



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for July 22, 2024, at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Re-organization of the Board
 - a. Officer Election
 - b. Board Policy 202 LSEC Board Meeting time and date
 - c. Board Policy 203 Board Compensation
 - d. Sunflower Board Delegates and Alternatives
 - e. KEC Delegate and Alternate
3. Reading and Approval of Minutes
4. Presentation of Check Register
5. Presidents Report
6. Attorneys Report
7. Sunflower EPC Report
8. KEC Report
9. General Managers Report
10. Old Business
11. New Business
 - a. IT / Cybersecurity Strategic Plan – Carrie Borrell
 - b. TEAMS meetings and Call to Order– Carrie Borrell
 - c. September 2024 Board date conflict
 - d. NRECA Regional Meeting Delegate and Alternate
12. Safety Program Report
13. Executive Session (if requested).
14. Adjourn

Upcoming Events:

LSEC Board of Trustees Meeting	Dighton	July 22
KEC Summer Meeting	Overland Park	August 3-5
Sunflower Board meeting	Hays	August 21
LSEC Board of Trustees	Dighton	August 26

7/18/2024

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6	Attorneys Report	Joe	none		
7	Sunflower Report	Sunflower / Dick	SEPC Board Summary - July	18-19	
			Member billing summary	20	
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c.	Sept 2024 Board meeting conflict	Richard		30	
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2. Board re-organization.

a. Officer Election. The current slate of Officers are:

- i. President – Richard Jennison
- ii. Vice-President – Craig Ramsey
- iii. Secretary – Harold Hoss
- iv. Treasurer – Eric Doll

Bylaws, Article VI, Section 2. Election and Term of Office. *The officers shall be elected annually by and from the board of trustees, as soon as is practical following the meeting of members at which trustees are elected. Each officer shall hold office until the successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board of trustees for the unexpired portion of the term.*

b. Board Policy 202 – Meeting time and date.

Bylaws, Article V., Section 1. Regular Meetings. *A regular meeting of the board of trustees shall be held without notice other than these bylaws, immediately after and at the same place, as the annual meeting of the members. A regular meeting of the board of trustees shall also be held monthly at such time and place as the board of trustees may determine. Such regular monthly meetings may be held without notice other than the act of fixing the time and place thereof.*

c. Board Policy 203 – Trustee Compensation

Bylaws, Article VI, Section 10. Compensation. *The powers, duties, and compensation of any officers, agents, and employees shall be fixed by the board of trustees and subject to the provisions of the Law and these bylaws with respect to compensation for trustees and close relatives of trustees.*

d. Sunflower Delegates and Alternates. The Sunflower Board of Trustees is composed of one Trustee from each Cooperatives' Board of Trustees and one Management representative of each owner Cooperative. The Management Trustee is typically the GM / CEO of each cooperative. Current Trustees and Alternates are:

- i. Trustee: Delegate – Richard Jennison, Alternate – Randall Evans
- ii. Management: Delegate – Richard McLeon, Alternate – Kathleen Lewis

With the pending retirement of Kathy Lewis, Management proposes LSEC Operations Manager, Dal Hawkinson for the position of Alternate Delegate.

- e. KEC Delegate and Alternate. The Kansas Electric Cooperatives Board of Directors is typically composed of either a Trustee or the individual Cooperatives GM / CEO. The current KEC slate is:
 - i. Trustee – Craig Ramsey
 - ii. Alternate – Richard McLeon (also Chairman of the KEC Communications Committee and serves on the KEC Budget and Operations Committee)

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

Dated: January 1, 2024

Policy No.: 202

SUBJECT: Board Meetings

REFERENCE: Bylaws, Article V, Sections 1, 2, 3, and 4

POLICY:

Regular meetings of the board shall be held on the 4th Monday of each month. In the case of conflict with this date, the meeting shall be rescheduled to a date mutually agreed upon by a majority of the board.

Meetings of the Board of Trustees whether regular or special meetings may be held via electronic means with either all or some Trustees attending via electronic means.



Board Secretary

(seal)

Revisions: December 4, 2017
 November 2, 2009
 June 28, 1993
 August 1968
 August 1959

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: May 20, 2024

Policy No.: 203

SUBJECT: Directors Compensation and Benefits

POLICY: Directors attending meetings for the Cooperative's benefit shall be compensated at the following rate:

1. Per diem of \$350.00 per Formal Meeting Day.
 - a. Formal Meeting Day is defined as a meeting that is formally called to order to conduct business or a meeting that is one hour or longer in duration.
2. Per diem of \$50 per Informal Meeting Day.
 - a. Informal Meeting Day is defined as a meeting that is not formally called to order to conduct business or a meeting that is less than one hour in duration.
3. Attendance of either Formal Meetings or Informal meetings may be "in person" or virtually and compensation shall be the same rate for either attendance method consistent with this policy.
4. Trustees shall be compensated a rate of \$300 per travel day.
5. Subsistence allowance of up to \$150.00 per day or actual expenses.
6. Travel in personal cars for business purposes at the allowable IRS limit.
7. Hotel bills at actual cost.
8. Banquet and special luncheon tickets at actual cost.
9. Commercial transportation at actual cost.
10. WHEREAS, joint memberships between husbands and wives are authorized by Article I, Section 3 of the Bylaws, and WHEREAS, it is the policy of the Cooperative to educate it's members and encourage them to be ambassadors for the benefit of the Cooperative, spouses of Directors may attend meetings with Directors and any additional expense will be reimbursed by the Cooperative at actual cost.
11. Directors serving on Sunflower Electric Power Corporation's Board or the board of any other affiliated organization shall be entitled to all such Compensation and Benefits as paid by the Corporation except when the General Manager fulfills the position. The compensation and benefits shall then be turned over to the cooperative.

12. NRECA Accidental Death and Dismemberment Insurance and Business Travel Accident Insurance shall be carried on all Directors. The cost of this coverage will be paid by the Cooperative.
13. All directors, spouses and dependents may participate in the Cooperative's group health insurance plan at their own expense. When a Director completes his/her tenure on the board, he/she may continue coverage at their own expense. In the event of the death of an active or past director, his/her spouse may continue coverage at their own expense.

ATTESTED Harold Hoss
Secretary

(seal)

Revisions:

December 4, 2017, September 11, 2017, September 14, 2009, August 23, 2004, March 26, 2001, February 28, 1994, January 18, 1993, December 1990, February 1986, January 1985, January 1982, January 1978, August 1974, June 1973, January 1972, September 1966, September 1965, February 1965, January 1959, February 1957, May 1953, and April 1949.

**MINUTES OF THE REGULAR JUNE 2024
MEETING OF THE BOARD OF TRUSTEES
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

CALL TO ORDER

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, June 24, 2024, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:00 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Harold Hoss, Randy Evans, Susan Nuss, James Jordan and Craig Ramsey. Also present Richard McLeon IV and Joseph Gasper, Attorney. Rad Roehl, Chad Griffith and Eric Doll were absent.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on May 20, 2024. *Hearing no corrections to the minutes, President Jennison declared the minutes stand approved as printed.*

CASH DISBURSEMENTS

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

There were no questions on the checks.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper reported that the Salmans case was in the discovery phase of litigation.

REPORT OF SUNFLOWER DELEGATE

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

- President Jennison had no additions to the written report.

