



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for November 25, 2024, at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reading and Approval of Minutes
3. Presentation of Check Register
4. Presidents Report
5. Attorneys Report
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
9. Old Business
10. New Business
 - a. Financial Forecast and 2025 Budget Presentation
 - b. Estate Capital Credit retirement
 - c. Employee Christmas Gift
11. Safety Program Report
12. Executive Session (if requested).
13. Adjourn

Upcoming Events:

Offices Closed – Thanksgiving		Nov. 28-29
KEC Board of Trustees	Wichita	Dec. 4-5
Sunflower Board Meeting	KC, MO	Dec. 12-13
Christmas Party (11:00am-1pm)	Dighton	Dec. 20
LSEC Board Meeting	Dighton	Dec. 23

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5	Attorneys Report	Joe	none		
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**MINUTES OF THE REGULAR OCTOBER 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, October 28, 2024, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:58 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Gerome Copeland, Randy Evans, Eric Doll, Susan Nuss, James Jordan, and Craig Ramsey. Also present Richard McLeon IV, Diana Kuhlman and Joseph Gasper, Attorney. Chad Griffith was absent.

HUMAN RESOURCES PRESENTATION

Diana Kuhlman gave a presentation on Human Resources. Highlights of her presentation are as follows:

- Open enrollment in NRECA Group Benefits and KECHIT/BCBS has been completed.
- Beginning in January the employee evaluations will be conducted on their anniversary dates rather than all employee evaluations in the same month.
- Eight employees volunteered to participate in the Bruce Tugan The Art of Being Indispensable At Work leadership program. This will help with succession planning and leadership development.
- Lane-Scott will participate in the Western Kansas career fair in Dodge City on November 14.
- Cross training on positions in the cashier, AP and billing department continues. The goal is to have a backup for each position.
- Diana thanked the board for providing training and education opportunities for the employees. Many employees are taking advantage of various training opportunities.
- A financial education program with Creative Planning to educate employees on investment planning will take place in early 2025.
- Five employees who will be eligible for retirement in the next five years attended the KEC retirement seminar.
- Maci Michelor gave a Medicare and social security presentation to the employees.
- The Wage and Benefit plan was discussed. The health insurance is projected to decrease by \$850 per month. The total cost of the insurance

- is projected at \$444,294 for 2025. This is in part due to lower costs as well as decreased employee numbers due to retirement.
- The RS plan is projected to be lower in 2025 as well.

Diana left the meeting after her presentation.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on September 16, 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 he had drafted a proposed contract with the Lane County Fair Board with regards to the annual meeting.

REPORT OF SUNFLOWER DELEGATE

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

- There were no additions to the Sunflower Report

KEC REPORT

A copy of the summary report of the KEC Meeting was included in the board packet.

- Trustee Ramsey reported there was no assessment for November as income had exceeded expenses.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- YTD kWh sales remain below last year. YTD kWh sales are 5.15% below 2023 and 1.58% below the 2019-2024 average.
- YTD dollar sales remain below 2023 (-5.06%) and 1.88% below the 2019-2024 average.
- YTD cost of wholesale power is 1.7% above 2023 and 12.59% below the 5-year average.
- Sept Distribution Revenue is \$858,678 (\$6,322,962 YTD)
- YTD Distribution Revenue is 12.41% above 2023 and 10.07% above the 5-year average.
- The wholesale power cost is just below the five-year average and the distribution revenue is just above the five-year average.
- The outage hours remain good except for the January blizzard. There have been no planned outages for the year. The work has been able to be back fed or worked hot. Hot work is never performed if the linemen are not comfortable with the job.
- The Regional Meeting in Sacramento went without surprises. LSEC received a Certificate from America's Electric Cooperatives PAC (formerly ACRE) for 100% Board Century Club in 2023. The next Regional Meeting will be in Bellevue, Washington the week of October 6, 2025.
- Strategic Plan. The third quarter of 2024 experienced limited growth moving from 81% complete to 83% complete. Supply chain remains an issue.
- A copy of the patronage capital credit refund authorization that will be included in the members billing was presented to the board.
- TIER – 1.91, OPTIER – 1.48
- DSC – 1.17, ODSC – 1.04
- Equity as a % of Assets – 41.05%
- Equity as a % of Capitalization – 43.71%
- Cash Balance - \$7,495,279
- General Funds Level – 11.98%
- Operations began the annual line patrol.
- Several pole change outs for clearance issues were performed as well as several new three phase connects.
- The new pay by phone system has been completed.
- New Bill print and DQ Notice redesign from COBOL to Java is underway.
- Communications has been working on safety demonstrations, career day events, military care packages and the Thanksgiving promotion.

