays and other times to be defined by the Owner) after Commencement Date.
- b. The time for Completion of Clearing shall be extended for the period of any reasonable delay which is due exclusively to causes beyond the control and without the fault of the Contractor, including acts of God, fires, floods, inability to obtain materials and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible: Provided, however, that no such extension of time for completion shall be granted the Contractor unless within ten (10) days after the happening of any event relied upon by the Contractor for such an extension of time the Contractor shall have made a request therefore in writing to the Owner, and provided further that no delay in such time of completion or in the progress of the work which results from any of the above causes except acts or omissions of the Owner, shall result in any liability on the part of the Owner.
- c. The sequence of R/W Clearing shall be as set forth by the Owner, the names being the designations of areas (hereinafter also called the "Circuits") corresponding to the numbers / names shown on the maps provided to the Contractor, or if no Circuits are set forth by the Owner, the sequence of Clearing shall be as determined by the Owner.
- d. The Owner may from time to time during the progress of the work on the Project make such changes in, additions to or subtractions from the Specifications, Drawings and sequence of work provided for in the previous paragraph which are part of the Contractor's Proposal as conditions may warrant: Provided, however, that if any change in the work to be done shall require an extension of time, a reasonable extension will be granted if the Contractor shall make a written request therefore to the Owner within ten (10) days after any such change is made. And provided further, that if the cost to the Contractor of completion of the Project shall be materially increased by any such change or addition, the Owner shall pay the Contractor for the reasonable cost thereof in accordance with a Contract Amendment signed by the Owner and the Contractor, but no claim for additional compensation for any such change or addition will be considered unless the Contractor shall have made a written request therefore to the Owner prior to the commencement of work in connection with such change or addition.

Section 2. Environmental Protection ~ The Contractor shall perform work in such a manner as to maximize preservation of beauty, conservation of natural resources, and minimize marring and scarring of the landscape and silting of streams. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their

containers in or near streams, waterways or pastures. The Contractor shall follow, under the general direction of the Owner, the criteria relating to environmental protection as specified herein by the Owner.

Section 3. Supervision and Inspection.

- a. The Contractor shall cause the work on the Project to receive constant supervision by a competent foreman (hereinafter called the "foreman") who should be present at all times during working hours where work is being carried on. The Contractor shall also employ in connection with the Project, capable, experienced and reliable foremen and such skilled and "certified" workmen as may be required for the various classes of work to be performed. Directions and instructions given to the Foreman shall be binding upon the Contractor.
- b. The Owner reserves the right to require the removal from the Project of any employee of the Contractor if in the judgment of the Owner such removal shall be necessary in order to protect the interest of the Owner. The Owner shall have the right to require the Contractor to increase the number of its employees and to increase or change the amount or kind of tools and equipment if at any time the progress of the work shall be unsatisfactory to the Owner; but the failure of the Owner to give any such directions shall not relieve the Contractor of its obligations to complete the work within the time and in the manner specified in this Proposal.
- c. The manner of performance of the work, and all equipment used therein, shall be subject to the inspection and approval of the Owner. The Owner shall have the right to inspect all payrolls and other data and records of the Contractor relevant to the work. The Contractor will provide all reasonable facilities necessary for such inspection. The Contractor shall have an authorized agent accompany the inspector when final inspection is made and, if requested by the Owner, when any other inspection is made.
- d. In the event that the Owner shall determine that the work contains or may contain numerous defects, the Owner may choose to have an inspection made by an engineer approved by the Owner for the purpose of determining the exact nature, extent and location of such defects.
- e. The Engineer may recommend to the Owner that the Contractor suspend the work wholly or in part for such period or periods as the Engineer may deem necessary due to unsuitable weather or such other conditions as are considered unfavorable for the satisfactory prosecution of the work or because of the failure of the Contractor to comply with any of the provisions of the Contract: Provided, however, that the Contractor shall not suspend work pursuant to this provision without written authority from the Owner so to do. The time of completion hereinabove set forth shall be increased by the number of days of any such suspension, except when such suspension is due to the failure of the Contractor to comply with any of the provisions of this Contract. In the event that work is suspended by the Contractor with the consent of the Owner, the Contractor before resuming work shall give the Owner at least twenty-four (24) hours' notice thereof in writing.

Section 4. Unsuitable Workmanship ~ The acceptance of any workmanship by the Owner or the Engineer shall not preclude the subsequent rejection thereof if such workmanship shall be found to be unsuitable. Workmanship found unsuitable before final acceptance of the work shall be remedied, by and at the expense of the Contractor. The Contractor shall not be entitled to any payment hereunder so long as any unsuitable workmanship in respect to the Project, of which the Contractor shall have had notice, shall not have been remedied.

Article III--Payment

Section 1. Payments to Contractor.

- a. Within the Owner defined period(s), the Owner shall make partial payment to the Contractor for work accomplished during the preceding invoice period as approved by the Owner solely for the purposes of payment: Provided, however, that such approval by the Owner shall not be deemed approval of the workmanship or materials. Upon completion by the Contractor of the required work on a circuit, the Contractor shall deliver to the Owner certification showing (1) that all persons who have furnished labor in connection with the Project and subcontractors who have furnished services for the Project have been paid in full and (2) that the Contractor shall hold the Owner harmless against any liens arising out of the Contractor's performance hereunder which may have been or may be filed against the Owner. Upon the Owner's approval of such certification, the Owner shall make payment to the Contractor of all amounts to which the Contractor shall be entitled and which shall not have been paid.
- b. The Contractor shall be paid on the basis of the circuit percentage actually completed at the direction of the Owner shown by the Circuit Inventory: Provided, however, that the total cost shall not exceed the total contract price for the Circuit as set forth in the Acceptance, unless such excess shall have been approved in writing by the Owner.
- c. No payment shall be due while the Contractor is in default in respect of any of the provisions of this Contract and the Owner may withhold from the Contractor the amount of any claim by a third party against either the Contractor or the Owner based upon an alleged failure of the Contractor to perform the work hereunder in accordance with the provisions of the Contract.
- d. If no Circuits are designated in Article II, Section 1 (c) the term "Circuit" shall mean for purposes of this subsection (a) and Article IV, Section 3 (b) only, a part of the Project as designated by the Owner which represents at least twenty-five percent (25%) of the total contract price as stated in the Acceptance.
- e. Interest at the rate of zero percent (0%) per annum shall be paid by the Owner to the Contractor on all unpaid balances due on invoices, commencing fifteen (15) days after the due date; provided the delay in payment beyond the due date is not caused by any condition within the control of the Contractor. The due date for purposes of such invoice payment shall be the tenth day provided (1) the Contractor

on or before the fifth day of such invoicing cycle shall have submitted its certification of right-of-way clearing units completed during the preceding invoice and (2) the Owner on or before the 10 day of such invoicing cycle shall have approved such certification. If for reasons not due to the Contractor's fault, such approval shall not have been given on or before the tenth day of such invoice cycle, the due date for purposes of this subsection (e) shall be the tenth day of such invoice cycle notwithstanding the absence of the approval of the certification. The above procedures may be modified upon approval of both parties.

- f. Interest at the rate of zero percent (0%) per annum shall be paid by the Owner to the Contractor on the final payment for the Project or any completed Circuit thereof, commencing ten days after the due date. The due date for purposes of such final payment shall be the date of approval by the Owner of the Final Inventory and receipt of the Certificate of Contractor and Indemnity Agreement as conditions precedent to the making of final payment. The above procedures may be modified by the Owner.

Section 2. Payments to Subcontractors ~ The Contractor shall pay each subcontractor, if any, within five (5) days after receipt of any payment from the Owner, the amount thereof allowed the Contractor for and on account of services performed by each subcontractor.

Article IV--Particular Undertakings of the Contractor

Section 1. Protection to Persons and Property ~ The Contractor shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of Federal, state, and municipal safety laws and building and construction codes, as well as the safety rules and regulations of the Owner. All machinery and equipment and other physical hazards shall be guarded in accordance with the "Manual of Accident Prevention in Construction" of the Associated General Contractors of America unless such instructions are incompatible with Federal, state, or municipal laws or regulations.

The following provisions shall not limit the generality of the above requirements:

- a. The Contractor shall so conduct work on the Project as to cause the least possible obstruction of public highways.
- b. The Contractor shall provide and maintain all such guard lights and other protection for the public as may be required by applicable statutes, ordinances, and regulations or by local conditions.
- c. The Contractor shall do all things necessary or expedient to properly protect any and all parallel, converging, and intersecting lines, joint line poles, highways, and any and all property of others from damage, and in the event that any such parallel, converging and intersecting lines, joint line poles, highways, or other property are damaged in the course of work on the Project the Contractor shall at its own expense restore any or all of such

damaged property immediately to as good a state as before such damage occurred.

- d. Where the right-of-way of the Project traverses cultivated lands, the Contractor shall limit the movement of his crews and equipment so as to cause as little damage as possible to crops, orchards, or property and shall endeavor to avoid marring the lands. All fences which are necessarily opened or moved during work on the project shall be replaced in as good condition as they were found and precautions shall be taken to prevent the escape of livestock. The Contractor shall not be responsible for loss of or damage to crops, orchards, or property (other than livestock) on the right-of-way necessarily incident to work on the Project and not caused by negligence or inefficient operation of the Contractor. The Contractor shall be responsible for all other loss of or damage to crops, orchards, or property, whether on or off the right-of-way, and for all loss of or damage to livestock caused by work on the Project. The right-of-way for purposes of this said section shall consist of an area extending as described in Exhibit B of this contract along the route of the Project lines, plus such area reasonably required by the Contractor for access to the route of the Project lines from public roads to carry on the work.
- e. The Project, from the commencement of work to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided, shall be under the charge and control of the Contractor and during such period of control by the Contractor all risks in connection with the work on the Project and the materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Contractor by reason of an act of God or other casualty or cause whether or not the same shall have occurred by reason of the Contractor's negligence.
- (i) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all claims, causes of action, losses, liabilities, and expenses (including reasonable attorney's fees) for personal loss, injury, or death to persons (including but not limited to Contractor's employees) and loss, damage to or destruction of Owner's property or the property of any other person or entity (including but not limited to Contractor's property) in any manner arising out of or connected with the Contract, or the materials or equipment supplied or services performed by Contractor, its subcontractors and suppliers of any tier. But nothing herein shall be construed as making Contractor liable for any injury, death, loss, damage, or destruction caused by the sole negligence of Owner.
- (ii) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all liens and claims filed or asserted against Owner, its directors, officers, and employees, or Owner's property or facilities, for services performed or materials or equipment furnished by Contractor, its subcontractors and suppliers of any tier, and from all

losses, demands, and causes of action arising out of any such lien or claim. Contractor shall promptly discharge or remove any such lien or claim by bonding, payment, or otherwise and shall notify Owner promptly when it has done so. If Contractor does not cause such lien or claim to be discharged or released by payment, bonding, or otherwise, Owner shall have the right (but shall not be obligated) to pay all sums necessary to obtain any such discharge or release and to deduct all amounts so paid from the amount due Contractor.

(iii) Contractor shall provide to Owner's satisfaction evidence of Contractor's ability to comply with the indemnification provisions of subparagraphs (i) and (ii) above.

- f. Any and all excess earth, rock, debris, underbrush, and other useless material shall be removed by the Contractor from the site of the Project as rapidly as practicable as the work progresses. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their containers in or near streams, waterways or pastures.
- g. Upon violation by the Contractor of any provisions of this section, after written notice of such violation given to the Contractor by the Owner, the Contractor shall immediately correct such violation. Upon failure of the Contractor so to do the Owner may correct such violation at the Contractor's expense.
- h. The Contractor shall submit to the Owner monthly reports in duplicate of all accidents, giving such data as may be prescribed by the Owner.
 - (i) The Contractor shall not proceed with the cutting of "yard" trees without written notification from the Owner that proper authorization has been received from the owner of the property and the Contractor shall promptly notify the Owner whenever any landowner objects to the trimming or felling of any trees or the performance of any other work on his land in connection with the Project.

Section 2. Insurance ~ The Contractor shall take out and maintain throughout the period of this Agreement the following minimum amounts of insurance unless greater minimum amounts and/or other stipulations are required by Exhibit B of this contract. If additional insurance requirements are shown in Exhibit B beyond those shown below, the additional insurance requirements shall be necessary and shall be at the sole expense of the Contractor:

<u>TYPE</u>	<u>LEVEL</u>
1. Workers Compensation	Statutory
2. Employers Liability	Bodily Injury by Accident \$1,000,000 each accident
	Bodily Injury by Disease \$1,000,000 policy limit
	Bodily Injury by Disease \$1,000,000 each employee

3. Public Liability	Bodily Injury or Death	\$1,000,000 each occurrence
	Property Damage	\$1,000,000 each occurrence
	Accidents	\$1,000,000 aggregate
4. Automobile Liability	Bodily Injury or Death	\$1,000,000 per person
		\$1,000,000 each occurrence
	Property Damage	\$1,000,000 each occurrence
5. Umbrella Liability	Each Occurrence and Aggregate	\$4,000,000

The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in this Section or Exhibit B. In any such event, the additional premium or premiums payable solely as the result of such additional insurance shall be added to the Contract price.

The Owner shall be named as "Additional Insured" and certificate holder on all policies of insurance required unless specified otherwise by the owner.

The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Owner. The Bidder shall furnish the Owner a certificate evidencing compliance with the foregoing requirements which shall provide not less than (30) days prior written notice to the Owner of any cancellation or material change in the insurance.

Section 3. Delivery of Possession and Control to the Owner.

- a. *Upon written request of the Owner, the Contractor shall deliver to the Owner full possession and control of any portion of the Project provided the Contractor shall have been paid at least ninety percent (90%) of the cost of the work of such portion. Upon such delivery of possession and control to the Owner, the risks and obligations of the Contractor as set forth in Section 1(e) of this Article IV with respect to such portion so delivered to the Owner, shall be terminated:*

Provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to unsuitable workmanship as specified in Article II, Section 4.

- B *Where the R/W Clearing of a Section as hereinbefore defined in Article II, Section 1 (c) and Article III, Section 1 (d) shall have been completed by the Contractor, the Owner agrees, after receipt of a written request from the Contractor, to accept delivery of possession and control of such Section upon having inspected the Section and having found the work acceptable. Upon such delivery of the possession and control of any such Section to the Owner, the risk and obligations of the Contractor as set forth in Article IV, Section 1 (e) hereof with respect to such Section so delivered to the Owner shall be terminated. Provided, however, that nothing herein contained shall relieve the Contractor of any liability with*

respect to unsuitable workmanship as specified in Article II, Section 4 hereof.

Section 4. Assignment of Guarantees ~ All guarantees of materials and workman-ship running in favor of the Contractor shall be transferred and assigned to the Owner prior to the time the Contractor receives final payment for any Section.

Article V--Remedies

Section 1. Completion on Contractor's Default ~ If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this Proposal, the Owner, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor a written notice requiring the Contractor to cause such default to be corrected forthwith.

Unless within twenty (20) days after the service of such notice upon the Contractor and the Surety, if any, such default shall be corrected or arrangements for the correction thereof satisfactory to the Owner shall be made, the Owner may take over the work on the Project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the contract price occasioned thereby.

The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Proposal and for such purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims, and demands.

Section 2. Liquidated Damages ~ The time of the Completion of Clearing is of the essence of the contract. Should the Contractor neglect, refuse or fail to complete the clearing within the time herein agreed upon, after giving effect to extensions of time, if any, herein provided, then, in that event and in view of the difficulty of estimating with exactness damages caused by such delay, the Owner shall have the right to deduct from and retain out of such monies which may be then due, or which may become due and payable to the Contractor the sum of NA dollars/per day for each and every day that such work is delayed in its completion beyond the specified time, as liquidated damages and not as a penalty.

Section 3. Cumulative Remedies ~ Every right or remedy herein conferred upon or reserved to the Owner shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute and the pursuit of any right or remedy shall not be construed as an election: Provided, however, that the provision of Section 2 of this Article shall be the exclusive measure of damages for failure by the Contractor to complete the clearing within the time herein agreed upon.

Article VI--Miscellaneous

Section 1. Definitions.

- a. The term "Engineer" shall mean the engineer employed by the Owner to provide engineering services for the Project and said Engineer's duly authorized assistants and representatives. The term "Engineer" will mean "Owner" if the Owner chooses to perform the work in-house and not employ an Engineer.
- b. The term "Completion of Clearing" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof.
- c. The term "Completion" shall mean full performance by the contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof relating to any Section of the Project or to the Project.

Section 2. Patent Infringement ~ The Contractor shall save harmless and indemnify the owner from any and all claims, suits and proceedings for the infringement of any patent or patents covering any materials or equipment used in construction of the Project.

Section 3. Permits for Explosives ~ All permits necessary for the handling or use of dynamite or other explosives in connection with the construction of the Project shall be obtained by and at the expense of the Contractor.

Section 4. Compliance with Statutes and Regulations ~ The Contractor will comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulations issued pursuant thereto, and 18 U.S.C. Secs. 286, 287, 1001, as amended. The Contractor understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of governmental agencies having jurisdiction in the premises.

Section 5. Equal Opportunity Provisions.

- a. Contractor's Representations ~ The Contractor represents that:
It has X does not have 100 or more employees, and if it has, that it X has not furnished the Equal Employment Opportunity --- Employers Information Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

The Contractor agrees that it will obtain, prior to the award of any subcontractor for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement, signed by the proposed subcontractor, that the proposed subcontractor has filed a current report on Standard Form 100. The Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this Contract will amount to more than \$10,000, the Contractor will file such report, as required by law, and notify, the Owner in writing of such filing prior to the Owner's acceptance of this Proposal.

- b. Equal Opportunity Clause. During the performance of this Contract, the Contractor agrees as follows:
- (i) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.
 - (ii) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
 - (iii) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or worker's representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - (iv) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
 - (v) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
 - (vi) In the event of the Contractor's noncompliance with the Equal Opportunity Clause of this Contract or with any of the said rules, regulations or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
 - (vii) The Contractor will include this Equal Opportunity Clause in every subcontract or purchase order unless exempted by rules,

regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

- (c) **Certificate of Non-Segregated Facilities.** The Contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time-clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it will retain such certifications in its files.

Section 6. Franchises and Rights-Of-Way ~ The Contractor will be under no obligation to obtain or assist in obtaining any franchises, authorizations, permits, or approvals required to be obtained by the Owner from Federal, state, county, municipal or other authority; any rights-of-way over private lands; or any agreements between the Owner and third parties with respect to the construction and operation of the Project.

Section 7. Non-Assignment of Contract ~ The Contractor shall not assign the Contract effected by an acceptance of this Proposal or any part thereof or enter into any contract with any person, firm or corporation for the performance of the Contractor's obligations thereunder, or any part thereof, without the approval in writing of the Owner.

Section 8. Extension to Successors and Assigns ~ Each and all of the covenants and agreements contained in the Contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

Section 9. Independent Contractor ~ The Bidder shall perform the work as an independent contractor, not as a subcontractor, agent, or employee of the Owner. Upon acceptance of this proposal, the successful Bidder shall be the Contractor and all references in the Proposal to the Bidder shall apply to the Contractor.

Section 10. Acceptance by the Owner ~ The acceptance of a Proposal shall become effective the date of acceptance by the owner.

Description of Units

Right-of-Way Clearing Units:

This is a lump sum, "Clear by Circuit" contract and includes hourly rates as described within this proposal and attached exhibits/attachments.

Specifications

In preparing the right-of-way, trees shall be removed, underbrush cleared, and trees trimmed so that the right-of-way shall be clear from the ground up or as specified. Trees fronting each side of the right-of-way shall be trimmed symmetrically unless otherwise directed by the Owner. Dead trees beyond the right-of-way which would strike the line in falling shall be removed. Leaning trees beyond the right-of-way which would strike the line in falling and which would require topping if not removed may be removed or topped at the direction of the Owner.

The right-of-way shall be cleared in accordance with the instructions in the preceding paragraph and **in addition as specified by the exhibits/attachments to this contract.**

Contractor agrees to abide by and follow specifications per all attachments/exhibits to this contract.

The exhibits/attachments included in this contract along with this contract represent the agreement in its entirety between the parties. No other outside agreements whether spoken or written are a part of this contract.

Distribution Right-of-Way Clearing Prices (Circuit Bid)

The following circuit bid price shall be a firm, lump sum price regardless of the actual mileage encountered by the contractor while doing work on the circuits. The contractor affirms that the company has examined the required work in

the field and accepts the lump sum prices regardless of the actual mileage encountered while performing the work.

Substation	Circuit Bid	Circuit Name	Year for Work
Cabin Hollow	\$ [REDACTED]	Rush Branch	2022
Wiborg	\$ [REDACTED]	Beulah Heights	2022
Zula	\$ [REDACTED]	Susie	2022
North Albany	\$ [REDACTED]	Burksville	2022
North Albany	\$ [REDACTED]	Clinton County	2022
South Albany	\$ [REDACTED]	Adam's Dock	2022
South Albany	\$ [REDACTED]	Downtown	2022
Nelson Valley	\$ [REDACTED]	Stilesville	2023
Slat	\$ [REDACTED]	Parnell	2023
Russell Springs	\$ [REDACTED]	Hails Highway	2023
Windsor	\$ [REDACTED]	Caintown	2023
Sewellton	\$ [REDACTED]	Highway 55	2023

Distribution Right-of-Way Clearing Prices
(Hourly)

Item #1: Three Man Bucket and Chipper Crew (Foreman, Trimmer and Groundman) with necessary tools, saws and equipment.

The Price per hour for Item #1 = [REDACTED]/hour

Item #2: The Owner may request other combinations of manpower and equipment for hourly work rather than what is listed in Item #1. Shown below shall be the hourly prices that shall apply:

LABOR AND EQUIPMENT HOURLY RATES

	Regular Hourly	Overtime
General Foreman	[REDACTED]	See Below
Tree Trimming Crew Leader	[REDACTED]	See Below
Tree Trimming Trimmer	[REDACTED]	See Below
Tree Trimming Laborer	[REDACTED]	See Below
Heavy Equipment Crew Leader	[REDACTED]	See Below
Heavy Equipment Operator	[REDACTED]	See Below
Heavy Equipment Laborer	[REDACTED]	See Below

55' Aerial Lift Truck		██████	NA
70' Aerial Lift Truck		██████	NA
Chip Truck		██████	NA
Jarraff		██████	NA
Kendall Cutter		██████	NA
Geo Boy		██████	NA
Grapple Truck		██████	NA
Support Truck		██████	NA
Supervisor/GF Truck		██████	NA
Disc Chipper		██████	NA
Pickup Truck		██████	NA
Stump Grinder		██████	NA
Power Saw		██████	NA
4wd Tractor and bush hog		██████	NA
Takeuchi with flail head w/ trailer		██████	NA
Pull/support truck for Takeuchi		██████	NA
Labor Adder for required Class A CDL driver		██████	See Below
Adder for employee with Herbicide Certification		██████	See Below

Additional Stipulations concerning Hourly Work and Prices:

Overtime shall be at a rate of **1.5 times** the regular hourly rate. Overtime shall be paid for work that the Owner requests, which exceeds 40 hours in a week or is outside the normal working hours, whichever comes first. Any work performed on **Owner approved holidays** shall be at a rate of **two times** the regular hourly rate.

In all circumstances, overtime is only applied to labor and not to equipment.

The contractor will be reimbursed for any reasonable meal and lodging expenses while working storms, but only those expenses which the Owner approves.

If the Owner requests the Contractor to bring in extra temporary (off system) workers and equipment for emergency situations such as storm restoration, the Owner and Contractor shall negotiate rates and any special terms/conditions for those extra workers and equipment at the time the request is made unless other arrangement are agreed to in advance by the parties of this contract. All other terms/conditions applying to any temporary workers or equipment not changed by mutual agreement of the parties in writing shall be as stated in this contract and the attachments/exhibits hereto which are made a part of this contract.

The Contractor will provide a General Foreman or a Lead Contact Person on all lump sum bids that will be the single point of contact for the Owner's ROW Coordinator until the project is completed. There will be no charge to the Owner for this service. Normal hourly crews will not require a general foreman on most occasions since daily crew placement will be handled by the Owner's ROW Coordinator. If the ROW Coordinator

requests additional help from a General Foreman, he/she will charge billable hours at the rate shown in the table above to the same account as the normal crews subject to the ROW Coordinator signing off on the time sheets. The overtime rate and conditions for when overtime is paid (emergency/storm work, etc.) for the General Foreman shall be as described above for other contract workers. Any billable hourly work for a General Foreman must be pre-approved and requested by the Owner.

The Contractor shall provide a qualified Safety Person to check on the crews at no charge to the Owner. The schedule for checking crews will be determined by the Contractor.

It is understood by both parties that the hourly rates included in this contract are complete charges and there is not an extra charge per man (Per Diem) of any kind.

The General Foreman shall have a pickup truck and cell phone. There shall be no charge to the Owner for this.

Each Crew Foreman shall have a cell phone. There shall be no charge to the Owner for this.

All crews shall be equipped with all necessary saws, climbing gear, safety equipment and other necessary tools and equipment for right-of-way clearing work. There shall be no charge to the Owner for this. The only manpower and equipment charged for shall be as shown in the table above.

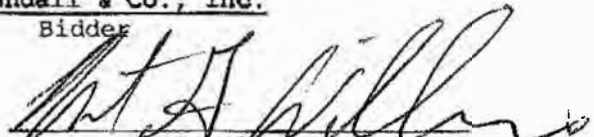
The number of and type of personnel and equipment making up each crew shall be determined by the Owner. The Contractor agrees to furnish manpower and equipment to the best of his ability to meet the needs of the owner. The Contractor understands and accepts the fact that the Owner reserves the right to terminate the contract for any reason at any time and that there is no guarantee of any specific types or amounts of work.

ATTEST:

W.A. Kendall & Co., Inc.

Bidder


Secretary


President

Dated:

4/25/2022

Lawrenceville, GA
Address

This Proposal must be signed with the full name of the Contractor. If the Contractor is a partnership, the Proposal must be signed in the partnership name by a partner. If the Contractor is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the Corporation.

Intermittent Hourly work rates for bid crews

Description	Straight Time	
Supervisor	\$	
General Foreman	\$	
Crew Leader	\$	
Bucket Operator	\$	
Climber	\$	
Equipment Operator	\$	
Laborer	\$	
Mechanic (on site)	\$	
Safety Manager	\$	
Lowboy Driver	\$	
Aerial Lift-55Ft. 2 wd	\$	
Aerial Lift-70Ft. 2 wd	\$	
Aerial Lift-55Ft. 4 wd	\$	
Aerial Lift-70Ft. 4 wd	\$	
Chip Truck 2 wd	\$	
Chip Truck 4 wd	\$	
Jarraff	\$	
Kendall Cutter or Heavy Duty Mower	\$	
Tractor & Bushhog	\$	
12" Chipper	\$	
15" Chipper	\$	
18" Chipper	\$	
Pickup Truck 2 wd	\$	
Pickup Truck 4 wd	\$	
4 dr Crew cab Truck - 2 wd	\$	
4 dr Crew cab Truck - 4 wd	\$	
Power saw	\$	
Lowboy	\$	
Compact Track Loader	\$	
Pull Truck and Trailer	\$	
Log Truck	\$	
Mechanic Truck	\$	

Rates increase by 3% for 2023

ACCEPTANCE

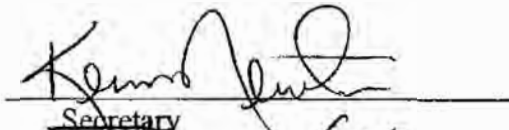
The Owner hereby accepts the foregoing Proposal of the Bidder, W.A. Kendall & Co., Inc. for the right-of-way clearing of the following:

- Type "A" Circuit/Substation Bid Work as defined by this contract and the attachments hereto.
- Hourly work as defined by this contract and the attachments hereto if requested and commissioned by the Owner.

South Kentucky RECC

Owner

By: 
Manager / CEO


Secretary COO

12/13/21
Date

EXHIBIT A

**Bid Instructions and Other Requirements (Right of Way Contract Bidding)
for South KY RECC**

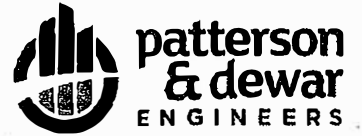


EXHIBIT A: Bid Instructions and Other Requirements for Right of Way “Circuit Bidding” for South Kentucky Rural Electric Cooperative Corporation (SKRECC) (for 2022 and 2023 work)

July, 2021

General Information:

Owner: South Kentucky Rural Electric Cooperative Corporation
200 Electric Avenue
Somerset, KY 42501
Telephone: 606-678-4121

Consultant: Steve Conover, Distribution Consultant
Patterson & Dewar Engineers, Inc.
75 Holt Rd.
Jamestown, KY 42629
Telephone (606) 872-3501
sconover@pdengineers.com

This bid process is for “circuit bid” (lump sum) type work as defined below. Hourly prices will also be requested for occasional miscellaneous work which may arise that is outside the scope of the circuit bid tasks. Please see Exhibit B for more information on when hourly prices can become applicable. Bids will be evaluated based on adding the lump sum bid for each circuit to the expected hourly cost for each circuit. The number of expected hours for each circuit will be estimated by SKRECC and applied to bids after they are received. Therefore, it is important to provide competitive bids for both lump sum and hourly work. The following circuits are being bid per the above criteria (lump sum bid + expected hourly costs) for work in the years of 2022 and 2023:

Substation	Circuit Name	Miles	Work Year
Cabin Hollow	Rush Branch	61.2	2022
Cabin Hollow	Cedar Grove	40.3	2022
Wiborg	Greenwood	119.2	2022
Wiborg	Beulah Heights	67.7	2022
Zula	Susie	45.2	2022
North Albany	Town	12.1	2022

North Albany	Burkesville	20.5	2022
North Albany	Clinton County	4.6	2022
South Albany	Adam's Dock	50.2	2022
South Albany	Downtown	3.1	2022
Mt. Victory	To Mt. Victory	75.0	2023
Nelson Valley	Stilesville	50.3	2023
Nelson Valley	Eagles Nest	14.9	2023
Nelson Valley	Rainbow Terrace	14.7	2023
Slat	Parnell	103.2	2023
Russell Springs	Hails Highway	59.8	2023
Windsor	Caintown	120.9	2023
Upchurch	Grider Hill	86.3	2023
Sewellton	Highway 55	108.5	2023

Substation Location Information:

Cabin Hollow	50 Commerce Lane, Somerset, KY 42501
Wiborg	162 Beulah Heights Road, Whitley City, KY 42653
Zula	191 HWY 1009 N, Monticello, KY 42653
North Albany	1028 Third Street, Albany, KY 42602
South Albany	235 West Harper Lane, Albany, KY 42602
Mt. Victory	2444 Old Whitney Road, Somerset, KY 42501
Nelson Valley	134 Stilesville Road, Somerset, KY 42501
Slat	101 Whispering Pines, Monticello, KY 42633
Russell Springs	64 Old Sano Road, Russell Springs, Ky 42642
Windsor	1905 Highway 80, Windsor, KY 42565
Upchu rd	594 Wray Ridge Road, Albany, KY 42602
Sewellton	44 Highway 55, Jamestown, KY 42629

The mileages shown above are only approximate and represent an estimate of primary line mileage. However, some trimming of secondary and service lines will be required as part of the work, and no extra monies are paid for that. Please see Exhibit B for more information. It will be the responsibility of the contractor to look at each circuit before submitting a bid, and circuit bids will be firm and binding regardless of the actual mileage encountered. No changes will be made on the Circuit Bid prices.

Pre-Bid Submissions:

- In order to be considered for inclusion on the Right of Way Bid List for this contract bidding you must execute and submit the following documents included in the Pre-Bid Package. These documents must be received per the instructions stated herein **on or before 3:00 PM (Eastern Time) July 23, 2021.**

- Exhibit C ~ Contractor's Acceptance of Requirements and Intent to Bid
 - Exhibit D ~ Certificate of Non-Segregated Facilities (Equal Opportunity Employment Certification)
 - Exhibit E ~ Debarment Certification
 - Exhibit F ~ Certification for Contracts, Grants, Loans, and Cooperative Agreements
 - Exhibit G ~ SKRECC Pre-Bid Questionnaire
- The Following documents are provided to the contractor as an aid in filling out the Pre-Bid materials and include terms and conditions that the contractor must agree to by executing Exhibit C. These documents do not need to be returned but they may be included as attachments/terms to the final contract:
 - Exhibit A ~ Bid Instructions and Other Requirements (This Document)
 - Exhibit B ~ SKRECC Additional Right-of-Way and Contract Specifications
 - Exhibit I ~ Example Contract (Modified RUS 201)
 - Note: Exhibit H is not included in the pre bid package and not needed by the contractor for a pre bid submission. This is an exhibit used later in the process for a bid Invitation and additional bidding instructions if necessary.
 - Pre Bid materials shall be submitted to the "Consulting Engineer" (Patterson & Dewar Engineers, Inc.), via email to sconover@pdengineers.com (Steve Conover). Please make high quality electronic scans of all PDF documents and save the spreadsheet (Exhibit G) in its original format. Emailing these documents is all that is required for a pre bid submission.
 - All questions and requests should be addressed to the Consulting Firm of Patterson & Dewar Engineers, Inc. via e-mail to sconover@pdengineers.com (Steve Conover).

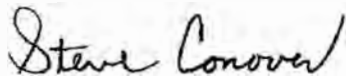
If You Are Chosen as a Bidder:

- If you are chosen for inclusion on the Bidder List, you will later be invited to submit bids for Right-of-Way work for SKRECC. The following is provided to the contractor to aid in understanding the general scope of the upcoming work; however, SKRECC reserves the right to change any of the following items at its sole discretion.
- It is anticipated that **sometime on July 26th, 2021** that contractors will be informed as to whether or not they have been accepted as a bidder. After being accepted, bidders can go by the South KY RECC office in Somerset, KY and pick up maps of the circuits to bid. Please contact Don Bethel at 606-872-3087 and make arrangements for picking up the maps.
- SKRECC will hold a **Zoom meeting** with all selected bidders before bids are due. Contractor attendance will be mandatory. SKRECC will give as much notice as reasonably possible if the

date changes, but the date for the meeting is currently scheduled for **July 30th, 2021, beginning at 10:00 AM (Eastern Time)**. Unless SKRECC informs the contractor otherwise, this will be the time and date for the meeting. An invitation for the Zoom meeting will be sent out sometime after a contractor is accepted to bid.

- Bids must be submitted to Steve Conover of Patterson & Dewar engineers via a spreadsheet that must be sent to sconover@pdengineers.com . The spreadsheet will be provided to the contractors at a later date. **The bids are due by August 31st, 2021 before 3:00 PM Eastern time.**
- Along with the bid spreadsheet, bidders are required to submit a MS Word document that gives a thorough description of the manpower and equipment that they plan to use for each of the circuits if they are awarded the work. If the manpower and equipment is to be exactly the same for all circuits, this should be stated. If the manpower and equipment will vary from circuit to circuit, please list it for each individual circuit in the MS Word document. Note: This information is being requested by SKRECC for planning purposes. Please be thorough and complete in your response to this request.
- The Bid Spreadsheet and the above mentioned MS Word Document are all that is required to submit a bid, unless additional information is requested at a later date.
- **SKRECC reserves the Right to reject any or All Bids at its sole discretion.**
- All questions and requests should be addressed to the Consulting Firm of Patterson & Dewar Engineers, Inc. via e-mail (To sconover@pdengineers.com Steve Conover).
- The required contract work **must be completed by November 30th of the year the work is scheduled to be done.** The contractor may begin work once the contract is signed and SKRECC gives them permission to start.
- Once a contract is signed, the contractor shall begin work very soon and work on a schedule, acceptable to SKRECC. The contractor shall keep the required crews present and working on the SKRECC system until the work is completed. The contractor shall not remove crews for work at other utilities unless permission is granted by SKRECC to do so.
- Bid prices shall be such that they uniformly can be used for all work encompassing both energized and de-energized conditions.
- The manpower schedule that the contractor will be required to meet after contracts are signed is as follows:
 - Circuit Bid Crews: The number of crews needed will be determined by the number of crews required to complete the assigned work within the allotted time **(before November 30th of the year for which the work is scheduled).**
 - All crews must have the necessary equipment and manpower for the type of work being done. SKRECC shall have the right to determine the adequacy of equipment provided by the contractor, and the contractor must make necessary adjustment to manpower and equipment at the discretion of SKRECC.
 - SKRECC reserves the right to award bid work to multiple contracting companies.
 - Any contractor who is awarded circuit bid work will be required to provide manpower and equipment consistent with getting the work done on time and as directed by SKRECC.
 - Please see Exhibit B for additional information.

- Circuit bid contracts will be per RUS Form 201 with amendments applicable to SKRECC requirements and will include attachments thereto containing special terms and conditions applicable to SKRECC.
- Other RUS Documents could be required in the Contract.
- The successful bidders must be prepared to coordinate with SKRECC to complete required contracting documents and start working early in the years for which the work is scheduled.
- An orientation conference meeting will be held with the successful bidder/s at a time to be specified by SKRECC. The purpose of this meeting will be to review the schedules, establish procedures for handling staking sheets and other documents, and review required procedures, which includes the processing of payments to the contractor.
- During the entire process each proposal will be evaluated with Safety, Reliability, Economic Value and ability of the contractors to successfully accomplish the work within the allotted time frames.



Steve Conover
Senior Distribution Consultant
Patterson & Dewar Engineers, Inc.

EXHIBIT B

**South Kentucky RECC's Contractor Right-of-Way Specifications and
Additional Contract Specifications**

Exhibit B ~ South Kentucky RECC (SKRECC) Right-of-Way Specifications and Additional Contract Requirements

1. The information within this document pertains to four types of right-of-way work applicable to SKRECC; however, this contract only includes Type A work with some Type C work possible when requested by SKRECC. Types B and D work will not be included in this contract.

1.1 Circuit Bid Clearing and Stump Treating (Type A work)

1.2 Circuit Bid Herbicide Spraying (Type B work)

1.3 Hourly Clearing and Stump Treating (Type C work)

1.4 Hourly Herbicide Spraying (Type D work)

2. The actual contract which will be executed with the successful bidder/s will be determined by SKRECC based upon the work awarded. The contracts used may be a modified RUS 201 or other SKRECC standard contracts. All contracts used may also have attachments/exhibits from the bid process documents which will become part of the contracts.

3. The number of crews and crew makeup initially required by SKRECC for Type C and D listed above will be determined by SKRECC at a later date. Please see Exhibit A for a rough estimate of the amount of each type of work that SKRECC anticipates. SKRECC reserves the right to split the contract work and award parts to multiple bidders based solely upon SKRECC's evaluation of the bids received.

4. All specifications and requirements herein are applicable to all four types of work listed above unless otherwise noted. References to any type of mechanical cutting or clearing activities are not applicable to Type B and Type D crews since these crews will be used only for herbicide applications.

5. Type A and Type C crews consists of ground clearing and side trimming of woody species to the specification stated herein. The Type A and Type C crews are also required to effectively stump treat everything cut with herbicide, except for cuts made by bushhogging. Type A crews

must furnish the stump treatment spray consisting of a herbicide mixture listed in paragraph 7.3 as a part of the circuit bid. Type C hourly crews will be responsible for the care and use of the stump spray herbicides listed in paragraph 7.3 as well but will be reimbursed for the herbicides at the time of use. All stump treatment herbicides amounts paid must be pre-approved by SKRECC. Note: The term "herbicides" as used in this document includes any surfactants (whether specifically stated or not) that may be required and appropriate for a given application at the discretion of SKRECC.

6. On all Type A and Type B work, the contractor must complete the circuit and/or section being worked on before moving on to another circuit and/or section, unless permission is granted by SKRECC to proceed otherwise. The contractor shall only proceed to new circuits and/or sections after permission is granted by SKRECC.

7. All herbicide applications must follow label directions and be in accord with all state or federal regulations governing licensed applicators. Please note the following concerning herbicide requirements for type B and type D crews bidding on SKRECC contracts:

7.1 The contractor must furnish the herbicides used on all circuit bid herbicide spraying work as a part of the contractor's circuit bid price. SKRECC does not pay the contractor any extra above the circuit bid price for herbicides used on circuit bid herbicide spraying work.

7.2 SKRECC shall reimburse the contractor for the cost of herbicides applied by hourly herbicide spraying crews. All amounts paid by SKRECC for herbicides must be pre-approved by SKRECC for hourly crews.

7.3 The herbicide mix to be used shall be as follows. The contractor may suggest different herbicides, but the final decision shall be at the discretion of SKRECC. In all cases the kill rates and guarantees mentioned below are applicable. Surfactants used must be consistent with the chosen mix to provide the required results and pre-approved by SKRECC

Stump treatment mixture: Garlon 4 Ultra, 20% Milestone, 1%, Stalker, 1%, Basal oil.

Foliar spray tank mix: Vastlan (Dow AgroSciences) (EPA # 52719-687), applied in accordance with all state and federal regulations, and in a manner to achieve the required kill rate as stated below.

The contractor may suggest other mixes, but any change requires the approval of SKRECC.

For all herbicide applications work, all unwanted woody species within the right-of-way area described in the specifications herein are to be treated with the herbicide and/or herbicide mixtures, and the contractor shall guarantee ninety percent (90%) coverage, control, and effective "kill" rate of the unwanted species. This active effective coverage, control, and "kill" rate shall be determined the following growing season by SKRECC appointee(s). If the contractor does not achieve this quantity and quality of coverage, control, and effective "kill" rate, then it shall reapply the herbicide and/or herbicide mixtures at no additional cost to SKRECC. This procedure will be repeated until the required percent coverage, control, and "kill" rate is achieved as determined by SKRECC's appointee(s).

8. Circuit bid prices shall be firm prices and will not be adjusted for any reason, including more or less mileage encountered by the contractor. Estimated mileages furnished by SKRECC are only rough estimates and it is the responsibility of the contractor to take this into account when bidding on circuits. The approximate mileage given for the substations to be cleared are for primary line miles and do not include secondary or service wire mileage. However, all secondary and service wires are to be cleared and included as a part of the contractor's circuit bid price. Bare secondary lines of less than 600 volts shall have a minimum trim clearance of ten (10') ft. Tree limbs around insulated secondary and service wires shall also be trimmed to provide a minimum clearance of

three foot (3') radius to prevent abrasions to the conductor insulation. Any dead trees within falling distances of a bare secondary or service conductor should be brought to the attention of SKRECC's Field Supervisor so it can be removed at his/her discretion.

9. Hourly bid prices shall be firm and not adjusted for any reason during the contract period.

10. Performance bond requirements shall be as defined in the modified RUS 201 contract document.

11. All forms of mechanical equipment (including aerial trimming equipment) will be allowed if the contractor complies with all requirements of the contract and meets all applicable safety and occupational requirements, including those of OSHA. However, SKRECC shall have the right to disallow certain equipment (including aerial trimming equipment) in residential area and other areas as the cooperative deems necessary. Areas of the system and equipment allowed within them will be on a case by case basis at the discretion of SKRECC.

12. SKRECC requires contractors to perform random drug testing of all employees – not just CDL drivers.

13. The Contractor will provide a General Foreman or a Lead Contact Person on all lump sum bids that will be the single point of contact for SKRECC's ROW Coordinator until the project is completed. There will be no charge to SKRECC for this service. Normal hourly crews will not require a general foreman on most occasions since daily crew placement will be handled by the SKRECC ROW Coordinator. If the ROW Coordinator requests additional help from a General Foreman, he/she will charge billable hours at the hourly rate agreed to in the final contract to the same account as the normal crews, subject to the ROW Coordinator signing off on the time sheets. The overtime rate agreed to in the contract and conditions for when overtime is paid (emergency/storm work, etc.) for the General Foreman shall be as described in the final contract for other contract workers. Any billable hourly work for a General

Foreman must be pre-approved and requested by SKRECC.

14. SKRECC has a strong interest in the safety of employees and the general public. This same interest is expected to be maintained by anyone that works as a contractor for this utility. SKRECC will require that ALL contractors follow rules that meet or exceed all of those set forth by the most current NESC (National Electric Safety Code), and all other applicable state and federal laws.

15. SKRECC reserves the right to stop the contractor's work immediately if SKRECC becomes aware that the contractor is in violation of any of the above mentioned safety requirements, and SKRECC reserves the right to terminate the contract due to safety concerns or other any other concerns at its sole discretion. SKRECC further reserves the right to inspect contractor work sites at its discretion.

16. The contractor is required to furnish SKRECC with all documentation pertaining to safety training and certification on a quarterly basis. This information will be mailed or delivered to SKRECC's designated employee by the first day of the month in each quarter. Contractor will also provide training records and qualifications of their employees prior to employees commencing work on SKRECC's system. SKRECC reserves the right to deny access and permission to work on SKRECC's system to any contractor employee due to insufficient training and or qualifications for work assignment. SKRECC reserves the right to deny access to and permission to work on SKRECC's system to any person that SKRECC deems to have an unsafe work history or substandard work procedures.

17. SKRECC will make a quarterly assessment of completed work. SKRECC reserves the right to require adjustments to manpower and equipment to crews at its sole discretion in order to meet the completion deadlines or to achieve other goals of SKRECC. Manpower and equipment adjustments are at the sole discretion of SKRECC.

18. SKRECC reserves the right at any time to determine that a contractor previously qualified is no longer qualified to perform the work or any part

of the work.

19. Contractor agrees to use Contractor's best efforts to perform the required tasks on SKRECC's right-of-ways located within the area served by SKRECC. Contractor must furnish all necessary equipment, qualified personnel, labor, and qualified supervision sufficient to properly and timely perform the required right-of-way tasks in those portions of the Area designated from time to time by SKRECC. Contractor is responsible for performing all maintenance and repairs on such equipment necessary to keep it in safe operating condition. Contractor shall provide any documentation requested by SKRECC including but not limited to employee training records and Contractor safety rules.

20. Contractor hereby acknowledges that it is an independent contractor for SKRECC and meets all necessary legal requirements to perform the tasks for which the Contractor places bids for at SKRECC. Contractor shall be free to determine and control its time, energy and skill to perform the work in accordance with the Agreement during Contractor's regular business hours, except that work shall not occur before 7:00 a.m., or after 6:00 p.m., or on Sundays, or legal holidays unless approved in advance by SKRECC.

21. Contractor acknowledges that SKRECC, in reliance upon the Agreement, is not withholding any taxes from sums paid to Contractor as compensation for services rendered under the Agreement. Additionally, Contractor acknowledges that SKRECC is not carrying workers compensation coverage or unemployment insurance coverage on Contractor or Contractor's employees due to the independent Contractor nature of the relationship. In the event Contractor should be adjudged not to be an independent Contractor, Contractor will indemnify SKRECC for any additional expenses resulting from such ruling.

22. Contractor agrees to perform all work to the complete satisfaction of SKRECC, in a workmanlike manner and of quality consistent with industry standard practices, and in accordance with all federal, state, municipal, county, and other local laws, ordinances, and regulations applicable to said work.

23. Contractor must investigate and use its good faith efforts to attempt to settle all valid complaints for damages caused by its work from equipment, employees, or otherwise. These complaints will be given immediate attention, and all efforts shall be made to effect a prompt settlement of valid complaints by the Contractor.

24. Contractor is to use diligence to not damage SKRECC's electric facilities or other facilities in discharging their duties. If there are damages caused by the contractor, to consumer or SKRECC facilities, the contractor may be invoiced for the damages or the outage.

25. Contractor agrees to see that all personnel are courteous, polite, and present a favorable image to the public. All representations made to the public will be truthful and honest to the best of Contractor's ability.

26. Contractor acknowledges that he/she does not represent SKRECC and has no authority to obligate SKRECC for any payment or benefit of any kind to any person.

27. Contractor agrees to defend, pay on behalf of, and hold harmless SKRECC and its directors, officer, agents, members and employees, from all claims, demands, causes of action, damages, costs, or liabilities, in law or in equity, of every kind and nature whatsoever, including but not limited to those brought by employees of Contractor or its subcontractors, and those brought as a result of any interruption, discontinuance, or interference with SKRECC's service to any of its customers, arising out of or as a result of any act or failure to act, whether or not negligent, in connection with the performance of the work to be performed pursuant to this proposal by Contractor its directors, officers, agents, employees, and subcontractors. Contractor agrees to defend and pay all costs in defending these claims, demands, causes of action, damages, costs, or liabilities, including attorney's fees, and Contractor shall also reimburse SKRECC for any and all legal and other expenses incurred by SKRECC in connection therewith. Furthermore, Contractor agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations

set forth above.

28. The Contractor's insurance policy must state that Contractor has contractual liability coverage and that SKRECC has been added as an additional insured and included as a certificate holder. Contractor and any subcontractor shall carry workers' compensation insurance as required by law. SKRECC shall receive a minimum thirty (30) day notice in the event of cancellation of insurance required by the agreement. Contractor shall furnish a certificate of insurance to SKRECC showing that the above obligations and requirements are provided for by a qualified insurance carrier, and showing SKRECC as an additional insured on such insurance annually prior to January 1 of the insured calendar year. It shall be the contractor's responsibility to provide SKRECC with a new proof prior to the expiration of the current proof.

29. The Agreement is for a period of time as defined within the contract executed by the parties. The Agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns.

30. Contractor shall identify its equipment and employees as a contractor for SKRECC. Contractor will comply with any identification requirements which may be imposed by Public Service Commission regulations or other law, and also any reasonable requirements which may be imposed by SKRECC. Contractor's vehicles shall be identified with a company logo that is legible. Magnetic signs furnished by SKRECC (one set per vehicle) stating "Contractor for South KY RECC" or equivalent shall be displayed at all times when at a work site.

31. The contractor shall pay any penalties associated with violations cited by any governing authority (i.e. Public Service Commission, OSHA, etc.).

32. The Agreement shall be governed by the laws of the State of Kentucky. Any lawsuits related to the Agreement shall be brought in the Pulaski County, Kentucky state courts.

33. No amendment or variation of the terms or conditions of the Agreement shall be valid unless in writing and signed by the parties. The

Contract executed by the parties and attachments thereto constitutes the entire Agreement between the parties regarding the subject matter hereof, and all other prior written or oral communications of any nature whatsoever are hereby merged into and superseded by the Agreement. The parties acknowledge that there are no other oral or written understandings, arrangements and/or agreements between the parties relating to the subject matter of the Agreement.

34. A waiver of any of the terms and conditions of the Agreement shall not be construed as a general waiver by any party, and such party shall be free to reinstate any such term or condition, with or without notice to the other parties.

35. Any headings used as part of the Agreement are for the convenience of the parties and are not to be construed as part of the Agreement.

36. In the event that any portion of the Agreement may be held to be invalid or unenforceable for any reason, it is agreed that said invalidity or unenforceability shall not affect the other portions of the Agreement, and that the remaining covenants, terms and conditions or portions thereof shall remain in full force and effect and any court of competent jurisdiction may so modify the objectionable provision as to make it valid, reasonable and enforceable.

37. If conflicting information or requirements is found in any of the contracting documents, the most stringent requirements for the contractor shall prevail unless SKRECC deems otherwise.

38. The rights of the parties under the Agreement are personal and not assignable.

39. Contractor agrees to pay SKRECC's reasonable expenses, including attorneys' fees and costs, incurred by SKRECC in enforcing the terms, conditions, and provisions of the Agreement.

40. SKRECC will furnish a ROW Coordinator to oversee all aspects of line clearing while contract crews are working on SKRECC's system. Any

and all questions that may arise should be brought before this designated person for resolution.

41. SKRECC will furnish systems maps to the contractor's ROW foreman or supervisor for the purpose of locating and recording all work done on SKRECC's system. After work has been completed in a particular area the maps shall be returned to SKRECC's ROW Coordinator.

42. Some crews will also have the opportunity to remove previously left yard trees and "off right-of-way" danger trees on an hourly basis. However, SKRECC shall have the final choice on whether or not to remove such trees. The contractor must contact SKRECC for a decision before commencing on clearing such trees.

43. Equipment must be maintained in good condition and with little or no oil leaks. SKRECC shall have the right to require that equipment which does not meet the approval of SKRECC be replaced. The decision of SKRECC shall be final.

44. Personnel must be "presentable" to the public. SKRECC shall have the final decision on any questions arising in this area of the contract.

45. Contractor shall perform 100% of the work directly without using subcontractors unless approval is granted by the SKRECC's ROW Coordinator.

46. The contractor must provide a written report to the SKRECC Field Supervisor for any OSHA reportable injury or violation, and any "near-miss" incident or accident must be promptly reported to the SKRECC Field Supervisor within one hour of occurrence.

47. Contract crews may be inspected by SKRECC's ROW coordinator or other SKRECC personnel on a routine basis.

48. SKRECC staff has the right to conduct site-visits of project areas on a routine basis.

49. Contractor invoicing for hourly work shall be submitted monthly (for previous month's work); and said invoice may be submitted electronically and paid electronically. Time sheets for hourly crews should be submitted weekly so invoicing can be paid in a timely manner. Payments from SKRECC will generally be made on or before the tenth of each month after receipt of invoice but payment of sections of circuit cutting will be paid after an inspection of the work has been made by a representative of SKRECC and all follow up work has been completed.

50. SKRECC requires the contractor to submit completed circuit bid work invoices in 25% increments.

51. SKRECC's ROW Coordinator will strive to provide answers to contractor questions and/or requests in a timely manner (usually within two or three business days). Any questions regarding acceptable methods of performing work shall be directed to SKRECC, and SKRECC will have the final determination on what is deemed acceptable.

52. Each crew shall have a cell phone furnished by the contractor or some other means of communication that SKRECC can use to contact them at all times. In the case of cell phones, the phone numbers shall be given to SKRECC's ROW Coordinator and said phone numbers kept current.

53. Each crew shall have tracking equipment installed on vehicles and SKRECC shall be given access to be able to see vehicle locations.

54. At least one contractor employee capable of speaking fluent English shall be on each job site at all times when the contractor is working.

55. Each crew must inform the ROW Coordinator or the SKRECC dispatcher of their location on the system each morning before beginning work and before departing at the end of each day.

56. Contractors may not park trucks on SKRECC property. Contractors may not park at substation property owned by East Kentucky Power

(EKP) without written permission from EKP.

57. SKRECC provided locks are installed on many "locked-gates"; contractor must not cut locks or chains unless permission is granted by the SKRECC ROW Coordinator.

58. Contractor will not perform or solicit any type of private tree trimming work on the customer's property while actively engaged in performing work for SKRECC under contract until all work on the circuit is completed.

59. Disposal of wood residue such as brush, wood, large sections of tree trunks, large limbs, wood chips and other such products produced or generated by working on SKRECC's system shall not obstruct roads, paths, or waterways. Disposal of said residue shall be the sole responsibility of the contractor and at approved locations. All disposal costs shall be included in the cost submitted on the SKRECC bid. When approved by property owners, logs and brush may be left or the chipped wood may be blown onto the property where the wood residue originated. This is the preferred scenario.

60. SKRECC has some lines within the Daniel Boone National Forest. Brush that is trimmed or cut in these areas shall be mulched down flat or mowed to less than two feet high. Windrows or brush are not allowed because of the concern of hot spots in case of fire. Also, if the ground is disturbed because of equipment being hung or other ground disturbance actions it shall be seeded and strawed to prevent erosion.

61. No trash (i.e. lunch sacks, cans, containers, etc.) or other non-wood residue shall be deposited and disposed of with chips collected from tree trimming operations. Crews are also required to leave their work area as clean as when they arrived with all trash disposed of properly.

62. Power outages caused by workers dropping limbs or trees on to energized lines are unacceptable and precautions shall be taken to make sure this does not happen. In the unlikely event that it does happen, SKRECC has the right to bill the contractor for the cost of repairs and

service restoration and any personal injury or property damage.

63. Contractors shall make available its crews for emergency work as determined by SKRECC, day or night, weekends, holidays, or during any natural or man-made disasters. The contractor shall furnish SKRECC the name and telephone number of the person to contact for emergency crews.

64. SKRECC Retains the Right to Reject Any or All Proposals Submitted in Response to this contract.

65. On multiphase lines, SKRECC's current requirement is 45 feet total width. This is the equivalent of 22.5 feet clearance on each side of the centerline. On single phase lines, SKRECC's current requirement is 30 feet total width. This is the equivalent of 15 feet on each side of the centerline. These distances are ground to sky unless permission to do otherwise is granted by SKRECC. Common sense would dictate that not all of SKRECC's existing lines can be cut to this exact specification, and in some circumstances, it will only be possible to clear the ROW back to the original corridor, which may be less than the current requirements. In any instance where large trees would need to be removed in order to meet SKRECC's current ROW specifications, SKRECC will pay the contractor hourly wages for the extra clearing work. Any questionable situation such as this must be directed to SKRECC's ROW Coordinator or his/her designee before work proceeds.

66. All limbs overhanging the primary line right of way corridors shall be removed by the contractor unless SKRECC gives permission in specific instances to reduce this requirement. The contractor must take this into consideration when bidding on SKRECC right of way work and adjust bid prices accordingly. The contractor may occasionally suggest reducing this requirement in specific instances, but SKRECC shall have the final decision on each situation.

67. All woody stem vegetation will be cut as close to the ground as practicable, but not to exceed three inches (3") above ground line. The cuts shall be made parallel with the ground.

68. If permission from the landowner is granted to remove a previously left yard tree which poses a threat to the power lines, SKRECC may choose to pay the contractor (or another contractor) hourly wages to remove the tree. Permission from SKRECC to remove the tree must be granted in each instance. All trees and woody brush located within the confines of what is considered to be the yard of homes or businesses will require that all brush be chipped or removed unless specific instructions are obtained from the land owner to leave the brush/wood onsite. In certain instances chips may be blown directly on the ground if permission can be obtained from the landowner. All yard tree removals shall be accompanied by written permission from the land owner and authorized by SKRECC before they can be removed on an hourly basis. All trees removed shall be cut flush with the ground line. SKRECC promotes the safe and economic removal of such trees within their ROW corridor in lieu of cycle trimming of said trees. This procedure promotes both the long-term reduction in clearing expenditures and the increase in expected system reliability.

69. Logs or debris shall not be placed below the high water mark of streams, springs, creeks and rivers or other bodies of water. Pastures and cultivated fields must be cleaned up unless permission to leave debris is granted by the landowner.

70. Poles and guy wires shall be clean of all brush, trees, and vines debris ten feet (10') around them.

71. Due to concern for livestock safety, any wild cherry tree cuttings must be removed from livestock areas.

72. When cutting back to a lateral it shall be 1/3 the size of the main limb.

73. No stump treatment will be used on federal or state owned lands.

74. Dead, dying, and/or danger trees outside of the ROW corridor will be considered for removal via hourly pricing. All trees in this category must be reviewed and approved by SKRECC before the tree or trees are

trimmed / removed.

75. The logs and brush that result from the integrated vegetation management operations should be handled in a manner consistent with adjoining land use, terrain, aesthetics, and fire risk. Logs may be recoverable for firewood or timber products and are often best left for the property owner. Brush can be loped evenly thru-out the unmaintained areas landscape and left lying in place or piled/windrowed along right-of-way edges if required by landowners. A wire zone consisting of a five foot (5') path under lines/phases needs to be cleared of all debris. This includes any overhang within three feet of the edges (on both sides) of the 5 ft path.

76. Wherever practical and permissible, dead or defective trees, trees that have been severely disfigured from past improper trimming techniques, and fast-growing trees located so as to be a potential hazard to SKRECC's primary overhead distribution system facilities shall be removed.

77. SKRECC's right-of-way easements allow for the maintenance of right-of-ways areas included within the easements; however, the contractor shall be required to use good judgment and take reasonable care when entering upon such areas. In all cases, respect for the property owner and other stakeholders shall be considered paramount by the contractor. In sensitive areas such as yards, subdivisions, highly maintained areas, posted lands, and similar circumstances, the contractor shall make a good faith effort (when reasonably possible) to inform property owners and/or other stakeholders of the contractor's presence and the general scope of the contractor's work before proceeding. Any situations in which a property owner or other stakeholder takes issue with the contractor's right to enter the property or complete the work shall be reported to SKRECC immediately in order to help facilitate a resolution. All gates, fences and consumer property are to be left in the same condition as found.

78. Severability/Partial Invalidity: The invalidation of any provision, or any portion of a provision, of this Agreement by any entity with proper

jurisdiction and authority does not invalidate the remaining provisions, or the remaining portion of a provision, of this Agreement.

79. Non-Waiver of Default: Failure of SKRECC to treat this Agreement as terminated by failure of the Contractor to comply with, or as a result of, a breach by the Contractor of any term or condition herein, shall not constitute a waiver of SKRECC'S right to this Agreement as terminated in the event of any subsequent failure to comply, or breach by the Contractor, and such right of termination by SKRECC shall be deemed a continuing one. Further acceptance of services by SKRECC shall not be deemed a waiver of Contractor's breach of any obligation hereunder or SKRECC's right to terminate this Agreement because of such breach. In the event SKRECC waives the breach of any covenant or condition or of Contractor's failure to comply with any terms hereof, the same shall not constitute a waiver of any other failure to comply or breach known at the time of such waiver. SKRECC'S right to declare default as set forth in this Agreement shall be deemed a continuing one. The waiver by SKRECC of any breach of a covenant or condition by the Contractor shall not constitute a waiver of any other breach of any other covenant or condition hereof.

EXHIBIT C

Contractor Acceptance of Terms and Intent to Bid



850 Center Way
Norcross, GA 30071

(770) 453-1410
pdengineers.com

EXHIBIT C: Contractor's Acceptance of Requirements and Intent to Bid

The undersigned hereby certifies that the company indicated below:

- Desires to bid on all or part of South Kentucky RECC's Right-of Way contracting work to be completed by **November 30th of the year specified for completion (2022 or 2023).**
- Meets all requirements of and is willing to accept all terms and conditions as specified by:
 - RUS right of way contracting requirements
 - Exhibit A: Bid Instructions and Other Requirements
 - Exhibit B: South Kentucky RECC's Right-of-Way Specifications and Additional Contract Specifications
 - The South Kentucky RECC contract and applicable attachments

Robert Williams

Signature

7/23/21

Date Signed

Robert Williams

Printed Name

Kendall

Name of Company

CEO

Title of Officer

Ruth Perri

Ruth Perri

Notary Public

NOTARY PUBLIC

Gwinnett County, GEORGIA

2/20/2022

My Commission Expires:

My Comm. Expires 02/20/2022

EXHIBIT D

**Contractor's Certificate of Non-Segregated Facilities (Equal Opportunity
Employment Certification)**

**Exhibit D ~ Contractor's "Employer's Equal Opportunity Declaration" For
South Kentucky RECC Contracting**

A. Section 1 - Contractor Representations

a. Contractor represents that:

It has () , does not have () 100 or more employees, and if it has,

It has () , has not () furnished the Equal Employment Opportunity - Employers Information.

Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

Contractor agrees that it shall obtain, prior to the award of any subcontract for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement signed by the subcontractor showing that the proposed subcontractor has filed a current report on Standard Form 100.

Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this contract shall amount to more than \$10,000, contractor shall file such report, as required by law, and notify **South Kentucky RECC** in writing of such filing prior to **South Kentucky RECC's** acceptance of this Proposal.

b. Equal Opportunity Clause. During the performance of this contract, contractor agrees as follows:

1. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following:

Employment upgrading, demotion or transfer, recruitment or recruiting advertising, layoff or

termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.

2. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex or national origin.
3. The contractor shall send to each labor union or representative or workers, with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
5. The contractor shall furnish all information and reports required by Executive Order of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's non-compliance with the Equal Opportunity Clause of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in

accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as provided by law.

7. The contractor shall include his Equal Opportunity clause in every subcontract or purchase order unless exempted by the rule, regulation, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions shall be binding upon each subcontractor and Vendor. The contractor shall take such action with respect to any subcontractor or purchase order as the administering agency may direct as means of enforcing such provisions, including sanctions for non-compliance provided however, that in the event the contractor becomes involved in or is threatened with, litigation with a subcontractor or Vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

- c. **Certificate of Non-segregated Facilities.** The contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor certifies further that it shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it shall not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor certifies further that it shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it shall not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract. As used in this certification, the term "segregated facilities" means any waiting room, work areas, restrooms and washrooms, restaurants and other eating

areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom or otherwise. The contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time period) it shall obtain identical certifications from proposed subcontractors prior to the award of subcontractors exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it shall retain such certification in it's files.

Extension to Successors and Assigns

Each and all of the covenants and agreements contained in the contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

W A Kendall Sr.
(Contractor)

W A Walker
(President)

PO Box 831

Lawrenceville, GA 30046
(Address)

Attest: [Signature]

Date of Proposal 7/23/21

This proposal shall be signed with the full name of the contractor. If the contractor is a partnership, the proposal shall be signed in the partnership name by a partner. If the contractor is a corporation, the proposal shall be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the secretary of the corporation.

EXHIBIT E

Debarment Certification

Exhibit E ~ South Kentucky RECC
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in the covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms *covered transaction*, *debarred*, *suspended*, *ineligible*, *lower tier covered transaction*, *participant*, *person*, *primary covered transaction*, *principal*, *proposal*, and *voluntarily excluded*, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transactions with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

CERTIFICATION

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

WA Kendall + Co
Organization Name PR/Award or Project Name
Robert Williams CEO
Name and Title
M. A. Wilton
Signature Date 7/28/21

EXHIBIT F

Certification for Contracts, Grants, Loans and Cooperative Agreements

Exhibit F – South Kentucky RECC

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS

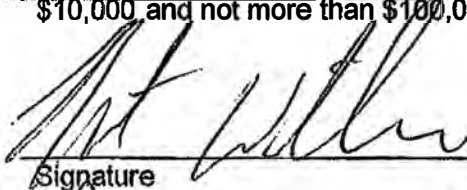
The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31 U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

 7/23/21
Signature Date

Robert Williams, CEO
Name and Title

W A Kendall + Co.
Company Name

EXHIBIT G

Contractor Pre Bid Questionnaire

Exhibit G ~ South KY RECC (SKRECC) Pre-Bid Questionnaire and Data Request For Right of Way Contracting (Page 1 of 4)

Please complete the following survey by entering the required information in the blue shaded areas.

Please provide the following using OSHA 300 Logs, etc. as required:

	2018	2019	2020
List your firm's interstate Experience Modification Rate (EMR).	0.89	0.82	0.8300
List your firm's OSHA Recordable Rate	2.79	1.80	1.6
List your firm's DART Rate	2.09	1.80	1.2
List your firm's Lost Time Rate	0.89	1.08	0
Number of Lost Workday Cases:	8	12	0
Number of Restricted Workday Cases:	13	8	11
Number of cases with medical attention only:	7	0	5
Number of fatalities:	0	0	0
Number of hours worked (do not include non work paid hrs)	2,002,340	2,216,296	2,300,000
Number of times your organization has been cited by OSHA in last 3 yrs:	0	0	0

Please answer the following questions with "Yes" or "No."

	Yes or No
Do you have a written safety program?	Yes
Do you have a written drug testing policy that covers all employees (not just CDL)?	Yes
Are all employees subject to drug tests based on reasonable suspicion?	Yes
Are all employees subject to random drug tests?	Yes
Does your company do drug screening and background checks on new hires?	Yes
Do you conduct site safety inspections at least monthly?	Yes
Do you require foremen to hold tailgate sessions daily and at each work site?	Yes
Do you require foremen to conduct daily safety inspections at work sites?	Yes
Do you have a designated and competent person assigned to safety management for the company?	Yes
Do you have a safety orientation for all new hires?	Yes
Does your safety orientation for new hires include fall protection?	Yes
Does your safety orientation for new hires include safe ladder use?	Yes
Does your safety orientation for new hires include fire protection?	Yes
Does your safety orientation for new hires include first aid, MSDS and CPR?	Yes
Does your safety orientation for new hires include energized equipment approach distances?	Yes
Do you have an existing workforce capable of meeting SKRECC's work requirements?	Yes
Do you commit to handling all complaints in a professional and timely manner?	Yes
Are your personnel licensed for use of chemicals and herbicides commonly used in ROW maintenance?	Yes
Do all of your workers meet OSHA requirements for the jobs which they are assigned?	Yes
Do your foremen have advanced or additional safety training?	Yes
Will you comply with all federal, state, and local laws/ordinances/etc applicable to this project?	Yes
Will you name SKRECC as additional insured on your insurance policy as required by RUS?	Yes
Will you provide SKRECC with a monthly safety report if requested?	Yes
Do you agree not to use subcontractors without first getting the permission of SKRECC?	Yes

Exhibit G Continued (Page 2 of 4)

Please enter the number of years that your company has been in business under its current name:

60

Please list below Key Personnel who are responsible and accountable for safety at your company:

David Allen, Matt Irvin, Junior Muse, and Robert Williams

Has your company been free of critical injury for the last year to date?

Note: Critical injury used here includes fatalities, dismemberment, or permanent total disability.

Please comment below:

Yes

In the space below please elaborate on your capabilities to furnish the manpower and equipment for fulfilling the requirements of SKRECC as described in the Pre-Bid Documents. Please also discuss your ability to perform the work and have it completed on time.

We are established in the area (South Kentucky RECC has been a client of Kendall for years). We understand the vegetation management needs of the region in regards to both the type of equipment and the labor pool). We will be able to furnish the manpower and equipment. We have a large fleet of equipment and meet the needs of this contract.

Are you presently or in the preceding 36 months have you been in legal proceedings with any electric utility at which you are or have provided electric contracting services. If yes, please explain below: Note: We are talking about legal proceedings with companies you work/contract for. Do not include information on lawsuits with utility customers or the general public.

None

Exhibit G Continued (Page 3 of 4)

In the space below please provide the name and address of you insurance company, along with the telephone number, name of the contact person, and other appropriate contact information.

Grenwich Insurance Company and XL Sepecialty. Please contact our insurance broker: MR. Bill Helander; Marsh/JLT Specialty. 2929 Allen Parkway, Suite 2500 Houston, TX 77019. william.helander@marsh.com 713-775-3229

To the best of your knowledge, does any officer, employee, or consultant of SKRECC have any financial interest or conflict of interest in your company? If the answer is "No" then simply type "No" in the box below. If the answer is "Yes" type "Yes" in the box below, and describe the conflict or possible conflict.

No

In the space below, please list any additional information or clarifications that you would like to provide.

Exhibit G Continued (Page 4 of 4)

In the space below please list three Electric cooperatives that you company is presently working for, and provide telephone numbers and contact person names:

Jackson Energy; Eric Glovier 606-864-4911
Inter County RECC; David Phelps 859-936-7814
Blue Grass Energy; Aaron Duncan 859-885-2122

In the space below, please provide the name, title, and contact information of the person completing this survey. Please also provide the same information for the contact person concerning this project if it is a different person. Please also provide the date that you completed this survey.

Robert Williams; President; rwilliams@wakendall.com; 770-963-6017
David Flebelkorn; Director, Sales and Marketing; dflebelkorn@wakendall.com; 770-963-6017

If you have any questions regarding this survey, please contact Steve Conover of Patterson and Dewar Engineers at sconover@pdengineers.com.

EXHIBIT H

Bid Invitation and Additional Bidding Instructions

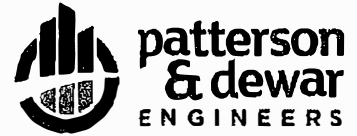


Exhibit H ~ Invitation and Additional Bidding Instructions:

South Kentucky RECC: Right of Way Bidding for 2022 and 2023 work

You are invited to submit bids for upcoming distribution Right-of-Way (ROW) contracts per the attached for South Kentucky RECC (SKRECC). Bids must be submitted to Patterson & Dewar Engineers no later than **3:00 PM (Eastern), August 31, 2021.**

An informational meeting is being held on **July 30, 2021,** via Zoom **starting at 10:00 AM Eastern time.** Contractor participation at this meeting is **mandatory and failure to participate will disqualify the bidder. Bids must not be submitted until after this meeting. Please do not submit bids before this meeting.**

SKRECC reserves the right to reject any or all bids.

Please submit your proposal to Patterson & Dewar **via e-mail** by sending to the following e-mail address. **Please note that e-mail is the only means by which proposals are being accepted:**

sconover@pdengineers.com

All questions regarding the specifics of the attached should be addressed to the Consultant, Patterson & Dewar.

Consultant: Steve Conover
Patterson & Dewar Engineers, Inc.
75 Holt Rd
Jamestown, KY 42629

Telephone (606) 872-3501
sconover@pdengineers.com

GENERAL BID INSTRUCTIONS & BACKGROUND

The following must be returned to P&D via e-mail per the instructions given above:

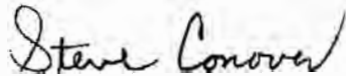
- **Exhibit I (Microsoft Excel® Workbook ~ (SKRECC Bid Sheet for 2022 and 2023 Work) ~ Enter your bid values into the yellow highlighted areas within the Workbook. Please note that there are two**

Worksheets within the Workbook that the contractor should complete. The different Worksheets can be accessed by clicking the **different tabs at the bottom of the Workbook.** Remember to save the Workbook after you enter your information.

- **In addition to the hourly rates required in the workbook, please also send a PDF copy of your complete standard hourly prices** that will be applicable to this contract. Please also be very specific regarding overtime and holiday rates and terms.
- **Bidders are required to also submit** a MS Word document that gives a thorough description of the manpower and equipment that they plan to use for each of the circuits if they are awarded the work. If the manpower and equipment is to be exactly the same for all circuits, this should be stated. If the manpower and equipment will vary from circuit to circuit, please list it for each individual circuit. Note: This information is being requested for planning purposes by SKRECC.

SKRECC will inform the successful bidder/s sometime after the bids are evaluated. Afterwards, SKRECC will prepare the necessary contract/s with attachments and make arrangements with the successful bidder/s for signing the contracts. This is expected to take place within a few days after the bids are received.

Sincerely,



Steve Conover
75 Holt Rd.
Jamestown, KY 42629

sconover@pdengineers.com

Attachments

GENERAL AGREEMENT

This agreement made and entered into this 1st day of January 2021, is between **SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**, hereafter referred to as the **COOPERATIVE**, and **W. A. KENDALL AND COMPANY, INC.**, hereafter referred to as the **CONTRACTOR**.

1. **AREA** or **AREAS** – **COOPERATIVE** System by Office Service Areas. The **COOPERATIVE** service area served by South Kentucky R.E.C.C.
2. **CONTRACTOR** will furnish and maintain during the term of this agreement minimum insurance of General Liability 5,000,000; Automobile Liability \$500,000; Workers Compensation and Employer's Liability, as required by law; and Umbrella Catastrophe Liability of \$5,000,000. **COOPERATIVE** to be named as additional insured on insurance certificate. The **CONTRACTOR** is responsible to see that any changes or updates in insurance coverage, that would affect coverage, are reported immediately to **COOPERATIVE**.
3. **CONTRACTOR** must furnish all equipment, personnel, and supervision to perform task of trimming and clearing of right-of-way in **AREA** during the year. This work is to be scheduled for approximately 45 weeks during the year. Work before 7:00 a.m., after 5:00 p.m., or on Saturdays, Sundays, or legal holidays shall be approved by the **COOPERATIVE** before being performed.
4. **CONTRACTOR** is responsible for providing all necessary equipment and performing all maintenance and repairs on such equipment.
5. **CONTRACTOR** must obtain consent or permission for the necessary work from the property owners or public authorities having ownership or control over each tree to be trimmed or removed. Otherwise, such required work is to be reported to **COOPERATIVE'S** Right-of-way Team.
6. **CONTRACTOR** must use care to obtain permission to enter upon property owner's land and to enter and leave gates, fences, etc, as found.
7. **CONTRACTOR** must investigate and attempt to settle all valid complaints for damages caused by his work from equipment, employees, or otherwise. These will be done with immediate attention, and all efforts shall be made to effect a prompt adjustment.

8. All brush, trees cut, etc., must be chipped or “wind rowed” along the edges of the right-of-way or in such other routine manner. Stumps of trees cut should be treated with an approved mixture. It is estimated that 30% of the brush and wood will have to be handled and removed from the location cut.
9. **CONTRACTOR** agrees to perform all work to the complete satisfaction of **COOPERATIVE** and in accordance with all federal, state, municipal, county, and other local laws, ordinances, and regulations applicable to said work. All work shall be performed in accordance with such of the following as may be applicable:
 - a) All tree trimming shall be done so as to obtain maximum clearance with due regard to current and future tree health and symmetry, and in conformity with permissions obtained. **All dangerous overhanging limbs shall be removed.**
 - b) All tree limbs shall be flush cut with tree if at all possible.
 - c) All trees and brush removed in right-of-way cutting shall be cut to within three inches of the ground line.
 - d) Bush hogging is a separate work from this contract. Right-of-way is to be left “wind rowed” so bush hogging is not hindered.
10. **CONTRACTOR** agrees to see that he and his personnel are courteous, polite, and present a favorable image to the public.
11. **CONTRACTOR** does not represent **COOPERATIVE** and has no authority to obligate **COOPERATIVE** for any payment or benefit of any kind to any person.
12. **CONTRACTOR** is to follow industry accepted safety rules as to, but not limited to, equipment guards and protection to ensure safety to the general public and **CONTRACTOR’S** and **COOPERATIVE’S** personnel.
13. **CONTRACTOR** is to use diligence to not damage the **COOPERATIVE’S** electric facilities or other facilities in discharging their duties.
14. **CONTRACTOR** agrees to indemnify and hold harmless **COOPERATIVE** and its Directors, Officers, Agents, and Employees from all Claims of whatsoever nature or kind, including those brought by employees of **CONTRACTOR** or subcontractors, arising out of or as a result of any act or failure to act, whether or not negligent, in connection with the performance of the work to be performed pursuant to this contract by **CONTRACTOR**, its’ employees, agents, and subcontractors. **CONTRACTOR** agrees to defend and pay all costs in defending these claims, including attorney fees.
CONTRACTOR agrees to pay any and all penalties or fines charged against the **COOPERATIVE** deriving from any act, or failure to act in connection of the work performance.

15. **CONTRACTOR** agrees to furnish weekly to **COOPERATIVE**, or its representative, daily time sheets showing the nature, amount, and location of work performed, together with the number of man-hours and equipment hours involved, and the number of trees trimmed and removed.
16. A) **CONTRACTOR** agrees to submit to **COOPERATIVE** weekly invoices.

B) **COOPERATIVE** agrees to pay for the work provided herein to be done. Invoices received by **COOPERATIVE** shall be paid as soon as it has had a reasonable opportunity to satisfy itself that the work covered by such invoices has been performed in accordance with the terms of this agreement. Normally two weeks of invoices will be paid together within the ten (10) days of the second week's invoice receipt.
17. This agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns. But **CONTRACTOR** shall not assign any of its rights or duties under this agreement, or subcontract the whole or part of the work to be performed hereunder, without first having obtained the written consent of **COOPERATIVE** to such assignment or subcontract.
18. This contract is for a period from January 1, 2021 through January 31, 2023.
19. Should **CONTRACTOR** fail to carry out the work in a reasonably expected industry manner or to comply with any of the provisions of this agreement, **COOPERATIVE** may terminate this agreement upon thirty-(30) day's written notice to **CONTRACTOR**.
20. **GOVERNING LAW:** This Agreement shall be governed by and construed under and in accordance with the laws of the Commonwealth of Kentucky.
21. **CONTRACTOR** shall pay all penalties associated with violations cited by any governing authority (Public Service Commission, OSHA, etc.).
22. **CONTRACTOR** shall have a Safety program in place and will produce documentation of Safety meetings, audits, or other necessary documents upon request.
23. **ASSIGNMENT:** This Agreement and the rights, duties, and obligations hereunder, shall not be assignable by Contractor without the prior written consent of Cooperative.

24. ENTIRE AGREEMENT: This Agreement shall be binding upon the parties hereto and their heirs, executors, administrators, and assigns.

This Agreement contains all the terms, conditions, and promises of the parties hereto. No modifications or waiver of this Agreement, or any provision thereof, shall be valid or binding, unless in writing and executed by both parties hereto. No waiver by either party or any breach of any term or provision of this Agreement shall be construed as a waiver of any succeeding breach of the same or any other term or provision.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate by their proper officers thereunto duly authorized the day and year first above written.

SOUTH KENTUCKY R.E.C.C.

Witness:



Secretary

BY:



Chief Executive Officer

DATE: 11/4/20

W. A. KENDALL AND COMPANY, INC.

Witness:



BY:



DATE: 11/12/20

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted it at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances
4. The terms “covered transaction,” “debarred,” “suspended,” “ineligible,” “lower tier covered transaction,” “participant,” “person,” “primary covered transaction,” “principal,” “proposal,” and “voluntarily excluded,” as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transaction,” without modification in all lower tier covered transaction and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the Non-procurement List (Tel. # 202-783-3238).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred ineligible for voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department of agency with which this transaction originated may pursue available remedies, including suspension and/or debarment

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participant’s responsibilities. The regulations were published as Part IV of the January 30, 1989, **Federal Register** (Pages 4722 – 4733).

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal Department or Agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

W.A. KENDALL AND COMPANY, INC.

RIGHT-OF-WAY TRIMMING/CLEARING

Organization's Name

Pr/Award # or Project Name

Robert Williams, Pres

Name and Title of Authorized Representative

[Signature]

Signature

11/12/20

Date

**CERTIFICATION FOR CONTRACTORS, GRANTS, LOANS, AND
COOPERATIVE AGREEMENTS**

The undersigned certifies, to the best of his/her knowledge and belief, that;

1. No Federal Appropriated Funds have been paid or will be paid, by or on behalf of this undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee

of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal Appropriated Funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or Cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its' instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and Cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

W.A. KENDALL AND COMPANY, INC. 2021 RIGHT-OF-WAY CLEARING/TRIMMING

Organization Name

Robert Williams

NAME OF AUTHORIZED OFFICIAL

[Signature]

11/22/20

SIGNATURE

DATE

k: Right-of-Way WA Kendall 21.tc

BOARD RESOLUTION

WHEREAS, South Kentucky Rural Electric Cooperative Corporation has an existing contract with W. A. Kendall Company for right of way line clearance and tree trimming and;

WHEREAS, W.A. Kendall and Company has submitted a low bid and;

WHEREAS, W. A. Kendall Company has agreed to continue with current pricing until the end of 2020 and;

WHEREAS, such bid was for a period of two years, beginning January 1, 2021 through January 31, 2023 therefore;

BE IT RESOLVED, that South Kentucky Rural Electric Cooperative Corporation accepts a two-year contract with W. A. Kendall and Company, Inc. at the following prices:

Current Year (2020)

**3 Men Bucket Crew & Bucket Truck with Chipper
2 Man Jarraff Crew & EQUIPMENT**

\$ [REDACTED]

Year 1 (2021)

**3 Men Bucket Crew & Bucket Truck with Chipper
2 Man Jarraff Crew & EQUIPMENT**

\$ [REDACTED]
\$ [REDACTED]

Year 2 (2022)

**3 Men Bucket Crew & Bucket Truck with Chipper
2 Man Jarraff Crew & Equipment**

\$ [REDACTED]
\$ [REDACTED]

I, Greg Beard, Secretary of South Kentucky Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt from the minutes of the Board of Directors Meeting of the Cooperative, held on the 15th day October 2020 at which meeting a quorum was present.


Greg Beard, Secretary

10/15/20
Date

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22

REQUEST 4

RESPONSIBLE PERSON: Michelle Herrman

COMPANY: South Kentucky RECC

Request 4. Refer to the Simmons Testimony, page 7, lines 16-23, and page 8, lines 1-2, regarding technology and software expenses.

- a. Provide the annual and monthly software costs for the past 10 years.
- b. Provide a list of the new technologies employed by South Kentucky RECC's members.

Response 4.

a. Please see the attached pdf of monthly costs for our primary software vendor SEDC/Meridian whose costs were referenced in Mr. Simmons testimony page 7, lines 22-23, and page 8, lines 1-2.

b. Our primary software vendor is Meridian Cooperative and was the source of reference in Mr. Simmons' Direct Testimony. Incorporated into their technology offerings by South Kentucky RECC within the last 10 years that are readily seen by our members are:

1. Automated Meter Interface Technology
2. Meter Data Management

3. Prepay Program Functionality
4. Net Metering capabilities
5. Member Portal upgrades
6. Smart App Technology
7. CheckOut Payment Program
8. Kiosk (24/7 Automated Teller Machine at Somerset location)
9. Record Imaging system upgrade

In this cyber and technological environment, to support these operations we are constantly working to upgrade our behind the scenes technology to help ensure a secure network for our members data.