KEC REPORT

Trustee Ramsey had no KEC items to report.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- YTD kWh sales are 1.24% behind 2023 but 2.71% ahead of the five-year average. YTD Distribution Revenue is 0.95% below 2023 and 1.31% above the five-year average.
- Distribution revenue is near normal and the wholesale power costs are lower.
- Inflation continues to drive expenses higher.
- The YTD outage minutes per member is 354.7 which is higher than the previous year's 60.5 minutes per member YTD. The blizzard added 342.7 minutes per member.
- The kWh sales are above average with the total sales dollars below average.
- KEC coordinated continuity of operations training with Dave Young (Director of the Kansas Intelligence Fusion Center) which was held here in Dighton with us, Midwest, and Nemaha-Marshall attending. The training was focused on getting supervisors and managers to critically think through operations to distinguish essential tasks from non-essential ones and to prioritize resources. Key personnel attended.
- Chris Robins returned to LSEC to give a refresher on the Myers-Briggs training we conducted last year and to introduce emotional intelligence skills. These "soft skills" are essential to understand how you communicate in interpersonal relationships. All employees attended.
- Cindy Fuentes has begun her training as Receptionist/Cashier. She has proven a quick study and will be cross trained in all aspects of accounting clerical functions. The summer temporary help has begun as well.
- The NRECA Regional meeting will be September 24-26 in Sacramento. There are four training classes available.
- There are potential new loads at the Conine Hog Farms, Beef Belt Feed lot, and One Oak/Magellan. These new loads will be challenging to work out the financial and engineering aspects of the projects.
- The state rejected the property tax appeal filed through MarksNelson.
- The lenders have been notified that some of the 2023 financial metrics were not met. CFC is working on the required paperwork and RUS has not responded at this time.
- TIER – 1.40, OPTIER – 0.96

- DSC – 1.72, ODSC – 1.48
- Equity as a % of Assets – 40.10%
- Equity as a % of Capitalization – 42.84%
- Cash Balance - \$7,332,839
- General Funds Level – 11.73%
- Current Ratio – 2.51
- Cash to Debt Ratio – 20.37%
- The cash on hand is higher than it may need to be. A plan to draw down the cash levels will be developed.
- The 2023 pole inspection change outs have been completed.
- Chris Terhune has been named the new VP of the KEC safety coordinators group.
- Carrie was nominated to serve on the KEC IT summit planning committee.
- Ann Marie continues to work on preparation for the Annual Meeting.
- Diana has been elected as the VP of the KEC HR group.
- Retail Non-operating margins YTD rose to \$14,363.30 on the strength of two Generac sales and extra work at Lane County Feeders.
- Inventory levels remain “comfortable” but with the number and intensity of national storm events, LSEC is closely monitoring the supply chain.

RECEIPT OF MANAGER’S REPORT

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

SAFETY REPORT

A safety report was included in the board packet.

OLD BUSINESS

There was no old business before the board.

NEW BUSINESS

1. End of Year Report

- Manager McLeon reviewed the End of Year Report as contained in the board packet.
- The report is 68 pages long and much of the information is pulled from the form 7.
- The trends show that LSEC has declining members and declining meters.

- LSEC has 2,047 miles of line with seven miles retired in the past year.
- Smart Hub participation is increasing with 35% of members utilizing it.
- Manager McLeon reviewed the major income sources, major expenses, controllable expenses and the statement of operations.
- The safety record remains good with no loss time hours for the year. Chris Terhune has done a good job as safety coordinator.
- The trend shows that the utility plant is growing faster than debt so equity is being built.
- The general cash requirement was discussed with the two methods for determining the amounts presented.
- The irrigation load continues to grow.
- \$1.3 million of capital credits have been paid to members with the additional special retirements bringing the total amount to close to \$2 million.

2. Board Policy 501

- The board discussed the proposed changes to board policy 501 regarding employee compensation and evaluations as presented.
- *A motion to approve the amendments to board policy 501, effective January 1, 2025, was made, duly seconded and carried.*

3. Kalo Mann Resolution

- Manager McLeon read the proposed resolution of appreciation for Mr. Kalo Mann to the board.
- *A motion approve the Resolution 2024-0624, a resolution of appreciation for Mr. Kalo Mann, as presented to the board was made, duly seconded and carried.*

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 9:00 p.m., on Monday, June 24, 2024.

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Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3302 06/11/2024	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	940.65
3303 06/11/2024	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	303.39
3304 06/11/2024	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	689.17
51583 06/17/2024	CHK	1	FORT HAYS STATE UNIVERSITY	Continuing Education Scholarship	1,500.00
51584 06/17/2024	CHK	1	MCCRACKEN RODEO	Rodeo Ad and Arena Sign	260.00
51585 06/17/2024	CHK	1	NESS CITY MEDICAL CLINIC	Pre Employment Physical -C Fuentes	180.00
51586 06/17/2024	CHK	1	NESS COUNTY FAIRBOARD	Fair Sponsor-Banner Ad	150.00
51587 06/17/2024	CHK	5	DAVID L ALBERS	Estate	180.50
51588 06/17/2024	CHK	5	KAREN L DUMLER	Estate	941.57
51589 06/17/2024	CHK	5	WESTERN KANSAS COMMUNITY FOUN	Estate	387.06
51590 06/17/2024	CHK	5	KIT L KREHBIEL	Estate	316.81
51591 06/17/2024	CHK	5	CELESTE DOWNEY	Estate	370.41
51592 06/17/2024	CHK	5	SUSAN ROSE	Estate	3,251.01
51593 06/17/2024	CHK	5	ESTATE OF PEGGY COOLEY	Estate	104.42
51594 06/17/2024	CHK	5	GWEN COBERLY	Estate	37.41
51595 06/17/2024	CHK	5	BRENDA BOESE	Estate	308.86
51596 06/17/2024	CHK	5	JEANETTA M FOOS	Estate	1,294.73
51597 06/17/2024	CHK	5	ROGER A GOODMAN	Estate	683.21
51598 06/17/2024	CHK	5	TIM A GOODMAN	Estate	683.18
51599 06/17/2024	CHK	5	ROYCE GRUVER	Estate	61.24
51600 06/17/2024	CHK	5	GENE GRUVER	Estate	61.24
51601 06/17/2024	CHK	5	NORVAL GRUVER	Estate	61.22
51602 06/17/2024	CHK	5	JOYCE HANZLICK	Estate	265.89
51603 06/17/2024	CHK	5	KAYE E HARRIS	Estate	513.06
51604 06/17/2024	CHK	5	ARLITA HUMMELKE	Estate	61.24
51605 06/17/2024	CHK	5	SHELLY HULLETT	Estate	37.43

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51606 06/17/2024	CHK	5	JENSEN DEBBIE	Estate	288.99
51607 06/17/2024	CHK	5	TAMMY KNIGHT	Estate	288.96
51608 06/17/2024	CHK	5	BARBARA SPAYDE	Estate	1,016.71
51609 06/17/2024	CHK	5	ESTATE OF SHERRY L MOORE	Estate	1,517.81
51610 06/17/2024	CHK	5	MARY A NOLL	Estate	1,171.62
51611 06/17/2024	CHK	5	ESTATE OF GERALD E. RILEY	Estate	60,716.73
51612 06/17/2024	CHK	5	BARBARA RUPP	Estate	72.06
51613 06/17/2024	CHK	5	SHELBY K SEIB	Estate	3,504.00
51614 06/17/2024	CHK	5	LOREN STENZEL	Estate	395.90
51615 06/17/2024	CHK	5	SHAUNDA VOGEL	Estate	37.41
51616 06/17/2024	CHK	5	STANLEY STRECKER	Estate	72.07
51617 06/17/2024	CHK	20	BASIN ELECTRIC POWER COOP	May Dispatch and Alarm Fee	2,122.15
51618 06/17/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	76,500.00
51619 06/17/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	7,731.26
51620 06/17/2024	CHK	105	CITY OF NESS CITY	Monthly Invoice	47.35
51621 06/17/2024	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	49.07
51622 06/17/2024	CHK	126	CARRIE BORELL	Per diem-Workshop in Wichita-	88.50
51623 06/17/2024	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	5,474.00
51624 06/17/2024	CHK	309	KANSAS BG LLC	Oil-all trucks	8,466.65
51625 06/17/2024	CHK	366	DIANA KUHLMAN	Mileage-KECHIT mtg and IMA mtg in Hays	120.60
51626 06/17/2024	CHK	380	GRAINGER	Monthly Invoice	432.80
51627 06/17/2024	CHK	406	RICHARD MCLEON	Mtg Expense-KEC mgr meeting in Wichita	103.25
51628 06/17/2024	CHK	563	JOCELYN WALKER	Per Diem-Workshop in Wichita	88.50
51629 06/17/2024	CHK	576	NESS COUNTY REGISTER OF DEEDS	Easement Filings	1,174.00
51630 06/17/2024	CHK	803	ALTEC INDUSTRIES, INC	Parts Truck #150 & 201	1,984.72
51631 06/17/2024	CHK	903	NISC	Monthly Invoices	14,462.52