- Special projects work on Capital Credits is about 35% complete. LSEC is working with Bill Miller at BSGM who has told us that many cooperatives are working through the escheatment issue as well.
- Retail Non-operating margins YTD rose to \$41,709.06. Line Material Inventory levels are looking good at 0.935 inventory turns per year.
- A few Generac generators have been purchased to keep in stock inventory.

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. Wage and Benefits

- The 2025 Wage and Salary Plan presents a net \$58,712 increase (1.59%) from projected 2024 year-end costs. Savings from two employee's retirements, one departure, and a projected \$128,805 saving in benefits administration are factored into the projected increase.
- The total estimated cost of the 2025 Wage and Benefit package is approximately \$3,746,202.
- The 2025 estimated inflation indices averaged 2.10%.
- The average inflation COLA recovery is projected at 3.36%.
- A position for an accounting assistant, electrician/intern and lineman/apprentice are open if the right person is available.
- A GM discretionary amount of \$56,433 is included for merit pay.
- Manager McLeon reviewed the wage and benefit proposal as set out in the board packet.
- *A motion to approve the GM/CEO recommended 2025 Wage and Benefit package of approximately \$3,746,202 as presented to the board was made, duly seconded, and carried.*

2. Amendment to Amended and Restated Wholesale Requirements Agreement

- Sunflower is exploring options on the Clifton Power Plant replacement or repair. They are requesting a ten-year extension to the Wholesale Requirements Agreement for financing purposes.
- The board discussed the request for the extension.
- *A motion to approve the Amendment to the Amended and Restated Wholesale Requirements Agreement with Sunflower as presented in the board packet was made, duly seconded, and carried.*

3. Annual Meeting Date

- *A motion to set the date of the 2025 Annual Meeting as July 15, 2025, was made, duly seconded and carried.*

ADJOURNMENT

A motion to adjourn the meeting was made, seconded, and carried at 8:21 p.m., on Monday, October 28, 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
3386 10/10/2024	WIRE	18	CITY OF DIGHTON	Monthly Invoice	2,188.41
3389 10/11/2024	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	874.59
3395 10/15/2024	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	523.74
52001 10/16/2024	CHK	1	LANE COUNTY COMMUNITY FOUNDAT	Grocery Store Fundraiser	1,000.00
52002 10/16/2024	CHK	1	THE GALLERY COLLECTION	Christmas Cards	326.44
52003 10/16/2024	CHK	1	USA LEADERSHIP FOUNDATION INC.	Career Showcase-Dodge City	1,000.00
52004 10/16/2024	CHK	1	NESS CITY ROTARY CLUB	September meals and Dues	42.00
52005 10/16/2024	CHK	9	CHAD RUPP	Supplies-Mutual Aid	98.82
52006 10/16/2024	CHK	20	BASIN ELECTRIC POWER COOP	Monthly Statement	2,118.90
52007 10/16/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE	Payroll Transfer	72,500.00
52008 10/16/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	Youth Tour-Washington, DC	13,331.26
52009 10/16/2024	CHK	55	NESS COUNTY NEWS	Monthly Statement	373.40
52010 10/16/2024	CHK	79	POSTMASTER	Newsletter Postage	132.98
52011 10/16/2024	CHK	104	HOME OIL CO	Monthly Invoice	264.30
52012 10/16/2024	CHK	105	CITY OF NESS CITY	September-Pay Station & Postage	673.94
52013 10/16/2024	CHK	114	WHEATLAND ELECTRIC COOPERATIVE	Mutal Aid WO #5897	28,295.98
52014 10/16/2024	CHK	117	NESS CITY FARM & FEED	Monthly Invoice	127.10
52015 10/16/2024	CHK	155	KEVIN BRADSTREET	Per Diem-Voltage Regulator School	288.00
52016 10/16/2024	CHK	269	ANIXTER INC	Monthly Invoice	17,352.40
52017 10/16/2024	CHK	279	IT1 CONSULTING	Software	14.40
52018 10/16/2024	CHK	359	WEBBER-GROSS WELDING, LLC	Truck #201	882.11
52019 10/16/2024	CHK	361	ANN M JENNINGS	KMSPA Hotel Expense	164.37
52020 10/16/2024	CHK	366	DIANA KUHLMAN	Mileage-Acct Assoc Mtg	310.88
52021 10/16/2024	CHK	380	GRAINGER	Monthly Invoice	76.30
52022 10/16/2024	CHK	387	WESTERN FUEL & SUPPLY	Monthly Invoice	538.84
52023 10/16/2024	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Invoice	257.98