1. South Kentucky continuously upgrades its VMWare virtual environment, both hardware and software licensing, that helps support all of our servers and services.
2. South Kentucky has performed multiple perimeter firewall upgrades to maintain greater communications, reliability, and data security.
3. South Kentucky has upgraded its internet gateway to support a much greater volume of communication with substations and cloud services.

SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 5

RESPONSIBLE PERSON: Michelle Herrman
COMPANY: South Kentucky RECC

Request 5. Refer to the Simmons Testimony, page 9, lines 8-11. Provide the financial metrics for South Kentucky RECC’s loan covenants.

Response 5. Section 5.4 of our RUS Loan Contract dated September 30, 2020 cites:

Section 5.4. Rates to Provide Revenue Sufficient to Meet Coverage Ratios Requirements.

(a) Prospective Requirement. The Borrower shall design and implement rates for utility service furnished by it to provide sufficient revenue (along with other revenue available to the Borrower in the case of TIER and DSC) (i) to pay all fixed and variable expenses when and as due, (ii) to provide and maintain reasonable working capital, and (iii) to maintain, on an annual basis, the Coverage Ratios. In designing and implementing rates under this paragraph, such rates should be capable of producing at least enough revenue to meet the requirements of this paragraph under the assumption that average weather conditions in the Borrower's service territory shall prevail in the future, including average Utility System damage and outages due to weather and the related costs.

(b) Retrospective Requirement. The average Coverage Ratios achieved by the Borrower in the 2 best years out of the 3 most recent calendar years must be not less than any of the following:

TIER	=	1.25
DSC	=	1.25
OTIER	=	1.1
ODSC	=	1.1

Article I, Section 1.01 of our Restated Mortgage and Security Agreement, Kentucky

0054-BE48 Wayne dated, September 30, 2020, includes the following definitions.

Debt Service Coverage Ratio ("DSC") shall mean the ratio determined as follows: for each calendar year add

- (i) Patronage Capital or Margins of the Mortgagor,
- (ii) Interest Expense on Total Long Term Debt of the Mortgagor (as computed in accordance with the principles set forth in the definition of TIER) and
- (iii) Depreciation and Amortization Expense of the Mortgagor, and divide the total so obtained by an amount equal to the sum of all payments of principal and interest required to be made on account of Total Long-Term Debt during such calendar year increasing said sum by any addition to interest expense on account of Restricted Rentals as computed with respect to the Times Interest Earned Ratio herein.

Times Interest Earned Ratio ("TIER") shall mean the ratio determined as follows: for each calendar year: add (i) patronage capital or margins of the Mortgagor and (ii) Interest Expense on Total Long-Term Debt of the Mortgagor and divide the total so obtained by Interest Expense on Total Long-Term Debt of the Mortgagor, provided, however, that in computing Interest Expense on Total Long-Term Debt, there shall be added, to the extent not otherwise included, an amount equal to 33-1/3% of the excess of Restricted Rentals paid by the Mortgagor over 2% of the Mortgagor's Equity.

The definitions to our RUS Loan Contract dated September 30, 2020, cite the following:

Operating DSC or ODSC shall mean Operating Debt Service Coverage calculated as:

$$ODSC = \frac{A+B+C}{D}$$

where:

All amounts are for the same calendar year and are computed pursuant to RUS Accounting Requirements and RUS Form 7;

A = Depreciation and Amortization Expense of the Electric System;

B = Interest Expense on Total Long-Term Debt of the Electric System, except that such Interest Expense shall be increased by 1/3 of the amount, if any, by which the Restricted Rentals of the Electric System exceed 2 percent of the Borrower's Equity;

C = Patronage capital & operating margins of the Electric System, (which equals operating revenue and patronage capital of Electric System operations, less total cost of electric service, including Interest Expense on Total Long-Term Debt of the Electric System) plus cash received from the retirement of patronage capital by suppliers of electric power and by lenders for credit extended for the Electric System; and

D = Debt service billed which equals the sum of all payments of principal and interest required to be made on account of Total Long-Term Debt of the Electric System during the calendar year, plus 1/3 of the amount, if any, by which Restricted Rentals of the Electric System exceed 2 percent of the Mortgagor's Equity.

Operating TIER or OTIER shall mean Operating Times Interest Earned Ratio calculated as:

$$OTIER = \frac{A+B}{A}$$

where:

All amounts are for the same calendar year and are computed pursuant to RUS Accounting Requirements and RUS Form 7;

A = Interest Expense on Total Long-Term Debt of the Electric System, except that such Interest Expense shall be increased by 1/3 of the amount, if any, by which Restricted Rentals of the Electric System exceed 2 percent of the Mortgagor's Equity; and

B = Patronage capital & operating margins of the Electric System, (which equals operating revenue and patronage capital of Electric System operations, less total cost of electric service, including Interest Expense on Total Long-Term Debt of the Electric System) plus cash received from the retirement of patronage capital by suppliers of electric power and by lenders for credit extended for the Electric System.

Section 6.8 of the RUS Loan Contract dated September 30, 2020 states the following

limitations for capital credit distributions based upon equity:

Section 6.8. Limitation on Distributions.

Without the prior written approval of RUS, the Borrower shall not in any calendar year make any Distributions (exclusive of any Distributions to the estates of deceased natural patrons) to its members, stockholders or consumers except as follows:

- (a) Equity above 30%. If, after giving effect to any such Distribution, the Equity of the Borrower shall be greater than or equal to 30% of its Total Assets; or
- (b) Equity above 20%. If, after giving effect to any such Distribution, the Equity of the Borrower shall be greater than or equal to 20% of its Total Assets and the aggregate of all Distributions made during the calendar year when added to such Distribution shall be less than or equal to 25% of the prior year's margins.

Provided however, that in no event shall the Borrower make any Distributions if there is unpaid when due any installment of principal of (premium, if any) or interest on any of its payment obligations secured by the Mortgage, if the Borrower is otherwise in default hereunder or if, after giving effect to any such Distribution, the Borrower's current and accrued assets would be less than its current and accrued liabilities.

Article 7, of our credit agreement with CoBank dated March 25, 2016, cites the following:

ARTICLE 7 Financial Covenants. Unless otherwise agreed to in writing by Lender, while this Agreement is in effect:

7.1 Debt Service Coverage Ratio. The Borrower and its consolidated subsidiaries, if any, will have at the end of each fiscal year of the Borrower, a Debt Service Coverage Ratio (as defined below) for such year of not less than 1.25 to 1.00. For purposes hereof, the term "**Debt Service Coverage Ratio**" means the ratio of: (a) net income (after taxes and after eliminating any gain or loss on sale of assets or other extraordinary gain or loss), plus depreciation expense, amortization expense, and interest expense, minus non-cash patronage, and non-cash income from subsidiaries and/or joint ventures; to (b) all principal payments due within the period on all Long-Term Debt (as defined below) plus interest expense (all as calculated on a consolidated basis for the applicable period in accordance with the Accounting Standards). For purposes hereof, "**Long-Term Debt**" means, for the Borrower, on a consolidated basis, the sum of (1) all indebtedness for borrowed money, (2) obligations that are evidenced by notes, bonds, debentures or similar instruments, and (3) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with Accounting Standards or that are treated as operating leases under regulations applicable to them but that otherwise would be required to be capitalized under Accounting Standards, in each case having a maturity of more than one year from the date of its creation or having a maturity within one year from such date but that is renewable or extendible, at the Borrower's option, to a date more than one year from such date or that arises under a revolving credit or similar agreement that obligates the lender(s) to extend credit during a period of more than one year from such date, including all current maturities in respect of such indebtedness whether or not required to be paid within one year from the date of its creation.

7.2 Equity to Total Assets. The Borrower and its consolidated subsidiaries, if any, will have at the end of each fiscal quarter of the Borrower, a ratio of consolidated total equity to consolidated total assets (both as determined in accordance with the Accounting Standards) of not less than 0.25 to 1.00.

Article V Section 5.01A, of our Loan Agreement with CFC cites the following:

A. Financial Ratios; Design of Rates. The Borrower shall achieve an Average DSC Ratio of not less than 1.35. The Borrower shall not decrease its rates for electric service if it has failed to achieve a DSC Ratio of 1.35 for the calendar year prior to such reduction subject only to an order from a Governmental Authority properly exercising jurisdiction over the Borrower.

SOUTH KENTUCKY RECC

PSC CASE NO. 2021-00407

SECOND REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22

REQUEST 6

RESPONSIBLE PERSONS: Ken Simmons and Michelle Herrman

COMPANY: South Kentucky RECC

Request 6. Refer to the Simmons Testimony, page 9, lines 12-14. Explain whether South Kentucky RECC has evaluated using its cushion of credit investments to reduce its outstanding debts or invest in instruments with a higher return.

Response 6. Yes, South Kentucky's Board and Management have discussed using the investments in the cushion of credit to invest in instruments with a higher return. In 2021, management began meeting with potential investment advisers to discuss alternative investment strategies. In December 2021, South Kentucky began allowing the cushion of credit to pay debt service payments when due. The funds that would normally be used to make the debt service payments are currently being invested with CFC in their commercial paper program. Currently, South Kentucky is working to create an investment policy which will be used in requests for proposals for the management and investment of these funds.

SOUTH KENTUCKY RECC

PSC CASE NO. 2021-00407

SECOND REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22

REQUEST 7

RESPONSIBLE PERSON: Michelle Herrman

COMPANY: South Kentucky RECC

Request 7. Provide South Kentucky RECC's annual sales by class for the past 10 years.

Response 7. Please see attached.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 8**

RESPONSIBLE PERSON: Ken Simmons
COMPANY: South Kentucky RECC

Request 8. Refer to the Herrman Testimony page 12, lines 1-7. Due to cost savings, many utilities have phased out a retirement and security (R&S) plan and transitioned to 100 percent 401(k) retirement for new hires.

- a. Explain why South Kentucky RECC still offers an R&S plan.
- b. Provide all studies South Kentucky RECC has performed evaluating the cost savings that could result from transitioning away from an R&S plan.

Response 8.

a. South Kentucky offers both a defined-benefit pension, in the form of the retirement and security (“ R&S”) plan, and a defined-contribution plan, in the form of the 401k plan, to its employees in order to attract and retain a highly-skilled workforce. There is intense competition among both regulated utilities and third-party contractors for the services of skilled employees such as linemen. In order to maintain a consistent number of skilled employees for system reliability South Kentucky has made the decision to offer a competitive suite of benefits. Participation in the R&S plan is one of those

benefits. While South Kentucky recognizes that defined-benefit plans have recently declined in popularity among employers due to cost factors, it believes the overall benefits to the Company and its member consumers in maintaining a skilled workforce for system reliability outweigh the costs of maintaining the plan. It is worth noting that in 2008, South Kentucky acted to terminate R&S plan eligibility for any employee hired after January 1, 2008. However, in 2013 this decision was reversed upon concerns about failing Internal Revenue Service required plan discrimination testing requirements for the R&S plan due to the new hire carve-out established in 2008. It was determined that when factoring in the younger age of the new hires along with those older employees that had been grandfathered in, South Kentucky's per-employee R&S plan contribution rates were actually lower.

b. To the best of my knowledge, South Kentucky RECC has not performed nor requested any formal cost savings studies.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 9**

RESPONSIBLE PERSON: Michelle Herrman
COMPANY: South Kentucky RECC

Request 9. Refer to the Herrman Testimony, page 12, lines 10-15.

- a. Provide any policy regarding wage and salary increases.
- b. Provide the annual wage and salary increases for the past 10 years.
- c. Refer to South Kentucky RECC’s response to Commission Staff’s First Request for Information (Staff’s First Request), Item 21. Provide all supporting documentation for the wage and salary increases applied to those employees below midpoint.

Response 9.

- a. There is no written administrative policy governing employee wage and salary increases.
- b. Please see the table below:

Year	Overall Average Increase
2012	3.01%
2013	1.32%
2014	2.83%
2015	3.69%
2016	2.79%
2017	4.08%
2018	2.22%
2019	1.94%
2020*	Used 2019 data
2021	6.19%

* Please note that there was not a general cost of living wage increase in 2020.

Regarding the average increase for 2021, the increase percentage amount was impacted by the fact that South Kentucky had not provided an increase during 2020. While salaries were unchanged during 2020, the salary study performed by our consultant for 2021 indicated that market conditions for salaries increased during 2020. Therefore, the salary levels in place during 2020 were behind the market indicated rates. Had South Kentucky provided salary increases during 2020, the percentage increase for 2021 would have been smaller.

c. For the past five years, South Kentucky RECC has used a method that adjusts wages in late December for employees that have not yet reached the mid-point (market value) for their respective jobs. The annual salary study update performed by Intandem is used as the basis for the mid-point wages.

This method takes into account the time that employee has been in the position and their current wages in relation to the market value of their position. The process of reaching

market value (mid-point) occurs over a 3-year period.

Employees who began working in their position prior to July 1, receive 25% of the difference between their pay and mid-point in late December of the current year. They will then receive half of the remaining difference each of the next two Decembers, which will bring them to mid-point.

Employees who began working in their position on July 1 or later, will not receive any increase in December of the current year. They will receive half of the difference each of the following two Decembers, which will bring them to mid-point.

Please see the attached spreadsheet for supporting documentation for the wage and salary increases applied to those employees below midpoint in reference to Commission Staff's First Request for Information, Item 21.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION—01/19/22

REQUEST 10

RESPONSIBLE PERSON: Michelle Herrman

COMPANY: South Kentucky RECC

Request 10. Refer to the Herrman Testimony, page 13, lines 3-5. Ms. Herrman requests that the Commission approve the “modest” increase.

- a. Define modest.
- b. Explain why South Kentucky RECC waited 10 years to request a rate increase.

Response 10.

a. According to the most recent edition of the *Merriam-Webster* dictionary “modest” can mean “limited in size, amount or scope.” In South Kentucky’s opinion “modest” can have a meaning other than a simple calculation of the dollar or percentage amount of a requested rate increase. South Kentucky believes the requested rate increase is modest since it both matches the revenue requirement which Mr. Seelye’s comprehensive Cost of Service Study indicated was appropriate, and it seeks the implementation of a Commission-approved rate phase-in as a way to mitigate the combined effects of the impact of the COVID-19 epidemic and the recent rate increase approved for

East Kentucky Power Cooperative which was passed through to South Kentucky's member consumers.

b. As a non-profit electric cooperative South Kentucky is owned by the member consumers it serves. As is often the case with other Kentucky electric distribution cooperatives serving largely rural residential consumers, South Kentucky has been reluctant to raise rates understanding the negative effect that any rate increase could have on its consumers, especially those considered to be low-income. In retrospect, South Kentucky could have instituted a series of smaller rate requests during the past ten years in order to more closely align annual revenues with its costs to serve, and simultaneously practice rate gradualism.

SOUTH KENTUCKY RECC

PSC CASE NO. 2021-00407

SECOND REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22

REQUEST 11

RESPONSIBLE PERSON: Michelle Herrman

COMPANY: South Kentucky RECC

Request 11. Refer to the Herrman Testimony, Exhibit MDH-1. Provide an update to this table with the monthly 2021 benchmarks.

Response 11. Please see attached. The attachment is an Excel spreadsheet which is being uploaded into the electronic filing system separately.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 12**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye

COMPANY: South Kentucky RECC

Request 12. Refer to the Application, Exhibit 10, Direct Testimony of William Steven Seelye (Seelye Testimony), page 10, lines 12-13. Mr. Seelye notes that South Kentucky RECC experienced increased write-offs due to the high level of unpaid bills related to the COVID-19 pandemic.

- a. Provide the number and percentage of residential customers who did not pay their bill during the disconnect moratorium.
- b. Provide the number and percentage of residential customers who elected to move to a payment plan following the disconnect moratorium.
- c. Provide the number and percentage of residential customers who have defaulted on the payment plan.
- d. Provide a-c above for commercial customers.
- e. Provide a-c above for industrial customers.

Response 12.

a. South Kentucky's system does not track the number of members who do not pay their bill by class. However, it should be noted that all prepay members are residential members.

b. For South Kentucky's traditional post-pay members, 1,006 entered into payment plans. This is equal to 0.4% of our membership. Prepay members rolling their balances into automatic debt management plan accounts were 1,290, or 31.7% of 4,070 prepay accounts. Using both prepay and post-pay members, 0.9% of South Kentucky members account entered into payment arrangement plans.

c. The number of post-pay members who have defaulted on their payment plans at this time are six, or 0.009% of the total membership. However, it should be noted that we saw an increase in the number of disconnections and dollars written off due to nonpayment in the months following the moratorium due to members who simply abandoned their accounts. Please see the attached spreadsheet for details.

d. Please see the response to 12a above. Commercial customers were not offered payment plans.

e. Please see the response to 12a above. Industrial customers were not offered payment plans.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 13**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye
COMPANY: South Kentucky RECC

Request 13. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.01.
Provide support for the annual wage and salary increase for 2020 and 2021.

Response 13. This number was arrived at using the 12 months of a 3% increase in salary as a pool of dollars from the 2019 budget of \$150,625, for a total of \$301,250, plus 6 months of a 3% increase in salary as a pool of dollars from the 2020 budget of \$153,487. The calculated total is \$454,737. South Kentucky acknowledges a difference of \$154.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 14**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye
COMPANY: South Kentucky RECC

Request 14. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.02.
Provide support for the annual cost of the Board of Directors Election of \$60,000.

Response 14. The \$60,000 annual cost amount is the cost that was budgeted for the Board of Directors election costs. Please see attached The attachment is the support for the most recent election held during 2021 with a total cost of \$64,330.74. For more information of the Board of Directors election costs, please refer to South Kentucky's response to AG 1-25d.

**Director Election
Project 245
Question #14**

Credentials/Election Committee

	Amt Paid	Check/ACH
George James Elmore	\$250.00	195110
John Paul Jones	\$1,500.00	195632
John Paul Jones	\$2,600.00	197464
James M Hancock	\$1,350.00	197467
Lyndon Turpin	\$2,300.00	197465
George James Elmore	\$2,512.00	197463
Total	\$10,512.00	

Attorney Expenses

Goss Samford	\$1,534.00	5053
Goss Samford	\$1,947.00	5112
Goss Samford	\$1,036.82	5166
Goss Samford	\$236.00	5242
Goss Samford	\$756.00	5406
Goss Samford	\$63.00	5527
Total	\$5,572.82	

Ballot Services

Survey & Ballot	\$14,872.00	186107
Survey & Ballot	\$26,045.70	5352
Survey & Ballot	\$7,277.94	5502
Total	\$48,195.64	

Background Checks	\$230.28	5293
Reimburse Background ck(Nelson)	-\$60.00	7437
Reimburse Background ck(Epperson)	-\$60.00	1769
Reimburse Background ck(Beard)	-\$60.00	3352
Total	\$50.28	

Total Project 245	\$64,330.74	
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SOUTH KENTUCKY RECC

ACCOUNT ANALYSIS
 FROM ACCT: 92300 OUTSIDE SERVICES EMPLOYED
 THRU ACCT: 93020 MISCELLANEOUS GENERAL EXPENSES
 DATE RANGE FROM 01/01/20 TO 12/31/21

PAGE NO 1
 RUN DATE 1/21/2022 17:11:29

DATE	ACCOUNT	ITEM	ID	DEPT	VENDOR	VENDNAME	DEBIT	CREDIT	DESCRIPTION	CHECK	ACH	SEQ	BALANCE	TR
09/30/20	923.00	MSAD	29	1904	33304870	GOSS SAMFORD PLLC	708.00	.00	GOSS SAMFORD			5053	708.00	1
10/31/20	923.00	MSAD	29	1904	33304870	GOSS SAMFORD PLLC	1,947.00	.00	GOSS SAMFORD			5112	2,655.00	1
11/23/20	930.20	BDEX	20	1904	44411027	GEORGE JAMES ELMORE	250.00	.00	GEORGE JAMES ELMORE	195110			2,905.00	1
11/30/20	923.00	MSAD	29	1904	33304870	GOSS SAMFORD PLLC	1,036.82	.00	GOSS SAMFORD			5166	3,941.82	1
12/31/20	930.20	BDEX	03	1904	44411823	JOHN PAUL JONES II	1,500.00	.00	JOHN PAUL JONES	195632			5,441.82	1
12/31/20	923.00	MSAD	29	1904	33304870	GOSS SAMFORD PLLC	236.00	.00	GOSS SAMFORD			5242	5,677.82	1
12/31/20	923.00	MSAD	29	1904			.00	708.00-	JE 12640-GOSS SAMFORD				4,969.82	49
12/31/20	923.00	MSAD	29	1904			1,534.00	.00	JE 12460-GOSS SAMFORD				6,503.82	49
02/22/21	930.20	BDEX	20	1904	33305500	U S BANK	230.28	.00	BACKGROUND CHECKS			5293	6,734.10	1
02/24/21	930.20	BDEX	20	1904			.00	60.00-	CATHY EPPERSON-BACKGROUND CHECK				6,674.10	80
02/24/21	930.20	BDEX	20	1904			.00	60.00-	GREG BEARD-BACKGROUND CHECK				6,614.10	80
02/24/21	930.20	BDEX	20	1904			.00	60.00-	TOMMY NELSON JR-BACHGROUND CHECK				6,554.10	80
03/24/21	930.20	MSAD	26	1904	33304891	SURVEY & BALLOT SYSTEMS INC	26,045.70	.00	SURVEY & BALLOT			5352	32,599.80	1
03/31/21	923.00	MSAD	29	1904	33304870	GOSS SAMFORD PLLC	756.00	.00	GOSS SAMFORD			5406	33,355.80	1
05/31/21	930.20	MSAD	26	1904	33304891	SURVEY & BALLOT SYSTEMS INC	7,277.94	.00	SURVEY & BALLOT			5502	40,633.74	1
05/31/21	923.00	MSAD	29	1904	33304870	GOSS SAMFORD PLLC	63.00	.00	GOSS SAMFORD			5527	40,696.74	1
06/30/21	930.20	MSAD	26	1904			14,872.00	.00	JE 12531-SURVEY & BALLOT				55,568.74	49
06/30/21	930.20	BDEX	03	1904	44411824	LYNDON R TURPIN	2,300.00	.00	LYNDON TURPIN				57,868.74	1
06/30/21	930.20	BDEX	03	1904	44411824	LYNDON R TURPIN	.00	2,300.00-	LYNDON TURPIN				55,568.74	1
06/30/21	930.20	BDEX	20	1904	44411824	LYNDON R TURPIN	2,300.00	.00	LYNDON TURPIN			197465	57,868.74	1
06/30/21	930.20	BDEX	20	1904	44411027	GEORGE JAMES ELMORE	2,512.00	.00	GEORGE JAMES ELMORE			197463	60,380.74	1
06/30/21	930.20	BDEX	20	1904	44411823	JOHN PAUL JONES II	2,600.00	.00	JOHN PAUL JONES			197464	62,980.74	1
06/30/21	930.20	BDEX	20	1904	44415431	JAMES M HANCOCK	1,350.00	.00	JAMES M HANCOCK			197467	64,330.74	1
Total Records: 23							Total Quantity:	.00	Total Debit:	67,518.74	Total Credit:	3,188.00-	Net Balance:	64,330.74

JIM ELMORE

~~33 Ray Brown Road~~

~~Albany KY 42602~~

November 16, 2020

SKRECC Credentials and Elections Committee – 2020

INVOICE

10/08/20	Receive email for review of proposed Elections Manual	
10/15/20	Consultation with Jay Jones after review of manual:	<u>2.00 hrs.</u>
	TOTAL:	2.00 hrs.
	Two Hours at \$125.00 / hour	\$250.00

Board Election Expense

Thank you.

44411027

BDEX 20 - 1904 - 930.20 MBH

11/19/20

245



AB
11/25/20



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK 73-4857421
SOMERSET, KENTUCKY 42501 GENERAL FUND

No. (CHK)
0195110

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
------------	-----------	------	-----------------

PAY

44411027 195110 11/25/20

250.00

TWO HUNDRED FIFTY DOLLARS AND ZERO CENTS

TO THE ORDER OF

ELMORE, GEORGE JAMES

RAY, BROWN
ALBANY, KY 42602-8170

"VOID"

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0195110

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
111620	ELECTIONS/CREDENTIALS COMMITTEE	11/23/20	0	250.00

JOHN PAUL JONES II
Attorney at Law

~~Michigan Avenue~~
~~Monticello, Kentucky 42638~~

Phone ~~606 318-9381~~

Fax ~~606 318-9381~~

~~johnjones@windstream.net~~

November 16, 2020

Kenneth E. Simmons
President and CEO, South KY RECC
P.O. Box 910
Somerset KY 42502-0910



RE: South Kentucky RECC Elections Manual

SERVICES	TIME
07/13/20 - Consultations, Telephone Calls and Email Correspondence;	
10/16/20 Drafting, Review, and Completion of Elections Manual:	12.00 hrs.

Twelve Hours at \$125.00 Per Hour: \$1,500.00

TOTAL: \$1,500.00

Thank you.

444 11823 BPEX 20 1904 930.20
#245 MOIT 1/21/21



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK 73-485; 421
SOMERSET, KENTUCKY 42501 GENERAL FUND

No. (CHK)
0195632

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
------------	-----------	------	-----------------

PAY 44411823 195632 01/21/21 1,500.00
ONE THOUSAND, FIVE HUNDRED DOLLARS AND ZERO CENTS

TO THE ORDER OF

JONES II, JOHN PAUL



"VOID"

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0195632

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
111620	ELECTIONS/CREDENTIALS COMMITTEE	12/31/20	0	1,500.00



200 Electric Avenue
Post Office Box 910
Somerset KY 42502-0910
Telephone 606-678-4121
Toll Free 800-264-5112
Fax 606-679-8279
www.skrecc.com

MEMORANDUM

Handwritten initials and date: JSB 07/12/21

TO: Accounting
FROM: Ken Simmons
SUBJECT: Issue Checks – 2021 Elections & Credentials Committee Me
DATE: June 30, 2021



Please issue the following four checks:

Payable to: Jay Jones (John Paul Jones II), [Redacted]
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$200 Chairman Fee
\$350 Per Meeting Fee (11/16, 1/16, 3/19, 5/11) x 4 = \$1,400 # 245
Total Check: \$2,600.00 444 118 23 - BDEX 20-1904 - 930.20

Payable To: Lyndon (Lyn) Turpin, [Redacted]
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (11/16, 1/16, 3/19) x 3 = \$1,050
\$250 Meeting and Consultation on Elections Manual (10/8 & 10/15)
Total Check: \$2,300.00 AB 7/16/21

Payable to: Jim Elmore, [Redacted]
Mileage: .56 per mile x 200 miles = \$112.00
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (11/16, 1/16, 3/19, 5/11) x 4 = \$1,400
Total Check: \$2,512.00

Payable to: James M. Hancock, [Redacted]
(See W-9 Attached)
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (5/11) x 1 = \$350
Total Check: \$1,350

*Note: Fee for serving on the elections and credentials committee includes all phone calls, email correspondence, meetings, any appeals process, official certification of ballots results and correspondence by mail – if necessary.

JOHN PAUL JONES II
Attorney at Law

[REDACTED]
[REDACTED]
[REDACTED]

Phone **[REDACTED]**

Fax **[REDACTED]**

[REDACTED]

June 23, 2021

Kenneth E. Simmons
President and CEO, South KY RECC
P.O. Box 910
Somerset KY 42502-0910

RE: SKRECC Credentials and Elections Committee
Board of Directors Election 2021

11/16/21	(Virtual) meeting - Review candidates' applications and verify petition signatures:	1.00 hr.
01/16/21	Meeting, travel - review candidates' applications and Verify petition signatures:	4.00 hrs.
03/19/21	(Virtual) meeting - Review board of directors election ballots:	1.00 hr.
05/11/21	Meeting, travel - review Survey & Ballot Systems report:	3.00 hrs.
	Miscellaneous telephone calls / emails to Michael Hancock, Ken Simmons, Mark David Goss:	3.00 hrs.
Total Time:		12.00 hrs.

Thank you.



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK 73-485 / 421
SOMERSET, KENTUCKY 42501 GENERAL FUND

No. (CHK)
0197464

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
------------	-----------	------	-----------------

PAY 44411823 197464 07/15/21 2,600.00
TWO THOUSAND, SIX HUNDRED DOLLARS AND ZERO CENTS

TO THE ORDER OF

JONES II, JOHN PAUL
59 MICHELAN AVENUE
MONTICELLO, KY 42633-1290

"VOID"

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0197464

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
063021	ELECTIONS/CREDENTIALS COMMITTEE	06/30/21	0	2,600.00



200 Electric Avenue
Post Office Box 910
Somerset KY 42502-0910
Telephone 606-678-4121
Toll Free 800-264-5112
Fax 606-679-8279
www.skrecc.com

MEMORANDUM

Handwritten initials and date: JS 07/12/21

TO: Accounting
FROM: Ken Simmons
SUBJECT: Issue Checks – 2021 Elections & Credentials Committee M
DATE: June 30, 2021



\$44415431



~063021

Please issue the following four checks:

Payable to: Jay Jones (John Paul Jones II), [Redacted]
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$200 Chairman Fee
\$350 Per Meeting Fee (11/16, 1/16, 3/19, 5/11) x 4 = \$1,400
Total Check: \$2,600.00

Payable To: Lyndon (Lyn) Turpin, [Redacted]
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (11/16, 1/16, 3/19) x 3 = \$1,050
\$250 Meeting and Consultation on Elections Manual (10/8 & 10/15)
Total Check: \$2,300.00

Payable to: Jim Elmore, [Redacted]
Mileage: .56 per mile x 200 miles = \$112.00
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (11/16, 1/16, 3/19, 5/11) x 4 = \$1,400
Total Check: \$2,512.00

Handwritten: AB 7/16/21

Payable to: James M. Hancock, [Redacted]
(See W-9 Attached)
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (5/11) x 1 = \$350
Total Check: \$1,350 *44415431 - BDEX 20.1904.930.20 #245*

*Note: Fee for serving on the elections and credentials committee includes all phone calls, email correspondence, meetings, any appeals process, official certification of ballots results and correspondence by mail – if necessary.

INVOICE

JIM HANCOCK

[REDACTED]
[REDACTED]

June 23, 2021

SKRECC Credentials and Elections Committee
Board of Directors Election 2021

05/11/21	Meeting – review Survey & Ballot Systems report:	2.00 hrs.
04/_/21	Telephone discussion about accepting vacated position on SKRECC Credentials & Elections Committee:	<u>1.00 hour</u>
	Total Time:	3.00 hrs.

Thank you.



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK 73-4851421
SOMERSET, KENTUCKY 42501 GENERAL FUND

No. (CHK)
0197467

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY 44415431 197467 07/15/21 1,350.00
ONE THOUSAND, THREE HUNDRED FIFTY DOLLARS AND ZERO CENTS

TO THE ORDER OF

HANCOCK, JAMES M

[REDACTED ADDRESS]

"VOID"

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0197467

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
063021	ELECTIONS/CREDENTIALS COMMITTEE	06/30/21	0	1,350.00



200 Electric Avenue
Post Office Box 910
Somerset KY 42502-0910
Telephone 606-678-4121
Toll Free 800-264-5112
Fax 606-679-8279
www.skrecc.com

MEMORANDUM

Handwritten initials and date: JS 07/12/21

TO: Accounting
FROM: Ken Simmons
SUBJECT: Issue Checks – 2021 Elections & Credentials Committee
DATE: June 30, 2021



#44411824



~063021

Please issue the following four checks:

Payable to: Jay Jones (John Paul Jones II), [Redacted]
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$200 Chairman Fee
\$350 Per Meeting Fee (11/16, 1/16, 3/19, 5/11) x 4 = \$1,400
Total Check: \$2,600.00

Payable To: Lyndon (Lyn) Turpin, [Redacted] *AB 7/16/21 # 245*
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (11/16, 1/16, 3/19) x 3 = \$1,050
\$250 Meeting and Consultation on Elections Manual (10/8 & 10/15)
Total Check: \$2,300.00 *444 11824 - BDEX 20 1904 930.20*

Payable to: Jim Elmore, [Redacted]
Mileage: .56 per mile x 200 miles = \$112.00
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (11/16, 1/16, 3/19, 5/11) x 4 = \$1,400
Total Check: \$2,512.00

Payable to: James M. Hancock, [Redacted]
(See W-9 Attached)
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (5/11) x 1 = \$350
Total Check: \$1,350

*Note: Fee for serving on the elections and credentials committee includes all phone calls, email correspondence, meetings, any appeals process, official certification of ballots results and correspondence by mail – if necessary.

INVOICE

LYNDON R. TURPIN

~~25 Parkers Mill Road~~

~~[Redacted]~~

June 23, 2021

SKRECC Credentials and Elections Committee
Board of Directors Election 2021

11/16/21	(Virtual) meeting - Review candidates' applications and verify petition signatures:	1.00 hr.
01/16/2	Meeting - review candidates' applications and Verify petition signatures:	3.00 hrs.
03/19/21	(Virtual) meeting - Review board of directors election ballots:	<u>1.00 hr.</u>
	Total:	5.00 hrs.

Thank you.



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK 73-4851421
SOMERSET, KENTUCKY 42501 GENERAL FUND

No. (CHK)
0197465

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
------------	-----------	------	-----------------

PAY 44411824 197465 07/15/21 2,300.00
TWO THOUSAND, THREE HUNDRED DOLLARS AND ZERO CENTS

TO THE ORDER OF

TURPIN, LYNDON R
[REDACTED]
SOMERSET, KY 42503-6304

VOID

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0197465

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
063021	ELECTIONS/CREDENTIALS COMMITTEE	06/30/21	0	2,300.00



200 Electric Avenue
Post Office Box 910
Somerset KY 42502-0910
Telephone 606-678-4121
Toll Free 800-264-5112
Fax 606-679-8279
www.skrecc.com

MEMORANDUM

TO: Accounting
FROM: Ken Simmons
SUBJECT: Issue Checks – 2021 Elections & Credentials Committee Merr
DATE: June 30, 2021

Handwritten initials and date: JS 07/12/21



Please issue the following four checks:

Payable to: Jay Jones (John Paul Jones II), [Redacted]
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$200 Chairman Fee
\$350 Per Meeting Fee (11/16, 1/16, 3/19, 5/11) x 4 = \$1,400
Total Check: \$2,600.00

Payable To: Lyndon (Lyn) Turpin, [Redacted]
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (11/16, 1/16, 3/19) x 3 = \$1,050
\$250 Meeting and Consultation on Elections Manual (10/8 & 10/15)
Total Check: \$2,300.00

Handwritten initials and date: AB 7/16/21

Payable to: Jim Elmore, [Redacted]
Mileage: .56 per mile x 200 miles = \$112.00
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (11/16, 1/16, 3/19, 5/11) x 4 = \$1,400
Total Check: \$2,512.00

Handwritten notes: # 245, 444 11027, BDEX 20, 1904, 930.20

Payable to: James M. Hancock, [Redacted]
(See W-9 Attached)
\$1,000 Fee for Serving on Elections and Credentials Committee*
\$350 Per Meeting Fee (5/11) x 1 = \$350
Total Check: \$1,350

*Note: Fee for serving on the elections and credentials committee includes all phone calls, email correspondence, meetings, any appeals process, official certification of ballots results and correspondence by mail – if necessary.

INVOICE**JIM ELMORE****[REDACTED]
[REDACTED]
[REDACTED]**

June 23, 2021

**SKRECC Credentials and Elections Committee
Board of Directors Election 2021**

11/16/21	(Virtual) meeting - Review candidates' applications and verify petition signatures:	1.00 hr.
01/16/21	Meeting, travel* - review candidates' applications and Verify petition signatures:	5.00 hrs.
03/19/21	(Virtual) meeting - Review board of directors election ballots:	1.00 hr.
05/11/21	Meeting, travel* - review Survey & Ballot Systems report:	<u>4.00 hrs.</u>
Total Time:		11.00 hrs.

***Mileage:**

01/16/21	100 miles round trip
05/11/21	100 miles round trip

Total Mileage: 200.00 Miles

Thank you.



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK
SOMERSET, KENTUCKY 42501

73-485/421
GENERAL FUND

No. (CHK)
0197463

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
------------	-----------	------	-----------------

PAY

44411027 197463 07/15/21

2,512.00

TWO THOUSAND, FIVE HUNDRED TWELVE DOLLARS AND ZERO CENTS

TO THE ORDER OF

ELMORE, GEORGE JAMES

133 RAY SPRING ROAD
ALBANY KY 42502-8170

"VOID"

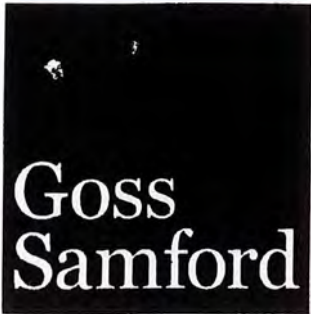
"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0197463

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
063021	ELECTIONS/CREDENTIALS COMMITTEE	06/30/21	0	2,512.00



ATTORNEYS AT LAW PLLC

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

October 6, 2020

Mr. Ken Simmons
President & CEO
South Kentucky RECC
P. O. Box 910
Somerset, KY 42501



Re: Invoice for September 1, 2020 to September 30, 2020 33304870

Dear Ken:

MSAD 29-1904-923.00 - 2798.08
Project #212-1904-923.00 - 1534.00
1900-923.00 - 708.00

Please find enclosed the invoices for legal services performed by Goss Samford, PLLC on behalf of South Kentucky RECC for the period September 1, 2020 to September 30, 2020. 5040.68
Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing is as follows:

<i>Matter Description</i>	<i>Amount</i>
-Special Counsel for South Kentucky RECC	\$5,040.68
TOTAL:	<u>\$5,040.68</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent South Kentucky RECC and we thank you for allowing us the opportunity to work with you.

Handwritten signature and date: 10/13/20

Sincerely,

Handwritten signature of Mark David Goss

Mark David Goss

Enclosures

Handwritten note: Mark 10/15/20

Timekeeper Summary

Timekeeper MDG worked 16.80 hours at \$295.00 per hour, totaling \$4,956.00.

Cost Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
9/30/2020	Vendor: Mark David Goss; Invoice #: MDG - Sept. 20 Exp.; Date: 9/30/2020 - Travel Expense- September 2020 Expenses Payee: Mark David Goss	\$84.68
Total Costs		\$84.68

Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
9/18/2020	Paid by ACH	(\$7,668.00)
9/18/2020	Paid by ACH	(\$4.20)
Total Payments Received:		(\$7,672.20)

Current Invoice Summary

Prior Balance:	\$7,672.20	
Payments Received:	(\$7,672.20)	Last Payment: 9/18/2020
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$4,956.00	
Advanced Costs:	\$84.68	
TOTAL AMOUNT DUE:	\$5,040.68	

Bd mtg - \$2,714.00 (1904)
 2020/21 Director Election - \$1,534.00 (1904)
 Legal - \$708.00 (1900)

 \$4,956.00
 Misc. 84.68

 \$5,040.68

0.0

0.0

2.1.20

147.5 +

3.2.20

560.5 +

1.10.20

1,358.5 +

1.28.20

147.5 +

001

2,711.5 *

↳ Board meeting

1.1.20

88.5 +

1.15.20

826. +

1.22.20

619.5 +

003

1,571.5 *

↳ Director Election

1.2.20

118. +

1.9.20

351. +

1.16.20

236. +

003

708. *

Bd

Legal

Lana Sidwell

From: Amy Acton
Sent: Wednesday, October 14, 2020 1:11 PM
To: Lana Sidwell
Subject: Re: GOSS

Yes

Amy A. Acton
Assistant to President/CEO and Board of Directors
South Kentucky RECC
PH: 606.678.4121 Ext. 4120
FX: 606.451.4320
Visit our website at www.skrecc.com

"Coal - it keeps the lights on"

On Oct 14, 2020, at 1:10 PM, Lana Sidwell <lanas@skrecc.com> wrote:

The election expense is all for next year's election?
Thanks



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK
SOMERSET, KENTUCKY 42501 73-4851/421
GENERAL FUND

No. (ACH)
0005053

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY 33304870 5053 10/15/20 5,040.68
FIVE THOUSAND, FORTY DOLLARS AND SIXTY-EIGHT CENTS

TO THE ORDER OF
GOSS SAMFORD PLLC
SUITE B-325
2365 HARRODSBURG ROAD
LEXINGTON, KY 40504-3300

"VOID"

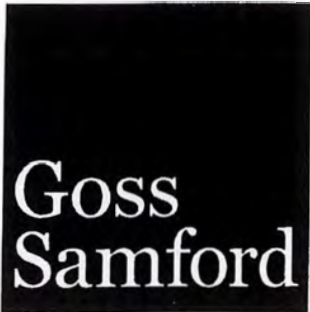
"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0005053

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
093020	SEPTEMBER BILLING	09/30/20	0	5,040.68



ATTORNEYS AT LAW PLLC

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

November 10, 2020

Mr. Ken Simmons
President & CEO
South Kentucky RECC
P. O. Box 910
Somerset, KY 42501

Re: Invoice for October 1, 2020 to October 31, 2020 ~~33304870~~
MSRD 29 - 1904 - 923.00 - 5124.26

Dear Ken:

~~245~~ - 1904 - 923.00 - 1947.00
1900 - 923.00 - 1419.00

Please find enclosed the invoices for legal services performed by Goss Samford, PLLC on behalf of South Kentucky RECC for the period October 1, 2020 to October 31, 2020. Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing is as follows:

<i>Matter Description</i>	<i>Amount</i>
-Special Counsel for South Kentucky RECC	\$8,637.76
TOTAL:	<u>\$8,637.76</u>

- 147.50

\$8,490.26

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent South Kentucky RECC and we thank you for allowing us the opportunity to work with you.

MSRD
11/19/20

Handwritten signature
11/17/20

Sincerely,

Handwritten signature of Mark David Goss

Mark David Goss



\$33304870



~183128

LEGAL

147.50 1900
 180.00
 855.50
 147.50
 88.50

 1419.00

BO Meeting

147.50 1904
 2153.50
 354.00
 84.68

 2739.68
 354.00

 3093.68

BO Elections

560.50 1904
 824.00
 413.00
 147.50

 1947.00

BO Legal

324.50
 675 1904

 5.88

 22.20

 1027.58

Board Policy

1003 1904

~~1551~~

005

1,519.00 + Legal
 3,093.68 + BO MTG
 1,947.00 + BO Election
 1,027.58 + BO Legal
 1,003.00 + BO Policy

8,400.56

Witnesses: Michelle Herrman and Steve Seelye



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland
SECURITY BANK
SOMERSET, KENTUCKY 42501
73-4851421
GENERAL FUND

No. (ACH)
0005112

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY 33304870 5112 11/19/20 8,490.26
EIGHT THOUSAND, FOUR HUNDRED NINETY DOLLARS AND TWENTY-SIX CENTS

TO THE ORDER OF []
GOSS SAMFORD PLLC
SUITE B-325
2365 HARRODSBURG ROAD
LEXINGTON, KY 40504-3300

~~VOID~~

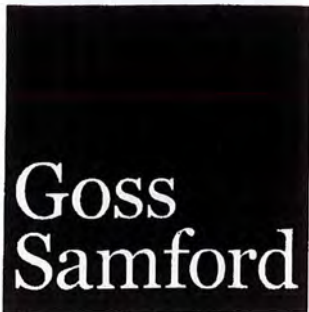
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SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0005112

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
103120	OCTOBER BILLING	10/31/20	0	8,490.26



ATTORNEYS AT LAW | PLLC

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

December 8, 2020

Mr. Ken Simmons
President & CEO
South Kentucky RECC
P. O. Box 910
Somerset, KY 42501



Re: Invoice for November 1, 2020 to November 30, 2020 ³³³⁰⁴⁸⁷⁰
MSAO 29.1904 ~~245~~ 923.00 - 1036.82

Dear Ken:

1904 . 923.00 . 1135.08
1900 . 923.00 . 1052.00

Please find enclosed the invoices for legal services performed by Goss Samford, PLLC on behalf of South Kentucky RECC for the period November 1, 2020 to November 30, 2020. Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing is as follows:

<i>Matter Description</i>	<i>Amount</i>
-Special Counsel for South Kentucky RECC	\$3,823.90
<i>TOTAL:</i>	<u>\$3,823.90</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent South Kentucky RECC and we thank you for allowing us the opportunity to work with you.

Sincerely,

Mark David Goss

AB
12/17/20

Enclosures

Legal

206.50
1327.50 1900
118.00

6652.00

Board Elections

236.00
265.50 1904
118.00
413.00

6,032.50

4.32

1036.82

Board Legal

1904 236.00
147.50
59.00

442.50

9.60

5.88

12.60

470.58

Regulatory

147.50
147.50
147.50

45.00

118.00

~~59~~
605.50

59.00

664.50

at Replaces
in House
training

~~3,741.50~~

3823.90



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK
SOMERSET, KENTUCKY 42501 73-485 / 421
GENERAL FUND

No. (ACH)
0005166

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY 33304870 5166 12/17/20 3,823.90
THREE THOUSAND, EIGHT HUNDRED TWENTY-THREE DOLLARS AND NINETY CENTS

TO THE ORDER OF
GOSS SAMFORD PLLC
SUITE B-325
2365 HARRODSBURG ROAD
LEXINGTON, KY 40504-3300

~~VOID~~

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0005166

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
113020	NOVEMBER BILLING	11/30/20	0	3,823.90



ATTORNEYS AT LAW | PLLC

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

January 15, 2021

Mr. Ken Simmons
President & CEO
South Kentucky RECC
P. O. Box 910
Somerset, KY 42501

Re: Invoice for December 1, 2020 to December 31, 2020 **33304870**

MSAD 29. 1904. # 245. 923.00 . 226.00

1900 - 923.00 - 14,598.50

1904 - 923.00 - 2,811.78

Dear Ken:

Please find enclosed the invoices for legal services performed by Goss Samford, PLLC on behalf of South Kentucky RECC for the period December 1, 2020 to December 31, 2020. Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing is as follows:

<i>Matter Description</i>	<i>Amount</i>
-Special Counsel for South Kentucky RECC	\$17,647.18
	< 90 > REH 5100
TOTAL:	<u>\$17,647.18</u> 17,646.28

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent South Kentucky RECC and we thank you for allowing us the opportunity to work with you.



*33304870



~123120

Enclosures

Sincerely,

Mark David Goss

AD
1/28/21

MDH
1/26/21

1900
Regulatory

826.00
 787.50
 180.00
 383.50
 630.00
 236.00
 708.00
 531.00
 135.00
 337.50
 531.00
 180.00
 112.50
 1652.00
 442.50
 135.00
 855.50
 675.00
 678.50
 630.00
 59.00
 619.50
 767.00
 112.50
 236.00
 270.00
12,710.50

Director 1904
Litigation

88.50

Board 1904
Elections

236.00

Board 1904
MTG

265.50
 1974.50
2242.00

Legal 1900

737.50
 206.50
 383.50
 354.00
 88.50
 118.00
1888.00

Board 1904
Legal

383.50

Travel / copies

97.78 1904

- 12,710.00 * Reg
- 88.50 * Dir. Litigation
- 236.00 * Bd Elections
- 2,242.00 * Board MTG
- 1,814.00 * Legal
- 383.50 * Board legal
- 97.78 * Travel / copies

007

17,571.00 *

17,571.00 - unpaid previous Bill ?

17,647.18

See attached - our check was for \$3823.90 (Act payment)

Please send documentation w/ payment of \$17,646.28



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK 73-4851421
SOMERSET, KENTUCKY 42501 GENERAL FUND

No. (ACH)
0005242

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY

33304870 5242 01/28/21 17,646.28
SEVENTEEN THOUSAND, SIX HUNDRED FORTY-SIX DOLLARS AND TWENTY-EIGHT CEN

**TO
THE
ORDER
OF**

GOSS SAMFORD PLLC
SUITE B-325
2365 HARRODSBURG ROAD
LEXINGTON, KY 40504-3300

~~VOID~~

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0005242

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
123120	DECEMBER BILLING	12/31/20	0	17,646.28

Goss Samford

ATTORNEYS AT LAW | PLLC

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

April 13, 2021

Mr. Ken Simmons
President & CEO
South Kentucky RECC
P. O. Box 910
Somerset, KY 42501



Re: March 1, 2021 to March 31, 2021 33304870
MSAD 29-1904-923.00-6121.98

Dear Ken:

MSAD 29-1904-~~245~~-923.00-756.00
MSAD 29-1900-923.00-1993.46

Please find enclosed the invoices for legal services performed by Goss Samford, PLLC on behalf of South Kentucky RECC for the period March 1, 2021 to March 31, 2021. Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing is as follows:

<i>Matter Description</i>	<i>Amount</i>
- Special Counsel for South Kentucky RECC-current	\$7,854.48
-2021 General Rate Adjustment-current	\$1,016.96
TOTAL:	<u>\$8,871.44</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent South Kentucky RECC and we thank you for allowing us the opportunity to work with you.

MDG
4/16/21

Sincerely,

Mark David Goss

Mark
4/22/21

Enclosures

**Goss/Samford Billing
4/13/2021**

Board Legal	Board Meeting	Board Election	Board Policy	Regulatory	Legal
378.00 ✓	2,079.00 ✓	126.00 ✓	315.00 ✓	291.50	126.00 ✓
315.00 ✓	157.50 ✓	157.50 ✓	157.50 ✓	346.50	472.50 ✓
	2,457.00 ✓	126.00 ✓		378.00	378.00
	94.50 ✓	126.00 ✓		0.96	
	0.48	157.50 ✓			
	84.00	63.00 ✓			
	84.00				
33304670					
msad 29-					
1904 .693.00	1904 4,956.48	1904 756.00	1904 472.50	1900 1,016.96	1900 976.50
		# 24B			
				Total Billing	\$ 8,871.44

Witnesses: Michelle Herrman and Steve Seelye



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK
SOMERSET, KENTUCKY 42501
73-485 / 421
GENERAL FUND

No. (ACH)
0005406

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY

33304870 5406 04/22/21 8,871.44
EIGHT THOUSAND, EIGHT HUNDRED SEVENTY-ONE DOLLARS AND FORTY-FOUR CENTS

TO THE ORDER OF

GOSS SAMFORD PLLC
SUITE B-325
2365 HARRODSBURG ROAD
LEXINGTON, KY 40504-3300

~~VOID~~

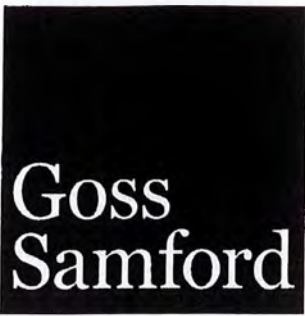
"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0005406

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
033121	MARCH BILLING	03/31/21	0	8,871.44



ATTORNEYS AT LAW | PLLC

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

June 11, 2021

Mr. Ken Simmons
President & CEO
South Kentucky RECC
P. O. Box 910
Somerset, KY 42501



Re: May 1, 2021 to May 31, 2021

33304870

MSAD 29 Dept 1904 923.00 \$3,139.66

MSAD 29 Dept 1904 923.00 \$ 63.00

MSAD 29 Dept 1900 923.00 1288.66

\$3,491.32

Proj # 245

Dear Ken:

Please find enclosed the invoices for legal services performed by Goss Samford, PLLC on behalf of South Kentucky RECC for the period May 1, 2021 to May 31, 2021. Please remit payment for the amount due within thirty days of today's date. A summary of the amount due and owing is as follows:

Matter Description	Amount
- Special Counsel for South Kentucky RECC-	
-Prior	\$0.00
-Current	\$3,428.32
-2021 General Rate Adjustment	
-Prior	\$0.00
-Current	\$63.00
TOTAL:	<u>\$3,491.32</u>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent South Kentucky RECC and we thank you for allowing us the opportunity to work with you.

[Handwritten signature]
6/22/21

AB
6/24/21

Sincerely,

[Handwritten signature of Mark David Goss]

Mark David Goss

Enclosures

Client Number: 7100
Matter Number: 1610

6/6/2021
Page: 2

Current Invoice Summary

Prior Balance:	\$220.00	
Payments Received:	(\$220.00)	Last Payment: 5/28/2021
Unpaid Prior Balance:	<u>\$0.00</u>	
Current Fees:	\$63.00	
Advanced Costs:	<u>\$0.00</u>	
TOTAL AMOUNT DUE:	<u><u>\$63.00</u></u>	

Client Number: 7100

Matter Number: 1600

6/6/2021

Page: 3

Current Invoice Summary

Prior Balance:	\$6,088.71	
Payments Received:	<u>(\$6,088.71)</u>	Last Payment: 5/28/2021
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$3,339.00	
Advanced Costs:	<u>\$89.32</u>	
TOTAL AMOUNT DUE:	<u><u>\$3,428.32</u></u>	

**Goss/Samford Billing
May 1 - May 31, 2021**

Board Legal		Board Meeting		Board Election		Board Policy		Regulatory		Legal	
157.50		94.50		63.00		252.00		63.00		157.50	
		220.50				126.00				1.80	
		2,079.00				1.44				3.36	
		126.00				0.96				63.00	
		81.76									
33304570 MSAD 29											
1904	157.50	1904	2,601.76	1904	63.00	1904	380.40	1900	63.00	1900	225.66
				#245							
Total Current										\$ 3,491.32	



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK 73-485 / 421
SOMERSET, KENTUCKY 42501 GENERAL FUND

No. (ACH)
0005527

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY

33304870 5527 06/24/21 3,491.32

THREE THOUSAND, FOUR HUNDRED NINETY-ONE DOLLARS AND THIRTY-TWO CENTS

TO
THE
ORDER
OF

GOSS SAMFORD PLLC
SUITE B-325
2365 HARRODSBURG ROAD
LEXINGTON, KY 40504-3300

"VOID"

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0005527

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
053121	MAY BILLING	05/31/21	0	3,491.32

Invoice



Survey & Ballot
systems

Survey & Ballot Systems Inc
7653 Anagram Drive
Eden Prairie, MN 55344
Accounting (952) 974-2319
FEIN: 41-1670555

AK

Amy Acton
South Kentucky Rural Electric Cooperative
Corporation
925-929 North Main Street
PO Box 910
Somerset, KY 42502

September 05, 2018
Invoice No: 11388

Invoice Total \$14,872.00

Project Manager Robert Clays
Brahd DirectVotePlus

Project 19-SKRECC-VOTE 2019 SKRECC Hybrid Election

PAYMENT TERMS: Net 30 Days

Phase 01 2019 SKRECC Election

\$14,872.00 per service agreement - 65% upon signing contract

Fee

14,872.00

Invoice Total \$14,872.00

165.24

33304891

MSAD 26.1904.93020

Project 221

O.K.
D.H.



#33304891



~11388

JE # 12524

JE # 12521

REMIT TO: 7653 Anagram Drive, Eden Prairie, MN 55344
ELECTRONIC PAYMENT: ABA: 091000022 Account: 133400742887 Swift Code: USBKUS44IMT US Bank 16 Ninth Ave North,
Hopkins, MN 55343
Interest will be charged at a rate of 1.5% per month on past due balances

THANK YOU FOR SELECTING SURVEY & BALLOT SYSTEMS!



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Witnesses: Michelle Herrman and Steve Seelye

SECURITY BANK 73-485 / 421
SOMERSET, KENTUCKY 42501 GENERAL FUND

No. (CHK)
0186107

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY 33304891 186107 09/27/18 14,872.00
FOURTEEN THOUSAND, EIGHT HUNDRED SEVENTY-TWO DOLLARS AND ZERO CENTS

TO
THE
ORDER
OF

SURVEY & BALLOT SYSTEMS INC
7653 ANAGRAM DRIVE
EDEN PRAIRIE MN 55344-0000

VOID

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0186107

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
11388	PROJECT: 2019 ELECTION	09/26/18	0	14,872.00

Invoice



Survey & Ballot
systems

Survey & Ballot Systems Inc
7653 Anagram Drive
Eden Prairie, MN 55344
Accounting (952) 974-2305
FEIN: 41-1670555

Amy Acton
South Kentucky Rural Electric Cooperative
Corporation
925-929 North Main Street
PO Box 910
Somerset, KY 42502

March 23, 2021
Invoice No: 14611

Invoice Total \$26,045.70

Project Manager Robert Clays
Brahd DirectVotePlus

Project 21-SKRECC-VOTE 2021 SKRECC Hybrid Election

PAYMENT TERMS: Net 5 Days

Phase 99 Postage

4/16 Estimated Mailing Postage and Business Reply Mail

Reimbursable Expenses

Postage - BRM			
3/23/2021	4/16 Business Reply Mail	3,080.40	
Postage - Outbound			
3/23/2021	4/16 Outbound Postage	22,965.30	
	Total Reimbursables	26,045.70	26,045.70
		Invoice Total	<u>\$26,045.70</u>

AB
3/25/21

MOI+
3/23/21

Director Election



33304891 # 245

MSAD 26 930.20 1904

REMIT TO: 7653 Anagram Drive, Eden Prairie, MN 55344
ELECTRONIC PAYMENT: ABA:091000022 Account: 133400742887 Swift Code: USBKUS44IMT US Bank 16 Ninth Ave North,
Hopkins, MN 55343 NOTIFICATION or QUESTIONS contact: johnpwesterhaus@surveyandballotsystems.com
Interest will be charged at a rate of 1.5% per month on past due balances

THANK YOU FOR SELECTING SURVEY & BALLOT SYSTEMS!



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK
SOMERSET, KENTUCKY 42501 73-485 / 421
GENERAL FUND

No. (ACH)
0005352

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY 33304891 5352 03/25/21 26,045.70
 TWENTY-SIX THOUSAND, FORTY-FIVE DOLLARS AND SEVENTY CENTS

TO THE ORDER OF SURVEY & BALLOT SYSTEMS INC
 7653 ANAGRAM DRIVE
 EDEN PRAIRIE MN 55344-7310

~~VOID~~

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
 SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0005352

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
14611	PROJECT: 2021 ELECTION	03/24/21	0	26,045.70

Invoice



Survey & Ballot
systems

Survey & Ballot Systems Inc
7653 Anagram Drive
Eden Prairie, MN 55344
Accounting (952) 974-2305
FEIN: 41-1670555

Michelle Herman
South Kentucky Rural Electric Cooperative
Corporation
925-929 North Main Street
PO Box 910
Somerset, KY 42502

May 27, 2021
Invoice No: 14901

Invoice Total \$7,277.94

Brand DirectVotePlus
Project Manager Robert Claus
Project 21-SKRECC-VOTE 2021 SKRECC Hybrid Election

*Mon 5/27/21 Project 245
33304891 MSAO 26
930.20
1904*

PAYMENT TERMS: Net 30 Days

TOTAL cost 48,195.64

Phase 01 2021 SKRECC Election

\$8,008.00 per service agreement - 35% due when results are delivered

Fee 8,008.00

Reimbursable Expenses

Shipping & Delivery

5/4/2021	4/13 1 skid Ballots sent	180.31
5/17/2021	5/11 Election Results to John Jones	61.38
5/17/2021	5/3 Ballot Packs to Ruth Thrasher	21.87

Total Reimbursables 263.56 263.56

Phase 44 Add On

\$585.00 Custom Report - Votes by Candidate County And District Region

\$185.00 Deliver emails capture off the web ballot

Fee 770.00

Phase 99 Postage



\$33304891



~14901

REMIT TO: 7653 Anagram Drive, Eden Prairie, MN 55344
ELECTRONIC PAYMENT: ABA: 09100022 Account: 133400742887 Swift Code: USBKUS44IMT US Bank 16 Ninth Ave North, Hopkins, MN 55343 NOTIFICATION or QUESTIONS contact: johnpwesterhaus@surveyandballotsystems.com
Interest will be charged at a rate of 1.5% per month on past due balances

THANK YOU FOR SELECTING SURVEY & BALLOT SYSTEMS!

*MLH
6/10/21*

Project	21-SKRECC-VOTE 2021 SKRECC Election	Invoice	14901
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Reimbursable Expenses

Postage - BRM

5/27/2021	Reconcile Estimated Business Reply	Prepaid: \$3,080.40 Actual: \$3,832.38	751.98
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Postage - Outbound

5/3/2021	Reconcile Estimated 4/16 Mailing Postage	Prepaid: \$22,965.30 Actual: \$20,449.70	-2,515.60
----------	---	---	-----------

Total Reimbursables**-1,763.62 -1,763.62****Invoice Total \$7,277.94**

REMIT TO: 7653 Anagram Drive, Eden Prairie, MN 55344
 ELECTRONIC PAYMENT: ABA: 091000022 Account: 133400742887 Swift Code: USBKUS44IMT US Bank 16 Ninth Ave North,
 Hopkins, MN 55343 NOTIFICATION or QUESTIONS contact: johnpwesterhaus@surveyandballotsystems.com
 Interest will be charged at a rate of 1.5% per month on past due balances

THANK YOU FOR SELECTING SURVEY & BALLOT SYSTEMS!

Witnesses: Michelle Herrman and Steve Seelye



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Cumberland SECURITY BANK SOMERSET, KENTUCKY 42501 73-485 / 421 GENERAL FUND

No. (ACH) 0005502

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY 33304891 5502 06/10/21 7,277.94
 SEVEN THOUSAND, TWO HUNDRED SEVENTY-SEVEN DOLLARS AND NINETY-FOUR CENT

TO THE ORDER OF

SURVEY & BALLOT SYSTEMS INC
 7653 ANAGRAM DRIVE
 EDEN PRAIRIE MN 55344-7310

~~VOID~~

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
 SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0005502

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
14901	PROJECT: 2021 ELECTION	05/31/21	0	7,277.94

Witnesses: Michelle Herrman and Steve Seelye



USBank
Purchases for the month of Jan-21

33305500
2/8/21 MH

VENDOR	ITEM ID	DEPT	VEHICLE	PROJECT	ACCOUNT	AMOUNT	DESCRIPTION
BackgroundChecks.com	BDEX ²⁰ ₀₇	1904		4245	930.21 930.21	230.28	Background checks for Board Director Election
NRECA	EMEX 04	1703			903.00	1238.00	Training- Kidd and Claborn
KY Sec of State	MSAD 15	1902			921.00	15.00	Annual Report- SKRECC
KY Sec of State	AREC 01	1902			143.00	15.00	Annual Report- People Fund
TOTAL						1,498.28	



All itemized receipts are attached.

Cardholder Signature : Michelle O. Herrman
2/16/21

Supervisor Signature : [Signature]



U.S. BANK
P. O. Box 6343
 Fargo, ND 58125-6343



ACCOUNT NUMBER [REDACTED]

AMOUNT DUE \$0.00



000025042 01 SP 106481302133295 S
MICHELLE HERRMAN
SOUTH KENTUCKY RECC
PO BOX 910
SOMERSET KY 42502-0910

"MEMO STATEMENT ONLY"
DO NOT REMIT PAYMENT

MESSAGES:

TRAN DATE	POST DATE	MCC CODE	TRANSACTION DESCRIPTION	REFERENCE #	AMOUNT
01-17	01-18	7375	BACKGROUNDCHECKS.COM 866-300-8524 TX	24431051017700441193305	42.93
01-17	01-18	7375	BACKGROUNDCHECKS.COM 866-300-8524 TX	24431051017700441193461	19.95
01-17	01-18	7375	BACKGROUNDCHECKS.COM 866-300-8524 TX	24431051017700441194188	42.93
01-17	01-18	7375	BACKGROUNDCHECKS.COM 866-300-8524 TX	24431051017700441194725	23.58
01-17	01-18	7375	BACKGROUNDCHECKS.COM 866-300-8524 TX	24431051017700441196852	23.58
01-17	01-18	7375	BACKGROUNDCHECKS.COM 866-300-8524 TX	24431051017700441197017	34.38
01-17	01-18	7375	BACKGROUNDCHECKS.COM 866-300-8524 TX	24431051017700441197033	42.93
01-18	01-19	8699	NRECA 703-9076875 VA	24906411018112146197451	1,238.00
02-04	02-05	9399	KY-SEC OF STATE EGOV.COM KY	24733091036400284003673	15.00
02-04	02-05	9399	KY-SEC OF STATE EGOV.COM KY	24733091036400284004150	15.00

CUSTOMER SERVICE CALL 800-344-5696	ACCOUNT NUMBER	ACCOUNT SUMMARY	
	[REDACTED]	PURCHASES, FEES & ADJUSTMENTS	\$1,498.28
	STATEMENT DATE	CHECKS/CASH ADVANCES	\$0.00
	02/08/21		
MANAGING ACCOUNT NUMBER [REDACTED] CONTACT AND ADDRESS SOUTH KY RURAL ELECTRIC AARON BALDWIN PO BOX 910 SOMERSET , KY 42502		DISPUTE AMOUNT	\$0.00
		CREDITS	\$0.00
		STATEMENT TOTAL	\$1,498.28

2/16/2021

backgroundchecks.com



Invoice #13988436

Send Payments to
backgroundchecks.com LLC
PO Box 841242
Dallas, TX 75284

Billing Address
South Kentucky Rural Electric Cooperative Corporation
PO Box 910 200 Electric Avenue
Somerset, KY 42502-0910

Herrman, Michelle
michelleh@skrecc.com
6064514337

Past Due Invoices	Amount	Invoice #	Invoice Date	Invoice #	Amount
			1/15/2021	13988436	
Due Date			1/30/2021	Previous Balance	\$0.00
Payment Date			1/15/2021	Last Payment	\$42.93
				Current Charges	\$0.00
				Total Balance	\$0.00

Searches

Product	Quantity	Price
County Criminal	10	\$0.00
Federal Criminal	2	\$0.00
US OneTRACE	1	\$0.00
US OneVERIFY	1	\$0.00
Subtotal	14	\$0.00

Packages

Product	Quantity	Price
BEST SCREENING PACKAGE	1	\$42.93
Subtotal	1	\$42.93

Payments

Date Posted	Payment Type	Credit Card Type	Check Number	Amount
1/15/2021	Credit Card			(\$42.93)
Subtotal				(\$42.93)

Grand Total

Individual Searches	\$0.00
Packages	\$42.93
Sales Tax	\$0.00
Payments	(\$42.93)
Total:	\$0.00

2/16/2021

backgroundchecks.com -



Invoice #13988373

Send Payments to
backgroundchecks.com LLC
PO Box 841242
Dallas, TX 75284

Billing Address
South Kentucky Rural Electric Cooperative Corporation
PO Box 910 200 Electric Avenue
Somerset, KY 42502-0910

Herrman, Michelle
michelleh@skrecc.com
6064514337

Past Due Invoices	Amount	Invoice #	Invoice Date	Invoice #	13988373
			1/15/2021		
Due Date			1/15/2021	Previous Balance	\$0.00
Payment Date			1/15/2021	Last Payment	\$19.95
				Current Charges	\$0.00
				Total Balance	\$0.00

Miscellaneous

Product	Quantity	Price
Account Setup Fee	1	\$19.95
		Subtotal 1 \$19.95

Payments

Date Posted	Payment Type	Credit Card Type	Check Number	Amount
1/15/2021	Credit Card			(\$19.95)
				Subtotal (\$19.95)

Grand Total

MISC Orders	\$19.95
Sales Tax	\$0.00
Payments	(\$19.95)
Total:	\$0.00

2/16/2021

backgroundchecks.com -



Invoice #13988430

Send Payments to
backgroundchecks.com LLC
PO Box 841242
Dallas, TX 75284

Billing Address
South Kentucky Rural Electric Cooperative Corporation
PO Box 910 200 Electric Avenue
Somerset, KY 42502-0910

Herrman, Michelle
michelleh@skrecc.com
6064514337

Past Due Invoices	Amount	Invoice #	Invoice #
Invoice Date	1/15/2021	Invoice #	13988430
Due Date	1/30/2021	Previous Balance	\$0.00
Payment Date	1/15/2021	Last Payment	\$42.93
		Current Charges	\$0.00
		Total Balance	\$0.00

Searches

Product	Quantity	Price
County Criminal	12	\$0.00
Federal Criminal	4	\$0.00
US OneTRACE	1	\$0.00
US OneVERIFY	1	\$0.00
Subtotal	18	\$0.00

Packages

Product	Quantity	Price
BEST SCREENING PACKAGE	1	\$42.93
Subtotal	1	\$42.93

Payments

Date Posted	Payment Type	Credit Card Type	Check Number	Amount
1/15/2021	Credit Card			(\$42.93)
Subtotal				(\$42.93)

Grand Total

Individual Searches	\$0.00
Packages	\$42.93
Sales Tax	\$0.00
Payments	(\$42.93)
Total:	\$0.00

2/16/2021

backgroundchecks.com -



Invoice #13988440

Send Payments to
backgroundchecks.com LLC
PO Box 841242
Dallas, TX 75284

Billing Address
South Kentucky Rural Electric Cooperative Corporation
PO Box 910 200 Electric Avenue
Somerset, KY 42502-0910

Herrman, Michelle
michelleh@skrecc.com
6064514337

Past Due Invoices	Amount	Invoice #	Invoice Date	Invoice #	Amount
			1/15/2021	13988440	
Due Date			1/30/2021	Previous Balance	\$0.00
Payment Date			1/15/2021	Last Payment	\$23.58
			Pay Now	Current Charges	\$0.00
				Total Balance	\$0.00

Searches

Product	Quantity	Price
Bankruptcy Report	2	\$10.80
US AliasVERIFY	1	\$12.78
Subtotal	3	\$23.58

Payments

Date Posted	Payment Type	Credit Card Type	Check Number	Amount
1/15/2021	Credit Card			(\$23.58)
Grand Total				Subtotal (\$23.58)

Individual Searches	\$23.58
Sales Tax	\$0.00
Payments	(\$23.58)
Total:	\$0.00

2/16/2021

backgroundchecks.com -



Invoice #13988421

Send Payments to
backgroundchecks.com LLC
PO Box 841242
Dallas, TX 75284

Billing Address
South Kentucky Rural Electric Cooperative Corporation
PO Box 910 200 Electric Avenue
Somerset, KY 42502-0910

Herrman, Michelle
michelleh@skrecc.com
6064514337

Past Due Invoices	Amount	Invoice #	Invoice #
Invoice Date	1/15/2021	Invoice #	13988421
Due Date	1/30/2021	Previous Balance	\$0.00
Payment Date	1/15/2021	Last Payment	\$23.58
		Current Charges	\$0.00
		Total Balance	\$0.00

Searches

Product	Quantity	Price
Bankruptcy Report	2	\$10.80
US AliasVERIFY	1	\$12.78
Subtotal	3	\$23.58

Payments

Date Posted	Payment Type	Credit Card Type	Check Number	Amount
1/15/2021	Credit Card			(\$23.58)
Grand Total				Subtotal (\$23.58)

Individual Searches	\$23.58
Sales Tax	\$0.00
Payments	(\$23.58)
Total:	\$0.00

2/16/2021

backgroundchecks.com -



Invoice #13988433

Send Payments to
backgroundchecks.com LLC
PO Box 841242
Dallas, TX 75284

Billing Address
South Kentucky Rural Electric Cooperative Corporation
PO Box 910 200 Electric Avenue
Somerset, KY 42502-0910

Herrman, Michelle
michelleh@skrecc.com
6064514337

Past Due Invoices

Invoice #	Invoice Date	Invoice #	Amount
13988433	1/15/2021	13988433	\$0.00
	1/30/2021		\$34.38
	1/15/2021		\$0.00
	Pay Now		Total Balance \$0.00

Searches

Product	Quantity	Price
Bankruptcy Report	4	\$21.60
US AliasVERIFY	1	\$12.78
Subtotal	5	\$34.38

Payments

Date Posted	Payment Type	Credit Card Type	Check Number	Amount
1/15/2021	Credit Card			(\$34.38)
Subtotal				(\$34.38)

Grand Total

Individual Searches	\$34.38
Sales Tax	\$0.00
Payments	(\$34.38)
Total:	\$0.00

2/16/2021

backgroundchecks.com -



Invoice #13988407

Send Payments to
backgroundchecks.com LLC
PO Box 841242
Dallas, TX 75284

Billing Address
South Kentucky Rural Electric Cooperative Corporation
PO Box 910 200 Electric Avenue
Somerset, KY 42502-0910

Herrman, Michelle
michelleh@skrecc.com
6064514337

Past Due Invoices	Amount	Invoice #	Invoice #
Invoice Date	1/15/2021	Invoice #	13988407
Due Date	1/30/2021	Previous Balance	\$0.00
Payment Date	1/15/2021	Last Payment	\$42.93
		Current Charges	\$0.00
		Total Balance	\$0.00

Searches

Product	Quantity	Price
County Criminal	10	\$0.00
Federal Criminal	2	\$0.00
US OneTRACE	1	\$0.00
US OneVERIFY	1	\$0.00
Subtotal	14	\$0.00

Packages

Product	Quantity	Price
BEST SCREENING PACKAGE	1	\$42.93
Subtotal	1	\$42.93

Payments

Date Posted	Payment Type	Credit Card Type	Check Number	Amount
1/15/2021	Credit Card			(\$42.93)
Subtotal				(\$42.93)

Grand Total

Individual Searches	\$0.00
Packages	\$42.93
Sales Tax	\$0.00
Payments	(\$42.93)
Total:	\$0.00



P.O. BOX 910 SOMERSET, KENTUCKY 42502

Witnesses: Michelle Herrmann and Steve Seelye
 Cumberland
 73-485/421
 SOMERSET, KENTUCKY 42501 GENERAL FUND

No. (ACH)
 0005293

VENDOR NO.	CHECK NO.	DATE	AMOUNT OF CHECK
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PAY 33305500 5293 02/25/21 31,935.66
 THIRTY-ONE THOUSAND, NINE HUNDRED THIRTY-FIVE DOLLARS AND SIXTY-SIX CE

TO
 THE
 ORDER
 OF

U S BANK
 P O BOX 790428
 ST LOUIS MO 63179-0428

~~VOID~~

"NON-NEGOTIABLE CHECK COPY"

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
 SOMERSET, KENTUCKY 42502

PLEASE DETACH AND RETAIN STATEMENT

CHECK NUMBER: 0005293

INVOICE NO.	DESCRIPTION	INVOICE DATE	REFERENCE NO.	AMOUNT
020821 AC		02/22/21	0	1,005.98
020821 ACCT		02/22/21	0	7.73
020821 ALBANY		02/23/21	0	44.90
020821 BUILDINGS		02/23/21	0	896.31
020821 DB		02/22/21	0	271.29
020821 DC		02/24/21	0	24,598.49
020821 DH		02/24/21	0	133.36
020821 EC		02/24/21	0	110.00
020821 GARAGE		02/22/21	0	1,896.58
020821 HI		02/22/21	0	121.33
020821 JB		02/22/21	0	289.21
020821 JL		02/22/21	0	284.94
020821 KN		02/24/21	0	41.00
020821 MH		02/22/21	0	1,498.28
020821 MJ		02/22/21	0	220.45
020821 RP		02/22/21	0	163.22
020821 SH		02/24/21	0	246.81
020821 TH		02/22/21	0	105.78

Tommy Nelson, Jr. 03-81
 73-258/839
 DATE 1-15-21
 Pay to the order of S.KRECC \$ 60.00
 Sixty Dollars & 00/100
 mbc MONTICELLO BANK - mbcbank.com
 Background Tommy Nelson, Jr.
 MP

CATHY EPPERSON
 73-144 421 6
 DATE 12-8-20
 PAY TO THE ORDER OF SKRECC \$ 60.00
 Sixty & no/100 DOLLARS
 Direct Deposit
 CITIZENS NATIONAL BANK
 44 PUBLIC SQ. - SOMERSET, KENTUCKY 42501-1414
 MEMO Background CK Cathy Epperson
 MP

Greg Beard
 73-853/839
 Date 1-4-21
 Pay to the Order of SKRECC \$ 60.00
 Sixty Dollars
 people's bank and trust company
 albaney kentucky 42602
 For Background Check Greg Beard
 MP

South KY RECC

Receipt ID: 2879563

02/24/21 03:18 PM
SOMWINDOW2 1042 TM

FOR: tommy nelson jr
93020 930.20

background check 93020
60.00
CK # : [REDACTED] 60.00

CHANGE : .00

South KY RECC

Receipt ID: 2879562

02/24/21 03:17 PM
SOMWINDOW2 1042 TM

FOR: cathy epperson
93020 930.20

background check 93020
60.00
CK # : [REDACTED] 60.00

CHANGE : .00

South KY RECC

Receipt ID: 2879560

02/24/21 03:17 PM
SOMWINDOW2 1042 TM

FOR: greg beard
93020 930.20

background check 93020
60.00
CK # : [REDACTED] 60.00

CHANGE : .00

SOUTH KENTUCKY RECC
PRG. PROJALNP

PROJECT ANALYSIS REPORT FOR
PROJECT 245

PAGE 1
RUN DATE 01/20/22 04:52 PM

DESCRIPTION DIRECTOR ELECTION - 2021 GROUP 0 START DATE
PROJECT LEAD DEPT 0 COMPLETE DATE

LABOR RECORDS

NO RECORDS EXIST FOR THIS PROJECT

PURCHASING RECORDS

PURCH DATE	VENDOR	INVOICE	CHECK NO	ITEMID	DESCRIPTION	TASK	ACCT	QUANTITY	AMOUNT
09/30/20	33304870	093020		MSAD 29	GOSS SAMFORD		923.00		788.00
10/31/20	33304870	103120		MSAD 29	GOSS SAMFORD		923.00		✓1947.00
11/23/20	44411027	111620	195110	BDEX 20	GEORGE JAMES ELMORE		930.20		✓250.00
11/30/20	33304870	113020		MSAD 29	GOSS SAMFORD <i>ACH 5146</i>		923.00		✓1036.82
12/31/20	44411823	111620	195632	BDEX 03	JOHN PAUL JONES		930.20		✓1500.00
12/31/20	33304870	123120		MSAD 29	GOSS SAMFORD <i>5242</i>		923.00		✓236.00
02/22/21	33305500	020821 MH		BDEX 20	BACKGROUND CHECKS <i>5292</i>		930.20		✓230.28
03/24/21	33304891	14611		MSAD 26	SURVEY & BALLOT <i>5352</i>		930.20		✓26045.70
03/31/21	33304870	033121		MSAD 29	GOSS SAMFORD <i>5404</i>		923.00		✓756.00
05/31/21	33304870	053121		MSAD 29	GOSS SAMFORD <i>5527</i>		923.00		✓63.00
05/31/21	33304891	14901		MSAD 26	SURVEY & BALLOT <i>5502</i>		930.20		✓7277.94
06/30/21	44415431	063021	197467	BDEX 20	JAMES M HANCOCK		930.20		✓1350.00
06/30/21	44411823	063021	197464	BDEX 20	JOHN PAUL JONES		930.20		✓2600.00
06/30/21	44411027	063021	197463	BDEX 20	GEORGE JAMES ELMORE		930.20		✓2512.00
06/30/21	44411824	063021	197465	BDEX 20	LYNDON TURPIN		930.20		✓2300.00
06/30/21	44411824	063021V		BDEX 03	LYNDON TURPIN		930.20		2306.00
06/30/21	44411824	063021V		BDEX 03	LYNDON TURPIN		930.20		2306.00
								TOTAL	48812.74

VEHICLE RECORDS

NO RECORDS EXIST FOR THIS PROJECT

MATERIAL RECORDS

NO RECORDS EXIST FOR THIS PROJECT

OTHER COST

DATE	SO	VENDOR	ITEMID	DESCRIPTION	TASK	RACCT	ACCT	QUANTITY	AMOUNT
12/31/20	3		MSAD 29	JE 12460-GOSS SAMFORD <i>5053</i>			923.00		1534.00
12/31/20	3		MSAD 29	JE 12640-GOSS SAMFORD			923.00		788.00
02/24/21	8		BDEX 20	TOMMY NELSON JR-BACHGROUND CHECK		131.10	930.20		✓60.00
02/24/21	8		BDEX 20	GREG BEARD-BACKGROUND CHECK		131.10	930.20		✓60.00
02/24/21	8		BDEX 20	CATHY EPPERSON-BACKGROUND CHECK		131.10	930.20		✓60.00
06/30/21	3		MSAD 26	JE 12531-SURVEY & BALLOT			930.20		14872.00
								TOTAL	15518.00

Witnesses: Michelle Herrman and Steve Seelye

SOUTH KENTUCKY RECC
PRG. PROJALNP

PROJECT ANALYSIS REPORT FOR
PROJECT 245

PAGE 2
RUN DATE 01/20/22 04:52 PM

TOTAL COST SUMMARY

LABOR	.00
PURCHASING	48812.74
VEHICLE	.00
MATERIAL	.00
OTHER COST	15518.00
TOTAL COST	64330.74

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 15**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye
COMPANY: South Kentucky RECC

Request 15. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.03.

Provide support for the going level of bad-debt recapture of \$64,273.

Response 15. Please see attached for the actual 2021 bad debt recapture.