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51632 06/17/2024	CHK	1215	POWER SYSTEM ENGINEERING, INC.	Consulting Services	800.00
51633 06/17/2024	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Dighton	316.49
51634 06/17/2024	CHK	1234	JF BEAVER	Annual Meeting Shirts	1,014.79
51635 06/17/2024	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Monthly Invoice	731.55
51636 06/17/2024	CHK	1293	DAL HAWKINSON	Clothing Allowance	656.04
51637 06/17/2024	CHK	9999	HG OIL HOLDINGS LLC	INACTIVE REFUND	594.91
51638 06/17/2024	CHK	9999	JENNIFER LOPEZ	INACTIVE REFUND	136.98
3305 06/25/2024	WIRE	101	ATMOS ENERGY	Monthly Invoice	94.26
3309 06/25/2024	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	20,472.33
51639 06/26/2024	CHK	1	BRANDEE BERNDT	Travel Expense to Topeka for Youth Tour	400.00
51640 06/26/2024	CHK	1	ANNA HENNING	Travel Expense to Topeka for Youth Tour	400.00
51641 06/26/2024	CHK	30	HAROLD HOSS	June Board Meeting	390.20
51642 06/26/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	2,626.56
51643 06/26/2024	CHK	63	RICHARD JENNISON	June Board Meeting	367.42
51644 06/26/2024	CHK	79	POSTMASTER	Postage-Newsletter	122.61
51645 06/26/2024	CHK	105	CITY OF NESS CITY	Franchise Fee	4,299.35
51646 06/26/2024	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Ness City	80.58
51647 06/26/2024	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	10,460.60
51648 06/26/2024	CHK	135	CITY OF BAZINE	Franchise Fee	1,317.92
51649 06/26/2024	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	7,651.03
51650 06/26/2024	CHK	220	LANDIS+GYR TECHNOLOGY, INC	May SaaS Monthly Fee	1,195.00
51651 06/26/2024	CHK	279	IT1 CONSULTING	Software Service	13.94
51652 06/26/2024	CHK	294	AIRGAS USA LLC	Monthly Invoice	10,032.95
51653 06/26/2024	CHK	366	DIANA KUHLMAN	Meat for meals- Chris Robbins presentati	96.00
51654 06/26/2024	CHK	450	RANDALL G EVANS	June Board Meeting	350.67
51655 06/26/2024	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Copier Contract	874.66

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51656 06/26/2024	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Invoice	12.30
51657 06/26/2024	CHK	561	JOHN C ROBBINS	Emotional Intelligence and working Geniu	2,100.00
51658 06/26/2024	CHK	568	SUSAN NUSS	June Board Meeting	426.38
51659 06/26/2024	CHK	570	JAMES W JORDAN	June Board Meeting	394.22
51660 06/26/2024	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fees	68.40
51661 06/26/2024	CHK	1300	CRAIG RAMSEY	June Board Meeting	383.50
3306 06/28/2024	WIRE	183	HIBU INC	Yellowbook	15.00
3307 06/28/2024	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	154.08
3308 06/28/2024	WIRE	1290	WEX BANK	Monthly Fuel Invoice	1,956.04
51662 07/01/2024	CHK	1	SACRED HEART PTO	Softball Tournament Donation	50.00
51663 07/01/2024	CHK	1	SACRED HEART SCHOOL	Fall Festival Donation	50.00
51664 07/01/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	59,000.00
51665 07/01/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	URD Workshop-Shelton & Cable	11,933.07
51666 07/01/2024	CHK	73	STANION WHOLESALE ELEC CO INC	Monthly Invoice	34,540.90
51667 07/01/2024	CHK	136	NATHAN BURNS	30 Year Employee Award	500.00
51668 07/01/2024	CHK	198	OTIS ELEVATOR COMPANY	Maintenance Contract 7/1/24-9/30/24	158.03
51669 07/01/2024	CHK	269	ANIXTER INC	Clothing Allowance-Chad Rupp	451.14
51670 07/01/2024	CHK	306	BORDER STATES INDUSTRIES INC	Monthly Invoice	12,846.18
51671 07/01/2024	CHK	366	DIANA KUHLMAN	Milege to Ness and storm meals	157.45
51672 07/01/2024	CHK	380	GRAINGER	Red Pass Plus Annual Membership Fee	181.15
51673 07/01/2024	CHK	392	TRUCK CENTER COMPANIES	Truck #150	1,680.01
51674 07/01/2024	CHK	562	RENSENHOUSE	Monthly Invoice	742.50
51675 07/01/2024	CHK	575	AMERINE UTILITIES CONSTRUCTION I	Ness City Swimming Pool	19,660.00
51676 07/01/2024	CHK	790	SUNBELT SOLOMON	OCR	9,797.02
51677 07/01/2024	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fees	67.20
51678 07/01/2024	CHK	1045	KALO MANN	30 Year Employee Award	365.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51679 07/01/2024	CHK	1225	CINTAS CORPORATION	Ness City-Medicine cabinet	111.62
51680 07/01/2024	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Rubber Gloves Testing	236.50
51681 07/01/2024	CHK	1251	TECHLINE, LTD	Monthly Invoice	27,017.74
51682 07/01/2024	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	178.71
3310 07/02/2024	WIRE	530	SNAP-ON CREDIT LLC	Monthly Invoice	50.72
3311 07/02/2024	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Invoice	954.17
3314 07/02/2024	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	61.80
3318 07/02/2024	WIRE	586	NETWORK COMPUTING SOLUTIONS	IT Support-cyber security & Installation	4,318.30
3312 07/05/2024	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange	51.60
3315 07/05/2024	WIRE	281	INTERNAL REVENUE SERVICE	Truck Tax	760.00
3316 07/05/2024	WIRE	59	NRECA	Qtrly 401(k) Pension Plan Employer Exp	1,267.00
3319 07/05/2024	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
3320 07/05/2024	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-GROUP INSURANCE	58,742.98
3321 07/05/2024	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GR 1-JULY GROUP INSURANCE	2,734.15
3322 07/05/2024	WIRE	180	NRECA	NRECA GRP 1 ADM FEE-JLU GR INS ADM FEE	237.73
3313 07/08/2024	WIRE	1267	AFLAC	Monthly Premiums	1,703.76
3317 07/08/2024	WIRE	468	U.S. BANK	Monthly Credit Card Invoice	28,179.33
51683 07/08/2024	CHK	1	HODGEMAN COUNTY 4-H SALE FUND	Livestock Sale	150.00
51684 07/08/2024	CHK	2	CASHIER ACCOUNT	Petty Cash	145.90
51685 07/08/2024	CHK	104	HOME OIL CO	Monthly Fuel Invoice	557.83
51686 07/08/2024	CHK	105	CITY OF NESS CITY	June Postage and Pay Station	616.28
51687 07/08/2024	CHK	107	CINTAS CORPORATION #449	Monthly Invoice	479.98
51688 07/08/2024	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	5,474.00
51689 07/08/2024	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	163.94
51690 07/08/2024	CHK	361	ANN M JENNINGS	Clothing Allowance & Annual Mtg Expense	150.35
51691 07/08/2024	CHK	386	SEILER INSTRUMENT & MFG CO INC	GPS Software	2,164.58

07/08/2024 4:25:20 PM

**Accounts Payable
Check Register**

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06/11/2024 To 07/08/2024

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
51692 07/08/2024	CHK	427	DIGHTON HERALD LLC	Advertising	80.00
51693 07/08/2024	CHK	498	BLAKE MCVICKER	Supplies	44.01
51694 07/08/2024	CHK	516	WESTERN KANSAS BROADCAST CENT	Advertising	376.00
51695 07/08/2024	CHK	573	HM CRAGG	Substation Batteries	5,147.90
51696 07/08/2024	CHK	578	L&R LAWN CARE & SUPPLY	Monthly Invoice	167.11
51697 07/08/2024	CHK	773	BRETZ, INC.	Monthly Invoice	35.26
51698 07/08/2024	CHK	998	LANE COUNTY 4-H COUNCIL	4H Sponsors	100.00
51699 07/08/2024	CHK	1254	EAGLE RADIO	Advertising	98.00
Total Payments for Bank Account - 2 :					(138) 567,564.99
Total Voids for Bank Account - 2 :					(0) 0.00
Total for Bank Account - 2 :					(138) 567,564.99
Grand Total for Payments :					(138) 567,564.99
Grand Total for Voids :					(0) 0.00
Grand Total :					(138) 567,564.99



SUNFLOWER ELECTRIC POWER CORPORATION

Board Meeting Summary

July 17, 2024

CURRENT ACTIVITIES

New Board Alternate for Western

Board Action: The Sunflower Board voted and approved Nolan Numrich to replace Stacey Malsam as the alternate director representing Western Cooperative Electric.

September Board Meeting

Board Action: The Sunflower Board voted and approved to change the September 18 Board meeting location from Hays to Sunflower's Holcomb facility.