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52024 10/16/2024	CHK	406	RICHARD MCLEON	KEC Board Salina-Fuel	263.98
52025 10/16/2024	CHK	427	DIGHTON HERALD LLC	Advertising	620.00
52026 10/16/2024	CHK	430	COMMERCIAL SIGN	Retail Sign	206.01
52027 10/16/2024	CHK	444	HAYS CAR & TRUCK ALIGNMENT, INC.	#200 Align & check over	409.63
52028 10/16/2024	CHK	498	BLAKE MCVICKER	Mutual Aid Supplies	378.83
52029 10/16/2024	CHK	516	WESTERN KANSAS BROADCAST CENT	Monthly Statement	376.00
52030 10/16/2024	CHK	582	IKWCH	Advertisment	500.00
52031 10/16/2024	CHK	773	BRETZ, INC.	Mount on Front of Truck #200	1,697.36
52032 10/16/2024	CHK	803	ALTEC INDUSTRIES, INC	Monthly Invoice	634.56
52033 10/16/2024	CHK	903	NISC	Monthly Invoice	13,315.54
52034 10/16/2024	CHK	1200	KASEY JENKINSON	Per Diem-Voltage Regulator School	288.00
52035 10/16/2024	CHK	1225	CINTAS CORPORATION	Monthly Invoice	258.89
52036 10/16/2024	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Rubber Gloves	128.00
52037 10/16/2024	CHK	1248	COMPLIANCE ONE	Drug & Alcohol Testing	361.90
52038 10/16/2024	CHK	1251	TECHLINE, LTD	LINE MATERIAL	5,981.62
52039 10/16/2024	CHK	1293	DAL HAWKINSON	Per Diem-Landis & Gyr Meeting	370.00
52040 10/16/2024	CHK	9999	SGB SOLUTIONS LP	INACTIVE REFUND	206.76
3390 10/24/2024	WIRE	101	ATMOS ENERGY	Monthly Invoice	94.18
3393 10/25/2024	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	154.08
3387 10/28/2024	WIRE	1290	WEX BANK	Monthly Invoice	968.25
3391 10/29/2024	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	58.62
3392 10/29/2024	WIRE	183	HIBU INC	Monthly Invoice	17.00
3394 10/29/2024	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	21,592.27
52041 10/29/2024	CHK	1	JAYHAWK OILFIELD SUPPLY INC	Monthly Invoice	73.25
52042 10/29/2024	CHK	1	KANSAS TURNPIKE AUTHORITY	201 Toll Statement	3.32
52043 10/29/2024	CHK	15	ERIC DOLL	October Board Meeting	396.90