SOUTH KENTUCKY RECC
PRG. ACCTANAL (ANLA)

ACCOUNT ANALYSIS
FOR ACCT: 904.00 UNCOLLECTIBLE ACCOUNTS
DATE RANGE FROM 01/01/21 TO 12/31/21

Witnesses: Michelle Herrman and Steve Seelye
PAGE 1
RUN DATE 01/25/22 05:48 PM

SO	TR	RACCT	ITEM	ID	DEPT	WH	BH	DATE	CK/JOB/REC/TSK PJ/VHR/VND/VEH	QTY	DEBIT	CREDIT	DESCRIPTION
JE	40	144.10	SJOO	03	1703			2016 01/31/21		.00	22,436.54	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 02/28/21		.00	18,941.68	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 03/31/21		.00	20,922.82	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 04/30/21		.00	21,001.14	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 04/30/21		.00	.00	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 05/31/21		.00	18,262.47	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 06/30/21		.00	14,617.80	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 07/31/21		.00	13,831.17	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 08/31/21		.00	10,536.83	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 09/30/21		.00	9,462.54	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 10/31/21		.00	9,214.04	.00	RESERVE FOR CONSUMER ACCOUNTS
JE	40	144.10	SJOO	03	1703			2016 11/30/21		.00	8,556.73	.00	RESERVE FOR CONSUMER ACCOUNTS

64,273.36- JE 12509 *

NUMBER OF RECORDS FOUND - 12

TOTAL QTY .00

TOTAL DEBIT 167,783.76
TOTAL CREDIT 64,273.36-

NET BALANCE 103,510.40

2021 Bad debt recapture

PRG. CASHTRAN
SOUTH KENTUCKY RECC

CASH FILE TRANSACTION LISTING
FROM 4/01/21 THRU 4/30/21

BILL MOYR 0421 RUN DATE 01/26/22 01:47 PM
Witnesses: Michelle Herrman and Steve Seelye

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1343-010	[REDACTED]	9955	21.91-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1376-003	[REDACTED]	9955	88.47-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1578-001	[REDACTED]	9955	367.62-	042921	0	.00	.00	.00	.00	144.10	142.11	0
4098-003	[REDACTED]	9955	255.16-	042921	0	.00	.00	.00	.00	144.10	142.11	0
4679-001	[REDACTED]	9955	136.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
5099-001	[REDACTED]	9955	57.11-	042921	0	.00	.00	.00	.00	144.10	142.11	0
5359-002	[REDACTED]	9955	135.16-	042921	0	.00	.00	.00	.00	144.10	142.11	0
5572-003	[REDACTED]	9955	95.75-	042921	0	.00	.00	.00	.00	144.10	142.11	0
5656-002	[REDACTED]	9955	70.40-	042921	0	.00	.00	.00	.00	144.10	142.11	0
6534-002	[REDACTED]	9955	264.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
6751-009	[REDACTED]	9955	130.08-	042921	0	.00	.00	.00	.00	144.10	142.11	0
6773-002	[REDACTED]	9955	21.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
6791-003	[REDACTED]	9955	80.82-	042921	0	.00	.00	.00	.00	144.10	142.11	0
6967-007	[REDACTED]	9955	106.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
7045-009	[REDACTED]	9955	108.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
7142-001	[REDACTED]	9955	375.33-	042921	0	.00	.00	.00	.00	144.10	142.11	0
7703-002	[REDACTED]	9955	104.54-	042921	0	.00	.00	.00	.00	144.10	142.11	0
9598-001	[REDACTED]	9955	98.63-	042921	0	.00	.00	.00	.00	144.10	142.11	0
9649-001	[REDACTED]	9955	282.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
9686-002	[REDACTED]	9955	74.05-	042921	0	.00	.00	.00	.00	144.10	142.11	0
10246-001	[REDACTED]	9955	377.42-	042921	0	.00	.00	.00	.00	144.10	142.11	0
10666-006	[REDACTED]	9955	317.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
10709-004	[REDACTED]	9955	12.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
11178-006	[REDACTED]	9955	267.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
11998-003	[REDACTED]	9955	351.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
12175-001	[REDACTED]	9955	76.32-	042921	0	.00	.00	.00	.00	144.10	142.11	0
12532-001	[REDACTED]	9955	269.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
12789-002	[REDACTED]	9955	92.63-	042921	0	.00	.00	.00	.00	144.10	142.11	0
13440-004	[REDACTED]	9955	30.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
13688-008	[REDACTED]	9955	32.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
14343-003	[REDACTED]	9955	93.31-	042921	0	.00	.00	.00	.00	144.10	142.11	0
14740-001	[REDACTED]	9955	139.57-	042921	0	.00	.00	.00	.00	144.10	142.11	0
14776-001	[REDACTED]	9955	159.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
15493-008	[REDACTED]	9955	296.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
16003-001	[REDACTED]	9955	266.54-	042921	0	.00	.00	.00	.00	144.10	142.11	0
16082-003	[REDACTED]	9955	265.61-	042921	0	.00	.00	.00	.00	144.10	142.11	0
16494-005	[REDACTED]	9955	47.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
16905-004	[REDACTED]	9955	375.48-	042921	0	.00	.00	.00	.00	144.10	142.11	0
17719-001	[REDACTED]	9955	129.70-	042921	0	.00	.00	.00	.00	144.10	142.11	0
17719-002	[REDACTED]	9955	14.81-	042921	0	.00	.00	.00	.00	144.10	142.11	0
17934-001	[REDACTED]	9955	42.97-	042921	0	.00	.00	.00	.00	144.10	142.11	0
18108-004	[REDACTED]	9955	88.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
19038-009	[REDACTED]	9955	85.88-	042921	0	.00	.00	.00	.00	144.10	142.11	0
19115-005	[REDACTED]	9955	160.42-	042921	0	.00	.00	.00	.00	144.10	142.11	0
19760-001	[REDACTED]	9955	354.26-	042921	0	.00	.00	.00	.00	144.10	142.11	0
20264-010	[REDACTED]	9955	249.22-	042921	0	.00	.00	.00	.00	144.10	142.11	0
20877-004	[REDACTED]	9955	163.59-	042921	0	.00	.00	.00	.00	144.10	142.11	0
21141-004	[REDACTED]	9955	242.52-	042921	0	.00	.00	.00	.00	144.10	142.11	0
21607-002	[REDACTED]	9955	190.42-	042921	0	.00	.00	.00	.00	144.10	142.11	0
21669-002	[REDACTED]	9955	170.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
21973-001	[REDACTED]	9955	168.51-	042921	0	.00	.00	.00	.00	144.10	142.11	0
22876-001	[REDACTED]	9955	155.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
23332-009	[REDACTED]	9955	65.91-	042921	0	.00	.00	.00	.00	144.10	142.11	0
23335-001	[REDACTED]	9955	179.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
23674-001	[REDACTED]	9955	135.31-	042921	0	.00	.00	.00	.00	144.10	142.11	0
25604-001	[REDACTED]	9955	310.73-	042921	0	.00	.00	.00	.00	144.10	142.11	0
26483-002	[REDACTED]	9955	67.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
26486-006	[REDACTED]	9955	184.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0
26530-002	[REDACTED]	9955	38.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
26964-001	[REDACTED]	9955	36.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
26983-003	[REDACTED]	9955	416.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
49179-001	[REDACTED]	9955	62.80-	042921	0	.00	.00	.00	.00	144.10	142.11	0
58901-002	[REDACTED]	9955	796.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
63498-045	[REDACTED]	9955	21.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
64341-003	[REDACTED]	9955	444.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
64407-010	[REDACTED]	9955	1013.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
67794-001	[REDACTED]	9955	701.67-	042921	0	.00	.00	.00	.00	144.10	142.11	0
68847-002	[REDACTED]	9955	10.91-	042921	0	.00	.00	.00	.00	144.10	142.11	0
73413-001	[REDACTED]	9955	191.46-	042921	0	.00	.00	.00	.00	144.10	142.11	0
87701-001	[REDACTED]	9955	97.05-	042921	0	.00	.00	.00	.00	144.10	142.11	0
108689-003	[REDACTED]	9955	142.05-	042921	0	.00	.00	.00	.00	144.10	142.11	0
111298-004	[REDACTED]	9955	40.22-	042921	0	.00	.00	.00	.00	144.10	142.11	0
118047-001	[REDACTED]	9955	551.46-	042921	0	.00	.00	.00	.00	144.10	142.11	0
119080-002	[REDACTED]	9955	433.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
124159-003	[REDACTED]	9955	123.57-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
125246-009	[REDACTED]	9955	408.30-	042921	0	.00	.00	.00	.00	144.10	142.11	0
125447-007	[REDACTED]	9955	71.19-	042921	0	.00	.00	.00	.00	144.10	142.11	0
125651-005	[REDACTED]	9955	33.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
125651-006	[REDACTED]	9955	69.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
128401-002	[REDACTED]	9955	171.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
129259-001	[REDACTED]	9955	16.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
129734-002	[REDACTED]	9955	97.99-	042921	0	.00	.00	.00	.00	144.10	142.11	0
132227-003	[REDACTED]	9955	18.48-	042921	0	.00	.00	.00	.00	144.10	142.11	0
132549-007	[REDACTED]	9955	743.70-	042921	0	.00	.00	.00	.00	144.10	142.11	0
133325-004	[REDACTED]	9955	36.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
133655-002	[REDACTED]	9955	131.36-	042921	0	.00	.00	.00	.00	144.10	142.11	0
133859-004	[REDACTED]	9955	75.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
135265-001	[REDACTED]	9955	51.69-	042921	0	.00	.00	.00	.00	144.10	142.11	0
135396-002	[REDACTED]	9955	52.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
136597-001	[REDACTED]	9955	194.94-	042921	0	.00	.00	.00	.00	144.10	142.11	0
138750-004	[REDACTED]	9955	158.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
138815-002	[REDACTED]	9955	204.46-	042921	0	.00	.00	.00	.00	144.10	142.11	0
139455-005	[REDACTED]	9955	80.58-	042921	0	.00	.00	.00	.00	144.10	142.11	0
140355-002	[REDACTED]	9955	145.79-	042921	0	.00	.00	.00	.00	144.10	142.11	0
140594-001	[REDACTED]	9955	115.30-	042921	0	.00	.00	.00	.00	144.10	142.11	0
141262-004	[REDACTED]	9955	70.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
143285-005	[REDACTED]	9955	86.60-	042921	0	.00	.00	.00	.00	144.10	142.11	0
143779-001	[REDACTED]	9955	150.14-	042921	0	.00	.00	.00	.00	144.10	142.11	0
144141-002	[REDACTED]	9955	151.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
144425-002	[REDACTED]	9955	455.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
145422-003	[REDACTED]	9955	57.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
146115-001	[REDACTED]	9955	243.13-	042921	0	.00	.00	.00	.00	144.10	142.11	0
146727-002	[REDACTED]	9955	195.16-	042921	0	.00	.00	.00	.00	144.10	142.11	0
147080-001	[REDACTED]	9955	100.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
148887-003	[REDACTED]	9955	216.63-	042921	0	.00	.00	.00	.00	144.10	142.11	0
149408-005	[REDACTED]	9955	88.32-	042921	0	.00	.00	.00	.00	144.10	142.11	0
149543-001	[REDACTED]	9955	304.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
150845-001	[REDACTED]	9955	71.81-	042921	0	.00	.00	.00	.00	144.10	142.11	0
151820-003	[REDACTED]	9955	79.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
151981-002	[REDACTED]	9955	180.61-	042921	0	.00	.00	.00	.00	144.10	142.11	0
154989-003	[REDACTED]	9955	289.94-	042921	0	.00	.00	.00	.00	144.10	142.11	0
155101-004	[REDACTED]	9955	508.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
156678-001	[REDACTED]	9955	59.60-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995369-003	[REDACTED]	9955	89.59-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995387-001	[REDACTED]	9955	110.36-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995504-003	[REDACTED]	9955	98.17-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995554-003	[REDACTED]	9955	44.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995677-002	[REDACTED]	9955	92.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995719-005	[REDACTED]	9955	101.81-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995755-001	[REDACTED]	9955	74.73-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995762-001	[REDACTED]	9955	74.63-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995923-003	[REDACTED]	9955	35.53-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995966-004	[REDACTED]	9955	98.57-	042921	0	.00	.00	.00	.00	144.10	142.11	0
996205-001	[REDACTED]	9955	90.79-	042921	0	.00	.00	.00	.00	144.10	142.11	0
996343-002	[REDACTED]	9955	21.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
996374-001	[REDACTED]	9955	22.49-	042921	0	.00	.00	.00	.00	144.10	142.11	0
996630-004	[REDACTED]	9955	30.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
996657-006	[REDACTED]	9955	62.84-	042921	0	.00	.00	.00	.00	144.10	142.11	0
996769-001	[REDACTED]	9955	53.97-	042921	0	.00	.00	.00	.00	144.10	142.11	0
996873-001	[REDACTED]	9955	64.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
996974-003	[REDACTED]	9955	107.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997024-002	[REDACTED]	9955	18.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997030-002	[REDACTED]	9955	104.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997092-002	[REDACTED]	9955	51.13-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997097-002	[REDACTED]	9955	18.06-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997338-001	[REDACTED]	9955	83.18-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997361-001	[REDACTED]	9955	73.73-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997375-002	[REDACTED]	9955	19.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997529-005	[REDACTED]	9955	28.52-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997615-003	[REDACTED]	9955	67.53-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997681-002	[REDACTED]	9955	177.94-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997726-003	[REDACTED]	9955	132.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997727-001	[REDACTED]	9955	84.51-	042921	0	.00	.00	.00	.00	144.10	142.11	0
997865-001	[REDACTED]	9955	146.69-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998137-004	[REDACTED]	9955	22.57-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998320-005	[REDACTED]	9955	95.83-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998427-001	[REDACTED]	9955	49.17-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998577-005	[REDACTED]	9955	36.73-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998648-002	[REDACTED]	9955	7.11-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998718-005	[REDACTED]	9955	21.63-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
998755-002	[REDACTED]	9955	70.72-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998779-001	[REDACTED]	9955	70.21-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998863-003	[REDACTED]	9955	3.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998865-001	[REDACTED]	9955	35.22-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998887-002	[REDACTED]	9955	65.86-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998959-001	[REDACTED]	9955	80.62-	042921	0	.00	.00	.00	.00	144.10	142.11	0
998988-001	[REDACTED]	9955	79.57-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999023-002	[REDACTED]	9955	41.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999027-003	[REDACTED]	9955	17.47-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999050-003	[REDACTED]	9955	15.75-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999336-004	[REDACTED]	9955	169.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999513-002	[REDACTED]	9955	65.98-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999551-004	[REDACTED]	9955	83.84-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999609-002	[REDACTED]	9955	3.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999625-001	[REDACTED]	9955	43.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999714-001	[REDACTED]	9955	52.84-	042921	0	.00	.00	.00	.00	144.10	142.11	0
999805-001	[REDACTED]	9955	90.53-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000084-002	[REDACTED]	9955	38.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000126-002	[REDACTED]	9955	41.36-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000130-001	[REDACTED]	9955	104.30-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000214-001	[REDACTED]	9955	106.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000269-002	[REDACTED]	9955	82.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000273-003	[REDACTED]	9955	117.50-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000595-001	[REDACTED]	9955	123.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000618-002	[REDACTED]	9955	40.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1000655-001	[REDACTED]	9955	79.79-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000674-001	[REDACTED]	9955	74.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000711-001	[REDACTED]	9955	48.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000778-002	[REDACTED]	9955	.72-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000888-002	[REDACTED]	9955	5.49-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000927-001	[REDACTED]	9955	83.48-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000928-004	[REDACTED]	9955	79.58-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1000941-002	[REDACTED]	9955	83.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001040-001	[REDACTED]	9955	82.59-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001096-003	[REDACTED]	9955	44.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001143-001	[REDACTED]	9955	93.17-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001147-002	[REDACTED]	9955	43.75-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001200-001	[REDACTED]	9955	82.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001227-001	[REDACTED]	9955	105.77-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001285-005	[REDACTED]	9955	61.13-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001379-001	[REDACTED]	9955	80.31-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001538-001	[REDACTED]	9955	62.94-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001551-001	[REDACTED]	9955	33.11-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001668-001	[REDACTED]	9955	28.22-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001744-001	[REDACTED]	9955	42.42-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001776-001	[REDACTED]	9955	33.81-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001830-001	[REDACTED]	9955	35.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1001888-001	[REDACTED]	9955	139.51-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002157-001	[REDACTED]	9955	31.79-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002202-004	[REDACTED]	9955	13.13-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1002247-002	[REDACTED]	9955	41.81-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002260-001	[REDACTED]	9955	77.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002289-001	[REDACTED]	9955	29.53-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002299-004	[REDACTED]	9955	74.06-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002359-002	[REDACTED]	9955	30.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002414-001	[REDACTED]	9955	21.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002447-001	[REDACTED]	9955	105.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002558-001	[REDACTED]	9955	48.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002626-001	[REDACTED]	9955	56.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002702-002	[REDACTED]	9955	53.52-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002712-002	[REDACTED]	9955	23.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002733-002	[REDACTED]	9955	41.21-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1002737-001	[REDACTED]	9955	65.49-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003065-002	[REDACTED]	9955	24.70-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003237-002	[REDACTED]	9955	37.84-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003265-001	[REDACTED]	9955	33.58-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003336-002	[REDACTED]	9955	30.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003369-002	[REDACTED]	9955	40.18-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003381-002	[REDACTED]	9955	25.06-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003419-001	[REDACTED]	9955	10.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003420-001	[REDACTED]	9955	51.91-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003529-002	[REDACTED]	9955	44.67-	042921	0	.00	.00	.00	.00	144.10	142.11	0
156742-008	[REDACTED]	9955	190.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
157201-002	[REDACTED]	9955	80.06-	042921	0	.00	.00	.00	.00	144.10	142.11	0
158098-003	[REDACTED]	9955	176.31-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
160652-008	[REDACTED]	9955	249.91-	042921	0	.00	.00	.00	.00	144.10	142.11	0
160760-001	[REDACTED]	9955	129.22-	042921	0	.00	.00	.00	.00	144.10	142.11	0
161003-004	[REDACTED]	9955	56.86-	042921	0	.00	.00	.00	.00	144.10	142.11	0
161295-001	[REDACTED]	9955	135.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0
161514-001	[REDACTED]	9955	425.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
161907-001	[REDACTED]	9955	70.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
161949-008	[REDACTED]	9955	32.67-	042921	0	.00	.00	.00	.00	144.10	142.11	0
163558-005	[REDACTED]	9955	450.40-	042921	0	.00	.00	.00	.00	144.10	142.11	0
165863-006	[REDACTED]	9955	137.40-	042921	0	.00	.00	.00	.00	144.10	142.11	0
167319-001	[REDACTED]	9955	48.75-	042921	0	.00	.00	.00	.00	144.10	142.11	0
168423-002	[REDACTED]	9955	402.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
938138-004	[REDACTED]	9955	80.53-	042921	0	.00	.00	.00	.00	144.10	142.11	0
938165-002	[REDACTED]	9955	374.93-	042921	0	.00	.00	.00	.00	144.10	142.11	0
938217-005	[REDACTED]	9955	40.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
938825-004	[REDACTED]	9955	119.51-	042921	0	.00	.00	.00	.00	144.10	142.11	0
938869-002	[REDACTED]	9955	49.24-	042921	0	.00	.00	.00	.00	144.10	142.11	0
938891-001	[REDACTED]	9955	206.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
939056-010	[REDACTED]	9955	63.51-	042921	0	.00	.00	.00	.00	144.10	142.11	0
939226-005	[REDACTED]	9955	219.41-	042921	0	.00	.00	.00	.00	144.10	142.11	0
939391-002	[REDACTED]	9955	48.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0
940829-005	[REDACTED]	9955	208.53-	042921	0	.00	.00	.00	.00	144.10	142.11	0
941058-001	[REDACTED]	9955	71.01-	042921	0	.00	.00	.00	.00	144.10	142.11	0
941215-001	[REDACTED]	9955	3.64-	042921	0	.00	.00	.00	.00	144.10	142.11	0
941248-006	[REDACTED]	9955	135.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
941320-002	[REDACTED] L	9955	135.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
941620-003	[REDACTED]	9955	70.67-	042921	0	.00	.00	.00	.00	144.10	142.11	0
941888-002	[REDACTED]	9955	41.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
941959-001	[REDACTED]	9955	17.97-	042921	0	.00	.00	.00	.00	144.10	142.11	0
942174-003	[REDACTED]	9955	223.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
942583-002	[REDACTED]	9955	65.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
943353-001	[REDACTED]	9955	148.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
944037-001	[REDACTED]	9955	201.99-	042921	0	.00	.00	.00	.00	144.10	142.11	0
944551-010	[REDACTED]	9955	13.05-	042921	0	.00	.00	.00	.00	144.10	142.11	0
944760-001	[REDACTED]	9955	152.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
944811-002	[REDACTED]	9955	67.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
945013-001	[REDACTED]	9955	158.33-	042921	0	.00	.00	.00	.00	144.10	142.11	0
945446-004	[REDACTED]	9955	55.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
945824-003	[REDACTED]	9955	197.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
946183-001	[REDACTED]	9955	80.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
946186-005	[REDACTED]	9955	216.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
946492-003	[REDACTED]	9955	25.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0
946740-005	[REDACTED]	9955	349.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
947136-004	[REDACTED]	9955	228.52-	042921	0	.00	.00	.00	.00	144.10	142.11	0
947472-003	[REDACTED]	9955	12.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
948235-002	[REDACTED]	9955	38.86-	042921	0	.00	.00	.00	.00	144.10	142.11	0
948564-001	[REDACTED]	9955	38.06-	042921	0	.00	.00	.00	.00	144.10	142.11	0
948817-001	[REDACTED]	9955	91.18-	042921	0	.00	.00	.00	.00	144.10	142.11	0
949320-001	[REDACTED]	9955	67.57-	042921	0	.00	.00	.00	.00	144.10	142.11	0
950364-003	[REDACTED]	9955	14.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
950620-001	[REDACTED]	9955	37.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
950818-002	[REDACTED]	9955	310.86-	042921	0	.00	.00	.00	.00	144.10	142.11	0
951836-003	[REDACTED]	9955	416.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
952497-001	[REDACTED]	9955	58.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
952785-001	[REDACTED]	9955	125.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
953619-002	[REDACTED]	9955	26.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
953693-002	[REDACTED]	9955	178.17-	042921	0	.00	.00	.00	.00	144.10	142.11	0
953707-001	[REDACTED]	9955	194.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
953970-003	[REDACTED]	9955	30.13-	042921	0	.00	.00	.00	.00	144.10	142.11	0
954011-002	[REDACTED]	9955	135.56-	042921	0	.00	.00	.00	.00	144.10	142.11	0
954486-001	[REDACTED]	9955	190.32-	042921	0	.00	.00	.00	.00	144.10	142.11	0
954655-001	[REDACTED]	9955	24.69-	042921	0	.00	.00	.00	.00	144.10	142.11	0
954831-002	[REDACTED]	9955	208.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
955198-003	[REDACTED]	9955	153.30-	042921	0	.00	.00	.00	.00	144.10	142.11	0
955963-002	[REDACTED]	9955	17.56-	042921	0	.00	.00	.00	.00	144.10	142.11	0
956386-001	[REDACTED]	9955	251.62-	042921	0	.00	.00	.00	.00	144.10	142.11	0
956435-005	[REDACTED]	9955	265.52-	042921	0	.00	.00	.00	.00	144.10	142.11	0
956568-001	[REDACTED]	9955	13.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
956641-003	[REDACTED]	9955	44.77-	042921	0	.00	.00	.00	.00	144.10	142.11	0
956793-001	[REDACTED]	9955	174.56-	042921	0	.00	.00	.00	.00	144.10	142.11	0
956986-003	[REDACTED]	9955	180.17-	042921	0	.00	.00	.00	.00	144.10	142.11	0
957190-001	[REDACTED]	9955	45.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
957193-004	[REDACTED]	9955	50.56-	042921	0	.00	.00	.00	.00	144.10	142.11	0
957692-001	[REDACTED]	9955	124.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
957692-002	[REDACTED]	9955	9.62-	042921	0	.00	.00	.00	.00	144.10	142.11	0
958007-001	[REDACTED]	9955	262.19-	042921	0	.00	.00	.00	.00	144.10	142.11	0

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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
958231-001	[REDACTED]	9955	235.98-	042921	0	.00	.00	.00	.00	144.10	142.11	0
958341-001	[REDACTED]	9955	33.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
958451-002	[REDACTED]	9955	93.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
958495-006	[REDACTED]	9955	85.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
958526-002	[REDACTED]	9955	44.46-	042921	0	.00	.00	.00	.00	144.10	142.11	0
959925-004	[REDACTED]	9955	52.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
960247-001	[REDACTED]	9955	202.22-	042921	0	.00	.00	.00	.00	144.10	142.11	0
960357-002	[REDACTED]	9955	17.86-	042921	0	.00	.00	.00	.00	144.10	142.11	0
961093-002	[REDACTED]	9955	169.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
961222-002	[REDACTED]	9955	131.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
961642-001	[REDACTED]	9955	70.83-	042921	0	.00	.00	.00	.00	144.10	142.11	0
961874-002	[REDACTED]	9955	216.31-	042921	0	.00	.00	.00	.00	144.10	142.11	0
961907-002	[REDACTED]	9955	42.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
962128-002	[REDACTED]	9955	14.60-	042921	0	.00	.00	.00	.00	144.10	142.11	0
962260-001	[REDACTED]	9955	60.98-	042921	0	.00	.00	.00	.00	144.10	142.11	0
962308-007	[REDACTED]	9955	30.41-	042921	0	.00	.00	.00	.00	144.10	142.11	0
962339-006	[REDACTED]	9955	139.97-	042921	0	.00	.00	.00	.00	144.10	142.11	0
962344-001	[REDACTED]	9955	53.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0
963160-003	[REDACTED]	9955	106.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
963361-002	[REDACTED]	9955	18.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
963376-001	[REDACTED]	9955	119.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0
963461-002	[REDACTED]	9955	30.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
963681-002	[REDACTED]	9955	155.64-	042921	0	.00	.00	.00	.00	144.10	142.11	0
964002-001	[REDACTED]	9955	195.40-	042921	0	.00	.00	.00	.00	144.10	142.11	0
964060-003	[REDACTED]	9955	109.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0

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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
964826-003	[REDACTED]	9955	28.72-	042921	0	.00	.00	.00	.00	144.10	142.11	0
964977-004	[REDACTED]	9955	221.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
964997-001	[REDACTED]	9955	5.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
965097-002	[REDACTED]	9955	162.76-	042921	0	.00	.00	.00	.00	144.10	142.11	0
965353-002	[REDACTED]	9955	42.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
965859-002	[REDACTED]	9955	143.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
966012-002	[REDACTED]	9955	149.75-	042921	0	.00	.00	.00	.00	144.10	142.11	0
966256-005	[REDACTED]	9955	160.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
966369-004	[REDACTED]	9955	109.19-	042921	0	.00	.00	.00	.00	144.10	142.11	0
966393-001	[REDACTED]	9955	167.05-	042921	0	.00	.00	.00	.00	144.10	142.11	0
966488-002	[REDACTED]	9955	12.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003543-002	[REDACTED]	9955	18.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003562-002	[REDACTED]	9955	33.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003567-001	[REDACTED]	9955	56.60-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003625-003	[REDACTED]	9955	24.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003633-002	[REDACTED]	9955	25.14-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1003841-002	[REDACTED]	9955	69.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004031-003	[REDACTED]	9955	24.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004112-002	[REDACTED]	9955	82.06-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004140-002	[REDACTED]	9955	51.61-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004146-004	[REDACTED]	9955	42.61-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004173-004	[REDACTED]	9955	35.46-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004184-002	[REDACTED]	9955	27.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004212-001	[REDACTED]	9955	12.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004241-002	[REDACTED]	9955	33.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0

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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1004274-001	[REDACTED]	9955	8.93-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004399-001	[REDACTED]	9955	25.70-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004439-002	[REDACTED]	9955	29.75-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004444-003	[REDACTED]	9955	29.11-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004451-002	[REDACTED]	9955	33.56-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004489-001	[REDACTED]	9955	60.33-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004505-001	[REDACTED]	9955	112.41-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004652-003	[REDACTED]	9955	17.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004709-001	[REDACTED]	9955	156.50-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004788-003	[REDACTED]	9955	40.69-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004796-003	[REDACTED]	9955	17.73-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004853-004	[REDACTED]	9955	70.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004858-001	[REDACTED]	9955	44.64-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1004915-001	[REDACTED]	9955	38.84-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005023-002	[REDACTED]	9955	12.90-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005083-003	[REDACTED]	9955	35.80-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005147-001	[REDACTED]	9955	22.79-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005198-002	[REDACTED]	9955	47.11-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005401-003	[REDACTED]	9955	28.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005443-003	[REDACTED]	9955	45.93-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005449-002	[REDACTED]	9955	31.52-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005501-001	[REDACTED]	9955	34.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005503-001	[REDACTED]	9955	64.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005653-001	[REDACTED]	9955	31.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005657-002	[REDACTED]	9955	45.58-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1005703-002	[REDACTED]	9955	30.47-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005706-002	[REDACTED]	9955	26.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005734-001	[REDACTED]	9955	28.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005812-001	[REDACTED]	9955	51.57-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1005993-001	[REDACTED]	9955	48.70-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006044-002	[REDACTED]	9955	26.36-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006055-002	[REDACTED]	9955	20.14-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006062-001	[REDACTED]	9955	40.64-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006072-001	[REDACTED]	9955	35.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006175-001	[REDACTED]	9955	21.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006275-001	[REDACTED]	9955	22.38-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006289-001	[REDACTED]	9955	44.84-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006303-001	[REDACTED]	9955	27.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006323-001	[REDACTED]	9955	33.70-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006394-002	[REDACTED]	9955	23.86-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006506-001	[REDACTED]	9955	13.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006529-001	[REDACTED]	9955	22.69-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006649-001	[REDACTED]	9955	55.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006658-002	[REDACTED]	9955	61.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006717-002	[REDACTED]	9955	12.77-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006723-001	[REDACTED]	9955	43.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006724-003	[REDACTED]	9955	11.97-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006795-001	[REDACTED]	9955	29.10-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006821-003	[REDACTED]	9955	15.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006824-001	[REDACTED]	9955	16.17-	042921	0	.00	.00	.00	.00	144.10	142.11	0

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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1006851-001	[REDACTED]	9955	25.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006896-001	[REDACTED]	9955	17.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1006918-002	[REDACTED]	9955	20.88-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007075-001	[REDACTED]	9955	20.42-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007114-001	[REDACTED]	9955	26.08-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007122-004	[REDACTED]	9955	10.77-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007139-001	[REDACTED]	9955	27.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007157-002	[REDACTED]	9955	8.21-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007274-002	[REDACTED]	9955	54.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007301-001	[REDACTED]	9955	33.60-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007307-001	[REDACTED]	9955	30.56-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007351-004	[REDACTED]	9955	29.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007366-001	[REDACTED]	9955	12.52-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007368-002	[REDACTED]	9955	12.88-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007373-001	[REDACTED]	9955	21.98-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007379-001	[REDACTED]	9955	21.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007493-001	[REDACTED]	9955	.01-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007493-003	[REDACTED]	9955	80.24-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007497-001	[REDACTED]	9955	17.91-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007551-002	[REDACTED]	9955	40.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007637-004	[REDACTED]	9955	18.65-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007644-001	[REDACTED]	9955	36.21-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007672-001	[REDACTED]	9955	27.64-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007690-002	[REDACTED]	9955	6.54-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007710-001	[REDACTED]	9955	25.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1007714-001	[REDACTED]	9955	24.97-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007799-001	[REDACTED]	9955	10.38-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007820-003	[REDACTED]	9955	19.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007915-001	[REDACTED]	9955	47.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007917-003	[REDACTED]	9955	10.83-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007918-001	[REDACTED]	9955	4.01-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007922-001	[REDACTED]	9955	11.63-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007979-001	[REDACTED]	9955	49.69-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1007983-001	[REDACTED]	9955	12.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008000-003	[REDACTED]	9955	37.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008023-001	[REDACTED]	9955	25.33-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008041-001	[REDACTED]	9955	34.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008077-001	[REDACTED]	9955	37.32-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008089-002	[REDACTED]	9955	18.21-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008132-001	[REDACTED]	9955	57.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008149-002	[REDACTED]	9955	28.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008155-001	[REDACTED]	9955	32.65-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008191-001	[REDACTED]	9955	5.72-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008198-002	[REDACTED]	9955	34.49-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008263-002	[REDACTED]	9955	35.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008286-001	[REDACTED]	9955	17.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008330-001	[REDACTED]	9955	40.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008407-002	[REDACTED]	9955	16.61-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008412-001	[REDACTED]	9955	7.13-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008446-001	[REDACTED]	9955	23.17-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1008462-001	[REDACTED]	9955	16.69-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008505-001	[REDACTED]	9955	16.90-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008575-002	[REDACTED]	9955	15.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008710-001	[REDACTED]	9955	11.50-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008747-001	[REDACTED]	9955	27.84-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008748-001	[REDACTED]	9955	32.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008764-003	[REDACTED]	9955	19.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008776-001	[REDACTED]	9955	16.26-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008786-001	[REDACTED]	9955	14.72-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008832-001	[REDACTED]	9955	17.01-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008879-001	[REDACTED]	9955	2.72-	042921	0	.00	.00	.00	.00	144.10	142.11	0
966600-004	[REDACTED]	9955	20.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
966942-001	[REDACTED]	9955	3.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
967265-002	[REDACTED]	9955	26.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
967688-001	[REDACTED]	9955	170.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0
967902-001	[REDACTED]	9955	13.98-	042921	0	.00	.00	.00	.00	144.10	142.11	0
967978-003	[REDACTED]	9955	56.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
968309-007	[REDACTED]	9955	55.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
968556-004	[REDACTED]	9955	158.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
968830-005	[REDACTED]	9955	75.47-	042921	0	.00	.00	.00	.00	144.10	142.11	0
969518-001	[REDACTED]	9955	101.70-	042921	0	.00	.00	.00	.00	144.10	142.11	0
969714-003	[REDACTED]	9955	83.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
970251-006	[REDACTED]	9955	14.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
970317-004	[REDACTED]	9955	23.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
970568-001	[REDACTED]	9955	178.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
970631-001	[REDACTED]	9955	210.99-	042921	0	.00	.00	.00	.00	144.10	142.11	0
970684-001	[REDACTED]	9955	310.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
970848-005	[REDACTED]	9955	53.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0
971197-005	[REDACTED]	9955	10.19-	042921	0	.00	.00	.00	.00	144.10	142.11	0
971309-001	[REDACTED]	9955	118.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
971598-002	[REDACTED]	9955	42.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
971729-003	[REDACTED]	9955	86.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
972164-003	[REDACTED]	9955	64.16-	042921	0	.00	.00	.00	.00	144.10	142.11	0
972847-002	[REDACTED]	9955	39.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
973005-001	[REDACTED]	9955	109.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
973005-002	[REDACTED]	9955	50.54-	042921	0	.00	.00	.00	.00	144.10	142.11	0
973037-004	[REDACTED]	9955	71.50-	042921	0	.00	.00	.00	.00	144.10	142.11	0
973349-001	[REDACTED]	9955	136.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
973601-003	[REDACTED]	9955	3.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
973846-005	[REDACTED]	9955	64.99-	042921	0	.00	.00	.00	.00	144.10	142.11	0
973873-002	[REDACTED]	9955	13.61-	042921	0	.00	.00	.00	.00	144.10	142.11	0
974399-006	[REDACTED]	9955	174.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
974440-001	[REDACTED]	9955	184.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0
974650-001	[REDACTED]	9955	123.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
975165-003	[REDACTED]	9955	127.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
975193-003	[REDACTED]	9955	210.24-	042921	0	.00	.00	.00	.00	144.10	142.11	0
975195-003	[REDACTED]	9955	43.72-	042921	0	.00	.00	.00	.00	144.10	142.11	0
975418-008	[REDACTED]	9955	65.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
975438-003	[REDACTED]	9955	79.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
975650-001	[REDACTED]	9955	150.81-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
975955-004	[REDACTED]	9955	230.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
976361-002	[REDACTED]	9955	190.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
976758-003	[REDACTED]	9955	142.17-	042921	0	.00	.00	.00	.00	144.10	142.11	0
976804-004	[REDACTED]	9955	210.24-	042921	0	.00	.00	.00	.00	144.10	142.11	0
977195-002	[REDACTED]	9955	.21-	042921	0	.00	.00	.00	.00	144.10	142.11	0
977442-002	[REDACTED]	9955	75.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
977587-004	[REDACTED]	9955	120.13-	042921	0	.00	.00	.00	.00	144.10	142.11	0
978059-001	[REDACTED]	9955	54.22-	042921	0	.00	.00	.00	.00	144.10	142.11	0
978265-001	[REDACTED]	9955	162.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
978562-001	[REDACTED]	9955	80.80-	042921	0	.00	.00	.00	.00	144.10	142.11	0
979006-003	[REDACTED]	9955	145.18-	042921	0	.00	.00	.00	.00	144.10	142.11	0
979205-002	[REDACTED]	9955	246.65-	042921	0	.00	.00	.00	.00	144.10	142.11	0
979343-004	[REDACTED]	9955	25.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0
979817-004	[REDACTED]	9955	32.09-	042921	0	.00	.00	.00	.00	144.10	142.11	0
980071-006	[REDACTED]	9955	319.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0
980434-002	[REDACTED]	9955	82.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
980513-001	[REDACTED]	9955	212.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
980632-003	[REDACTED]	9955	8.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
980730-001	[REDACTED]	9955	203.18-	042921	0	.00	.00	.00	.00	144.10	142.11	0
980970-001	[REDACTED]	9955	183.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
981063-003	[REDACTED]	9955	79.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
981066-005	[REDACTED]	9955	179.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
981193-003	[REDACTED]	9955	85.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
981281-004	[REDACTED]	9955	162.50-	042921	0	.00	.00	.00	.00	144.10	142.11	0
981291-002	[REDACTED]	9955	45.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
981436-019	[REDACTED]	9955	35.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
981468-002	[REDACTED]	9955	4.42-	042921	0	.00	.00	.00	.00	144.10	142.11	0
981510-002	[REDACTED]	9955	49.93-	042921	0	.00	.00	.00	.00	144.10	142.11	0
982017-003	[REDACTED]	9955	189.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
982299-001	[REDACTED]	9955	59.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
982660-005	[REDACTED]	9955	239.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
982663-002	[REDACTED]	9955	100.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
982731-001	[REDACTED]	9955	15.11-	042921	0	.00	.00	.00	.00	144.10	142.11	0
982831-003	[REDACTED]	9955	34.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
983149-002	[REDACTED]	9955	19.18-	042921	0	.00	.00	.00	.00	144.10	142.11	0
983204-007	[REDACTED]	9955	78.64-	042921	0	.00	.00	.00	.00	144.10	142.11	0
983822-003	[REDACTED]	9955	8.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
984176-003	[REDACTED]	9955	21.77-	042921	0	.00	.00	.00	.00	144.10	142.11	0
984259-001	[REDACTED]	9955	144.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
984350-005	[REDACTED]	9955	61.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
984514-004	[REDACTED]	9955	118.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
984565-002	[REDACTED]	9955	126.19-	042921	0	.00	.00	.00	.00	144.10	142.11	0
984627-001	[REDACTED]	9955	31.83-	042921	0	.00	.00	.00	.00	144.10	142.11	0
985033-003	[REDACTED]	9955	128.49-	042921	0	.00	.00	.00	.00	144.10	142.11	0
985107-006	[REDACTED]	9955	171.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
985226-001	[REDACTED]	9955	35.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
985520-003	[REDACTED]	9955	34.54-	042921	0	.00	.00	.00	.00	144.10	142.11	0
985745-004	[REDACTED]	9955	31.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0
985930-004	[REDACTED]	9955	10.18-	042921	0	.00	.00	.00	.00	144.10	142.11	0
986202-002	[REDACTED]	9955	121.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
986421-003	[REDACTED]	9955	86.56-	042921	0	.00	.00	.00	.00	144.10	142.11	0
986617-001	[REDACTED]	9955	91.01-	042921	0	.00	.00	.00	.00	144.10	142.11	0
986767-002	[REDACTED]	9955	180.73-	042921	0	.00	.00	.00	.00	144.10	142.11	0
986903-004	[REDACTED]	9955	48.46-	042921	0	.00	.00	.00	.00	144.10	142.11	0
987166-001	[REDACTED]	9955	239.67-	042921	0	.00	.00	.00	.00	144.10	142.11	0
987622-003	[REDACTED]	9955	27.32-	042921	0	.00	.00	.00	.00	144.10	142.11	0
987792-003	[REDACTED]	9955	87.19-	042921	0	.00	.00	.00	.00	144.10	142.11	0
988017-002	[REDACTED]	9955	154.15-	042921	0	.00	.00	.00	.00	144.10	142.11	0
988054-002	[REDACTED]	9955	18.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
988060-002	[REDACTED]	9955	149.81-	042921	0	.00	.00	.00	.00	144.10	142.11	0
988178-002	[REDACTED]	9955	18.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
988605-002	[REDACTED]	9955	19.86-	042921	0	.00	.00	.00	.00	144.10	142.11	0
988802-003	[REDACTED]	9955	21.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
988830-002	[REDACTED]	9955	138.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
988836-001	[REDACTED]	9955	178.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
988946-003	[REDACTED]	9955	23.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
989046-003	[REDACTED]	9955	130.00-	042921	0	.00	.00	.00	.00	144.10	142.11	0
989046-004	[REDACTED]	9955	22.31-	042921	0	.00	.00	.00	.00	144.10	142.11	0
989252-003	[REDACTED]	9955	41.11-	042921	0	.00	.00	.00	.00	144.10	142.11	0
989371-003	[REDACTED]	9955	88.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
989409-002	[REDACTED]	9955	142.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
989654-003	[REDACTED]	9955	39.67-	042921	0	.00	.00	.00	.00	144.10	142.11	0
989761-003	[REDACTED]	9955	51.98-	042921	0	.00	.00	.00	.00	144.10	142.11	0
990085-001	[REDACTED]	9955	213.57-	042921	0	.00	.00	.00	.00	144.10	142.11	0
990172-002	[REDACTED]	9955	12.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
990222-003	[REDACTED]	9955	101.93-	042921	0	.00	.00	.00	.00	144.10	142.11	0
990243-001	[REDACTED]	9955	124.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
990263-002	[REDACTED]	9955	136.18-	042921	0	.00	.00	.00	.00	144.10	142.11	0
990447-004	[REDACTED]	9955	161.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
990521-001	[REDACTED]	9955	176.05-	042921	0	.00	.00	.00	.00	144.10	142.11	0
990664-002	[REDACTED]	9955	59.73-	042921	0	.00	.00	.00	.00	144.10	142.11	0
990731-002	[REDACTED]	9955	140.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
990743-001	[REDACTED]	9955	183.08-	042921	0	.00	.00	.00	.00	144.10	142.11	0
991005-001	[REDACTED]	9955	65.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
991040-001	[REDACTED]	9955	164.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
991384-003	[REDACTED]	9955	40.70-	042921	0	.00	.00	.00	.00	144.10	142.11	0
991479-002	[REDACTED]	9955	44.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0
991550-001	[REDACTED]	9955	148.33-	042921	0	.00	.00	.00	.00	144.10	142.11	0
991563-001	[REDACTED]	9955	36.70-	042921	0	.00	.00	.00	.00	144.10	142.11	0
991653-005	[REDACTED]	9955	130.67-	042921	0	.00	.00	.00	.00	144.10	142.11	0
991758-003	[REDACTED]	9955	28.90-	042921	0	.00	.00	.00	.00	144.10	142.11	0
992322-004	[REDACTED]	9955	24.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
992340-002	[REDACTED]	9955	150.41-	042921	0	.00	.00	.00	.00	144.10	142.11	0
992486-002	[REDACTED]	9955	96.10-	042921	0	.00	.00	.00	.00	144.10	142.11	0
992516-001	[REDACTED]	9955	49.72-	042921	0	.00	.00	.00	.00	144.10	142.11	0
992643-003	[REDACTED]	9955	111.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0
992700-002	[REDACTED]	9955	78.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
992990-001	[REDACTED]	9955	124.51-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993278-002	[REDACTED]	9955	110.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993333-001	[REDACTED]	9955	65.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
993484-001	[REDACTED]	9955	84.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993504-003	[REDACTED]	9955	132.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993641-001	[REDACTED]	9955	68.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993700-002	[REDACTED]	9955	9.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993791-006	[REDACTED]	9955	8.36-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993805-002	[REDACTED]	9955	43.97-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993858-005	[REDACTED]	9955	35.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993925-004	[REDACTED]	9955	118.63-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993925-005	[REDACTED]	9955	10.62-	042921	0	.00	.00	.00	.00	144.10	142.11	0
993961-004	[REDACTED]	9955	21.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994044-003	[REDACTED]	9955	80.05-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994309-001	[REDACTED]	9955	106.93-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994322-001	[REDACTED]	9955	167.41-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994333-004	[REDACTED]	9955	101.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994478-005	[REDACTED]	9955	88.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994573-003	[REDACTED]	9955	107.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994630-001	[REDACTED]	9955	110.73-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994822-002	[REDACTED]	9955	129.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994856-003	[REDACTED]	9955	17.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
994942-003	[REDACTED]	9955	18.54-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995011-006	[REDACTED]	9955	105.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995030-002	[REDACTED]	9955	7.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995188-003	[REDACTED]	9955	158.51-	042921	0	.00	.00	.00	.00	144.10	142.11	0
995344-003	[REDACTED]	9955	7.01-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008899-001	[REDACTED]	9955	18.59-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1008939-001	[REDACTED]	9955	3.16-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1008985-001	[REDACTED]	9955	16.38-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009043-003	[REDACTED]	9955	26.42-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009165-003	[REDACTED]	9955	19.17-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009166-001	[REDACTED]	9955	12.52-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009168-001	[REDACTED]	9955	7.88-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009188-001	[REDACTED]	9955	9.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009194-001	[REDACTED]	9955	41.24-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009197-002	[REDACTED]	9955	26.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009209-001	[REDACTED]	9955	19.38-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009210-001	[REDACTED]	9955	8.33-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009244-001	[REDACTED]	9955	15.40-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009305-001	[REDACTED]	9955	20.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009312-001	[REDACTED]	9955	8.93-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009315-001	[REDACTED]	9955	13.10-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009347-001	[REDACTED]	9955	10.83-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009397-001	[REDACTED]	9955	14.10-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009404-001	[REDACTED]	9955	7.33-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009414-001	[REDACTED]	9955	38.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009420-001	[REDACTED]	9955	4.58-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009424-001	[REDACTED]	9955	11.97-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009431-001	[REDACTED]	9955	4.83-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009434-001	[REDACTED]	9955	5.56-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009438-002	[REDACTED]	9955	20.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009451-001	[REDACTED]	9955	2.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1009465-001	[REDACTED]	9955	8.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009508-001	[REDACTED]	9955	28.31-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009553-001	[REDACTED]	9955	1.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009587-001	[REDACTED]	9955	27.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009609-002	[REDACTED]	9955	11.02-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009625-001	[REDACTED]	9955	12.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009637-001	[REDACTED]	9955	7.09-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009647-001	[REDACTED]	9955	9.14-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009649-001	[REDACTED]	9955	7.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009676-001	[REDACTED]	9955	32.11-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009701-001	[REDACTED]	9955	27.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009824-001	[REDACTED]	9955	3.66-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1009945-002	[REDACTED]	9955	67.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010021-001	[REDACTED]	9955	9.22-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010028-001	[REDACTED]	9955	4.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010030-001	[REDACTED]	9955	31.91-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010034-002	[REDACTED]	9955	7.42-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010084-001	[REDACTED]	9955	1.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010096-001	[REDACTED]	9955	4.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010109-001	[REDACTED]	9955	7.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010221-001	[REDACTED]	9955	6.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010269-001	[REDACTED]	9955	5.19-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010270-001	[REDACTED]	9955	25.47-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010278-001	[REDACTED]	9955	28.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010283-002	[REDACTED]	9955	2.93-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1010302-001	[REDACTED]	9955	5.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010305-001	[REDACTED]	9955	5.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010312-001	[REDACTED]	9955	4.15-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010324-001	[REDACTED]	9955	4.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010334-001	[REDACTED]	9955	2.82-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010365-002	[REDACTED]	9955	3.81-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010366-001	[REDACTED]	9955	8.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010390-001	[REDACTED]	9955	6.72-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010406-001	[REDACTED]	9955	54.33-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010415-001	[REDACTED]	9955	13.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010452-001	[REDACTED]	9955	29.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010512-001	[REDACTED]	9955	5.16-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010538-001	[REDACTED]	9955	4.11-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010562-001	[REDACTED]	9955	10.18-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010572-001	[REDACTED]	9955	2.62-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010580-001	[REDACTED]	9955	39.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010597-001	[REDACTED]	9955	21.31-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010601-001	[REDACTED]	9955	7.15-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010611-001	[REDACTED]	9955	4.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010706-001	[REDACTED]	9955	4.86-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010739-001	[REDACTED]	9955	24.80-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010769-001	[REDACTED]	9955	6.88-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010828-001	[REDACTED]	9955	16.12-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010850-001	[REDACTED]	9955	20.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010857-001	[REDACTED]	9955	20.54-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
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MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1010868-001	[REDACTED]	9955	1.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010879-001	[REDACTED]	9955	6.45-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010880-002	[REDACTED]	9955	22.16-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010893-001	[REDACTED]	9955	8.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010905-001	[REDACTED]	9955	14.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010911-001	[REDACTED]	9955	.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010931-001	[REDACTED]	9955	19.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010935-001	[REDACTED]	9955	18.73-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010961-001	[REDACTED]	9955	26.37-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010968-001	[REDACTED]	9955	6.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1010983-002	[REDACTED]	9955	7.88-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011023-001	[REDACTED]	9955	15.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011049-002	[REDACTED]	9955	7.59-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011073-001	[REDACTED]	9955	1.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011081-001	[REDACTED] L	9955	13.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011142-001	[REDACTED]	9955	3.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011162-001	[REDACTED]	9955	7.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011169-001	[REDACTED]	9955	14.69-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011180-001	[REDACTED]	9955	31.80-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011230-001	[REDACTED]	9955	5.30-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011247-001	[REDACTED]	9955	3.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011259-001	[REDACTED]	9955	19.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011363-001	[REDACTED]	9955	11.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011378-002	[REDACTED]	9955	9.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011386-001	[REDACTED]	9955	29.46-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1011390-001	[REDACTED]	9955	2.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011413-001	[REDACTED]	9955	3.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011465-001	[REDACTED]	9955	13.88-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011467-001	[REDACTED]	9955	3.01-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011472-001	[REDACTED]	9955	8.22-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011473-001	[REDACTED]	9955	30.75-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011478-001	[REDACTED]	9955	11.71-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011482-001	[REDACTED]	9955	4.91-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011513-001	[REDACTED]	9955	22.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011544-001	[REDACTED]	9955	25.89-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011559-001	[REDACTED]	9955	25.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011561-001	[REDACTED]	9955	3.84-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011563-001	[REDACTED]	9955	9.48-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011611-001	[REDACTED]	9955	5.64-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011619-003	[REDACTED]	9955	31.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011634-001	[REDACTED]	9955	27.04-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011657-001	[REDACTED]	9955	9.79-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011700-001	[REDACTED]	9955	4.91-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011708-001	[REDACTED]	9955	7.92-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011741-001	[REDACTED]	9955	.77-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011748-001	[REDACTED]	9955	19.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011762-001	[REDACTED]	9955	6.16-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011782-001	[REDACTED]	9955	19.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011786-003	[REDACTED]	9955	41.16-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011808-001	[REDACTED]	9955	20.82-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1011818-001	[REDACTED]	9955	14.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011841-001	[REDACTED]	9955	21.82-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011849-001	[REDACTED]	9955	16.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011875-001	[REDACTED]	9955	12.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011876-001	[REDACTED]	9955	22.21-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011961-001	[REDACTED]	9955	8.53-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1011979-001	[REDACTED]	9955	6.59-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012047-001	[REDACTED]	9955	2.01-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012095-002	[REDACTED]	9955	18.51-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012105-001	[REDACTED]	9955	12.68-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012150-001	[REDACTED]	9955	4.39-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012198-001	[REDACTED]	9955	7.67-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012199-001	[REDACTED]	9955	8.78-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012236-001	[REDACTED]	9955	5.79-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012266-001	[REDACTED]	9955	13.48-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012306-002	[REDACTED]	9955	12.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012382-001	[REDACTED]	9955	4.24-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012438-001	[REDACTED]	9955	12.14-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012465-001	[REDACTED]	9955	13.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012484-001	[REDACTED]	9955	2.63-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012538-001	[REDACTED]	9955	10.81-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012539-001	[REDACTED]	9955	19.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012542-001	[REDACTED]	9955	2.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012552-001	[REDACTED]	9955	16.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012567-001	[REDACTED]	9955	18.49-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1012571-001	[REDACTED]	9955	11.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012639-001	[REDACTED]	9955	13.03-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012668-002	[REDACTED]	9955	10.96-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012713-001	[REDACTED]	9955	11.48-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012738-001	[REDACTED]	9955	10.65-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012756-001	[REDACTED]	9955	5.09-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012759-001	[REDACTED]	9955	4.27-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012760-001	[REDACTED]	9955	3.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012776-001	[REDACTED]	9955	5.95-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012783-001	[REDACTED]	9955	4.85-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012794-001	[REDACTED]	9955	6.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012808-001	[REDACTED]	9955	6.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012811-001	[REDACTED]	9955	8.84-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012834-001	[REDACTED]	9955	14.14-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012868-002	[REDACTED]	9955	7.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012869-001	[REDACTED]	9955	7.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012937-001	[REDACTED]	9955	3.35-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012955-001	[REDACTED]	9955	4.25-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1012967-001	[REDACTED]	9955	5.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013033-001	[REDACTED]	9955	16.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013065-001	[REDACTED]	9955	5.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013099-001	[REDACTED]	9955	9.36-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013117-001	[REDACTED]	9955	4.87-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013243-001	[REDACTED]	9955	7.19-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013247-001	[REDACTED]	9955	4.05-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
1013353-001	[REDACTED]	9955	2.34-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013430-001	[REDACTED]	9955	6.26-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013480-001	[REDACTED]	9955	2.20-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013483-001	[REDACTED]	9955	3.43-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013537-001	[REDACTED]	9955	13.74-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013599-001	[REDACTED]	9955	2.08-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013600-001	[REDACTED]	9955	2.07-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013682-001	[REDACTED]	9955	9.29-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013692-001	[REDACTED]	9955	5.99-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1013915-001	[REDACTED]	9955	3.30-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1014175-001	[REDACTED]	9955	4.42-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1014288-001	[REDACTED]	9955	2.64-	042921	0	.00	.00	.00	.00	144.10	142.11	0
1014378-001	[REDACTED]	9955	1.10-	042921	0	.00	.00	.00	.00	144.10	142.11	0
10167667001	[REDACTED]	9955	21.08-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55500383001	[REDACTED]	9955	18.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55500493004	[REDACTED]	9955	74.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55500499002	[REDACTED]	9955	57.62-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55500840011	[REDACTED]	9955	120.99-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55501200001	[REDACTED]	9955	116.44-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55501444001	[REDACTED]	9955	114.56-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55501538001	[REDACTED]	9955	57.55-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55502128002	[REDACTED]	9955	159.38-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55502272002	[REDACTED]	9955	200.26-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55580322003	[REDACTED]	9955	91.93-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55581177003	[REDACTED]	9955	24.50-	042921	0	.00	.00	.00	.00	144.10	142.11	0

DISTRICT 11
TRANS 213

MEMBER SP	NAME	BH	AMOUNT	DATE	VOUCHER	MBRFEE	DEPOSIT	OTHER	INTEREST	ACCT	RACCT	CHECK
55581783005	██████████	9955	21.46-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55581861006	██████████	9955	26.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55583177001	██████████	9955	133.19-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55583251001	██████████	9955	64.23-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55583432001	██████████	9955	92.28-	042921	0	.00	.00	.00	.00	144.10	142.11	0
55583566004	██████████	9955	45.94-	042921	0	.00	.00	.00	.00	144.10	142.11	0
TRANS 213	TOTAL -	831	64273.36-			.00	.00	.00	.00		64273.36-	
BATCH 9955	TOTAL -	831	64273.36-			.00	.00	.00	.00		64273.36-	
DISTRICT 11	TOTAL -	831	64273.36-			.00	.00	.00	.00		64273.36-	

GRAND TOTALS			ENTRIES	AMOUNT	MBRFEE	DEPOSIT	OTHER	INTEREST	TOTAL
DISTRICT	11	TOTAL	- 831	64273.36-	.00	.00	.00	.00	64273.36-
BATCH	9955	TOTAL	- 831	64273.36-	.00	.00	.00	.00	64273.36-
TRANSACTION	213	TOTAL	- 831	64273.36-	.00	.00	.00	.00	64273.36-

PRG. CASHTRAN
SOUTH KENTUCKY RECC

CASH FILE TRANSACTION LISTING
FROM 4/01/21 THRU 4/30/21

BILL MOYR 0421 RUN DATE 01/26/22 01:47 PM
PAGE 36
Witnesses: Michelle Herrman and Steve Seelye

ACCOUNT DISTRIBUTION	ACCT	RACCT	ITEMID	AMOUNT
	144.10	142.11	CNES 03	64273.36-

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 16**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye

COMPANY: South Kentucky RECC

Request 16. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.04.
Provide support for the current on-going audit fees.

Response 16. Attached please find the audit engagement letter for our 2021 year-end financial statement audit. The cited cost is \$39,800. The audit for 2021 includes a single audit requirement due to incurring FEMA reimbursable expenses during the year. The cost associated with the single audit is \$5,000. In normal years, the single audit is not necessary.



January 5, 2022

Board of Directors
South Kentucky Rural Electric Cooperative Corporation
200 Electric Avenue
Somerset, Kentucky 42501

You have requested that MCM CPAs & Advisors LLP (hereinafter "MCM" or "We") audit the financial statements of South Kentucky Rural Electric Cooperative Corporation (hereinafter the "Cooperative" or "You"), which comprise the balance sheet as of December 31, 2021, related statements of income and comprehensive income (loss), changes in members' and patrons' equities, and cash flows for the year then ended, and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter and the attached Additional Terms and Conditions (this "Agreement").

In addition, we will audit the entity's compliance over major federal award programs for the period ended December 31, 2021. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter ("Agreement"). Our audit will be conducted with the objective of our expressing an opinion on the financial statements and an opinion on compliance regarding the Cooperative's major federal award programs.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

MCM CPAs & Advisors LLP

www.mcmcpa.com
888.587.1719

A Member of PrimeGlobal - An Association
of Independent Accounting Firms

Kentucky
Indiana
Ohio

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

As part of an audit of financial statements in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Audit of Major Program Compliance

Our audit of the Cooperative's major federal award program compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance; and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

Audit of Major Program Compliance (Continued)

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Cooperative's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for the resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and in accordance with Government Auditing Standards, we exercise professional judgement and maintain professional skepticism through the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the Cooperative's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Cooperative's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified, however, such report will not express an opinion on internal control.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

- For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Management Responsibilities (Continued)

- For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received.
- For maintaining records that adequately identify the source and application of funds for federally funded activities.
- For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with Uniform Guidance.
- For designing, implementing and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.
- For identifying and ensuring the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements and the terms and conditions of federal award programs.
- For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award.
- For identifying and providing report copies of previous audits, attestation engagement, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented.
- For taking prompt action when instances of noncompliance are identified.
- For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings.
- For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings.
- For submitting the reporting package and data collection form to the appropriate parties.
- For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance.
- To provide us with:
 - Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
 - Additional information that we may request from management for the purpose of the audit; and
 - Unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.
- For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year under audit are all immaterial, both individually and in the aggregate, to the financial statements as a whole.
- For acceptance of nonattest services, including identifying the proper party to oversee nonattest work.
- For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
- For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance.
- For the accuracy and completeness of all information provided.
- For taking reasonable measures to safeguard protected personally identifiable and other sensitive information.
- For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

Management Responsibilities (Continued)

- As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. We may advise you about appropriate accounting principles and their application and may assist in the preparation of your financial statements; however, management acknowledges and understands that the final responsibility for preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America remains with management.
- For disclosing the date through which subsequent events have been evaluated and whether the date is the date the financial statements were issued or were available to be issued. You agree that you will not date the subsequent event note earlier than the date of your management representation letter.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

With respect to any nonattest services we perform, the Cooperative's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

MCM will not assume management's responsibilities on behalf of the Cooperative. However, we may provide advice and recommendations to assist management of the Cooperative in performing its responsibilities. MCM, in its sole professional judgment, reserves the right to refuse to do any procedure and/or take any action that may be construed as making significant judgments and/or decisions that are the responsibility of management.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

By your signature below, you acknowledge that management agrees to evaluate the adequacy of, and accept responsibility for, the results of all the services performed as part of this Agreement.

Records and Assistance

If circumstances arise relating to the condition of the Cooperative's records, the availability of audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

During the course of the engagement, we may accumulate records containing data that should be reflected in the Cooperative's books and records. The Cooperative's will determine that all such data, if necessary, will be so reflected. Accordingly, the Cooperative will not expect us to maintain copies of such records in our possession.

Reporting

We will issue a written report upon completion of our audit of the City of Richmond's financial statements. Our report will be addressed to the board of directors or those designated to be charged with governance of the Cooperative. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Parties' Understanding Concerning Situation Around COVID-19

MCM and the Company acknowledge that, at the time of the execution of the Agreement, federal, state and local governments, both domestic and foreign, have restricted travel and/or the movement of their citizens due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in the United States and around the globe, MCM has restricted its employees from certain travel and onsite work, whether at a client office or MCM's office, to protect the health of both MCM and its clients' employees.

Accordingly, to the extent that any of the services described in the Agreement requires or relies on MCM or Company's personnel to travel and/or perform work onsite, either at the Company's or MCM's offices, including, but not limited to, maintaining business operations and/or IT infrastructure, MCM and the Company acknowledge and agree that the performance of such work may be delayed, significantly or indefinitely, and thus certain services described herein may need to be rescheduled and/or suspended at either MCM or the Company's sole discretion. MCM and the Company agree to provide the other with prompt written notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. MCM and the Company also acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein. MCM will obtain the Company's prior written approval (email will be sufficient) for any increase in the cost of MCM services that may result from the situation surrounding COVID-19.

Other Communications Required by RUS 1773.6

- The audit is being performed and the auditor's report, report on compliance and on internal control over financial reporting, and management letter are being issued in order to enable the borrower to comply with the provisions of RUS's security instrument.
- RUS will consider the borrower to be in violation of its security instrument with RUS if the borrower fails to have an audit performed and documented in compliance with GAGAS and RUS 1773.6.
- MCM meets the requirements under RUS 1773.6 to be satisfactory to RUS.
- MCM will perform the audit and will prepare the auditor's report, report on compliance and on internal control over financial reporting, and management letter in accordance with the requirements of RUS 1773.6.
- MCM will document the audit work performed in accordance with GAGAS, the professional standards of the AICPA and the requirements of RUS 1773.6.
- MCM will make all audit-related documents, including auditor's reports, workpapers, and management letters available to RUS or its representatives (OIG and GAO), upon request, and will permit the photocopying of all audit-related documents.
- MCM will follow the requirements of reporting fraud and illegal acts as outlined in RUS 1773.9.
- MCM will report all audit findings to the board of directors as required by RUS 1773.20(b).
- The auditor's report, report on compliance and on internal controls over financial reporting and management letter with copies for transmittal to RUS, and supplemental lenders, if applicable, will be submitted to the borrower's board of directors within 90 days as of the audit date.

Engagement Administration, Fees and Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

Except as instructed otherwise in writing, each party may assume that the other approves of fax, email (including email exchanged via Internet media) and voicemail communication of both sensitive and non-sensitive documents, including third party confirmations, and other communication concerning this Agreement, as well as other means of communication used or accepted by the other party. You should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We also may store data on computer software applications on the internet or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential may be transmitted or stored using these methods. Our firm makes reasonable efforts to keep such data access secure in accordance with applicable laws and professional standards. You accept that we have no control over the unauthorized interception or breach of communications once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

John Hill is the engagement partner for the audit services specified in this letter. His responsibilities include supervising MCM services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Engagement Administration, Fees and Other (Continued)

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. We estimate that our fees for the audit will be \$39,800 for the financial audit and \$5,000 for the single audit. You will also be billed for out-of-pocket costs as incurred. The fee amount assumes the books are closed on a timely and accurate basis and client assistance schedules, cooperation and related information are provided timely, as requested. We also assume unexpected circumstances will not be encountered during the audit. If we encounter any circumstances that could significantly affect the initial fee estimate, we will discuss it with you at such time and our fees may be adjusted accordingly. Whenever possible, we will attempt to use your personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

Our invoices for these fees are payable upon presentation and will be billed as indicated in the billing schedule below:

December 2021	\$ 12,000
March 2022	12,800
Upon delivery	<u>15,000</u>
	<u>\$ 39,800</u>

Our audit engagement and estimated fees noted above do not contemplate assistance with the adoption of new accounting standards. If management requires assistance with the evaluation and implementation of new standards, we will discuss that with you and provide an estimate of the related fees.

In accordance with our firm policies, work may be suspended if your account becomes significantly overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Our independence standards require that members of the engagement team who intend to seek or discuss potential employment or who have received a specific offer of employment be removed from the attest engagement team. In order to adhere to these standards, you agree to notify your Engagement Partner prior to initiating or engaging in any discussion of employment with engagement personnel during the period of an attest engagement.

Our audit engagement ends on the delivery of our audit report. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Engagement Administration, Fees and Other (Continued)

Each party hereto agrees that any electronic signature of a party to this Agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing" (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to: (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual in signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities, or (iv) a digital signature. This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts" of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as the other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Any claim, dispute or cause of action based upon, arising out of or relating to this Agreement, including the negotiation, execution or performance of this Agreement, whether in contract, tort or statute (hereinafter "Claims under this Agreement"), except actions by us to enforce payment of our professional invoices, shall be subject to mediation as a condition precedent to litigation. The mediation shall take place in Kentucky and shall be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with facilitation by the mediator, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and therefore shall be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings. Each party shall bear its own costs in the mediation. The fees and expenses of the mediator shall be shared equally by the parties.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary.

Except to the extent finally determined to have resulted from MCM fraudulent behavior or willful misconduct, our liability relating to the performance of the services rendered under this letter is limited solely to direct damage sustained by you. In no event shall we be liable for the consequential, special, incidental or punitive loss, damage or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.). Notwithstanding the foregoing, our maximum liability relating to services rendered under this letter (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fees received by us for this engagement. The provisions set forth in this paragraph shall survive the completion of the engagement.

Any dispute over fees charged by us to you will be submitted for resolution by arbitration in accordance with the Rules of Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by us, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution. Such arbitration shall take place in Kentucky and shall be binding and final.

Engagement Administration, Fees and Other (Continued)

Kentucky law shall govern this Agreement and any disputes arising out of or relating to this Agreement, without regard to any choice of law or conflict of laws rules or provisions. If any provision of this Agreement is declared invalid or unenforceable, no other provision of this Agreement is affected, and all other provisions remain in full force and effect.

In accordance with the requirements of *Government Auditing Standards*, we have made available to you a copy of our latest external peer review report of our firm for your consideration and files.

This engagement letter and the attached Additional Terms and Conditions are contractual in nature, and include all of the relevant terms that will govern the engagement for which they have been prepared. The terms of this letter and the attached Additional Terms and Conditions supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter and the attached Additional Terms and Conditions will only become effective if evidenced by a written amendment to this Agreement, signed by all of the parties. This Agreement shall be binding on heirs, successors, and assignees of the Cooperative and MCM.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities. You may return the letter via email to any of your designated engagement team members or fax directly to our office. We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,



MCM CPAs & Advisors LLP
By: John Hill, CPA

RESPONSE:

This letter and the attached Additional Terms and Conditions correctly set forth our understanding.

South Kentucky Rural Electric Cooperative Corporation

Acknowledged and agreed on behalf of South Kentucky Rural Electric Cooperative Corporation by:



Signature

CEO

Title

ADDITIONAL TERMS AND CONDITIONS

1. If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. Furthermore, you agree that the terms of this Agreement do not encompass an undertaking by us to consent, by means of a separate letter or otherwise, to the inclusion of our auditor's reports referred to above in a filing with a federal or state regulatory agency or otherwise reissue our reports (as defined by U.S. professional standards in AU Section 530) for purposes of a securities offering or other financing transaction, or to acknowledge reliance on our reports by others.
2. Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.
3. In the event we are requested or authorized by the Cooperative or are required by government regulation, subpoena, court order or other legal process for the production of documents and/or testimony relative to information we have obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, for the time we extend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard so long as we are not a party to the proceeding in which the information is sought.
4. It is our policy to keep records related to this engagement for seven years after the report release date, in accordance with professional standards. However, MCM does not keep any original client documents; therefore, they will be returned to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. You agree that upon the expiration of the seven-year period, MCM shall be free to destroy any records related to this engagement.
5. We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. Our Firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature on this letter, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.
6. The audit documentation for this engagement is the property of MCM and constitutes confidential information. However, we may be requested to make certain audit documentation available to our external peer reviewers as all engagements are subject to selection within our peer review year. If requested, access to such audit documentation will be provided under the supervision of MCM's personnel.

ADDITIONAL TERMS AND CONDITIONS (Continued)

7. We are a member of PrimeGlobal, a global association of independent accounting firms. No PrimeGlobal member firm is an agent or partner of the association or of any other member firm. No PrimeGlobal member firm has the authority to enter into any legal obligations on behalf of the association or any other member firm. If we introduce you to another PrimeGlobal member firm, MCM specifically denies any liability for any work performed by that firm. You should make your own contractual arrangements with that firm for work they perform. You agree that MCM has the sole liability for any work performed under this engagement and you undertake not to make any claim or bring proceedings against either PrimeGlobal or any other member of PrimeGlobal in relation to work covered by this engagement.
8. MCM represents and warrants that it has implemented an information security program that is reasonably designed to provide protection to the security, confidentiality, integrity, and availability of Personal information, and at a minimum, includes risk assessment and controls for (i) system access, (ii) system and application, development and maintenance, (iii) change management, (iv) asset classification and control, (v) incident response, physical and environmental security, (vi) disaster recovery/business continuity, and (vii) employee training.
9. Data Security - MCM will maintain at those of its facilities where the services are performed, and/or where any Client data is stored, physical and information security procedures that meet or exceed industry standards, or such other procedures otherwise agreed upon by the parties. If MCM or any of its third-party service providers discover or are notified of a breach of security, relating to the Client Confidential Information or Client data in the possession or under the control of MCM, MCM will notify the Client of such breach within 48 hours of discovery and MCM will promptly investigate and take commercially reasonable steps to cure breach.
10. MCM agrees that it will not inform any third party of any breach of Cooperative data without first obtaining Cooperative's prior written consent, other than to inform any such third party that the matter has been forwarded to Cooperative's legal counsel, unless MCM is otherwise required by law to do so without first obtaining Cooperative's prior consent. Cooperative and MCM shall work cooperatively to determine: (i) whether notice of breach is to be provided to any individuals, regulators, law enforcement agencies, consumer reporting agencies or others as required by law or regulation; and (ii) the consents of such notice and whether credit monitoring shall be offered to affected persons. Notwithstanding the forgoing, MCM reserves the right, in its sole discretion, to report criminal acts relating to the use and disclosure of data to applicable government authorities and shall notify Cooperative as soon as practicable that such reporting has occurred.
11. During the term of this Agreement and ending one year after all services to be provided have been performed, neither party, will offer work to, solicit, or induce for employment, employ, or contract with, personnel of either party assigned to the engagements covered by this Agreement. The parties acknowledge and agree that training and developing personnel requires substantial time and resources. Therefore, in the event that one party hires the other party's employee during the restrictive period, the hiring party will reimburse the other party a negotiated amount not to exceed thirty percent of the starting salary paid by the hiring party.
12. We may mention the Cooperative's name and provide a general description of the engagement in our client lists and marketing materials.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 17**

RESPONSIBLE PERSON: Steve Seelye

COMPANY: South Kentucky RECC

Request 17. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.05.

Explain whether any expense reductions from the terminated programs are also reflected in the test year.

Response 17. There were no reductions from the terminated programs that were also reflected in the test year. Furthermore, South Kentucky is unaware of any reductions in South Kentucky's expenses that resulted *from* the termination of any of EKPC's demand-side management or energy efficiency programs.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 18**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye

COMPANY: South Kentucky RECC

Request 18. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.06.

Explain why the back-tax payment occurred.

Response 18. As a result of a review of South Kentucky billing and calculation system, South Kentucky determined that South Kentucky had under-reported our gross receipts license tax related to residential security light charges. South Kentucky self-reported this calculation error, remitted the under payment and worked with its software vendor to correct the calculation in the billing system.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 19**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye

COMPANY: South Kentucky RECC

Request 19. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.07. Also refer to the Herrman Testimony, page 8, line 17. Mr. Seelye applies an interest rate of 0.07 percent and Ms. Herrman states that the interest rate is 0.09 percent. Reconcile these two interest rates.

Response 19. The confirmed interest rate on the cushion of credit is 0.09% effective from 10/1/2021 to 9/30/22. The exact interest rate was not known when WSS-4 was completed and the interest rate was estimated.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 20**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye

COMPANY: South Kentucky RECC

Request 20. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.212.

Provide support for the \$186,211 401(k) expense in the test year.

Response 20. Please see attached.

SOUTH KENTUCKY RECC
PRG. ACCTANAL (ANLA)

ACCOUNT ANALYSIS
FOR ACCT: 232.20 A/P - EMPLOYER'S 401-K
DATE RANGE FROM 04/01/19 TO 03/31/20

WITNESSES: Michelle Herrman and Steve Seelye
PAGE 3
RUN DATE 01/21/22 10:23 AM

SO	TR	RACCT	ITEM ID	DEPT	WH	BH	DATE	CK/JOB/REC/TSK PJ/VHR/VND/VEH	QTY	DEBIT	CREDIT	DESCRIPTION
JE	40	131.10	SJOO	98	1603	2159	04/30/19		.00	14,632.83	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	05/31/19		.00	14,754.89	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	06/30/19		.00	14,085.39	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	07/31/19		.00	21,249.19	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	08/31/19		.00	14,015.92	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	09/30/19		.00	13,777.55	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	10/31/19		.00	13,934.08	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	11/30/19		.00	14,169.99	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	12/31/19		.00	14,114.52	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	01/31/20		.00	21,837.59	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	02/28/20		.00	14,842.28	.00	REC NRECA 401-K - #18054
JE	40	131.10	SJOO	98	1603	2159	03/31/20		.00	14,796.85	.00	REC NRECA 401-K - #18054

NUMBER OF RECORDS FOUND - 12

TOTAL QTY .00

TOTAL DEBIT 186,211.08

TOTAL CREDIT .00

NET BALANCE 186,211.08

**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF APRIL 2019**

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 4/10/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 4/10/2019

			27,963.14	322.87	7,276.82	35,562.83
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POSTED 4/24/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 4/24/2019

			28,162.30	322.87	7,356.01	35,841.18
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18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY

			56,125.44	645.74	14,632.83	71,404.01
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BIWEEKLY TOTALS FOR CO-OP(s) SELECTED

			56,125.44	645.74	14,632.83	71,404.01
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This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

Please note that it is a violation of federal law if your System can transmit employee contributions, but does not transmit them to the 401(k) Pension Plan once they have been withheld. Delaying the transmission of employee contributions to the 401(k) Pension Plan will result in late contribution penalties and in a potential DOL inquiry.

Witnesses: Michelle Herrman and Steve Seelye

REPORT DATE: 1/21/2022

PAGE: 1

PRINTED BY: Johnson, Melissa D

**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF MAY 2019**

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 5/7/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
Subtotal 5/7/2019						
			28,165.22	322.87	7,232.96	35,721.05

POSTED 5/21/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
Subtotal 5/21/2019						
			28,636.64	755.87	7,521.93	36,914.44

18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY

			56,801.86	1,078.74	14,754.89	72,635.49
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BIWEEKLY TOTALS FOR CO-OP(s) SELECTED

			56,801.86	1,078.74	14,754.89	72,635.49
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This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

Please note that it is a violation of federal law if your System can transmit employee contributions, but does not transmit them to the 401(k) Pension Plan once they have been withheld. Delaying the transmission of employee contributions to the 401(k) Pension Plan will result in late contribution penalties and in a potential DOL inquiry.

**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF JUNE 2019**

REPORT DATE: 1/21/2022

PAGE: 1

PRINTED BY: Johnson, Melissa D

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 6/4/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 6/4/2019

			27,922.93	103.63	7,035.32	35,061.88
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POSTED 6/20/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 6/20/2019

			28,322.26	103.63	7,050.07	35,475.96
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18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY

			56,245.19	207.26	14,085.39	70,537.84
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BIWEEKLY TOTALS FOR CO-OP(s) SELECTED

			56,245.19	207.26	14,085.39	70,537.84
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This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

Please note that it is a violation of federal law if your System can transmit employee contributions, but does not transmit them to the 401(k) Pension Plan once they have been withheld. Delaying the transmission of employee contributions to the 401(k) Pension Plan will result in late contribution penalties and in a potential DOL inquiry.

**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF JULY 2019**

REPORT DATE: 1/21/2022

PAGE: 1

PRINTED BY: Johnson, Melissa D

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 7/3/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 7/3/2019						
			28,416.47	103.63	7,050.06	35,570.16

POSTED 7/15/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 7/15/2019						
			28,735.54	105.82	7,130.04	35,971.40

POSTED 7/30/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 7/30/2019						
			28,246.65	105.82	7,069.09	35,421.56

18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY						
			85,398.66	315.27	21,249.19	106,963.12

BIWEEKLY TOTALS FOR CO-OP(S) SELECTED						
			85,398.66	315.27	21,249.19	106,963.12

This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

Please note that it is a violation of federal law if your System can transmit employee contributions, but does not transmit them to the 401(k) Pension Plan once they have been withheld. Delaying the transmission of employee contributions to the 401(k) Pension Plan will result in late contribution penalties and in a potential DOL inquiry.

**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF AUGUST 2019**

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 8/13/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
-----	------------------	-----------------------	---------------------	------------------------------------	----------------------	------------------------

Subtotal 8/13/2019

			27,728.79	105.82	7,008.16	34,842.77
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POSTED 8/26/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 8/26/2019

			27,728.36	105.82	7,007.76	34,841.94
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18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY

			55,457.15	211.64	14,015.92	69,684.71
--	--	--	-----------	--------	-----------	-----------

BIWEEKLY TOTALS FOR CO-OP(s) SELECTED

			55,457.15	211.64	14,015.92	69,684.71
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This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

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**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF SEPTEMBER 2019**

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 9/11/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
-----	------------------	-----------------	------------------	------------------------------	-------------------	---------------------

Subtotal 9/11/2019						
			27,056.92	105.82	6,999.95	34,162.69

POSTED 9/24/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 9/24/2019						
			26,338.86	105.82	6,777.60	33,222.28

18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY						
			53,395.78	211.64	13,777.55	67,384.97

BIWEEKLY TOTALS FOR CO-OP(s) SELECTED						
			53,395.78	211.64	13,777.55	67,384.97

This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

Please note that it is a violation of federal law if your System can transmit employee contributions, but does not transmit them to the 401(k) Pension Plan once they have been withheld. Delaying the transmission of employee contributions to the 401(k) Pension Plan will result in late contribution penalties and in a potential DOL inquiry.

**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF OCTOBER 2019**

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 10/8/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 10/8/2019

			27,302.17	105.82	7,042.06	34,450.05
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POSTED 10/23/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 10/23/2019

			25,726.67	105.82	6,892.02	32,724.51
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18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY

			53,028.84	211.64	13,934.08	67,174.56
--	--	--	-----------	--------	-----------	-----------

BIWEEKLY TOTALS FOR CO-OP(s) SELECTED

			53,028.84	211.64	13,934.08	67,174.56
--	--	--	-----------	--------	-----------	-----------

This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

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**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF NOVEMBER 2019**

REPORT DATE: 1/21/2022

PAGE: 1

PRINTED BY: Johnson, Melissa D

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 11/5/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 11/5/2019

			25,585.27	105.82	7,146.16	32,837.25
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POSTED 11/19/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 11/19/2019

			25,252.14	105.82	7,023.83	32,381.79
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18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY

			50,837.41	211.64	14,169.99	65,219.04
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BIWEEKLY TOTALS FOR CO-OP(s) SELECTED

			50,837.41	211.64	14,169.99	65,219.04
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This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

Please note that it is a violation of federal law if your System can transmit employee contributions, but does not transmit them to the 401(k) Pension Plan once they have been withheld. Delaying the transmission of employee contributions to the 401(k) Pension Plan will result in late contribution penalties and in a potential DOL inquiry.

**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF DECEMBER 2019**

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 12/4/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 12/4/2019						
			25,257.09	105.82	7,055.55	32,418.46

POSTED 12/19/2019

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 12/19/2019						
			25,264.64	105.82	7,058.97	32,429.43

18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY						
			50,521.73	211.64	14,114.52	64,847.89

BIWEEKLY TOTALS FOR CO-OP(s) SELECTED						
			50,521.73	211.64	14,114.52	64,847.89

This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

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REPORT DATE: 1/21/2022

PAGE: 1

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**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF JANUARY 2020**

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 1/2/2020

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 1/2/2020						
			25,630.96	105.82	7,186.43	32,923.21

POSTED 1/17/2020

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 1/17/2020						
			27,237.22	105.82	7,230.02	34,573.06

POSTED 1/28/2020

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 1/28/2020						
			27,850.44	105.82	7,421.14	35,377.40

18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY						
			80,718.62	317.46	21,837.59	102,873.67

BIWEEKLY TOTALS FOR CO-OP(S) SELECTED						
			80,718.62	317.46	21,837.59	102,873.67

This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

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**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF FEBRUARY 2020**

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 2/14/2020

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 2/14/2020

			27,912.21	105.82	7,421.14	35,439.17
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POSTED 2/25/2020

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
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Subtotal 2/25/2020

			29,306.35	105.82	7,421.14	36,833.31
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18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY

			57,218.56	211.64	14,842.28	72,272.48
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BIWEEKLY TOTALS FOR CO-OP(S) SELECTED

			57,218.56	211.64	14,842.28	72,272.48
--	--	--	-----------	--------	-----------	-----------

This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

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**401(k) PENSION PLAN
CONTRIBUTION CONFIRMATION
FOR THE MONTH OF MARCH 2020**

REPORT DATE: 1/21/2022

PAGE: 1

PRINTED BY: Johnson, Melissa D

**PAYROLL FREQUENCY: BIWEEKLY
18-054 SOUTH KENTUCKY RECC**

POSTED 3/10/2020

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
Subtotal 3/10/2020						
			29,352.81	105.82	7,373.35	36,831.98

POSTED 3/24/2020

SSN	PARTICIPANT NAME	PLAN ENTRY DATE	EMPLOYEE PRE-TAX	EMPLOYEE AFTER-TAX VOLUNTARY	EMPLOYER MATCHING	TOTAL CONTRIBUTIONS
Subtotal 3/24/2020						
			29,356.48	105.82	7,423.50	36,885.80

18-054 SOUTH KENTUCKY RECC TOTALS FOR BIWEEKLY FREQUENCY						
			58,709.29	211.64	14,796.85	73,717.78

BIWEEKLY TOTALS FOR CO-OP(S) SELECTED						
			58,709.29	211.64	14,796.85	73,717.78

This Confirmation Report should be used to reconcile participant contribution data to your payroll bank records.

Under federal law, you must transmit amounts withheld from your employees' salary (as employee contributions) as soon as you can reasonably segregate these employee contributions from your general assets. To comply with these rules, this must be done on a payroll frequency basis.

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**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 21**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye

COMPANY: South Kentucky RECC

Request 21. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.13.

Provide support for the \$60,966 life insurance policy.

Response 21. Please see attached. The Excel spreadsheet attachment is being uploaded separately into the Commission's electronic filing system.



Billing Statement

For Period 04/01/19 to 04/30/19

Statement Date: 03/15/19

Payment Summary

Payment Received 03/12/19	-11,206.36
No Outstanding Balance As Of 3/15/19	0.00
Current Premium	12,942.75
Total Payment Due 4/01/19	\$12,942.75

Handwritten notes: "M/10/19" and "M/10/19" with checkmarks.

Approval:

"Planholder use only"

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	214	1	1	214	\$5,374.53	\$428.76
Dep Life	94	1	3	92	\$105.80	(\$7.27)
Ltd	139	1	1	139	\$5,524.94	\$453.39
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	16	0	1	15	\$1,110.50	(\$51.40)
TOTAL					\$12,119.27	\$823.48

Planholder Reference

MISSY JOHNSON
 SOUTH KY RECC
 Group ID: 00 395099
 Division ID: 0000
 RHO: AP
 RGO: 032
 A/R: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to
 members' eligibility, view and pay
 bills and more.

Log on or register in two minutes
 at www.GuardianAnytime.com

Due Date: 04/01/19
Payment Due: \$12,942.75

- Please do not write on payment coupon. If you have changes, please submit them via Guardian Anytime or submit on Change Report.
- For fast and easy payment, submit via www.guardiananytime.com, or detach and send Payment Coupon and your check made payable to Guardian in the enclosed envelope to: GUARDIAN, P O BOX 677458, DALLAS, TX 75267-7458.