PRESIDENT'S REPORT

Generation, Power Supply, and Market Affairs

Clifton Repair/Replace Update

Staff reviewed the status of the Clifton combustion turbine replacement project. They continue to pursue the GE LM6000 combustion turbine technology but will consider a different contractor due to high cost estimates and extended deadlines. In addition, Sunflower staff were approached by Solar Turbine, a wholly owned subsidiary of Caterpillar and a leading manufacturer of industrial gas turbines, about its latest 35 MW Titan 350 combustion turbine. The preliminary cost estimate for a Titan 350 installation is lower than the LM6000 estimate, but it does not conform to Sunflower's specifications for the Clifton project. Solar Turbine is working to provide an updated estimate that meets the specifications by August 1. Staff will continue working with the consultant to invest in the evaluation of the various replacement options.

Transmission Planning and Policy

FERC (Federal Energy Regulatory Commission) 205 Rehearing

In late March, Southwest Power Pool (SPP) filed an application with FERC for region-wide cost allocation of the remaining costs of Sunflower's four notices to construct (NTC). This filing was aimed at remedying the ongoing unreasonable and discriminatory allocation of costs for Byway transmission facilities primarily benefitting the entire SPP region. That FERC 205 filing was approved and effective June 1.

All three opposing entities, KEPCo, Kansas Corporation Commission (KCC), and Basin Electric Power Cooperative, filed separate rehearing requests on Sunflower's FERC 205 case. Neither Sunflower nor our consultants believe the rehearing requests will increase the risk of reversal. No new arguments or data were provided, and the arguments in the rehearing requests were similar to those made during the C2 waiver process approval and the 205 SPP filing. Sunflower drafted and filed an answer to the rehearing requests on July 16. SPP also drafted and filed an answer to the rehearing requests. FERC's decision on the rehearing is expected on July 31.

Fuel Assurance Policy and Planning Reserve Margins Changes

Fuel assurance enhances resource adequacy policies by placing additional emphasis on the performance of conventional resources during the most critical hours of the season and reduces the socialization of capacity allocation in the Planning Reserve Margin (PRM). The Fuel Assurance Policy RR 621 passed the SPP markets and operations policy committee.

The PRM is intended to ensure load responsible entities (LRE) are appropriately planning for capacity in both the winter and summer seasons. Likely, the recommended RR 622 PRM will be 36% in the winter and 16% for the summer.

Technology Services

Artificial Intelligence

Infrastructure services team members Logan Stanton and Sam Ayers presented to the Board on artificial intelligence (AI) and its benefits, risks, and potential use in a business environment. AI has both benefits and risks related to productivity, security and data analytics, and media creation and management. Potential future use cases for AI in the electric industry include grid-interactive smart communities; consumer electricity consumption behavior; information technology and control systems monitoring, identification, and threat remediation; image processing and surveillance; self-healing grid capabilities; proactive fault detection with aging infrastructure; supply/demand optimization; and many more possible applications. Internally, Sunflower approved the use of common text-based models like Microsoft Copilot, OpenAI's ChatGPT, and Bing Chat, as well as common media-based models like Adobe Sensei.

Financial Services

June Financials

Overall, Member loads were down .93% from budget for the month and down .69% from budget year to date. Large industrial loads were down 8.59% from budget for the month and down 5.78% from budget year to date. Operation and maintenance expenses were up 128.28% from budget for the month and up 6.7% from budget year to date. Year-to-date revenues are 12% below budget estimates, primarily driven by much lower than budgeted fuel and purchased power costs during the coolest summer in five years. Year-to-date gross margins are 1% below budget.

Credit Rating

Used by finance entities to assess a borrower's creditworthiness with respect to debt or financial obligations, a credit rating is a universal rating by an independent, third party. Private placement investors use National Association of Insurance Commissioners (NAIC) credit determinations to assess credit risk if an entity is not credit rated.

MKEC received a NAIC credit determination when we completed the private placement in 2013. This determination has not been updated for Sunflower and is not reflective of our current credit profile. After the merger in 2020, Sunflower worked with a private placement lender to approach NAIC to update the credit determination. NAIC declined to review the NAIC-2 rating from MKEC, and since we have not entered the private placement market as Sunflower, they do not have any interest in updating the determination.

While not having a credit rating does not affect borrowings or credit with cooperative banks like CFC or CoBank, it can impact future participation in the private placement market. In anticipation of future participation in the private placement market, staff engaged the three credit rating agencies to obtain quotes/proposals on the cost and timing to obtain a credit rating. Before Sunflower considers going to market, we would also need to extend wholesale power contracts (WPC) to at least 30 years. Lenders rely on the WPC for credit support, and it must extend longer than the term of the debt. Staff recommended that Sunflower start the process of obtaining a credit rating and extending the WPC.

Corporate Services

Q2 Safety Performance

In the second quarter of 2024, there were zero recordable or lost-time incidents, and safety reporting continues at higher-than-historical volumes. The number of near miss and good catch reports was more than double the goal. There were four vehicle accidents, and six information-only reports. Information-only reports are incidents not resulting in immediate injury, illness, or damage but were deemed significant enough to warrant tracking for potential future implications, monitoring trends, identifying potential hazards, and proactively addressing safety concerns.

Sunflower Electric Power Corp. - June 2024, Member Billing Summary								
WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total
Demand Coincident Peak, kW	28,282	139,992	132,009	116,118	154,769	60,037	179,315	810,522
Demand NCP, kW	28,682	127,930	140,291	127,301	161,651	61,701	179,947	827,503
Wholesale Energy Usage, kWh	14,284,342	88,059,826	70,502,594	54,471,498	77,121,602	33,160,261	80,302,860	417,902,983
RTP Marginal Usage, kWh			1,830		(54,605)			(52,775)
Coincident Peak Load Ratio Share, %	3.50%	17.30%	16.30%	14.30%	19.10%	7.40%	22.10%	100.00%
Coincident Load Factor, %	70.10%	87.40%	74.20%	65.20%	69.20%	76.70%	62.20%	71.60%
Metering Points	10	26	25	28	23	25	34	171
CP Demand Rate, \$/kW	10.53	11.11	10.53	10.53	10.53	10.53	10.53	10.61
NCP Demand Rate, \$/kW	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07
CP Demand Charge, \$	297,809.46	1,555,518.06	1,390,054.77	1,222,722.54	1,629,717.57	632,189.61	1,888,186.95	8,616,198.96
NCP Demand Charge, \$	88,053.74	392,745.10	430,693.37	390,814.07	496,268.57	189,422.07	552,437.29	2,540,434.21
Demand Charge, \$	385,863.20	1,948,263.16	1,820,748.14	1,613,536.61	2,125,986.14	821,611.68	2,440,624.24	11,156,633.17
Energy Rate, ¢/kWh	0.6943	0.6909	0.6943	0.6943	0.6943	0.6943	0.6943	0.6936
Energy Charge, \$	99,176.19	608,378.34	489,499.51	378,195.61	535,455.28	230,231.69	557,542.76	2,898,479.38
RTP Marginal Usage Charge, \$			99.05		(2,665.07)			(2,566.02)
HLF Rider Net Charge, \$	7,288.63	11,015.32	(84,530.59)	27,794.22	(4,270.74)	16,920.12	25,783.02	-
EDR Rider Net Charge, \$	1,725.28	(18,041.43)	8,515.37	5,886.88	(11,790.25)	4,005.13	9,699.04	-
ECA Rate (ECA-02), ¢/kWh	1.6430	1.6430	1.6430	1.6430	1.6430	1.6430	1.6430	1.6430
ECA Charge, \$	234,691.74	1,446,822.94	1,158,357.62	894,966.71	1,267,107.92	544,823.09	1,319,375.99	6,866,146.01
Meter Rate, \$/Meter	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Meter Charge, \$	1,050.00	2,730.00	2,625.00	2,940.00	2,415.00	2,625.00	3,570.00	17,955.00
Schedule 1	2,479.08	13,102.38	11,957.43	8,776.30	12,690.40	5,431.78	14,019.65	68,457.02
Schedule 11 Regional	27,334.68	144,468.67	131,844.16	96,768.63	139,925.96	59,891.55	154,582.51	754,816.16
Schedule 11 Zonal	52,632.63	278,172.86	253,864.52	186,326.97	269,425.93	115,320.54	297,646.97	1,453,390.42
Schedule 12	1,732.15	9,154.75	8,354.75	6,132.07	8,866.88	3,795.23	9,795.64	47,831.47
Schedule 1a	4,851.81	25,642.71	23,401.90	17,176.11	24,836.39	10,630.55	27,437.88	133,977.35
Schedule 9 SEPC	84,907.68	448,752.28	409,537.73	300,585.22	434,641.60	186,036.67	480,168.17	2,344,629.35
Msc. Transmission	577.82	3,053.73	2,786.86	1,989.05	2,957.75	1,265.91	3,267.40	15,898.52
Transmission Charge, \$	174,515.85	922,347.38	841,747.35	617,754.35	893,344.91	382,372.23	986,918.22	4,819,000.29
Billing Adjustments, \$ (LRR Rider)		(222,281.24)		-	(5,265.32)		-	(227,546.56)
ECIR Credit, \$			(2,483.34)					(2,483.34)
Community Solar Adjustments, \$		345.08			52.05		1,215.95	1,613.08
Net Charges, \$ *	904,310.89	4,699,579.55	4,234,578.12	3,541,074.38	4,800,369.92	2,002,588.94	5,344,729.22	25,527,231.02
3-2-1 Credits, \$		(10,343.19)	(251.05)	(18,057.30)	(3,024.57)			(31,676.11)
Total Charges, \$	904,310.89	4,689,236.36	4,234,327.07	3,523,017.08	4,797,345.35	2,002,588.94	5,344,729.22	25,495,554.91
Average all-in ¢/kWh	6.331	5.325	6.006	6.468	6.225	6.039	6.656	6.102
Non-Member energy charges:			<div>↓</div> <div>↑</div> <div>→</div> <div>↑</div> <div>↓</div>	Basis for Changes from Previous Month				
Non-Member energy charges:	\$	\$/kWh		<div>1. Holcomb Capacity Factor was 45.2% for the month.</div> <div>2. Smoky Hills #1 WF Capacity Factor was 31.7% for the month.</div> <div>3. Shooting Star capacity factor was 23.9% for the month.</div> <div>4. Smoky Hills #2 WFCapacity Factor was 38.6% for the month</div> <div>5. Johson Corner Solar Capacity Factor was 30.6% for the month</div>				
10 West Cities	1,062,492.59	0.0611						
4 East Cities	130,863.65	0.0668						
KEPCo	176,927.23							
KMEA - EMP2 (Local Access)	120,862.09							
KMEA - City of Meade - (Local Access)	19,118.89							
AP & NH other contracted services	393,459.35							
KPP - OATT, L.A.C. & MA Charges	26,822.31							
Note:			↑ = Increase					

9. General Manager / C.E.O. Report

A. Rates and Reliability Dashboard

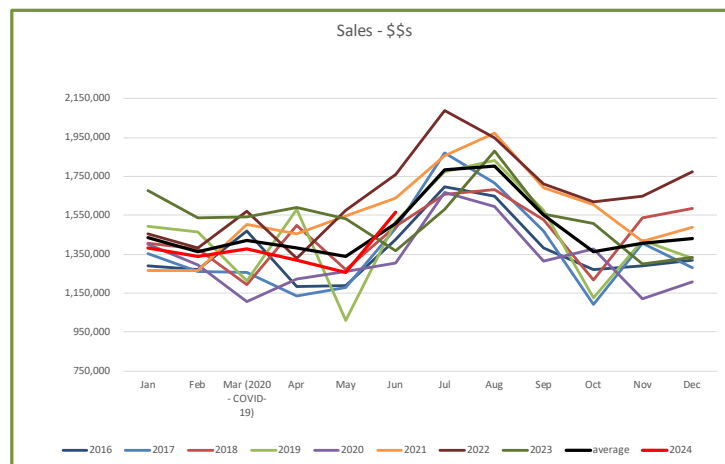
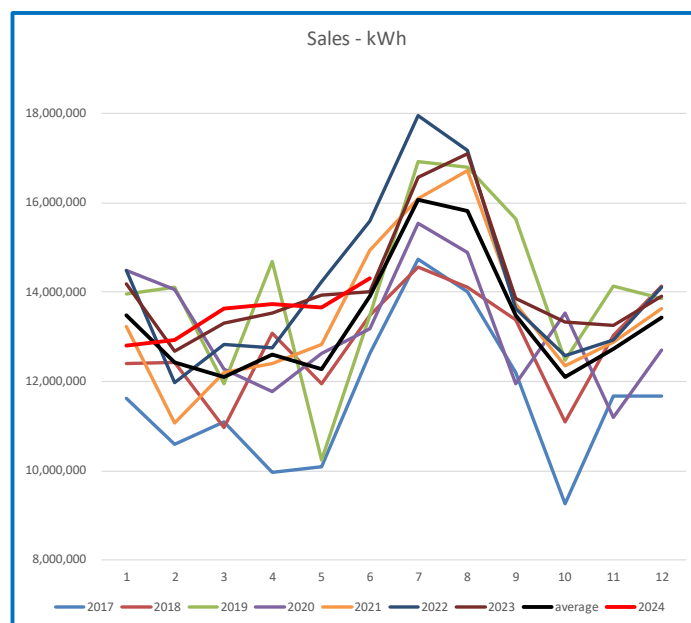
YTD kWh sales are 0.7% below 2023 but 5.6% ahead of the 2019-2024 average.

YTD dollar sales are 10.93% below 2023 and 4.01% below the 2019-2024 average.

YTD cost of wholesale power is 8.14% above 2023 and 12.62% below the 5-year average. However, if you adjust the February 2021 wholesale power cost to normalize Winter Storm Uri costs, this number drops to 0.42% below the 5-year average.

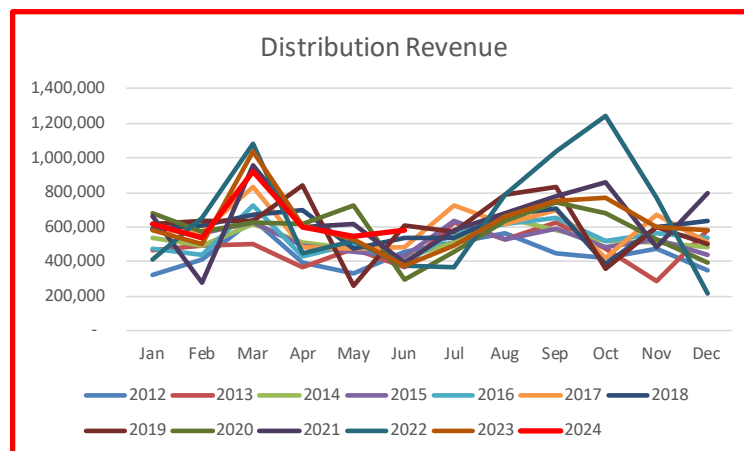
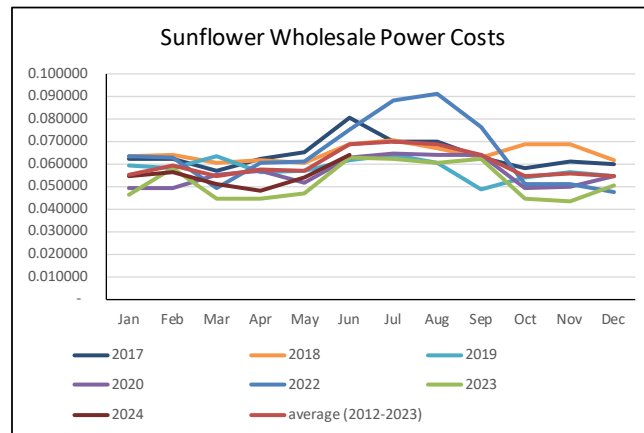
Therefore:

YTD Distribution Revenue is 4.72% above 2023 and 5.82% above the 5-year average.