Group ID: 00 395099
Division: 0000
 A/R: GUL

▲ Please detach and return with payment

Payment Coupon



GUARDIAN

MISSY JOHNSON
 SOUTH KY RECC
 200 ELECTRIC AVENUE
 SOMERSET, KY 42501



33304056

Account #	Guardian April 2019 Description	Cost	
143.16	Dep Life	\$97.38	EMBF 02
143.02	Retired/ LTD Dep Life	\$158.89	"
143.25	Voluntary	\$1,062.60	EMDT 34
186.08	Basic Life & AD/D	\$5,645.55	EMBF 02
186.15	LTD	\$5,978.33	"
TOTAL		\$12,942.75	

MDH by AK

4/4/19

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$2.08		\$2.45		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$3.90		\$4.19		\$2.20
	\$2.86		\$3.27		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$2.08		\$2.28		\$2.20
	\$5.46		\$5.91		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$7.02		\$7.49		\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$2.86		\$3.19		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$5.72		\$6.19		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$1.32
	\$4.16		\$4.45		\$2.20
	\$53.04		\$56.89		\$2.20
	\$3.12		\$3.38		\$2.20
	\$35.62		\$38.15		\$0.88
	\$4.16		\$4.45		\$2.20
	\$2.60		\$2.62		\$2.20
	\$43.16	\$1.15	\$46.10	\$76.50	\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$7.28		\$7.79		\$2.20
	\$32.24		\$34.35		\$2.20
	\$7.54		\$8.01		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$1.56		\$1.71		\$1.32
	\$2.08		\$2.10		\$2.20
	\$32.24		\$34.35		\$0.88
	\$41.34	\$1.15	\$44.23		\$2.20
	\$2.34		\$2.58		\$2.20
	\$31.98		\$34.20		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$2.60		\$2.77		\$2.20
	\$5.46		\$5.68		\$2.20
	\$32.24	\$1.15	\$34.35		\$2.20
	\$30.68		\$32.88		\$2.20
	\$7.02		\$7.73		\$2.20
	\$2.08		\$2.28		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$8.32		\$8.95		\$2.20
	\$7.02		\$7.64		\$2.20
	\$45.76		\$48.99		\$1.32
	\$21.84		\$23.25		\$2.20
	\$1.56		\$1.62		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$2.86		\$3.06		\$2.20
	\$3.12		\$3.20		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$2.60		\$2.77		\$1.32
	\$25.22	\$1.15	\$26.86		\$2.20
	(\$2.08)		(\$2.39)		\$2.20
	\$4.16		\$4.57		\$2.20

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
[REDACTED]	\$41.34	\$1.15	\$44.23		[REDACTED] \$2.20
[REDACTED] B	\$35.62	\$1.15	\$38.20		[REDACTED] \$1.32
[REDACTED]	\$2.08		\$2.28		[REDACTED] \$2.20
[REDACTED]	\$5.98		\$6.37		[REDACTED] \$3.96
[REDACTED]	\$37.44	\$1.15	\$40.07		[REDACTED] \$2.20
[REDACTED]	\$28.60		\$30.57		[REDACTED] \$0.88
[REDACTED]	\$1.82		\$1.90		[REDACTED] \$2.20
[REDACTED]	\$2.34		\$2.58		[REDACTED] \$1.32
[REDACTED]	\$41.34		\$44.23		[REDACTED] \$2.42
[REDACTED]	(\$37.18)	(\$1.15)	(\$39.66)	(\$51.40)	[REDACTED] \$2.20
[REDACTED]	\$4.16		\$4.57		[REDACTED] \$2.20
[REDACTED]	\$41.34		\$44.23		[REDACTED] \$2.20
[REDACTED]	\$20.54		\$22.05		[REDACTED] \$2.20
[REDACTED]	\$41.34	\$1.15	\$44.23	\$78.40	[REDACTED] \$2.20
[REDACTED]	\$2.34		\$2.58		[REDACTED] \$2.20
[REDACTED]	\$1.56		\$1.71		[REDACTED] \$2.20
[REDACTED]	\$25.22	\$1.15	\$26.86		[REDACTED] \$2.20
[REDACTED]	\$46.80		\$50.14		
[REDACTED]	\$2.60		\$2.77		
[REDACTED]	\$2.60		\$2.62		
[REDACTED]	\$43.16	\$1.15	\$46.10		
[REDACTED]	\$41.34	\$1.15	\$44.23		
[REDACTED]	\$2.34		\$2.58		
[REDACTED]	\$4.16		\$4.24		
[REDACTED]	\$32.50	\$1.15	\$34.66		
[REDACTED]	\$35.62	\$1.15	\$38.20		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$2.34		\$2.58		
[REDACTED]	\$41.34		\$44.23		
[REDACTED]	\$43.16		\$46.10		
[REDACTED]	\$4.16		\$4.45		
[REDACTED]	\$46.80		\$50.14		
[REDACTED]	\$8.32		\$8.95		
[REDACTED]	\$2.60		\$2.77		
[REDACTED]	\$46.80		\$50.14		
[REDACTED]	\$46.80		\$50.14		
[REDACTED]	\$2.60		\$2.77		
[REDACTED]	\$25.22		\$26.86		
[REDACTED]	\$1.56		\$1.71		
[REDACTED]	\$2.34		\$2.58		
[REDACTED]	\$41.34	\$1.15	\$44.23	\$51.90	
[REDACTED]	\$43.16	\$1.15	\$46.10		
[REDACTED]	\$2.60		\$2.62		
[REDACTED]	\$30.16		\$32.25		
[REDACTED]	\$21.84	\$1.15	\$23.25		
[REDACTED]	\$1.56		\$1.62		
[REDACTED]	\$2.86		\$3.06		
[REDACTED]	\$54.60	\$1.15	\$58.46		
[REDACTED]	\$83.46		\$89.45		
[REDACTED]	\$9.36		\$10.05		
[REDACTED]		(\$3.45)			
[REDACTED]	\$99.06		\$100.45		
[REDACTED]	\$10.92		\$6.02		
[REDACTED]	\$1.56		\$1.71		
[REDACTED]	\$25.22	\$1.15	\$26.86		
[REDACTED]	\$54.60	\$1.15	\$58.46		
[REDACTED]	\$2.86		\$3.06		
[REDACTED]	\$39.26	\$1.15	\$42.11		

April 2019

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
[REDACTED]	\$32.24	\$1.15	\$34.35		
[REDACTED]	\$2.08		\$2.10		
[REDACTED]	\$5.72		\$6.19		
[REDACTED]	\$25.22		\$26.86		
[REDACTED]	\$29.12	\$1.15	\$31.10		
[REDACTED]	\$4.42		\$4.78		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$35.62		\$38.20		
[REDACTED]	\$35.62	\$1.15	\$38.20		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$41.34		\$44.23		
[REDACTED]	\$2.34		\$2.58		
[REDACTED]	\$31.98	\$1.15	\$34.20		
[REDACTED]	\$0.52		\$0.50		
[REDACTED]	\$5.72		\$6.19		
[REDACTED]	\$25.22	\$1.15	\$26.86		
[REDACTED]	\$28.60		\$30.57		
[REDACTED]	\$1.82		\$1.90		
[REDACTED]	\$3.38		\$3.64		
[REDACTED]	\$28.60	\$1.15	\$30.57		
[REDACTED]	\$39.26		\$42.11		
[REDACTED]	\$2.08		\$2.45		
[REDACTED]	\$6.76		\$7.11		
[REDACTED]	\$54.60		\$58.46		
[REDACTED]	\$41.34		\$44.23		
[REDACTED]	\$3.90		\$4.18		
[REDACTED]	\$2.08		\$2.45		
[REDACTED]	\$39.26	\$1.15	\$42.11		
[REDACTED]	\$21.84	\$1.15	\$23.21		
[REDACTED]	\$4.94		\$5.31		
[REDACTED]	\$16.64	\$1.15	\$17.60		
[REDACTED]	\$39.26	\$1.15	\$42.11		
[REDACTED]	\$4.42		\$4.93		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$35.62		\$38.20		
[REDACTED]	\$50.70	\$1.15	\$54.27		
[REDACTED]	\$2.86		\$2.92		
[REDACTED]	\$11.18		\$12.01		
[REDACTED]	\$50.18		\$53.66		
[REDACTED]	\$20.54	\$1.15	\$22.05		
[REDACTED]	\$13.91	\$0.78	\$14.94		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$35.62	\$1.15	\$38.20		
[REDACTED]	\$28.60		\$30.57		
[REDACTED]	\$1.82		\$1.90		
[REDACTED]	\$3.38		\$3.64		
[REDACTED]	\$28.60	\$1.15	\$30.57		
[REDACTED]	\$30.68	\$1.15	\$32.88		
[REDACTED]	\$7.02		\$7.73		
[REDACTED]	\$3.90		\$4.18		
[REDACTED]	\$41.34	\$1.15	\$44.23		
[REDACTED]	\$39.26	\$1.15	\$41.90		
[REDACTED]	\$6.24		\$6.51		
[REDACTED]	\$79.82	\$1.15	\$85.69		
[REDACTED]	\$24.18		\$26.16		
[REDACTED]	\$2.60		\$2.77		
[REDACTED]	\$46.80		\$50.14		
[REDACTED]	\$32.24	\$1.15	\$34.35		

April 2019

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
[REDACTED]	\$2.08		\$2.10		
[REDACTED]	\$35.62	\$1.15	\$38.20	\$76.50	
[REDACTED]	\$8.32		\$8.95		
[REDACTED]	\$25.22	\$1.15	\$26.86		
[REDACTED]	\$1.56		\$1.71		
[REDACTED]	\$4.16		\$4.57		
[REDACTED]	\$41.34		\$44.23		
[REDACTED]	\$43.16	\$1.15	\$46.10		
[REDACTED]	\$8.58		\$9.13		
[REDACTED]	(\$27.30)		(\$29.25)		
[REDACTED]	\$35.62	\$1.15	\$38.15		
[REDACTED]	\$43.16	\$1.15	\$46.10		
[REDACTED]	\$5.46		\$5.71		
[REDACTED]	\$22.88	\$1.15	\$24.46		
[REDACTED]	\$5.98		\$6.56		
[REDACTED]	\$41.34	\$1.15	\$44.23		
[REDACTED]	\$4.16		\$4.57		
[REDACTED]	\$35.62	\$1.15	\$38.20		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$35.62		\$38.20		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$7.02		\$7.64		
[REDACTED]	\$45.76	\$1.15	\$48.99		
[REDACTED]	\$35.62	\$1.15	\$38.20	\$51.40	
[REDACTED]	\$2.08		\$2.28		
[REDACTED] A	\$1.56		\$1.71		
[REDACTED]	\$25.22		\$26.86		
[REDACTED]	\$35.62		\$38.20		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$30.16	\$1.15	\$32.25		
[REDACTED]	\$35.62	\$1.15	\$38.20		
[REDACTED]	\$5.46		\$5.95		
[REDACTED]	\$5.98		\$6.37		
[REDACTED]	\$37.44	\$1.15	\$40.07		
[REDACTED]	\$41.34	\$1.15	\$44.23		
[REDACTED]	\$3.90		\$4.18		
[REDACTED]	\$25.22		\$26.86		
[REDACTED]	\$1.56		\$1.71		
[REDACTED]	\$4.16				
[REDACTED]	\$43.16	\$1.15	\$0.00		
[REDACTED]	\$34.84	\$1.15	\$37.33		
[REDACTED]	\$32.24	\$1.15	\$34.35	\$132.00	
[REDACTED]	\$2.08		\$2.10		
[REDACTED]	\$54.60	\$1.15	\$58.46	\$115.50	
[REDACTED]	\$2.86		\$3.06		
[REDACTED]	\$35.62	\$1.15	\$38.20		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$2.08		\$2.10		
[REDACTED]	\$32.24	\$1.15	\$34.35	\$20.00	
[REDACTED]	\$41.34		\$44.23	\$15.00	
[REDACTED]	\$2.34		\$2.58		
[REDACTED]	\$1.45		\$3.84		
[REDACTED]	\$16.53		\$44.23		
[REDACTED]	\$41.34	\$1.15	\$44.23	\$33.00	
[REDACTED]	\$2.34		\$2.58		
[REDACTED]	\$3.38		\$3.64		
[REDACTED]	\$28.60	\$1.15	\$30.57		
[REDACTED]	\$46.02	\$1.15	\$49.29		

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
[REDACTED]	\$7.02		\$7.64		
[REDACTED]	\$36.66		\$39.22		
[REDACTED]	\$4.94		\$5.40		
[REDACTED]	\$32.24	\$1.15	\$34.35		
[REDACTED]	\$2.08		\$2.10		
[REDACTED]	(\$4.94)		(\$5.28)		
[REDACTED]	\$35.62		\$38.20		
[REDACTED]		(\$3.45)			
[REDACTED]	\$47.84		\$51.35		
[REDACTED]	\$34.06	\$1.15	\$36.32		
[REDACTED]	\$32.24		\$34.35		
[REDACTED]	\$2.08		\$2.10		
[REDACTED]	\$12.22		\$13.09		
[REDACTED]	\$54.60	\$1.15	\$58.46	\$176.00	
[REDACTED]	\$21.84	\$1.15	\$23.21		
[REDACTED]	\$2.60		\$2.76		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$35.62		\$38.20		
[REDACTED]	\$43.16	\$1.15	\$46.10		
[REDACTED]	\$2.60		\$2.62		
[REDACTED]	\$38.22	\$1.15	\$40.77		
[REDACTED]	\$8.06		\$8.57		
[REDACTED]	\$43.16	\$1.15	\$46.10	\$44.00	
[REDACTED]	\$2.60		\$2.62		
[REDACTED]	\$20.54	\$1.15	\$22.05		
[REDACTED]	\$39.26	\$1.15	\$42.11		
[REDACTED]	\$2.08		\$2.45		
[REDACTED]	\$50.18	\$1.15	\$53.66	\$38.40	
[REDACTED]	\$7.80		\$8.29		
[REDACTED]	\$35.62	\$1.15	\$38.20		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$2.08		\$2.28		
[REDACTED]	\$35.62	\$1.15	\$38.20		
[REDACTED]	\$32.24	\$1.15	\$34.35		
[REDACTED]	\$2.08		\$2.10		
[REDACTED]	\$35.62	\$1.15	\$38.20		
[REDACTED]	\$2.08		\$2.28		
LTD					
[REDACTED]	\$29.12				\$1.15
	\$5,645.55	\$97.38	\$5,978.33	\$1,062.60	\$158.89



Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,374.53	\$0.00	\$5,374.53
Dep Life	\$0.00	\$105.80	\$105.80
Ltd	\$5,524.94	\$0.00	\$5,524.94
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$842.50	\$268.00	\$1,110.50
TOTAL	\$11,745.47	\$373.80	\$12,119.27

Premium Adjustments Since Last Bill

COVERAGE CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	01/01/19	Dep Life	Sp			-3.45
[REDACTED]	01/01/19	Dep Life	Sp/Ch			-3.45
						-3.45
						-3.45

NEW

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/11/19	Basic Term Life	Sp/Ch	79,000	17.38	11.77
		Basic Term Life		79,000	3.16	2.14
		Dep Life			1.15	0.78
		Ltd		3,290	22.05	14.94
					\$43.74	\$29.63

RATE CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		110,000	24.20	1.54
		Basic Term Life		110,000	4.40	0.28
		Ltd		4,562	30.57	1.90
					\$59.17	\$3.72

continued

Please make sure the Guardian address is visible through the return envelope window.

- Visit our secure website at www.guardiananytime.com
- View bill online without the wait for mail
- Submit changes and make payments

GUARDIAN
 P O BOX 677458
 DALLAS, TX 75267-7458



Premium Adjustments Since Last Bill (cont'd)

RATE CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36

SALARY CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		151,000	33.22	1.76
		Basic Term Life		151,000	6.04	0.32
		Ltd		6,284	42.11	2.45
					\$81.37	\$4.53
[REDACTED]	03/01/19	Basic Term Life		144,000	31.68	3.30
		Basic Term Life		144,000	5.76	0.60
		Ltd		5,986	40.11	4.19
					\$77.55	\$8.09
[REDACTED]	03/01/19	Basic Term Life		76,000	16.72	2.42
		Basic Term Life		76,000	3.04	0.44
		Ltd		3,160	21.17	3.27
					\$40.93	\$6.13
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	4.62
		Basic Term Life		137,000	5.48	0.84
		Ltd		5,701	38.20	5.91
					\$73.82	\$11.37
[REDACTED]	03/01/19	Basic Term Life		130,000	28.60	5.94
		Basic Term Life		130,000	5.20	1.08
		Ltd		5,397	36.16	7.49
					\$69.96	\$14.51
[REDACTED]	03/01/19	Basic Term Life		225,000	49.50	2.42
		Basic Term Life		225,000	9.00	0.44
		Ltd		9,361	62.72	3.19
					\$121.22	\$6.05

continued

Notices For SOUTH KY RECC

- This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.
- To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- The volumes and premiums listed in the Advanced Notice of Change section are based on the information we have as of the date this billing statement was produced. This information is subject to change in accordance with your contract.
- Please refer to your certificate booklet and/or employer rider for information on conversion rights and child age eligibility limits.
- For the quickest and easiest way to pay your bill or manage member changes, go to www.GuardianAnytime.com. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to www.GuardianAnytime.com.



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	4.84
		Basic Term Life		97,000	3.88	0.88
		Ltd		4,009	26.86	6.19
					\$52.08	\$11.91
[REDACTED]	03/01/19	Basic Term Life		166,000	36.52	3.52
		Basic Term Life		166,000	6.64	0.64
		Ltd		6,880	46.10	4.45
					\$89.26	\$8.61
[REDACTED]	03/01/19	Basic Term Life		204,000	44.88	2.64
		Basic Term Life		204,000	8.16	0.48
		Ltd		8,491	56.89	3.38
					\$109.93	\$6.50
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	3.52
		Basic Term Life		137,000	5.48	0.64
		Ltd		5,694	38.15	4.45
					\$73.77	\$8.61
[REDACTED]	03/01/19	Basic Term Life		166,000	36.52	2.20
		Basic Term Life		166,000	6.64	0.40
		Ltd		6,880	46.10	2.62
					\$89.26	\$5.22
[REDACTED]	03/01/19	Basic Term Life		157,000	34.54	6.16
		Basic Term Life		157,000	6.28	1.12
		Ltd		6,523	43.71	7.79
					\$84.53	\$15.07
[REDACTED]	03/01/19	Basic Term Life		124,000	27.28	6.38
		Basic Term Life		124,000	4.96	1.16
		Ltd		5,127	34.35	8.01
					\$66.59	\$15.55
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	1.32
		Basic Term Life		97,000	3.88	0.24
		Ltd		4,009	26.86	1.71
					\$52.08	\$3.27
[REDACTED]	03/01/19	Basic Term Life		124,000	27.28	1.76
		Basic Term Life		124,000	4.96	0.32
		Ltd		5,127	34.35	2.10
					\$66.59	\$4.18

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
██████████	03/01/19	Basic Term Life		159,000	34.98	1.98
		Basic Term Life		159,000	6.36	0.36
		Ltd		6,601	44.23	2.58
██████████	03/01/19	Basic Term Life		180,000	39.60	2.20
		Basic Term Life		180,000	7.20	0.40
		Ltd		7,484	50.14	2.77
██████████	03/01/19	Basic Term Life		124,000	27.28	4.62
		Basic Term Life		124,000	4.96	0.84
		Ltd		5,127	34.35	5.68
██████████	03/01/19	Basic Term Life		118,000	25.96	5.94
		Basic Term Life		118,000	4.72	1.08
		Ltd		4,907	32.88	7.73
██████████	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
██████████	03/01/19	Basic Term Life		137,000	30.14	7.04
		Basic Term Life		137,000	5.48	1.28
		Ltd		5,701	38.20	8.95
██████████	03/01/19	Basic Term Life		176,000	38.72	5.94
		Basic Term Life		176,000	7.04	1.08
		Ltd		7,311	48.99	7.64
██████████	03/01/19	Basic Term Life		84,000	18.48	1.32
		Basic Term Life		84,000	3.36	0.24
		Ltd		3,470	23.25	1.62
██████████	03/01/19	Basic Term Life		210,000	46.20	2.42
		Basic Term Life		210,000	8.40	0.44
		Ltd		8,725	58.46	3.06
					\$113.06	\$5.92

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	2.64
		Basic Term Life		97,000	3.88	0.48
		Ltd		4,009	26.86	3.20
					\$52.08	\$6.32
[REDACTED]	03/01/19	Basic Term Life		180,000	39.60	2.20
		Basic Term Life		180,000	7.20	0.40
		Ltd		7,484	50.14	2.77
					\$96.94	\$5.37
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	-1.76
		Basic Term Life		97,000	3.88	-0.32
		Ltd		4,009	26.86	-2.39
					\$52.08	-\$4.47
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	3.52
		Basic Term Life		159,000	6.36	0.64
		Ltd		6,601	44.23	4.57
					\$85.57	\$8.73
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
[REDACTED]	03/01/19	Basic Term Life		144,000	31.68	5.06
		Basic Term Life		144,000	5.76	0.92
		Ltd		5,980	40.07	6.37
					\$77.51	\$12.35
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	1.98
		Basic Term Life		159,000	6.36	0.36
		Ltd		6,601	44.23	2.58
					\$85.57	\$4.92
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	3.52
		Basic Term Life		159,000	6.36	0.64
		Ltd		6,601	44.23	4.57
					\$85.57	\$8.73
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	1.98
		Basic Term Life		159,000	6.36	0.36
		Ltd		6,601	44.23	2.58
					\$85.57	\$4.92

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	1.32
		Basic Term Life		97,000	3.88	0.24
		Ltd		4,009	26.86	1.71
					\$52.08	\$3.27
[REDACTED]	03/01/19	Basic Term Life		180,000	39.60	2.20
		Basic Term Life		180,000	7.20	0.40
		Ltd		7,484	50.14	2.77
					\$96.94	\$5.37
[REDACTED]	03/01/19	Basic Term Life		166,000	36.52	2.20
		Basic Term Life		166,000	6.64	0.40
		Ltd		6,880	46.10	2.62
					\$89.26	\$5.22
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	1.98
		Basic Term Life		159,000	6.36	0.36
		Ltd		6,601	44.23	2.58
					\$85.57	\$4.92
[REDACTED]	03/01/19	Basic Term Life		125,000	27.50	3.52
		Basic Term Life		125,000	5.00	0.64
		Ltd		5,172	34.66	4.24
					\$67.16	\$8.40
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	1.98
		Basic Term Life		159,000	6.36	0.36
		Ltd		6,601	44.23	2.58
					\$85.57	\$4.92
[REDACTED]	03/01/19	Basic Term Life		166,000	36.52	3.52
		Basic Term Life		166,000	6.64	0.64
		Ltd		6,880	46.10	4.45
					\$89.26	\$8.61
[REDACTED]	03/01/19	Basic Term Life		180,000	39.60	7.04
		Basic Term Life		180,000	7.20	1.28
		Ltd		7,484	50.14	8.95
					\$96.94	\$17.27

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		180,000	39.60	2.20
		Basic Term Life		180,000	7.20	0.40
		Ltd		7,484	50.14	2.77
					\$96.94	\$5.37
[REDACTED]	03/01/19	Basic Term Life		180,000	39.60	2.20
		Basic Term Life		180,000	7.20	0.40
		Ltd		7,484	50.14	2.77
					\$96.94	\$5.37
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	1.32
		Basic Term Life		97,000	3.88	0.24
		Ltd		4,009	26.86	1.71
					\$52.08	\$3.27
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	1.98
		Basic Term Life		159,000	6.36	0.36
		Ltd		6,601	44.23	2.58
					\$85.57	\$4.92
[REDACTED]	03/01/19	Basic Term Life		166,000	36.52	2.20
		Basic Term Life		166,000	6.64	0.40
		Ltd		6,880	46.10	2.62
					\$89.26	\$5.22
[REDACTED]	03/01/19	Basic Term Life		84,000	18.48	1.32
		Basic Term Life		84,000	3.36	0.24
		Ltd		3,470	23.25	1.62
					\$45.09	\$3.18
[REDACTED]	03/01/19	Basic Term Life		210,000	46.20	2.42
		Basic Term Life		210,000	8.40	0.44
		Ltd		8,725	58.46	3.06
					\$113.06	\$5.92
[REDACTED]	03/01/19	Basic Term Life		321,000	70.62	7.92
		Basic Term Life		321,000	12.84	1.44
		Ltd		13,350	89.45	10.05
					\$172.91	\$19.41
[REDACTED]	03/01/19	Basic Term Life		381,000	83.82	9.24
		Basic Term Life		381,000	15.24	1.68
		Ltd		14,992	100.45	6.02
					\$199.51	\$16.94

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	1.32
		Basic Term Life		97,000	3.88	0.24
		Ltd		4,009	26.86	1.71
[REDACTED]	03/01/19	Basic Term Life		210,000	46.20	2.42
		Basic Term Life		210,000	8.40	0.44
		Ltd		8,725	58.46	3.06
[REDACTED]	03/01/19	Basic Term Life		124,000	27.28	1.76
		Basic Term Life		124,000	4.96	0.32
		Ltd		5,127	34.35	2.10
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	4.84
		Basic Term Life		97,000	3.88	0.88
		Ltd		4,009	26.86	6.19
[REDACTED]	03/01/19	Basic Term Life		112,000	24.64	3.74
		Basic Term Life		112,000	4.48	0.68
		Ltd		4,641	31.10	4.78
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	1.98
		Basic Term Life		159,000	6.36	0.36
		Ltd		6,601	44.23	2.58
[REDACTED]	03/01/19	Basic Term Life		123,000	27.06	0.44
		Basic Term Life		123,000	4.92	0.08
		Ltd		5,104	34.20	0.50
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	4.84
		Basic Term Life		97,000	3.88	0.88
		Ltd		4,009	26.86	6.19
					\$52.08	\$11.91

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
██████████	03/01/19	Basic Term Life		110,000	24.20	1.54
		Basic Term Life		110,000	4.40	0.28
		Ltd		4,562	30.57	1.90
					\$59.17	\$3.72
██████████	03/01/19	Basic Term Life		110,000	24.20	2.86
		Basic Term Life		110,000	4.40	0.52
		Ltd		4,562	30.57	3.64
					\$59.17	\$7.02
██████████	03/01/19	Basic Term Life		151,000	33.22	1.76
		Basic Term Life		151,000	6.04	0.32
		Ltd		6,284	42.11	2.45
					\$81.37	\$4.53
██████████	03/01/19	Basic Term Life		210,000	46.20	5.72
		Basic Term Life		210,000	8.40	1.04
		Ltd		8,725	58.46	7.11
					\$113.06	\$13.87
██████████	03/01/19	Basic Term Life		159,000	34.98	3.30
		Basic Term Life		159,000	6.36	0.60
		Ltd		6,601	44.23	4.18
					\$85.57	\$8.08
██████████	03/01/19	Basic Term Life		151,000	33.22	1.76
		Basic Term Life		151,000	6.04	0.32
		Ltd		6,284	42.11	2.45
					\$81.37	\$4.53
██████████	03/01/19	Basic Term Life		84,000	18.48	4.18
		Basic Term Life		84,000	3.36	0.76
		Ltd		3,464	23.21	5.31
					\$45.05	\$10.25
██████████	03/01/19	Basic Term Life		151,000	33.22	3.74
		Basic Term Life		151,000	6.04	0.68
		Ltd		6,284	42.11	4.93
					\$81.37	\$9.35
██████████	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
██████████	03/01/19	Basic Term Life		195,000	42.90	2.42
		Basic Term Life		195,000	7.80	0.44
		Ltd		8,100	54.27	2.92
					\$104.97	\$5.78
██████████	03/01/19	Basic Term Life		193,000	42.46	9.46
		Basic Term Life		193,000	7.72	1.72
		Ltd		8,009	53.66	12.01
					\$103.84	\$23.19
██████████	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
██████████	03/01/19	Basic Term Life		110,000	24.20	1.54
		Basic Term Life		110,000	4.40	0.28
		Ltd		4,562	30.57	1.90
					\$59.17	\$3.72
██████████	03/01/19	Basic Term Life		110,000	24.20	2.86
		Basic Term Life		110,000	4.40	0.52
		Ltd		4,562	30.57	3.64
					\$59.17	\$7.02
██████████	03/01/19	Basic Term Life		118,000	25.96	5.94
		Basic Term Life		118,000	4.72	1.08
		Ltd		4,907	32.88	7.73
					\$63.56	\$14.75
██████████	03/01/19	Basic Term Life		159,000	34.98	3.30
		Basic Term Life		159,000	6.36	0.60
		Ltd		6,601	44.23	4.18
					\$85.57	\$8.08
██████████	03/01/19	Basic Term Life		151,000	33.22	5.28
		Basic Term Life		151,000	6.04	0.96
		Ltd		6,253	41.90	6.51
					\$81.16	\$12.75
██████████	03/01/19	Basic Term Life		307,000	67.54	20.46
		Basic Term Life		307,000	12.28	3.72
		Ltd		12,790	85.69	26.16
					\$165.51	\$50.34

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		180,000	39.60	2.20
		Basic Term Life		180,000	7.20	0.40
		Ltd		7,484	50.14	2.77
					\$96.94	\$5.37
[REDACTED]	03/01/19	Basic Term Life		124,000	27.28	1.76
		Basic Term Life		124,000	4.96	0.32
		Ltd		5,127	34.35	2.10
					\$66.59	\$4.18
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	7.04
		Basic Term Life		137,000	5.48	1.28
		Ltd		5,701	38.20	8.95
					\$73.82	\$17.27
[REDACTED]	03/01/19	Basic Term Life		97,000	21.34	1.32
		Basic Term Life		97,000	3.88	0.24
		Ltd		4,009	26.86	1.71
					\$52.08	\$3.27
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	3.52
		Basic Term Life		159,000	6.36	0.64
		Ltd		6,601	44.23	4.57
					\$85.57	\$8.73
[REDACTED]	03/01/19	Basic Term Life		166,000	36.52	7.26
		Basic Term Life		166,000	6.64	1.32
		Ltd		6,880	46.10	9.13
					\$89.26	\$17.71
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	-23.10
		Basic Term Life		137,000	5.48	-4.20
		Ltd		5,694	38.15	-29.25
					\$73.77	-\$56.55
[REDACTED]	03/01/19	Basic Term Life		166,000	36.52	4.62
		Basic Term Life		166,000	6.64	0.84
		Ltd		6,880	46.10	5.71
					\$89.26	\$11.17
[REDACTED]	03/01/19	Basic Term Life		88,000	19.36	5.06
		Basic Term Life		88,000	3.52	0.92
		Ltd		3,650	24.46	6.56
					\$47.34	\$12.54

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
██████████	03/01/19	Basic Term Life		159,000	34.98	3.52
		Basic Term Life		159,000	6.36	0.64
		Ltd		6,601	44.23	4.57
					\$85.57	\$8.73
██████████	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
██████████	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
██████████	03/01/19	Basic Term Life		176,000	38.72	5.94
		Basic Term Life		176,000	7.04	1.08
		Ltd		7,311	48.99	7.64
					\$94.75	\$14.66
██████████	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
██████████	03/01/19	Basic Term Life		97,000	21.34	1.32
		Basic Term Life		97,000	3.88	0.24
		Ltd		4,009	26.86	1.71
					\$52.08	\$3.27
██████████	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
██████████	03/01/19	Basic Term Life		137,000	30.14	4.62
		Basic Term Life		137,000	5.48	0.84
		Ltd		5,701	38.20	5.95
					\$73.82	\$11.41
██████████	03/01/19	Basic Term Life		144,000	31.68	5.06
		Basic Term Life		144,000	5.76	0.92
		Ltd		5,980	40.07	6.37
					\$77.51	\$12.35

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)						
Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
██████████	03/01/19	Basic Term Life		159,000	34.98	3.30
		Basic Term Life		159,000	6.36	0.60
		Ltd		6,601	44.23	4.18
					\$85.57	\$8.08
██████████	03/01/19	Basic Term Life		97,000	21.34	1.32
		Basic Term Life		97,000	3.88	0.24
		Ltd		4,009	26.86	1.71
					\$52.08	\$3.27
██████████	03/01/19	Basic Term Life		166,000	36.52	3.52
		Basic Term Life		166,000	6.64	0.64
██████████	03/01/19	Basic Term Life		124,000	27.28	1.76
		Basic Term Life		124,000	4.96	0.32
		Ltd		5,127	34.35	2.10
					\$66.59	\$4.18
██████████	03/01/19	Basic Term Life		210,000	46.20	2.42
		Basic Term Life		210,000	8.40	0.44
		Ltd		8,725	58.46	3.06
					\$113.06	\$5.92
██████████	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
██████████	03/01/19	Basic Term Life		124,000	27.28	1.76
		Basic Term Life		124,000	4.96	0.32
		Ltd		5,127	34.35	2.10
					\$66.59	\$4.18
██████████	03/01/19	Basic Term Life		159,000	34.98	1.98
		Basic Term Life		159,000	6.36	0.36
		Ltd		6,601	44.23	2.58
					\$85.57	\$4.92
██████████	03/01/19	Basic Term Life		63,600	13.99	1.23
		Basic Term Life		63,600	2.54	0.22
		Ltd		6,601	44.23	3.84
					\$60.76	\$5.29

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		159,000	34.98	1.98
		Basic Term Life		159,000	6.36	0.36
		Ltd		6,601	44.23	2.58
					\$85.57	\$4.92
[REDACTED]	03/01/19	Basic Term Life		110,000	24.20	2.86
		Basic Term Life		110,000	4.40	0.52
		Ltd		4,562	30.57	3.64
					\$59.17	\$7.02
[REDACTED]	03/01/19	Basic Term Life		177,000	38.94	5.94
		Basic Term Life		177,000	7.08	1.08
		Ltd		7,356	49.29	7.64
					\$95.31	\$14.66
[REDACTED]	03/01/19	Basic Term Life		141,000	31.02	4.18
		Basic Term Life		141,000	5.64	0.76
		Ltd		5,853	39.22	5.40
					\$75.88	\$10.34
[REDACTED]	03/01/19	Basic Term Life		124,000	27.28	1.76
		Basic Term Life		124,000	4.96	0.32
		Ltd		5,127	34.35	2.10
					\$66.59	\$4.18
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	-4.18
		Basic Term Life		137,000	5.48	-0.76
		Ltd		5,701	38.20	-5.28
					\$73.82	-\$10.22
[REDACTED]	03/01/19	Basic Term Life		124,000	27.28	1.76
		Basic Term Life		124,000	4.96	0.32
		Ltd		5,127	34.35	2.10
					\$66.59	\$4.18
[REDACTED]	03/01/19	Basic Term Life		210,000	46.20	10.34
		Basic Term Life		210,000	8.40	1.88
		Ltd		8,725	58.46	13.09
					\$113.06	\$25.31
[REDACTED]	03/01/19	Basic Term Life		84,000	18.48	2.20
		Basic Term Life		84,000	3.36	0.40
		Ltd		3,464	23.21	2.76
					\$45.05	\$5.36

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
[REDACTED]	03/01/19	Basic Term Life		166,000	36.52	2.20
		Basic Term Life		166,000	6.64	0.40
		Ltd		6,880	46.10	2.62
					\$89.26	\$5.22
[REDACTED]	03/01/19	Basic Term Life		147,000	32.34	6.82
		Basic Term Life		147,000	5.88	1.24
		Ltd		6,085	40.77	8.57
					\$78.99	\$16.63
[REDACTED]	03/01/19	Basic Term Life		166,000	36.52	2.20
		Basic Term Life		166,000	6.64	0.40
		Ltd		6,880	46.10	2.62
					\$89.26	\$5.22
[REDACTED]	03/01/19	Basic Term Life		151,000	33.22	1.76
		Basic Term Life		151,000	6.04	0.32
		Ltd		6,284	42.11	2.45
					\$81.37	\$4.53
[REDACTED]	03/01/19	Basic Term Life		193,000	42.46	6.60
		Basic Term Life		193,000	7.72	1.20
		Ltd		8,009	53.66	8.29
					\$103.84	\$16.09
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
[REDACTED]	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36
[REDACTED]	03/01/19	Basic Term Life		124,000	27.28	1.76
		Basic Term Life		124,000	4.96	0.32
		Ltd		5,127	34.35	2.10
					\$66.59	\$4.18

continued



Premium Adjustments Since Last Bill (cont'd)

SALARY CHANGE (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
	03/01/19	Basic Term Life		137,000	30.14	1.76
		Basic Term Life		137,000	5.48	0.32
		Ltd		5,701	38.20	2.28
					\$73.82	\$4.36

TERMINATED EMPLOYEE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
	03/01/19	Basic Term Life				-31.46
		Basic Term Life				-5.72
		Dep Life	Sp/Ch			-1.15
		Ltd				-39.66
		Voluntary Term Life	Emp			-33.00
		Voluntary Term Life	Ch			-1.90
		Voluntary Term Life	Sp			-16.50
						-\$129.39

Total Premium Adjustments

\$823.48

Advanced Notice of Change

End of Child's Eligibility

Employee	Eff. Date	Coverage	Ins.	Old Volume	New Volume	Old Premium	New Premium
	05/29/19	Dep Life	Sp/Ch			1.15	1.15
						\$1.15	\$1.15



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	37.44	1.15	Sp/Ch	40.11				\$78.70
	144,000			5,986				
	19.76			21.17				\$40.93
	76,000			3,160				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	35.62			38.20				\$73.82
	137,000			5,701				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	33.80	1.15	Sp/Ch	36.16		154.00	Emp	\$225.11
	130,000			5,397		100,000		
	2.20							\$2.20
	10,000							\$2.20
	58.50	1.15	Sp	62.72				\$122.37
	225,000			9,361				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life	Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium				Premium/ Volume	Ins.	
[REDACTED]	10,000 43.16 166,000		1.15	Sp/Ch	46.10 6,880		33.00 Emp 100,000 16.50 Sp 50,000 1.90 Ch 10,000	\$141.81
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	53.04 204,000				56.89 8,491			\$109.93
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	35.62 137,000				38.15 5,694			\$73.77
[REDACTED]	43.16 166,000		1.15	Sp	46.10 6,880		51.00 Emp 100,000 25.50 Sp 50,000	\$166.91
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	40.82 157,000		1.15	Sp	43.71 6,523			\$85.68
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	32.24 124,000				34.35 5,127			\$66.59
[REDACTED]	1.32 6,000							\$1.32
[REDACTED]	25.22 97,000		1.15	Sp	26.86 4,009			\$53.23
[REDACTED]	32.24 124,000				34.35 5,127			\$66.59
[REDACTED]	41.34 159,000		1.15	Sp/Ch	44.23 6,601			\$86.72
[REDACTED]	31.96 123,000				34.20 5,104			\$66.18
[REDACTED]	46.80 180,000		1.15	Sp/Ch	50.14 7,484			\$98.09

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
[REDACTED]	32.24		1.15 Sp	34.35				\$67.74
[REDACTED]	124,000			5,127				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$63.56
[REDACTED]	30.68			32.88				\$63.56
[REDACTED]	118,000			4,907				\$74.97
[REDACTED]	35.62		1.15 Sp	38.20				\$74.97
[REDACTED]	137,000			5,701				\$74.97
[REDACTED]	35.62		1.15 Sp	38.20				\$74.97
[REDACTED]	137,000			5,701				\$94.75
[REDACTED]	45.76			48.99				\$94.75
[REDACTED]	176,000			7,311				\$45.09
[REDACTED]	21.84			23.25				\$45.09
[REDACTED]	84,000			3,470				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$114.21
[REDACTED]	54.60		1.15 Ch	58.46				\$114.21
[REDACTED]	210,000			8,725				\$53.23
[REDACTED]	25.22		1.15 Ch	26.86				\$53.23
[REDACTED]	97,000			4,009				\$98.09
[REDACTED]	46.80		1.15 Sp	50.14				\$98.09
[REDACTED]	180,000			7,484				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$53.23
[REDACTED]	25.22		1.15 Sp/Ch	26.85				\$53.23
[REDACTED]	97,000			4,009				\$86.72
[REDACTED]	41.34		1.15 Sp/Ch	44.23				\$86.72
[REDACTED]	159,000			6,601				\$74.97
[REDACTED]	35.62		1.15 Sp/Ch	38.20				\$74.97
[REDACTED]	137,000			5,701				\$78.66
[REDACTED]	37.44		1.15 Sp/Ch	40.07				\$78.66
[REDACTED]	144,000			5,987				\$59.17
[REDACTED]	28.60			30.57				\$59.17
[REDACTED]	110,000			4,562				\$85.57
[REDACTED]	41.34			44.23				\$85.57
[REDACTED]	159,000			6,601				\$85.57
[REDACTED]	41.34			44.23				\$85.57
[REDACTED]	159,000			6,601				\$0.88
[REDACTED]	0.88							\$0.88

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	4,000							
	20.54			22.05				\$42.59
	79,000			3,290				
	41.34	1.15	Sp/Ch	44.23		51.00	Emp	\$165.12
	159,000			6,601		100,000		
						25.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	46.80			50.14				\$96.94
	180,000			7,484				
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	41.34	1.15	Sp	44.23				\$86.72
	159,000			6,601				
	32.50	1.15	Sp/Ch	34.66				\$68.31
	125,000			5,172				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16			46.10				\$89.26
	166,000			6,880				
	2.20							\$2.20
	10,000							\$2.20
	46.80			50.14				\$96.94
	180,000			7,484				
	46.80			50.14				\$96.94
	180,000			7,484				
	2.20							\$2.20
	10,000							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	46.80			50.14				\$96.94
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23		40.00	Emp	\$138.62
	159,000			6,601		200,000		
						10.00	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	30.16			32.25				\$62.41
	116,000			4,814				
	2.20							\$2.20
	10,000							
	1.32							\$1.32
	6,000							
	21.84	1.15	Sp/Ch	23.25				\$46.24
	84,000			3,470				
	54.60	1.15	Sp	58.46				\$114.21
	210,000			8,725				
	83.46			89.45				\$172.91
	321,000			13,350				
	2.20							\$2.20
	10,000							
	99.06			100.45				\$199.51
	381,000			14,992				
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	54.60	1.15	Sp/Ch	58.46				\$114.21
	210,000			8,725				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	32.24	1.15	Sp/Ch	34.35				\$67.74

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	124,000				5,127			
	25.22				26.86			\$52.08
	97,000				4,009			
	0.88							\$0.88
	4,000							
	29.12	1.15	Sp/Ch		31.10			\$61.37
	112,000				4,641			
	35.62				38.20			\$73.82
	137,000				5,701			
	35.62	1.15	Sp/Ch		38.20			\$74.97
	137,000				5,701			
	2.20							\$2.20
	10,000							
	41.34				44.23			\$85.57
	159,000				6,601			
	2.20							\$2.20
	10,000							
	31.98	1.15	Sp/Ch		34.20			\$67.33
	123,000				5,104			
	25.22	1.15	Sp		26.86			\$53.23
	97,000				4,009			
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	28.60				30.57			\$59.17
	110,000				4,562			
	28.60	1.15	Ch		30.57			\$60.32
	110,000				4,562			
	39.26				42.11			\$81.37
	151,000				6,284			
	54.60				58.45			\$113.06
	210,000				8,725			
	41.34				44.23			\$85.57
	159,000				6,601			
	39.26	1.15	Sp/Ch		42.11			\$82.52
	151,000				6,284			
	2.20							\$2.20
	10,000							

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	21.84		1.15 Ch	23.21				\$46.20
	84,000			3,464				
	16.64		1.15 Sp	17.60				\$35.39
	64,000			2,626				
	39.26		1.15 Sp	42.11				\$82.52
	151,000			6,284				
	35.62			38.20				\$73.82
	137,000			5,701				
	50.70		1.15 Sp	54.27				\$106.12
	195,000			8,100				
	50.18			53.66				\$103.84
	193,000			8,009				
	2.20							\$2.20
	10,000							
	20.54		1.15 Sp/Ch	22.05				\$43.74
	79,000			3,290				
	35.62		1.15 Sp	38.20				\$74.97
	137,000			5,701				
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60		1.15 Sp	30.57				\$60.32
	110,000			4,562				
	30.68		1.15 Ch	32.88				\$64.71
	118,000			4,907				
	41.34		1.15 Sp	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
	39.26		1.15 Sp/Ch	41.90				\$82.31
	151,000			6,253				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	79.82		1.15 Sp/Ch	85.69				\$166.66
	307,000			12,790				
	46.80			50.14				\$96.94
	180,000			7,484				
	29.12		1.15 Ch					\$30.27

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
[REDACTED]	112,000				4,650			
[REDACTED]	32.24	1.15	Sp	34.35				\$67.74
[REDACTED]	124,000			5,127				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$151.47
[REDACTED]	35.62	1.15	Sp	38.20		76.50	Emp	\$151.47
[REDACTED]	137,000			5,701		150,000		\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	25.22	1.15	Sp	26.86				\$53.23
[REDACTED]	97,000			4,009				\$85.57
[REDACTED]	41.34			44.23				\$85.57
[REDACTED]	159,000			6,601				\$90.41
[REDACTED]	43.16	1.15	Sp/Ch	46.10				\$90.41
[REDACTED]	166,000			6,880				\$74.92
[REDACTED]	35.62	1.15	Ch	38.15				\$74.92
[REDACTED]	137,000			5,694				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$90.41
[REDACTED]	43.16	1.15	Sp/Ch	46.10				\$90.41
[REDACTED]	166,000			6,880				\$1.32
[REDACTED]	1.32							\$1.32
[REDACTED]	6,000							\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$48.49
[REDACTED]	22.88	1.15	Sp	24.46				\$48.49
[REDACTED]	88,000			3,650				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$86.72
[REDACTED]	41.34	1.15	Sp/Ch	44.23				\$86.72
[REDACTED]	159,000			6,601				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	35.62 137,000	1.15	Ch	38.20 5,701				\$74.97
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	1.32 6,000							\$1.32
[REDACTED]	35.62 137,000			38.20 5,701				\$73.82
[REDACTED]	45.76 176,000	1.15	Sp/Ch	48.99 7,311				\$95.90
[REDACTED]	35.62 137,000	1.15	Sp/Ch	38.20 5,701		33.00 100,000	Emp	\$126.37
[REDACTED]						16.50 50,000	Sp	
[REDACTED]						1.90 10,000	Ch	
[REDACTED]	25.22 97,000			26.86 4,009				\$52.08
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	35.62 137,000			38.20 5,701				\$73.82
[REDACTED]	30.16 116,000	1.15	Sp/Ch	32.25 4,814				\$63.56
[REDACTED]	35.62 137,000	1.15	Sp	38.20 5,701				\$74.97
[REDACTED]	37.44 144,000	1.15	Sp	40.07 5,980				\$78.66
[REDACTED]	41.34 159,000	1.15	Sp/Ch	44.23 6,601				\$86.72
[REDACTED]	2.20 10,000							\$2.20
[REDACTED]	25.22			26.86				\$52.08

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				
	43.16	1.15	Sp/Ch					\$44.31
	166,000			6,880				
	34.84	1.15	Ch	37.33				\$73.32
	134,000			5,571				
	32.24	1.15	Sp	34.35		88.00	Emp	\$199.74
	124,000			5,127		100,000		
						44.00	Sp	
						50,000		
	2.20							\$2.20
	10,000							
	54.60	1.15	Sp/Ch	58.46		115.50	Emp	\$229.71
	210,000			8,725		75,000		
	1.32							\$1.32
	6,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35		20.00	Emp	\$87.74
	124,000			5,127		100,000		
	41.34			44.23		10.00	Emp	\$100.57
	159,000			6,601		50,000		
						5.00	Sp	
						25,000		
	16.53			44.23				\$60.76
	63,600			6,601				
	2.20							\$2.20
	10,000							
	41.34	1.15	Sp/Ch	44.23		33.00	Emp	\$119.72
	159,000			6,601		100,000		
	28.60	1.15	Sp/Ch	30.57				\$60.32
	110,000			4,562				
	3.96							\$3.96
	18,000							
	2.20							\$2.20
	10,000							
	46.02	1.15	Sp	49.29				\$96.46
	177,000			7,356				
	0.88							\$0.88
	4,000							

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life	Ins.	Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium					Premium/ Covered Payroll Volume	Premium/ Volume	
	36.66					39.22			\$75.88
	141,000					5,853			
	2.20								\$2.20
	10,000								
	32.24		1.15	Sp		34.35			\$67.74
	124,000					5,127			
	35.62					38.20			\$73.82
	137,000					5,701			
	1.32								\$1.32
	6,000								
	47.84					51.35			\$99.19
	184,000					7,664			
	34.06		1.15	Sp/Ch		36.32			\$71.53
	131,000					5,421			
	2.42								\$2.42
	11,000								
	32.24					34.35			\$66.59
	124,000					5,127			
	54.60		1.15	Sp/Ch		58.46	176.00 Emp		\$290.21
	210,000					8,725	200,000		
	21.84		1.15	Ch		23.21			\$46.20
	84,000					3,464			
	35.62					38.20			\$73.82
	137,000					5,701			
	2.20								\$2.20
	10,000								
	43.16		1.15	Sp/Ch		46.10			\$90.41
	166,000					6,880			
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	38.22		1.15	Sp/Ch		40.77			\$80.14
	147,000					6,085			
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	43.16		1.15	Sp		46.10	44.00 Emp		\$134.41

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	166,000			6,880		50,000		
	20.54	1.15	Ch	22.05				\$43.74
	79,000			3,290				
	39.26	1.15	Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	50.18	1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	193,000			8,009	50,000	100,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
TOTAL	\$5,374.53	\$105.80		\$5,524.94	\$3.50	\$1,110.50		\$12,119.27
Total Current Premium	\$5,374.53	\$105.80		\$5,524.94	\$3.50	\$1,110.50		\$12,119.27



AK

Billing Statement

For Period 05/01/19 to 05/31/19
Statement Date: 04/17/19

Payment Summary

Payment Received 04/09/19	-12,942.75
No Outstanding Balance As Of 4/17/19	0.00
Current Premium	11,699.93
Total Payment Due 5/01/19	\$11,699.93

Handwritten notes: "Missy Johnson" and "4/17/19" with arrows pointing to the balance and premium rows.

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHO: AP
RGO: 032
A/R: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com

Approval: _____

"Planholder use only"

Missy Johnson 5/2/19

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	214	1	0	215	\$5,327.97	(\$148.68)
Dep Life	92	0	0	92	\$105.80	\$0.00
Ltd	139	1	2	138	\$5,470.01	(\$169.17)
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	15	0	0	15	\$1,110.50	\$0.00
TOTAL					\$12,017.78	(\$317.85)



\$33304056



~050119

333 04056

Dept 1605

Guardian
May 2019

Account #	Description	Cost	
143.16	Dep Life	\$104.65	EMBF 02
143.02	Retired/ LTD Dep Life	\$172.09	"
143.25	Voluntary	\$1,114.00	EMDT 34
186.08	Basic Life & AD/D	\$5,008.35	EMBF 02
186.15	LTD	\$5,300.84	"
TOTAL		\$11,699.93	

May 2019

Employee	Basic Life	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life	
	& AD/D 186.08	143.16	186.15	143.25	Account 143.02	
	\$39.26	\$1.15	\$42.11		\$82.52	\$2.20
	\$37.44	\$1.15	\$40.11		\$78.70	\$2.20
	\$19.76		\$21.17		\$40.93	\$2.20
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$35.62		\$38.20		\$73.82	\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$225.11	\$2.20
	\$58.50	\$1.15	\$62.72		\$122.37	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$141.81	\$2.20
	\$53.04		\$56.89		\$109.93	\$2.20
	\$35.62		\$38.15		\$73.77	\$2.20
	\$43.16	\$1.15	\$46.10	\$76.50	\$166.91	\$2.20
	\$40.82	\$1.15	\$43.71		\$85.68	\$2.20
	\$32.24		\$34.35		\$66.59	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$32.24		\$34.35		\$66.59	\$2.20
	\$41.34	\$1.15	\$44.23		\$86.72	\$1.32
	\$31.98		\$34.20		\$66.18	\$2.20
	\$46.80	\$1.15	\$50.14		\$98.09	\$2.20
	\$32.24	\$1.15	\$34.35		\$67.74	\$2.20
	\$30.68		\$32.88		\$63.56	\$0.88
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$45.76		\$48.99		\$94.75	\$2.20
	\$21.84		\$23.25		\$45.09	\$2.20
	\$54.60	\$1.15	\$58.46		\$114.21	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$46.80	\$1.15	\$50.14		\$98.09	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$41.34	\$1.15	\$44.23		\$86.72	\$1.32
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$37.44	\$1.15	\$40.07		\$78.66	\$0.88
	\$28.60		\$30.57		\$59.17	\$2.20
	\$41.34		\$44.23		\$85.57	\$2.20
	\$41.34		\$44.23		\$85.57	\$2.20
	\$20.54		\$22.05		\$42.59	\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$165.12	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$46.80		\$50.14		\$96.94	\$2.20
	\$43.16	\$1.15	\$46.10		\$90.41	\$2.20
	\$41.34	\$1.15	\$44.23		\$86.72	\$2.20

May 2019

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02	
	\$32.50	\$1.15	\$34.66		\$68.31	\$2.20
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$41.34		\$44.23		\$85.57	\$2.20
	\$43.16		\$46.10		\$89.26	\$2.20
	\$46.80		\$50.14		\$96.94	\$2.20
	\$46.80		\$50.14		\$96.94	\$1.32
	\$46.80		\$50.14		\$96.94	\$2.20
	\$25.22		\$26.86		\$52.08	\$2.20
	\$41.34	\$1.15	\$44.23	\$51.90	\$138.62	\$2.20
	\$43.16	\$1.15	\$46.10		\$90.41	\$2.20
	\$30.16		\$32.25		\$62.41	\$2.20
	\$21.84	\$1.15	\$23.25		\$46.24	\$2.20
	\$54.60	\$1.15	\$58.46		\$114.21	\$2.20
	\$83.46		\$89.45		\$172.91	\$1.32
	\$99.06		\$100.45		\$199.51	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$54.60	\$1.15	\$58.46		\$114.21	\$2.20
	\$39.26	\$1.15	\$42.11		\$82.52	\$2.20
	\$32.24	\$1.15	\$34.35		\$67.74	\$1.32
	\$25.22		\$26.86		\$52.08	\$2.20
	\$29.12	\$1.15	\$31.10		\$61.37	\$3.96
	\$35.62		\$38.20		\$73.82	\$2.20
	\$35.62	\$1.15	\$38.20		\$74.97	\$0.88
	\$41.34		\$44.23		\$85.57	\$2.20
	\$31.98	\$1.15	\$34.20		\$67.33	\$1.32
	\$25.22	\$1.15	\$26.86		\$53.23	\$8.80
	\$28.60		\$30.57		\$59.17	\$2.42
	\$28.60	\$1.15	\$30.57		\$60.32	\$4.40
	\$39.26		\$42.11		\$81.37	\$2.20
	\$54.60		\$58.46		\$113.06	\$2.20
	\$41.34		\$44.23		\$85.57	\$2.20
	\$39.26	\$1.15	\$42.11		\$82.52	\$2.20
	\$21.84	\$1.15	\$23.21		\$46.20	\$2.20
	\$16.64	\$1.15	\$17.60		\$35.39	\$2.20
	\$39.26	\$1.15	\$42.11		\$82.52	\$2.20
	\$35.62		\$38.20		\$73.82	\$2.20
	\$50.70	\$1.15	\$54.27		\$106.12	
	\$50.18		\$53.66		\$103.84	
	\$20.54	\$1.15	\$22.05		\$43.74	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$28.60		\$30.57		\$59.17	

May 2019

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$28.60	\$1.15	\$30.57		\$60.32
	\$30.68	\$1.15	\$32.88		\$64.71
	\$41.34	\$1.15	\$44.23		\$86.72
	\$39.26	\$1.15	\$41.90		\$82.31
	\$79.82	\$1.15	\$85.69		\$166.66
	\$46.80		\$50.14		\$96.94
	\$32.24	\$1.15	\$34.35		\$67.74
	\$35.62	\$1.15	\$38.20	\$76.50	\$151.47
	\$25.22	\$1.15	\$26.86		\$53.23
	\$41.34		\$44.23		\$85.57
	\$43.16	\$1.15	\$46.10		\$90.41
	\$35.62	\$1.15	\$38.15		\$74.92
	\$43.16	\$1.15	\$46.10		\$90.41
	\$22.88	\$1.15	\$24.46		\$48.49
	\$41.34	\$1.15	\$44.23		\$86.72
	\$35.62	\$1.15	\$38.20		\$74.97
	\$35.62		\$38.20		\$73.82
	\$45.76	\$1.15	\$48.99		\$95.90
	\$35.62	\$1.15	\$38.20	\$51.40	\$126.37
	\$25.22		\$26.86		\$52.08
	\$35.62		\$38.20		\$73.82
	\$30.16	\$1.15	\$32.25		\$63.56
	\$35.62	\$1.15	\$38.20		\$74.97
	\$37.44	\$1.15	\$40.07		\$78.66
	\$41.34	\$1.15	\$44.23		\$86.72
	\$25.22		\$26.86		\$52.08
	\$43.16	\$1.15	\$0.00		\$44.31
	\$34.84	\$1.15	\$37.33		\$73.32
	\$32.24	\$1.15	\$34.35	\$132.00	\$199.74
	\$54.60	\$1.15	\$58.46	\$115.50	\$229.71
	\$35.62	\$1.15	\$38.20		\$74.97
	\$32.24	\$1.15	\$34.35	\$20.00	\$87.74
	\$41.34		\$44.23	\$15.00	\$100.57
	\$16.53		\$44.23		\$60.76
	\$41.34	\$1.15	\$44.23	\$33.00	\$119.72
	\$28.60	\$1.15	\$30.57		\$60.32
	\$46.02	\$1.15	\$49.29		\$96.46
	\$36.66		\$39.22		\$75.88
	\$32.24	\$1.15	\$34.35		\$67.74
	\$35.62		\$38.20		\$73.82
	(\$143.52)		(\$154.05)		(\$297.57)

Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life	
				Account 143.02	
\$34.06	\$1.15	\$36.32		\$71.53	
\$32.50		\$34.62		\$67.12	
\$21.66		\$23.08		\$44.74	
\$32.24		\$34.35		\$66.59	
\$54.60	\$1.15	\$58.46	\$176.00	\$290.21	
\$21.84	\$1.15	\$23.21		\$46.20	
(\$35.62)		(\$38.20)		(\$73.82)	
\$43.16	\$1.15	\$46.10		\$90.41	
\$38.22	\$1.15	\$40.77		\$80.14	
\$43.16	\$1.15	\$46.10	\$44.00	\$134.41	
\$20.54	\$1.15	\$22.05		\$43.74	
\$39.26	\$1.15	\$42.11		\$82.52	
\$50.18	\$1.15	\$53.66	\$38.40	\$143.39	
\$35.62	\$1.15	\$38.20		\$74.97	
\$35.62	\$1.15	\$38.20		\$74.97	
\$32.24	\$1.15	\$34.35		\$67.74	
\$35.62	\$1.15	\$38.20		\$74.97	
\$29.12					\$1.15
\$5,008.35	\$104.65	\$5,300.84	\$1,114.00		\$172.09



Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,327.97	\$0.00	\$5,327.97
Dep Life	\$0.00	\$105.80	\$105.80
Ltd	\$5,470.01	\$0.00	\$5,470.01
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$842.50	\$268.00	\$1,110.50
TOTAL	\$11,643.98	\$373.80	\$12,017.78

Premium Adjustments Since Last Bill

COVERAGE CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	02/01/19	Basic Term Life		10,000	2.20	-121.44
		Basic Term Life				6.60
		Basic Term Life				-22.08
		Ltd				-154.05
	04/01/19	Basic Term Life		10,000	2.20	\$2.20
		Basic Term Life				-30.14
		Basic Term Life				2.20
		Ltd				-5.48
						\$2.20
						-38.20
						-71.62

NEW

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	04/11/19	Basic Term Life		125,000	27.50	18.33
		Basic Term Life		125,000	5.00	3.33
		Ltd		5,166	34.62	23.08
						\$67.12

Total Premium Adjustments **-\$317.85**



Please make sure the Guardian address is visible through the return envelope window.

- Visit our secure website at www.guardiananytime.com
- View bill online without the wait for mail
 - Submit changes and make payments

GUARDIAN
P O BOX 677458
DALLAS, TX 75267-7458



Notices For SOUTH KY RECC

- *This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.*
- *To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.*
- *For the quickest and easiest way to pay your bill or manage member changes, go to **www.GuardianAnytime.com**. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to **www.GuardianAnytime.com**.*



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
[REDACTED]	39.26		1.15	42.11				\$82.52
	151,000		Sp/Ch	6,284				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	37.44		1.15	40.11				\$78.70
	144,000		Sp/Ch	5,986				
	19.76			21.17				\$40.93
	76,000			3,160				
	35.62		1.15	38.20				\$74.97
	137,000		Sp/Ch	5,701				
	35.62			38.20				\$73.82
	137,000			5,701				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
2.20							\$2.20	
10,000							\$2.20	
2.20							\$2.20	
10,000							\$2.20	
33.80		1.15	36.16			154.00 Emp	\$225.11	
130,000		Sp/Ch	5,397			100,000		
2.20							\$2.20	
10,000							\$2.20	
58.50		1.15	62.72				\$122.37	
225,000		Sp	9,361					
2.20							\$2.20	
10,000							\$2.20	
2.20							\$2.20	
10,000							\$2.20	
25.22		1.15	26.86				\$53.23	
97,000		Sp/Ch	4,009					
2.20							\$2.20	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
[REDACTED]	10,000 43.16 166,000	1.15	Sp/Ch	46.10 6,880		33.00 100,000 16.50 50,000 1.90 10,000	Emp Sp Ch	\$141.81
[REDACTED]	2.20 10,000 53.04 204,000			56.89 8,491				\$2.20 \$109.93
[REDACTED]	2.20 10,000 35.62 137,000			38.15 5,694				\$2.20 \$73.77
[REDACTED]	43.16 166,000	1.15	Sp	46.10 6,880		51.00 100,000 25.50 50,000	Emp Sp	\$166.91
[REDACTED]	2.20 10,000 40.82 157,000	1.15	Sp	43.71 6,523				\$2.20 \$85.68
[REDACTED]	2.20 10,000 32.24 124,000			34.35 5,127				\$2.20 \$66.59
[REDACTED]	1.32 6,000 25.22 97,000	1.15	Sp	26.86 4,009				\$1.32 \$53.23
[REDACTED]	32.24 124,000			34.35 5,127				\$66.59
[REDACTED]	41.34 159,000	1.15	Sp/Ch	44.23 6,601				\$86.72
[REDACTED]	31.98 123,000			34.20 5,104				\$66.18
[REDACTED]	46.80 180,000	1.15	Sp/Ch	50.14 7,484				\$98.09

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	32.24		1.15 Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	30.68			32.88				\$63.56
	118,000			4,907				
	35.62		1.15 Sp	38.20				\$74.97
	137,000			5,701				
	35.62		1.15 Sp	38.20				\$74.97
	137,000			5,701				
	45.76			48.99				\$94.75
	176,000			7,311				
	21.84			23.25				\$45.09
	84,000			3,470				
	2.20							\$2.20
	10,000							
	54.60		1.15 Ch	58.46				\$114.21
	210,000			8,725				
	25.22		1.15 Ch	26.86				\$53.23
	97,000			4,009				
	46.80		1.15 Sp	50.14				\$98.09
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22		1.15 Sp/Ch	26.86				\$53.23
	97,000			4,009				
	41.34		1.15 Sp/Ch	44.23				\$86.72
	159,000			6,601				
	35.62		1.15 Sp/Ch	38.20				\$74.97
	137,000			5,701				
	37.44		1.15 Sp/Ch	40.07				\$78.66
	144,000			5,980				
	28.60			30.57				\$59.17
	110,000			4,562				
	41.34			44.23				\$85.57
	159,000			6,601				
	41.34			44.23				\$85.57
	159,000			6,601				
	0.88							\$0.88

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	4,000							
	20.54			22.05				\$42.59
	79,000			3,290				
	41.34	1.15	Sp/Ch	44.23		51.00	Emp	\$165.12
	159,000			6,601		100,000		
						25.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	46.80			50.14				\$96.94
	180,000			7,484				
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	41.34	1.15	Sp	44.23				\$86.72
	159,000			6,601				
	32.50	1.15	Sp/Ch	34.66				\$68.31
	125,000			5,172				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16			46.10				\$89.26
	166,000			6,880				
	2.20							\$2.20
	10,000							
	46.80			50.14				\$96.94
	180,000			7,484				
	46.80			50.14				\$96.94
	180,000			7,484				
	2.20							\$2.20
	10,000							

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	46.80			50.14				\$96.94
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23		40.00	Emp	\$138.62
	159,000			6,601		200,000		
						10.00	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	30.16			32.25				\$62.41
	116,000			4,814				
	2.20							\$2.20
	10,000							
	1.32							\$1.32
	6,000							
	21.84	1.15	Sp/Ch	23.25				\$46.24
	84,000			3,470				
	54.60	1.15	Sp	58.46				\$114.21
	210,000			8,725				
	83.46			89.45				\$172.91
	321,000			13,350				
	2.20							\$2.20
	10,000							
	99.06			100.45				\$199.51
	381,000			14,992				
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	54.60	1.15	Sp/Ch	58.46				\$114.21
	210,000			8,725				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	32.24	1.15	Sp/Ch	34.35				\$67.74

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	124,000			5,127				
	25.22			26.86				\$52.08
	97,000			4,009				
	0.88							\$0.88
	4,000							
	29.12	1.15	Sp/Ch	31.10				\$61.37
	112,000			4,641				
	35.62			38.20				\$73.82
	137,000			5,701				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							
	41.34			44.23				\$85.57
	159,000			6,601				
	2.20							\$2.20
	10,000							
	31.98	1.15	Sp/Ch	34.20				\$67.33
	123,000			5,104				
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60	1.15	Ch	30.57				\$60.32
	110,000			4,562				
	39.26			42.11				\$81.37
	151,000			6,284				
	54.60			58.46				\$113.06
	210,000			8,725				
	41.34			44.23				\$85.57
	159,000			6,601				
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	21.84		1.15 Ch	23.21				\$46.20
	84,000			3,464				
	16.64		1.15 Sp	17.60				\$35.39
	64,000			2,626				
	39.26		1.15 Sp	42.11				\$82.52
	151,000			6,284				
	35.62			38.20				\$73.82
	137,000			5,701				
	50.70		1.15 Sp	54.27				\$106.12
	195,000			8,100				
	50.18			53.66				\$103.84
	193,000			8,009				
	2.20							\$2.20
	10,000							
	20.54		1.15 Sp/Ch	22.05				\$43.74
	79,000			3,290				
	35.62		1.15 Sp	38.20				\$74.97
	137,000			5,701				
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60		1.15 Sp	30.57				\$60.32
	110,000			4,562				
	30.68		1.15 Ch	32.88				\$64.71
	118,000			4,907				
	41.34		1.15 Sp	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
	39.26		1.15 Sp/Ch	41.90				\$82.31
	151,000			6,253				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	79.82		1.15 Sp/Ch	85.69				\$166.66
	307,000			12,790				
	46.80			50.14				\$96.94
	180,000			7,484				
	29.12		1.15 Ch					\$30.27

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
[REDACTED]	112,000			4,650				
[REDACTED]	32.24	1.15	Sp	34.35				\$67.74
[REDACTED]	124,000			5,127				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	35.62	1.15	Sp	38.20		76.50 Emp		\$151.47
[REDACTED]	137,000			5,701		150,000		\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	25.22	1.15	Sp	26.86				\$53.23
[REDACTED]	97,000			4,009				\$85.57
[REDACTED]	41.34			44.23				\$90.41
[REDACTED]	159,000			6,601				\$74.92
[REDACTED]	43.16	1.15	Sp/Ch	46.10				\$2.20
[REDACTED]	166,000			6,880				\$90.41
[REDACTED]	35.62	1.15	Ch	38.15				\$74.92
[REDACTED]	137,000			5,694				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	43.16	1.15	Sp/Ch	46.10				\$90.41
[REDACTED]	166,000			6,880				\$1.32
[REDACTED]	1.32							\$2.20
[REDACTED]	6,000							\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$48.49
[REDACTED]	22.88	1.15	Sp	24.46				\$2.20
[REDACTED]	88,000			3,650				\$2.20
[REDACTED]	2.20							\$86.72
[REDACTED]	10,000							\$2.20
[REDACTED]	41.34	1.15	Sp/Ch	44.23				\$2.20
[REDACTED]	159,000			6,601				\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20
[REDACTED]	2.20							\$2.20
[REDACTED]	10,000							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	35.62	1.15	Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							
	1.32							\$1.32
	6,000							
	35.62			38.20				\$73.82
	137,000			5,701				
	45.76	1.15	Sp/Ch	48.99				\$95.90
	176,000			7,311				
	35.62	1.15	Sp/Ch	38.20		33.00	Emp	\$126.37
	137,000			5,701		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	25.22			26.86				\$52.08
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	35.62			38.20				\$73.82
	137,000			5,701				
	30.16	1.15	Sp/Ch	32.25				\$63.56
	116,000			4,814				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	37.44	1.15	Sp	40.07				\$78.66
	144,000			5,980				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
	25.22			26.86				\$52.08

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume			Premium/ Volume	Ins.	
	97,000				4,009				
	43.16		1.15	Sp/Ch					\$44.31
	166,000				6,880				
	34.84		1.15	Ch	37.33				\$73.32
	134,000				5,571				
	32.24		1.15	Sp	34.35		88.00	Emp	\$199.74
	124,000				5,127		100,000		
							44.00	Sp	
							50,000		\$2.20
	2.20								
	10,000								
	54.60		1.15	Sp/Ch	58.46		115.50	Emp	\$229.71
	210,000				8,725		75,000		
	1.32								\$1.32
	6,000								
	35.62		1.15	Sp/Ch	38.20				\$74.97
	137,000				5,701				
	32.24		1.15	Sp/Ch	34.35		20.00	Emp	\$87.74
	124,000				5,127		100,000		
	41.34				44.23		10.00	Emp	\$100.57
	159,000				6,601		50,000		
							5.00	Sp	
							25,000		\$60.76
	16.53				44.23				
	63,600				6,601				
	2.20								\$2.20
	10,000								
	41.34		1.15	Sp	44.23		33.00	Emp	\$119.72
	159,000				6,601		100,000		
	28.60		1.15	Sp/Ch	30.57				\$60.32
	110,000				4,562				
	3.96								\$3.96
	18,000								
	2.20								\$2.20
	10,000								
	46.02		1.15	Sp	49.29				\$96.46
	177,000				7,356				
	0.88								\$0.88
	4,000								

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	36.66			39.22				\$75.88
	141,000			5,853				
	2.20							\$2.20
	10,000							
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	35.62			38.20				\$73.82
	137,000			5,701				
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	34.06	1.15	Sp/Ch	36.32				\$71.53
	131,000			5,421				
	32.50			34.62				\$67.12
	125,000			5,166				
	2.42							\$2.42
	11,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	54.60	1.15	Sp/Ch	58.46		176.00	Emp	\$290.21
	210,000			8,725		200,000		
	21.84	1.15	Ch	23.21				\$46.20
	84,000			3,464				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	38.22	1.15	Sp/Ch	40.77				\$80.14
	147,000			6,085				
	2.20							\$2.20
	10,000							
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	43.16	1.15	Sp	46.10		44.00	Emp	\$134.41
	166,000			6,880		50,000		
	20.54	1.15	Ch	22.05				\$43.74
	79,000			3,290				
	39.26	1.15	Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	50.18	1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	193,000			8,009	50,000	100,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
TOTAL	\$5,327.97	\$105.80		\$5,470.01	\$3.50	\$1,110.50		\$12,017.78
Total Current Premium	\$5,327.97	\$105.80		\$5,470.01	\$3.50	\$1,110.50		\$12,017.78



MISSY JOHNSON
SOUTH KY RECC

Group ID: 00 395099
Division ID: 0000
A/R: GUL

Change Report

■ Fax completed Change Report to **920-749-6058** or mail with your Payment Coupon in the enclosed envelope. For assistance with changes, please contact us at 800-627-4200.

- Guardian requires 3-6 business days to process changes from the date of receipt.
Please pay the Total Payment Due as shown on your Billing Statement. Premium adjustments for the changes you submit will be on the next Billing Statement after processing is complete.
- Use a photocopy of this form if you need additional space.
- Address Change _____

New Employees/Dependents or Added/Refused Coverages

Submit a completed Enrollment Form for each new employee, new dependent or existing employee adding a coverage. Complete the Refuse/Drop coverages section for employees or dependents who are waiving a coverage. Fax enrollment form to 920-749-6058 or mail with your Payment Coupon in the enclosed envelope.

Employee Changes

Employee Name	ID	Effective Date	Reason Code	Notes
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Reason Codes for Employee Changes

1. Terminate coverage due to terminated employment (indicate last day worked)
2. Terminate coverage due to death
3. Terminate coverage due to end of COBRA or State Continuation
4. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
5. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)
6. Reinstatement employee due to rehire (include completed Enrollment Form if rehired more than 31 days after termination date)
7. Change insurance amount due to salary change (note previous and new salaries)
8. Change job title, classification, department, or division (note new information)
9. Change employee name (note new name)
10. Change employee address (note new address)



Dependent Changes

<i>Employee Name</i>	<i>ID</i>	<i>Effective Date</i>	<i>Dependent Name</i>	<i>Reason Code</i>	<i>Notes</i>
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Reason Codes For Dependent Changes

- 101. Terminate spouse's coverage due to divorce
- 102. Terminate child's coverage due to reaching age limit for eligibility
- 103. Terminate dependent's coverage due to end of COBRA or State Continuation
- 104. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
- 105. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)





Billing Statement

For Period 06/01/19 to 06/30/19
Statement Date: 05/15/19

AK

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHO: AP
RGO: 032
A/R: GUL

Payment Summary

Payment Received 05/07/19	-11,699.93
No Outstanding Balance As Of 5/15/19	0.00
Current Premium	11,968.80
Total Payment Due 6/01/19	\$11,968.80

Handwritten notes: "NO BALANCE" and "6/1/19" next to the total due amount.

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com

Approval:

"Planholder use only"

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	215	1	1	215	\$5,314.45	(\$9.38)
Dep Life	92	0	1	91	\$104.65	(\$0.74)
Ltd	138	1	1	138	\$5,455.74	(\$9.92)
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	15	0	0	15	\$1,110.50	\$0.00
TOTAL					\$11,988.84	(\$20.04)

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,314.45	\$0.00	\$5,314.45
Dep Life	\$0.00	\$104.65	\$104.65
Ltd	\$5,455.74	\$0.00	\$5,455.74
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$842.50	\$268.00	\$1,110.50
TOTAL	\$11,616.19	\$372.65	\$11,988.84



**Guardian
June 2019**

33304056 - 1005

Account #	Description	Cost	
143.16	Dep Life	\$102.76	EMBF 02
143.02	Retired/ LTD Dep Life	\$163.29	"
143.25	Voluntary	\$1,114.00	EMDT 34
186.08	Basic Life & AD/D	\$5,142.93	EMBF 02
186.15	LTD	\$5,445.82	"
TOTAL		\$11,968.80	

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$2.20
	\$53.04		\$56.89		\$2.20
	\$35.62		\$38.15		\$2.20
	\$43.16	\$1.15	\$46.10	\$76.50	\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$32.24		\$34.35		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$32.24		\$34.35		\$2.20
	\$41.34	\$1.15	\$44.23		\$1.32
	\$31.98		\$34.20		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$32.24	\$1.15	\$34.35		\$2.20
	\$30.68		\$32.88		\$0.88
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$45.76		\$48.99		\$2.20
	\$21.84		\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23		\$1.32
	\$35.62	\$1.15	\$38.20		\$2.20
	\$37.44	\$1.15	\$40.07		\$0.88
	\$28.60		\$30.57		\$2.20
	\$41.34		\$44.23		\$2.20
	\$41.34		\$44.23		\$2.20
	\$20.54		\$22.05		\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80		\$50.14		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$32.50	\$1.15	\$34.66		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$41.34		\$44.23		\$2.20
	\$43.16		\$46.10		\$2.20
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$1.32
	\$46.80		\$50.14		\$2.20
	\$25.22		\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23	\$51.90	\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$30.16		\$32.25		\$2.20
	\$21.84	\$1.15	\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$83.46		\$89.45		\$1.32
	\$99.06		\$100.45		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$32.24	\$1.15	\$34.35		\$1.32
	\$25.22		\$26.86		\$2.20
	\$29.12	\$1.15	\$31.10		\$3.96
	\$35.62		\$38.20		\$2.20
	\$35.62	\$1.15	\$38.20		\$0.88
	\$41.34		\$44.23		\$2.20
	\$31.98	\$1.15	\$34.20		\$1.32
	\$25.22	\$1.15	\$26.86		\$2.20
	\$28.60		\$30.57		\$2.42
	\$28.60	\$1.15	\$30.57		\$2.20
	\$12.59		\$13.51		\$2.20
	\$20.54		\$22.05		\$2.20
	\$39.26		\$42.11		\$2.20
	\$54.60		\$58.46		\$2.20
	\$41.34		\$44.23		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$21.84	\$1.15	\$23.21		\$2.20
	\$16.64	\$1.15	\$17.60		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$35.62		\$38.20		
	\$50.70	\$1.15	\$54.27		
	\$50.18		\$53.66		
	\$20.54	\$1.15	\$22.05		
	\$35.62	\$1.15	\$38.20		
	\$28.60		\$30.57		
	\$28.60	\$1.15	\$30.57		
	\$30.68	\$1.15	\$32.88		
	\$41.34	\$1.15	\$44.23		
	\$39.26	\$1.15	\$41.90		
	\$79.82	\$1.15	\$85.69		
	\$46.80		\$50.14		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20	\$76.50	
	\$25.22	\$1.15	\$26.86		
	\$41.34		\$44.23		
	\$43.16	\$1.15	\$46.10		
	\$35.62	\$1.15	\$38.15		
	\$43.16	\$1.15	\$46.10		
	\$22.88	\$1.15	\$24.46		
	\$41.34	\$1.15	\$44.23		
	\$35.62	\$1.15	\$38.20		
	\$35.62		\$38.20		
	\$45.76	\$1.15	\$48.99		
	\$35.62	\$1.15	\$38.20	\$51.40	
	\$25.22		\$26.86		
	\$35.62		\$38.20		
	\$30.16	\$1.15	\$32.25		
	\$35.62	\$1.15	\$38.20		
	\$37.44	\$1.15	\$40.07		
	\$41.34	\$1.15	\$44.23		
	\$25.22		\$26.86		
	\$43.16	\$1.15	\$0.00		
	\$34.84	\$1.15	\$37.33		
	\$32.24	\$1.15	\$34.35	\$132.00	
	\$54.60	\$1.15	\$58.46	\$115.50	
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35	\$20.00	

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$41.34		\$44.23	\$15.00	
	\$16.53		\$44.23		
	\$41.34	\$1.15	\$44.23	\$33.00	
	\$28.60	\$1.15	\$30.57		
	\$46.02	\$1.15	\$49.29		
	\$36.66		\$39.22		
	\$32.24	\$1.15	\$34.35		
	\$35.62		\$38.20		
	(\$21.97)	(\$0.74)	(\$23.43)		
	\$32.50		\$34.62		
	\$32.24		\$34.35		
	\$54.60	\$1.15	\$58.46	\$176.00	
	\$21.84	\$1.15	\$23.21		
	\$43.16	\$1.15	\$46.10		
	\$38.22	\$1.15	\$40.77		
	\$43.16	\$1.15	\$46.10	\$44.00	
	\$20.54	\$1.15	\$22.05		
	\$39.26	\$1.15	\$42.11		
	\$50.18	\$1.15	\$53.66	\$38.40	
	\$35.62	\$1.15	\$38.20		
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20		
	\$29.12				\$1.15
	\$5,142.93	\$102.76	\$5,445.82	\$1,114.00	\$163.29



Premium Adjustments Since Last Bill

NEW						
Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	05/13/19	Basic Term Life		79,000	17.38	10.65
		Basic Term Life		79,000	3.16	1.94
		Ltd		3,290	22.05	13.51
					\$42.59	\$26.10

TERMINATED EMPLOYEE							
Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment	
[REDACTED]	05/12/19	Basic Term Life				-18.59	
		Basic Term Life				-3.38	
		Dep Life	Sp/Ch				-0.74
		Ltd					-23.43
							-\$46.14

Total Premium Adjustments **-\$20.04**

Notices For SOUTH KY RECC

- This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.
- To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- For the quickest and easiest way to pay your bill or manage member changes, go to www.GuardianAnytime.com. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to www.GuardianAnytime.com.

Please make sure the Guardian address is visible through the return envelope window.