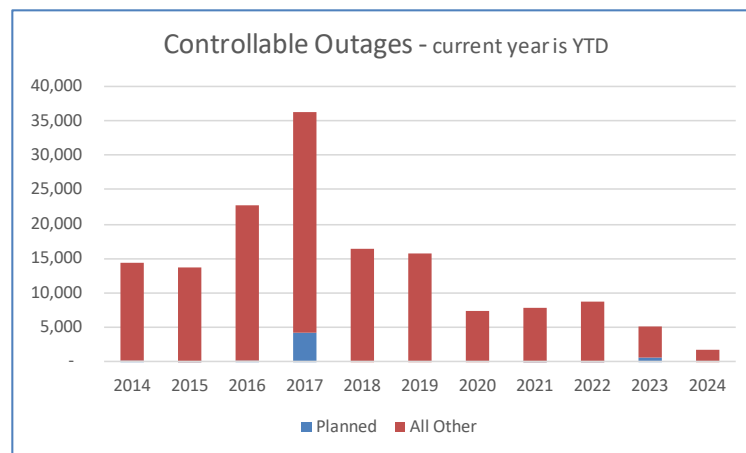
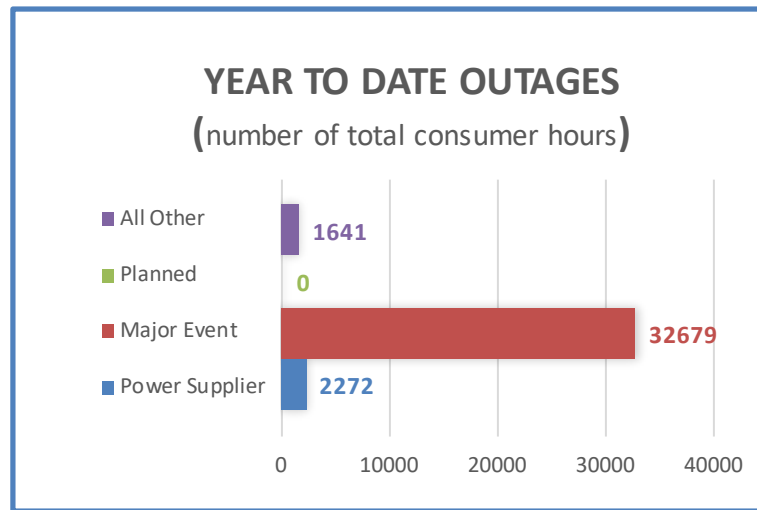


Form 7 Part O.		June 24			
		meters	kWh	\$s	\$s/kWh
1	Residential Sales	2,219	2,584,788	318,667	0.1233
2	Residential Seasonal	1,114	179,842	46,178	0.2568
3	Irrigation Sales	337	861,777	74,815	0.0868
4	C&I 1000 kVa or less	1,836	3,855,141	457,601	0.1187
5	C&I over 1000 kVa	175	5,807,735	570,160	0.0982
6	Public Street and Lighting	12	31,562	5,665	0.1795
7	Other Sales to Public Authorities	47	41,290	6,138	0.1487
8	Sales for Resale - RUS Borrowers	0	0	0	
9	Sales for Resale - Other	1	950,400	84,260	0.0887
		5,741	14,312,535	1,563,484	0.1376

Jun-24	meters	kWh	\$\$s	ratio
<i>Residential Sales</i>	38.7%	18.1%	20.4%	1.13
<i>Residential Seasonal</i>	19.4%	1.3%	3.0%	2.35
<i>Irrigation Sales</i>	5.9%	6.0%	4.8%	0.79
<i>C&I 1000 kVa or less</i>	32.0%	26.9%	29.3%	1.09
<i>C&I over 1000 kVa</i>	3.0%	40.6%	36.5%	0.90
<i>Public Street and Lighting</i>	0.2%	0.2%	0.4%	1.64
<i>Other Sales to Public Authorities</i>	0.8%	0.3%	0.4%	1.36
<i>Sales for Resale - RUS Borrowers</i>	0.0%	0.0%	0.0%	
<i>Sales for Resale - Other</i>	0.0%	6.6%	5.4%	0.81



YTD outages minutes per member are 382.7 which is a lot higher than last year's 78.8 YTD minutes per member. The January Blizzard added 341.8 minutes per member.



B. Strategic Plan Update

We made slight progress in the Strategic Plan during the last quarter moving from 77% completed to 81% completed. Our biggest gains were:

- Item 3. Evaluate advanced rate options for the future. Up 8% to 100% completed.
- Item 5. Enhance operational excellence by implementing appropriate technology options and processes. Up 5% to 69%.
- Item 2. Identify, Assess, and mitigate cyber security risks. Up 4% to 59% completed.

- C. New loads. There are several new (and potential) loads in the works:
- a. Conine Hog Farm gas reclamation project (± 2 MW). They have sent the initial paperwork and funds to order materials and begin construction. We continue working with Power System Engineers on options for service. This could have implications for the Dairy and feedlots along Hwy 83.
 - b. Beef Belt Feed lot expansion (± 500 kV). They are exploring adding a new feed mill.
 - c. One Ok / Magellan. This is our largest load, and they are investigating doubling their existing footprint (6 MW) at Hwy 83 and Hwy 4 near Healy (Manning Substation) and adding a new 3 MW pumping station near Bazine. We are working with Sunflower on a new radial transmission extension and substation.
 - d. At 8 MW these loads represent a 25% increase to our total NCP demand profile (31.5 MW).
- D. The Credit Card records are available for the Boards review.
- E. Departments / Sections (full reports are in the Supplemental file)
- 1) Accounting and Finance.
 - We are moving into our best sales months, but initial estimates are that July sales will be below expectations. Our financial strength remains very good, although operating metrics remain low:
 - TIER – 1.11, OPTIER – 0.69
 - DSC – 0.94, ODSC – 0.80
 - Equity as a % of Assets – 39.98%
 - Equity as a % of Capitalization – 42.82%
 - Cash Balance - \$7,214,289
 - General Funds Level – 11.59%
 - Current Ratio – 2.45
 - Cash to Debt Ratio – 20.81%
 - 2) Operations Report (Dal). Operations encompasses construction, maintenance, and engineering. As usual, they were focused on distribution and substation maintenance and pole change-outs. Key items were:
 - Hung Recloser for Wheatland interconnect.
 - Hung control transformer and new electronic reclosers in the west city substation.
 - Worked with NISC on windmill model issues.
 - 3) Information Technology and Cybersecurity (Carrie). Carrie will be present at the Board meeting.
 - 4) Communications (Ann Marie). Ann Marie is the employee in charge of the Annual Meeting and spent most of June preparing for it while educating members and employees on the new rate structures as well as the Annual Meeting voting procedure.

- 5) Human Resources (Diana). Diana has been very busy setting up trainings, on-boarding new employees, filing OSHA paperwork, Mutual Aid paperwork, and NRECA benefits updates and filling in as a Cashier / Receptionist.
- 6) Special Projects (Kathy). Kathy is focusing her energy and experience on cleaning up some remaining projects that critical to Lane-Scott. She is focusing on (in order):
- Substation Assets Allocations.
 - Capital Credit Escheatment and Estate retirements.
 - Records Retention and classification
 - Vault and storage room re-organization and housekeeping.

She is now 85% complete with Substation Allocations. The Aquilla substations came to MKEC as one or more units listed as “substation”. We have been slowly breaking these out into components for depreciation and asset clarity.

- 7) Retail Services / Warehouse Report (Scott).
- Retail Non-operating margins YTD rose to \$21,809.52 with Michael and Boston adding \$7,336.12 in net gain.
 - Inventory levels remain “comfortable” on most items, but recent storms have us low on 45’ poles and some 336 conductor items like insulator pins and tie-wires.
 - Generac. Two more units sold.

Respectfully submitted,

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

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

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KS0042
	PERIOD ENDED June 2024
	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.

INSTRUCTIONS - See help in the online application.

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

CERTIFICATION

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

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

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

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

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

DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	8,434,222	8,872,015	9,463,995	1,613,709
2. Power Production Expense				
3. Cost of Purchased Power	4,803,086	5,061,144	5,317,469	1,028,985
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	551,586	580,898	550,343	107,634
7. Distribution Expense - Maintenance	516,101	682,748	583,990	161,361
8. Customer Accounts Expense	134,299	129,136	137,293	22,529
9. Customer Service and Informational Expense	33,391	36,750	36,151	7,362
10. Sales Expense	48,789	43,168	52,679	6,498
11. Administrative and General Expense	964,596	912,945	899,124	175,513
12. Total Operation & Maintenance Expense (2 thru 11)	7,051,848	7,446,789	7,577,049	1,509,882
13. Depreciation and Amortization Expense	970,735	1,012,451	993,648	168,983
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	605,206	582,770	587,634	96,630
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	2,749	2,670	2,660	443
19. Other Deductions	12,730	10,170	11,904	760
20. Total Cost of Electric Service (12 thru 19)	8,643,268	9,054,850	9,172,895	1,776,698
21. Patronage Capital & Operating Margins (1 minus 20)	(209,046)	(182,835)	291,100	(162,989)
22. Non Operating Margins - Interest	187,971	189,265	194,413	28,750
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	36,368	60,391	36,144	7,446
26. Generation and Transmission Capital Credits		(11,980)		
27. Other Capital Credits and Patronage Dividends	8,810	10,849	20,000	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	24,103	65,690	541,657	(126,793)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION KS0042		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED June 2024		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	12	27	5. Miles Transmission		
2. Services Retired	35	15	6. Miles Distribution – Overhead	2,038.10	2,038.10
3. Total Services in Place	6,050	6,058	7. Miles Distribution - Underground	8.73	8.73
4. Idle Services (Exclude Seasonals)	276	317	8. Total Miles Energized (5 + 6 + 7)	2,046.83	2,046.83
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	63,564,828		30. Memberships	0	
2. Construction Work in Progress	669,849		31. Patronage Capital	23,579,806	
3. Total Utility Plant (1 + 2)	64,234,677		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	22,518,627		33. Operating Margins - Current Year	(182,835)	
5. Net Utility Plant (3 - 4)	41,716,050		34. Non-Operating Margins	2,199,384	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	355,745	
7. Investments in Subsidiary Companies	248,755		36. Total Margins & Equities (30 thru 35)	25,952,100	
8. Invest. in Assoc. Org. - Patronage Capital	12,321,738		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	30,136,385	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	4,522,306	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	13,243,413		43. Total Long-Term Debt (37 thru 41 - 42)	34,658,691	
15. Cash - General Funds	175,772		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	100		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	25		46. Total Other Noncurrent Liabilities (44 + 45)	0	
18. Temporary Investments	6,816,434		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,211,303	
20. Accounts Receivable - Sales of Energy (Net)	1,345,049		49. Consumers Deposits	105,590	
21. Accounts Receivable - Other (Net)	239,822				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,438,510	
23. Materials and Supplies - Electric & Other	793,738		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	81,034		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	89,555		53. Other Current and Accrued Liabilities	1,137,600	
26. Total Current and Accrued Assets (15 thru 25)	9,541,529		54. Total Current & Accrued Liabilities (47 thru 53)	3,893,003	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	416,270		56. Other Deferred Credits	413,468	
29. Total Assets and Other Debits (5+14+26 thru 28)	64,917,262		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	64,917,262	

I. LANE-SCOTT IT/CYBERSECURITY STRATEGIC PLAN

A. 5-Year Projection Plan

1. 2019-2024: **General overview of large projects only.**

a) Education and Training

- (1) PCI Compliance Assessment courses, software training, and best practices. (2019)
- (2) FHSU networking educational courses. (2019-2020)
- (3) SANS Cybersecurity educational courses. (2021-2022)
- (4) RC3 Cybersecurity Self-Assessment courses, software training, and best practices. (2019-2021)
- (5) Leadership & Supervisor Training (2023-2024)
- (6) NRECA and KEC Cybersecurity training. (2019-2024)
- (7) Continued education and training courses. (2019-2024)

b) Access outdated equipment and devices. Set up on a rotational 5-year replacement budget plan and security permissions.

- (1) Computers and Servers (2019)
- (2) Ipads and Phone System (2020)
- (3) PCI Compliance devices and network devices. (2021)
- (4) Printer and Scanners (2022)
- (5) Servers, Meeting Room Upgrades (2023)
- (6) Training Room, Computer Upgrades (2024)

c) Network Securities and Performance Stabilization

- (1) External wiring – replaced damaged wiring. (2019-2020)
- (2) Internal wiring – replaced damaged wiring. (2019-2020)
- (3) Wireless Access Point Networking (2021)
- (4) Security System (2021-2024)
- (5) Access Control (2021-2024)

d) Integrate cybersecurity programs and regulation compliance.

- (1) Transition to a full IT Department and establish a Cybersecurity program. (2019)
- (2) Cybersecurity Program Services Established
 - (a) Training Awareness & Phishing Simulation (2019)
 - (b) NACHA Regulation upgrade. (2019)
 - (c) PCI Compliance software upgrade (2019)

- (d) *Endpoint Protection Incident Detection and Response and Vulnerability Management (2019-2020)*
- (e) *Updates and Patching Schedule (2020)*
- (f) *VPN Tunnel Remote Access (2020)*
- (g) *Teams Channels and Phone Bridge (2020)*
- (h) *Perimeter Firewall Defense (2020-2021)*
- (i) *Server Room Hardware Securities (2021-2022)*
- (j) *Upgrade Antivirus, Backup Process (2023)*
- (k) *Apple Device Management (2023)*
- (l) *iVue TrustGrid Platform Transition (2023)*
- (m) *Server Redundancy (2023)*
- (n) *Multi-Factor Authentication (2024)*
- (o) *Cybersecurity Technical Services (2024)*
- (p) *Disaster Recovery, Emergency Response, and Business Continuity Planning (2019-2024)*
- e) *Software usage review, upgrades, and enhancement implementation.*
 - (1) *KIOSK customer self-service upgrade. (2019)*
 - (2) *Member Service Software Upgrade (2021)*
 - (3) *Verifone Front Counter PCI Compliance Upgrade. (2018)*
 - (4) *AppSuite Annual Meeting (2022-2023)*
 - (5) *Digital Transition (2019-2024)*
 - (a) *Document Vault (2019)*
 - (b) *MapWise and OMS BPR Analysis (2020)*
 - (c) *Operations Suite Meter Data Management (2021)*
 - (d) *Annual Meeting Registration (2022)*
 - (e) *Work Management Service Orders (2023)*
 - (f) *iVue Connect HR Persona (2023)*
 - (g) *Annual Meeting Voting (2023)*
 - (h) *Radio Radio Frequency Upgrade (2023)*
 - (i) *Safety Forms (2023-2024)*
 - (j) *Budget Pro Financial Workflow (2023-2024)*
 - (k) *Purchase Orders Workflow (2024)*
 - (l) *Accounts Payable Workflow (2024)*

11. c. September 2024 Board date conflict.

The September 2024 meeting is currently scheduled for September 23rd which is the 4th Monday. However, that is the travel date for the 2024 NRECA Regional meeting in Sacramento, CA and the General Manager / CEO will be traveling that day.

The GM / CEO request that the Board reschedule the September 2024 meeting date to a week earlier - Monday, September 16th.

11. d. NRECA Regional Meeting Delegates

The 2024 NRECA Region 7 and 9 Meeting will be held in Sacramento, CA on September 24-26. CFC will also hold a District meeting on September 25th. Current NRECA delegates of record are are:

- Craig Ramsey, Voting Delegate, and
- Randall Evans, Alternate Voting Delegate

As of July 18, 2024, only Richard McLeon is registered to attend the regional meeting. No Trustee has indicated desire to attend the meeting in Sacramento, CA on those dates.

Management requests that the Board select Richard McLeon as the NRECA Voting Delegate and the CFC District Meeting Delegate and appoint either a Trustees or “None” as the Alternate Voting Delegate for the 2024 NRECA Region 7 and 9 Business Meeting and CFC District Meeting.

The submitting the Delegates will be done on-line with separate certification from the Board President and Board Secretary.

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF July 2024

- Rubber gloves changed out.
 - Testing and adjusting digital truck inspections, designing facility inspection sheet.
- Ann Jennings's submitted report:
- Report Copper Theft-Social Media.
 - Meter Tampering is a Crime-Social Media.
 - Wildfires can start from small sparks-social media.
 - Preparing your home for summer vacation-social media.
- Diana Kuhlman submitted reports:
- Attended Monthly Safety Meeting.
 - Coordinate Monthly Drug Testing.
 - Submitted No-Time Loss Report to KEC.
 - Documented Cindy Fuentes on OSHA 300.
 - Update Emergency Contact Forms.
 - Attended the KEC COOP meeting.
 - Reviewed the FMCSA regulations regarding training for Supervisors of CDL drivers.
- KEC Safety meeting: maintenance and care of personal protective grounds.
Administration-Sexual Harassment.