- Visit our secure website at www.guardiananytime.com
- View bill online without the wait for mail
 - Submit changes and make payments

GUARDIAN
P O BOX 677458
DALLAS, TX 75267-7458



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26		1.15	Sp/Ch	42.11			\$82.52
	151,000				6,284			
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	37.44		1.15	Sp/Ch	40.11			\$78.70
	144,000				5,986			
	19.76				21.17			\$40.93
	76,000				3,160			
	35.62		1.15	Sp/Ch	38.20			\$74.97
	137,000				5,701			
	35.62				38.20			\$73.82
	137,000				5,701			
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
2.20							\$2.20	
10,000							\$2.20	
2.20							\$2.20	
10,000							\$2.20	
2.20							\$2.20	
10,000							\$2.20	
33.80		1.15	Sp/Ch	36.16		154.00	Emp	\$225.11
130,000				5,397		100,000		
2.20								\$2.20
10,000								\$2.20
58.50		1.15	Sp	62.72				\$122.37
225,000				9,361				
2.20								\$2.20
10,000								\$2.20
2.20								\$2.20
10,000								\$2.20
25.22		1.15	Sp/Ch	26.86				\$53.23
97,000				4,009				
2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	43.16		1.15 Sp/Ch	46.10		33.00 Emp		\$141.81
	166,000			6,880		100,000		
						16.50 Sp		
						50,000		
						1.90 Ch		
						10,000		
	2.20							\$2.20
	10,000							
	53.04			56.89				\$109.93
	204,000			8,491				
	2.20							\$2.20
	10,000							
	35.62			38.15				\$73.77
	137,000			5,694				
	43.16		1.15 Sp	46.10		51.00 Emp		\$166.91
	166,000			6,880		100,000		
						25.50 Sp		
						50,000		
	2.20							\$2.20
	10,000							
	40.82		1.15 Sp	43.71				\$85.68
	157,000			6,523				
	2.20							\$2.20
	10,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	1.32							\$1.32
	6,000							
	25.22		1.15 Sp	26.86				\$53.23
	97,000			4,009				
	32.24			34.35				\$66.59
	124,000			5,127				
	41.34		1.15 Sp/Ch	44.23				\$86.72
	159,000			6,601				
	31.98			34.20				\$66.18
	123,000			5,104				
	46.80		1.15 Sp/Ch	50.14				\$98.09
	180,000			7,484				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	30.68			32.88				\$63.56
	118,000			4,907				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	45.76			48.99				\$94.75
	176,000			7,311				
	21.84			23.25				\$45.09
	84,000			3,470				
	2.20							\$2.20
	10,000							
	54.60	1.15	Ch	58.46				\$114.21
	210,000			8,725				
	25.22	1.15	Ch	26.86				\$53.23
	97,000			4,009				
	46.80	1.15	Sp	50.14				\$98.09
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
37.44	1.15	Sp/Ch	40.07				\$78.66	
144,000			5,980					
28.60			30.57				\$59.17	
110,000			4,562					
41.34			44.23				\$85.57	
159,000			6,601					
41.34			44.23				\$85.57	
159,000			6,601					
0.88							\$0.88	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	4,000							
	20.54			22.05				\$42.59
	79,000			3,290				
	41.34	1.15	Sp/Ch	44.23		51.00	Emp	\$165.12
	159,000			6,601		100,000		
						25.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	46.80			50.14				\$96.94
	180,000			7,484				
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	41.34	1.15	Sp	44.23				\$86.72
	159,000			6,601				
	32.50	1.15	Sp/Ch	34.66				\$68.31
	125,000			5,172				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16			46.10				\$89.26
	166,000			6,880				
	2.20							\$2.20
	10,000							\$2.20
	46.80			50.14				\$96.94
	180,000			7,484				
	46.80			50.14				\$96.94
	180,000			7,484				
	2.20							\$2.20
	10,000							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	46.80			50.14				\$96.94
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23		40.00	Emp	\$138.62
	159,000			6,601		200,000		
						10.00	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	30.16			32.25				\$62.41
	116,000			4,814				
	2.20							\$2.20
	10,000							
	1.32							\$1.32
	6,000							
	21.84	1.15	Sp/Ch	23.25				\$46.24
	84,000			3,470				
	54.60	1.15	Sp	58.46				\$114.21
	210,000			8,725				
	83.46			89.45				\$172.91
	321,000			13,350				
	2.20							\$2.20
	10,000							
	99.06			100.45				\$199.51
	381,000			14,992				
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	54.60	1.15	Sp/Ch	58.46				\$114.21
	210,000			8,725				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	32.24	1.15	Sp/Ch	34.35				\$67.74

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	124,000			5,127				
	25.22			26.86				\$52.08
	97,000			4,009				
	0.88							\$0.88
	4,000							
	29.12	1.15	Sp/Ch	31.10				\$61.37
	112,000			4,641				
	35.62			38.20				\$73.82
	137,000			5,701				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							
	41.34			44.23				\$85.57
	159,000			6,601				
	2.20							\$2.20
	10,000							
	31.98	1.15	Sp/Ch	34.20				\$67.33
	123,000			5,104				
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60	1.15	Ch	30.57				\$60.32
	110,000			4,562				
	20.54			22.05				\$42.59
	79,000			3,290				
	39.26			42.11				\$81.37
	151,000			6,284				
	54.60			58.46				\$113.06
	210,000			8,725				
	41.34			44.23				\$85.57
	159,000			6,601				
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							
	21.84	1.15	Ch	23.21				\$46.20
	84,000			3,464				
	16.64	1.15	Sp	17.60				\$35.39
	64,000			2,626				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	35.62			38.20				\$73.82
	137,000			5,701				
	50.70	1.15	Sp	54.27				\$106.12
	195,000			8,100				
	50.18			53.66				\$103.84
	193,000			8,009				
	2.20							\$2.20
	10,000							
	20.54	1.15	Sp/Ch	22.05				\$43.74
	79,000			3,290				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60	1.15	Sp	30.57				\$60.32
	110,000			4,562				
	30.68	1.15	Ch	32.88				\$64.71
	118,000			4,907				
	41.34	1.15	Sp	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
	39.26	1.15	Sp/Ch	41.90				\$82.31
	151,000			6,253				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	79.82	1.15	Sp/Ch	85.69				\$166.66
	307,000			12,790				
	46.80			50.14				\$96.94

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	180,000			7,484				
	29.12	1.15	Ch					\$30.27
	112,000			4,650				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20		76.50	Emp	\$151.47
	137,000			5,701		150,000		
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	35.62	1.15	Ch	38.15				\$74.92
	137,000			5,694				
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	1.32							\$1.32
	6,000							\$2.20
	2.20							\$2.20
	10,000							
	22.88	1.15	Sp	24.46				\$48.49
	88,000			3,650				
	2.20							\$2.20
	10,000							
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	35.62	1.15	Ch	38.20				\$74.97
	137,000			5,701				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	1.32							\$1.32
	6,000							\$1.32
	35.62			38.20				\$73.82
	137,000			5,701				\$73.82
	45.76	1.15	Sp/Ch	48.99				\$95.90
	176,000			7,311				\$95.90
	35.62	1.15	Sp/Ch	38.20				\$126.37
	137,000			5,701		33.00 Emp		\$126.37
						100,000		\$126.37
						16.50 Sp		\$126.37
						50,000		\$126.37
						1.90 Ch		\$126.37
						10,000		\$126.37
	25.22			26.86				\$52.08
	97,000			4,009				\$52.08
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	35.62			38.20				\$73.82
	137,000			5,701				\$73.82
	30.16	1.15	Sp/Ch	32.25				\$63.56
	116,000			4,814				\$63.56
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				\$74.97
	37.44	1.15	Sp	40.07				\$78.66
	144,000			5,980				\$78.66
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				\$86.72
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	43.16	1.15	Sp/Ch					\$44.31
	166,000			6,880				
	34.84	1.15	Ch	37.33				\$73.32
	134,000			5,571				
	32.24	1.15	Sp	34.35		88.00	Emp	\$199.74
	124,000			5,127		100,000		
						44.00	Sp	
						50,000		\$2.20
	2.20							
	10,000							
	54.60	1.15	Sp/Ch	58.46		115.50	Emp	\$229.71
	210,000			8,725		75,000		
	1.32							\$1.32
	6,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35		20.00	Emp	\$87.74
	124,000			5,127		100,000		
	41.34			44.23		10.00	Emp	\$100.57
	159,000			6,601		50,000		
						5.00	Sp	
						25,000		\$60.76
	16.53			44.23				
	63,600			6,601				\$2.20
	2.20							
	10,000							
	41.34	1.15	Sp	44.23		33.00	Emp	\$119.72
	159,000			6,601		100,000		
	28.60	1.15	Sp/Ch	30.57				\$60.32
	110,000			4,562				
	3.96							\$3.96
	18,000							
	2.20							\$2.20
	10,000							
	46.02	1.15	Sp	49.29				\$96.46
	177,000			7,356				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	0.88							\$0.88
	4,000							
	36.66			39.22				\$75.88
	141,000			5,853				
	2.20							\$2.20
	10,000							
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	35.62			38.20				\$73.82
	137,000			5,701				
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	32.50			34.62				\$67.12
	125,000			5,166				
	2.42							\$2.42
	11,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	54.60	1.15	Sp/Ch	58.46		176.00	Emp	\$290.21
	210,000			8,725		200,000		
	21.84	1.15	Ch	23.21				\$46.20
	84,000			3,464				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	38.22	1.15	Sp/Ch	40.77				\$80.14
	147,000			6,085				
	2.20							\$2.20
	10,000							
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	43.16	1.15	Sp	46.10		44.00	Emp	\$134.41
	166,000			6,880		50,000		
	20.54	1.15	Ch	22.05				\$43.74
	79,000			3,290				
	39.26	1.15	Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	50.18	1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	193,000			8,009	50,000	100,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
TOTAL	\$5,314.45	\$104.65		\$5,455.74	\$3.50	\$1,110.50		\$11,988.84
Total Current Premium	\$5,314.45	\$104.65		\$5,455.74	\$3.50	\$1,110.50		\$11,988.84



MISSY JOHNSON
SOUTH KY RECC

Group ID: 00 395099
Division ID: 0000
A/R: GUL

Change Report

■ Fax completed Change Report to **920-749-6058** or mail with your Payment Coupon in the enclosed envelope. For assistance with changes, please contact us at 800-627-4200.

- Guardian requires 3-6 business days to process changes from the date of receipt.
Please pay the Total Payment Due as shown on your Billing Statement. Premium adjustments for the changes you submit will be on the next Billing Statement after processing is complete.
- Use a photocopy of this form if you need additional space.
- Address Change _____

New Employees/Dependents or Added/Refused Coverages

Submit a completed Enrollment Form for each new employee, new dependent or existing employee adding a coverage. Complete the Refuse/Drop coverages section for employees or dependents who are waiving a coverage. Fax enrollment form to 920-749-6058 or mail with your Payment Coupon in the enclosed envelope.

Employee Changes

Employee Name	ID	Effective Date	Reason Code	Notes
		/ /		
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Reason Codes for Employee Changes

1. Terminate coverage due to terminated employment (indicate last day worked)
2. Terminate coverage due to death
3. Terminate coverage due to end of COBRA or State Continuation
4. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
5. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)
6. Reinstate employee due to rehire (include completed Enrollment Form if rehired more than 31 days after termination date)
7. Change insurance amount due to salary change (note previous and new salaries)
8. Change job title, classification, department, or division (note new information)
9. Change employee name (note new name)
10. Change employee address (note new address)



Dependent Changes

Employee Name	ID	Effective Date	Dependent Name	Reason Code	Notes
		/ /			
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		/ /			
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Reason Codes For Dependent Changes

101. Terminate spouse's coverage due to divorce

102. Terminate child's coverage due to reaching age limit for eligibility

103. Terminate dependent's coverage due to end of COBRA or State Continuation

104. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)

105. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)



Guardian

Billing Statement

For Period 07/01/19 to 07/31/19

Statement Date: 06/13/19

Payment Summary

Payment Received 06/12/19

-11,968.80

No Outstanding Balance As Of 6/13/19

0.00

Current Premium

11,605.68

Total Payment Due 7/01/19

\$11,605.68

Handwritten: 7.3.19

Approval:

Planholder use only

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds	Terms	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	215	0	0	215	\$5,218.63	(\$93.74)
Dep Life	91	1	0	92	\$105.80	\$1.15
Ltd	138	0	1	137	\$5,356.54	(\$96.70)
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	15	0	0	15	\$1,110.50	\$0.00
TOTAL					\$11,794.97	(\$189.29)

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,218.63	\$0.00	\$5,218.63
Dep Life	\$0.00	\$105.80	\$105.80
Ltd	\$5,356.54	\$0.00	\$5,356.54
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$842.50	\$268.00	\$1,110.50
TOTAL	\$11,421.17	\$373.80	\$11,794.97

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHO: AP
RGO: 032
A/R: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com



Due Date: 07/01/19

Payment Due: \$11,605.68

Payment Coupon



MISSY JOHNSON
SOUTH KY RECC
200 ELECTRIC AVENUE
SOMERSET, KY 42501

- Please do not write on payment coupon. If you have changes, please submit them via Guardian Anytime or submit on Change Report.
- For fast and easy payment, submit via www.guardiananytime.com, or detach and send Payment Coupon and your check made payable to Guardian in the enclosed envelope to: GUARDIAN, P O BOX 677458, DALLAS, TX 75267-7458.

Group ID: 00 395099

Division: 0000

A/R: GUL

Please detach and return with payment

Guardian July 2019		33304056	
Account #	Description	Cost	
143.16	Dep Life	\$105.80	EMBF 02
143.02	Retired/ LTD Dep Life	\$167.69	"
143.25	Voluntary	\$1,114.00	EMDT 34
186.08	Basic Life & AD/D	\$4,958.35	EMBF 02
186.15	LTD	\$5,259.84	"
TOTAL		\$11,605.68	



Premium Adjustments Since Last Bill

COVERAGE CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	06/01/19	Dep Life	Sp		1.15	1.15
[REDACTED]	06/01/19	Basic Term Life		10,000	\$1.15	\$1.15
		Basic Term Life			2.20	-83.82
		Basic Term Life				-15.24
		Ltd				-100.45
					\$2.20	-\$197.31

SALARY CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	04/01/19	Basic Term Life		88,000	19.36	2.64
		Basic Term Life		88,000	3.52	0.48
		Ltd		3,650	24.46	3.75
					\$47.34	\$6.87

Total Premium Adjustments **-\$189.29**

Advanced Notice of Change

Volume Change

Employee	Eff. Date	Coverage	Ins.	Old Volume	New Volume	Old Premium	New Premium
[REDACTED]	08/19/19	Basic Term Life		10,000	6,000	2.20	1.32
						\$2.20	\$1.32

Please make sure the Guardian address is visible through the return envelope window.

- Visit our secure website at www.guardiananytime.com
- View bill online without the wait for mail
 - Submit changes and make payments

GUARDIAN
 P O BOX 677458
 DALLAS, TX 75267-7458



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium	
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.		
	39.26	1.15	Sp/Ch	42.11				\$82.52	
	151,000			6,284					
	2.20							\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	22.88	1.15	Ch	24.46				\$48.49	
	88,000			3,650					
	2.20							\$2.20	
	10,000							\$2.20	
	37.44	1.15	Sp/Ch	40.11				\$78.70	
	144,000			5,986					
	19.76			21.17				\$40.93	
	76,000			3,160					
	35.62	1.15	Sp/Ch	38.20				\$74.97	
	137,000			5,701					
	35.62			38.20				\$73.82	
	137,000			5,701					
	2.20							\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	33.80	1.15	Sp/Ch	36.16			154.00	Emp	\$225.11
	130,000			5,397			100,000		
2.20								\$2.20	
10,000								\$2.20	
58.50	1.15	Sp	62.72					\$122.37	
225,000			9,361						
2.20								\$2.20	
10,000								\$2.20	
2.20								\$2.20	
10,000								\$2.20	
25.22	1.15	Sp/Ch	26.86					\$53.23	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10		33.00	Emp	\$141.81
	166,000			6,880		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	53.04	1.15	Sp	56.89				\$111.08
	204,000			8,491				
	2.20							\$2.20
	10,000							
	35.62			38.15				\$73.77
	137,000			5,694				
	43.16	1.15	Sp	46.10		51.00	Emp	\$166.91
	166,000			6,880		100,000		
						25.50	Sp	
						50,000		
	2.20							\$2.20
	10,000							
	40.82	1.15	Sp	43.71				\$85.68
	157,000			6,523				
	2.20							\$2.20
	10,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	1.32							\$1.32
	6,000							
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	32.24			34.35				\$66.59
	124,000			5,127				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	31.98			34.20				\$66.18
	123,000			5,104				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	46.80	1.15	Sp/Ch	50.14				\$98.09
	180,000			7,484				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	30.68			32.88				\$63.56
	118,000			4,907				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	45.76			48.99				\$94.75
	176,000			7,311				
	21.84			23.25				\$45.09
	84,000			3,470				
	2.20							\$2.20
	10,000							
	54.60	1.15	Ch	58.46				\$114.21
	210,000			8,725				
	25.22	1.15	Ch	26.86				\$53.23
	97,000			4,009				
	46.80	1.15	Sp	50.14				\$98.09
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	37.44	1.15	Sp/Ch	40.07				\$78.66
	144,000			5,980				
	28.60			30.57				\$59.17
	110,000			4,562				
	41.34			44.23				\$85.57
	159,000			6,601				
	41.34			44.23				\$85.57

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	159,000			6,601				\$0.88
	0.88							
	4,000							
	20.54			22.05				\$42.59
	79,000			3,290				
	41.34	1.15	Sp/Ch	44.23		51.00	Emp	\$165.12
	159,000			6,601		100,000		
						25.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	46.80			50.14				\$96.94
	180,000			7,484				
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	41.34	1.15	Sp	44.23				\$86.72
	159,000			6,601				
	32.50	1.15	Sp/Ch	34.66				\$68.31
	125,000			5,172				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16			46.10				\$89.26
	166,000			6,880				
	2.20							\$2.20
	10,000							
	46.80			50.14				\$96.94
	180,000			7,484				
	46.80			50.14				\$96.94
	180,000			7,484				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							
	46.80			50.14				\$96.94
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23		40.00	Emp	\$138.62
	159,000			6,601		200,000		
						10.00	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	30.16			32.25				\$62.41
	116,000			4,814				
	2.20							\$2.20
	10,000							
	1.32							\$1.32
	6,000							
	21.84	1.15	Sp/Ch	23.25				\$46.24
	84,000			3,470				
	54.60	1.15	Sp	58.46				\$114.21
	210,000			8,725				
	83.46			89.45				\$172.91
	321,000			13,350				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	54.60	1.15	Sp/Ch	58.46				\$114.21
	210,000			8,725				
	39.26	1.15	Sp	42.11				\$82.52

continued



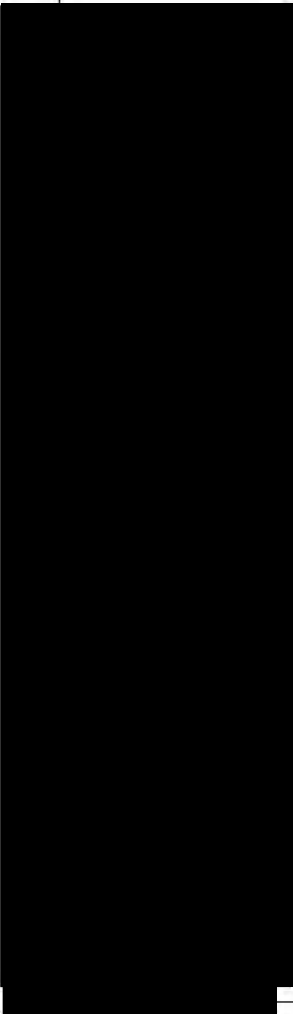
Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	151,000			6,284				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	25.22			26.86				\$52.08
	97,000			4,009				
	0.88							\$0.88
	4,000							
	29.12	1.15	Sp/Ch	31.10				\$61.37
	112,000			4,641				
	35.62			38.20				\$73.82
	137,000			5,701				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							
	41.34			44.23				\$85.57
	159,000			6,601				
	2.20							\$2.20
	10,000							
	31.98	1.15	Sp/Ch	34.20				\$67.33
	123,000			5,104				
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60	1.15	Ch	30.57				\$60.32
110,000			4,562					
20.54			22.05				\$42.59	
79,000			3,290					
39.26			42.11				\$81.37	
151,000			6,284					
54.60			58.46				\$113.06	
210,000			8,725					
41.34			44.23				\$85.57	
159,000			6,601					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26		1.15 Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	16.64		1.15 Sp	17.60				\$35.39
	64,000			2,626				
	39.26		1.15 Sp	42.11				\$82.52
	151,000			6,284				
	35.62			38.20				\$73.82
	137,000			5,701				
	50.70		1.15 Sp	54.27				\$106.12
	195,000			8,100				
	50.18			53.66				\$103.84
	193,000			8,009				
	2.20							\$2.20
	10,000							
	20.54		1.15 Sp/Ch	22.05				\$43.74
	79,000			3,290				
	35.62		1.15 Sp	38.20				\$74.97
	137,000			5,701				
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60		1.15 Sp	30.57				\$60.32
	110,000			4,562				
	30.68		1.15 Ch	32.88				\$64.71
	118,000			4,907				
	41.34		1.15 Sp	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
39.26		1.15 Sp/Ch	41.90				\$82.31	
151,000			6,253					
2.20							\$2.20	
10,000								
2.20							\$2.20	
10,000								
79.82		1.15 Sp/Ch	85.69				\$166.66	
307,000			12,790					
46.80			50.14				\$96.94	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	180,000			7,484				
	29.12	1.15	Ch					\$30.27
	112,000			4,650				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20		76.50	Emp	\$151.47
	137,000			5,701		150,000		
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	35.62	1.15	Ch	38.15				\$74.92
	137,000			5,694				
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	22.88	1.15	Sp	24.46				\$48.49
	88,000			3,650				
	2.20							\$2.20
	10,000							
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	35.62	1.15	Ch	38.20				\$74.97
	137,000			5,701				\$2.20
	2.20							\$2.20
	10,000							\$1.32
	1.32							\$1.32
	6,000							\$1.32
	35.62			38.20				\$73.82
	137,000			5,701				\$73.82
	45.76	1.15	Sp/Ch	48.99				\$95.90
	176,000			7,311				\$95.90
	35.62	1.15	Sp/Ch	38.20				\$126.37
	137,000			5,701				\$126.37
						33.00	Emp	\$126.37
						100,000		\$126.37
						16.50	Sp	\$126.37
						50,000		\$126.37
						1.90	Ch	\$126.37
						10,000		\$126.37
	25.22			26.86				\$52.08
	97,000			4,009				\$52.08
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	35.62			38.20				\$73.82
	137,000			5,701				\$73.82
	30.16	1.15	Sp/Ch	32.25				\$63.56
	116,000			4,814				\$63.56
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				\$74.97
	37.44	1.15	Sp	40.07				\$78.66
	144,000			5,980				\$78.66
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				\$86.72
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000								
	25.22				26.86				\$52.08
	97,000				4,009				
	43.16	1.15	Sp/Ch						\$44.31
	166,000				6,880				
	34.84	1.15	Ch		37.33				\$73.32
	134,000				5,571				
	32.24	1.15	Sp		34.35		88.00	Emp	\$199.74
	124,000				5,127		100,000		
							44.00	Sp	
							50,000		\$2.20
	2.20								
	10,000								
	54.60	1.15	Sp/Ch		58.46		115.50	Emp	\$229.71
	210,000				8,725		75,000		
	1.32								\$1.32
	6,000								
	35.62	1.15	Sp/Ch		38.20				\$74.97
	137,000				5,701				
	32.24	1.15	Sp/Ch		34.35		20.00	Emp	\$87.74
	124,000				5,127		100,000		
	41.34				44.23		10.00	Emp	\$100.57
	159,000				6,601		50,000		
							5.00	Sp	
							25,000		\$60.76
	16.53				44.23				
	63,600				6,601				
	2.20								\$2.20
	10,000								
	41.34	1.15	Sp		44.23		33.00	Emp	\$119.72
	159,000				6,601		100,000		
	28.60	1.15	Sp/Ch		30.57				\$60.32
	110,000				4,562				
	3.96								\$3.96
	18,000								
	2.20								\$2.20
	10,000								
	46.02	1.15	Sp		49.29				\$96.46
	177,000				7,356				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	0.88							\$0.88
	4,000							
	36.66				39.22			\$75.88
	141,000				5,853			
	2.20							\$2.20
	10,000							
	32.24	1.15	Sp		34.35			\$67.74
	124,000				5,127			
	35.62				38.20			\$73.82
	137,000				5,701			
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	32.50				34.62			\$67.12
	125,000				5,166			
	2.42							\$2.42
	11,000							
	32.24				34.35			\$66.59
	124,000				5,127			
	54.60	1.15	Sp/Ch		58.46		176.00 Emp	\$290.21
	210,000				8,725		200,000	
	21.84	1.15	Ch		23.21			\$46.20
	84,000				3,464			
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch		46.10			\$90.41
	166,000				6,880			
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	38.22	1.15	Sp/Ch		40.77			\$80.14
	147,000				6,085			
	2.20							\$2.20
	10,000							
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	43.16	1.15	Sp	46.10		44.00	Emp	\$134.41
	166,000			6,880		50,000		
	20.54	1.15	Ch	22.05				\$43.74
	79,000			3,290				
	39.26	1.15	Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	50.18	1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	193,000			8,009	50,000	100,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
TOTAL	\$5,218.63	\$105.80		\$5,356.54	\$3.50	\$1,110.50		\$11,794.97
Total Current Premium	\$5,218.63	\$105.80		\$5,356.54	\$3.50	\$1,110.50		\$11,794.97



MISSY JOHNSON
SOUTH KY RECC

Group ID: 00 395099
Division ID: 0000
A/R: GUL

Change Report

- Fax completed Change Report to **920-749-6058** or mail with your Payment Coupon in the enclosed envelope. For assistance with changes, please contact us at 800-627-4200.
- Guardian requires 3-6 business days to process changes from the date of receipt.
Please pay the Total Payment Due as shown on your Billing Statement. Premium adjustments for the changes you submit will be on the next Billing Statement after processing is complete.
- Use a photocopy of this form if you need additional space.
- Address Change _____

New Employees/Dependents or Added/Refused Coverages

Submit a completed Enrollment Form for each new employee, new dependent or existing employee adding a coverage. Complete the Refuse/Drop coverages section for employees or dependents who are waiving a coverage. Fax enrollment form to 920-749-6058 or mail with your Payment Coupon in the enclosed envelope.

Employee Changes

Employee Name	ID	Effective Date	Reason Code	Notes
		/ /		
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Reason Codes for Employee Changes

1. Terminate coverage due to terminated employment (indicate last day worked)
2. Terminate coverage due to death
3. Terminate coverage due to end of COBRA or State Continuation
4. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
5. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)
6. Reinstate employee due to rehire (include completed Enrollment Form if rehired more than 31 days after termination date)
7. Change insurance amount due to salary change (note previous and new salaries)
8. Change job title, classification, department, or division (note new information)
9. Change employee name (note new name)
10. Change employee address (note new address)



Dependent Changes

Employee Name	ID	Effective Date	Dependent Name	Reason Code	Notes
		/ /			
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Reason Codes For Dependent Changes

- 101. Terminate spouse's coverage due to divorce
- 102. Terminate child's coverage due to reaching age limit for eligibility
- 103. Terminate dependent's coverage due to end of COBRA or State Continuation
- 104. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
- 105. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)



Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$22.88	\$1.15	\$24.46		\$2.20
	\$3.12		\$3.75		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$2.20
	\$53.04	\$1.15	\$56.89		\$2.20
		\$1.15			\$2.20
	\$35.62		\$38.15		\$2.20
	\$43.16	\$1.15	\$46.10	\$76.50	\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$32.24		\$34.35		\$1.32
	\$25.22	\$1.15	\$26.86		\$2.20
	\$32.24		\$34.35		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$31.98		\$34.20		\$0.88
	\$46.80	\$1.15	\$50.14		\$2.20
	\$32.24	\$1.15	\$34.35		\$2.20
	\$30.68		\$32.88		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$45.76		\$48.99		\$2.20
	\$21.84		\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$46.80	\$1.15	\$50.14		\$2.20
	\$25.22	\$1.15	\$26.86		\$4.40
	\$41.34	\$1.15	\$44.23		\$0.88
	\$35.62	\$1.15	\$38.20		\$2.20
	\$37.44	\$1.15	\$40.07		\$2.20
	\$28.60		\$30.57		\$2.20
	\$41.34		\$44.23		\$2.20
	\$41.34		\$44.23		\$2.20
	\$20.54		\$22.05		\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80		\$50.14		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$32.50	\$1.15	\$34.66		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$41.34		\$44.23		\$2.20
	\$43.16		\$46.10		\$1.32
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$2.20
	\$25.22		\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23	\$51.90	\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$30.16		\$32.25		\$2.20
	\$21.84	\$1.15	\$23.25		\$1.32
	\$54.60	\$1.15	\$58.46		\$2.20
	\$83.46		\$89.45		\$2.20
	(\$99.06)		(\$100.45)		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$54.60	\$1.15	\$58.46		\$1.32
	\$39.26	\$1.15	\$42.11		\$2.20
	\$32.24	\$1.15	\$34.35		\$3.96
	\$25.22		\$26.86		\$2.20
	\$29.12	\$1.15	\$31.10		\$0.88
	\$35.62		\$38.20		\$2.20
	\$35.62	\$1.15	\$38.20		\$1.32
	\$41.34		\$44.23		\$2.20
	\$31.98	\$1.15	\$34.20		\$2.42
	\$25.22	\$1.15	\$26.86		\$2.20
	\$28.60		\$30.57		\$2.20
	\$28.60	\$1.15	\$30.57		\$2.20
	\$20.54		\$22.05		\$2.20
	\$39.26		\$42.11		\$2.20
	\$54.60		\$58.46		\$2.20
	\$41.34		\$44.23		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$16.64	\$1.15	\$17.60		\$2.20
	\$39.26	\$1.15	\$42.11		
	\$35.62		\$38.20		
	\$50.70	\$1.15	\$54.27		
	\$50.18		\$53.66		
	\$20.54	\$1.15	\$22.05		
	\$35.62	\$1.15	\$38.20		
	\$28.60		\$30.57		
	\$28.60	\$1.15	\$30.57		
	\$30.68	\$1.15	\$32.88		
	\$41.34	\$1.15	\$44.23		
	\$39.26	\$1.15	\$41.90		
	\$79.82	\$1.15	\$85.69		
	\$46.80		\$50.14		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20	\$76.50	
	\$25.22	\$1.15	\$26.86		
	\$41.34		\$44.23		
	\$43.16	\$1.15	\$46.10		
	\$35.62	\$1.15	\$38.15		
	\$43.16	\$1.15	\$46.10		
	\$22.88	\$1.15	\$24.46		
	\$41.34	\$1.15	\$44.23		
	\$35.62	\$1.15	\$38.20		
	\$35.62		\$38.20		
	\$45.76	\$1.15	\$48.99		
	\$35.62	\$1.15	\$38.20	\$51.40	
	\$25.22		\$26.86		
	\$35.62		\$38.20		
	\$30.16	\$1.15	\$32.25		
	\$35.62	\$1.15	\$38.20		
	\$37.44	\$1.15	\$40.07		
	\$41.34	\$1.15	\$44.23		
	\$25.22		\$26.86		
	\$43.16	\$1.15	\$0.00		
	\$34.84	\$1.15	\$37.33		
	\$32.24	\$1.15	\$34.35	\$132.00	
	\$54.60	\$1.15	\$58.46	\$115.50	
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35	\$20.00	
	\$41.34		\$44.23	\$15.00	
	\$16.53		\$44.23		
	\$41.34	\$1.15	\$44.23	\$33.00	

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$28.60	\$1.15	\$30.57		
	\$46.02	\$1.15	\$49.29		
	\$36.66		\$39.22		
	\$32.24	\$1.15	\$34.35		
	\$35.62		\$38.20		
	\$32.50		\$34.62		
	\$32.24		\$34.35		
	\$54.60	\$1.15	\$58.46	\$176.00	
	\$21.84	\$1.15	\$23.21		
	\$43.16	\$1.15	\$46.10		
	\$38.22	\$1.15	\$40.77		
	\$43.16	\$1.15	\$46.10	\$44.00	
	\$20.54	\$1.15	\$22.05		
	\$39.26	\$1.15	\$42.11		
	\$50.18	\$1.15	\$53.66	\$38.40	
	\$35.62	\$1.15	\$38.20		
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20		
	\$29.12				\$1.15
	\$4,958.35	\$105.80	\$5,259.84	\$1,114.00	\$167.69



Billing Statement

For Period 08/01/19 to 08/31/19
Statement Date: 07/18/19

Payment Summary

Payment Received 07/08/19	-11,605.68
No Outstanding Balance As Of 7/18/19	0.00
Current Premium	11,761.73
Total Payment Due 8/01/19	\$11,761.73

✓ 7/30/19 Collected

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHO: AP
RGO: 032
A/R: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com

Approval:

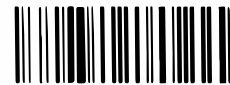
"Planholder use only"

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	215	1	1	215	\$5,218.52	(\$14.70)
Dep Life	92	0	1	91	\$104.65	(\$1.73)
Ltd	137	1	1	137	\$5,356.80	(\$15.81)
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	15	0	0	15	\$1,110.50	\$0.00
TOTAL					\$11,793.97	(\$32.24)

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,218.52	\$0.00	\$5,218.52
Dep Life	\$0.00	\$104.65	\$104.65
Ltd	\$5,356.80	\$0.00	\$5,356.80
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$842.50	\$268.00	\$1,110.50
TOTAL	\$11,421.32	\$372.65	\$11,793.97



*33304056



~000119

*MLH
8/2/19*



Premium Adjustments Since Last Bill

NEW

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
	07/08/19	Basic Term Life		80,000	17.60	13.63
		Basic Term Life		80,000	3.20	2.48
		Ltd		3,329	22.31	17.27
					\$43.11	\$33.38

TERMINATED EMPLOYEE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
	06/16/19	Basic Term Life				-26.07
		Basic Term Life				-4.74
		Dep Life	Sp/Ch			-1.73
		Ltd				-33.08
						-\$65.62

Total Premium Adjustments

-\$32.24

Notices For SOUTH KY RECC

- This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.
- To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- For the quickest and easiest way to pay your bill or manage member changes, go to www.GuardianAnytime.com. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to www.GuardianAnytime.com.

Guardian			
August 2019			
Account #	Description	Cost	33304056
143.16	Dep Life	\$101.77	EMBF 02 - 1605
143.02	Retired/ LTD Dep Life	\$165.12	"
143.25	Voluntary	\$1,114.00	EMDT 34
186.08	Basic Life & AD/D	\$5,039.85	EMBF 02
186.15	LTD	\$5,340.99	EMBF 02
TOTAL		\$11,761.73	



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				\$2.20
	2.20							
	10,000							
	43.16	1.15	Sp/Ch	46.10		33.00	Emp	\$141.81
	166,000			6,880		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	53.04	1.15	Sp	56.89				\$111.08
	204,000			8,491				
	2.20							\$2.20
	10,000							
	35.62			38.15				\$73.77
	137,000			5,694				
	43.16	1.15	Sp	46.10		51.00	Emp	\$166.91
	166,000			6,880		100,000		
						25.50	Sp	
					50,000			
2.20							\$2.20	
10,000								
40.82	1.15	Sp	43.71				\$85.68	
157,000			6,523					
2.20							\$2.20	
10,000								
32.24			34.35				\$66.59	
124,000			5,127					
1.32							\$1.32	
6,000								
25.22	1.15	Sp	26.86				\$53.23	
97,000			4,009					
32.24			34.35				\$66.59	
124,000			5,127					
41.34	1.15	Sp/Ch	44.23				\$86.72	
159,000			6,601					
31.98			34.20				\$66.18	
123,000			5,104					

continued



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium	
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.		
	39.26		1.15	Sp/Ch	42.11			\$82.52	
	151,000				6,284				
	2.20							\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	22.88		1.15	Ch	24.46			\$48.49	
	88,000				3,650				
	2.20							\$2.20	
	10,000							\$2.20	
	37.44		1.15	Sp/Ch	40.11			\$78.70	
	144,000				5,986				
	19.76				21.17			\$40.93	
	76,000				3,160				
	35.62		1.15	Sp/Ch	38.20			\$74.97	
	137,000				5,701				
	35.62				38.20			\$73.82	
	137,000				5,701				
	2.20							\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	33.80		1.15	Sp/Ch	36.16		154.00	Emp	\$225.11
	130,000				5,397		100,000		
2.20							\$2.20		
10,000							\$2.20		
58.50		1.15	Sp	62.72			\$122.37		
225,000				9,361					
2.20							\$2.20		
10,000							\$2.20		
2.20							\$2.20		
10,000							\$2.20		
25.22		1.15	Sp/Ch	26.86			\$53.23		

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	159,000			6,601				\$0.88
	0.88							
	4,000							
	20.54			22.05				\$42.59
	79,000			3,290				
	41.34	1.15	Sp/Ch	44.23		51.00	Emp	\$165.12
	159,000			6,601		100,000		
						25.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	46.80			50.14				\$96.94
	180,000			7,484				
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	41.34	1.15	Sp	44.23				\$86.72
	159,000			6,601				
	32.50	1.15	Sp/Ch	34.66				\$68.31
	125,000			5,172				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16			46.10				\$89.26
	166,000			6,880				
	2.20							\$2.20
	10,000							
	46.80			50.14				\$96.94
	180,000			7,484				
	46.80			50.14				\$96.94
	180,000			7,484				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	46.80	1.15	Sp/Ch	50.14				\$98.09
	180,000			7,484				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	30.68			32.88				\$63.56
	118,000			4,907				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	45.76			48.99				\$94.75
	176,000			7,311				
	21.84			23.25				\$45.09
	84,000			3,470				
	2.20							\$2.20
	10,000							
	54.60	1.15	Ch	58.46				\$114.21
	210,000			8,725				
	25.22	1.15	Ch	26.86				\$53.23
	97,000			4,009				
	46.80	1.15	Sp	50.14				\$98.09
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	37.44	1.15	Sp/Ch	40.07				\$78.66
	144,000			5,980				
	28.60			30.57				\$59.17
	110,000			4,562				
	41.34			44.23				\$85.57
	159,000			6,601				
	41.34			44.23				\$85.57

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							
	46.80			50.14				\$96.94
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23		40.00	Emp	\$138.62
	159,000			6,601		200,000		
						10.00	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	30.16			32.25				\$62.41
	116,000			4,814				
	2.20							\$2.20
	10,000							
	1.32							\$1.32
	6,000							
	21.84	1.15	Sp/Ch	23.25				\$46.24
	84,000			3,470				
	54.60	1.15	Sp	58.46				\$114.21
	210,000			8,725				
	83.46			89.45				\$172.91
	321,000			13,350				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	54.60	1.15	Sp/Ch	58.46				\$114.21
	210,000			8,725				
	39.26	1.15	Sp	42.11				\$82.52

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	151,000			6,284				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	25.22			26.86				\$52.08
	97,000			4,009				
	0.88							\$0.88
	4,000							
	29.12	1.15	Sp/Ch	31.10				\$61.37
	112,000			4,641				
	35.62			38.20				\$73.82
	137,000			5,701				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							
	41.34			44.23				\$85.57
	159,000			6,601				
	2.20							\$2.20
	10,000							
	31.98	1.15	Sp/Ch	34.20				\$67.33
	123,000			5,104				
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60	1.15	Ch	30.57				\$60.32
110,000			4,562					
20.54			22.05				\$42.59	
79,000			3,290					
39.26			42.11				\$81.37	
151,000			6,284					
54.60			58.46				\$113.06	
210,000			8,725					
41.34			44.23				\$85.57	
159,000			6,601					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	20.80			22.31				\$43.11
	80,000			3,329				
	16.64	1.15	Sp	17.60				\$35.39
	64,000			2,626				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	35.62			38.20				\$73.82
	137,000			5,701				
	50.70	1.15	Sp	54.27				\$106.12
	195,000			8,100				
	50.18			53.66				\$103.84
	193,000			8,009				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60	1.15	Sp	30.57				\$60.32
	110,000			4,562				
	30.68	1.15	Ch	32.88				\$64.71
	118,000			4,907				
	41.34	1.15	Sp	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
	39.26	1.15	Sp/Ch	41.90				\$82.31
	151,000			6,253				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							
	79.82	1.15	Sp/Ch	85.69				\$166.66
	307,000			12,790				
	46.80			50.14				\$96.94

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	180,000			7,484				
	29.12	1.15	Ch					\$30.27
	112,000			4,650				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20		76.50	Emp	\$151.47
	137,000			5,701		150,000		
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	35.62	1.15	Ch	38.15				\$74.92
	137,000			5,694				
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	22.88	1.15	Sp	24.46				\$48.49
	88,000			3,650				
	2.20							\$2.20
	10,000							
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	35.62	1.15	Ch	38.20				\$74.97
	137,000			5,701				\$2.20
	2.20							\$2.20
	10,000							\$1.32
	1.32							\$1.32
	6,000							\$1.32
	35.62			38.20				\$73.82
	137,000			5,701				\$73.82
	45.76	1.15	Sp/Ch	48.99				\$95.90
	176,000			7,311				\$95.90
	35.62	1.15	Sp/Ch	38.20		33.00	Emp	\$126.37
	137,000			5,701		100,000		\$126.37
						16.50	Sp	\$126.37
						50,000		\$126.37
						1.90	Ch	\$126.37
						10,000		\$126.37
	25.22			26.86				\$52.08
	97,000			4,009				\$52.08
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	35.62			38.20				\$73.82
	137,000			5,701				\$73.82
	30.16	1.15	Sp/Ch	32.25				\$63.56
	116,000			4,814				\$63.56
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				\$74.97
	37.44	1.15	Sp	40.07				\$78.66
	144,000			5,980				\$78.66
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				\$86.72
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	43.16	1.15	Sp/Ch					\$44.31
	166,000			6,880				
	34.84	1.15	Ch	37.33				\$73.32
	134,000			5,571				
	32.24	1.15	Sp	34.35		88.00	Emp	\$199.74
	124,000			5,127		100,000		
						44.00	Sp	
						50,000		
	2.20							\$2.20
	10,000							
	54.60	1.15	Sp/Ch	58.46		115.50	Emp	\$229.71
	210,000			8,725		75,000		
	1.32							\$1.32
	6,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35		20.00	Emp	\$87.74
	124,000			5,127		100,000		
	41.34			44.23		10.00	Emp	\$100.57
	159,000			6,601		50,000		
						5.00	Sp	
						25,000		
	16.53			44.23				\$60.76
	63,600			6,601				
	2.20							\$2.20
	10,000							
	41.34	1.15	Sp	44.23		33.00	Emp	\$119.72
	159,000			6,601		100,000		
	28.60	1.15	Sp/Ch	30.57				\$60.32
	110,000			4,562				
	3.96							\$3.96
	18,000							
	2.20							\$2.20
	10,000							
	46.02	1.15	Sp	49.29				\$96.46
	177,000			7,356				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	0.88							\$0.88
	4,000							
	36.66			39.22				\$75.88
	141,000			5,853				
	2.20							\$2.20
	10,000							
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	35.62			38.20				\$73.82
	137,000			5,701				
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	32.50			34.62				\$67.12
	125,000			5,166				
	2.42							\$2.42
	11,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	54.60	1.15	Sp/Ch	58.46		176.00	Emp	\$290.21
	210,000			8,725		200,000		
	21.84	1.15	Ch	23.21				\$46.20
	84,000			3,464				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	38.22	1.15	Sp/Ch	40.77				\$80.14
	147,000			6,085				
	2.20							\$2.20
	10,000							
	1.83							\$1.83

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	43.16	1.15	Sp	46.10		44.00	Emp	\$134.41
	166,000			6,880		50,000		
	20.54	1.15	Ch	22.05				\$43.74
	79,000			3,290				
	39.26	1.15	Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	50.18	1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	193,000			8,009	50,000	100,000		
						1.90	Ch	
						10,000		\$2.20
	2.20							
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
TOTAL	\$5,218.52	\$104.65		\$5,356.80	\$3.50	\$1,110.50		\$11,793.97
Total Current Premium	\$5,218.52	\$104.65		\$5,356.80	\$3.50	\$1,110.50		\$11,793.97



MISSY JOHNSON
SOUTH KY RECC

Group ID: 00 395099
Division ID: 0000
A/R: GUL

Change Report

■ Fax completed Change Report to **920-749-6058** or mail with your Payment Coupon in the enclosed envelope. For assistance with changes, please contact us at 800-627-4200.

- Guardian requires 3-6 business days to process changes from the date of receipt.
Please pay the Total Payment Due as shown on your Billing Statement. Premium adjustments for the changes you submit will be on the next Billing Statement after processing is complete.
- Use a photocopy of this form if you need additional space.
- Address Change _____

New Employees/Dependents or Added/Refused Coverages

Submit a completed Enrollment Form for each new employee, new dependent or existing employee adding a coverage. Complete the Refuse/Drop coverages section for employees or dependents who are waiving a coverage. Fax enrollment form to 920-749-6058 or mail with your Payment Coupon in the enclosed envelope.

Employee Changes

Employee Name	ID	Effective Date	Reason Code	Notes
		/ /		
		/ /		
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		/ /		

Reason Codes for Employee Changes

1. Terminate coverage due to terminated employment (indicate last day worked)
2. Terminate coverage due to death
3. Terminate coverage due to end of COBRA or State Continuation
4. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
5. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)
6. Reinstatement employee due to rehire (include completed Enrollment Form if rehired more than 31 days after termination date)
7. Change insurance amount due to salary change (note previous and new salaries)
8. Change job title, classification, department, or division (note new information)
9. Change employee name (note new name)
10. Change employee address (note new address)



Dependent Changes

Employee Name	ID	Effective Date	Dependent Name	Reason Code	Notes
		/ /			
		/ /			
		/ /			
		/ /			
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Reason Codes For Dependent Changes

- 101. Terminate spouse's coverage due to divorce
- 102. Terminate child's coverage due to reaching age limit for eligibility
- 103. Terminate dependent's coverage due to end of COBRA or State Continuation
- 104. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
- 105. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)



August 2019

Witnesses: Michelle Herrman and Steve Seelye

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$22.88	\$1.15	\$24.46		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$2.20
	\$53.04	\$1.15	\$56.89		\$2.20
	\$35.62		\$38.15		\$2.20
	\$43.16	\$1.15	\$46.10	\$76.50	\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$32.24		\$34.35		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$32.24		\$34.35		\$1.32
	\$41.34	\$1.15	\$44.23		\$2.20
	\$31.98		\$34.20		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$32.24	\$1.15	\$34.35		\$0.88
	\$30.68		\$32.88		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$45.76		\$48.99		\$2.20
	\$21.84		\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$41.34	\$1.15	\$44.23		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$37.44	\$1.15	\$40.07		\$0.88
	\$28.60		\$30.57		\$2.20
	\$41.34		\$44.23		\$2.20
	\$41.34		\$44.23		\$2.20
	\$20.54		\$22.05		\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80		\$50.14		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$32.50	\$1.15	\$34.66		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$41.34		\$44.23		\$2.20
	\$43.16		\$46.10		\$2.20
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$1.32
	\$46.80		\$50.14		\$2.20
	\$25.22		\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23	\$51.9	\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$30.16		\$32.25		\$2.20
	\$21.84	\$1.15	\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$83.46		\$89.45		\$1.32
	\$25.22	\$1.15	\$26.86		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life
	186.08	143.16	186.15	143.25	Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$32.24	\$1.15	\$34.35		\$2.20
	\$25.22		\$26.86		\$1.32
	\$29.12	\$1.15	\$31.10		\$2.20
	\$35.62		\$38.20		\$3.96
	\$35.62	\$1.15	\$38.20		\$2.20
	\$41.34		\$44.23		\$0.88
	\$31.98	\$1.15	\$34.20		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$28.60		\$30.57		\$2.20
	\$28.60	\$1.15	\$30.57		\$2.42
	\$20.54		\$22.05		\$2.20
	\$39.26		\$42.11		\$2.20
	\$54.60		\$58.46		\$2.20
	\$41.34		\$44.23		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$20.80		\$22.31		\$1.83
	\$16.11		\$17.27		\$2.20
	\$16.64	\$1.15	\$17.60		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$35.62		\$38.20		
	\$50.70	\$1.15	\$54.27		
	\$50.18		\$53.66		
	(\$30.81)	(\$1.73)	(\$33.08)		
	\$35.62	\$1.15	\$38.20		
	\$28.60		\$30.57		
	\$28.60	\$1.15	\$30.57		
	\$30.68	\$1.15	\$32.88		
	\$41.34	\$1.15	\$44.23		
	\$39.26	\$1.15	\$41.90		
	\$79.82	\$1.15	\$85.69		
	\$46.80		\$50.14		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20	\$76.50	
	\$25.22	\$1.15	\$26.86		
	\$41.34		\$44.23		
	\$43.16	\$1.15	\$46.10		
	\$35.62	\$1.15	\$38.15		
	\$43.16	\$1.15	\$46.10		
	\$22.88	\$1.15	\$24.46		
	\$41.34	\$1.15	\$44.23		
	\$35.62	\$1.15	\$38.20		
	\$35.62		\$38.20		
	\$45.76	\$1.15	\$48.99		
	\$35.62	\$1.15	\$38.20	\$51.40	
	\$25.22		\$26.86		
	\$35.62		\$38.20		
	\$30.16	\$1.15	\$32.25		
	\$35.62	\$1.15	\$38.20		
	\$37.44	\$1.15	\$40.07		
	\$41.34	\$1.15	\$44.23		
	\$25.22		\$26.86		
	\$43.16	\$1.15	\$0.00		
	\$34.84	\$1.15	\$37.33		
	\$32.24	\$1.15	\$34.35	\$132.00	
	\$54.60	\$1.15	\$58.46	\$115.50	
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35	\$20.00	

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$41.34		\$44.23	\$15.00	
	\$16.53		\$44.23		
	\$41.34	\$1.15	\$44.23	\$33.00	
	\$28.60	\$1.15	\$30.57		
	\$46.02	\$1.15	\$49.29		
	\$36.66		\$39.22		
	\$32.24	\$1.15	\$34.35		
	\$35.62		\$38.20		
	\$32.50		\$34.62		
	\$32.24		\$34.35		
	\$54.60	\$1.15	\$58.46	\$176.00	
	\$21.84	\$1.15	\$23.21		
	\$43.16	\$1.15	\$46.10		
	\$38.22	\$1.15	\$40.77		
	\$43.16	\$1.15	\$46.10	\$44.00	
	\$20.54	\$1.15	\$22.05		
	\$39.26	\$1.15	\$42.11		
	\$50.18	\$1.15	\$53.66	\$38.40	
	\$35.62	\$1.15	\$38.20		
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20		
	\$29.12				\$1.15
	\$5,039.85	\$101.77	\$5,340.99	\$1,114.00	\$165.12

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life
	186.08	143.16	186.15	143.25	Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$22.88	\$1.15	\$24.46		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$2.20
	\$53.04	\$1.15	\$56.89		\$2.20
	\$35.62		\$38.15		\$2.20
	\$43.16	\$1.15	\$46.10	\$76.50	\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$32.24		\$34.35		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$32.24		\$34.35		\$1.32
	\$41.34	\$1.15	\$44.23		\$2.20
	\$31.98		\$34.20		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$32.24	\$1.15	\$34.35		\$0.88
	\$30.68		\$32.88		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$45.76		\$48.99		\$2.20
	\$21.84		\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$41.34	\$1.15	\$44.23		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$37.44	\$1.15	\$40.07		\$0.88
	\$28.60		\$30.57		\$2.20
	\$41.34		\$44.23		\$2.20
	\$41.34		\$44.23		\$2.20
	\$20.54		\$22.05		\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80		\$50.14		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$32.50	\$1.15	\$34.66		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$41.34		\$44.23		\$2.20
	\$43.16		\$46.10		\$2.20
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$1.32
	\$46.80		\$50.14		\$2.20
	\$25.22		\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23	\$51.90	\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$30.16		\$32.25		\$2.20
	\$21.84	\$1.15	\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$83.46		\$89.45		\$1.32
	\$25.22	\$1.15	\$26.86		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20

August 2019

Witnesses: Michelle Herrman and Steve Seelye

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life Account
	186.08	143.16	186.15	143.25	143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$32.24	\$1.15	\$34.35		\$2.20
	\$25.22		\$26.86		\$1.32
	\$29.12	\$1.15	\$31.10		\$2.20
	\$35.62		\$38.20		\$3.96
	\$35.62	\$1.15	\$38.20		\$2.20
	\$41.34		\$44.23		\$0.88
	\$31.98	\$1.15	\$34.20		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$28.60		\$30.57		\$2.20
	\$28.60	\$1.15	\$30.57		\$2.42
	\$20.54		\$22.05		\$2.20
	\$39.26		\$42.11		\$2.20
	\$54.60		\$58.46		\$2.20
	\$41.34		\$44.23		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$20.80		\$22.31		\$1.83
	\$16.11		\$17.27		\$2.20
	\$16.64	\$1.15	\$17.60		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$35.62		\$38.20		
	\$50.70	\$1.15	\$54.27		
	\$50.18		\$53.66		
	(\$30.81)	(\$1.73)	(\$33.08)		
	\$35.62	\$1.15	\$38.20		
	\$28.60		\$30.57		
	\$28.60	\$1.15	\$30.57		
	\$30.68	\$1.15	\$32.88		
	\$41.34	\$1.15	\$44.23		
	\$39.26	\$1.15	\$41.90		
	\$79.82	\$1.15	\$85.69		
	\$46.80		\$50.14		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20	\$76.50	
	\$25.22	\$1.15	\$26.86		
	\$41.34		\$44.23		
	\$43.16	\$1.15	\$46.10		
	\$35.62	\$1.15	\$38.15		
	\$43.16	\$1.15	\$46.10		
	\$22.88	\$1.15	\$24.46		
	\$41.34	\$1.15	\$44.23		
	\$35.62	\$1.15	\$38.20		
	\$35.62		\$38.20		
	\$45.76	\$1.15	\$48.99		
	\$35.62	\$1.15	\$38.20	\$51.40	
	\$25.22		\$26.86		
	\$35.62		\$38.20		
	\$30.16	\$1.15	\$32.25		
	\$35.62	\$1.15	\$38.20		
	\$37.44	\$1.15	\$40.07		
	\$41.34	\$1.15	\$44.23		
	\$25.22		\$26.86		
	\$43.16	\$1.15	\$0.00		
	\$34.84	\$1.15	\$37.33		
	\$32.24	\$1.15	\$34.35	\$132.00	
	\$54.60	\$1.15	\$58.46	\$115.50	
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35	\$20.00	

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life Account
	186.08	143.16	186.15	143.25	143.02
	\$41.34		\$44.23	\$15.00	
	\$16.53		\$44.23		
	\$41.34	\$1.15	\$44.23	\$33.00	
	\$28.60	\$1.15	\$30.57		
	\$46.02	\$1.15	\$49.29		
	\$36.66		\$39.22		
	\$32.24	\$1.15	\$34.35		
	\$35.62		\$38.20		
	\$32.50		\$34.62		
	\$32.24		\$34.35		
	\$54.60	\$1.15	\$58.46	\$176.00	
	\$21.84	\$1.15	\$23.21		
	\$43.16	\$1.15	\$46.10		
	\$38.22	\$1.15	\$40.77		
	\$43.16	\$1.15	\$46.10	\$44.00	
	\$20.54	\$1.15	\$22.05		
	\$39.26	\$1.15	\$42.11		
	\$50.18	\$1.15	\$53.66	\$38.40	
	\$35.62	\$1.15	\$38.20		
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20		
	\$29.12				\$1.15
	\$5,039.85	\$101.77	\$5,340.99	\$1,114.00	\$165.12

Guardian

Billing Statement

For Period 09/01/19 to 09/30/19

Statement Date: 08/16/19

Payment Summary

Payment Received 08/06/19 -11,761.73

No Outstanding Balance As Of 8/16/19 0.00

Current Premium 11,671.43

Total Payment Due 9/01/19 \$11,671.43

Y. Black
9/20/19
Nov 9/15/19

Approval:

Planholder use only

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds	Terms	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	215	4	0	219	\$5,233.07	(\$73.21)
Dep Life	91	4	1	94	\$108.10	(\$18.41)
Ltd	137	4	2	139	\$5,367.95	(\$88.13)
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	15	1	0	16	\$1,125.50	\$13.06
TOTAL					\$11,838.12	(\$166.69)

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,233.07	\$0.00	\$5,233.07
Dep Life	\$0.00	\$108.10	\$108.10
Ltd	\$5,367.95	\$0.00	\$5,367.95
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$857.50	\$268.00	\$1,125.50
TOTAL	\$11,462.02	\$376.10	\$11,838.12

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHO: AP
RGO: 032
AR: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com



Please detach and return with payment

Payment Coupon



MISSY JOHNSON
SOUTH KY RECC
200 ELECTRIC AVENUE
SOMERSET, KY 42501

Due Date: 09/01/19

Payment Due: \$11,671.43

- Please do not write on payment coupon. If you have changes, please submit them via Guardian Anytime or submit on Change Report.
- For fast and easy payment, submit via www.guardiananytime.com, or detach and send Payment Coupon and your check made payable to Guardian in the enclosed envelope to: GUARDIAN, P O BOX 677458, DALLAS, TX 75267-7458.

Group ID: 00 395099

Division: 0000

AR: GUL

**Guardian
September 2019**

Account #	Description	Cost	
143.16	Dep Life	\$88.54	EMBF 02
143.02	Retired/ LTD Dep Life	\$177.81	"
143.25	Voluntary	\$1,142.06	EMDT 34
186.08	Basic Life & AD/D	\$4,983.20	EMBF 02
186.15	LTD	\$5,279.82	"
TOTAL		\$11,671.43	

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$82.52
	\$22.88	\$1.15	\$24.46		\$48.49
	\$37.44	\$1.15	\$40.11		\$78.70
	\$19.76		\$21.17		\$40.93
	\$35.62	\$1.15	\$38.20		\$74.97
	\$35.62		\$38.20		\$73.82
	\$33.80	\$1.15	\$36.16	\$154.00	\$225.11
	\$58.50	\$1.15	\$62.72		\$122.37
	\$25.22	\$1.15	\$26.86		\$53.23
	\$43.16	\$1.15	\$46.10	\$51.40	\$141.81
	\$53.04	\$1.15	\$56.89		\$111.08
	\$35.62		\$38.15		\$73.77
	\$43.16	\$1.15	\$46.10	\$76.50	\$166.91
	\$24.91	\$1.00	\$26.52		\$52.43
	\$28.60	\$1.15	\$30.45		\$60.20
	\$40.82	\$1.15	\$43.71		\$85.68
	\$32.24		\$34.35		\$66.59
	\$25.22	\$1.15	\$26.86		\$53.23
	\$32.24		\$34.35		\$66.59
	\$41.34	\$1.15	\$44.23		\$86.72
	\$31.98		\$34.20		\$66.18
	\$46.80	\$1.15	\$50.14		\$98.09
	\$32.24	\$1.15	\$34.35		\$67.74
	\$13.41	\$0.74	\$14.39		\$28.54
	\$20.80	\$1.15	\$22.31		\$44.26
	\$30.68		\$32.88		\$63.56
	\$35.62	\$1.15	\$38.20		\$74.97
	\$35.62	\$1.15	\$38.20		\$74.97
	\$45.76		\$48.99		\$94.75
	\$21.84		\$23.25		\$45.09
	\$54.60	\$1.15	\$58.46		\$114.21
	\$25.22	\$1.15	\$26.86		\$53.23
	\$46.80	\$1.15	\$50.14		\$98.09
	\$25.22	\$1.15	\$26.86		\$53.23
	\$41.34	\$1.15	\$44.23		\$86.72
	\$18.12	\$1.00	\$19.43	\$13.06	\$51.61
	\$20.80	\$1.15	\$22.31	\$15.00	\$59.26
	\$35.62	\$1.15	\$38.20		\$74.97
	\$37.44	\$1.15	\$40.07		\$78.66
	\$28.60		\$30.57		\$59.17
	\$41.34		\$44.23		\$85.57
	\$41.34		\$44.23		\$85.57
	\$20.54		\$22.05		\$42.59
	\$41.34	\$1.15	\$44.23	\$78.40	\$165.12
	\$25.22	\$1.15	\$26.86		\$53.23
	\$46.80		\$50.14		\$96.94
	\$43.16	\$1.15	\$46.10		\$90.41
	(\$82.68)	(\$2.30)	(\$88.46)		(\$173.44)
	\$32.50	\$1.15	\$34.66		\$68.31
	\$35.62	\$1.15	\$38.20		\$74.97
	\$41.34		\$44.23		\$85.57
	\$43.16		\$46.10		\$89.26
	(\$93.60)		(\$100.28)		(\$193.88)
	\$46.80		\$50.14		\$96.94
	\$46.80		\$50.14		\$96.94
	\$25.22		\$26.86		\$52.08
	\$41.34	\$1.15	\$44.23	\$51.90	\$138.62
	\$43.16	\$1.15	\$46.10		\$90.41
	\$30.16		\$32.25		\$62.41
	\$21.84	\$1.15	\$23.25		\$46.24
	\$54.60	\$1.15	\$58.46		\$114.21
	\$83.46		\$89.45		\$172.91
	\$25.22	\$1.15	\$26.86		\$53.23
	\$54.60	\$1.15	\$58.46		\$114.21

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life	
	186.08	143.16	186.15	143.25	Account 143.02	
	\$39.26	\$1.15	\$42.11		\$82.52	\$3.96
	\$32.24	\$1.15	\$34.35		\$67.74	\$2.20
	\$25.22		\$26.86		\$52.08	\$0.88
	\$29.12	\$1.15	\$31.10		\$61.37	\$2.20
	\$35.62		\$38.20		\$73.82	\$1.32
	\$37.83	\$1.52	\$40.27		\$79.62	\$2.20
	\$28.60	\$1.15	\$30.45		\$60.20	\$2.42
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$41.34		\$44.23		\$85.57	\$2.20
	\$31.98	\$1.15	\$34.20		\$67.33	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$28.60		\$30.57		\$59.17	\$2.20
	\$28.60	\$1.15	\$30.57		\$60.32	\$1.32
	\$20.54		\$22.05		\$42.59	\$2.20
	\$39.26		\$42.11		\$81.37	\$2.20
	\$54.60		\$58.46		\$113.06	\$2.20
	\$41.34		\$44.23		\$85.57	
	\$39.26	\$1.15	\$42.11		\$82.52	
	\$20.80		\$22.31		\$43.11	
	\$16.64	\$1.15	\$17.60		\$35.39	
	\$39.26	\$1.15	\$42.11		\$82.52	
	\$35.62		\$38.20		\$73.82	
	\$50.70	\$1.15	\$54.27		\$106.12	
	\$50.18		\$53.66		\$103.84	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$28.60		\$30.57		\$59.17	
	\$28.60	\$1.15	\$30.57		\$60.32	
	\$30.68	\$1.15	\$32.88		\$64.71	
	\$41.34	\$1.15	\$44.23		\$86.72	
	\$39.26	\$1.15	\$41.90		\$82.31	
	\$79.82	\$1.15	\$85.69		\$166.66	
	\$46.80		\$50.14		\$96.94	
	\$32.24	\$1.15	\$34.35		\$67.74	
	\$35.62	\$1.15	\$38.20	\$76.50	\$151.47	
	\$25.22	\$1.15	\$26.86		\$53.23	
	\$41.34		\$44.23		\$85.57	
	\$43.16	\$1.15	\$46.10		\$90.41	
	\$35.62	\$1.15	\$38.15		\$74.92	
		(\$20.37)			(\$20.37)	
	\$43.16	\$1.15	\$46.10		\$90.41	
	\$22.88	\$1.15	\$24.46		\$48.49	
	\$41.34	\$1.15	\$44.23		\$86.72	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$35.62		\$38.20		\$73.82	
	\$45.76	\$1.15	\$48.99		\$95.90	
	\$35.62	\$1.15	\$38.20	\$51.40	\$126.37	
	\$25.22		\$26.86		\$52.08	
	\$35.62		\$38.20		\$73.82	
	\$30.16	\$1.15	\$32.25		\$63.56	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$37.44	\$1.15	\$40.07		\$78.66	
	\$41.34	\$1.15	\$44.23		\$86.72	
	\$25.22		\$26.86		\$52.08	
	\$43.16	\$1.15	\$0.00		\$44.31	
	\$34.84	\$1.15	\$37.33		\$73.32	
	\$32.24	\$1.15	\$34.35	\$132.00	\$199.74	
	\$54.60	\$1.15	\$58.46	\$115.50	\$229.71	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$32.24	\$1.15	\$34.35	\$20.00	\$87.74	
	\$41.34		\$44.23	\$15.00	\$100.57	
	\$16.53		\$44.23		\$60.76	
	\$41.34	\$1.15	\$44.23	\$33.00	\$119.72	
	\$28.60	\$1.15	\$30.57		\$60.32	
	\$46.02	\$1.15	\$49.29		\$96.46	

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$36.66		\$39.22		\$75.88
	\$32.24	\$1.15	\$34.35		\$67.74
	\$35.62		\$38.20		\$73.82
	\$32.50		\$34.62		\$67.12
	\$32.24		\$34.35		\$66.59
	\$54.60	\$1.15	\$58.46	\$176.00	\$290.21
	\$21.84	\$1.15	\$23.21		\$46.20
	\$43.16	\$1.15	\$46.10		\$90.41
	\$38.22	\$1.15	\$40.77		\$80.14
	\$43.16	\$1.15	\$46.10	\$44.00	\$134.41
	\$20.54	\$1.15	\$22.05		\$43.74
	\$39.26	\$1.15	\$42.11		\$82.52
	\$50.18	\$1.15	\$53.66	\$38.40	\$143.39
	\$35.62	\$1.15	\$38.20		\$74.97
	\$35.62	\$1.15	\$38.20		\$74.97
	\$32.24	\$1.15	\$34.35		\$67.74
	\$35.62	\$1.15	\$38.20		\$74.97
	\$29.12				\$1.15
	\$4,983.20	\$88.54	\$5,279.82	\$1,142.06	\$177.81

Witnesses: Michelle Herrman and Steve Seelye



Premium Adjustments Since Last Bill

COVERAGE CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	07/01/19	Basic Term Life	Sp	10,000	2.20	-69.96
		Basic Term Life				4.40
		Basic Term Life				-12.72
		Dep Life				-2.30
		Ltd				-88.46
	07/01/19	Basic Term Life	10,000	2.20	\$2.20	-\$169.04
		Basic Term Life			-79.20	
		Basic Term Life			4.40	
		Ltd			-14.40	
	07/10/17	Dep Life	Ch		\$2.20	-\$189.48
					-20.37	
						-\$20.37

NEW

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment	
[REDACTED]	08/05/19	Basic Term Life	Sp/Ch	110,000	24.20	21.08	
		Basic Term Life		110,000	4.40	3.83	
		Dep Life			1.15	1.00	
		Ltd		4,544	30.45	26.52	
	08/12/19	Basic Term Life	Sp	80,000	17.60	11.35	
		Basic Term Life		80,000	3.20	2.06	
		Dep Life			1.15	0.74	
		Ltd		3,329	22.31	14.39	
					\$44.26	\$28.54	
	08/05/19	Basic Term Life	Sp/Ch	80,000	17.60	15.33	
		Basic Term Life		80,000	3.20	2.79	
		Dep Life			1.15	1.00	
		Ltd		3,329	22.31	19.43	
		Voluntary Term Life		Sp	25,000	5.00	4.35
		Voluntary Term Life		Emp	50,000	10.00	8.71
				\$59.26	\$51.61		

continued

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Premium Adjustments Since Last Bill (cont'd)

NEW (cont'd)

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	07/22/19	Basic Term Life	Sp/Ch	110,000	24.20	32.01
		Basic Term Life		110,000	4.40	5.82
		Dep Life			1.15	1.52
		Ltd		4,544	30.45	40.27
					\$60.20	\$79.62

Total Premium Adjustments

-\$166.69

Notices For SOUTH KY RECC

- ☒ This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.
- ☒ To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- ☒ For the quickest and easiest way to pay your bill or manage member changes, go to www.GuardianAnytime.com. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to www.GuardianAnytime.com.



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26		1.15	42.11				\$82.52
	151,000		Sp/Ch	6,284				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	22.88		1.15	24.46				\$48.49
	88,000		Ch	3,650				
	2.20							\$2.20
	10,000							\$2.20
	37.44		1.15	40.11				\$78.70
	144,000		Sp/Ch	5,986				
	19.76			21.17				\$40.93
	76,000			3,160				
	35.62		1.15	38.20				\$74.97
	137,000		Sp/Ch	5,701				
	35.62			38.20				\$73.82
	137,000			5,701				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	33.80		1.15	36.16		154.00	Emp	\$225.11
	130,000		Sp/Ch	5,397		100,000		
	2.20							\$2.20
	10,000							\$2.20
	58.50		1.15	62.72				\$122.37
	225,000		Sp	9,361				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22		1.15	26.86				\$53.23
			Sp/Ch					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10		33.00	Emp	\$141.81
	166,000			6,880		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	53.04	1.15	Sp	56.89				\$111.08
	204,000			8,491				
	2.20							\$2.20
	10,000							
	35.62			38.15				\$73.77
	137,000			5,694				
	43.16	1.15	Sp	46.10		51.00	Emp	\$166.91
	166,000			6,880		100,000		
						25.50	Sp	
						50,000		
	2.20							\$2.20
	10,000							
	28.60	1.15	Sp/Ch	30.45				\$60.20
	110,000			4,544				
	40.82	1.15	Sp	43.71				\$85.68
	157,000			6,523				
	2.20							\$2.20
	10,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	1.32							\$1.32
	6,000							
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	32.24			34.35				\$66.59
	124,000			5,127				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	31.98			34.20				\$66.18
	123,000			5,104				
	46.80	1.15	Sp/Ch	50.14				\$98.09
	180,000			7,484				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	20.80	1.15	Sp	22.31				\$44.26
	80,000			3,329				
	30.68			32.88				\$63.56
	118,000			4,907				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	45.76			48.99				\$94.75
	176,000			7,311				
	21.84			23.25				\$45.09
	84,000			3,470				
	2.20							\$2.20
	10,000							
	54.60	1.15	Ch	58.46				\$114.21
	210,000			8,725				
	25.22	1.15	Ch	26.86				\$53.23
	97,000			4,009				
	46.80	1.15	Sp	50.14				\$98.09
	180,000			7,484				
	2.20							\$2.20
	10,000							
25.22	1.15	Sp/Ch	26.86				\$53.23	
97,000			4,009					
41.34	1.15	Sp/Ch	44.23				\$86.72	
159,000			6,601					
20.80	1.15	Sp/Ch	22.31			10.00 Emp	\$59.26	
80,000			3,329			50,000		
						5.00 Sp		
						25,000		
	35.62	1.15	Sp/Ch	38.20			\$74.97	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	137,000			5,701				
	37.44	1.15	Sp/Ch	40.07				\$78.66
	144,000			5,980				
	28.60			30.57				\$59.17
	110,000			4,562				
	41.34			44.23				\$85.57
	159,000			6,601				
	41.34			44.23				\$85.57
	159,000			6,601				
	0.88							\$0.88
	4,000							
	20.54			22.05				\$42.59
	79,000			3,290				
	41.34	1.15	Sp/Ch	44.23			51.00 Emp	\$165.12
	159,000			6,601			100,000 Sp	
							25.50 Sp	
							50,000 Ch	
							1.90 Ch	
							10,000	
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	46.80			50.14				\$96.94
	180,000			7,484				
	2.20							\$2.20
10,000								
43.16	1.15	Sp	46.10				\$90.41	
166,000			6,880					
32.50	1.15	Sp/Ch	34.66				\$68.31	
125,000			5,172					
35.62	1.15	Sp	38.20				\$74.97	
137,000			5,701					
41.34			44.23				\$85.57	
159,000			6,601					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	43.16				46.10				\$89.26
	166,000				6,880				\$2.20
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$96.94
	10,000				50.14				\$2.20
	46.80				7,484				\$96.94
	180,000								\$2.20
	2.20								\$2.20
	10,000				50.14				\$96.94
	46.80				7,484				\$2.20
	180,000								\$2.20
	2.20								\$52.08
	10,000				26.86				\$52.08
	25.22				4,009				\$138.62
	97,000				44.23				\$138.62
	41.34	1.15	Sp/Ch		6,601		40.00	Emp	\$138.62
	159,000						200,000		\$138.62
							10.00	Sp	\$138.62
							50,000		\$138.62
							1.90	Ch	\$138.62
							10,000		\$138.62
	2.20								\$2.20
	10,000								\$2.20
	43.16	1.15	Sp		46.10				\$90.41
	166,000				6,880				\$90.41
	30.16				32.25				\$62.41
	116,000				4,814				\$62.41
	2.20								\$2.20
	10,000								\$2.20
	1.32								\$1.32
	6,000								\$1.32
	21.84	1.15	Sp/Ch		23.25				\$46.24
	84,000				3,470				\$46.24
	54.60	1.15	Sp		58.46				\$114.21
	210,000				8,725				\$114.21
	83.46				89.45				\$172.91
	321,000				13,350				\$172.91
	2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	54.60	1.15	Sp/Ch	58.46				\$114.21
	210,000			8,725				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	25.22			26.86				\$52.08
	97,000			4,009				
	0.88							\$0.88
	4,000							
	29.12	1.15	Sp/Ch	31.10				\$61.37
	112,000			4,641				
	35.62			38.20				\$73.82
	137,000			5,701				
	28.60	1.15	Sp/Ch	30.45				\$60.20
	110,000			4,544				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							
	41.34			44.23				\$85.57
	159,000			6,601				
	2.20							\$2.20
	10,000							
	31.98	1.15	Sp/Ch	34.20				\$67.33
	123,000			5,104				
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	28.60			30.57				\$59.17
	110,000			4,562				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	28.60	1.15	Ch	30.57				\$60.32
	110,000			4,562				
	20.54			22.05				\$42.59
	79,000			3,290				
	39.26			42.11				\$81.37
	151,000			6,284				
	54.60			58.46				\$113.06
	210,000			8,725				
	41.34			44.23				\$85.57
	159,000			6,601				
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	20.80			22.31				\$43.11
	80,000			3,329				
	16.64	1.15	Sp	17.60				\$35.39
	64,000			2,626				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	35.62			38.20				\$73.82
	137,000			5,701				
	50.70	1.15	Sp	54.27				\$106.12
	195,000			8,100				
	50.18			53.66				\$103.84
	193,000			8,009				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60	1.15	Sp	30.57				\$60.32
	110,000			4,562				
	30.68	1.15	Ch	32.88				\$64.71
	118,000			4,907				
	41.34	1.15	Sp	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	39.26	1.15	Sp/Ch	41.90				\$82.31
	151,000			6,253				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000	1.15	Sp/Ch	85.69				\$166.66
	79.82							\$96.94
	307,000			12,790				\$30.27
	46.80			50.14				\$67.74
	180,000			7,484				\$2.20
	29.12	1.15	Ch					\$151.47
	112,000			4,650				\$2.20
	32.24	1.15	Sp	34.35				\$2.20
	124,000			5,127				\$2.20
	2.20							\$2.20
	10,000	1.15	Sp	38.20		76.50	Emp	\$151.47
	35.62			5,701		150,000		\$2.20
	137,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000	1.15	Sp	26.86				\$53.23
	25.22			4,009				\$85.57
	97,000			44.23				\$90.41
	41.34			6,601				\$74.92
	159,000			46.10				\$2.20
	43.16	1.15	Sp/Ch	6,880				\$90.41
	166,000			38.15				\$74.92
	35.62	1.15	Sp/Ch	5,694				\$2.20
	137,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				\$1.32
	1.32							\$1.32
	6,000							\$1.32

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							
	22.88	1.15	Sp	24.46				\$48.49
	88,000			3,650				
	2.20							\$2.20
	10,000							
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	35.62	1.15	Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							\$1.32
	1.32							\$1.32
	6,000							\$73.82
	35.62			38.20				\$73.82
	137,000			5,701				\$95.90
	45.76	1.15	Sp/Ch	48.99				\$95.90
	176,000			7,311				\$126.37
	35.62	1.15	Sp/Ch	38.20		33.00	Emp	\$126.37
	137,000			5,701		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	25.22			26.86				\$52.08
	97,000			4,009				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$73.82
	35.62			38.20				\$73.82

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	137,000			5,701				
	30.16	1.15	Sp/Ch	32.25				\$63.56
	116,000			4,814				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	37.44	1.15	Sp	40.07				\$78.66
	144,000			5,980				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	43.16	1.15	Sp/Ch					\$44.31
	166,000			6,880				
	34.84	1.15	Ch	37.33				\$73.32
	134,000			5,571				
	32.24	1.15	Sp	34.35		88.00	Emp	\$199.74
	124,000			5,127		100,000	Sp	
						44.00		
						50,000		\$2.20
	2.20							
	10,000							
	54.60	1.15	Sp/Ch	58.46		115.50	Emp	\$229.71
	210,000			8,725		75,000		
	1.32							\$1.32
	6,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35		20.00	Emp	\$87.74
	124,000			5,127		100,000		
	41.34			44.23		10.00	Emp	\$100.57
	159,000			6,601		50,000		
						5.00	Sp	
						25,000		
	16.53			44.23				\$60.76
	63,600			6,601				
	2.20							\$2.20
	10,000							

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	41.34	1.15	Sp	44.23		33.00	Emp	\$119.72
	159,000			6,601		100,000		
	28.60	1.15	Sp/Ch	30.57				\$60.32
	110,000			4,562				
	3.96							\$3.96
	18,000							
	2.20							\$2.20
	10,000							
	46.02	1.15	Sp	49.29				\$96.46
	177,000			7,356				
	0.88							\$0.88
	4,000							
	36.66			39.22				\$75.88
	141,000			5,853				
	2.20							\$2.20
	10,000							
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	35.62			38.20				\$73.82
	137,000			5,701				
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	32.50			34.62				\$67.12
	125,000			5,166				
	2.42							\$2.42
	11,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	54.60	1.15	Sp/Ch	58.46		176.00	Emp	\$290.21
	210,000			8,725		200,000		
	21.84	1.15	Ch	23.21				\$46.20
	84,000			3,464				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10				\$90.41

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	166,000			6,880				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	38.22	1.15	Sp/Ch	40.77				\$80.14
	147,000			6,085				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	1.32							\$1.32
	6,000							\$1.32
	43.16	1.15	Sp	46.10				\$134.41
	166,000			6,880		44.00	Emp	\$134.41
	20.54	1.15	Ch	22.05		50,000		\$43.74
	79,000			3,290				\$43.74
	39.26	1.15	Ch	42.11				\$82.52
	151,000			6,284				\$82.52
	2.20							\$2.20
	10,000							\$2.20
	50.18	1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	193,000			8,009	50,000	100,000		\$143.39
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							\$2.20
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$74.97
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$74.97
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				\$67.74
	2.20							\$2.20
	10,000							\$2.20
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$74.97
TOTAL	\$5,233.07	\$108.10		\$5,367.95	\$3.50	\$1,125.50		\$11,838.12
Total Current Premium	\$5,233.07	\$108.10		\$5,367.95	\$3.50	\$1,125.50		\$11,838.12



MISSY JOHNSON
SOUTH KY RECC

Group ID: 00 395099
Division ID: 0000
A/R: GUL

Change Report

■ Fax completed Change Report to **920-749-6058** or mail with your Payment Coupon in the enclosed envelope. For assistance with changes, please contact us at 800-627-4200.

- Guardian requires 3-6 business days to process changes from the date of receipt.
Please pay the Total Payment Due as shown on your Billing Statement. Premium adjustments for the changes you submit will be on the next Billing Statement after processing is complete.
- Use a photocopy of this form if you need additional space.
- Address Change _____

New Employees/Dependents or Added/Refused Coverages

Submit a completed Enrollment Form for each new employee, new dependent or existing employee adding a coverage. Complete the Refuse/Drop coverages section for employees or dependents who are waiving a coverage. Fax enrollment form to 920-749-6058 or mail with your Payment Coupon in the enclosed envelope.

Employee Changes

Employee Name	ID	Effective Date	Reason Code	Notes
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Reason Codes for Employee Changes

1. Terminate coverage due to terminated employment (indicate last day worked)
2. Terminate coverage due to death
3. Terminate coverage due to end of COBRA or State Continuation
4. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
5. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)
6. Reinstate employee due to rehire (include completed Enrollment Form if rehired more than 31 days after termination date)
7. Change insurance amount due to salary change (note previous and new salaries)
8. Change job title, classification, department, or division (note new information)
9. Change employee name (note new name)
10. Change employee address (note new address)



Dependent Changes

Employee Name	ID	Effective Date	Dependent Name	Reason Code	Notes
		/ /			
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		/ /			
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Reason Codes For Dependent Changes

- 101. Terminate spouse's coverage due to divorce
- 102. Terminate child's coverage due to reaching age limit for eligibility
- 103. Terminate dependent's coverage due to end of COBRA or State Continuation
- 104. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
- 105. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)





Billing Statement

For Period 10/01/19 to 10/31/19

Statement Date: 09/13/19

Payment Summary

Payment Received 09/11/19	-11,671.43
No Outstanding Balance As Of 9/13/19	0.00
Current Premium	12,025.79
Total Payment Due 10/01/19	\$12,025.79

Handwritten: ✓ 10/1/19

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHO: AP
RGO: 032
A/R: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com

Approval:

"Planholder use only"

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	219	1	0	220	\$5,268.69	\$42.51
Dep Life	94	1	0	95	\$109.25	\$1.37
Ltd	139	1	0	140	\$5,406.09	\$45.52
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	16	1	0	17	\$1,136.15	\$12.71
TOTAL					\$11,923.68	\$102.11

Handwritten: 10/1/19

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,268.69	\$0.00	\$5,268.69
Dep Life	\$0.00	\$109.25	\$109.25
Ltd	\$5,406.09	\$0.00	\$5,406.09
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$857.50	\$278.65	\$1,136.15
TOTAL	\$11,535.78	\$387.90	\$11,923.68



Guardian October 2019			33304056
Account #	Description	Cost	
143.16	Dep Life	\$109.47	EMBF 02
143.02	Retired/ LTD Dep Life	\$169.01	"
143.25	Voluntary	\$1,152.36	EMDT 34
186.08	Basic Life & AD/D	\$5,143.34	EMBF 02
186.15	LTD	\$5,451.61	"
TOTAL		\$12,025.79	



Premium Adjustments Since Last Bill

NEW

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	08/26/19	Basic Term Life	Sp/Ch	137,000	30.14	35.97
		Basic Term Life		137,000	5.48	6.54
		Dep Life			1.15	1.37
		Ltd	Emp	5,692	38.14	45.52
		Voluntary Term Life		100,000	7.00	8.35
		Voluntary Term Life		10,000	1.90	2.27
		Voluntary Term Life		25,000	1.75	2.09
					\$85.56	\$102.11

Total Premium Adjustments **\$102.11**

Advanced Notice of Change

End of Child's Eligibility

Employee	Eff. Date	Coverage	Ins.	Old Volume	New Volume	Old Premium	New Premium
[REDACTED]	11/11/19	Dep Life	Sp/Ch			1.15	1.15
						\$1.15	\$1.15

Notices For SOUTH KY RECC

- This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.
- To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- The volumes and premiums listed in the Advanced Notice of Change section are based on the information we have as of the date this billing statement was produced. This information is subject to change in accordance with your contract.
- Please refer to your certificate booklet and/or employer rider for information on conversion rights and child age eligibility limits.

Please make sure the Guardian address is visible through the return envelope window.

Visit our secure website at www.guardiananytime.com
 ■ View bill online without the wait for mail
 ■ Submit changes and make payments

GUARDIAN
 P O BOX 677458
 DALLAS, TX 75267-7458



- For the quickest and easiest way to pay your bill or manage member changes, go to www.GuardianAnytime.com. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to www.GuardianAnytime.com.



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	22.88	1.15	Ch	24.46				\$48.49
	88,000			3,650				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	37.44	1.15	Sp/Ch	40.11				\$78.70
	144,000			5,986				\$40.93
	19.76			21.17				\$40.93
	76,000			3,160				\$74.97
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$73.82
	35.62			38.20				\$73.82
	137,000			5,701				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
33.80	1.15	Sp/Ch	36.16			154.00 Emp	\$225.11	
130,000			5,397			100,000	\$225.11	
2.20							\$2.20	
10,000							\$2.20	
58.50	1.15	Sp	62.72				\$122.37	
225,000			9,361				\$122.37	
2.20							\$2.20	
10,000							\$2.20	
2.20							\$2.20	
10,000							\$2.20	
2.20							\$2.20	
10,000							\$2.20	
25.22	1.15	Sp/Ch	26.86				\$53.23	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10		33.00	Emp	\$141.81
	166,000			6,880		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	53.04	1.15	Sp	56.89				\$111.08
	204,000			8,491				
	2.20							\$2.20
	10,000							
	35.62			38.15				\$73.77
	137,000			5,694				
	43.16	1.15	Sp	46.10		51.00	Emp	\$166.91
	166,000			6,880		100,000		
						25.50	Sp	
					50,000			
2.20							\$2.20	
10,000								
28.60	1.15	Sp/Ch	30.45				\$60.20	
110,000			4,544					
40.82	1.15	Sp	43.71				\$85.68	
157,000			6,523					
2.20							\$2.20	
10,000								
32.24			34.35				\$66.59	
124,000			5,127					
1.32							\$1.32	
6,000								
25.22	1.15	Sp	26.86				\$53.23	
97,000			4,009					
32.24			34.35				\$66.59	
124,000			5,127					
41.34	1.15	Sp/Ch	44.23				\$86.72	
159,000			6,601					

continued



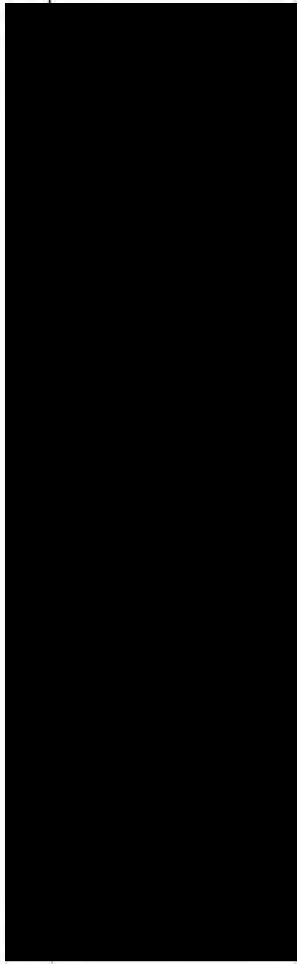
Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	31.98			34.20				\$66.18
	123,000			5,104				
	46.80	1.15	Sp/Ch	50.14				\$98.09
	180,000			7,484				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	20.80	1.15	Sp	22.31				\$44.26
	80,000			3,329				
	30.68			32.88				\$63.56
	118,000			4,907				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	45.76			48.99				\$94.75
	176,000			7,311				
	21.84			23.25				\$45.09
	84,000			3,470				
	2.20							\$2.20
	10,000							
	54.60	1.15	Ch	58.46				\$114.21
	210,000			8,725				
	25.22	1.15	Ch	26.86				\$53.23
	97,000			4,009				
	46.80	1.15	Sp	50.14				\$98.09
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	20.80	1.15	Sp/Ch	22.31		10.00	Emp	\$59.26
	80,000			3,329		50,000		
						5.00	Sp	
						25,000		
	35.62	1.15	Sp/Ch	38.20				\$74.97

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Sp/Ch	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	137,000				5,701				
	37.44		1.15	Sp/Ch	40.07				\$78.66
	144,000				5,980				
	28.60				30.57				\$59.17
	110,000				4,562				
	41.34				44.23				\$85.57
	159,000				6,601				
	41.34				44.23				\$85.57
	159,000				6,601				
	0.88								\$0.88
	4,000								
	20.54				22.05				\$42.59
	79,000				3,290				
	41.34		1.15	Sp/Ch	44.23			51.00 Emp	\$165.12
	159,000				6,601			100,000 Sp	
								25.50 Sp	
								50,000 Ch	
								1.90 Ch	
								10,000	
	25.22		1.15	Sp	26.86				\$53.23
97,000				4,009					
2.20								\$2.20	
10,000								\$2.20	
2.20								\$2.20	
10,000								\$2.20	
2.20								\$2.20	
10,000								\$2.20	
46.80				50.14				\$96.94	
180,000				7,484					
2.20								\$2.20	
10,000								\$2.20	
43.16		1.15	Sp	46.10				\$90.41	
166,000				6,880					
32.50		1.15	Sp/Ch	34.66				\$68.31	
125,000				5,172					
35.62		1.15	Sp	38.20				\$74.97	
137,000				5,701					
41.34				44.23				\$85.57	
159,000				6,601					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	43.16			46.10				\$89.26
	166,000			6,880				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$96.94
	46.80			50.14				\$96.94
	180,000			7,484				\$2.20
	2.20							\$2.20
	10,000							\$96.94
	46.80			50.14				\$2.20
	180,000			7,484				\$2.20
	2.20							\$52.08
	10,000			26.86				\$52.08
	25.22			4,009				\$138.62
	97,000			44.23		40.00	Emp	\$138.62
	41.34	1.15	Sp/Ch	6,601		200,000	Sp	
	159,000					10,000	Sp	
						50,000	Ch	
						1.90	Ch	
						10,000		\$2.20
	2.20							\$2.20
	10,000							\$90.41
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				\$62.41
	30.16			32.25				\$62.41
	116,000			4,814				\$2.20
	2.20							\$2.20
	10,000							\$1.32
	1.32							\$1.32
	6,000							\$46.24
	21.84	1.15	Sp/Ch	23.25				\$46.24
	84,000			3,470				\$114.21
	54.60	1.15	Sp	58.46				\$114.21
	210,000			8,725				\$172.91
	83.46			89.45				\$172.91
	321,000			13,350				\$2.20
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	54.60	1.15	Sp/Ch	58.46				\$114.21
	210,000			8,725				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	25.22			26.86				\$52.08
	97,000			4,009				
	0.88							\$0.88
	4,000							
	29.12	1.15	Sp/Ch	31.10				\$61.37
	112,000			4,641				
	35.62			38.20				\$73.82
	137,000			5,701				
	28.60	1.15	Sp/Ch	30.45				\$60.20
	110,000			4,544				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							
	41.34			44.23				\$85.57
	159,000			6,601				
	2.20							\$2.20
	10,000							
	31.98	1.15	Sp/Ch	34.20				\$67.33
	123,000			5,104				
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	28.60			30.57				\$59.17
	110,000			4,562				

continued



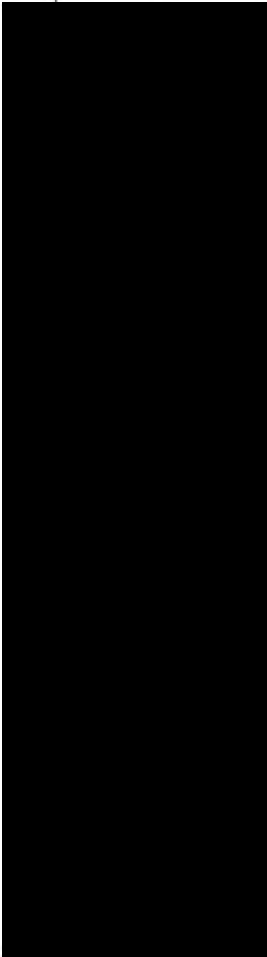
Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	28.60	1.15	Ch	30.57				\$60.32
	110,000			4,562				
	20.54			22.05				\$42.59
	79,000			3,290				
	39.26			42.11				\$81.37
	151,000			6,284				
	54.60			58.46				\$113.06
	210,000			8,725				
	41.34			44.23				\$85.57
	159,000			6,601				
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	20.80			22.31				\$43.11
	80,000			3,329				
	16.64	1.15	Sp	17.60				\$35.39
	64,000			2,626				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	35.62			38.20				\$73.82
	137,000			5,701				
	50.70	1.15	Sp	54.27				\$106.12
	195,000			8,100				
	50.18			53.66				\$103.84
	193,000			8,009				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
28.60			30.57				\$59.17	
110,000			4,562					
28.60	1.15	Sp	30.57				\$60.32	
110,000			4,562					
30.68	1.15	Ch	32.88				\$64.71	
118,000			4,907					
41.34	1.15	Sp	44.23				\$86.72	
159,000			6,601					
2.20							\$2.20	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium	
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.		
	10,000								
	39.26								
	151,000	1.15	Sp/Ch	41.90				\$82.31	
	2.20			6,253				\$2.20	
	10,000							\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	79.82	1.15	Sp/Ch	85.69				\$166.66	
	307,000			12,790				\$96.94	
	46.80			50.14				\$96.94	
	180,000			7,484				\$30.27	
	29.12	1.15	Ch					\$30.27	
	112,000			4,650				\$67.74	
	32.24	1.15	Sp	34.35				\$67.74	
	124,000			5,127				\$2.20	
	2.20							\$2.20	
	10,000							\$2.20	
	35.62	1.15	Sp	38.20			76.50	Emp	\$151.47
	137,000			5,701			150,000		\$151.47
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	25.22	1.15	Sp	26.86					\$53.23
	97,000			4,009					\$53.23
	41.34			44.23					\$85.57
	159,000			6,601					\$85.57
	43.16	1.15	Sp/Ch	46.10					\$90.41
	166,000			6,880					\$90.41
	35.62	1.15	Sp/Ch	38.15					\$74.92
137,000			5,694					\$74.92	
2.20								\$2.20	
10,000								\$2.20	
43.16	1.15	Sp/Ch	46.10					\$90.41	
166,000			6,880					\$90.41	
1.32								\$1.32	
6,000								\$1.32	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume		Ins.	
	2.20								\$2.20
	10,000								
	22.88	1.15	Sp		24.46				\$48.49
	88,000				3,650				
	35.62	1.15	Sp/Ch		38.14		7.00	Emp	\$85.56
	137,000				5,692		100,000		
							1.75	Sp	
							25,000		
							1.90	Ch	
							10,000		
	2.20								\$2.20
	10,000								
	41.34	1.15	Sp/Ch		44.23				\$86.72
	159,000				6,601				
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	35.62	1.15	Ch		38.20				\$74.97
	137,000				5,701				
	2.20								\$2.20
	10,000								\$2.20
	1.32								\$1.32
	6,000								
	35.62				38.20				\$73.82
	137,000				5,701				
	45.76	1.15	Sp/Ch		48.99				\$95.90
	176,000				7,311				
	35.62	1.15	Sp/Ch		38.20		33.00	Emp	\$126.37
	137,000				5,701		100,000		
							16.50	Sp	
							50,000		
							1.90	Ch	
							10,000		
	25.22				26.86				\$52.08

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$73.82
	35.62			38.20				\$73.82
	137,000			5,701				\$63.56
	30.16	1.15	Sp/Ch	32.25				\$63.56
	116,000			4,814				\$74.97
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				\$78.66
	37.44	1.15	Sp	40.07				\$78.66
	144,000			5,980				\$86.72
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				\$2.20
	2.20							\$2.20
	10,000							\$52.08
	25.22			26.86				\$52.08
	97,000			4,009				\$44.31
	43.16	1.15	Sp/Ch					\$44.31
	166,000			6,880				\$73.32
	34.84	1.15	Ch	37.33				\$73.32
	134,000			5,571				\$199.74
	32.24	1.15	Sp	34.35		88.00	Emp	\$199.74
	124,000			5,127		100,000		\$199.74
						44.00	Sp	\$199.74
						50,000		\$199.74
	2.20							\$2.20
	10,000							\$229.71
	54.60	1.15	Sp/Ch	58.46		115.50	Emp	\$229.71
	210,000			8,725		75,000		\$229.71
	1.32							\$1.32
	6,000							\$1.32
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$74.97
	32.24	1.15	Sp/Ch	34.35		20.00	Emp	\$87.74
	124,000			5,127		100,000		\$87.74
	41.34			44.23		10.00	Emp	\$100.57
	159,000			6,601		50,000		\$100.57

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
						5.00	Sp	
	16.53			44.23		25,000		\$60.76
	63,600			6,601				
	2.20							\$2.20
	10,000							
	41.34	1.15	Sp	44.23		33.00	Emp	\$119.72
	159,000			6,601		100,000		
	28.60	1.15	Sp/Ch	30.57				\$60.32
	110,000			4,562				
	3.96							\$3.96
	18,000							
	2.20							\$2.20
	10,000							
	46.02	1.15	Sp	49.29				\$96.46
	177,000			7,356				
	0.88							\$0.88
	4,000							
	36.66			39.22				\$75.88
	141,000			5,853				
	2.20							\$2.20
	10,000							
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	35.62			38.20				\$73.82
	137,000			5,701				
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	32.50			34.62				\$67.12
	125,000			5,166				
	2.42							\$2.42
	11,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	54.60	1.15	Sp/Ch	58.46		176.00	Emp	\$290.21
	210,000			8,725		200,000		
	21.84	1.15	Ch	23.21				\$46.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	84,000			3,464				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	38.22	1.15	Sp/Ch	40.77				\$80.14
	147,000			6,085				\$2.20
	2.20							\$2.20
	10,000							\$1.32
	1.32							\$1.32
	6,000							\$1.32
	43.16	1.15	Sp	46.10		44.00	Emp	\$134.41
	166,000			6,880		50,000		\$134.41
	20.54	1.15	Ch	22.05				\$43.74
	79,000			3,290				\$43.74
	39.26	1.15	Ch	42.11				\$82.52
	151,000			6,284				\$82.52
	2.20							\$2.20
	10,000							\$2.20
	50.18	1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	193,000			8,009	50,000	100,000		\$143.39
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							\$2.20
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$74.97
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$74.97
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				\$67.74
	2.20							\$2.20
	10,000							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Sp/Ch	Premium/ Covered Payroll Volume	Premium/ Volume	Ins.		
[REDACTED]	35.62 137,000	1.15			38.20 5,701				\$74.97
TOTAL	\$5,268.69	\$109.25			\$5,406.09	\$3.50		\$1,136.15	\$11,923.68
Total Current Premium	\$5,268.69	\$109.25			\$5,406.09	\$3.50		\$1,136.15	\$11,923.68



MISSY JOHNSON
SOUTH KY RECC

Group ID: 00 395099
Division ID: 0000
A/R: GUL

Change Report

- Fax completed Change Report to **920-749-6058** or mail with your Payment Coupon in the enclosed envelope. For assistance with changes, please contact us at 800-627-4200.
- Guardian requires 3-6 business days to process changes from the date of receipt. Please pay the Total Payment Due as shown on your Billing Statement. Premium adjustments for the changes you submit will be on the next Billing Statement after processing is complete.
- Use a photocopy of this form if you need additional space.
- Address Change _____

New Employees/Dependents or Added/Refused Coverages

Submit a completed Enrollment Form for each new employee, new dependent or existing employee adding a coverage. Complete the Refuse/Drop coverages section for employees or dependents who are waiving a coverage. Fax enrollment form to 920-749-6058 or mail with your Payment Coupon in the enclosed envelope.

Employee Changes

Employee Name	ID	Effective Date	Reason Code	Notes
		/ /		
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		/ /		
		/ /		

Reason Codes for Employee Changes

1. Terminate coverage due to terminated employment (indicate last day worked)
2. Terminate coverage due to death
3. Terminate coverage due to end of COBRA or State Continuation
4. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
5. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)
6. Reinstate employee due to rehire (include completed Enrollment Form if rehired more than 31 days after termination date)
7. Change insurance amount due to salary change (note previous and new salaries)
8. Change job title, classification, department, or division (note new information)
9. Change employee name (note new name)
10. Change employee address (note new address)



Dependent Changes

Employee Name	ID	Effective Date	Dependent Name	Reason Code	Notes
		/ /			
		/ /			
		/ /			
		/ /			
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Reason Codes For Dependent Changes

- 101. Terminate spouse's coverage due to divorce
- 102. Terminate child's coverage due to reaching age limit for eligibility
- 103. Terminate dependent's coverage due to end of COBRA or State Continuation
- 104. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
- 105. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)



Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02	
	\$39.26	\$1.15	\$42.11		\$82.52	\$2.20
	\$22.88	\$1.15	\$24.46		\$48.49	\$2.20
	\$37.44	\$1.15	\$40.11		\$78.70	\$2.20
	\$19.76		\$21.17		\$40.93	\$2.20
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$35.62		\$38.20		\$73.82	\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$225.11	\$2.20
	\$58.50	\$1.15	\$62.72		\$122.37	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$141.81	\$2.20
	\$53.04	\$1.15	\$56.89		\$111.08	\$2.20
	\$35.62		\$38.15		\$73.77	\$2.20
	\$43.16	\$1.15	\$46.10	\$76.50	\$166.91	\$2.20
	\$28.60	\$1.15	\$30.45		\$60.20	\$2.20
	\$40.82	\$1.15	\$43.71		\$85.68	\$2.20
	\$32.24		\$34.35		\$66.59	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$1.32
	\$32.24		\$34.35		\$66.59	\$2.20
	\$41.34	\$1.15	\$44.23		\$86.72	\$2.20
	\$31.98		\$34.20		\$66.18	\$2.20
	\$46.80	\$1.15	\$50.14		\$98.09	\$0.88
	\$32.24	\$1.15	\$34.35		\$67.74	\$2.20
	\$20.80	\$1.15	\$22.31		\$44.26	\$2.20
	\$30.68		\$32.88		\$63.56	\$2.20
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$45.76		\$48.99		\$94.75	\$2.20
	\$21.84		\$23.25		\$45.09	\$2.20
	\$54.60	\$1.15	\$58.46		\$114.21	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$46.80	\$1.15	\$50.14		\$98.09	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$1.32
	\$41.34	\$1.15	\$44.23		\$86.72	\$2.20
	\$20.80	\$1.15	\$22.31	\$15.00	\$59.26	\$2.20
	\$35.62	\$1.15	\$38.20		\$74.97	\$0.88
	\$37.44	\$1.15	\$40.07		\$78.66	\$2.20
	\$28.60		\$30.57		\$59.17	\$2.20
	\$41.34		\$44.23		\$85.57	\$2.20
	\$41.34		\$44.23		\$85.57	\$2.20
	\$20.54		\$22.05		\$42.59	\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$165.12	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$2.20
	\$46.80		\$50.14		\$96.94	\$2.20
	\$43.16	\$1.15	\$46.10		\$90.41	\$2.20
	\$32.50	\$1.15	\$34.66		\$68.31	\$2.20
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$41.34		\$44.23		\$85.57	\$2.20
	\$43.16	\$1.15	\$46.10		\$89.26	\$2.20
	\$46.80		\$50.14		\$96.94	\$2.20
	\$46.80		\$50.14		\$96.94	\$1.32
	\$25.22		\$26.86		\$52.08	\$2.20
	\$41.34	\$1.15	\$44.23	\$51.90	\$138.62	\$2.20
	\$43.16	\$1.15	\$46.10		\$90.41	\$2.20
	\$30.16		\$32.25		\$62.41	\$2.20
	\$21.84	\$1.15	\$23.25		\$46.24	\$2.20
	\$54.60	\$1.15	\$58.46		\$114.21	\$2.20
	\$83.46		\$89.45		\$172.91	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$1.32
	\$54.60	\$1.15	\$58.46		\$114.21	\$2.20
	\$39.26	\$1.15	\$42.11		\$82.52	\$2.20
	\$32.24	\$1.15	\$34.35		\$67.74	\$2.20
	\$25.22		\$26.86		\$52.08	\$2.20
	\$29.12	\$1.15	\$31.10		\$61.37	\$1.32
	\$35.62		\$38.20		\$73.82	\$2.20

Basic Life Dep Life LTD Voluntary Retiree - Life/LTD Dep Life

Employee	186.08	143.16	186.15	143.25		Account 143.02
	\$28.60	\$1.15	\$30.45		\$60.20	\$3.96
	\$35.62	\$1.15	\$38.20		\$74.97	\$2.20
	\$41.34		\$44.23		\$85.57	\$0.88
	\$31.98	\$1.15	\$34.20		\$67.33	\$2.20
	\$25.22	\$1.15	\$26.86		\$53.23	\$1.32
	\$28.60		\$30.57		\$59.17	\$2.20
	\$28.60	\$1.15	\$30.57		\$60.32	\$2.42
	\$20.54		\$22.05		\$42.59	\$2.20
	\$39.26		\$42.11		\$81.37	\$2.20
	\$54.60		\$58.46		\$113.06	\$2.20
	\$41.34		\$44.23		\$85.57	\$2.20
	\$39.26	\$1.15	\$42.11		\$82.52	\$2.20
	\$20.80		\$22.31		\$43.11	\$1.32
	\$16.64	\$1.15	\$17.60		\$35.39	\$2.20
	\$39.26	\$1.15	\$42.11		\$82.52	\$2.20
	\$35.62		\$38.20		\$73.82	\$2.20
	\$50.70	\$1.15	\$54.27		\$106.12	
	\$50.18		\$53.66		\$103.84	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$28.60		\$30.57		\$59.17	
	\$28.60	\$1.15	\$30.57		\$60.32	
	\$30.68	\$1.15	\$32.88		\$64.71	
	\$41.34	\$1.15	\$44.23		\$86.72	
	\$39.26	\$1.15	\$41.90		\$82.31	
	\$79.82	\$1.15	\$85.69		\$166.66	
	\$46.80		\$50.14		\$96.94	
	\$32.24	\$1.15	\$34.35		\$67.74	
	\$35.62	\$1.15	\$38.20	\$76.50	\$151.47	
	\$25.22	\$1.15	\$26.86		\$53.23	
	\$41.34		\$44.23		\$85.57	
	\$43.16	\$1.15	\$46.10		\$90.41	
	\$35.62	\$1.15	\$38.15		\$74.92	
	\$43.16	\$1.15	\$46.10		\$90.41	
	\$22.88	\$1.15	\$24.46		\$48.49	
	\$42.51	\$1.37	\$45.52	\$12.71	\$102.11	
	\$35.62	\$1.15	\$38.14	\$10.65	\$85.56	
	\$41.34	\$1.15	\$44.23		\$86.72	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$35.62		\$38.20		\$73.82	
	\$45.76	\$1.15	\$48.99		\$95.90	
	\$35.62	\$1.15	\$38.20	\$51.40	\$126.37	
	\$25.22		\$26.86		\$52.08	
	\$35.62		\$38.20		\$73.82	
	\$30.16	\$1.15	\$32.25		\$63.56	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$37.44	\$1.15	\$40.07		\$78.66	
	\$41.34	\$1.15	\$44.23		\$86.72	
	\$25.22		\$26.86		\$52.08	
	\$43.16	\$1.15	\$0.00		\$44.31	
	\$34.84	\$1.15	\$37.33		\$73.32	
	\$32.24	\$1.15	\$34.35	\$132.00	\$199.74	
	\$54.60	\$1.15	\$58.46	\$115.50	\$229.71	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$32.24	\$1.15	\$34.35	\$20.00	\$87.74	
	\$41.34		\$44.23	\$15.00	\$100.57	
	\$16.53		\$44.23		\$60.76	
	\$41.34	\$1.15	\$44.23	\$33.00	\$119.72	
	\$28.60	\$1.15	\$30.57		\$60.32	
	\$46.02	\$1.15	\$49.29		\$96.46	
	\$36.66		\$39.22		\$75.88	
	\$32.24	\$1.15	\$34.35		\$67.74	
	\$35.62		\$38.20		\$73.82	
	\$32.50		\$34.62		\$67.12	
	\$32.24		\$34.35		\$66.59	

Basic Life	Dep Life	LTD	Voluntary
& AD/D			
186.08	143.16	186.15	143.25

Retiree - Life/LTD Dep Life

Account 143.02

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary		Retiree - Life/LTD Dep Life
	186.08	143.16	186.15	143.25		Account 143.02
	\$54.60	\$1.15	\$58.46	\$176.00	\$290.21	
	\$21.84	\$1.15	\$23.21		\$46.20	
	\$43.16	\$1.15	\$46.10		\$90.41	
	\$38.22	\$1.15	\$40.77		\$80.14	
	\$43.16	\$1.15	\$46.10	\$44.00	\$134.41	
	\$20.54	\$1.15	\$22.05		\$43.74	
	\$39.26	\$1.15	\$42.11		\$82.52	
	\$50.18	\$1.15	\$53.66	\$38.40	\$143.39	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$35.62	\$1.15	\$38.20		\$74.97	
	\$32.24	\$1.15	\$34.35		\$67.74	
	\$35.62	\$1.15	\$38.20		\$74.97	
						\$1.15
	\$29.12					
	\$5,143.34	\$109.47	\$5,451.61	\$1,152.36		\$169.01



Billing Statement

For Period 11/01/19 to 11/30/19

Statement Date: 10/16/19

Payment Summary

Payment Received 10/08/19	-12,025.79
No Outstanding Balance As Of 10/16/19	0.00
Current Premium	11,224.27
Total Payment Due 11/01/19	\$11,224.27

Handwritten: 11/24/19

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHO: AP
RGO: 032
A/R: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com

Approval:

"Planholder use only"

Handwritten: Max 11/7/19

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	220	0	2	218	\$5,147.86	(\$169.90)
Dep Life	95	0	3	92	\$105.80	(\$4.60)
Ltd	140	0	4	136	\$5,246.99	(\$241.53)
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	17	0	0	17	\$1,136.15	\$0.00
TOTAL					\$11,640.30	(\$416.03)

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,147.86	\$0.00	\$5,147.86
Dep Life	\$0.00	\$105.80	\$105.80
Ltd	\$5,246.99	\$0.00	\$5,246.99
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$857.50	\$278.65	\$1,136.15
TOTAL	\$11,255.85	\$384.45	\$11,640.30



Guardian
November 2019

33204056

<u>Account #</u>	<u>Description</u>	<u>Cost</u>	
143.16	Dep Life	\$100.05	EMBF 02 . 1005
143.02	Retired/ LTD Dep Life	\$178.25	"
143.25	Voluntary	\$1,139.65	EMDT 34
186.08	Basic Life & AD/D	\$4,800.86	EMBF 02
186.15	LTD	\$5,005.46	EMBF 02
TOTAL		\$11,224.27	

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$22.88	\$1.15	\$24.46		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$2.20
	\$53.04	\$1.15	\$56.89		\$2.20
	\$35.62		\$38.15		\$2.20
	\$43.16	\$1.15	\$46.10	\$76.50	\$2.20
	\$28.60	\$1.15	\$30.45		\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$32.24		\$34.35		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$32.24		\$34.35		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$31.98		\$34.20		\$2.20
	\$46.80	\$1.15	\$50.14		\$0.88
	\$32.24	\$1.15	\$34.35		\$2.20
	\$20.80	\$1.15	\$22.31		\$2.20
	\$30.68		\$32.88		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62	\$1.15	\$38.20		\$6.60
	\$45.76		\$48.99		\$2.20
	\$21.84		\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23		\$1.32
	\$20.80	\$1.15	\$22.31	\$15.00	\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$37.44	\$1.15	\$40.07		\$0.88
	\$28.60		\$30.57		\$2.20
	\$41.34		\$44.23		\$2.20
	\$41.34		\$44.23		\$2.20
	\$20.54		\$22.05		\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80		\$50.14		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$32.50	\$1.15	\$34.66		\$2.20
	(\$71.24)	(\$2.30)	(\$76.40)		\$2.20
	\$41.34		\$44.23		\$2.20
	\$43.16		\$46.10		\$2.20
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$2.20
	\$25.22		\$26.86		\$1.32
	\$41.34	\$1.15	\$44.23	\$51.90	\$2.20
	(\$43.16)	(\$1.15)	(\$46.10)		\$2.20
	\$30.16		\$32.25		\$2.20
	\$21.84	\$1.15	\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$83.46		\$89.45		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life
	186.08	143.16	186.15	143.25	Account 143.02
	\$54.60	\$1.15	\$58.46		\$1.32
	\$39.26	\$1.15	\$42.11		\$2.20
	\$32.24	\$1.15	\$34.35		\$2.20
	\$25.22		\$26.86		\$2.20
	\$29.12	\$1.15	\$31.10		\$2.20
	\$35.62		\$38.20		\$1.32
	\$28.60	\$1.15	\$30.45		\$2.64
	\$35.62	\$1.15	\$38.20		\$2.20
	\$41.34		\$44.23		\$3.96
	\$31.98	\$1.15	\$34.20		\$2.20
	\$25.22	\$1.15	\$26.86		\$0.88
	\$28.60		\$30.57		\$2.20
	(\$28.60)	(\$1.15)	(\$30.57)		\$1.32
	\$20.54		\$22.05		\$2.20
	\$39.26		\$42.11		\$2.42
	\$54.60		\$58.46		\$2.20
	\$41.34		\$44.23		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$20.80		\$22.31		\$2.20
	\$16.64	\$1.15	\$17.60		\$2.20
	\$39.26	\$1.15	\$42.11		\$1.32
	\$35.62		\$38.20		\$2.20
	\$50.70	\$1.15	\$54.27		\$2.20
	\$50.18		\$53.66		\$2.20
	\$35.62	\$1.15	\$38.20		
	\$28.60		\$30.57		
	\$28.60	\$1.15	\$30.57		
	\$30.68	\$1.15	\$32.88		
	\$41.34	\$1.15	\$44.23		
	\$39.26	\$1.15	\$41.90		
	\$79.82	\$1.15	\$85.69		
	\$46.80		\$50.14		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20	\$76.50	
	\$25.22	\$1.15	\$26.86		
	\$41.34		\$44.23		
	\$43.16	\$1.15	\$46.10		
	\$35.62	\$1.15	\$38.15		
	\$43.16	\$1.15	\$46.10		
	\$22.88	\$1.15	\$24.46		
	\$35.62	\$1.15	\$38.14	\$10.65	
	\$41.34	\$1.15	\$44.23		
	\$35.62	\$1.15	\$38.20		
	\$35.62		\$38.20		
	\$45.76	\$1.15	\$48.99		
	\$35.62	\$1.15	\$38.20	\$51.40	
	\$25.22		\$26.86		
	\$35.62		\$38.20		
	\$30.16	\$1.15	\$32.25		
	\$35.62	\$1.15	\$38.20		
	\$37.44	\$1.15	\$40.07		
	\$41.34	\$1.15	\$44.23		
	\$25.22		\$26.86		
	\$43.16	\$1.15	\$0.00		
	\$34.84	\$1.15	\$37.33		
	\$32.24	\$1.15	\$34.35	\$132.00	
	\$54.60	\$1.15	\$58.46	\$115.50	
	\$35.62	\$1.15	\$38.20		

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$32.24	\$1.15	\$34.35	\$20.00	
	\$41.34		\$44.23	\$15.00	
	(\$33.06)		(\$88.46)		
	\$41.34	\$1.15	\$44.23	\$33.00	
	\$28.60	\$1.15	\$30.57		
	\$46.02	\$1.15	\$49.29		
	\$36.66		\$39.22		
	\$32.24	\$1.15	\$34.35		
	\$35.62		\$38.20		
	\$32.50		\$34.62		
	\$32.24		\$34.35		
	\$54.60	\$1.15	\$58.46	\$176.00	
	\$21.84	\$1.15	\$23.21		
	\$43.16	\$1.15	\$46.10		
	\$38.22	\$1.15	\$40.77		
	\$43.16	\$1.15	\$46.10	\$44.00	
	\$20.54	\$1.15	\$22.05		
	\$39.26	\$1.15	\$42.11		
	\$50.18	\$1.15	\$53.66	\$38.40	
	\$35.62	\$1.15	\$38.20		
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20		
	\$29.12				\$1.15
	\$4,800.86	\$100.05	\$5,005.46	\$1,139.65	\$178.25



Premium Adjustments Since Last Bill

COVERAGE CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	09/01/19	Basic Term Life	Sp	10,000	2.20	-60.28
		Basic Term Life				4.40
		Basic Term Life				-10.96
		Dep Life Ltd				-2.30
	09/01/19	Basic Term Life	4,000	0.88	\$2.20	-\$145.54
		Basic Term Life			-27.98	
		Basic Term Life			1.76	
		Basic Term Life Ltd			-5.08	
				\$0.88	-\$119.76	

TERMINATED EMPLOYEE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	10/01/19	Basic Term Life	Sp			-36.52
		Basic Term Life				-6.64
		Dep Life				-1.15
		Ltd				-46.10
	10/01/19	Basic Term Life	Ch			-\$90.41
		Basic Term Life				-24.20
		Basic Term Life				-4.40
		Dep Life				-1.15
					-30.57	
					-\$60.32	

Total Premium Adjustments **-\$416.03**

Notices For SOUTH KY RECC

- This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.

Please make sure the Guardian address is visible through the return envelope window.

- Visit our secure website at www.guardiananytime.com
- View bill online without the wait for mail
- Submit changes and make payments

GUARDIAN
P O BOX 677458
DALLAS, TX 75267-7458



- To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- For the quickest and easiest way to pay your bill or manage member changes, go to www.GuardianAnytime.com. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to www.GuardianAnytime.com.



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	22.88	1.15	Ch	24.46				\$48.49
	88,000			3,650				
	2.20							\$2.20
	10,000							\$2.20
	37.44	1.15	Sp/Ch	40.11				\$78.70
	144,000			5,986				
	19.76			21.17				\$40.93
	76,000			3,160				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	35.62			38.20				\$73.82
	137,000			5,701				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	33.80	1.15	Sp/Ch	36.16		154.00	Emp	\$225.11
	130,000			5,397		100,000		
	2.20							\$2.20
	10,000							\$2.20
	58.50	1.15	Sp	62.72				\$122.37
	225,000			9,361				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22	1.15	Sp/Ch	26.86				\$53.23

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000				4,009				\$2.20
	2.20								
	10,000								
	43.16	1.15	Sp/Ch		46.10		33.00	Emp	\$141.81
	166,000				6,880		100,000		
							16.50	Sp	
							50,000		
							1.90	Ch	
							10,000		
	2.20								\$2.20
	10,000								
	53.04	1.15	Sp		56.89				\$111.08
	204,000				8,491				
	2.20								\$2.20
	10,000								
	35.62				38.15				\$73.77
	137,000				5,694				
	43.16	1.15	Sp		46.10		51.00	Emp	\$166.91
	166,000				6,880		100,000		
							25.50	Sp	
							50,000		
	2.20								\$2.20
	10,000								
	28.60	1.15	Sp/Ch		30.45				\$60.20
	110,000				4,544				
	40.82	1.15	Sp		43.71				\$85.68
	157,000				6,523				
	2.20								\$2.20
	10,000								
	32.24				34.35				\$66.59
	124,000				5,127				
	1.32								\$1.32
	6,000								
	25.22	1.15	Sp		26.86				\$53.23
	97,000				4,009				
	32.24				34.35				\$66.59
	124,000				5,127				
	41.34	1.15	Sp/Ch		44.23				\$86.72
	159,000				6,601				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	31.98			34.20				\$66.18
	123,000			5,104				
	46.80	1.15	Sp/Ch	50.14				\$98.09
	180,000			7,484				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	20.80	1.15	Sp	22.31				\$44.26
	80,000			3,329				
	30.68			32.88				\$63.56
	118,000			4,907				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	45.76			48.99				\$94.75
	176,000			7,311				
	21.84			23.25				\$45.09
	84,000			3,470				
	2.20							\$2.20
	10,000							
	54.60	1.15	Ch	58.46				\$114.21
	210,000			8,725				
	25.22	1.15	Ch	26.86				\$53.23
	97,000			4,009				
	46.80	1.15	Sp	50.14				\$98.09
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	20.80	1.15	Sp/Ch	22.31				\$59.26
	80,000			3,329		10.00 Emp		
						50,000		
						5.00 Sp		
						25,000		
	35.62	1.15	Sp/Ch	38.20				\$74.97

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium	
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.		
	137,000			5,701					
	37.44		1.15 Sp/Ch	40.07				\$78.66	
	144,000			5,980					
	28.60			30.57				\$59.17	
	110,000			4,562					
	41.34			44.23				\$85.57	
	159,000			6,601					
	41.34			44.23				\$85.57	
	159,000			6,601					
	0.88							\$0.88	
	4,000								
	20.54			22.05				\$42.59	
	79,000			3,290					
	41.34		1.15 Sp/Ch	44.23			51.00 Emp		\$165.12
	159,000			6,601			100,000		
							25.50 Sp		
							50,000		
							1.90 Ch		
							10,000		
	25.22		1.15 Sp	26.86					\$53.23
	97,000			4,009					
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	46.80			50.14					\$96.94
	180,000			7,484					
	2.20								\$2.20
10,000									
43.16		1.15 Sp	46.10					\$90.41	
166,000			6,880						
32.50		1.15 Sp/Ch	34.66					\$68.31	
125,000			5,172						
2.20								\$2.20	
10,000									
41.34			44.23					\$85.57	
159,000			6,601						

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	43.16			46.10				\$89.26
	166,000			6,880				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$96.94
	10,000			50.14				\$96.94
	46.80			7,484				\$2.20
	180,000							\$2.20
	2.20							\$96.94
	10,000			50.14				\$96.94
	46.80			7,484				\$2.20
	180,000							\$2.20
	2.20							\$52.08
	10,000			26.86				\$52.08
	25.22			4,009				\$138.62
	97,000			44.23		40.00	Emp	\$138.62
	41.34	1.15	Sp/Ch	6,601		200,000		\$138.62
	159,000					10.00	Sp	\$138.62
						50,000		\$138.62
						1.90	Ch	\$138.62
						10,000		\$138.62
	2.20							\$2.20
	10,000							\$2.20
	30.16			32.25				\$62.41
	116,000			4,814				\$62.41
	2.20							\$2.20
	10,000							\$2.20
	1.32							\$1.32
	6,000							\$1.32
	21.84	1.15	Sp/Ch	23.25				\$46.24
	84,000			3,470				\$46.24
	54.60	1.15	Sp	58.46				\$114.21
	210,000			8,725				\$114.21
	83.46			89.45				\$172.91
	321,000			13,350				\$172.91
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Sp/Ch	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000								
	25.22		1.15	Sp/Ch	26.86				\$53.23
	97,000				4,009				
	54.60		1.15	Sp/Ch	58.46				\$114.21
	210,000				8,725				
	39.26		1.15	Sp	42.11				\$82.52
	151,000				6,284				
	32.24		1.15	Sp/Ch	34.35				\$67.74
	124,000				5,127				
	25.22				26.86				\$52.08
	97,000				4,009				
	0.88								\$0.88
	4,000								
	29.12		1.15	Sp/Ch	31.10				\$61.37
	112,000				4,641				
	35.62				38.20				\$73.82
	137,000				5,701				
	28.60		1.15	Sp/Ch	30.45				\$60.20
	110,000				4,544				
	35.62		1.15	Sp/Ch	38.20				\$74.97
	137,000				5,701				
	2.20								\$2.20
	10,000								
	41.34				44.23				\$85.57
	159,000				6,601				
	2.20								\$2.20
	10,000								
	31.98		1.15	Sp/Ch	34.20				\$67.33
	123,000				5,104				
	25.22		1.15	Sp	26.86				\$53.23
97,000				4,009					
2.20								\$2.20	
10,000									
2.20								\$2.20	
10,000									
28.60				30.57				\$59.17	
110,000				4,562					
20.54				22.05				\$42.59	
79,000				3,290					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium		Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26				42.11				\$81.37
	151,000				6,284				\$113.06
	54.60				58.46				\$85.57
	210,000				8,725				\$85.57
	41.34				44.23				\$85.57
	159,000				6,601				\$82.52
	39.26	1.15	Sp/Ch		42.11				\$82.52
	151,000				6,284				\$2.20
	2.20								\$2.20
	10,000								\$43.11
	20.80				22.31				\$43.11
	80,000				3,329				\$35.39
	16.64	1.15	Sp		17.60				\$35.39
	64,000				2,626				\$82.52
	39.26	1.15	Sp		42.11				\$82.52
	151,000				6,284				\$73.82
	35.62				38.20				\$73.82
	137,000				5,701				\$106.12
	50.70	1.15	Sp		54.27				\$106.12
	195,000				8,100				\$103.84
	50.18				53.66				\$103.84
	193,000				8,009				\$2.20
	2.20								\$2.20
	10,000								\$74.97
	35.62	1.15	Sp		38.20				\$74.97
	137,000				5,701				\$59.17
	28.60				30.57				\$59.17
	110,000				4,562				\$60.32
	28.60	1.15	Sp		30.57				\$60.32
	110,000				4,562				\$64.71
	30.68	1.15	Ch		32.88				\$64.71
	118,000				4,907				\$86.72
	41.34	1.15	Sp		44.23				\$86.72
	159,000				6,601				\$2.20
	2.20								\$2.20
	10,000								\$82.31
	39.26	1.15	Sp/Ch		41.90				\$82.31
	151,000				6,253				\$2.20
	2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							\$2.20
	2.20							
	10,000							
	79.82	1.15	Sp/Ch	85.69				\$166.66
	307,000			12,790				
	46.80			50.14				\$96.94
	180,000			7,484				
	29.12	1.15	Ch					\$30.27
	112,000			4,650				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20		76.50	Emp	\$151.47
	137,000			5,701		150,000		
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	35.62	1.15	Sp/Ch	38.15				\$74.92
	137,000			5,694				
	2.20							\$2.20
	10,000							
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	22.88	1.15	Sp	24.46				\$48.49
	88,000			3,650				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium	
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Ins.			
[REDACTED]	35.62		1.15	Sp/Ch	38.14		7.00	Emp	\$85.56	
	137,000				5,692		100,000			
							1.75	Sp		
							25,000			
	2.20						1.90	Ch		
	10,000						10,000		\$2.20	
	41.34		1.15	Sp/Ch	44.23				\$86.72	
	159,000				6,601					
	2.20								\$2.20	
	10,000								\$2.20	
	2.20								\$2.20	
	10,000								\$2.20	
	2.20								\$2.20	
	10,000								\$2.20	
	35.62		1.15	Ch	38.20				\$74.97	
137,000				5,701						
2.20								\$2.20		
10,000								\$1.32		
1.32								\$1.32		
6,000								\$1.32		
35.62				38.20				\$73.82		
137,000				5,701						
45.76		1.15	Sp/Ch	48.99				\$95.90		
176,000				7,311						
35.62		1.15	Sp/Ch	38.20				\$126.37		
137,000				5,701						
							33.00	Emp		
							100,000			
							16.50	Sp		
							50,000			
							1.90	Ch		
							10,000			
25.22				26.86					\$52.08	
97,000				4,009						
2.20									\$2.20	
10,000									\$2.20	
2.20									\$2.20	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	35.62			38.20				\$73.82
	137,000			5,701				
	30.16	1.15	Sp/Ch	32.25				\$63.56
	116,000			4,814				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	37.44	1.15	Sp	40.07				\$78.66
	144,000			5,980				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	43.16	1.15	Sp/Ch					\$44.31
	166,000			6,880				
	34.84	1.15	Ch	37.33				\$73.32
	134,000			5,571				
	32.24	1.15	Sp	34.35		88.00	Emp	\$199.74
	124,000			5,127		100,000	Sp	
						50,000		
	2.20							\$2.20
	10,000							
	54.60	1.15	Sp/Ch	58.46		115.50	Emp	\$229.71
	210,000			8,725		75,000		
	1.32							\$1.32
	6,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35		20.00	Emp	\$87.74
	124,000			5,127		100,000		
	41.34			44.23		10.00	Emp	\$100.57
	159,000			6,601		50,000		
						5.00	Sp	
						25,000		
	0.88							\$0.88
	4,000							

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							
	41.34	1.15	Sp	44.23		33.00	Emp	\$119.72
	159,000			6,601		100,000		
	28.60	1.15	Sp/Ch	30.57				\$60.32
	110,000			4,562				
	3.96							\$3.96
	18,000							
	2.20							\$2.20
	10,000							
	46.02	1.15	Sp	49.29				\$96.46
	177,000			7,356				
	0.88							\$0.88
	4,000							
	36.66			39.22				\$75.88
	141,000			5,853				
	2.20							\$2.20
	10,000							
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	35.62			38.20				\$73.82
	137,000			5,701				
	1.32							\$1.32
	6,000							
	2.20							\$2.20
	10,000							
	32.50			34.62				\$67.12
	125,000			5,166				
	2.42							\$2.42
	11,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	54.60	1.15	Sp/Ch	58.46		176.00	Emp	\$290.21
	210,000			8,725		200,000		
	21.84	1.15	Ch	23.21				\$46.20
	84,000			3,464				
	2.20							\$2.20
	10,000							
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Sp/Ch	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000								
	43.16		1.15	Sp/Ch	46.10				\$90.41
	166,000				6,880				
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000		1.15	Sp/Ch	40.77				\$80.14
	38.22								
	147,000				6,085				\$2.20
	2.20								\$2.20
	10,000								\$1.32
	1.32								\$1.32
	6,000		1.15	Sp	46.10		44.00	Emp	\$134.41
	43.16				6,880		50,000		
	166,000		1.15	Ch	22.05				\$43.74
	20.54				3,290				\$82.52
	79,000		1.15	Sp/Ch	42.11				\$82.52
	39.26				6,284				\$2.20
	151,000								\$2.20
	2.20								\$2.20
	10,000		1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	50.18				8,009	50,000	100,000		
	193,000						1.90	Ch	
							10,000		\$2.20
	2.20								\$2.20
	10,000		1.15	Sp/Ch	38.20				\$74.97
	35.62				5,701				\$74.97
	137,000		1.15	Sp/Ch	38.20				\$67.74
	35.62				5,701				\$67.74
	137,000		1.15	Sp/Ch	34.35				\$2.20
	32.24				5,127				\$2.20
	124,000								\$2.20
	2.20								\$2.20
	10,000		1.15	Sp/Ch	38.20				\$74.97
	35.62				5,701				\$74.97
	137,000								\$74.97
TOTAL	\$5,147.86	\$105.80			\$5,246.99	\$3.50	\$1,136.15		\$11,640.30
Total Current Premium	\$5,147.86	\$105.80			\$5,246.99	\$3.50	\$1,136.15		\$11,640.30



MISSY JOHNSON
SOUTH KY RECC

Group ID: 00 395099
Division ID: 0000
A/R: GUL

Change Report

- Fax completed Change Report to **920-749-6058** or mail with your Payment Coupon in the enclosed envelope. For assistance with changes, please contact us at 800-627-4200.
- Guardian requires 3-6 business days to process changes from the date of receipt. Please pay the Total Payment Due as shown on your Billing Statement. Premium adjustments for the changes you submit will be on the next Billing Statement after processing is complete.
- Use a photocopy of this form if you need additional space.
- Address Change _____

New Employees/Dependents or Added/Refused Coverages

Submit a completed Enrollment Form for each new employee, new dependent or existing employee adding a coverage. Complete the Refuse/Drop coverages section for employees or dependents who are waiving a coverage. Fax enrollment form to 920-749-6058 or mail with your Payment Coupon in the enclosed envelope.

Employee Changes

Employee Name	ID	Effective Date	Reason Code	Notes
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Reason Codes for Employee Changes

1. Terminate coverage due to terminated employment (indicate last day worked)
2. Terminate coverage due to death
3. Terminate coverage due to end of COBRA or State Continuation
4. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
5. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)
6. Reinstate employee due to rehire (include completed Enrollment Form if rehired more than 31 days after termination date)
7. Change insurance amount due to salary change (note previous and new salaries)
8. Change job title, classification, department, or division (note new information)
9. Change employee name (note new name)
10. Change employee address (note new address)



Dependent Changes

Employee Name	ID	Effective Date	Dependent Name	Reason Code	Notes
		/ /			
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Reason Codes For Dependent Changes

- 101. Terminate spouse's coverage due to divorce
- 102. Terminate child's coverage due to reaching age limit for eligibility
- 103. Terminate dependent's coverage due to end of COBRA or State Continuation
- 104. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
- 105. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)





Billing Statement

For Period 12/01/19 to 12/31/19

Statement Date: 11/14/19

Payment Summary

Payment Received 11/14/19	-11,224.27
No Outstanding Balance As Of 11/14/19	0.00
Current Premium	11,642.60
Total Payment Due 12/01/19	\$11,642.60

✓ check off 11/14/19

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHO: AP
RGO: 032
A/R: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com

Approval:

"Planholder use only"

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	218	0	0	218	\$5,147.86	\$0.00
Dep Life	92	1	0	93	\$106.95	\$1.15
Ltd	136	0	0	136	\$5,246.99	\$0.00
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	17	0	0	17	\$1,136.15	\$0.00
TOTAL					\$11,641.45	\$1.15

month 12/5/19

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,147.86	\$0.00	\$5,147.86
Dep Life	\$0.00	\$106.95	\$106.95
Ltd	\$5,246.99	\$0.00	\$5,246.99
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$857.50	\$278.65	\$1,136.15
TOTAL	\$11,255.85	\$385.60	\$11,641.45



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~120119

Guardian		
December 2019		
Account #	Description	Cost
143.16	Dep Life	\$106.95 EMBF 02
143.02	Retired/ LTD Dep Life	\$172.09 "
143.25	Voluntary	\$1,139.65 EMOT 34
186.08	Basic Life & AD/D	\$4,976.92 EMBF 02
186.15	LTD	\$5,246.99 EMBF 02
TOTAL		\$11,642.60

33304056

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life
	186.08	143.16	186.15	143.25	Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$22.88	\$1.15	\$24.46		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$2.20
	\$53.04	\$1.15	\$56.89		\$2.20
	\$35.62		\$38.15		\$2.20
	\$43.16	\$1.15	\$46.10	\$76.50	\$2.20
	\$28.60	\$1.15	\$30.45		\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$32.24		\$34.35		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$32.24		\$34.35		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$31.98		\$34.20		\$2.20
	\$46.80	\$1.15	\$50.14		\$0.88
	\$32.24	\$1.15	\$34.35		\$2.20
	\$20.80	\$1.15	\$22.31		\$2.20
	\$30.68		\$32.88		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$45.76		\$48.99		\$2.20
	\$21.84		\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23		\$1.32
	\$20.80	\$1.15	\$22.31	\$15.00	\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$37.44	\$1.15	\$40.07		\$0.88
	\$28.60		\$30.57		\$2.20
	\$41.34		\$44.23		\$2.20
	\$41.34		\$44.23		\$2.20
	\$20.54		\$22.05		\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80		\$50.14		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$32.50	\$1.15	\$34.66		\$2.20
	\$41.34		\$44.23		\$2.20
	\$43.16		\$46.10		\$2.20
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$2.20
	\$25.22		\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23	\$51.90	\$1.32
	\$30.16		\$32.25		\$2.20
	\$21.84	\$1.15	\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$83.46		\$89.45		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life
	186.08	143.16	186.15	143.25	Account 143.02
	\$32.24	\$1.15	\$34.35		\$1.32
	\$25.22		\$26.86		\$2.20
	\$29.12	\$1.15	\$31.10		\$2.20
	\$35.62		\$38.20		\$2.20
	\$28.60	\$1.15	\$30.45		\$2.20
	\$35.62	\$1.15	\$38.20		\$1.32
	\$41.34		\$44.23		\$0.88
	\$31.98	\$1.15	\$34.20		\$2.20
	\$25.22	\$1.15	\$26.86		\$3.96
	\$28.60		\$30.57		\$2.20
	\$20.54	\$2.30	\$22.05		\$0.88
	\$39.26		\$42.11		\$2.20
	\$54.60		\$58.46		\$1.32
	\$41.34		\$44.23		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.42
	\$20.80		\$22.31		\$2.20
	\$16.64	\$1.15	\$17.60		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$35.62		\$38.20		\$2.20
	\$50.70	\$1.15	\$54.27		\$2.20
	\$50.18		\$53.66		\$1.32
	\$35.62	\$1.15	\$38.20		\$2.20
	\$28.60		\$30.57		\$2.20
	\$28.60	\$1.15	\$30.57		\$2.20
	\$30.68	\$1.15	\$32.88		
	\$41.34	\$1.15	\$44.23		
	\$39.26	\$1.15	\$41.90		
	\$79.82	\$1.15	\$85.69		
	\$46.80		\$50.14		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20	\$76.50	
	\$25.22	\$1.15	\$26.86		
	\$41.34		\$44.23		
	\$43.16	\$1.15	\$46.10		
	\$35.62	\$1.15	\$38.15		
	\$43.16	\$1.15	\$46.10		
	\$22.88	\$1.15	\$24.46		
	\$35.62	\$1.15	\$38.14	\$10.65	
	\$41.34	\$1.15	\$44.23		
	\$35.62	\$1.15	\$38.20		
	\$35.62		\$38.20		
	\$45.76	\$1.15	\$48.99		
	\$35.62	\$1.15	\$38.20	\$51.40	
	\$25.22		\$26.86		
	\$35.62		\$38.20		
	\$30.16	\$1.15	\$32.25		
	\$35.62	\$1.15	\$38.20		
	\$37.44	\$1.15	\$40.07		
	\$41.34	\$1.15	\$44.23		
	\$25.22		\$26.86		
	\$43.16	\$1.15	\$0.00		
	\$34.84	\$1.15	\$37.33		
	\$32.24	\$1.15	\$34.35	\$132.00	
	\$54.60	\$1.15	\$58.46	\$115.50	
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35	\$20.00	
	\$41.34		\$44.23	\$15.00	
	\$41.34	\$1.15	\$44.23	\$33.00	

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life Account
	186.08	143.16	186.15	143.25	143.02
	\$28.60	\$1.15	\$30.57		
	\$46.02	\$1.15	\$49.29		
	\$36.66		\$39.22		
	\$32.24	\$1.15	\$34.35		
	\$35.62		\$38.20		
	\$32.50		\$34.62		
	\$32.24		\$34.35		
	\$54.60	\$1.15	\$58.46	\$176.00	
	\$21.84	\$1.15	\$23.21		
	\$43.16	\$1.15	\$46.10		
	\$38.22	\$1.15	\$40.77		
	\$43.16	\$1.15	\$46.10	\$44.00	
	\$20.54	\$1.15	\$22.05		
	\$39.26	\$1.15	\$42.11		
	\$50.18	\$1.15	\$53.66	\$38.40	
	\$35.62	\$1.15	\$38.20		
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20		
	\$29.12				\$1.15
	\$4,976.92	\$106.95	\$5,246.99	\$1,139.65	\$172.09



Premium Adjustments Since Last Bill

COVERAGE CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	11/01/19	Dep Life	Sp		1.15	1.15
					\$1.15	\$1.15

Total Premium Adjustments **\$1.15**

Advanced Notice of Change

Age Change

Employee	Eff. Date	Coverage	Ins.	Old Volume	New Volume	Old Premium	New Premium
[REDACTED]	01/01/20	Voluntary Term Life	Sp	50,000	50,000	25.50	44.00
		Voluntary Term Life	Emp	100,000	100,000	51.00	88.00
[REDACTED]	01/01/20	Voluntary Term Life	Emp	200,000	200,000	\$76.50	\$132.00
						176.00	308.00
						\$176.00	\$308.00

Notices For SOUTH KY RECC

- This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.
- To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- The volumes and premiums listed in the Advanced Notice of Change section are based on the information we have as of the date this billing statement was produced. This information is subject to change in accordance with your contract.
- For the quickest and easiest way to pay your bill or manage member changes, go to www.GuardianAnytime.com. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to www.GuardianAnytime.com.

Please make sure the Guardian address is visible through the return envelope window.

- Visit our secure website at www.guardiananytime.com
- View bill online without the wait for mail
 - Submit changes and make payments

GUARDIAN
P O BOX 677458
DALLAS, TX 75267-7458



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26		1.15 Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	22.88		1.15 Ch		24.46			\$48.49
	88,000				3,650			
	2.20							\$2.20
	10,000							\$2.20
	37.44		1.15 Sp/Ch		40.11			\$78.70
	144,000				5,986			
	19.76				21.17			\$40.93
	76,000				3,160			
	35.62		1.15 Sp/Ch		38.20			\$74.97
	137,000				5,701			
	35.62				38.20			\$73.82
	137,000				5,701			
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	33.80		1.15 Sp/Ch		36.16		154.00 Emp	\$225.11
	130,000				5,397		100,000	
2.20							\$2.20	
10,000							\$2.20	
58.50		1.15 Sp		62.72			\$122.37	
225,000				9,361				
2.20							\$2.20	
10,000							\$2.20	
2.20							\$2.20	
10,000							\$2.20	
25.22		1.15 Sp/Ch		26.86			\$53.23	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				\$2.20
	2.20							
	10,000							
	43.16	1.15	Sp/Ch	46.10		33.00	Emp	\$141.81
	166,000			6,880		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	53.04	1.15	Sp	56.89				\$111.08
	204,000			8,491				
	2.20							\$2.20
	10,000							
	35.62			38.15				\$73.77
	137,000			5,694				
	43.16	1.15	Sp	46.10		51.00	Emp	\$166.91
	166,000			6,880		100,000		
						25.50	Sp	
						50,000		
	2.20							\$2.20
	10,000							
	28.60	1.15	Sp/Ch	30.45				\$60.20
	110,000			4,544				
	40.82	1.15	Sp	43.71				\$85.68
	157,000			6,523				
	2.20							\$2.20
	10,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	1.32							\$1.32
	6,000							
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	32.24			34.35				\$66.59
	124,000			5,127				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	31.98			34.20				\$66.18
	123,000			5,104				
	46.80	1.15	Sp/Ch	50.14				\$98.09
	180,000			7,484				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	20.80	1.15	Sp	22.31				\$44.26
	80,000			3,329				
	30.68			32.88				\$63.56
	118,000			4,907				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	45.76			48.99				\$94.75
	176,000			7,311				
	21.84			23.25				\$45.09
	84,000			3,470				
	2.20							\$2.20
	10,000							
	54.60	1.15	Ch	58.46				\$114.21
	210,000			8,725				
	25.22	1.15	Ch	26.86				\$53.23
	97,000			4,009				
	46.80	1.15	Sp	50.14				\$98.09
	180,000			7,484				
	2.20							\$2.20
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	20.80	1.15	Sp/Ch	22.31				\$59.26
	80,000			3,329		10.00 Emp		
						50,000		
						5.00 Sp		
						25,000		
	35.62	1.15	Sp/Ch	38.20				\$74.97

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	137,000			5,701				
	37.44	1.15	Sp/Ch	40.07				\$78.66
	144,000			5,980				
	28.60			30.57				\$59.17
	110,000			4,562				
	41.34			44.23				\$85.57
	159,000			6,601				
	41.34			44.23				\$85.57
	159,000			6,601				
	0.88							\$0.88
	4,000							
	20.54			22.05				\$42.59
	79,000			3,290				
	41.34	1.15	Sp/Ch	44.23			51.00 Emp	\$165.12
	159,000			6,601			100,000 Sp	
							25.50 Sp	
							50,000 Ch	
							1.90 Ch	
							10,000	
	25.22	1.15	Sp	26.86				\$53.23
97,000			4,009					
2.20							\$2.20	
10,000							\$2.20	
2.20							\$2.20	
10,000							\$2.20	
2.20							\$2.20	
10,000							\$2.20	
46.80			50.14				\$96.94	
180,000			7,484					
2.20							\$2.20	
10,000							\$2.20	
43.16	1.15	Sp	46.10				\$90.41	
166,000			6,880					
32.50	1.15	Sp/Ch	34.66				\$68.31	
125,000			5,172					
2.20							\$2.20	
10,000							\$2.20	
41.34			44.23				\$85.57	
159,000			6,601					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium		Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	43.16				46.10				\$89.26
	166,000				6,880				\$2.20
	2.20								\$2.20
	10,000								\$96.94
	2.20				50.14				\$2.20
	10,000				7,484				\$2.20
	46.80								\$96.94
	180,000				7,484				\$2.20
	2.20								\$2.20
	10,000				50.14				\$96.94
	46.80				7,484				\$2.20
	180,000								\$2.20
	2.20								\$52.08
	10,000				26.86				\$52.08
	25.22				4,009				\$138.62
	97,000	1.15	Sp/Ch		44.23		40.00 Emp		\$138.62
	41.34				6,601		200,000		\$138.62
	159,000						10.00 Sp		\$138.62
							50,000		\$138.62
							1.90 Ch		\$138.62
							10,000		\$138.62
	2.20								\$2.20
	10,000								\$62.41
	30.16				32.25				\$62.41
	116,000				4,814				\$2.20
	2.20								\$2.20
	10,000								\$1.32
	1.32								\$1.32
	6,000								\$46.24
	21.84	1.15	Sp/Ch		23.25				\$46.24
	84,000				3,470				\$114.21
	54.60	1.15	Sp		58.46				\$114.21
	210,000				8,725				\$172.91
	83.46				89.45				\$172.91
	321,000				13,350				\$2.20
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Sp/Ch	Premium/ Covered Payroll Volume	Premium/ Volume	Ins.	Premium/ Volume	
	10,000								
	25.22		1.15	Sp/Ch	26.86				\$53.23
	97,000				4,009				
	54.60		1.15	Sp/Ch	58.46				\$114.21
	210,000				8,725				
	39.26		1.15	Sp	42.11				\$82.52
	151,000				6,284				
	32.24		1.15	Sp/Ch	34.35				\$67.74
	124,000				5,127				
	25.22				26.86				\$52.08
	97,000				4,009				
	0.88								\$0.88
	4,000								
	29.12		1.15	Sp/Ch	31.10				\$61.37
	112,000				4,641				
	35.62				38.20				\$73.82
	137,000				5,701				
	28.60		1.15	Sp/Ch	30.45				\$60.20
	110,000				4,544				
	35.62		1.15	Sp/Ch	38.20				\$74.97
	137,000				5,701				
	2.20								\$2.20
	10,000								
	41.34				44.23				\$85.57
	159,000				6,601				
	2.20								\$2.20
	10,000								
	20.54		1.15	Sp	22.05				\$43.74
	79,000				3,290				
	31.98		1.15	Sp/Ch	34.20				\$67.33
123,000				5,104					
25.22		1.15	Sp	26.86				\$53.23	
97,000				4,009					
2.20								\$2.20	
10,000									
2.20								\$2.20	
10,000									
28.60				30.57				\$59.17	
110,000				4,562					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26				42.11				\$81.37
	151,000				6,284				\$113.06
	54.60				58.46				\$85.57
	210,000				8,725				\$82.52
	41.34				44.23				\$82.52
	159,000				6,601				\$82.52
	39.26	1.15	Sp/Ch		42.11				\$82.52
	151,000				6,284				\$2.20
	2.20								\$43.11
	10,000				22.31				\$35.39
	20.80				3,329				\$82.52
	80,000				17.60				\$73.82
	16.64	1.15	Sp		2,626				\$106.12
	64,000				42.11				\$103.84
	39.26	1.15	Sp		6,284				\$2.20
	151,000				38.20				\$74.97
	35.62				5,701				\$59.17
	137,000				54.27				\$60.32
	50.70	1.15	Sp		8,100				\$64.71
	195,000				53.66				\$86.72
	50.18				8,009				\$2.20
	193,000				38.20				\$74.97
	2.20				5,701				\$59.17
	10,000				30.57				\$60.32
	35.62	1.15	Sp		4,562				\$64.71
	137,000				30.57				\$86.72
	28.60				4,562				\$2.20
	110,000				32.88				\$82.31
	28.60	1.15	Sp		4,907				\$2.20
	110,000				44.23				\$82.31
	30.68	1.15	Ch		6,601				\$2.20
	118,000								\$82.31
	41.34	1.15	Sp						\$2.20
	159,000								\$82.31
	2.20								\$2.20
	10,000								\$82.31
	39.26	1.15	Sp/Ch		41.90				\$2.20
	151,000				6,253				\$2.20
	2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000								\$2.20
	2.20								
	10,000								
	79.82	1.15	Sp/Ch		85.69				\$166.66
	307,000				12,790				
	46.80				50.14				\$96.94
	180,000				7,484				
	29.12	1.15	Ch						\$30.27
	112,000				4,650				
	32.24	1.15	Sp		34.35				\$67.74
	124,000				5,127				
	2.20								\$2.20
	10,000								
	35.62	1.15	Sp		38.20		76.50	Emp	\$151.47
	137,000				5,701		150,000		
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	25.22	1.15	Sp		26.86				\$53.23
	97,000				4,009				
	41.34				44.23				\$85.57
	159,000				6,601				
	43.16	1.15	Sp/Ch		46.10				\$90.41
	166,000				6,880				
	35.62	1.15	Sp/Ch		38.15				\$74.92
	137,000				5,694				
	2.20								\$2.20
	10,000								
	43.16	1.15	Sp/Ch		46.10				\$90.41
	166,000				6,880				
	1.32								\$1.32
	6,000								
	2.20								\$2.20
	10,000								
	22.88	1.15	Sp		24.46				\$48.49
	88,000				3,650				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	35.62 137,000	1.15	Sp/Ch	38.14 5,692		7.00 100,000	Emp	\$85.56
	2.20 10,000					1.75 25,000	Sp	\$2.20
	41.34 159,000	1.15	Sp/Ch	44.23 6,601		1.90 10,000	Ch	\$86.72
	2.20 10,000							\$2.20
	2.20 10,000							\$2.20
	2.20 10,000							\$2.20
	2.20 10,000							\$2.20
	2.20 10,000							\$2.20
	35.62 137,000	1.15	Ch	38.20 5,701				\$74.97
	2.20 10,000							\$2.20
	1.32 6,000							\$1.32
	35.62 137,000			38.20 5,701				\$73.82
	45.76 176,000	1.15	Sp/Ch	48.99 7,311				\$95.90
	35.62 137,000	1.15	Sp/Ch	38.20 5,701		33.00 100,000	Emp	\$126.37
						16.50 50,000	Sp	
						1.90 10,000	Ch	
	25.22 97,000			26.86 4,009				\$52.08
	2.20 10,000							\$2.20
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium		Ins.	Premium/ Covered Payroll Volume	Premium/ Volume		Ins.	
	10,000								
	35.62				38.20				\$73.82
	137,000				5,701				
	30.16	1.15	Sp/Ch		32.25				\$63.56
	116,000				4,814				
	35.62	1.15	Sp		38.20				\$74.97
	137,000				5,701				
	37.44	1.15	Sp		40.07				\$78.66
	144,000				5,980				
	41.34	1.15	Sp/Ch		44.23				\$86.72
	159,000				6,601				
	2.20								\$2.20
	10,000								
	25.22				26.86				\$52.08
	97,000				4,009				
	43.16	1.15	Sp/Ch						\$44.31
	166,000				6,880				
	34.84	1.15	Ch		37.33				\$73.32
	134,000				5,571				
	32.24	1.15	Sp		34.35		88.00	Emp	\$199.74
	124,000				5,127		100,000		
							44.00	Sp	
							50,000		
	2.20								\$2.20
	10,000								
	54.60	1.15	Sp/Ch		58.46		115.50	Emp	\$229.71
	210,000				8,725		75,000		
	1.32								\$1.32
	6,000								
	35.62	1.15	Sp/Ch		38.20				\$74.97
	137,000				5,701				
	32.24	1.15	Sp/Ch		34.35		20.00	Emp	\$87.74
	124,000				5,127		100,000		
	41.34				44.23		10.00	Emp	\$100.57
	159,000				6,601		50,000		
							5.00	Sp	
							25,000		
	0.88								\$0.88
	4,000								

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium		Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20								\$2.20
	10,000								
	41.34	1.15	Sp		44.23		33.00	Emp	\$119.72
	159,000				6,601		100,000		
	28.60	1.15	Sp/Ch		30.57				\$60.32
	110,000				4,562				
	3.96								\$3.96
	18,000								
	2.20								\$2.20
	10,000								
	46.02	1.15	Sp		49.29				\$96.46
	177,000				7,356				
	0.88								\$0.88
	4,000								
	36.66				39.22				\$75.88
	141,000				5,853				
	2.20								\$2.20
	10,000								
	32.24	1.15	Sp		34.35				\$67.74
	124,000				5,127				
	35.62				38.20				\$73.82
	137,000				5,701				
	1.32								\$1.32
	6,000								
	2.20								\$2.20
	10,000								
	32.50				34.62				\$67.12
	125,000				5,166				
	2.42								\$2.42
	11,000								
	32.24				34.35				\$66.59
	124,000				5,127				
	54.60	1.15	Sp/Ch		58.46		176.00	Emp	\$290.21
	210,000				8,725		200,000		
	21.84	1.15	Ch		23.21				\$46.20
	84,000				3,464				
	2.20								\$2.20
	10,000								
	2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd Premium/ Covered Payroll Volume	Vol Ad&D Premium/ Volume	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Sp/Ch			Premium/ Volume	Ins.	
	10,000								
	43.16	1.15	Sp/Ch		46.10				\$90.41
	166,000				6,880				\$2.20
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000	1.15	Sp/Ch		40.77				\$80.14
	38.22				6,085				\$2.20
	147,000								\$2.20
	2.20								\$1.32
	10,000								\$1.32
	1.32								\$134.41
	6,000	1.15	Sp		46.10		44.00 Emp		\$134.41
	43.16				6,880		50,000		\$43.74
	166,000	1.15	Ch		22.05				\$43.74
	20.54				3,290				\$82.52
	79,000	1.15	Sp/Ch		42.11				\$82.52
	39.26				6,284				\$2.20
	151,000								\$2.20
	2.20								\$143.39
	10,000	1.15	Ch		53.66	3.50	33.00 Emp		\$143.39
	50.18				8,009	50,000	100,000		\$143.39
	193,000						1.90 Ch		\$143.39
							10,000		\$143.39
	2.20								\$2.20
	10,000								\$2.20
	35.62	1.15	Sp/Ch		38.20				\$74.97
	137,000				5,701				\$74.97
	35.62	1.15	Sp/Ch		38.20				\$74.97
	137,000				5,701				\$74.97
	32.24	1.15	Sp/Ch		34.35				\$67.74
	124,000				5,127				\$67.74
	2.20								\$2.20
	10,000								\$2.20
	35.62	1.15	Sp/Ch		38.20				\$74.97
	137,000				5,701				\$74.97
TOTAL	\$5,147.86	\$106.95			\$5,246.99	\$3.50	\$1,136.15		\$11,641.45
Total Current Premium	\$5,147.86	\$106.95			\$5,246.99	\$3.50	\$1,136.15		\$11,641.45



Billing Statement

For Period 01/01/20 to 01/31/20

Statement Date: 12/13/19

Payment Summary

Payment Received 12/11/19	-11,642.60
No Outstanding Balance As Of 12/13/19	0.00
Current Premium	11,610.64
Total Payment Due 1/01/20	\$11,610.64

Approval: _____

"Planholder use only"

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	218	0	0	218	\$5,114.44	(\$66.84)
Dep Life	93	0	1	92	\$105.80	(\$2.30)
Ltd	136	0	1	135	\$5,208.79	(\$76.40)
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	17	0	0	17	\$1,323.65	\$0.00
TOTAL					\$11,756.18	(\$145.54)

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,114.44	\$0.00	\$5,114.44
Dep Life	\$0.00	\$105.80	\$105.80
Ltd	\$5,208.79	\$0.00	\$5,208.79
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$1,045.00	\$278.65	\$1,323.65
TOTAL	\$11,371.73	\$384.45	\$11,756.18

Planholder Reference

MISSY JOHNSON
 SOUTH KY RECC
Group ID: 00 395099
 Division ID: 0000
 RHO: AP
 RGO: 032
 A/R: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com

Handwritten: V. Black by 12/11/19
 12/12/20



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33304656

**Guardian
January 2020**

Account #	Description	Cost
143.16	Dep Life	• \$102.35
143.02	Retired/ LTD Dep Life	\$178.69
143.25	Voluntary	\$1,327.15
186.08	Basic Life & AD/D	\$4,870.06
186.15	LTD	\$5,132.39
TOTAL		\$11,610.64

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$22.88	\$1.15	\$24.46		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$2.20
	\$53.04	\$1.15	\$56.89		\$2.20
	\$35.62		\$38.15		\$2.20
	\$43.16	\$1.15	\$46.10	\$132.00	\$2.20
	\$28.60	\$1.15	\$30.45		\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$32.24		\$34.35		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$32.24		\$34.35		\$2.20
	\$41.34	\$1.15	\$44.23		\$6.60
	\$31.98		\$34.20		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$32.24	\$1.15	\$34.35		\$0.88
	\$20.80	\$1.15	\$22.31		\$2.20
	\$30.68		\$32.88		\$2.20
	(\$71.24)	(\$2.30)	(\$76.40)		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$45.76		\$48.99		\$2.20
	\$21.84		\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$20.80	\$1.15	\$22.31	\$15.00	\$1.32
	\$35.62	\$1.15	\$38.20		\$2.20
	\$37.44	\$1.15	\$40.07		\$2.20
	\$28.60		\$30.57		\$0.88
	\$41.34		\$44.23		\$2.20
	\$41.34		\$44.23		\$2.20
	\$20.54		\$22.05		\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80		\$50.14		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$32.50	\$1.15	\$34.66		\$2.20
	\$41.34		\$44.23		\$2.20
	\$43.16		\$46.10		\$2.20
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$2.20
	\$25.22		\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23	\$51.90	\$2.20
	\$30.16		\$32.25		\$1.32
	\$21.84	\$1.15	\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$83.46		\$89.45		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$32.24	\$1.15	\$34.35		\$2.20
	\$25.22		\$26.86		\$1.32
	\$29.12	\$1.15	\$31.10		\$2.20
	\$35.62		\$38.20		\$2.20
	\$28.60	\$1.15	\$30.45		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$41.34		\$44.23		\$1.32
	\$31.98	\$1.15	\$34.20		\$0.88
	\$25.22	\$1.15	\$26.86		\$2.20
	\$28.60		\$30.57		\$3.96
	\$20.54	\$1.15	\$22.05		\$2.20
	\$39.26		\$42.11		\$0.88
	\$54.60		\$58.46		\$2.20
	\$41.34		\$44.23		\$1.32
	\$39.26	\$1.15	\$42.11		\$2.20
	\$20.80		\$22.31		\$2.42
	\$16.64	\$1.15	\$17.60		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$35.62		\$38.20		\$2.20
	\$50.70	\$1.15	\$54.27		\$2.20
	\$50.18		\$53.66		\$2.20
	\$35.62	\$1.15	\$38.20		\$1.32
	\$28.60		\$30.57		\$2.20
	\$28.60	\$1.15	\$30.57		\$2.20
	\$30.68	\$1.15	\$32.88		\$2.20
	\$41.34	\$1.15	\$44.23		
	\$39.26	\$1.15	\$41.90		
	\$79.82	\$1.15	\$85.69		
	\$46.80		\$50.14		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20	\$76.50	
	\$25.22	\$1.15	\$26.86		
	\$41.34		\$44.23		
	\$43.16	\$1.15	\$46.10		
	\$35.62	\$1.15	\$38.15		
	\$43.16	\$1.15	\$46.10		
	\$22.88	\$1.15	\$24.46		
	\$35.62	\$1.15	\$38.14	\$10.65	
	\$41.34	\$1.15	\$44.23		
	\$35.62	\$1.15	\$38.20		
	\$35.62		\$38.20		
	\$45.76	\$1.15	\$48.99		
	\$35.62	\$1.15	\$38.20	\$51.40	
	\$25.22		\$26.86		
	\$35.62		\$38.20		
	\$30.16	\$1.15	\$32.25		
	\$35.62	\$1.15	\$38.20		
	\$37.44	\$1.15	\$40.07		
	\$41.34	\$1.15	\$44.23		
	\$25.22		\$26.86		
	\$43.16	\$1.15	\$0.00		
	\$34.84	\$1.15	\$37.33		
	\$32.24	\$1.15	\$34.35	\$132.00	
	\$54.60	\$1.15	\$58.46	\$115.50	
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35	\$20.00	
	\$41.34		\$44.23	\$15.00	
	\$41.34	\$1.15	\$44.23	\$33.00	

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life Account
	186.08	143.16	186.15	143.25	143.02
	\$28.60	\$1.15	\$30.57		
	\$46.02	\$1.15	\$49.29		
	\$36.66		\$39.22		
	\$32.24	\$1.15	\$34.35		
	\$35.62		\$38.20		
	\$32.50		\$34.62		
	\$32.24		\$34.35		
	\$54.60	\$1.15	\$58.46	\$308.00	
	\$21.84	\$1.15	\$23.21		
	\$43.16	\$1.15	\$46.10		
	\$38.22	\$1.15	\$40.77		
	\$43.16	\$1.15	\$46.10	\$44.00	
	\$20.54	\$1.15	\$22.05		
	\$39.26	\$1.15	\$42.11		
	\$50.18	\$1.15	\$53.66	\$38.40	
	\$35.62	\$1.15	\$38.20		
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20		
	\$29.12				\$1.15
	\$4,870.06	\$102.35	\$5,132.39	\$1,327.15	\$178.69



Premium Adjustments Since Last Bill

COVERAGE CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	11/01/19	Basic Term Life Basic Term Life Basic Term Life Dep Life Lvl	Sp	10,000	2.20	-60.28 4.40 -10.96 -2.30 -76.40
					\$2.20	-\$145.54

Total Premium Adjustments

-\$145.54

Notices For SOUTH KY RECC

- This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.
- To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- For the quickest and easiest way to pay your bill or manage member changes, go to www.GuardianAnytime.com. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to www.GuardianAnytime.com.



Visit our secure website at www.guardiananytime.com

- View bill online without the wait for mail
- Submit changes and make payments

GUARDIAN
 P O BOX 677458
 DALLAS, TX 75267-7458

Please make sure the Guardian address is visible through the return envelope window.



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26		1.15 Sp/Ch	42.11				\$82.52
	151,000			6,284				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	22.88	1.15	Ch	24.46				\$48.49
	88,000			3,650				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	37.44	1.15	Sp/Ch	40.11				\$78.70
	144,000			5,986				\$40.93
	19.76			21.17				\$74.97
	76,000			3,160				\$73.82
	35.62	1.15	Sp/Ch	38.20				\$2.20
	137,000			5,701				\$2.20
	35.62			38.20				\$2.20
	137,000			5,701				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	33.80	1.15	Sp/Ch	36.16		154.00	Emp	\$225.11
	130,000			5,397		100,000		\$2.20
	2.20							\$122.37
	10,000							\$2.20
	58.50	1.15	Sp	62.72				\$2.20
	225,000			9,361				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22	1.15	Sp/Ch	26.86				\$53.23

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				\$2.20
	2.20							
	10,000							
	43.16	1.15	Sp/Ch	46.10		33.00	Emp	\$141.81
	166,000			6,880		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	53.04	1.15	Sp	56.89				\$111.08
	204,000			8,491				
	2.20							\$2.20
	10,000							
	35.62			38.15				\$73.77
	137,000			5,694				
	43.16	1.15	Sp	46.10		88.00	Emp	\$222.41
	166,000			6,880		100,000		
						44.00	Sp	
						50,000		
	2.20							\$2.20
	10,000							
	28.60	1.15	Sp/Ch	30.45				\$60.20
	110,000			4,544				
	40.82	1.15	Sp	43.71				\$85.68
	157,000			6,523				
	2.20							\$2.20
	10,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	1.32							\$1.32
	6,000							
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	32.24			34.35				\$66.59
	124,000			5,127				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	31.98			34.20				\$66.18
	123,000			5,104				
	46.80	1.15	Sp/Ch	50.14				\$98.09
	180,000			7,484				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	20.80	1.15	Sp	22.31				\$44.26
	80,000			3,329				
	30.68			32.88				\$63.56
	118,000			4,907				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	45.76			48.99				\$94.75
	176,000			7,311				
	21.84			23.25				\$45.09
	84,000			3,470				
	2.20							\$2.20
	10,000							
	54.60	1.15	Ch	58.46				\$114.21
	210,000			8,725				
	25.22	1.15	Ch	26.86				\$53.23
	97,000			4,009				
	46.80	1.15	Sp	50.14				\$98.09
	180,000			7,484				
	2.20							\$2.20
	10,000							
25.22	1.15	Sp/Ch	26.86				\$53.23	
97,000			4,009					
41.34	1.15	Sp/Ch	44.23				\$86.72	
159,000			6,601					
20.80	1.15	Sp/Ch	22.31			10.00 Emp	\$59.26	
80,000			3,329			50,000 Sp		
						5.00 Sp		
						25,000		
35.62	1.15	Sp/Ch	38.20				\$74.97	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Sp/Ch	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	137,000				5,701				
	37.44		1.15	Sp/Ch	40.07				\$78.66
	144,000				5,980				
	28.60				30.57				\$59.17
	110,000				4,562				
	41.34				44.23				\$85.57
	159,000				6,601				
	41.34				44.23				\$85.57
	159,000				6,601				
	0.88								\$0.88
	4,000								
	20.54				22.05				\$42.59
	79,000				3,290				
	41.34		1.15	Sp/Ch	44.23			51.00 Emp	\$165.12
	159,000				6,601			100,000 Sp	
								25.50 Sp	
								50,000 Ch	
								1.90 Ch	
								10,000	
	25.22		1.15	Sp	26.86				\$53.23
97,000				4,009					
2.20								\$2.20	
10,000								\$2.20	
2.20								\$2.20	
10,000								\$2.20	
2.20								\$2.20	
10,000								\$2.20	
46.80				50.14				\$96.94	
180,000				7,484					
2.20								\$2.20	
10,000								\$2.20	
43.16		1.15	Sp	46.10				\$90.41	
166,000				6,880					
32.50		1.15	Sp/Ch	34.66				\$68.31	
125,000				5,172					
2.20								\$2.20	
10,000								\$2.20	
41.34				44.23				\$85.57	
159,000				6,601					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	43.16			46.10				\$89.26
	166,000			6,880				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$96.94
	46.80			50.14				\$96.94
	180,000			7,484				\$2.20
	2.20							\$2.20
	10,000							\$96.94
	46.80			50.14				\$96.94
	180,000			7,484				\$2.20
	2.20							\$2.20
	10,000							\$52.08
	25.22			26.86				\$52.08
	97,000			4,009				\$138.62
	41.34	1.15	Sp/Ch	44.23		40.00	Emp	\$138.62
	159,000			6,601		200,000		
						10.00	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							\$62.41
	30.16			32.25				\$62.41
	116,000			4,814				\$2.20
	2.20							\$2.20
	10,000							\$1.32
	1.32							\$1.32
	6,000							\$46.24
	21.84	1.15	Sp/Ch	23.25				\$46.24
	84,000			3,470				\$114.21
	54.60	1.15	Sp	58.46				\$114.21
	210,000			8,725				\$172.91
	83.46			89.45				\$172.91
	321,000			13,350				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	25.22	1.15	Sp/Ch	26.86				\$53.23
	97,000			4,009				
	54.60	1.15	Sp/Ch	58.46				\$114.21
	210,000			8,725				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	25.22			26.86				\$52.08
	97,000			4,009				
	0.88							\$0.88
	4,000							
	29.12	1.15	Sp/Ch	31.10				\$61.37
	112,000			4,641				
	35.62			38.20				\$73.82
	137,000			5,701				
	28.60	1.15	Sp/Ch	30.45				\$60.20
	110,000			4,544				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							
	41.34			44.23				\$85.57
	159,000			6,601				
	2.20							\$2.20
	10,000							
	20.54	1.15	Sp	22.05				\$43.74
	79,000			3,290				
	31.98	1.15	Sp/Ch	34.20				\$67.33
	123,000			5,104				
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	2.20							\$2.20
	10,000							
	2.20							\$2.20
	10,000							
	28.60			30.57				\$59.17
	110,000			4,562				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26			42.11				\$81.37
	151,000			6,284				
	54.60			58.46				\$113.06
	210,000			8,725				
	41.34			44.23				\$85.57
	159,000			6,601				
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							
	20.80			22.31				\$43.11
	80,000			3,329				
	16.64	1.15	Sp	17.60				\$35.39
	64,000			2,626				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	35.62			38.20				\$73.82
	137,000			5,701				
	50.70	1.15	Sp	54.27				\$106.12
	195,000			8,100				
	50.18			53.66				\$103.84
	193,000			8,009				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	28.60			30.57				\$59.17
	110,000			4,562				
	28.60	1.15	Sp	30.57				\$60.32
	110,000			4,562				
	30.68	1.15	Ch	32.88				\$64.71
	118,000			4,907				
	41.34	1.15	Sp	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
	39.26	1.15	Sp/Ch	41.90				\$82.31
	151,000			6,253				
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000								\$2.20
	2.20								
	10,000								
	79.82	1.15	Sp/Ch		85.69				\$166.66
	307,000				12,790				
	46.80				50.14				\$96.94
	180,000				7,484				
	29.12	1.15	Ch						\$30.27
	112,000				4,650				
	32.24	1.15	Sp		34.35				\$67.74
	124,000				5,127				
	2.20								\$2.20
	10,000								
	35.62	1.15	Sp		38.20		76.50	Emp	\$151.47
	137,000				5,701		150,000		
	2.20								\$2.20
	10,000								
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								
	25.22	1.15	Sp		26.86				\$53.23
	97,000				4,009				
	41.34				44.23				\$85.57
	159,000				6,601				
	43.16	1.15	Sp/Ch		46.10				\$90.41
	166,000				6,880				
	35.62	1.15	Sp/Ch		38.15				\$74.92
	137,000				5,694				
	2.20								\$2.20
	10,000								
	43.16	1.15	Sp/Ch		46.10				\$90.41
	166,000				6,880				
	1.32								\$1.32
	6,000								
	2.20								\$2.20
	10,000								
	22.88	1.15	Sp		24.46				\$48.49
	88,000				3,650				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	35.62 137,000	1.15	Sp/Ch		38.14 5,692		7.00 100,000	Emp	\$85.56
	2.20 10,000						1.75 25,000	Sp	\$2.20
	41.34 159,000	1.15	Sp/Ch		44.23 6,601		1.90 10,000	Ch	\$86.72
	2.20 10,000								\$2.20
	2.20 10,000								\$2.20
	2.20 10,000								\$2.20
	2.20 10,000								\$2.20
	35.62 137,000	1.15	Ch		38.20 5,701				\$74.97
	2.20 10,000								\$2.20
	1.32 6,000								\$1.32
	35.62 137,000				38.20 5,701				\$73.82
	45.76 176,000	1.15	Sp/Ch		48.99 7,311				\$95.90
	35.62 137,000	1.15	Sp/Ch		38.20 5,701		33.00 100,000	Emp	\$126.37
							16.50 50,000	Sp	
							1.90 10,000	Ch	
	25.22 97,000				26.86 4,009				\$52.08
	2.20 10,000								\$2.20
	2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium		Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000								
	35.62				38.20				\$73.82
	137,000				5,701				
	30.16	1.15	Sp/Ch		32.25				\$63.56
	116,000				4,814				
	35.62	1.15	Sp		38.20				\$74.97
	137,000				5,701				
	37.44	1.15	Sp		40.07				\$78.66
	144,000				5,980				
	41.34	1.15	Sp/Ch		44.23				\$86.72
	159,000				6,601				
	2.20								\$2.20
	10,000								
	25.22				26.86				\$52.08
	97,000				4,009				
	43.16	1.15	Sp/Ch						\$44.31
	166,000				6,880				
	34.84	1.15	Ch		37.33				\$73.32
	134,000				5,571				
	32.24	1.15	Sp		34.35		88.00	Emp	\$199.74
	124,000				5,127		100,000		
							44.00	Sp	
							50,000		
	2.20								\$2.20
	10,000								
	54.60	1.15	Sp/Ch		58.46		115.50	Emp	\$229.71
	210,000				8,725		75,000		
	1.32								\$1.32
	6,000								
	35.62	1.15	Sp/Ch		38.20				\$74.97
	137,000				5,701				
	32.24	1.15	Sp/Ch		34.35		20.00	Emp	\$87.74
	124,000				5,127		100,000		
	41.34				44.23		10.00	Emp	\$100.57
	159,000				6,601		50,000		
							5.00	Sp	
							25,000		
	0.88								\$0.88
	4,000								

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium		Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20								\$2.20
	10,000								
	41.34	1.15	Sp		44.23		33.00	Emp	\$119.72
	159,000				6,601		100,000		
	28.60	1.15	Sp/Ch		30.57				\$60.32
	110,000				4,562				
	3.96								\$3.96
	18,000								
	2.20								\$2.20
	10,000								
	46.02	1.15	Sp		49.29				\$96.46
	177,000				7,356				
	0.88								\$0.88
	4,000								
	36.66				39.22				\$75.88
	141,000				5,853				
	2.20								\$2.20
	10,000								
	32.24	1.15	Sp		34.35				\$67.74
	124,000				5,127				
	35.62				38.20				\$73.82
	137,000				5,701				
	1.32								\$1.32
	6,000								
	2.20								\$2.20
	10,000								
	32.50				34.62				\$67.12
	125,000				5,166				
	2.42								\$2.42
	11,000								
	32.24				34.35				\$66.59
	124,000				5,127				
	54.60	1.15	Sp/Ch		58.46		308.00	Emp	\$422.21
	210,000				8,725		200,000		
	21.84	1.15	Ch		23.21				\$46.20
	84,000				3,464				
	2.20								\$2.20
	10,000								
	2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000	1.15	Sp/Ch	40.77				\$80.14
	38.22			6,085				\$2.20
	147,000							\$2.20
	2.20							\$1.32
	10,000							\$1.32
	1.32							\$134.41
	6,000	1.15	Sp	46.10		44.00	Emp	\$134.41
	43.16			6,880		50,000		\$43.74
	166,000	1.15	Ch	22.05				\$43.74
	20.54			3,290				\$82.52
	79,000	1.15	Sp/Ch	42.11				\$82.52
	39.26			6,284				\$2.20
	151,000							\$2.20
	2.20							\$143.39
	10,000	1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	50.18			8,009	50,000	100,000		\$143.39
	193,000					1.90	Ch	\$143.39
						10,000		\$143.39
	2.20							\$2.20
	10,000							\$2.20
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$74.97
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$74.97
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				\$67.74
	2.20							\$2.20
	10,000							\$2.20
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				\$74.97
TOTAL	\$5,114.44	\$105.80		\$5,208.79	\$3.50	\$1,323.65		\$11,756.18
Total Current Premium	\$5,114.44	\$105.80		\$5,208.79	\$3.50	\$1,323.65		\$11,756.18



MISSY JOHNSON
SOUTH KY RECC

Group ID: 00 395099
Division ID: 0000
A/R: GUL

Change Report

- Fax completed Change Report to **920-749-6058** or mail with your Payment Coupon in the enclosed envelope. For assistance with changes, please contact us at 800-627-4200.
- Guardian requires 3-6 business days to process changes from the date of receipt. Please pay the Total Payment Due as shown on your Billing Statement. Premium adjustments for the changes you submit will be on the next Billing Statement after processing is complete.
- Use a photocopy of this form if you need additional space.
- Address Change _____

New Employees/Dependents or Added/Refused Coverages

Submit a completed Enrollment Form for each new employee, new dependent or existing employee adding a coverage. Complete the Refuse/Drop coverages section for employees or dependents who are waiving a coverage. Fax enrollment form to 920-749-6058 or mail with your Payment Coupon in the enclosed envelope.