SAFETY PROJECTS IN PROGRESS AS OF July 2024

1. SafetyAmp software inspection forms in progress for main building first aid kit and pole yard.
2. FCC radios: Ordered repeater and antenna for Sunflower Tower to help with signal and redundancy.
3. Demo trailer installing reals and purchased a peddle tractor and other supplies to complete the project.
4. RESAP Onsite Observation.
 - Circuits are being identified.
 - The switching procedure for Twin Springs Sub. is in progress.
 - URD cables being identified and labeled.
 - Pad mount and switch cabinet signage in progress of being updated.
 - Written Traffic Control Plan in Development.
 - Working on moving connect for James Bergen grain bin site,

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
SAFETY MEETING
June 20th,2024

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

Minutes were read: Leighton Ayers made a motion to approve the May 28th minutes, seconded by Kevin Bradstreet. Minutes were read and approved as printed.

Present: Richard McLeon, Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Myron Seib, Kevin Bradstreet, Leighton Ayers, Dellon Shelton, Blake McVicker, Taylor Cable, Nate Burns, Scott Briand, Kathy Lewis, Carrie Borell, Ann Marie Jennings, Diana Kuhlman, Jocelyn Walker, Cindy Fuentes, Clarrisa Davis, and Boston Shimer.

Absent: Kalo Mann, Michael Pollock, Mark McCulloch, and Rebecca Campbell.

Guest: None

Truck report of inspections:

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

Trailer and Equipment report of inspections:

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

Warehouse, building, and pole yard inspections:

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

Pole Yard & Transformer Dock
Office

Scott Briand OK
Diana Kuhlman OK

Personal Tools: All Passed

Gloves Monthly Test Results: All Passed

Line Hoses Annual Test Results: All Passed

Sleeves Quarterly Test Results: N/A

Substation and Regulator Report:

- ♦ Ben Mann: Mowed Substations. Will be changing out regulator on Pawnee V phase.
- ♦ **PCB Report:** None to Report

Line Clearance: City of Ness City, City of McCracken, Darwin Whipple, McNair's, Jerry Riemann farm, Keith Burdett's, Guy Wayne Johnston, Solida is trimming trees along highway 4 between Utica and Ransom.

Accident and Near Misses: N/A.

Old Business:

- ♦ Dal Hawkinson: Crew observations with office personnel will be starting this month.

New Business:

- ♦ Richard McLeon: Dal and I went to a fire wildfire mitigation planning class. We will be designing a plan for LSE. Quarterly project reports updates will be due in July. The annual meeting is coming up in July. Capital budget items will be due soon, so be thinking about things to put into the budget. Sunflower has reached out about tours of Sunflower generation plants. Dates for the crew will be set later. New demand rates for residential will be billed 1st of July. The website will help with questions on that. We will be working on a tabletop exercise for emergency planning.
- ♦ Carrie Borell: Digital forms being made for purchase orders for Scott in the Warehouse. NCS will be assisting with cybersecurity, such as vulnerability report resolutions, email and network security and will also provide help with technical services.
- ♦ Ann Marie Jennings: Annual Report is sent out to consumers. You can vote online or on Smart-Hub.
- ♦ Diana Kuhlman: Chris Robbins training is completed. The new employee is Cindy Fuentes and summer help are Clarissa Davis, and Boston Shimer. In July, the supervisor evaluation questions will be sent out to employees at the beginning of August. Thank you, Carrie, for helping with the new employee on board.
- ♦ Kasey Jenkinson: Will be working on back feed options, for Dighton Lo and Twin Springs.
- ♦ Dal Hawkinson: Mutual aid paperwork needs to be filled out by the lineman for helping on storms. Nova will be installed on the Wheatland interconnect. In the future trash all bad meters. Twin Springs radio tower equipment has been ordered.
- ♦ Chad Rupp: Altec will be repairing several trucks. Truck 150 will be going to Dodge City for Repairs.
- ♦ Nate Burns: Conine Farms has paid for their contract for a new connect. Beef Belt may be building a new feed mill, and three phase line will need to be built. OneOK is looking to possibly add a six-meg load to the Scott City pump station, and a three-meg load to the Bazine or Ness area.
- ♦ Kathy Lewis: Coop planning meeting covered good discussion on password protection the more letters or characters you have the harder it is to be hacked.
- ♦ Kevin Bradstreet: Steve Heath called, and the tower lights are not blinking.
- ♦ Chris Terhune: In house safety meeting was held, Chris Robbins training was discussed.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
SAFETY COUNCIL COMMITTEE MEETING
June 20, 2024

Leighton Ayers called the meeting to order at 1:00am.

Minutes were read: Leighton Ayers made a motion to approve the March 18th minutes with amendments and Chris Terhune seconded. Minutes were read and approved.

Present: Richard McLeon, Chris Terhune, Leighton Ayers, and Carrie Borell

Old Business:

Chris Terhune:

- ◆ Demo trailer wire wheel received, tractor arrived, and building a stick man for tractor. After research with other cooperatives, it was decided not to purchase a ground mat because of the two different potentials involved.
- ◆ RESAP On-Site Observation Corrective Actions Reviewed
 - Employees can accomplish routine procedures and substation switching protocols. Ben Mann and Dal Hawkinson working on this project.

In Progress –Switching and backfeed procedures for Twin Springs substation and all substations with critical load supply.
- ◆ Otis Elevator mechanic replaced packings, maintenance, and inspection, and discussed the contract options. Regular maintenance was keeping the elevator in good condition. It was agreed to continue with the maintenance and service only contract.
- ◆ Follow Up:
 - Taylor Cable is starting book 1 test 9 in the Dennis Merchant Program. Safety Summit discussed other merchant programs options for any future new lineman.
 - Substation contractor guide amendment updates are in progress.
 - Fire Alarm Specialist contract for elevator radio fire communicator was approved. Because of cost we will start with the office. Shop fire alarm communication discussed for future budgeting.
 - Eldridge Fencing walk thru gate replacement was denied. Dal Hawkinson is looking for a heavier magnetic hardware to replace current magnet. Carrie reported the security company said the magnets are not aligned preventing a solid connection and suggested repositioning alignment of the new magnets.
 - Radio tower signal range and upgrades Dal Hawkinson updated on:
 - Twin Springs Sunflower Tower Share – Coordinating on Sunflower tower and S&T fiber connections.
 - Hineman Land Tower Relocation - Still under contract and will be revisited at contract renewal.
 - McLeish Tower Relocation - Postponed for now.
 - Western's Electric Tower Share – Revisiting options later.
 - McCracken Radio Signal Issues – Researching options for signal strength.
- ◆ There is no OSHA 16-hour work rule.
- ◆ Fire Alarm Specialist visual fire strobe alert, heat sensors, and audio alarm upgrade will need a work plan for 2025 budget to effectively distribute cost.
- ◆ Body harnesses were replaced.
- ◆ Digital forms are expanding: Work Management Service Orders completed, resuming on Inspection Forms, and currently doing Purchase Orders and Accounts Payable.
- ◆ Emergency Action Plan COVID procedure updated by Human Resources and implemented in plan. Final stage of amendments of titles and final approval by Richard.

Richard McLeon:

- ◆ Policy 524 Section C item 3 recommendations were approved by the Trustees and final.

- ◆ New Trustee Safety Policy will be revisited with consideration of the document hierarchy throughout the company during work situations and reporting, current trustee policy referencing safety manual, policies, procedures, guidelines during incident reviews, and employee trainings to include or reference within the new safety policy.
- ◆ Ham radio backup discussed. Carrie reported Bill Glynn has a list of ham radio licensed communicators. It was decided to revisit alternative backup options.
- ◆ Truck Asset Rotation: #117, #144, #193, #304 removed out of service and purchased #2401 and #2402.

New Business:

- ◆ Safety program 2024 budget report was discussed. Chris will get invoices on lanyards, harness, and demo trailer expenses to update the budget report.

Chris Terhune:

- ◆ OSHA 10-hour training is being done by Dellon Shelton. Retail will be next to train and Taylor Cable will take his once he completes his Journeyman courses.
- ◆ Basin SRS procedure updates will be completed this week.

Richard McLeon:

- ◆ Business Continuity Plan training and goals for the program discussed.
- ◆ Asset Maintenance Program: Dal Hawkinson is working with Cooperative Building Solutions to do asset inspections and setting up program for continued maintenance and documentation records.
- ◆ Substation program for training for technicians and crews, new inspection forms, and maintenance check list will be developed by Power Engineering.
- ◆ OSHA Sharp Program: Chris reported we can reapply in 2025. A review of suggested improvements and completion of the OSHA Safety and Health Management Program Plan will be finished this year to be ready for reapplying at the beginning of 2025.
- ◆ Wildfire Mitigation Plan: Richard will be working Dal Hawkinson to get this in place.

Meeting adjourned

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Compliance Coordinator