Employee Changes

Employee Name	ID	Effective Date	Reason Code	Notes
		/ /		
		/ /		
		/ /		
		/ /		
		/ /		
		/ /		
		/ /		
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		/ /		
		/ /		
		/ /		

Reason Codes for Employee Changes

1. Terminate coverage due to terminated employment (indicate last day worked)
2. Terminate coverage due to death
3. Terminate coverage due to end of COBRA or State Continuation
4. Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
5. Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)
6. Reinstated employee due to rehire (include completed Enrollment Form if rehired more than 31 days after termination date)
7. Change insurance amount due to salary change (note previous and new salaries)
8. Change job title, classification, department, or division (note new information)
9. Change employee name (note new name)
10. Change employee address (note new address)



Dependent Changes

Employee Name	ID	Effective Date	Dependent Name	Reason Code	Notes
		/ /			
		/ /			
		/ /			
		/ /			
		/ /			
		/ /			
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		/ /			
		/ /			
		/ /			

Reason Codes For Dependent Changes

- 101.** Terminate spouse's coverage due to divorce
- 102.** Terminate child's coverage due to reaching age limit for eligibility
- 103.** Terminate dependent's coverage due to end of COBRA or State Continuation

- 104.** Begin COBRA or State Continuation (include completed COBRA/State Continuation form)
- 105.** Drop contributory coverage (include Enrollment Form with completed Refuse/Drop coverages section)





Billing Statement

For Period 02/01/20 to 02/29/20

Statement Date: 01/17/20

Payment Summary

Payment Received 01/07/20	-11,610.64
No Outstanding Balance As Of 1/17/20	0.00
Current Premium	12,043.90
Total Payment Due 2/01/20	\$12,043.90

✓ V. 2/1/20

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHO: AP
RGO: 032
A/R: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com

Approval:

"Planholder use only"

*Missy
2/1/20*

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	218	2	0	220	\$5,265.24	\$150.80
Dep Life	92	2	0	94	\$108.10	\$2.30
Ltd	135	2	0	137	\$5,331.55	\$122.76
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	17	0	1	16	\$1,191.65	(\$132.00)
TOTAL					\$11,900.04	\$143.86

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,265.24	\$0.00	\$5,265.24
Dep Life	\$0.00	\$108.10	\$108.10
Ltd	\$5,331.55	\$0.00	\$5,331.55
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$913.00	\$278.65	\$1,191.65
TOTAL	\$11,513.29	\$386.75	\$11,900.04



Guardian February 2020			33304056
Account #	Description	Cost	
143.16	Dep Life	\$109.25	EMBF 02
143.02	Retired/ LTD Dep Life	\$174.29	"
143.25	Voluntary	\$1,063.15	EMDT 34
186.08	Basic Life & AD/D	\$5,242.90	EMBF 02
186.15	LTD	\$5,454.31	EMBF 02
TOTAL		\$12,043.90	



Premium Adjustments Since Last Bill

NEW

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	01/01/20	Basic Term Life	Sp/Ch	80,000	17.60	17.60
		Basic Term Life		80,000	3.20	3.20
		Dep Life			1.15	1.15
		Ltd		3,329	22.31	22.31
	01/01/20	Basic Term Life	Sp	500,000	\$44.26	\$44.26
		Basic Term Life		500,000	110.00	110.00
		Dep Life			20.00	20.00
		Ltd		14,992	1.15	1.15
				100.45	100.45	
				\$231.60	\$231.60	

RATE CHANGE

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment
[REDACTED]	01/01/20	Voluntary Term Life	Sp			-44.00
		Voluntary Term Life	Emp			-88.00

Total Premium Adjustments

\$143.86

Advanced Notice of Change

Volume Change

Employee	Eff. Date	Coverage	Ins.	Old Volume	New Volume	Old Premium	New Premium
[REDACTED]	03/07/20	Basic Term Life		10,000	6,000	2.20	1.32
						\$2.20	\$1.32

Please make sure the Guardian address is visible through the return envelope window.

Visit our secure website at www.guardiananytime.com
 ■ View bill online without the wait for mail
 ■ Submit changes and make payments

GUARDIAN
 P O BOX 677458
 DALLAS, TX 75267-7458



Notices For SOUTH KY RECC

- This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.
- To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- The volumes and premiums listed in the Advanced Notice of Change section are based on the information we have as of the date this billing statement was produced. This information is subject to change in accordance with your contract.
- For the quickest and easiest way to pay your bill or manage member changes, go to **www.GuardianAnytime.com**. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to **www.GuardianAnytime.com**.



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26	1.15	Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	22.88	1.15	Ch	24.46				\$48.49
	88,000			3,650				
	2.20							\$2.20
	10,000							\$2.20
	37.44	1.15	Sp/Ch	40.11				\$78.70
	144,000			5,986				
	19.76			21.17				\$40.93
	76,000			3,160				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	35.62			38.20				\$73.82
	137,000			5,701				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
33.80	1.15	Sp/Ch	36.16			154.00	Emp	\$225.11
130,000			5,397			100,000		
2.20								\$2.20
10,000								\$2.20
58.50	1.15	Sp	62.72					\$122.37
225,000			9,361					
2.20								\$2.20
10,000								\$2.20
2.20								\$2.20
10,000								\$2.20
25.22	1.15	Sp/Ch	26.86					\$53.23

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				\$2.20
	2.20							
	10,000							
	43.16	1.15	Sp/Ch	46.10		33.00	Emp	\$141.81
	166,000			6,880		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	53.04	1.15	Sp	56.89				\$111.08
	204,000			8,491				
	2.20							\$2.20
	10,000							
	35.62			38.15				\$73.77
	137,000			5,694				
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	2.20							\$2.20
	10,000							
	28.60	1.15	Sp/Ch	30.45				\$60.20
	110,000			4,544				
	40.82	1.15	Sp	43.71				\$85.68
	157,000			6,523				
	2.20							\$2.20
	10,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	1.32							\$1.32
	6,000							
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	32.24			34.35				\$66.59
	124,000			5,127				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	31.98			34.20				\$66.18
	123,000			5,104				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	46.80		1.15	Sp/Ch	50.14				\$98.09
	180,000				7,484				
	32.24		1.15	Sp	34.35				\$67.74
	124,000				5,127				
	2.20								\$2.20
	10,000								
	20.80		1.15	Sp	22.31				\$44.26
	80,000				3,329				
	30.68				32.88				\$63.56
	118,000				4,907				
	2.20								\$2.20
	10,000								
	35.62		1.15	Sp	38.20				\$74.97
	137,000				5,701				
	45.76				48.99				\$94.75
	176,000				7,311				
	21.84				23.25				\$45.09
	84,000				3,470				
	2.20								\$2.20
	10,000								
	54.60		1.15	Ch	58.46				\$114.21
	210,000				8,725				
	25.22		1.15	Ch	26.86				\$53.23
	97,000				4,009				
	46.80		1.15	Sp	50.14				\$98.09
	180,000				7,484				
	2.20								\$2.20
	10,000								
	25.22		1.15	Sp/Ch	26.86				\$53.23
	97,000				4,009				
41.34		1.15	Sp/Ch	44.23				\$86.72	
159,000				6,601					
20.80		1.15	Sp/Ch	22.31			10.00 Emp	\$59.26	
80,000				3,329			50,000		
							5.00 Sp		
							25,000		
35.62		1.15	Sp/Ch	38.20				\$74.97	
137,000				5,701					
37.44		1.15	Sp/Ch	40.07				\$78.66	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium		Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	144,000				5,980				
	28.60				30.57				\$59.17
	110,000				4,562				
	41.34				44.23				\$85.57
	159,000				6,601				
	41.34				44.23				\$85.57
	159,000				6,601				
	0.88								\$0.88
	4,000								
	20.54				22.05				\$42.59
	79,000				3,290				
	41.34	1.15	Sp/Ch		44.23		51.00	Emp	\$165.12
	159,000				6,601		100,000		
							25.50	Sp	
							50,000		
							1.90	Ch	
							10,000		
	25.22	1.15	Sp		26.86				\$53.23
	97,000				4,009				
	2.20								\$2.20
	10,000								
	2.20								\$2.20
	10,000								
	2.20								\$2.20
	10,000								
	46.80				50.14				\$96.94
	180,000				7,484				
	2.20								\$2.20
	10,000								
	43.16	1.15	Sp		46.10				\$90.41
	166,000				6,880				
	32.50	1.15	Sp/Ch		34.66				\$68.31
	125,000				5,172				
	2.20								\$2.20
	10,000								
	41.34				44.23				\$85.57
	159,000				6,601				
	43.16				46.10				\$89.26
	166,000				6,880				

continued



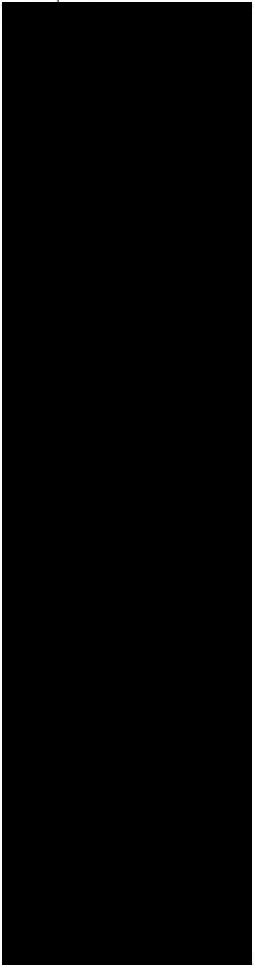
Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	46.80			50.14				\$96.94
	180,000			7,484				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	46.80			50.14				\$96.94
	180,000			7,484				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22			26.86				\$52.08
	97,000			4,009				\$2.20
	41.34	1.15	Sp/Ch	44.23		40.00	Emp	\$138.62
	159,000			6,601		200,000		\$2.20
						10.00	Sp	\$2.20
						50,000		\$2.20
						1.90	Ch	\$1.32
						10,000		\$2.20
	2.20							\$2.20
	10,000							\$2.20
	30.16			32.25				\$62.41
	116,000			4,814				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	1.32							\$1.32
	6,000							\$2.20
	21.84	1.15	Sp/Ch	23.25				\$46.24
	84,000			3,470				\$2.20
	54.60	1.15	Sp	58.46				\$114.21
	210,000			8,725				\$2.20
	83.46			89.45				\$172.91
	321,000			13,350				\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22	1.15	Sp/Ch	26.86				\$53.23

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				
	54.60	1.15	Sp/Ch	58.46				\$114.21
	210,000			8,725				
	39.26	1.15	Sp	42.11				\$82.52
	151,000			6,284				
	32.24	1.15	Sp/Ch	34.35				\$67.74
	124,000			5,127				
	25.22			26.86				\$52.08
	97,000			4,009				
	0.88							\$0.88
	4,000							
	29.12	1.15	Sp/Ch	31.10				\$61.37
	112,000			4,641				
	35.62			38.20				\$73.82
	137,000			5,701				
	28.60	1.15	Sp/Ch	30.45				\$60.20
	110,000			4,544				
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	2.20							\$2.20
	10,000							
	41.34			44.23				\$85.57
	159,000			6,601				
	2.20							\$2.20
	10,000							
	20.54	1.15	Sp	22.05				\$43.74
	79,000			3,290				
	31.98	1.15	Sp/Ch	34.20				\$67.33
	123,000			5,104				
	25.22	1.15	Sp	26.86				\$53.23
97,000			4,009					
2.20							\$2.20	
10,000								
2.20							\$2.20	
10,000								
28.60			30.57				\$59.17	
110,000			4,562					
20.80	1.15	Sp/Ch	22.31				\$44.26	
80,000			3,329					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume		Ins.	
	39.26				42.11				\$81.37
	151,000				6,284				\$113.06
	54.60				58.46				\$85.57
	210,000				8,725				\$82.52
	41.34				44.23				\$2.20
	159,000				6,601				\$43.11
	39.26	1.15	Sp/Ch		42.11				\$35.39
	151,000				6,284				\$82.52
	2.20								\$73.82
	10,000								\$106.12
	20.80				22.31				\$103.84
	80,000				3,329				\$2.20
	16.64	1.15	Sp		17.60				\$74.97
	64,000				2,626				\$59.17
	39.26	1.15	Sp		42.11				\$60.32
	151,000				6,284				\$64.71
	35.62				38.20				\$86.72
	137,000				5,701				\$2.20
	50.70	1.15	Sp		54.27				\$82.31
	195,000				8,100				\$2.20
	50.18				53.66				\$74.97
	193,000				8,009				\$59.17
	2.20								\$60.32
	10,000								\$64.71
	35.62	1.15	Sp		38.20				\$86.72
	137,000				5,701				\$2.20
	28.60				30.57				\$74.97
	110,000				4,562				\$59.17
	28.60	1.15	Sp		30.57				\$60.32
	110,000				4,562				\$64.71
	30.68	1.15	Ch		32.88				\$86.72
	118,000				4,907				\$2.20
	41.34	1.15	Sp		44.23				\$82.31
	159,000				6,601				\$2.20
	2.20								\$74.97
	10,000								\$59.17
	39.26	1.15	Sp/Ch		41.90				\$60.32
	151,000				6,253				\$64.71
	2.20								\$86.72

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							\$2.20
	2.20							
	10,000							
	79.82	1.15	Sp/Ch	85.69				\$166.66
	307,000			12,790				
	46.80			50.14				\$96.94
	180,000			7,484				
	29.12	1.15	Ch					\$30.27
	112,000			4,650				
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				
	2.20							\$2.20
	10,000							
	35.62	1.15	Sp	38.20		76.50	Emp	\$151.47
	137,000			5,701		150,000		
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	41.34			44.23				\$85.57
	159,000			6,601				
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	35.62	1.15	Sp/Ch	38.15				\$74.92
	137,000			5,694				
	2.20							\$2.20
	10,000							\$2.20
	43.16	1.15	Sp/Ch	46.10				\$90.41
	166,000			6,880				
	1.32							\$1.32
	6,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	22.88	1.15	Sp	24.46				\$48.49
	88,000			3,650				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Sp/Ch			Premium/ Volume	Ins.	
[REDACTED]	35.62		1.15	Sp/Ch	38.14		7.00	Emp	\$85.56
	137,000				5,692		100,000		
							1.75	Sp	
							25,000		
							1.90	Ch	
							10,000		
	2.20								\$2.20
	10,000								
	41.34		1.15	Sp/Ch	44.23				\$86.72
	159,000				6,601				
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
10,000								\$2.20	
35.62		1.15	Ch	38.20				\$74.97	
137,000				5,701					
2.20								\$2.20	
10,000								\$1.32	
1.32									
6,000									
35.62				38.20				\$73.82	
137,000				5,701					
45.76		1.15	Sp/Ch	48.99				\$95.90	
176,000				7,311					
35.62		1.15	Sp/Ch	38.20			33.00	Emp	\$126.37
137,000				5,701		100,000			
						16.50	Sp		
						50,000			
						1.90	Ch		
						10,000			
25.22				26.86				\$52.08	
97,000				4,009					
2.20								\$2.20	
10,000									
2.20								\$2.20	

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000							
	35.62			38.20				\$73.82
	137,000			5,701				
	30.16	1.15	Sp/Ch	32.25				\$63.56
	116,000			4,814				
	35.62	1.15	Sp	38.20				\$74.97
	137,000			5,701				
	130.00	1.15	Sp	100.45				\$231.60
	500,000			14,992				
	37.44	1.15	Sp	40.07				\$78.66
	144,000			5,980				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	2.20							\$2.20
	10,000							
	25.22			26.86				\$52.08
	97,000			4,009				
	43.16	1.15	Sp/Ch					\$44.31
	166,000			6,880				
	34.84	1.15	Ch	37.33				\$73.32
	134,000			5,571				
	32.24	1.15	Sp	34.35		88.00	Emp	\$199.74
	124,000			5,127		100,000	Sp	
						44.00		
						50,000		\$2.20
	2.20							
	10,000							
	54.60	1.15	Sp/Ch	58.46		115.50	Emp	\$229.71
	210,000			8,725		75,000		
	1.32							\$1.32
	6,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
	32.24	1.15	Sp/Ch	34.35		20.00	Emp	\$87.74
	124,000			5,127		100,000		
	41.34			44.23		10.00	Emp	\$100.57
	159,000			6,601		50,000		
						5.00	Sp	
						25,000		

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	0.88							\$0.88
	4,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	41.34	1.15	Sp	44.23		33.00	Emp	\$119.72
	159,000			6,601		100,000		\$60.32
	28.60	1.15	Sp/Ch	30.57				\$60.32
	110,000			4,562				\$3.96
	3.96							\$3.96
	18,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	46.02	1.15	Sp	49.29				\$96.46
	177,000			7,356				\$96.46
	0.88							\$0.88
	4,000							\$0.88
	36.66			39.22				\$75.88
	141,000			5,853				\$75.88
	2.20							\$2.20
	10,000							\$2.20
	32.24	1.15	Sp	34.35				\$67.74
	124,000			5,127				\$67.74
	35.62			38.20				\$73.82
	137,000			5,701				\$73.82
	1.32							\$1.32
	6,000							\$1.32
	2.20							\$2.20
	10,000							\$2.20
	32.50			34.62				\$67.12
	125,000			5,166				\$67.12
	2.42							\$2.42
	11,000							\$2.42
	32.24			34.35				\$66.59
	124,000			5,127				\$66.59
	54.60	1.15	Sp/Ch	58.46		308.00	Emp	\$422.21
	210,000			8,725		200,000		\$422.21
	21.84	1.15	Ch	23.21				\$46.20
	84,000			3,464				\$46.20
	2.20							\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D		Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume		Premium/ Volume	Ins.	
	10,000									\$2.20
	2.20									
	10,000									
	43.16	1.15	Sp/Ch		46.10					\$90.41
	166,000				6,880					
	2.20									\$2.20
	10,000									
	2.20									\$2.20
	10,000									
	38.22	1.15	Sp/Ch		40.77					\$80.14
	147,000				6,085					
	2.20									\$2.20
	10,000									
	1.32									\$1.32
	6,000									
	43.16	1.15	Sp		46.10			44.00	Emp	\$134.41
	166,000				6,880			50,000		
	20.54	1.15	Ch		22.05					\$43.74
	79,000				3,290					
	39.26	1.15	Sp/Ch		42.11					\$82.52
	151,000				6,284					
	2.20									\$2.20
	10,000									
	50.18	1.15	Ch		53.66	3.50		33.00	Emp	\$143.39
	193,000				8,009	50,000		100,000		
								1.90	Ch	
								10,000		
	2.20									\$2.20
	10,000									
	35.62	1.15	Sp/Ch		38.20					\$74.97
	137,000				5,701					
	35.62	1.15	Sp/Ch		38.20					\$74.97
	137,000				5,701					
	32.24	1.15	Sp/Ch		34.35					\$67.74
	124,000				5,127					
	2.20									\$2.20
	10,000									

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
██████████	35.62 137,000	1.15	Sp/Ch	38.20 5,701				\$74.97
TOTAL	\$5,265.24	\$108.10		\$5,331.55	\$3.50	\$1,191.65		\$11,900.04
Total Current Premium	\$5,265.24	\$108.10		\$5,331.55	\$3.50	\$1,191.65		\$11,900.04

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life
	186.08	143.16	186.15	143.25	
	\$39.26	\$1.15	\$42.11		\$2.20
	\$22.88	\$1.15	\$24.46		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$2.20
	\$53.04	\$1.15	\$56.89		\$2.20
	\$35.62		\$38.15		\$2.20
	\$43.16	\$1.15	\$46.10	(\$132.00)	\$2.20
	\$28.60	\$1.15	\$30.45		\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$32.24		\$34.35		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$32.24		\$34.35		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$31.98		\$34.20		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$32.24	\$1.15	\$34.35		\$0.88
	\$20.80	\$1.15	\$22.31		\$2.20
	\$30.68		\$32.88		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$45.76		\$48.99		\$2.20
	\$21.84		\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$20.80	\$1.15	\$22.31	\$15.00	\$2.20
	\$35.62	\$1.15	\$38.20		\$1.32
	\$37.44	\$1.15	\$40.07		\$2.20
	\$28.60		\$30.57		\$2.20
	\$41.34		\$44.23		\$0.88
	\$41.34		\$44.23		\$2.20
	\$20.54		\$22.05		\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80		\$50.14		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$32.50	\$1.15	\$34.66		\$2.20
	\$41.34		\$44.23		\$2.20
	\$43.16		\$46.10		\$2.20
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$2.20
	\$25.22		\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23	\$51.90	\$2.20
	\$30.16		\$32.25		\$2.20
	\$21.84	\$1.15	\$23.25		\$1.32
	\$54.60	\$1.15	\$58.46		\$2.20
	\$83.46		\$89.45		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$32.24	\$1.15	\$34.35		\$2.20

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$25.22		\$26.86		\$2.20
	\$29.12	\$1.15	\$31.10		\$1.32
	\$35.62		\$38.20		\$2.20
	\$28.60	\$1.15	\$30.45		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$41.34		\$44.23		\$2.20
	\$31.98	\$1.15	\$34.20		\$1.32
	\$25.22	\$1.15	\$26.86		\$0.88
	\$28.60		\$30.57		\$2.20
	\$20.80	\$1.15	\$22.31		\$3.96
	\$20.80	\$1.15	\$22.31		\$2.20
	\$20.54	\$1.15	\$22.05		\$0.88
	\$39.26		\$42.11		\$2.20
	\$54.60		\$58.46		\$1.32
	\$41.34		\$44.23		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.42
	\$20.80		\$22.31		\$2.20
	\$16.64	\$1.15	\$17.60		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$35.62		\$38.20		\$2.20
	\$50.70	\$1.15	\$54.27		\$2.20
	\$50.18		\$53.66		\$1.32
	\$35.62	\$1.15	\$38.20		\$2.20
	\$28.60		\$30.57		\$2.20
	\$28.60	\$1.15	\$30.57		\$2.20
	\$30.68	\$1.15	\$32.88		
	\$41.34	\$1.15	\$44.23		
	\$39.26	\$1.15	\$41.90		
	\$79.82	\$1.15	\$85.69		
	\$46.80		\$50.14		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20	\$76.50	
	\$25.22	\$1.15	\$26.86		
	\$41.34		\$44.23		
	\$43.16	\$1.15	\$46.10		
	\$35.62	\$1.15	\$38.15		
	\$43.16	\$1.15	\$46.10		
	\$22.88	\$1.15	\$24.46		
	\$35.62	\$1.15	\$38.14	\$10.65	
	\$41.34	\$1.15	\$44.23		
	\$35.62	\$1.15	\$38.20		
	\$35.62		\$38.20		
	\$45.76	\$1.15	\$48.99		
	\$35.62	\$1.15	\$38.20	\$51.40	
	\$25.22		\$26.86		
	\$35.62		\$38.20		
	\$30.16	\$1.15	\$32.25		
	\$35.62	\$1.15	\$38.20		
	\$130.00	\$1.15	\$100.45		
	\$130.00	\$1.15	\$100.45		
	\$37.44	\$1.15	\$40.07		
	\$41.34	\$1.15	\$44.23		
	\$25.22		\$26.86		
	\$43.16	\$1.15	\$0.00		
	\$34.84	\$1.15	\$37.33		
	\$32.24	\$1.15	\$34.35	\$132.00	
	\$54.60	\$1.15	\$58.46	\$115.50	
	\$35.62	\$1.15	\$38.20		

Employee	Basic Life & AD/D	Dep Life	LTD	Voluntary	Retiree - Life/LTD Dep Life Account
	186.08	143.16	186.15	143.25	143.02
	\$32.24	\$1.15	\$34.35	\$20.00	
	\$41.34		\$44.23	\$15.00	
	\$41.34	\$1.15	\$44.23	\$33.00	
	\$28.60	\$1.15	\$30.57		
	\$46.02	\$1.15	\$49.29		
	\$36.66		\$39.22		
	\$32.24	\$1.15	\$34.35		
	\$35.62		\$38.20		
	\$32.50		\$34.62		
	\$32.24		\$34.35		
	\$54.60	\$1.15	\$58.46	\$308.00	
	\$21.84	\$1.15	\$23.21		
	\$43.16	\$1.15	\$46.10		
	\$38.22	\$1.15	\$40.77		
	\$43.16	\$1.15	\$46.10	\$44.00	
	\$20.54	\$1.15	\$22.05		
	\$39.26	\$1.15	\$42.11		
	\$50.18	\$1.15	\$53.66	\$38.40	
	\$35.62	\$1.15	\$38.20		
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20		
	\$29.12				\$1.15
	\$5,242.90	\$109.25	\$5,454.31	\$1,063.15	\$174.29

Guardian

Billing Statement

For Period 03/01/20 to 03/31/20

Statement Date: 02/14/20

Payment Summary

Payment Received 02/12/20 -12,043.90

No Outstanding Balance As Of 2/14/20 0.00

Current Premium 12,121.48

Total Payment Due 3/01/20 **\$12,121.48**

Approval: *Robert 3/16/20*

Planholder use only

Summary of Activity this Period

Coverage	Previous No. Ins.	Adds.	Terms.	Current No. Ins.	Current Premiums	Premium Adjustments
Basic Term Life	220	2	0	222	\$5,318.09	\$52.60
Dep Life	94	1	0	95	\$109.25	\$1.19
Ltd	137	2	0	139	\$5,388.88	\$56.32
Vol Ad&D	1	0	0	1	\$3.50	\$0.00
Voluntary Term Life	16	0	0	16	\$1,191.65	\$0.00
TOTAL					\$12,011.37	\$110.11

Summary of Current Premiums by Rate Class

Coverage	Emp	Fam	Total
Basic Term Life	\$5,318.09	\$0.00	\$5,318.09
Dep Life	\$0.00	\$109.25	\$109.25
Ltd	\$5,388.88	\$0.00	\$5,388.88
Vol Ad&D	\$3.50	\$0.00	\$3.50
Voluntary Term Life	\$913.00	\$278.65	\$1,191.65
TOTAL	\$11,623.47	\$387.90	\$12,011.37

Planholder Reference

MISSY JOHNSON
SOUTH KY RECC
Group ID: 00 395099
Division ID: 0000
RHQ: AP
RGO: 032
AVR: GUL

Questions?

Log on to
www.GuardianAnytime.com

Check or make changes to members' eligibility, view and pay bills and more.

Log on or register in two minutes at www.GuardianAnytime.com



Please detach and return with payment

Payment Coupon



MISSY JOHNSON
SOUTH KY RECC
200 ELECTRIC AVENUE
SOMERSET, KY 42501

Due Date: 03/01/20
Payment Due: \$12,121.48

- Please do not write on payment coupon. If you have changes, please submit them via Guardian Anytime or submit on Change Report.
- For fast and easy payment, submit via www.guardiananytime.com, or detach and send Payment Coupon and your check made payable to Guardian in the enclosed envelope to: GUARDIAN, P O BOX 677458, DALLAS, TX 75267-7458.

Group ID: 00 395099

Division: 0000

AVR: GUL

PSC Request No. 21
Page 244 of 265
Witnesses: Michelle Herrman and Steve Seelye

Account #	Guardian March 2020 Description	Cost	
143.16	Dep Life	\$109.29	EMBF 02
143.02	Retired/ LTD Dep Life	\$173.58	"
143.25	Voluntary	\$1,195.15	EMDT 34
186.08	Basic Life & AD/D	\$5,198.26	EMBF 02
186.15	LTD	\$5,445.20	"
TOTAL		\$12,121.48	

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3/1/20

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$22.88	\$1.15	\$24.46		\$2.20
	\$37.44	\$1.15	\$40.11		\$2.20
	\$19.76		\$21.17		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$35.62		\$38.20		\$2.20
	\$33.80	\$1.15	\$36.16	\$154.00	\$2.20
	\$58.50	\$1.15	\$62.72		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$43.16	\$1.15	\$46.10	\$51.40	\$2.20
	\$53.04	\$1.15	\$56.89		\$2.20
	\$35.62		\$38.15		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$28.60	\$1.15	\$30.45		\$2.20
	\$40.82	\$1.15	\$43.71		\$2.20
	\$32.24		\$34.35		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.32
	\$32.24		\$34.35		\$2.20
	\$41.34	\$1.15	\$44.23		\$2.20
	\$31.98		\$34.20		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$32.24	\$1.15	\$34.35		\$0.88
	\$20.80	\$1.15	\$22.31		\$2.20
	\$30.68		\$32.88		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$45.76		\$48.99		\$2.20
	\$21.84		\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80	\$1.15	\$50.14		\$2.20
	\$25.22	\$1.15	\$26.86		\$1.49
	\$41.34	\$1.15	\$44.23		\$2.20
	\$20.80	\$1.15	\$22.31	\$15.00	\$2.20
	\$35.62	\$1.15	\$38.20		\$1.32
	\$37.44	\$1.15	\$40.07		\$2.20
	\$28.60		\$30.57		\$2.20
	\$41.34		\$44.23		\$0.88
	\$41.34		\$44.23		\$2.20
	\$20.54		\$22.05		\$2.20
	\$41.34	\$1.15	\$44.23	\$78.40	\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$46.80		\$50.14		\$2.20
	\$43.16	\$1.15	\$46.10		\$2.20
	\$32.50	\$1.15	\$34.66		\$2.20
	\$41.34		\$44.23		\$2.20
	\$43.16		\$46.10		\$2.20
	\$46.80		\$50.14		\$2.20
	\$46.80		\$50.14		\$2.20
	\$26.52		\$28.33		\$2.20
	\$24.69		\$26.38		\$2.20
	\$25.22		\$26.86		\$2.20
	\$41.34	\$1.15	\$44.23	\$51.90	\$1.32
	\$30.16		\$32.25		\$2.20
	\$21.84	\$1.15	\$23.25		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20
	\$83.46		\$89.45		\$2.20
	\$25.22	\$1.15	\$26.86		\$2.20
	\$54.60	\$1.15	\$58.46		\$2.20

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$39.26	\$1.15	\$42.11		\$2.20
	\$32.24	\$1.15	\$34.35		\$1.32
	\$25.22		\$26.86		\$2.20
	\$29.12	\$1.15	\$31.10		\$2.20
	\$35.62		\$38.20		\$2.20
	\$28.60	\$1.15	\$30.45		\$2.20
	\$35.62	\$1.15	\$38.20		\$1.32
	\$41.34		\$44.23		\$0.88
	\$31.98	\$1.15	\$34.20		\$2.20
	\$25.22	\$1.15	\$26.86		\$3.96
	\$28.60		\$30.57		\$2.20
	\$20.80	\$1.15	\$22.31		\$0.88
	\$20.54	\$1.15	\$22.05		\$2.20
	\$39.26		\$42.11		\$1.32
	\$54.60		\$58.46		\$2.20
	\$41.34		\$44.23		\$2.42
	\$39.26	\$1.15	\$42.11		\$2.20
	\$20.80		\$22.31		\$2.20
	\$16.64	\$1.15	\$17.60		\$2.20
	\$39.26	\$1.15	\$42.11		\$2.20
	\$35.62		\$38.20		\$2.20
	\$50.70	\$1.15	\$54.27		\$1.32
	\$50.18		\$53.66		\$2.20
	\$35.62	\$1.15	\$38.20		\$2.20
	\$28.60		\$30.57		\$2.20
	\$28.60	\$1.15	\$30.57		
	\$30.68	\$1.15	\$32.88		
	\$41.34	\$1.15	\$44.23		
	\$39.26	\$1.15	\$41.90		
	\$79.82	\$1.15	\$85.69		
	\$46.80		\$50.14		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20	\$76.50	
	\$25.22	\$1.15	\$26.86		
	\$41.34		\$44.23		
	\$43.16	\$1.15	\$46.10		
	\$35.62	\$1.15	\$38.15		
	\$43.16	\$1.15	\$46.10		
	\$22.88	\$1.15	\$24.46		
	\$35.62	\$1.15	\$38.14	\$10.65	
	\$41.34	\$1.15	\$44.23		
	\$35.62	\$1.15	\$38.20		
	\$35.62		\$38.20		
	\$45.76	\$1.15	\$48.99		
	\$35.62	\$1.15	\$38.20	\$51.40	
	\$25.22		\$26.86		
	\$35.62		\$38.20		
	\$30.16	\$1.15	\$32.25		
	\$35.62	\$1.15	\$38.20		
	\$130.00	\$1.15	\$100.45		
	\$37.44	\$1.15	\$40.07		
	\$41.34	\$1.15	\$44.23		
	\$25.22		\$26.86		
	\$43.16	\$1.15	\$0.00		
	\$34.84	\$1.15	\$37.33		
	\$32.24	\$1.15	\$34.35	\$132.00	
	\$54.60	\$1.15	\$58.46	\$115.50	
	\$35.62	\$1.15	\$38.20		

Employee	Basic Life & AD/D 186.08	Dep Life 143.16	LTD 186.15	Voluntary 143.25	Retiree - Life/LTD Dep Life Account 143.02
	\$32.24	\$1.15	\$34.35	\$20.00	
	\$41.34		\$44.23	\$15.00	
	\$41.34	\$1.15	\$44.23	\$33.00	
	\$28.60	\$1.15	\$30.57		
	\$46.02	\$1.15	\$49.29		
	\$36.66		\$39.22		
	\$32.24	\$1.15	\$34.35		
	\$35.62		\$38.20		
	\$32.50		\$34.62		
	\$32.24		\$34.35		
	\$54.60	\$1.15	\$58.46	\$308.00	
	\$27.04	\$1.15	\$29.00		
	\$27.91	\$1.19	\$29.94		
	\$21.84	\$1.15	\$23.21		
	\$43.16	\$1.15	\$46.10		
	\$38.22	\$1.15	\$40.77		
	\$43.16	\$1.15	\$46.10	\$44.00	
	\$20.54	\$1.15	\$22.05		
	\$39.26	\$1.15	\$42.11		
	\$50.18	\$1.15	\$53.66	\$38.40	
	\$35.62	\$1.15	\$38.20		
	\$35.62	\$1.15	\$38.20		
	\$32.24	\$1.15	\$34.35		
	\$35.62	\$1.15	\$38.20		
	\$29.12				\$1.15
	\$5,198.26	\$109.29	\$5,445.20	\$1,195.15	\$173.58



Premium Adjustments Since Last Bill

NEW

Employee	Eff. Date	Coverage	Ins.	New Volume	New Premium	Premium Adjustment	
[REDACTED]	02/03/20	Basic Term Life		102,000	22.44	20.89	
		Basic Term Life		102,000	4.08	3.80	
		Ltd		4,227	28.33	26.38	
	01/31/20		Basic Term Life		104,000	\$54.85	\$51.07
			Basic Term Life		104,000	22.88	23.62
			Dep Life			4.16	4.29
		Sp	Ltd		4,328	1.15	1.19
						29.00	29.94
						\$57.19	\$59.04

Total Premium Adjustments

\$110.11

Notices For SOUTH KY RECC

- This notification serves as a reminder that the Spouse Optional Life coverage on your group plan ends at the spouses age of 70. This may be determined based on age calculations for your contract and not necessarily the date of birth. Once this age is reached the spouse will no longer appear on the billing statement and any payroll deductions should be stopped. Any conversion notifications should be provided at that time.
- To ensure continued coverage and claims service, payments must be received in our office by the end of your grace period.
- For the quickest and easiest way to pay your bill or manage member changes, go to www.GuardianAnytime.com. Simplified, secure benefits administration is available 24/7. If you aren't already registered, go to www.GuardianAnytime.com.

Please make sure the Guardian address is visible through the return envelope window.

- Visit our secure website at www.guardiananytime.com
- View bill online without the wait for mail
 - Submit changes and make payments

GUARDIAN
P O BOX 677458
DALLAS, TX 75267-7458



Current Premiums

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	39.26		1.15 Sp/Ch	42.11				\$82.52
	151,000			6,284				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	22.88		1.15 Ch	24.46				\$48.49
	88,000			3,650				
	2.20							\$2.20
	10,000							\$2.20
	37.44		1.15 Sp/Ch	40.11				\$78.70
	144,000			5,986				
	19.76			21.17				\$40.93
	76,000			3,160				
	35.62		1.15 Sp/Ch	38.20				\$74.97
	137,000			5,701				
	35.62			38.20				\$73.82
	137,000			5,701				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	33.80		1.15 Sp/Ch	36.16			154.00 Emp	\$225.11
	130,000			5,397			100,000	
	2.20							\$2.20
	10,000							\$2.20
	58.50		1.15 Sp	62.72				\$122.37
	225,000			9,361				
	2.20							\$2.20
	10,000							\$2.20
	2.20							\$2.20
	10,000							\$2.20
	25.22		1.15 Sp/Ch	26.86				\$53.23

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	97,000			4,009				\$2.20
	2.20							
	10,000							
	43.16	1.15	Sp/Ch	46.10		33.00	Emp	\$141.81
	166,000			6,880		100,000		
						16.50	Sp	
						50,000		
						1.90	Ch	
						10,000		
	2.20							\$2.20
	10,000							
	53.04	1.15	Sp	56.89				\$111.08
	204,000			8,491				
	2.20							\$2.20
	10,000							
	35.62			38.15				\$73.77
	137,000			5,694				
	43.16	1.15	Sp	46.10				\$90.41
	166,000			6,880				
	2.20							\$2.20
	10,000							
	28.60	1.15	Sp/Ch	30.45				\$60.20
	110,000			4,544				
	40.82	1.15	Sp	43.71				\$85.68
	157,000			6,523				
	2.20							\$2.20
	10,000							
	32.24			34.35				\$66.59
	124,000			5,127				
	1.32							\$1.32
	6,000							
	25.22	1.15	Sp	26.86				\$53.23
	97,000			4,009				
	32.24			34.35				\$66.59
	124,000			5,127				
	41.34	1.15	Sp/Ch	44.23				\$86.72
	159,000			6,601				
	31.98			34.20				\$66.18
	123,000			5,104				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	46.80		1.15	Sp/Ch	50.14				\$98.09
	180,000				7,484				
	32.24		1.15	Sp	34.35				\$67.74
	124,000				5,127				
	2.20								\$2.20
	10,000								
	20.80		1.15	Sp	22.31				\$44.26
	80,000				3,329				
	30.68				32.88				\$63.56
	118,000				4,907				
	2.20								\$2.20
	10,000								
	35.62		1.15	Sp	38.20				\$74.97
	137,000				5,701				
	45.76				48.99				\$94.75
	176,000				7,311				
	21.84				23.25				\$45.09
	84,000				3,470				
	2.20								\$2.20
	10,000								
	54.60		1.15	Ch	58.46				\$114.21
	210,000				8,725				
	25.22		1.15	Ch	26.86				\$53.23
	97,000				4,009				
	46.80		1.15	Sp	50.14				\$98.09
	180,000				7,484				
	2.20								\$2.20
	10,000								
	25.22		1.15	Sp/Ch	26.86				\$53.23
	97,000				4,009				
	41.34		1.15	Sp/Ch	44.23				\$86.72
	159,000				6,601				
	20.80		1.15	Sp/Ch	22.31		10.00	Emp	\$59.26
	80,000				3,329		50,000		
							5.00	Sp	
							25,000		
	35.62		1.15	Sp/Ch	38.20				\$74.97
	137,000				5,701				
	37.44		1.15	Sp/Ch	40.07				\$78.66

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	144,000				5,980				
	28.60				30.57				\$59.17
	110,000				4,562				
	41.34				44.23				\$85.57
	159,000				6,601				
	41.34				44.23				\$85.57
	159,000				6,601				
	0.88								\$0.88
	4,000								
	20.54				22.05				\$42.59
	79,000				3,290				
	41.34		1.15	Sp/Ch	44.23		51.00	Emp	\$165.12
	159,000				6,601		100,000		
							25.50	Sp	
							50,000		
							1.90	Ch	
							10,000		
	25.22		1.15	Sp	26.86				\$53.23
	97,000				4,009				
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	46.80				50.14				\$96.94
	180,000				7,484				
	2.20								\$2.20
	10,000								\$2.20
	43.16		1.15	Sp	46.10				\$90.41
	166,000				6,880				
	32.50		1.15	Sp/Ch	34.66				\$68.31
	125,000				5,172				
	2.20								\$2.20
	10,000								\$2.20
	41.34				44.23				\$85.57
	159,000				6,601				
	43.16				46.10				\$89.26
	166,000				6,880				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	46.80				50.14				\$96.94
	180,000				7,484				\$96.94
	2.20								\$2.20
	10,000								\$2.20
	46.80				50.14				\$96.94
	180,000				7,484				\$96.94
	1.49								\$1.49
	10,000								\$1.49
	26.52				28.33				\$54.85
	102,000				4,227				\$54.85
	25.22				26.86				\$52.08
	97,000				4,009				\$52.08
	41.34	1.15	Sp/Ch		44.23		40.00	Emp	\$138.62
	159,000				6,601		200,000		\$138.62
							10.00	Sp	
							50,000		
							1.90	Ch	
							10,000		
	2.20								\$2.20
	10,000								\$2.20
	30.16				32.25				\$62.41
	116,000				4,814				\$62.41
	2.20								\$2.20
	10,000								\$2.20
	1.32								\$1.32
	6,000								\$1.32
	21.84	1.15	Sp/Ch		23.25				\$46.24
	84,000				3,470				\$46.24
	54.60	1.15	Sp		58.46				\$114.21
	210,000				8,725				\$114.21
	83.46				89.45				\$172.91
	321,000				13,350				\$172.91
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D		Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.		
	10,000									
	25.22		1.15	Sp/Ch	26.86					\$53.23
	97,000				4,009					
	54.60		1.15	Sp/Ch	58.46					\$114.21
	210,000				8,725					
	39.26		1.15	Sp	42.11					\$82.52
	151,000				6,284					
	32.24		1.15	Sp/Ch	34.35					\$67.74
	124,000				5,127					
	25.22				26.86					\$52.08
	97,000				4,009					
	0.88									\$0.88
	4,000									
	29.12		1.15	Sp/Ch	31.10					\$61.37
	112,000				4,641					
	35.62				38.20					\$73.82
	137,000				5,701					
	28.60		1.15	Sp/Ch	30.45					\$60.20
	110,000				4,544					
	35.62		1.15	Sp/Ch	38.20					\$74.97
	137,000				5,701					
	2.20									\$2.20
	10,000									
	41.34				44.23					\$85.57
	159,000				6,601					
	2.20									\$2.20
	10,000									
	20.54		1.15	Sp	22.05					\$43.74
	79,000				3,290					
	31.98		1.15	Sp/Ch	34.20					\$67.33
	123,000				5,104					
	25.22		1.15	Sp	26.86					\$53.23
	97,000				4,009					
	2.20									\$2.20
	10,000									
	2.20									\$2.20
	10,000									
	28.60				30.57					\$59.17
	110,000				4,562					

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D		Voluntary Term Life		Total Premium
	Premium/ Volume		Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	20.80		1.15	Sp/Ch	22.31					\$44.26
	80,000				3,329					
	39.26				42.11					\$81.37
	151,000				6,284					
	54.60				58.46					\$113.06
	210,000				8,725					
	41.34				44.23					\$85.57
	159,000				6,601					
	39.26		1.15	Sp/Ch	42.11					\$82.52
	151,000				6,284					
	2.20									\$2.20
	10,000									
	20.80				22.31					\$43.11
	80,000				3,329					
	16.64		1.15	Sp	17.60					\$35.39
	64,000				2,626					
	39.26		1.15	Sp	42.11					\$82.52
	151,000				6,284					
	35.62				38.20					\$73.82
	137,000				5,701					
	50.70		1.15	Sp	54.27					\$106.12
	195,000				8,100					
	50.18				53.66					\$103.84
	193,000				8,009					
	2.20									\$2.20
	10,000									
	35.62		1.15	Sp	38.20					\$74.97
	137,000				5,701					
	28.60				30.57					\$59.17
	110,000				4,562					
	28.60		1.15	Sp	30.57					\$60.32
	110,000				4,562					
	30.68		1.15	Ch	32.88					\$64.71
	118,000				4,907					
	41.34		1.15	Sp	44.23					\$86.72
	159,000				6,601					
	2.20									\$2.20
	10,000									
	39.26		1.15	Sp/Ch	41.90					\$82.31

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	151,000				6,253				
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	79.82	1.15	Sp/Ch		85.69				\$166.66
	307,000				12,790				\$96.94
	46.80				50.14				\$96.94
	180,000				7,484				\$30.27
	29.12	1.15	Ch						\$30.27
	112,000				4,650				\$67.74
	32.24	1.15	Sp		34.35				\$67.74
	124,000				5,127				\$2.20
	2.20								\$2.20
	10,000								\$2.20
	35.62	1.15	Sp		38.20		76.50 Emp		\$151.47
	137,000				5,701		150,000		\$151.47
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	2.20								\$2.20
	10,000								\$2.20
	25.22	1.15	Sp		26.86				\$53.23
	97,000				4,009				\$85.57
	41.34				44.23				\$85.57
	159,000				6,601				\$90.41
	43.16	1.15	Sp/Ch		46.10				\$90.41
	166,000				6,880				\$74.92
	35.62	1.15	Sp/Ch		38.15				\$74.92
	137,000				5,694				\$2.20
	2.20								\$2.20
	10,000								\$2.20
	43.16	1.15	Sp/Ch		46.10				\$90.41
	166,000				6,880				\$90.41
	1.32								\$1.32
	6,000								\$1.32
	2.20								\$2.20
	10,000								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	22.88		1.15	Sp	24.46				\$48.49
	88,000				3,650				
	35.62		1.15	Sp/Ch	38.14		7.00	Emp	\$85.56
	137,000				5,692		100,000		
							1.75	Sp	
							25,000		
							1.90	Ch	
							10,000		
	2.20								\$2.20
	10,000								
	41.34		1.15	Sp/Ch	44.23				\$86.72
	159,000				6,601				
	2.20								\$2.20
	10,000								
	2.20								\$2.20
	10,000								
	2.20								\$2.20
	10,000								
	2.20								\$2.20
	10,000								
	35.62		1.15	Ch	38.20				\$74.97
	137,000				5,701				
	2.20								\$2.20
	10,000								
	1.32								\$1.32
	6,000								
	35.62				38.20				\$73.82
	137,000				5,701				
	45.76		1.15	Sp/Ch	48.99				\$95.90
	176,000				7,311				
	35.62		1.15	Sp/Ch	38.20		33.00	Emp	\$126.37
	137,000				5,701		100,000		
							16.50	Sp	
							50,000		
							1.90	Ch	
							10,000		
	25.22				26.86				\$52.08
	97,000				4,009				
	2.20								\$2.20

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Sp/Ch	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	10,000								\$2.20
	2.20								
	10,000								\$73.82
	35.62				38.20				
	137,000				5,701				\$63.56
	30.16		1.15	Sp/Ch	32.25				
	116,000				4,814				\$74.97
	35.62		1.15	Sp	38.20				
	137,000				5,701				\$231.60
	130.00		1.15	Sp	100.45				
	500,000				14,992				\$78.66
	37.44		1.15	Sp	40.07				
	144,000				5,980				\$86.72
	41.34		1.15	Sp/Ch	44.23				
	159,000				6,601				\$2.20
	2.20								
	10,000								\$52.08
	25.22				26.86				
	97,000				4,009				\$44.31
	43.16		1.15	Sp/Ch					
	166,000				6,880				\$73.32
	34.84		1.15	Ch	37.33				
	134,000				5,571				\$199.74
	32.24		1.15	Sp	34.35		88.00	Emp	
	124,000				5,127		100,000		
							44.00	Sp	
							50,000		\$2.20
	2.20								
	10,000								\$229.71
	54.60		1.15	Sp/Ch	58.46		115.50	Emp	
	210,000				8,725		75,000		
	1.32								\$1.32
	6,000								
	35.62		1.15	Sp/Ch	38.20				\$74.97
	137,000				5,701				
	32.24		1.15	Sp/Ch	34.35		20.00	Emp	\$87.74
	124,000				5,127		100,000		
	41.34				44.23		10.00	Emp	\$100.57
	159,000				6,601		50,000		

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	0.88					5.00 Sp		\$0.88
	4,000					25,000		\$2.20
	2.20							\$2.20
	10,000							\$119.72
	41.34	1.15	Sp	44.23		33.00 Emp		\$60.32
	159,000			6,601		100,000		\$3.96
	28.60	1.15	Sp/Ch	30.57				\$2.20
	110,000			4,562				\$96.46
	3.96							\$0.88
	18,000							\$75.88
	2.20							\$2.20
	10,000							\$2.20
	46.02	1.15	Sp	49.29				\$67.74
	177,000			7,355				\$73.82
	0.88							\$1.32
	4,000							\$2.20
	36.66			39.22				\$67.12
	141,000			5,853				\$2.42
	2.20							\$66.59
	10,000							\$2.20
	32.24	1.15	Sp	34.35				\$67.12
	124,000			5,127				\$2.42
	35.62			38.20				\$67.12
	137,000			5,701				\$2.42
	1.32							\$67.12
	6,000							\$2.42
	2.20							\$67.12
	10,000							\$2.42
	32.50			34.62				\$67.12
	125,000			5,160				\$2.42
	2.42							\$67.12
	11,000							\$2.42
	32.24			34.35				\$66.59
	124,000			5,127				\$66.59
	54.60	1.15	Sp/Ch	58.46		308.00 Emp		\$422.21
	210,000			8,725		200,000		\$57.19
	27.04	1.15	Sp	29.00				\$57.19

continued



Current Premiums (cont'd.)

Employee	Basic Term Life		Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.		Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
	104,000				4,328				
	21.84		1.15	Ch	23.21				\$46.20
	84,000				3,464				
	2.20								\$2.20
	10,000								
	2.20								\$2.20
	10,000								
	43.16		1.15	Sp/Ch	46.10				\$90.41
	166,000				6,880				
	2.20								\$2.20
	10,000								
	2.20								\$2.20
	10,000								
	38.22		1.15	Sp/Ch	40.77				\$80.14
	147,000				6,085				
	2.20								\$2.20
	10,000								
	1.32								\$1.32
	6,000								
	43.16		1.15	Sp	46.10		44.00	Emp	\$134.41
	166,000				6,880		50,000		
	20.54		1.15	Ch	22.05				\$43.74
	79,000				3,290				
	39.26		1.15	Sp/Ch	42.11				\$82.52
	151,000				6,284				
	2.20								\$2.20
	10,000								
	50.18		1.15	Ch	53.66	3.50	33.00	Emp	\$143.39
	193,000				8,009	50,000	100,000		
							1.90	Ch	
							10,000		
	2.20								\$2.20
	10,000								
	35.62		1.15	Sp/Ch	38.20				\$74.97
	137,000				5,701				
	35.62		1.15	Sp/Ch	38.20				\$74.97
	137,000				5,701				
	32.24		1.15	Sp/Ch	34.35				\$67.74
	124,000				5,127				

continued



Current Premiums (cont'd.)

Employee	Basic Term Life	Dep Life		Ltd	Vol Ad&D	Voluntary Term Life		Total Premium
	Premium/ Volume	Premium	Ins.	Premium/ Covered Payroll Volume	Premium/ Volume	Premium/ Volume	Ins.	
[REDACTED]	2.20							\$2.20
	10,000							
	35.62	1.15	Sp/Ch	38.20				\$74.97
	137,000			5,701				
TOTAL	\$5,318.09	\$109.25		\$5,388.88	\$3.50	\$1,191.65		\$12,011.37
Total Current Premium	\$5,318.09	\$109.25		\$5,388.88	\$3.50	\$1,191.65		\$12,011.37



GROUP INSURANCE STANDARD PREMIUM STATEMENT

SOUTH KENTUCKY RECC
0118054001

INVOICE

Invoice #	20011074
Statement Date:	01/01/2020
Bill Mode:	monthly
Billing Date:	01/01/2020

Attn: MELISSA JOHNSON
Benefits Administrator
PO BOX 910
SOMERSET, KY 42502

Your Group Insurance Premium Statement is enclosed. Please review it thoroughly and if you have any questions or find any inaccuracies contact the Member Contact Center at 1-866-673-2299 or email: contactcenter@nreca.coop<mailto:contactcenter@nreca.coop>

By remitting payment of the administrative fee to NRECA the employer confirms that the fee is paid from employer funds and that all contributions received from employees or withheld from their paychecks are included in the separate remittance paid to the NRECA Group Benefits Trust.

Remit this portion with administrative fee payment. Please make check payable to: **NRECA.**

Group Insurance Administrative Fee Remittance

SOUTH KENTUCKY RECC
0118054001

Administrative Fee Due Date: 01/01/2020

Invoice # 20011074A

Note: Please include your invoice # on your check.

Administrative Fee Amount Due:	\$0.00
---------------------------------------	--------



\$33300238



~20011074

NRECA
P.O. Box 207442
Dallas, TX 75320-7442



GROUP INSURANCE STANDARD PREMIUM STATEMENT
SOUTH KENTUCKY RECC
0118054001

INVOICE

Invoice # 20011074
Statement Date: 01/01/2020
Bill Mode: monthly
Billing Date: 01/01/2020

Itemized Grand Total:

\$324.00

Premium Summary By Plan					
Benefit/Plan	Coverage Level / Amount In Force	Counts	Total Trust Contributions	Total Administrative Fees	Total Premium
BTA		1	\$324.00	\$0.00	\$324.00
	BTA	Blanket Coverage	\$324.00	\$0.00	\$324.00
Total:			\$324.00	\$0.00	\$324.00

Handwritten initials/signature

33300238

186.08 \$ 305.92 EMBF 02.1605
 930.21 \$ 18.08 BDEX 06.1904

 \$ 324.00

Handwritten date: 1/9/2020

NRECC33P

GROUP INSURANCE STANDARD PREMIUM STATEMENT
SOUTH KENTUCKY RECC
0118054001

INVOICE

Invoice # 20011074
Statement Date: 01/01/2020
Bill Mode: monthly
Billing Date: 01/01/2020

Itemized Premiums

BENEFIT AND PLAN	ADJUSTMENT DESCRIPTION	COVERAGE / AMT IN FORCE	TRUST CONTRIBUTIONS	ADJUSTMENT AMOUNT	ADMIN FEES	TOTAL PREMIUM
Total Cost						
SUBTOTAL						

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 22**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye

COMPANY: South Kentucky RECC

Request 22. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.14.

a. For the test year, provide a list of all board of director’s expenses that were included and excluded in rates.

b. Explain whether the per diems associated with attending industry association meetings has decreased with the increased availability of virtual meetings.

Response 22.

a. Please see attached.

b. The individual per diem amount paid to a director for his/her attendance at an industry-associated meeting has not changed. However, the total compensation amount that a director receives for attending a virtual meeting is decreased as there are no travel-related per diems and expenses.

Question# 22a

**Board of Directors
04/19 thru 03/31/20
Account 930.21**

<u>Name</u>	<u>Fees</u>	<u>Mileage</u>	<u>Lodging</u>	<u>Meals</u>	<u>Other</u>	<u>Total</u>	<u>Business Travel</u>	<u>24 Hr Accident</u>	<u>Rural Elec Magazine</u>	<u>Ipad Service</u>	<u>Travel Exp/ Registrations</u>	<u>Total Other</u>
James G Beard	\$21,100.00	\$1,744.00	\$536.82	\$120.31	\$1,718.29	\$25,219.42	\$2.58	\$22.73	\$43.00	\$411.98	\$1,238.00	\$1,718.29
Cathy C Epperson	\$21,100.00	\$199.52	\$805.23	\$116.89	\$2,337.28	\$24,558.92	\$2.58	\$22.73	\$43.00	\$411.97	\$1,857.00	\$2,337.28
Richard Halloran	\$23,350.00	\$1,209.43	\$1,741.44	\$319.48	\$968.06	\$27,588.41	\$2.58	\$22.73	\$43.00	\$411.97	\$487.78	\$968.06
Boris Haynes	\$22,150.00	\$1,131.26	\$1,438.81	\$316.30	\$1,564.28	\$26,600.65	\$2.58	\$22.73	\$43.00	\$411.97	\$1,084.00	\$1,564.28
Billy G Hurd	\$19,700.00	\$713.72	\$0.00	\$0.00	\$480.27	\$20,893.99	\$2.58	\$22.73	\$43.00	\$411.96	\$0.00	\$480.27
Gregory D Redmon	\$22,450.00	\$746.20	\$0.00	\$0.00	\$480.28	\$23,676.48	\$2.58	\$22.73	\$43.00	\$411.97	\$0.00	\$480.28
James B. Tackett	<u>\$22,150.00</u>	<u>\$881.11</u>	<u>\$1,045.62</u>	<u>\$192.91</u>	<u>\$1,718.28</u>	<u>\$25,987.92</u>	\$2.58	\$22.73	\$43.00	\$411.97	\$1,238.00	\$1,718.28
Totals	<u>\$152,000.00</u>	<u>\$6,625.24</u>	<u>\$5,567.92</u>	<u>\$1,065.89</u>	<u>\$9,266.74</u>	<u>\$174,525.79</u>						
Wanda Beshears	Medical insurance - \$2585.13 and \$25.00 gift card					\$2,610.13						
Virginia Hogue	Medical insurance - \$3693.09 and \$25.00 gift card					\$3,718.09						
Cost Allocation Based on Labor						-65.78						
Exp Prepaid & Record Accrued Insurance						\$12,813.74						
	Total A/C 930.21					\$193,601.97	See attached G/L detail					
Director Spouse Expense(A/C 426.50)						\$124.00						
Post-Retirement Benefits(A/C 930.20)						\$250.00						
	Total Expenses					\$193,975.97						
	Total Excluded Expenses					-\$24,585.64	See attached Schedule A					
	Total Included Expenses					<u>\$169,390.33</u>						

SOUTH KENTUCKY RECC

ACCOUNT ANALYSIS
 FOR ACCT: 93021 DIRECTORS FEES AND MILEAGE
 DATE RANGE FROM 04/01/19 TO 03/31/20

PAGE NO 1
 RUN DATE 1/21/2022 17:02:33

DATE	ACCOUNT	ITEM ID	DEPT	VENDOR	VENDNAME	DEBIT	CREDIT	DESCRIPTION	CHECK	ACH SEQ	BALANCE	TR
04/01/19	930.21	BDEX 04	1904	33304590	HUMANA INC	516.78	.00	INSURANCE - MEDICAL	188370		516.78	1
04/10/19	930.21	UTIL 14	1904	33301188	VERIZON	234.71	.00	TELEPHONE-CELL PHONE/ACCESSORIES	188439		751.49	1
04/22/19	930.21	BDEX 01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188606		2,101.49	1
04/22/19	930.21	BDEX 02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188606		2,171.09	1
04/22/19	930.21	BDEX 01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4071	3,521.09	1
04/22/19	930.21	BDEX 01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4069	4,871.09	1
04/22/19	930.21	BDEX 02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4069	4,885.01	1
04/22/19	930.21	BDEX 01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188608		6,235.01	1
04/22/19	930.21	BDEX 02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188608		6,269.81	1
04/22/19	930.21	BDEX 02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188605		6,302.29	1
04/22/19	930.21	BDEX 01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188605		7,652.29	1
04/22/19	930.21	BDEX 01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188607		9,002.29	1
04/22/19	930.21	BDEX 02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188607		9,034.77	1
04/22/19	930.21	BDEX 01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	188607		9,234.77	1
04/22/19	930.21	BDEX 01	1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188612		10,584.77	1
04/22/19	930.21	BDEX 02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188612		10,602.17	1
04/30/19	930.21	BDEX 10	1904	33300162	RURAL CO-OP CREDIT UNION	769.77	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	188775		11,371.94	1
04/30/19	930.21	SJOO 12	1902			1,033.48	.00	EXP PREPAID & RECORD ACCRUED INS			12,405.42	41
04/30/19	930.21	BDEX 08	1904	33304776	RICHARD T HALLORAN	1,050.00	.00	DIRECTORS' FEES - OTHER MTGS		4113	13,455.42	1
04/30/19	930.21	BDEX 10	1904	33304776	RICHARD T HALLORAN	684.11	.00	LODGING/MEALS/TRAVEL-OTHER MTGS		4113	14,139.53	1
04/30/19	930.21	BDEX 09	1904	33304776	RICHARD T HALLORAN	179.80	.00	MILEAGE - OTHER MEETINGS		4113	14,319.33	1
04/30/19	930.21	SJOO 60	1904			.00	7.16-	COST ALLOCATION BASED ON LABOR			14,312.17	49
05/01/19	930.21	BDEX 04	1904	33304590	HUMANA INC	516.78	.00	INSURANCE - MEDICAL	188681		14,828.95	1
05/03/19	930.21	BDEX 01	1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188899		15,178.95	1
05/03/19	930.21	BDEX 02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188899		15,248.55	1
05/03/19	930.21	BDEX 01	1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4115	15,598.55	1
05/03/19	930.21	BDEX 01	1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4113	15,948.55	1
05/03/19	930.21	BDEX 02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4113	15,962.47	1
05/03/19	930.21	BDEX 01	1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188901		16,312.47	1
05/03/19	930.21	BDEX 02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188901		16,347.27	1
05/03/19	930.21	BDEX 01	1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188898		16,697.27	1
05/03/19	930.21	BDEX 02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188898		16,729.75	1
05/03/19	930.21	BDEX 01	1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188900		17,079.75	1
05/03/19	930.21	BDEX 02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188900		17,112.23	1
05/03/19	930.21	BDEX 01	1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188903		17,462.23	1
05/03/19	930.21	BDEX 02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188903		17,479.63	1
05/09/19	930.21	UTIL 14	1904	33301188	VERIZON	233.45	.00	TELEPHONE-CELL PHONE/ACCESSORIES	188873		17,713.08	1
05/13/19	930.21	BDEX 01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188899		19,063.08	1
05/13/19	930.21	BDEX 02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188899		19,132.68	1
05/13/19	930.21	BDEX 01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4115	20,482.68	1
05/13/19	930.21	BDEX 01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4113	21,832.68	1
05/13/19	930.21	BDEX 02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4113	21,846.60	1
05/13/19	930.21	BDEX 01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188901		23,196.60	1
05/13/19	930.21	BDEX 02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188901		23,231.40	1
05/13/19	930.21	BDEX 02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188898		23,263.88	1
05/13/19	930.21	BDEX 01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188898		24,613.88	1
05/13/19	930.21	BDEX 01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188900		25,963.88	1
05/13/19	930.21	BDEX 02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188900		25,996.36	1
05/13/19	930.21	BDEX 01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	188900		26,196.36	1
05/13/19	930.21	BDEX 01	1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	188903		27,546.36	1
05/13/19	930.21	BDEX 02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	188903		27,563.76	1
05/17/19	930.21	BDEX 01	1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189019		27,913.76	1
05/17/19	930.21	BDEX 02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189019		27,983.36	1

SOUTH KENTUCKY RECC

ACCOUNT ANALYSIS
 FOR ACCT: 93021 DIRECTORS FEES AND MILEAGE
 DATE RANGE FROM 04/01/19 TO 03/31/20

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DATE	ACCOUNT	ITEM	ID	DEPT	VENDOR	VENDNAME	DEBIT	CREDIT	DESCRIPTION	CHECK	ACH	SEQ	BALANCE	TR
05/17/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS			4137	28,333.36	1
05/17/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS			4135	28,683.36	1
05/17/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS			4135	28,697.28	1
05/17/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189021			29,047.28	1
05/17/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189021			29,082.08	1
05/17/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189017			29,432.08	1
05/17/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189017			29,464.56	1
05/17/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189020			29,814.56	1
05/17/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189020			29,847.04	1
05/17/19	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189023			30,197.04	1
05/17/19	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189023			30,214.44	1
05/31/19	930.21	SJOO	12	1902			1,033.09	.00	EXP PREPAID & RECORD ACCRUED INS				31,247.53	41
05/31/19	930.21	SJOO	60	1904			.00	6.77-	COST ALLOCATION BASED ON LABOR				31,240.76	49
06/04/19	930.21	BDEX	04	1904	33304590	HUMANA INC	516.78	.00	INSURANCE - MEDICAL	189169			31,757.54	1
06/06/19	930.21	UTIL	14	1904	33301188	VERIZON	244.16	.00	TELEPHONE-CELL PHONE/ACCESSORIES	189265			32,001.70	1
06/07/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189291			32,351.70	1
06/07/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189291			32,421.30	1
06/07/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189292			32,771.30	1
06/07/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189292			32,803.78	1
06/07/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189290			33,153.78	1
06/07/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189290			33,186.26	1
06/07/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189293			33,536.26	1
06/07/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189293			33,571.06	1
06/07/19	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189296			33,921.06	1
06/07/19	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189296			33,938.46	1
06/07/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4173		34,288.46	1
06/07/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4173		34,302.38	1
06/14/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189365			34,652.38	1
06/14/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189365			34,721.98	1
06/14/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4191		35,071.98	1
06/14/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4191		35,421.98	1
06/14/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4188		35,771.98	1
06/14/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4188		35,785.90	1
06/14/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189367			36,135.90	1
06/14/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189367			36,170.70	1
06/14/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189363			36,520.70	1
06/14/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189363			36,553.18	1
06/14/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189366			36,903.18	1
06/14/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189366			36,935.66	1
06/14/19	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189368			37,285.66	1
06/14/19	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189368			37,303.06	1
06/27/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189531			38,653.06	1
06/27/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189531			38,722.66	1
06/27/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4213		40,072.66	1
06/27/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4211		41,422.66	1
06/27/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4211		41,436.58	1
06/27/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189533			42,786.58	1
06/27/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189533			42,821.38	1
06/27/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189529			42,853.86	1
06/27/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189529			44,203.86	1
06/27/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189532			45,553.86	1
06/27/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189532			45,586.34	1
06/27/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	189532			45,786.34	1
06/27/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189532			46,136.34	1
06/27/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189532			46,168.82	1

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DATE	ACCOUNT	ITEM ID	DEPT	VENDOR	VENDNAME	DEBIT	CREDIT	DESCRIPTION	CHECK	ACH SEQ	BALANCE	TR
06/27/19	930.21	BDEX 01 1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189535			47,518.82	1
06/27/19	930.21	BDEX 02 1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189535			47,536.22	1
06/30/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	450.00	.00	RICK H-KAEC BOARD MEETING		4211		47,986.22	1
06/30/19	930.21	BDEX 10 1904	33304776	RICHARD T HALLORAN	171.12	.00	LODGING/MEALS/TRAVEL-OTHER MTGS		4211		48,157.34	1
06/30/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	145.00	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4211		48,302.34	1
06/30/19	930.21	SJOO 12 1902			1,077.00	.00	EXP PREPAID & RECORD ACCRUED INS				49,379.34	41
06/30/19	930.21	SJOO 60 1904			.00	7.26-	COST ALLOCATION BASED ON LABOR				49,372.08	49
07/01/19	930.21	BDEX 04 1904	33304590	HUMANA INC	516.78	.00	INSURANCE - MEDICAL	189525			49,888.86	1
07/02/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	450.00	.00	RICK H-KAEC BOARD MEETING				50,338.86	1
07/02/19	930.21	BDEX 10 1904	33304776	RICHARD T HALLORAN	171.12	.00	LODGING/MEALS/TRAVEL-OTHER MTGS				50,509.98	1
07/02/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	145.00	.00	MILEAGE-REGULAR & COMMITTEE MTGS				50,654.98	1
07/02/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	.00	450.00-	RICK H-KAEC BOARD MEETING				50,204.98	1
07/02/19	930.21	BDEX 10 1904	33304776	RICHARD T HALLORAN	.00	171.12-	LODGING/MEALS/TRAVEL-OTHER MTGS				50,033.86	1
07/02/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	.00	145.00-	MILEAGE-REGULAR & COMMITTEE MTGS				49,888.86	1
07/12/19	930.21	BDEX 01 1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189729			51,238.86	1
07/12/19	930.21	BDEX 02 1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189729			51,308.46	1
07/12/19	930.21	BDEX 01 1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4247		52,658.46	1
07/12/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4245		54,008.46	1
07/12/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4245		54,022.38	1
07/12/19	930.21	BDEX 01 1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189731			55,372.38	1
07/12/19	930.21	BDEX 02 1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189731			55,407.18	1
07/12/19	930.21	BDEX 02 1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189727			55,439.66	1
07/12/19	930.21	BDEX 01 1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189727			56,789.66	1
07/12/19	930.21	BDEX 01 1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189730			58,139.66	1
07/12/19	930.21	BDEX 02 1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189730			58,172.14	1
07/12/19	930.21	BDEX 01 1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	189730			58,372.14	1
07/12/19	930.21	BDEX 01 1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	189734			59,722.14	1
07/12/19	930.21	BDEX 02 1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	189734			59,739.54	1
07/30/19	930.21	MSAD 03 1904	33300140	N R E C A	301.00	.00	RURAL ELECTRIC MAGAZINE	189828			60,040.54	1
07/31/19	930.21	UTIL 14 1904	33301188	VERIZON	250.32	.00	TELEPHONE-CELL PHONE/ACCESSORIES	189831			60,290.86	1
07/31/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	450.00	.00	RICK H-KAEC BOARD MEETING		4301		60,740.86	1
07/31/19	930.21	BDEX 10 1904	33304776	RICHARD T HALLORAN	21.97	.00	LODGING/MEALS/TRAVEL-OTHER MTGS		4301		60,762.83	1
07/31/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	145.00	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4301		60,907.83	1
07/31/19	930.21	SJOO 12 1902			1,075.00	.00	EXP PREPAID & RECORD ACCRUED INS				61,982.83	41
08/01/19	930.21	BDEX 04 1904	33304590	HUMANA INC	516.78	.00	INSURANCE - MEDICAL	189844			62,499.61	1
08/09/19	930.21	BDEX 01 1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190110			63,849.61	1
08/09/19	930.21	BDEX 02 1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190110			63,919.21	1
08/09/19	930.21	BDEX 01 1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4304		65,269.21	1
08/09/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4301		66,619.21	1
08/09/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4301		66,633.13	1
08/09/19	930.21	BDEX 01 1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190112			67,983.13	1
08/09/19	930.21	BDEX 02 1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190112			68,017.93	1
08/09/19	930.21	BDEX 02 1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190107			68,050.41	1
08/09/19	930.21	BDEX 01 1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190107			69,400.41	1
08/09/19	930.21	BDEX 01 1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190111			70,750.41	1
08/09/19	930.21	BDEX 02 1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190111			70,782.89	1
08/09/19	930.21	BDEX 01 1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	190111			70,982.89	1
08/09/19	930.21	BDEX 01 1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190114			72,332.89	1
08/09/19	930.21	BDEX 02 1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190114			72,350.29	1
08/31/19	930.21	BDEX 01 1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190337			72,700.29	1
08/31/19	930.21	BDEX 02 1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190337			72,769.89	1
08/31/19	930.21	BDEX 01 1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4335		73,119.89	1
08/31/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4334		73,469.89	1
08/31/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4334		73,483.81	1
08/31/19	930.21	BDEX 01 1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190339			73,833.81	1

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DATE	ACCOUNT	ITEM	ID	DEPT	VENDOR	VENDNAME	DEBIT	CREDIT	DESCRIPTION	CHECK	ACH	SEQ	BALANCE	TR
08/31/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190339			73,868.61	1
08/31/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190336			74,218.61	1
08/31/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190336			74,251.09	1
08/31/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190338			74,601.09	1
08/31/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190338			74,633.57	1
08/31/19	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190343			74,983.57	1
08/31/19	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190343			75,000.97	1
08/31/19	930.21	BDEX	10	1904	33300162	RURAL CO-OP CREDIT UNION	1,703.00	.00	LODGING/MEALS/TRAVEL-OTHER MTGS				76,703.97	1
08/31/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190337			77,053.97	1
08/31/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190337			77,123.57	1
08/31/19	930.21	BDEX	10	1904	33300162	RURAL CO-OP CREDIT UNION	.00	1,703.00-	LODGING/MEALS/TRAVEL-OTHER MTGS				75,420.57	1
08/31/19	930.21	BDEX	11	1904	33300162	RURAL CO-OP CREDIT UNION	1,703.00	.00	NRECA REGIONAL-TACKETT/HAYNES	190417			77,123.57	1
08/31/19	930.21	UTIL	14	1904	33301188	VERIZON	246.47	.00	TELEPHONE-CELL PHONE/ACCESSORIES	190527			77,370.04	1
08/31/19	930.21	BDEX	01	1904			.00	350.00-	JE 12226				77,020.04	49
08/31/19	930.21	BDEX	02	1904			.00	69.60-	JE 12226				76,950.44	49
08/31/19	930.21	BDEX	01	1904			350.00	.00	JE 12226-GREG BEARD				77,300.44	49
08/31/19	930.21	BDEX	02	1904			69.60	.00	JE 12226-GREG BEARD				77,370.04	49
08/31/19	930.21	SJOO	12	1902			1,075.00	.00	EXP PREPAID & RECORD ACCRUED INS				78,445.04	41
08/31/19	930.21	SJOO	60	1904			.00	6.59-	COST ALLOCATION BASED ON LABOR				78,438.45	49
09/01/19	930.21	BDEX	04	1904	33304590	HUMANA INC	516.78	.00	INSURANCE - MEDICAL	190334			78,955.23	1
09/05/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190337			80,305.23	1
09/05/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190337			80,374.83	1
09/05/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4334		81,724.83	1
09/05/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4334		81,738.75	1
09/05/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190336			81,771.23	1
09/05/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190336			83,121.23	1
09/05/19	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190343			84,471.23	1
09/05/19	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190343			84,488.63	1
09/05/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4335		85,838.63	1
09/05/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190339			87,188.63	1
09/05/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190339			87,223.43	1
09/05/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190338			88,573.43	1
09/05/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190338			88,605.91	1
09/05/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	190338			88,805.91	1
09/17/19	930.21	UTIL	14	1904	33301188	VERIZON	243.60	.00	TELEPHONE-CELL PHONE/ACCESSORIES	190527			89,049.51	1
09/30/19	930.21	BDEX	11	1904	33300162	RURAL CO-OP CREDIT UNION	1,084.00	.00	NRECA TRAINING-GREG BEARD	190768			90,133.51	1
09/30/19	930.21	BDEX	11	1904	33300162	RURAL CO-OP CREDIT UNION	.00	1,084.00-	CANCEL NRECA TRAINING-GREG BEARD	190768			89,049.51	1
09/30/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	450.00	.00	RICK H-KAEC BOARD MEETING		4409		89,499.51	1
09/30/19	930.21	BDEX	10	1904	33304776	RICHARD T HALLORAN	167.50	.00	LODGING/MEALS/TRAVEL-OTHER MTGS		4409		89,667.01	1
09/30/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	145.00	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4409		89,812.01	1
09/30/19	930.21	SJOO	12	1902			1,074.31	.00	EXP PREPAID & RECORD ACCRUED INS				90,886.32	41
09/30/19	930.21	SJOO	60	1904			.00	4.98-	COST ALLOCATION BASED ON LABOR				90,881.34	49
10/01/19	930.21	BDEX	04	1904	33304590	HUMANA INC	516.78	.00	INSURANCE - MEDICAL	190691			91,398.12	1
10/03/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190811			92,748.12	1
10/03/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190811			92,817.72	1
10/03/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4411		94,167.72	1
10/03/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4409		95,517.72	1
10/03/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4409		95,531.64	1
10/03/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190813			96,881.64	1
10/03/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190813			96,916.44	1
10/03/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190808			96,948.92	1
10/03/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190808			98,298.92	1
10/03/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190812			99,648.92	1
10/03/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190812			99,681.40	1
10/03/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	190812			99,881.40	1

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DATE	ACCOUNT	ITEM ID	DEPT	VENDOR	VENDNAME	DEBIT	CREDIT	DESCRIPTION	CHECK	ACH	SEQ	BALANCE	TR
10/03/19	930.21	BDEX 01 1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	190818				101,231.40	1
10/03/19	930.21	BDEX 02 1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	190818				101,248.80	1
10/15/19	930.21	UTIL 14 1904	33301188	VERIZON	243.95	.00	TELEPHONE-CELL PHONE/ACCESSORIES	190878				101,492.75	1
10/31/19	930.21	BDEX 01 1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191131				101,842.75	1
10/31/19	930.21	BDEX 02 1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191131				101,912.35	1
10/31/19	930.21	BDEX 01 1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4465			102,262.35	1
10/31/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4463			102,612.35	1
10/31/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4463			102,626.27	1
10/31/19	930.21	BDEX 01 1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191133				102,976.27	1
10/31/19	930.21	BDEX 02 1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191133				103,011.07	1
10/31/19	930.21	BDEX 01 1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191130				103,361.07	1
10/31/19	930.21	BDEX 02 1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191130				103,393.55	1
10/31/19	930.21	BDEX 01 1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191132				103,743.55	1
10/31/19	930.21	BDEX 02 1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191132				103,776.03	1
10/31/19	930.21	BDEX 01 1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191138				104,126.03	1
10/31/19	930.21	BDEX 02 1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191138				104,143.43	1
10/31/19	930.21	BDEX 10 1904	33300162	RURAL CO-OP CREDIT UNION	4,706.17	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	191082				108,849.60	1
10/31/19	930.21	BDEX 08 1904	33304924	BORIS HAYNES	1,400.00	.00	DIRECTORS' FEES - OTHER MTGS	191307				110,249.60	1
10/31/19	930.21	BDEX 09 1904	33304924	BORIS HAYNES	183.28	.00	MILEAGE - OTHER MEETINGS	191307				110,432.88	1
10/31/19	930.21	BDEX 10 1904	33304924	BORIS HAYNES	933.84	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	191307				111,366.72	1
10/31/19	930.21	BDEX 08 1904	33305191	JAMES B TACKETT	700.00	.00	DIRECTORS' FEES - OTHER MTGS	191310				112,066.72	1
10/31/19	930.21	BDEX 09 1904	33305191	JAMES B TACKETT	157.76	.00	MILEAGE - OTHER MEETINGS	191310				112,224.48	1
10/31/19	930.21	BDEX 10 1904	33305191	JAMES B TACKETT	79.11	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	191310				112,303.59	1
10/31/19	930.21	SJOO 12 1902			1,074.31	.00	EXP PREPAID & RECORD ACCRUED INS					113,377.90	41
10/31/19	930.21	SJOO 60 1904			.00	11.25-	COST ALLOCATION BASED ON LABOR					113,366.65	49
11/01/19	930.21	BDEX 04 1904	33304590	HUMANA INC	516.78	.00	INSURANCE - MEDICAL	191125				113,883.43	1
11/04/19	930.21	BDEX 01 1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191131				114,233.43	1
11/04/19	930.21	BDEX 02 1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191131				114,303.03	1
11/04/19	930.21	BDEX 01 1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191131				114,653.03	1
11/04/19	930.21	BDEX 02 1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191131				114,722.63	1
11/04/19	930.21	BDEX 01 1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4465			115,072.63	1
11/04/19	930.21	BDEX 01 1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4465			115,422.63	1
11/04/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4463			115,772.63	1
11/04/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4463			115,786.55	1
11/04/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4463			116,136.55	1
11/04/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4463			116,150.47	1
11/04/19	930.21	BDEX 01 1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191133				116,500.47	1
11/04/19	930.21	BDEX 02 1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191133				116,535.27	1
11/04/19	930.21	BDEX 01 1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191133				116,885.27	1
11/04/19	930.21	BDEX 02 1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191133				116,920.07	1
11/04/19	930.21	BDEX 01 1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191130				117,270.07	1
11/04/19	930.21	BDEX 02 1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191130				117,302.55	1
11/04/19	930.21	BDEX 01 1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191130				117,652.55	1
11/04/19	930.21	BDEX 02 1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191130				117,685.03	1
11/04/19	930.21	BDEX 01 1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191132				118,035.03	1
11/04/19	930.21	BDEX 02 1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191132				118,067.51	1
11/04/19	930.21	BDEX 01 1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191132				118,417.51	1
11/04/19	930.21	BDEX 02 1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191132				118,449.99	1
11/04/19	930.21	BDEX 01 1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191138				118,799.99	1
11/04/19	930.21	BDEX 02 1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191138				118,817.39	1
11/04/19	930.21	BDEX 01 1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191138				119,167.39	1
11/04/19	930.21	BDEX 02 1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191138				119,184.79	1
11/06/19	930.21	BDEX 01 1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4463			119,534.79	1
11/06/19	930.21	BDEX 02 1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4463			119,548.71	1
11/06/19	930.21	BDEX 01 1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191130				119,898.71	1

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DATE	ACCOUNT	ITEM	ID	DEPT	VENDOR	VENDNAME	DEBIT	CREDIT	DESCRIPTION	CHECK	ACH	SEQ	BALANCE	TR
11/06/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191130			119,931.19	1
11/06/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191131			120,281.19	1
11/06/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191131			120,350.79	1
11/06/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191132			120,700.79	1
11/06/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191132			120,733.27	1
11/06/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191133	4465		121,083.27	1
11/06/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191133			121,433.27	1
11/06/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191133			121,468.07	1
11/06/19	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191138			121,818.07	1
11/06/19	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191138			121,835.47	1
11/15/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191305			123,185.47	1
11/15/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191305			123,255.07	1
11/15/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191307	4503		124,605.07	1
11/15/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191307	4500		125,955.07	1
11/15/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191307	4500		125,968.99	1
11/15/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191307			127,318.99	1
11/15/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191307			127,353.79	1
11/15/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191304			127,386.27	1
11/15/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191304			128,736.27	1
11/15/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191306			130,086.27	1
11/15/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191306			130,118.75	1
11/15/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	191306			130,318.75	1
11/15/19	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191310			131,668.75	1
11/15/19	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191310			131,686.15	1
11/19/19	930.21	UTIL	14	1904	33301188	VERIZON	244.02	.00	TELEPHONE-CELL PHONE/ACCESSORIES	191285			131,930.17	1
11/21/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191364			132,280.17	1
11/21/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191364			132,349.77	1
11/22/19	930.21	BDEX	07	1904	33305453	CASHSTAR INC	50.00	.00	(2)KROGER GIFT CARDS	191364	4506		132,399.77	1
11/25/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191366	4518		132,749.77	1
11/25/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191366	4517		133,099.77	1
11/25/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191366	4517		133,113.69	1
11/25/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191366			133,463.69	1
11/25/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191366			133,498.49	1
11/25/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191363			133,848.49	1
11/25/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191363			133,880.97	1
11/25/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191365			134,230.97	1
11/25/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191365			134,263.45	1
11/25/19	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191368			134,613.45	1
11/25/19	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191368			134,630.85	1
11/25/19	930.21	BDEX	08	1904	33304924	BORIS HAYNES	1,050.00	.00	DIRECTORS' FEES - OTHER MTGS	191366			135,680.85	1
11/25/19	930.21	BDEX	09	1904	33304924	BORIS HAYNES	183.28	.00	MILEAGE - OTHER MEETINGS	191366			135,864.13	1
11/25/19	930.21	BDEX	10	1904	33304924	BORIS HAYNES	28.53	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	191366			135,892.66	1
11/30/19	930.21	BDEX	08	1904	33304776	RICHARD T HALLORAN	700.00	.00	DIRECTORS' FEES - OTHER MTGS	191661	4574		136,592.66	1
11/30/19	930.21	BDEX	09	1904	33304776	RICHARD T HALLORAN	145.00	.00	MILEAGE - OTHER MEETINGS	191661	4574		136,737.66	1
11/30/19	930.21	BDEX	10	1904	33304776	RICHARD T HALLORAN	14.50	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	191661	4574		136,752.16	1
11/30/19	930.21	SJOO	12	1902			1,074.31	.00	EXP PREPAID & RECORD ACCRUED INS				137,826.47	41
11/30/19	930.21	SJOO	60	1904			.00	7.34-	COST ALLOCATION BASED ON LABOR				137,819.13	49
12/01/19	930.21	BDEX	04	1904	33304590	HUMANA INC	516.78	.00	INSURANCE - MEDICAL	191428			138,335.91	1
12/13/19	930.21	BDEX	01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191661			139,685.91	1
12/13/19	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.60	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191661			139,755.51	1
12/13/19	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191661			141,105.51	1
12/13/19	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191661	4577		142,455.51	1
12/13/19	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.92	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191661	4574		142,469.43	1
12/13/19	930.21	BDEX	01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191663			143,819.43	1
12/13/19	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191663			143,854.23	1

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12/13/19	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191659			143,886.71	1
12/13/19	930.21	BDEX	01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191659			145,236.71	1
12/13/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191662			146,586.71	1
12/13/19	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.48	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191662			146,619.19	1
12/13/19	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	191662			146,819.19	1
12/13/19	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191667			148,169.19	1
12/13/19	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.40	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191667			148,186.59	1
12/18/19	930.21	UTIL	14	1904	33301188	VERIZON	243.99	.00	TELEPHONE-CELL PHONE/ACCESSORIES	191643			148,430.58	1
12/31/19	930.21	BDEX	10	1904	33300115	KEC INC	360.00	.00	KEC ANNUAL MEETING			4605	148,790.58	1
12/31/19	930.21	BDEX	10	1904	33300162	RURAL CO-OP CREDIT UNION	1,931.10	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	191892			150,721.68	1
12/31/19	930.21	BDEX	08	1904	33304921	JAMES G BEARD	1,050.00	.00	DIRECTORS' FEES - OTHER MTGS	191918			151,771.68	1
12/31/19	930.21	BDEX	09	1904	33304921	JAMES G BEARD	145.00	.00	MILEAGE - OTHER MEETINGS	191918			151,916.68	1
12/31/19	930.21	BDEX	10	1904	33304921	JAMES G BEARD	120.31	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	191918			152,036.99	1
12/31/19	930.21	BDEX	08	1904	33304923	CATHY C EPPERSON	1,400.00	.00	DIRECTORS' FEES - OTHER MTGS			4633	153,436.99	1
12/31/19	930.21	BDEX	10	1904	33304923	CATHY C EPPERSON	116.89	.00	LODGING/MEALS/TRAVEL-OTHER MTGS			4633	153,553.88	1
12/31/19	930.21	BDEX	09	1904	33304923	CATHY C EPPERSON	199.52	.00	MILEAGE - OTHER MEETINGS			4633	153,753.40	1
12/31/19	930.21	BDEX	08	1904	33305191	JAMES B TACKETT	1,050.00	.00	DIRECTORS' FEES - OTHER MTGS	191923			154,803.40	1
12/31/19	930.21	BDEX	09	1904	33305191	JAMES B TACKETT	203.00	.00	MILEAGE - OTHER MEETINGS	191923			155,006.40	1
12/31/19	930.21	BDEX	10	1904	33305191	JAMES B TACKETT	92.51	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	191923			155,098.91	1
12/31/19	930.21	SJOO	12	1902			1,074.31	.00	EXP PREPAID & RECORD ACCRUED INS				156,173.22	41
12/31/19	930.21	SJOO	60	1904			.00	9.17-	COST ALLOCATION BASED ON LABOR				156,164.05	49
01/03/20	930.21	BDEX	06	1904	33300238	N R E C A	18.08	.00	BUSINESS TRAVEL 24 HR	191779			156,182.13	1
01/07/20	930.21	BDEX	04	1904	33304590	HUMANA INC	542.40	.00	INSURANCE - MEDICAL	191821			156,724.53	1
01/15/20	930.21	BDEX	01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191918			158,074.53	1
01/15/20	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.00	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191918			158,143.53	1
01/15/20	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS			4633	159,493.53	1
01/15/20	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS			4631	160,843.53	1
01/15/20	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS			4631	160,857.33	1
01/15/20	930.21	BDEX	01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191920			162,207.33	1
01/15/20	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.50	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191920			162,241.83	1
01/15/20	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.20	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191916			162,274.03	1
01/15/20	930.21	BDEX	01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191916			163,624.03	1
01/15/20	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191919			164,974.03	1
01/15/20	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.20	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191919			165,006.23	1
01/15/20	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	191919			165,206.23	1
01/15/20	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	191923			166,556.23	1
01/15/20	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.25	.00	MILEAGE-REGULAR & COMMITTEE MTGS	191923			166,573.48	1
01/22/20	930.21	UTIL	14	1904	33301188	VERIZON	238.63	.00	TELEPHONE-CELL PHONE/ACCESSORIES	191978			166,812.11	1
01/31/20	930.21	BDEX	06	1904			159.11	.00	JE 12313-HARTFORD 24 ACCIDENT				166,971.22	49
01/31/20	930.21	SJOO	12	1902			1,074.31	.00	EXP PREPAID & RECORD ACCRUED INS				168,045.53	41
01/31/20	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	700.00	.00	RICK H-KAEC BOARD MEETING				168,745.53	1
01/31/20	930.21	BDEX	10	1904	33304776	RICHARD T HALLORAN	172.95	.00	LODGING/MEALS/TRAVEL-OTHER MTGS				168,918.48	1
01/31/20	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	143.75	.00	MILEAGE-REGULAR & COMMITTEE MTGS				169,062.23	1
01/31/20	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	.00	700.00-	RICK H-KAEC BOARD MEETING				168,362.23	1
01/31/20	930.21	BDEX	10	1904	33304776	RICHARD T HALLORAN	.00	172.95-	LODGING/MEALS/TRAVEL-OTHER MTGS				168,189.28	1
01/31/20	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	.00	143.75-	MILEAGE-REGULAR & COMMITTEE MTGS				168,045.53	1
01/31/20	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	450.00	.00	RICK H-KAEC BOARD MEETING			4706	168,495.53	1
01/31/20	930.21	BDEX	10	1904	33304776	RICHARD T HALLORAN	172.95	.00	LODGING/MEALS/TRAVEL-OTHER MTGS			4706	168,668.48	1
01/31/20	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	143.75	.00	MILEAGE-REGULAR & COMMITTEE MTGS			4706	168,812.23	1
01/31/20	930.21	BDEX	08	1904	33305191	JAMES B TACKETT	700.00	.00	DIRECTORS' FEES - OTHER MTGS	192346			169,512.23	1
01/31/20	930.21	BDEX	09	1904	33305191	JAMES B TACKETT	138.00	.00	MILEAGE - OTHER MEETINGS	192346			169,650.23	1
01/31/20	930.21	BDEX	10	1904	33305191	JAMES B TACKETT	21.29	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	192346			169,671.52	1
01/31/20	930.21	SJOO	60	1904			.00	4.05-	COST ALLOCATION BASED ON LABOR				169,667.47	49
02/03/20	930.21	BDEX	04	1904	33304590	HUMANA INC	542.40	.00	INSURANCE - MEDICAL	192139			170,209.87	1
02/19/20	930.21	UTIL	14	1904	33301188	VERIZON	223.37	.00	TELEPHONE-CELL PHONE/ACCESSORIES	192275			170,433.24	1

SOUTH KENTUCKY RECC

ACCOUNT ANALYSIS
 FOR ACCT: 93021 DIRECTORS FEES AND MILEAGE
 DATE RANGE FROM 04/01/19 TO 03/31/20

PAGE NO 8
 RUN DATE 1/21/2022 17:02:34

DATE	ACCOUNT	ITEM	ID	DEPT	VENDOR	VENDNAME	DEBIT	CREDIT	DESCRIPTION	CHECK	ACH	SEQ	BALANCE	TR
02/21/20	930.21	BDEX	01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192343			171,783.24	1
02/21/20	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.00	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192343			171,852.24	1
02/21/20	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4708		173,202.24	1
02/21/20	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4706		174,552.24	1
02/21/20	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4706		174,566.04	1
02/21/20	930.21	BDEX	01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192345			175,916.04	1
02/21/20	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.50	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192345			175,950.54	1
02/21/20	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.20	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192341			175,982.74	1
02/21/20	930.21	BDEX	01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192341			177,332.74	1
02/21/20	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192344			178,682.74	1
02/21/20	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.20	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192344			178,714.94	1
02/21/20	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	192344			178,914.94	1
02/21/20	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192346			180,264.94	1
02/21/20	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.25	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192346			180,282.19	1
02/28/20	930.21	BDEX	10	1904	33300162	RURAL CO-OP CREDIT UNION	443.92	.00	LODGING/MEALS/TRAVEL-OTHER MTGS	192397			180,726.11	1
02/28/20	930.21	SJOO	12	1902			1,074.31	.00	EXP PREPAID & RECORD ACCRUED INS				181,800.42	41
02/28/20	930.21	SJOO	60	1904			.00	1.21-	COST ALLOCATION BASED ON LABOR				181,799.21	49
03/01/20	930.21	BDEX	04	1904	33304590	HUMANA INC	542.40	.00	INSURANCE - MEDICAL	192420			182,341.61	1
03/11/20	930.21	UTIL	14	1904	33301188	VERIZON	237.10	.00	TELEPHONE-CELL PHONE/ACCESSORIES	192488			182,578.71	1
03/18/20	930.21	BDEX	01	1904	33304921	JAMES G BEARD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192587			183,928.71	1
03/18/20	930.21	BDEX	02	1904	33304921	JAMES G BEARD	69.00	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192587			183,997.71	1
03/18/20	930.21	BDEX	01	1904	33304923	CATHY C EPPERSON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4753		185,347.71	1
03/18/20	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS				186,697.71	1
03/18/20	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS				186,711.51	1
03/18/20	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	100.00	.00	RICK H-KAEC BOARD MEETING		4751		186,811.51	1
03/18/20	930.21	BDEX	01	1904	33304924	BORIS HAYNES	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192589			188,161.51	1
03/18/20	930.21	BDEX	02	1904	33304924	BORIS HAYNES	34.50	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192589			188,196.01	1
03/18/20	930.21	BDEX	02	1904	33304849	BILLY G HURD	32.20	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192585			188,228.21	1
03/18/20	930.21	BDEX	01	1904	33304849	BILLY G HURD	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192585			189,578.21	1
03/18/20	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192588			190,928.21	1
03/18/20	930.21	BDEX	02	1904	33304922	GREGORY D REDMON	32.20	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192588			190,960.41	1
03/18/20	930.21	BDEX	01	1904	33304922	GREGORY D REDMON	200.00	.00	ADDITIONAL COMPENSATION	192588			191,160.41	1
03/18/20	930.21	BDEX	01	1904	33305191	JAMES B TACKETT	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS	192592			192,510.41	1
03/18/20	930.21	BDEX	02	1904	33305191	JAMES B TACKETT	17.25	.00	MILEAGE-REGULAR & COMMITTEE MTGS	192592			192,527.66	1
03/18/20	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	1,350.00	.00	FEES - REGULAR & COMMITTEE MTGS		4751		193,877.66	1
03/18/20	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	13.80	.00	MILEAGE-REGULAR & COMMITTEE MTGS		4751		193,891.46	1
03/18/20	930.21	BDEX	01	1904	33304776	RICHARD T HALLORAN	.00	1,350.00-	FEES - REGULAR & COMMITTEE MTGS				192,541.46	1
03/18/20	930.21	BDEX	02	1904	33304776	RICHARD T HALLORAN	.00	13.80-	MILEAGE-REGULAR & COMMITTEE MTGS				192,527.66	1
03/31/20	930.21	SJOO	12	1902			1,074.31	.00	EXP PREPAID & RECORD ACCRUED INS				193,601.97	41

Total Records: 422 Total Quantity: .00 Total Debit: 200,020.97 Total Credit: 6,419.00- Net Balance: 193,601.97

Schedule A

**Board of Directors
Combined Expenses
04/19 thru 03/31/20**Industry Association Meetings

Legislative Conference	\$2,683.68	
KEC Annual Meeting	\$3,238.87	
KEC Board Meeting	\$533.54	
NRECA Regional Meeting	\$3,740.83	
NRECA Winter School	\$6,256.10	
CFC Workshop	<u>\$1,303.21</u>	
Total	\$17,756.23	Includes Director Per Diem, Lodging, Meals, Mileage
Post-Retirement Benefits	\$250.00	
Business Travel Insurance	\$177.19	
Deceased Director Spouse Ins	\$6,278.22	
Director Spouse Meeting Exp	<u>\$124.00</u>	
Total Excluded Expenses	<u><u>\$24,585.64</u></u>	

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 23**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye

COMPANY: South Kentucky RECC

Request 23. Refer to the Seelye Testimony, Exhibit WSS-4, Schedule 2.16. For the test year, provide a list of all charitable and political contributions.

Response 23. Schedule L3, Analysis of Account No. 426, aligns with Schedule 2.16. There is a slight difference of \$124. This amount is related to a director's spouse expense at the KEC annual meeting held that year. The \$124 expense has been excluded from our director expenses as noted in question 22a above. The amount for Charitable, Civic Activities and Political events is \$27,307.29. (\$27,431.29 less \$124.) Please see attached.

Schedule L3

South Kentucky Rural Electric Cooperative Corporation Case No. 2021-00407

Analysis of Account No. 426 – Other Income Deductions For the Test Year

Line No.	Item (a)	Amount (b)
1	Donations	\$17,803.86
2	Civic Activities	\$2,455.98
3	Political Activities	\$0.00
4	Other	\$7,171.45
5	Total	\$27,431.29

Note: Include detailed workpapers supporting this analysis. Expenditures under \$500 are to be grouped by the classes shown on this Form.

Witnesses: Michelle Herrman and Steve Seelye

DATE	ACCOUNT	ITEM ID	DEPT	VENDOR	VENDOR NAME	DEBIT	CREDIT	DESCRIPTION	CHECK	ACH SEQ	BALANCE	TRANCODE
04/04/19	426.10	MPRL 04	1901	33302902	MCCREARY COUNTY FAIR BOARD	100.00	.00	MCCREARY CO FAIR BOARD	188455		100.00	1
04/15/19	426.10	MPRL 04	1901	33300311	WAYNE CO BOARD OF EDUCATION	100.00	.00	WAYNE CO BD OF ED	188522		200.00	1
04/16/19	426.10	MPRL 04	1901	33305424	BENNY BROWN TRUCKING LLC	70.00	.00	NATIONAL FIRE SAFETY-RUSSELL			270.00	1
04/16/19	426.10	MPRL 04	1901	33301073	NAT'L CHILD SAFETY COUNCIL	70.00	.00	NAT'L CHILD SAFETY COUNCIL	188526		340.00	1
04/16/19	426.10	MPRL 04	1901	33305424	BENNY BROWN TRUCKING LLC	.00	-70.00	NATIONAL FIRE SAFETY-RUSSELL			270.00	1
04/17/19	426.10	MPRL 04	1900	33301560	EAGLES NEST COUNTRY CLUB	160.00	.00	BOBBY HAMILTON MEMORIAL	188527		550.00	1
04/26/19	426.10	ACLB 00	1702			172.72	.00	ACCRUED LABOR - MONTH END			722.72	10
04/26/19	426.10	ACLB 00	1805			172.72	.00	ACCRUED LABOR - MONTH END			895.44	10
04/29/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	36.46	.00	NORTHERN MIDDLE			931.90	1
04/29/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	.00	-36.46	NORTHERN MIDDLE			895.44	1
04/29/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	50.00	.00	PRIDE	188775		945.44	1
04/29/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	36.46	.00	NORTHERN MIDDLE	188775		981.90	1
04/30/19	426.10	MPRL 04	1605	33300162	RURAL CO-OP CREDIT UNION	50.00	.00	KAEC HR MEETING	188775		1,031.90	1
04/30/19	426.10	MPRL 04	1900	33300188	SOM PUL CHAMBER OF COMMERCE	375.00	.00	SOM/PC CHAMBER-BUXTON CONSULTING	188776		1,406.90	1
04/30/19	426.10	SJOO 37	1702			14.33	.00	EXP COOP PART OF EMPL BENEFITS			1,421.23	44
04/30/19	426.10	SJOO 37	1805			14.33	.00	EXP COOP PART OF EMPL BENEFITS			1,435.56	44
04/30/19	426.10	SJOO 37	1702			96.46	.00	EXP COOP PART OF EMPL BENEFITS			1,532.02	44
04/30/19	426.10	SJOO 37	1805			96.46	.00	EXP COOP PART OF EMPL BENEFITS			1,628.48	44
04/30/19	426.10	TREX 00	1702			10.60	.00	TRANSPORTATION EXPENSE			1,639.08	50
04/30/19	426.10	TREX 00	1805			16.84	.00	TRANSPORTATION EXPENSE			1,655.92	50
05/15/19	426.10	MPRL 04	1901	44408644	ALZHEIMERS ASSOCIATION	100.00	.00	ALZHEIMER WALK	188908		1,755.92	1
05/15/19	426.10	MPRL 07	1900	33304833	HABITAT FOR HUMANITY PULASKI	250.00	.00	HABITAT HUMANITY GOLF TEAM	188896		2,005.92	1
05/15/19	426.10	MPRL 10	1901	44412314	CAMP JABEZ ON THE CUMBERLAND	100.00	.00	CAMP JABEZ	188909		2,105.92	1
05/24/19	426.10	ACLB 00	1802			198.45	.00	ACCRUED LABOR - MONTH END			2,304.37	10
05/31/19	426.10	SJOO 37	1802			24.31	.00	EXP COOP PART OF EMPL BENEFITS			2,328.68	44
05/31/19	426.10	SJOO 37	1802			104.77	.00	EXP COOP PART OF EMPL BENEFITS			2,433.45	44
05/31/19	426.10	TREX 00	1802			10.70	.00	TRANSPORTATION EXPENSE			2,444.15	50
06/05/19	426.10	MPRL 04	1900	33300826	MARCH OF DIMES	500.00	.00	MARCH OF DIMES	189137		2,944.15	1
06/14/19	426.10	LARG 12	1714			304.64	.00	CHARITABLE LABOR			3,248.79	20
06/14/19	426.10	LARG 00	1802			433.88	.00	LABOR REGULAR			3,682.67	20
06/26/19	426.10	MPRL 04	1901	33304544	CONTENTED HEART QUILT GUILD	50.00	.00	CONTENTED HEART QUILT GUILD	189438		3,732.67	1
06/28/19	426.10	LARG 05	1802			317.52	.00	LEAVE OF ABSENCE LABOR			4,300.19	20
06/30/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	78.44	.00	PC CHAMBER HOLE PRIZE	189610		4,378.63	1
06/30/19	426.10	MPRL 04	1901	33304851	DAAD	100.00	.00	DAAD	189530		4,478.63	1
06/30/19	426.10	SJOO 37	1714			26.75	.00	EXP COOP PART OF EMPL BENEFITS			4,505.38	44
06/30/19	426.10	SJOO 37	1802			65.99	.00	EXP COOP PART OF EMPL BENEFITS			4,571.37	44
06/30/19	426.10	SJOO 37	1714			180.60	.00	EXP COOP PART OF EMPL BENEFITS			4,751.97	44
06/30/19	426.10	SJOO 37	1802			445.47	.00	EXP COOP PART OF EMPL BENEFITS			5,197.44	44
06/30/19	426.10	TREX 00	1714			131.44	.00	TRANSPORTATION EXPENSE			5,328.88	50

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06/30/19	426.10	TREX	00	1802		78.88	.00	TRANSPORTATION EXPENSE			5,407.76	50
07/09/19	426.10	MPRL	04	1901	33305269	FIREWORKS FUND	250.00	.00	FIREWORKS(MCCREARY CO MUSEUM)	189658	5,657.76	1
07/10/19	426.10	MPRL	04	1901	33300468	UNITED WAY OF SO CENTRAL KY	300.00	.00	UNITED WAY GOLF SCRAMBLE	189616	5,957.76	1
07/12/19	426.10	MPRL	04	1900	33302415	NATIONAL FIRE SAFETY COUNCIL	75.00	.00	NAT'L FIRE SAFETY(MONTICELLO)	189718	6,032.76	1
07/16/19	426.10	MPRL	04	1901	33302331	NATIONAL FIRE SAFETY COUNCIL	45.00	.00	NAT'L FIRE SAFETY COUNCIL	189716	6,077.76	1
07/16/19	426.10	MPRL	04	1901	44406182	THE ADANTA GROUP	50.00	.00	ADANTA-RECOVERY RALLY		6,127.76	1
07/16/19	426.10	MPRL	04	1901	44406182	THE ADANTA GROUP	.00	-50.00	ADANTA-RECOVERY RALLY		6,077.76	1
07/17/19	426.10	MPRL	04	1901	33305431	PULASKI CO ASAP	50.00	.00	PULASKI ASAP	189742	6,127.76	1
07/19/19	426.10	MPRL	04	1901	33305018	PROJECT 58:10	250.00	.00	PROJECT 58:10	189808	6,377.76	1
07/24/19	426.10	MPRL	04	1901	33302549	AMERICAN CANCER SOCIETY	100.00	.00	AMERICAN CANCER	189794	6,477.76	1
07/25/19	426.10	MPRL	04	1901	33305434	SOUTH CENTRAL ATHLETICS	50.00	.00	SOUTH CENTRAL ATHLETICS	189814	6,527.76	1
07/30/19	426.10	MPRL	04	1901	33305437	RUSSELL CO BABE RUTH 15U	250.00	.00	RUSSELL BABE RUTH 15U	189854	-3,222.24	1
07/30/19	426.10	MPRL	04	1900	33305437	RUSSELL CO BABE RUTH 15U	250.00	.00	RUSSELL BABE RUTH 15U	189854	-2,972.24	1
07/31/19	426.10	MPRL	04	1901	33300162	RURAL CO-OP CREDIT UNION	28.56	.00	DAV	191082	-2,943.68	1
07/31/19	426.10	MPRL	04	1901	33300162	RURAL CO-OP CREDIT UNION	218.28	.00	EQUITY.COOPER.HENDRICKSON	189974	-2,725.40	1
07/31/19	426.10	MPRL	04	1702	33300162	RURAL CO-OP CREDIT UNION	67.59	.00	WEATHER RADIOS-3RD THURSDAY	189974	-2,657.81	1
07/31/19	426.10	ACLB	00	1802			161.48	.00	ACCRUED LABOR - MONTH END		-2,496.33	10
07/31/19	426.10	ACLB	00	1801			308.88	.00	ACCRUED LABOR - MONTH END		-2,187.45	10
07/31/19	426.10	SJOO	37	1801			26.80	.00	EXP COOP PART OF EMPL BENEFITS		-2,160.65	44
07/31/19	426.10	SJOO	37	1802			14.01	.00	EXP COOP PART OF EMPL BENEFITS		-2,146.64	44
07/31/19	426.10	SJOO	37	1801			162.96	.00	EXP COOP PART OF EMPL BENEFITS		-1,983.68	44
07/31/19	426.10	SJOO	37	1802			85.19	.00	EXP COOP PART OF EMPL BENEFITS		-1,898.49	44
08/07/19	426.10	MPRL	04	1901	33305439	EUBANK CHEER BOOSTERS	25.00	.00	EUBANK CHEER BOOSTERS	190027	-1,873.49	1
08/12/19	426.10	MPRL	04	1901	33305326	FLASHBACK THEATER CO	100.00	.00	FLASHBACK THEATER	190119	-1,773.49	1
08/30/19	426.10	ACLB	02	1803			461.12	.00	ACCRUED LABOR (OT) - MONTH END		-4,566.03	10
08/31/19	426.10	MPRL	04	1901	33300162	RURAL CO-OP CREDIT UNION	142.79	.00	UNITED WAY.SOM CEMETERY.KIWANIS	190417	-4,423.24	1
08/31/19	426.10	SJOO	37	1803			40.07	.00	EXP COOP PART OF EMPL BENEFITS		-4,383.17	44
08/31/19	426.10	TREX	00	1803			110.72	.00	TRANSPORTATION EXPENSE		-4,272.45	50
09/04/19	426.10	MPRL	04	1901	33305131	SCIENCE HILL SCHOOL PTO	50.00	.00	SCIENCE HILL PTA	190342	-4,222.45	1
09/09/19	426.10	MPRL	04	1900	33305444	CLINTON COMMUNITY FOUNDATION	500.00	.00	ALL FOR BENNY DINNER	190463	-3,722.45	1
09/17/19	426.10	MPRL	04	1807	33304852	KRUS	300.00	.00	KRUS GOLF SCRAMBLE	190543	-3,014.08	1
09/20/19	426.10	LARG	12	1702			414.72	.00	CHARITABLE LABOR		14,100.64	20
09/20/19	426.10	LARG	05	1802			322.96	.00	LEAVE OF ABSENCE LABOR		14,423.60	20
09/27/19	426.10	ACLB	00	1802			322.96	.00	ACCRUED LABOR - MONTH END		14,885.03	10
09/30/19	426.10	MPRL	04	1901	33300162	RURAL CO-OP CREDIT UNION	138.75	.00	PC EXT.CHAMBER.OAKHILL MEMORIAL	190768	15,033.76	1
09/30/19	426.10	MPRL	04	1901	33300162	RURAL CO-OP CREDIT UNION	22.26	.00	CROCK POT(MONT DONATION)	190768	19,121.70	1
09/30/19	426.10	SJOO	37	1702			33.60	.00	EXP COOP PART OF EMPL BENEFITS		19,155.30	44
09/30/19	426.10	SJOO	37	1802			52.34	.00	EXP COOP PART OF EMPL BENEFITS		19,207.64	44
09/30/19	426.10	SJOO	37	1702			244.76	.00	EXP COOP PART OF EMPL BENEFITS		19,690.11	44
09/30/19	426.10	SJOO	37	1802			381.21	.00	EXP COOP PART OF EMPL BENEFITS		20,071.32	44

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09/30/19	426.10	TREX 00	1702		32.00	.00 TRANSPORTATION EXPENSE			21,834.84	50
10/21/19	426.10	MPRL 04	1901	33305399	RUSSELL CO FREE THANKSGIVING	50.00	.00 RUSSELL CO FREE THANKSGIVING	190956	21,793.88	1
10/23/19	426.10	MPRL 04	1900	33304258	PULASKI CO EXTENSION SERVICE	100.00	.00 PC EXTENSION	190942	20,893.88	1
10/24/19	426.10	MPRL 04	1900	33302484	NATIONAL FIRE SAFETY COUNCIL	75.00	.00 NAT'L FIRE SAFETY (ALBANY)	191290	20,968.88	1
10/28/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	84.30	.00 NORTHERN, IMM CH. FEED SHEEP		21,138.81	1
10/28/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	.00	-84.30 NORTHERN, IMM CH. FEED SHEEP		20,968.88	1
10/29/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	52.87	.00 WOODSON BEND	191082	21,021.75	1
10/29/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	84.30	.00 NORTHERN, IMM CHURCH, FEED SHEEP	191082	21,191.68	1
10/31/19	426.10	MPRL 04	1901	33304547	ANOTHER LEVEL	50.00	.00 ANOTHER LEVEL CAR CLUB	191122	21,241.68	1
11/04/19	426.10	MPRL 04	1901	33303080	TOYS FOR KIDS	50.00	.00 TOYS FOR KIDS	191111	20,496.37	1
11/08/19	426.10	MPRL 04	1900	44414987	BULLOCK, ROBIN	90.00	.00 KEC WIRE AUCTION	191238	19,586.37	1
11/25/19	426.10	MPRL 04	1901	33305454	THE LOVE OF JESUS MINISTRIES	50.00	.00 LOVE OF JESUS MINISTRIES	191371	19,636.37	1
11/25/19	426.10	MPRL 04	1901	33301703	PROJECT GRADUATION	50.00	.00 PROJECT GRADUATION-WAYNE	191354	19,686.37	1
11/27/19	426.10	MPRL 04	1900	44414996	JONES, MERANDA	100.00	.00 PC CHAMBER(ORNAMENTS)	191373	19,786.37	1
11/30/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	134.21	.00 EUBANK, HABITAT, BETHEL BAPT	191403	19,920.58	1
11/30/19	426.10	MPRL 04	1900	33305130	THINKING OF YOU LLC	212.00	.00 SOMERSET CHAMBER AUCTION	191430	20,132.58	1
12/04/19	426.10	MPRL 04	1901	33300342	SOMERSET COMMUNITY COLLEGE	50.00	.00 COSMETOLOGY CLUB-SCC	191407	20,182.58	1
12/31/19	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	52.87	.00 JAYCEES TOYS FOR TOTS	191774	20,235.45	1
12/31/19	426.10	ADJU 00	1603		223.18	.00 AJ 1219			20,582.63	49
01/13/20	426.10	MPRL 04	1901	33305174	SOMERSET HIGH SCHOOL DRAMA	100.00	.00 SOM HIGH DRAMA	191922	21,482.63	1
01/22/20	426.10	MPRL 04	1901	33301687	RUSSELL COUNTY CHEERLEADERS	50.00	.00 RS CHEERLEADERS	191979	21,558.63	1
01/24/20	426.10	LARG 12	1700		238.96	.00 CHARITABLE LABOR			21,797.59	20
01/27/20	426.10	MPRL 04	1901	33305345	LIBERTY NATURE CENTER	100.00	.00 LIBERTY NATURE CENTER	192051	21,897.59	1
01/31/20	426.10	SJOO 37	1700		21.11	.00 EXP COOP PART OF EMPL BENEFITS			22,698.70	44
01/31/20	426.10	SJOO 37	1700		136.20	.00 EXP COOP PART OF EMPL BENEFITS			22,834.90	44
02/10/20	426.10	MPRL 04	1900	33300468	UNITED WAY OF SO CENTRAL KY	3,000.00	.00 UNITED WAY	192203	25,834.90	1
02/24/20	426.10	MPRL 04	1901	33304913	PULASKI IMAGINATION LIBRARY	150.00	.00 PC IMAGINATION LIBRARY	192342	26,274.90	1
02/24/20	426.10	MPRL 04	1901	33305464	SCIENCE HILL ARCHERY	25.00	.00 SCIENCE HILL ARCHERY		26,299.90	1
02/24/20	426.10	MPRL 04	1901	33305464	SCIENCE HILL ARCHERY	.00	-25.00 SCIENCE HILL ARCHERY		26,274.90	1
02/25/20	426.10	MPRL 04	1901	33305464	SCIENCE HILL ARCHERY	50.00	.00 SCIENCE HILL ARCHERY	192350	26,324.90	1
02/27/20	426.10	MPRL 04	1901	33301217	CLINTON COUNTY HIGH SCHOOL	150.00	.00 CLINTON CO GEAR UP	192329	26,474.90	1
02/28/20	426.10	MPRL 04	1901	33300664	SOMERSET HIGH SCHOOL	25.00	.00 SOMERSE HIGH-SCIENCE PRIZE	192401	26,499.90	1
03/03/20	426.10	MPRL 04	1901	33304736	WAYNE COUNTY HOSPITAL	100.00	.00 WAYNE CO HOSPITAL(EGG HUNT)	192423	26,599.90	1
03/09/20	426.10	MPRL 04	1702	33305467	BE THE VILLAGE	100.00	.00 BE THE VILLAGE	192526	26,699.90	1
03/11/20	426.10	MPRL 04	1901	33302407	PROJECT GRADUATION-PULASKI	50.00	.00 PC PROJECT GRAD	192497	26,749.90	1
03/13/20	426.10	MPRL 04	1901	33302278	PROJECT GRADUATION	50.00	.00 SWHS PROJECT GRADUATION	192576	26,799.90	1
03/20/20	426.10	LARG 00	1713		315.92	.00 LABOR REGULAR			27,115.82	20
03/31/20	426.10	MPRL 04	1901	33300162	RURAL CO-OP CREDIT UNION	31.63	.00 AUTISM PALOOZA	192770	27,147.45	1
03/31/20	426.10	SJOO 37	1713		27.03	.00 EXP COOP PART OF EMPL BENEFITS			27,174.48	44
03/31/20	426.10	SJOO 37	1713		183.09	.00 EXP COOP PART OF EMPL BENEFITS			27,357.57	44

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03/31/20	426.10	TREX 00 1713		73.72	.00	TRANSPORTATION EXPENSE			27,431.29	50
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	WA KENDALL-ROGERS SCHOLARS GOLF			5,527.76	80
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	1ST NATL BANK-ROGER SCHOLAR GOLF			4,527.76	80
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	MCM CPA-ROGERS SCHOLARS GOLF			3,527.76	80
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	DAVIS H ELLOIT-ROG SCHOLAR GOLF			2,527.76	80
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	EKP-ROGERS SCHOLARS GOLF			1,527.76	80
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	KAEC-ROGERS SCHOLARS GOLF			527.76	80
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	ANTHEM BC/BS-ROGERS SCHOLAR GOLF			-472.24	80
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	CITIZENS NATL BANK-ROG SCH GOLF			-1,472.24	80
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	CUMB VALLEY ELEC-ROG SCH GOLF			-2,472.24	80
07/25/19	426.11	CASH 13 1603		.00	-1,000.00	GOSS SAMFORD ATT-ROG SCH GOLF			-3,472.24	80
08/21/19	426.11	MPRL 07 1900	33304908 HALO BRANDED SOLUTIONS INC	746.34	.00	(12) UNITS-GOLF BALLS		4315	-1,027.15	1
08/28/19	426.11	CASH 13 1603		.00	-1,000.00	CUMB LAKE SHELL-ROG SCH GOLF			-2,027.15	80
08/28/19	426.11	CASH 13 1603		.00	-1,000.00	FREI MECHANICAL INC-ROG SCH GOLF			-3,027.15	80
08/28/19	426.11	CASH 13 1603		.00	-1,000.00	JOSHUA&MARGARET SMITH-ROG SCH GF			-4,027.15	80
08/28/19	426.11	CASH 13 1603		.00	-1,000.00	REDMON RENTALS-ROG SCH GOLF			-5,027.15	80
09/11/19	426.11	MPRL 07 1900	33302516 NEW HORIZON GRAPHICS	266.33	.00	(15)NEW HORIZON SIGNS(2017 EXP)	190534		-3,456.12	1
09/11/19	426.11	MPRL 07 1900	33302516 NEW HORIZON GRAPHICS	142.04	.00	(8) NEW HORIZON SIGNS(2018 EXP)	190534		-3,314.08	1
09/18/19	426.11	MPRL 07 1900	33302235 THE CENTER FOR RURAL DEVELOP	15,000.00	.00	CENTER RURAL DEVELOP	190530		11,985.92	1
09/18/19	426.11	MPRL 07 1900	22200670 HERRMAN, MICHELLE	1,700.00	.00	CASH ADVANCE-MICHELLE H	190523		13,685.92	1
09/20/19	426.11	CASH 13 1603		.00	-1,500.00	PHILLIPS TREE EXPERTS-ROG SCH-GF			12,923.60	80
09/20/19	426.11	CASH 13 1603		.00	-500.00	DW WILBURN-ROGERS SCHOLAR-GOLF			12,423.60	80
09/20/19	426.11	CASH 13 1603		.00	-1,000.00	CUMB SEC BANK-ROGER SCHOLAR-GOLF			11,423.60	80
09/23/19	426.11	MPRL 07 1900	33302516 NEW HORIZON GRAPHICS	204.58	.00	NEW HORIZON-BANNER/CHECK	190790		11,628.18	1
09/27/19	426.11	ACLB 00 1702		689.68	.00	ACCRUED LABOR - MONTH END			12,317.86	10
09/27/19	426.11	ACLB 00 1703		139.25	.00	ACCRUED LABOR - MONTH END			12,457.11	10
09/27/19	426.11	ACLB 00 1805		352.72	.00	ACCRUED LABOR - MONTH END			12,809.83	10
09/27/19	426.11	ACLB 00 1806		612.08	.00	ACCRUED LABOR - MONTH END			13,421.91	10
09/27/19	426.11	ACLB 00 1808		523.04	.00	ACCRUED LABOR - MONTH END			13,944.95	10
09/27/19	426.11	ACLB 00 1900		294.16	.00	ACCRUED LABOR - MONTH END			14,239.11	10
09/27/19	426.11	ACLB 00 1901		322.96	.00	ACCRUED LABOR - MONTH END			14,562.07	10
09/30/19	426.11	MPRL 07 1900	33300162 RURAL CO-OP CREDIT UNION	900.00	.00	GIFT CARDS-KROGER/TEXAS ROADHSE	190768		15,933.76	1
09/30/19	426.11	MPRL 07 1900	33304585 HONEYBAKED HAM AND CAFE	809.55	.00	90 BOX LUNCHESES-HONEYBAKED HAM	190803		16,743.31	1
09/30/19	426.11	MPRL 07 1900	33301560 EAGLES NEST COUNTRY CLUB	2,877.43	.00	EAGLE'S NEST COUNTRY CLUB	190780		19,620.74	1
09/30/19	426.11	CASH 13 1603		.00	-1,000.00	UNITED CUMB BANK-ROG SCH-GOLF			18,620.74	80
09/30/19	426.11	CASH 13 1603		.00	-1,000.00	CINTAS-ROGERS SCHOLARS-GOLF			17,620.74	80
09/30/19	426.11	MPRL 07 1900	33301254 MODERN DISTRIBUTORS INC	1,478.70	.00	MODERN DISTRIBUTORS(100 MEALS)		4396	19,099.44	1
09/30/19	426.11	SJOO 37 1702		55.88	.00	EXP COOP PART OF EMPL BENEFITS			19,263.52	44
09/30/19	426.11	SJOO 37 1703		11.28	.00	EXP COOP PART OF EMPL BENEFITS			19,274.80	44
09/30/19	426.11	SJOO 37 1805		28.58	.00	EXP COOP PART OF EMPL BENEFITS			19,303.38	44

11/11/19

09/30/19	426.11	SJOO	37	1806	49.59	.00 EXP COOP PART OF EMPL BENEFITS		19,352.97	44			
09/30/19	426.11	SJOO	37	1808	42.38	.00 EXP COOP PART OF EMPL BENEFITS		19,395.35	44			
09/30/19	426.11	SJOO	37	1900	23.83	.00 EXP COOP PART OF EMPL BENEFITS		19,419.18	44			
09/30/19	426.11	SJOO	37	1901	26.17	.00 EXP COOP PART OF EMPL BENEFITS		19,445.35	44			
09/30/19	426.11	SJOO	37	1702	407.03	.00 EXP COOP PART OF EMPL BENEFITS		20,478.35	44			
09/30/19	426.11	SJOO	37	1703	82.18	.00 EXP COOP PART OF EMPL BENEFITS		20,560.53	44			
09/30/19	426.11	SJOO	37	1805	208.17	.00 EXP COOP PART OF EMPL BENEFITS		20,768.70	44			
09/30/19	426.11	SJOO	37	1806	361.24	.00 EXP COOP PART OF EMPL BENEFITS		21,129.94	44			
09/30/19	426.11	SJOO	37	1808	308.69	.00 EXP COOP PART OF EMPL BENEFITS		21,438.63	44			
09/30/19	426.11	SJOO	37	1900	173.61	.00 EXP COOP PART OF EMPL BENEFITS		21,612.24	44			
09/30/19	426.11	SJOO	37	1901	190.60	.00 EXP COOP PART OF EMPL BENEFITS		21,802.84	44			
09/30/19	426.11	TREX	00	1702	41.44	.00 TRANSPORTATION EXPENSE		21,876.28	50			
09/30/19	426.11	TREX	00	1805	41.76	.00 TRANSPORTATION EXPENSE		21,918.04	50			
09/30/19	426.11	TREX	00	1808	65.84	.00 TRANSPORTATION EXPENSE		21,983.88	50			
10/04/19	426.11	MPRL	07	1900	.00	-120.00 HERRMAN-CASH ADV-RGRS SCHLR-GOLF		21,743.88	80			
10/21/19	426.11	CASH	13	1603	.00	-1,000.00 MODERN DISTRIBUTORS-RG SCH-GOLF		20,793.88	80			
10/28/19	426.11	MPRL	07	1900	33300162	RURAL CO-OP CREDIT UNION		85.63	.00 SNACKS(WAL-MART/KROGER)	21,054.51	1	
10/28/19	426.11	MPRL	07	1900	33300162	RURAL CO-OP CREDIT UNION		.00	-85.63 SNACKS(WAL-MART/KROGER)	21,053.18	1	
10/29/19	426.11	MPRL	07	1900	33300162	RURAL CO-OP CREDIT UNION		85.63	.00 SNACKS(WAL-MART/KROGER)	21,107.38	1	
10/31/19	426.11	MPRL	07	1900	33300162	RURAL CO-OP CREDIT UNION		204.69	.00 DRINKS-WALMART	21,446.37	1	
10/31/19	426.11	CASH	13	1603	.00	-1,000.00 LCRH-ROGERS SCHOLARS-GOLF		191082	191082	20,446.37	80	
11/05/19	426.11	CASH	13	1603	.00	-1,000.00 BB&T-ROGERS SCHOLARS-GOLF		191082	191082	19,496.37	80	
01/16/19	426.40	MPRL	03	1702	33300280	RUSSELL CHAMBER OF COMMERCE		120.00	.00 RUSSELL CO BANQUET TICKETS	188521	390.00	1
06/27/19	426.40	DUES	03	1900	33301221	ALBANY CLINTON CO CHAMBER		250.00	.00 CLINTON CO CHAMBER DUES	189499	3,982.67	1
09/30/19	426.40	MPRL	03	1702	33300162	RURAL CO-OP CREDIT UNION		9.98	.00 RUSSELL CHAMBER	190768	14,895.01	1
10/02/19	426.40	MPRL	03	1900	33300514	MCCREARY CO CH OF COMMERCE		180.00	.00 MCCREARY CHAMBER BANQUET	190670	22,163.88	1
01/02/20	426.40	DUES	03	1900	33302536	LIBERTY CASEY CO CHAMBER		300.00	.00 LIBERTY CHAMBER DUES	191806	20,882.63	1
01/07/20	426.40	DUES	03	1900	33300138	MONTICELLO-WAYNE CO C OF C		500.00	.00 MONTWAYNE CHAMBER DUES	191772	21,382.63	1
01/14/20	426.40	MPRL	03	1900	33300188	SOM PUL CHAMBER OF COMMERCE		26.00	.00 SOM CHAMBER LUNCHESES	191893	21,508.63	1
01/27/20	426.40	MPRL	03	1900	33300188	SOM PUL CHAMBER OF COMMERCE		530.00	.00 PC CHAMBER AWARDS BANQUET	192027	22,427.59	1
01/31/20	426.40	DUES	03	1900	33300514	MCCREARY CO CH OF COMMERCE		250.00	.00 MCCREARY CHAMBER	192205	22,677.59	1
02/12/20	426.40	MPRL	03	1900	33302077	SOM PULASKI ROTARY CLUB		150.00	.00 ROTARY CLUB-INTERNATIONAL DINNER	192219	25,984.90	1
02/21/20	426.40	DUES	03	1900	33300280	RUSSELL CHAMBER OF COMMERCE		140.00	.00 RUSSELL CHAMBER DUES	192325	26,124.90	1
12/31/19	426.50	BDEX	12	1904	33300115	KEC INC		124.00	.00 KEC ANNUAL MEETING	1605	20,359.45	1

50,202.68 -22,771.39

27,431.29

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 24**

RESPONSIBLE PERSON: Steve Seelye

COMPANY: South Kentucky RECC

Request 24. Provide the Times Interest Earned Ratio that results from the proposed Phase 1 and Phase 2 increase to rates.

Response 24. The Phase 1 Times Interest Earned Ratio is 1.2. The Phase 2 Times Interest Earned Ratio is 2.0.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 25**

RESPONSIBLE PERSON: Ken Simmons
COMPANY: South Kentucky RECC

Request 25. Refer to South Kentucky RECC's response to Staff's First Request, Item 29. Explain why South Kentucky RECC does not have a formal compensation policy.

Response 25. South Kentucky's Board of Directors has never deemed a formal written compensation policy to be necessary. As stated in the responses to PSC 1-29, South Kentucky formulated a compensation program in early 2013 when a new board of directors majority was installed by member election. South Kentucky's board and senior management are committed to ensuring that all employees are fairly compensated according to objective compensation metrics which are updated and reviewed at least semi-annually. This is accomplished by an independent review of each South Kentucky job position and comparing it to national, regional and local compensation proxies to determine an appropriate compensation range for the job. It is then up to South Kentucky management to make any necessary adjustments to compensation considering both study results and individual employee evaluations. Any formal written compensation policy

which South Kentucky might enact would merely memorialize this same process. For further details about South Kentucky's compensation program please refer to South Kentucky's response to PSC 1-29.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 26**

RESPONSIBLE PERSON: Michelle Herrman

COMPANY: South Kentucky RECC

Request 26. Refer to the South Kentucky RECC's response to Staff's First Request, Item 45. Provide these expenses separated as originally requested.

Response 26. Please see attached. The attachment is an Excel spreadsheet and is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 27**

RESPONSIBLE PERSON: Michelle Herrman
COMPANY: South Kentucky RECC

Request 27. Refer to South Kentucky RECC’s response to Staff’s First Requests, Item 52. For each nonrecurring charge, provide the individual charge and cost support for this individual charge.

Response 27.

List of Nonrecurring Charges			
Code	Type	Description	Charge
Code 00	Delinquent Penalty	Late charges for past due bills	5% increase of member's bill
Code 03	Service Charge	Charge to address member issues (reconnect fee, meter test for illegal tampering, etc.)	\$36.00 service charge during regular work hours
			\$48.00 for Meter Test accomplished during regular work hours
			\$138.00 service charge made before or after regular work hours
Code 04	Returned Check Charge	Insufficient Funds-Returned by a Bank	\$17.00
Code 05	Meter Test Fee	Testing and inspection requested by member	\$48.00
Code 65	ETS Repair	Electric Thermal Storage heater repairs	Charges vary based on actual work necessary
Code 66	ETS Maint to Electric	Electric Thermal Storage connection repairs	Charges vary based on actual work necessary

Also, please see the attached cost support associated with Case No. 99-380.

Jeff

*mailed
11-24-99*



SOUTH KENTUCKY RURAL ELECTRIC

COOPERATIVE CORPORATION

Keith Sloan
General Manager & C.E.O.
Phone (606) 678-4121

925-929 North Main Street
P.O. Box 910
Somerset, Kentucky 42502-0910

November 19, 1999

HELEN C. HELTON
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
PO BOX 615
FRANKFORT KY 40602

COPY

Dear Ms. Helton:

REFERENCE: CASE # 99-380

1. Appeal to the Commission to remove electrical inspection fees from South Kentucky RECC's Rules and Regulations.
2. A request to accept the return check fee of \$17.00 as publicized with the membership.

We would like to make an appeal to the Commission to withdraw the electrical inspection fees from South Kentucky's Rules and Regulations. The electrical inspection fees are regulated by the State Department of Housing, Building, and Construction under KRS-227.480. South Kentucky's electrical inspection fees are set to cover all cost associated with performing the inspections. The inspection fees, we have asked for, are still well within the required regulated amount.

The other issue of concern was the return check fee being \$17.00 publicized to the membership and \$22.00 being in our request to the Commission.

We were notified by our bank of their intent to impose a \$5.00 return check fee on all returned checks. This notification came after the members were notified of the fee adjustment and before the filing with the Commission.

South Kentucky opened for bid our banking services. We will be changing banks and will not be charged for returned checks. The original \$17.00 request is acceptable to us now and does cover all of our cost.

While this process was taking place, South Kentucky Board of Directors appointed a new General Manager and CEO. The new Manager has signed only the new pages to be inserted into the original case.

I have enclosed the original plus 7 copies of the necessary corrections after removing the inspection fees and accepting the \$17.00 return check charge. Please insert these changes into the previous filing in the appropriate places. I have also sent these corrections to the Attorney General's Office.

Sincerely,

SOUTH KENTUCKY RECC

Allen Anderson, Manager, Member Services

AA:jcr
misfeesletter

Exhibit 1
Page 1 of 2

NOTICE OF PROPOSED CHANGE IN MISCELLANEOUS SERVICE FEES

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5.001, Section 10, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member-consumers of South Kentucky Rural Electric Cooperative Corporation, Inc. of a proposed miscellaneous services fee adjustment. An application for Approval of Adjustment of Miscellaneous Services Fees will be filed with the Public Service Commission on October 1, 1999, Case No. 99-380. This Adjustment will result in miscellaneous service fees increases to certain member-consumers of South Kentucky Rural Electric Cooperative Corporation, Inc. The amount and percent of increase by rate class are listed below:

<u>Rate Class</u>	<u>Dollar Increase</u>	<u>Percent of Increase</u>
Return Check	\$5,568.00	55%
Special Trip Charges:		
Regular Work Hours	\$60	50%
Overtime	\$0	0%
Meter Tests	\$6	7%
Reconnect Fee	\$9,900	50%
Collection	\$4,164	50%
Meter Reading	\$2,124	50%
Overtime	\$3,190	73%

The present and proposed miscellaneous service fee structures of South Kentucky Rural Electric Cooperative Corporation, Inc. are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Return Check	\$11	\$17
Special Trip Charges:		
Regular working hours	\$24	\$36
Overtime	\$104	\$138
Meter Tests	\$45	\$48
Reconnect Fee	\$24	\$36
Collection	\$24	\$36
Meter Reading	\$24	\$36
Overtime	\$80	\$138

Exhibit 1
Page 2 of 2

The miscellaneous service fees contained in this notice are the fees proposed by South Kentucky Rural Electric Cooperative Corporation, Inc. However, the Public Service Commission may order service fees to be charged that differ from the proposed fees contained in this notice. Such action may result in service fees for consumers other than the fees in this notice.

Any corporation, association, or person with a substantial interest in the matter may request to intervene, by written request, within thirty (30) days after publication or mailing of this notice of the proposed miscellaneous service fee changes. Intervention may be granted beyond the thirty (30) days after publication or mailing of this notice of the proposed service fee changes. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Commission may obtain copies of the miscellaneous service fee application and any other filings made by South Kentucky Rural Electric Cooperative Corporation, Inc. by contacting:

**Gary Cavitt, General Manager & CEO
South Kentucky Rural Electric Cooperative Corporation, Inc.
925 North Main Street
P.O. Box 910
Somerset, Kentucky 42502
Phone: 606-678-4121**

Any person may examine the miscellaneous service fees application and any other filings made by South Kentucky Rural Electric Cooperative Corporation, Inc. at the main office at the above listed address or by contacting the Public Service Commission Office at the below listed address:

**Kentucky Public Service Commission
Attention: Helen Helton
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602
Phone: 606-564-3940**

mlsfee

South Kentucky Rural Electric Cooperative Corporation
Miscellaneous Charges
August 31, 1998

Exhibit 2
page 2 of 5

<u>Return Check Charge:</u>		Per	
		<u>Hour</u>	<u>Amount</u>
Number of Minutes	<u>45</u>		
Direct labor charge	<u>\$14.55</u>	\$14.55	\$10.91
Direct wage expense		\$1.90	1.43
Other cost based on labor per hour		21.98%	2.40
Other direct cost per hour		\$2.57	1.93
Bank charges			<u>0.00</u>
Total charges			<u><u>\$16.66</u></u>
Proposed charge			<u><u>\$17.00</u></u>
Present charge			<u><u>\$11.00</u></u>

South Kentucky Rural Electric Cooperative Corporation
Miscellaneous Charges
August 31, 1998

Exhibit 2
page 3 of 5

Special Charges, Meter Tests

	Per <u>Hour</u>	Special Charges		Meter Tests
		<u>Regular</u>	<u>Overtime</u>	
Serviceman:				
Number of minutes		<u>45</u>	<u>240</u>	<u>75</u>
Direct labor charge	\$17.44	\$13.08	\$104.64	\$21.80
Direct labor charge	\$14.32			
Direct wage expense	\$2.28	1.71		2.85
Other cost based on labor	21.98%	2.87	11.50	4.79
Other direct cost	\$2.57	1.93		3.21
Mileage	<u>12</u>	\$0.31	5.89	5.89
Mileage	<u>38</u>	\$0.31	11.78	
Office Clerical:				
Number of minutes		<u>30</u>	<u>30</u>	<u>30</u>
Direct labor charge	\$12.64	\$6.32	\$6.32	\$6.32
Direct wage expense	\$1.65	0.83	0.83	0.83
Other cost based on labor	21.98%	1.39	1.39	1.39
Other direct cost	\$2.57	1.28	1.28	1.28
Total		<u>\$35.30</u>	<u>\$137.74</u>	<u>\$48.36</u>
Proposed Charge		<u>\$36.00</u>	<u>\$120.00</u>	<u>\$48.00</u>
Present charge		<u>\$24.00</u>	<u>\$104.00</u>	<u>\$45.00</u>

South Kentucky Rural Electric Cooperative Corporation
Miscellaneous Charges
August 31, 1998

Exhibit 2
page 5 of 5

Additional Revenues Generated:

Number	Charges		Revenue		Increase		
	Existing	Proposed	Existing	Proposed	Amount	Percent	
Return check	928	\$11.00	\$17.00	\$10,208	\$15,776	\$5,568	55%
Special Trip Charges:							
Regular working hours	5	\$24.00	\$36.00	120	180	60	50%
Overtime	0	\$104.00	\$120.00	0	0	0	0%
Meter Tests	2	\$45.00	\$48.00	90	96	6	7%
Reconnect	825	\$24.00	\$36.00	19,800	29,700	9,900	50%
Collection	347	\$24.00	\$36.00	8,328	12,492	4,164	50%
Meter reading	177	\$24.00	\$36.00	4,248	6,372	2,124	50%
Overtime	55	\$80.00	\$120.00	4,400	6,600	2,200	50%
Total				\$47,194	\$71,216	\$24,022	51%

South Kentucky Rural Electric Cooperative Corporation
Impact of Additional Revenues
August 31, 1998

Exhibit 3
page 1 of 1

Computation of Miscellaneous and Non Recurring Charge limitation amount:

Other electric revenues	\$1,116,619
Percentage limitation	<u>5%</u>
Limitation amount	<u>\$55,831</u>
Proposed additional revenues	<u>\$22,662</u>

	<u>Existing</u>	<u>Proposed</u>
Net margins	\$2,148,861	\$2,171,523
Interest on long-term debt	2,311,676	2,311,676
TIER	1.93	1.94

SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 28

RESPONSIBLE PERSON: Steve Seelye

COMPANY: South Kentucky RECC

Request 28. Refer to South Kentucky RECC’s response to Staff’s First Request, Item 53, PSC_1-53_South_Kentucky_2020_COSS_Revised.xlsx, Functional Assignment Tab.

- a. Refer to line 471, Poles, Towers, and Fixtures, Functional Vector F002.
 - (1) Explain why 90 percent of the Functional Vector is applied to the primary distribution plant and 10 percent to secondary distribution plant.
 - (2) Provide support for the Functional Vector allocations applied to Poles, Towers, and Fixtures.
- b. Refer to line 472, Overhead Conductors and Devices. Explain why 90 percent of the Functional Vector is applied to primary distribution plant and 10 percent is applied to secondary distribution plant.
- c. Refer to line 473, Underground Conductors and Devices. Explain why 90 percent of the Functional Vector is applied to primary distribution plant and 10 percent is applied to secondary distribution plant.

d. Refer to line 481. Explain why Load Management is 100 percent customer cost related.

Response 28.

a.

(1) Functional Vector F002 allocates all costs functionally assigned to Poles, Towers, and Fixtures between primary distribution and secondary distribution. Some companies provide detailed records that allow us to specifically determine the split between primary and secondary distribution while others have much less detail. The 90%/10% split between primary and secondary distribution comes from a sample of detailed data by conductor type provided by other electric cooperative clients. That data is used as a proxy when we do not have detailed data to determine the primary/secondary splits.

(2) The calculation of the 90%/10% split is shown below.

State	Primary	Secondary	Total
Minnesota	99.0%	1.0%	100.0%
Florida	83.5%	16.5%	100.0%
Indiana	94.3%	5.7%	100.0%
Texas	87.5%	12.5%	100.0%
Indiana	73.7%	26.3%	100.0%
Ohio	89.3%	10.7%	100.0%
Colorado	94.7%	5.3%	100.0%
Texas	97.6%	2.4%	100.0%
Colorado	91.9%	8.1%	100.0%
	90.2%	9.8%	100.0%

b. The same proxy used to allocate Poles, Towers, and Fixtures is also used for Overhead Conductors and Devices.

c. The same proxy used to allocate Poles, Towers, and Fixtures is also used for Underground Conductors and Devices.

d. “Load Management” is not the most accurate description of the costs in the category. The tasks are more related to customers services provided by South Kentucky. The costs in this functional category are primarily related to the labor expenses associated with customer service employees dealing with residential, commercial, and industrial members. The expenses include work for tasks related to high bill complaints, service reliability inquiries, conducting energy audits, etc. These costs are typically considered customer-related costs.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 29**

RESPONSIBLE PERSONS: Michelle Herrman and Steve Seelye

COMPANY: South Kentucky RECC

Request 29. Provide the average monthly usage for customers receiving assistance.

Response 29. The average monthly usage in 2021 for a member receiving assistance is 1,137 kWh. This compares to a monthly average usage of 1,014 kWh for all residential customers.

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 30**

RESPONSIBLE PERSON: Steve Seelye

COMPANY: South Kentucky RECC

Request 30. Provide justification for the current pole attachment (CATV) rates.

- a. Provide a current calculation of CATV pole attachment rates using the formula prescribed in Administrative Case 251-42.
- b. Explain whether there is subsidization in the pole-attachment rates and the other rate classes.

Response 30.

- a. The updated charges shown in the following table have been revised to reflect current test-year costs as filed in this proceeding using the formula used to calculate the attachment charges approved by the Commission in Case No. 92-520 in accordance with the methodology prescribed in Administrative Case No. 251-48 et al.

Description	Current Charges	Updated Charges
Two-Party pole attachment	\$ 3.63	\$ 5.83
Three-party pole attachment	\$ 2.47	\$ 4.55
Two-party pole attachment with ground	\$ 3.97	\$ 6.05
Three-party pole attachment with ground	\$ 2.68	\$ 4.68
Two-party anchor attachment	\$ 3.44	\$ 6.35
Three-party anchor attachment	\$ 2.27	\$ 4.19

b. Yes. The updated charges shown above indicate that the CATV pole attachment rates are being subsidized by other rates.

South Kentucky RECC
CATV Pole Attachment Charges
PSC Administrative Case No. 251
Unit Charge Calculation

Description	Current Charges	Updated Charges
Two-Party pole attachment	\$ 3.63	\$ 5.83
Three-party pole attachment	\$ 2.47	\$ 4.55
Two-party pole attachment with ground	\$ 3.97	\$ 6.05
Three-party pole attachment with ground	\$ 2.68	\$ 4.68
Two-party anchor attachment	\$ 3.44	\$ 6.35
Three-party anchor attachment	\$ 2.27	\$ 4.19

South Kentucky RECC
CATV Pole Attachment Charges
PSC Administrative Case No. 251
Unit Charge Calculation

Annual Cost for Two-Party Poles

	<u>Number in Plant</u>	<u>Historical Embedded Cost</u>	<u>Avg. Cost Per Pole</u>
35 foot poles	27050	\$ 4,305,990.68	\$ 159.19
40 foot poles	53501	\$ 22,600,329.47	\$ 422.43

All pole costs obtained from Continuing Property Records (CPR) account 364.00 for year ending March 31, 2020.

Weighted avg. embedded cost per pole:

$$\frac{(\text{no. of 35ft poles}) \times (\text{avg. cost per 35 ft pole}) + (\text{no. of 40 ft poles}) \times (\text{avg. cost per 40 ft pole})}{(\text{total number of 35 ft and 40 ft poles})}$$

or
\$ 334.03

Per PSC case no. 251

$$\text{Annual 2-party cost per attachment} = (\text{weighted avg embedded cost per pole} \times .85 \text{ bare pole factor}) \times \text{annual carrying charge} \times .1224 \text{ CATV usage factor for 1 ft of 8.17 ft of usable space}$$

South Kentucky RECC's pole costs represent bare pole costs, so the bare pole factor and ground costs do not apply here.

$$\text{Annual 2-party cost per attachment} = (\text{weighted avg embedded cost per pole}) \times (\text{annual carrying charge}) \times (.1224 \text{ CATV usage factor})$$

$$\text{Annual 2-party cost per attachment} = \$334.03 \times 0.85 \times 0.1677 \times 0.1224$$

$$\text{Annual 2-party cost per attachment} = \quad \quad \quad \$ \quad \quad \quad \mathbf{5.83 \text{ per attachment}}$$

$$\text{Annual 2-party cost per attachment} = (\text{weighted avg embedded cost per pole} + \text{ground}) \times (\text{annual carrying charge}) \times (.1224 \text{ CATV usage factor})$$

$$\text{Annual 2-party cost per attachment} = (\$334.03 + \$12.50) \times 0.85 \times 0.1677 \times 0.1224$$

$$\text{Annual 2-party cost per attachment (with ground)} = \quad \quad \quad \$ \quad \quad \quad \mathbf{6.05}$$

South Kentucky RECC
CATV Pole Attachment Charges
PSC Administrative Case No. 251
Unit Charge Calculation

Annual Cost for Three-Party Poles

	<u>Number in Plant</u>	<u>Historical Embedded Cost</u>	<u>Avg. Cost Per Pole</u>
40 foot poles	53501	\$ 22,600,329.47	\$ 422.43
45 foot poles	18489	\$ 7,664,093.61	\$ 414.52

All pole costs obtained from Continuing Property Records (CPR) account 364.00 for year ending March 31, 2020.

Weighted avg. embedded cost per pole:

$$\frac{(\text{no. of 40ft poles}) \times (\text{avg. cost per 40 ft pole}) + (\text{no. of 45 ft poles}) \times (\text{avg. cost per 45 ft pole})}{(\text{total number of 40 ft and 45 ft poles})}$$

or
\$ 420.40

Per PSC case no. 251

Annual 3-party cost per attachment = (weighted avg embedded cost per pole X .85 bare pole factor)
X annual carrying charge X .0759 CATV usage factor for 1 ft of 13.17 ft of usable space

South Kentucky RECC's pole costs represent bare pole costs, so the bare pole factor and ground costs do not apply here.

Annual 3-party cost per attachment = (weighted avg embedded cost per pole) X (annual carrying charge) X (.0759 CATV usage factor)

Annual 3-party cost per attachment = \$420.4 X 0.85 X 0.1677 X 0.0759

Annual 3-party cost per attachment = \$ 4.55 per attachment

Annual 3-party cost per attachment = (weighted avg embedded cost per pole + ground) X (annual carrying charge) X (.0759 CATV usage factor)

Annual 3-party cost per attachment = (\$420.4 + \$12.50) X 0.85 X 0.1677 X 0.0759

Annual 3-party cost per attachment with ground = \$ 4.68

South Kentucky RECC
CATV Pole Attachment Charges
PSC Administrative Case No. 251
Unit Charge Calculation

Annual Cost for Two and Three-party Anchors

	<u>Number in Plant</u>	<u>Historical Embedded Cost</u>	<u>Avg. Cost Per Anchor</u>
Anchors	127948	\$ 9,695,645.82	\$ 75.78

All pole costs obtained from Continuing Property Records (CPR) account 364.00 for year ending March 31, 2020.

Average embedded cost per anchor: \$ 75.78 per anchor

Annual 2-party cost per anchor = (avg embedded cost per anchor) X (annual carrying charge) X (.5 CATV usage factor)

Annual 2-party cost per anchor = \$75.78 X 0.1677 X 0.5

Annual 2-party cost per anchor = \$ 6.35 per anchor

Annual 3-party cost per anchor = (avg embedded cost per anchor) X (annual carrying charge) X (.33 CATV usage factor)

Annual 2-party cost per anchor = \$75.78 X 0.1677 X 0.33

Annual 3-party cost per anchor = \$ 4.19 per anchor

South Kentucky RECC
CATV Pole Attachment Charges
PSC Administrative Case No. 251
Carrying Charge Rate

Attachment to PSC 2-30

Page 5 of 5

1.	Operation and Maintenance Expenses	\$	12,669,820	
2.	Customer Accounts Expense	\$	3,911,463	
3.	Customer Service and Informational Expense	\$	701,913	
4.	Administrative and General	\$	4,083,260	
5.	Depreciation Expense	\$	9,078,214	
6.	Taxes Other than Income Taxes	\$	349,207	
7.	Sub-Total	\$	30,793,877	
8.	Divided by Utility Plant	<u>\$</u>	<u>279,080,207</u>	11.03%
9.	Cost of Money -- Rate of Return			5.74%
10.	Annual Carrying Charges			<u>16.77%</u>

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 31**

RESPONSIBLE PERSON: Steve Seelye

COMPANY: South Kentucky RECC

Request 31. Refer to South Kentucky RECC's Prepay Metering Program, Tariff Sheet T-38. Also refer to the Application filed in Case No. 2013-00198, Exhibit E.

- a. Provide an update to the cost justification to the monthly program fee.
- b. Provide an update to the cost justification to the transaction fee.
- c. Provide the monthly average number of transactions of a prepay customer.

Response 31.

- a. Please see attached. The updated program fee would be \$13.00 per month (\$0.43 per day) versus the \$9.00 per month (\$0.30 per day) current charge.
- b. Please see attached.
- c. The monthly average number of transactions of a prepay member for 2021 is 4.7.

Investment in Equipment			
			<u>Per Member</u>
Equipment Costs			
1. Hardware			
Substation Hardware	\$ 77,510 ÷ 3976 participants =		\$ 19.49
Collar			<u>\$ 198.00</u>
Subtotal			<u>\$ 217.49</u>
Installation Cost			
2. CSR set up per member:			
Labor	15 min. \$ 24.01		\$ 6.00
Benefits	59.17%		\$ 3.55
OH	10.85%		\$ 0.65
3. Serviceman meter change per member:			
Labor	45 min. \$ 40.63		\$ 30.47
	59.17%		\$ 18.03
	10.85%		<u>\$ 3.31</u>
Subtotal			<u>\$ 62.01</u>
Investment per Member			<u><u>\$ 279.51</u></u>

Annual Expenses	
1. Depreciation	\$ 18.63
2. Interest & Margin 5%	\$ 13.98
3. O&M	
Hardware - 10%	<u>\$ 27.95</u>
4. Annual Expenses	<u>\$ 60.56</u>
5. Monthly Expense per member	<u>\$ 5.05</u>

Monthly Charge	
1. Monthly expense per member	\$ 5.05
2. Monthly software support	\$ 4,700.00 ÷ 3976 participants = \$ 1.18
3. Communication Fees	4 notices \$ 0.16
4. Transaction Fees; 5 average per month, one free	\$ 1.70 * 4 <u>\$ 6.80</u>
5. Monthly Expnse per Member	<u>\$ 13.19</u>
6. Updated Monthly Program Fee (Rounded)	\$ 13.00

Transaction Fee Processing		
One CS will average approximately three minutes per transaction		
1. Labor	\$ 24.01	\$ 24.01
2. Bnefits	59.17%	\$ 14.21
3. OH	10.85%	\$ 2.61
		<u>\$ 40.82</u>
4. Number of transaction per hour		24
5. Cost per Transaction		<u>\$ 1.70</u>
6. Updated		<u>\$ 1.70</u>

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 32**

RESPONSIBLE PERSON: Michelle Herrman

COMPANY: South Kentucky RECC

Request 32. Provide the number of disconnections and reconnections for the years 2018, 2019, 2020, and monthly for 2021.

Response 32. Please see attached. The attachment is an Excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF’S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 33**

RESPONSIBLE PERSON: Michelle Herrman
COMPANY: South Kentucky RECC

Request 33. Provide the annual number of net metering customers for the past five years. Also provide the percent of cumulative generating capacity of net metering systems as compared to South Kentucky RECC’s peak load during the previous year for the test period.

Response 33.

	NUMBER OF NET METERING APPLICATIONS	YEAR
	6	2016
	2	2017
	5	2018
	10	2019
	14	2020
	45	2021
	966	TOTAL kW
2020		
JANUARY NON-CP DEMAND	341,000	kW
	0.28	%

**SOUTH KENTUCKY RECC
PSC CASE NO. 2021-00407
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION—01/19/22
REQUEST 34**

RESPONSIBLE PERSON: Steve Seelye

COMPANY: South Kentucky RECC

Request 34. Provide a list of current monthly customer charges for all electric utilities in the Commonwealth of Kentucky.

Response 34. Please see attached. The attachment is a recent report prepared by The Prime Group showing the customer charges for electric utilities in Kentucky and the neighboring states of Ohio, Indiana, and Tennessee. The customer charges for cooperative and investor-owned electric utilities in in Kentucky and the neighboring states are shown in the Appendix of the report.

The Prime Group LLC

Residential Customer Charges in Kentucky and Neighboring States

Comparison of Residential Customer Charges of
Electric Cooperatives in Kentucky to those in Ohio,
Indiana, and Tennessee

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How do the customer charges of cooperatives in Kentucky compare to those in the neighboring states of Indiana, Ohio, and Tennessee?

In January 2022, The Prime Group conducted a survey of residential customer charges in Kentucky, Ohio, Indiana, and Tennessee.

In these states, customer charges go by different names, but the purpose and structure of the charge is basically the same in all cases. With a customer charge, a fixed monthly charge, or in some cases a fixed daily charge, is applied to each residential customer’s monthly bill. The following table shows the names commonly given for the customer Charge:

TABLE 1
Names Used for the Customer Charge

Customer Charge	Daily Customer Charge	Standard Service Consumer Charge
Facility Charge	Access Charge	Fixed Charge
Facilities Charge	Consumer Charge	Electric Service Charge
Consumer Facility Charge	Monthly Availability Charge	Base Charge
Member Cost of Service Charge	Distribution Facilities Charge	Basic Service Charge
Distribution Charge	Service Availability Charge	Connection Charge
Base Customer Charge	Service Charge	Basic Monthly Service Charge
Electric Grid Connection Fee		

Regardless of the name used for the *customer charge*, the cost-of-service principle governing the development of the charge is the same -- the customer charge is designed to recover customer-related fixed costs that do not vary with either the amount of energy (kilowatt hours) used by the customer or the demand (kilowatts) placed on the distribution system by the customer. Typically, the fixed costs recovered through the customer charge will include fixed distribution costs such as the cost of the meter, service line, and portions of the cost of transformers, overhead conductor, underground conductor, and underground conduit. The customer charge will also include fixed operation and maintenance expenses such as the monthly cost of meter reading and billing. Standard cost of service methodologies will classify distribution costs as either *customer-related* or *demand-related*. Some or all of a cooperative’s customer-related distribution costs will be included in the customer charge.

In some states, there has been a movement by electric cooperatives to recover *all* distribution costs through the customer charge. This approach, which is referred to as a Straight Fixed Variable Rate design, was originally developed by natural gas distribution utilities when they were experiencing dramatic decreases in usage per customer.

Below is a graph (FIGURE 1) showing the median residential customer charges for the electric distribution cooperatives in Kentucky compared to those in the neighboring states of Indiana, Ohio, and Tennessee:

FIGURE 1



The median customer charge in Kentucky is about half of the median level in Ohio and Indiana, and about 22% lower than the median level in Tennessee.

Not only will higher customer charges more accurately reflect the actual cost of providing service, they will also help stabilize revenues due to changes in weather and protect against unfairly shifting stranded costs associated with the implementation of distributed generation (such as solar panels) to customers that choose not to install distributed generation. Ultimately, the place to start for developing the customer charge is a class cost of service study. As mentioned earlier, a cost of service study will classify distribution costs as either customer-related or demand-related. All meter reading and billing expenses, as well as the cost of the metering equipment and service lines, are considered customer-related in a cost of service study. The customer-related portions of line transformers, overhead conductor, and underground conductor will generally be determined using either a minimum system or zero-intercept methodology. The zero-intercept methodology has been accepted by the Kentucky Public Service Commission in numerous rate cases.

The following table (FIGURE 2) shows the maximum customer charge by any cooperative in Kentucky, Ohio, Indiana, and Tennessee:¹

FIGURE 2



The highest customer charge in Kentucky is at least 35% lower than the highest charges in Ohio and Indiana, and is at least 10% lower than the highest charge in Tennessee.

The customer charge for each electric cooperative reported in the survey is shown in the Appendix. As noted earlier, the survey included all electric cooperatives in Kentucky, Indiana, and Tennessee and all but two of the cooperatives in Ohio. The customer charges for investor-owned utilities in the states are also shown in the Appendix.

¹ In our survey, we identified the customer charges for all electric cooperatives in Kentucky, Indiana, and Tennessee. In Ohio, we identified the customer charges for 20 electric cooperatives, but were unable to identify the customer charges for two of the smaller electric cooperatives in the state. Two of the cooperatives in Ohio asked that the name of their cooperative not be identified in the survey.

APPENDIX

Electric Cooperatives in Kentucky

Residential Customer Charges

Cooperative	Designation Used for the Customer Charge	Monthly Residential Customer Charge
Big Sandy RECC	Customer Charge	21.95
Blue Grass Energy Coop Corp	Facility Charge	17.10
Clark Energy Coop Inc	Facility Charge	18.62
Cumberland Valley Electric, Inc.	Customer Charge	17.62
Farmers Rural Electric Coop Corp	Customer Charge	14.49
Fleming-Mason Energy Coop Inc	Customer Charge	15.57
Grayson Rural Electric Coop Corp	Customer Charge	21.84
Inter County Energy Coop Corp	Customer Charge	15.67
Jackson Energy Coop Corp	Customer Charge	24.76
Jackson Purchase Energy Corp	Facilities Charge	16.40
Kenergy Corp	Customer Charge	18.20
Licking Valley RECC	Consumer Facility Charge	16.50
Meade County RECC	Daily Customer Charge *	20.87
Nolin Rural Electric Coop Corp	Member Cost of Service Charge	13.99
Owen Electric Coop Inc	Customer Charge	20.67
Pennyrile Rural Electric Coop	Customer Charge	27.40
Salt River Electric Coop Corp	Customer Charge	9.20
Shelby Energy Co-op, Inc	Consumer Facility Charge	15.48
South Kentucky RECC	Consumer Charge	13.29
Taylor County RECC	Customer Charge	10.22
Tri-County Elec Member Corp	Customer Charge	20.00
Warren RECC	Distribution Charge	18.80
West Kentucky RECC	Base Customer Charge	30.90

Median	\$	17.62
Average	\$	18.24
Lowest	\$	9.20
Highest	\$	30.90

* The charge is a daily charge, with the charge shown in the table representing the average monthly charge

Source: Tariffs filed with the KY PSC and shown on its website, except for the TVA cooperatives, for which the customer charges were obtained from the cooperatives' websites.

Note: Gibson Electric Members Corp is not included in the Kentucky list but is included in Tennessee.

Electric Cooperatives in Ohio

Residential Customer Charges

Cooperative	Designation Used for the Customer Charge	Monthly Residential Customer Charge
Adams Rural Electric Coop, Inc	Facility Charge	\$ 29.00
Buckeye Rural Elec Coop, Inc	Fixed Charge	\$ 30.00
Carroll Electric Coop, Inc - (OH)	Service Availability Charge	\$ 32.75
Consolidated Electric Coop Inc	Service Charge	\$ 47.75
Darke Rural Electric Coop, Inc	Electric Service	\$ 25.00
Firelands Electric Coop, Inc	Distribution Charge	\$ 36.00
Guernsey-Muskingum EI Coop Inc	Service Availability Charge	\$ 24.00
Hancock-Wood Electric Coop Inc	Service Charge	\$ 38.00
Holmes-Wayne Electric Coop Inc	Consumer Charge	\$ 18.75
Licking Rural Electrification Inc	Facilities Charge	\$ 28.00
Logan County Coop Power & Light	Base Charge	\$ 37.00
Lorain-Medina R E C, Inc	Basic Service Charge	\$ 40.00
Midwest Electric, Inc	Service Charge	\$ 35.00
North Central Elec Coop, Inc	Basic Service Charge	\$ 44.00
North Western Elec Coop, Inc	Service Charge	\$ 35.00
South Central Power Company	Consumer Charge	\$ 17.00
Union Rural Electric Coop, Inc	Base Charge	\$ 20.00
Washington Electric Coop - (OH)	Facility Charge	\$ 37.00
Name Redacted		\$ 34.00
Name Redacted		\$ 42.50

Highest	\$	47.75
Lowest	\$	17.00
Average	\$	32.54
Median	\$	34.50

Source: The electric cooperatives' websites or communications with the cooperatives.

Electric Cooperatives in Indiana

Residential Customer Charges

Cooperative	Designation Used for the Customer Charge	Monthly Residential Customer Charge
Bartholomew County Rural E M C	Electric Grid Connection Fee	\$ 35.00
Boone County Rural EMC	Customer Charge	\$ 34.20
Carroll-White REMC	Access Charge	\$ 32.00
Clark County Rural E M C - (IN)	Facility Charge	\$ 33.00
Daviess Martin County R E M C	Customer Charge	\$ 35.35
Decatur County Rural E M C	Service Availability	\$ 37.00
Dubois Rural Electric Coop Inc	Facilities Charge	\$ 24.00
Harrison County Rural E M C	Basic Service Charge	\$ 26.00
Heartland REMC	Facilities Charge	\$ 20.00
Hendricks County Rural E M C	Customer Charge	\$ 34.00
Henry County Rural E M C	Facilities Charge	\$ 37.50
Jackson County Rural E M C - (IN)	Basic Service Charge	\$ 30.00
Jasper County Rural E M C	Facility charge	\$ 33.00
Jay County Rural E M C	Facility charge	\$ 28.00
Johnson County Rural E M C	Facility Charge	\$ 29.75
Kankakee Valley Rural E M C	Facilities Charge	\$ 48.50
Kosciusko County Rural E M C	Service Charge	\$ 24.50
Lagrange County Rural E M C	Service Charge	\$ 35.00
Marshall County Rural E M C	Consumer Charge	\$ 19.50
Miami-Cass County Rural E M C	Facilities Charge	\$ 25.75
Midwest Energy Cooperative	Monthly Availability Charge	\$ 28.00
NineStar Connect	Distribution Facilities Charge	\$ 39.64
Noble County R E M C	Customer Charge	\$ 30.00
Northeastern Rural E M C	Service Availability Charge	\$ 25.00
Orange County Rural E M C	Standard Service Consumer Charge	\$ 26.00
Parke County Rural E M C	Facilities Charge	\$ 36.00
RushShelby Energy	Connection Charge	\$ 35.00
South Central Indiana REMC	Basic Service Charge	\$ 44.00
Southeastern Indiana R E M C	Facilities Charge	\$ 30.00
Southern Indiana R E C, Inc	Facility Charge	\$ 29.50
Steuben County Rural E M C	Facilities Charge	\$ 19.00
Tipmont Rural Elec Member Corp	Service Charge	\$ 34.50
Utilities Dist-Western IN REMC	Facilities Charge	\$ 32.00
Western Indiana Energy REMC	Facilities Charge	\$ 29.00
Whitewater Valley Rural EMC	Facilities Charge	\$ 33.11

Highest	\$ 48.50
Lowest	\$ 19.00
Average	\$ 31.22
Median	\$ 32.00

Source: The electric cooperatives' websites or communications with the cooperatives.

Electric Cooperatives in Tennessee

Residential Customer Charges

Cooperative	Designation Used for the Customer Charge	Monthly Residential Customer Charge
Appalachian Electric Coop	Base Customer Charge	\$ 22.40
Duck River Elec Member Corp	Customer Charge	\$ 30.00
Forked Deer Electric Coop, Inc	Customer Charge	\$ 34.40
Fort Loudoun Electric Coop	Customer Charge	\$ 22.55
French Broad Elec Member Corp	Basic Faciliites Charge	\$ 15.00
Gibson Electric Members Corp	Service Availability Charge	\$ 27.50
Holston Electric Coop, Inc	Customer Charge	\$ 19.19
Middle Tennessee E M C	Basic Monthly Service Charge	\$ 21.75
Pickwick Electric Coop	Customer Charge	\$ 29.40
Plateau Electric Cooperative	Customer Charge	\$ 20.29
Powell Valley Electric Coop	Customer Charge	\$ 12.00
Sequachee Valley Electric Coop	Customer Charge	\$ 24.94
Southwest Tennessee E M C	Customer Charge	\$ 23.40
Tennessee Valley Electric Coop	Customer Charge	\$ 21.50
Upper Cumberland E M C	Customer Charge	\$ 29.67
Volunteer Electric Coop	Customer Charge	\$ 11.71

Median	\$ 22.48
Average	\$ 22.86
Highest	\$ 34.40
Lowest	\$ 11.71

Source: The electric cooperatives' websites

Note: Cumberland Valley and South Kentucky were not included in the list for Tennessee.

Investor Owned Utilities in Kentucky

Residential Customer Charges

Cooperative	Designation Used for the Customer Charge	Monthly Residential Customer Charge
Duke Energy Kentucky	Customer Charge	12.60
Kentucky Power Company	Service Charge	17.50
Kentucky Utilities Company	Basic Service Charge	16.12
Louisville Gas and Electric Company	Basic Service Charge	13.69

Median	\$	14.90
Average	\$	14.98
Lowest	\$	12.60
Highest	\$	17.50

Investor Owned Utilities in Ohio

Residential Customer Charges

Cooperative	Designation Used for the Customer Charge	Monthly Residential Customer Charge
AEP Ohio	Customer Charge	\$ 10.00
AES Ohio (DP&L)	Customer Charge	\$ 7.00
Duke Energy Ohio	Customer Charge	\$ 6.00
The Illuminating Co. (FirstEnergy)	Service Charge	\$ 4.00
Ohio Edison Co. (FirstEnergy)	Service Charge	\$ 4.00
Toledo Edison Co. (FirstEnergy)	Service Charge	\$ 4.00

Highest	\$	10.00
Lowest	\$	4.00
Average	\$	5.83
Median	\$	6.00

Investor Owned Utilities in Indiana

Residential Customer Charges

Cooperative	Designation Used for the Customer Charge	Monthly Residential Customer Charge
Indiana Michigan Power Co	Service Charge	\$ 15.00
Duke Energy	Customer Charge	\$ 10.54
AES Indiana (was IPL)	Access Charge	\$ 17.00
Northern Indiana Pub Serv Co	Facilities Charge	\$ 13.50
Southern Indiana Gas & Elec Co	Facilities Charge	\$ 11.00

Highest	\$	17.00
Lowest	\$	10.54
Average	\$	13.41
Median	\$	13.50