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52044 10/29/2024	CHK	38	MICHAEL POLLOCK	Clothing Allowance	146.42
52045 10/29/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL Subscriptions	2,619.36
52046 10/29/2024	CHK	63	RICHARD JENNISON	October Board Meeting	367.42
52047 10/29/2024	CHK	105	CITY OF NESS CITY	Franchise Fee	8,069.03
52048 10/29/2024	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	498.18
52049 10/29/2024	CHK	135	CITY OF BAZINE	Franchise Fee	2,116.23
52050 10/29/2024	CHK	160	SHULL OIL COMPANY	Monthly Invoice	6,581.26
52051 10/29/2024	CHK	179	RAD ROEHL	October Board Meeting	362.06
52052 10/29/2024	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS Monthly Fee-Sept	1,195.00
52053 10/29/2024	CHK	233	KANSAS REC ACCOUNTANTS ASSOCIA	Kathy dues-Accountant Association	50.00
52054 10/29/2024	CHK	306	BORDER STATES INDUSTRIES INC	Registration fee-Dal Hawkinson	100.00
52055 10/29/2024	CHK	311	ELDRIDGE FENCING INC	Gate-North Pole Yard	686.62
52056 10/29/2024	CHK	317	JOHN DEERE FINANCIAL	Chain & Oil	88.86
52057 10/29/2024	CHK	361	ANN M JENNINGS	Trunk or treat candy, Gift cards-promo	246.49
52058 10/29/2024	CHK	406	RICHARD MCLEON	SEPC Board-Fuel	131.32
52059 10/29/2024	CHK	450	RANDALL G EVANS	October Board Meeting	350.67
52060 10/29/2024	CHK	473	SCOTT BRIAND	Clothing Allowance	125.02
52061 10/29/2024	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Contract on copiers	87.55
52062 10/29/2024	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Invoice	5.39
52063 10/29/2024	CHK	563	JOCELYN WALKER	Acct Assoc Hotel	361.02
52064 10/29/2024	CHK	568	SUSAN NUSS	October Board Meeting	426.38
52065 10/29/2024	CHK	570	JAMES W JORDAN	October Board Meeting	394.22
52066 10/29/2024	CHK	588	GEROME L COPELAND	October Board Meeting	398.24
52067 10/29/2024	CHK	1300	CRAIG RAMSEY	KEC Meeting & Oct Board Meeting	1,533.31
3396 10/31/2024	WIRE	586	NETWORK COMPUTING SOLUTIONS	Cyber Security Software	4,079.60
3403 11/01/2024	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Invoice	954.41

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52068 11/01/2024	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE	Payroll Transfer	65,000.00
52069 11/01/2024	CHK	73	STANION WHOLESALE ELEC CO INC	LINE MATERIAL	41,617.70
52070 11/01/2024	CHK	151	KNIGHTS OF COLUMBUS	Donation-Tootsie Roll Drive	100.00
52071 11/01/2024	CHK	155	KEVIN BRADSTREET	Uber in Wisconsin-Regulator School	49.56
52072 11/01/2024	CHK	373	KANSASLAND TIRE CO. INC OF HAYS	Truck # 145	1,034.10
52073 11/01/2024	CHK	381	CULVER COMPANY LLC	Electric Safety Education Material	308.31
52074 11/01/2024	CHK	383	HUXFORD POLE AND TIMBER CO INC	LINE MATERIAL	44,379.63
52075 11/01/2024	CHK	479	CASE BECKMAN	Sept/Oct Yard Care	595.00
52076 11/01/2024	CHK	562	RENSENHOUSE	RETAIL MATERIAL	594.00
3402 11/04/2024	WIRE	530	SNAP-ON CREDIT LLC	Monthly Invoice	46.75
52077 11/04/2024	CHK	107	CINTAS CORPORATION #449	Monthly Invoice	92.54
52078 11/04/2024	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	522.02
52079 11/04/2024	CHK	269	ANIXTER INC	LINE MATERIAL	3,739.56
52080 11/04/2024	CHK	304	STECKLINE COMMUNICATIONS INC	Monthly Invoice	320.00
52081 11/04/2024	CHK	306	BORDER STATES INDUSTRIES INC	Credit-3/4/2024	10,558.21
52082 11/04/2024	CHK	516	WESTERN KANSAS BROADCAST CENT	Monthly Invoice	1,127.00
52083 11/04/2024	CHK	803	ALTEC INDUSTRIES, INC	Truck #150	1,280.31
52084 11/04/2024	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Ness City	130.98
52085 11/04/2024	CHK	1234	JF BEAVER	Safety Recognition	840.39
52086 11/04/2024	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Gloves & Sleeves Tested	629.37
52087 11/04/2024	CHK	1251	TECHLINE, LTD	LINE MATERIAL	4,995.40
52088 11/04/2024	CHK	1254	EAGLE RADIO	Monthly Invoice	280.40
3397 11/06/2024	WIRE	180	NRECA	NRECA Gr 1 Adm Fee-Sept Gr Ins Adm fee	237.73
3398 11/06/2024	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA Gr 1-Sept Group Ins	2,734.27
3399 11/06/2024	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-Group Ins	58,742.98
3400 11/07/2024	WIRE	1267	AFLAC	Monthly Invoice	1,514.13

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3401 11/07/2024	WIRE	168	ONLINE INFORMATION SERVICES, INC	Monthly Invoice	43.50
52089 11/07/2024	CHK	18	CITY OF DIGHTON	2025 Electrical License-Dighton	50.00
52090 11/07/2024	CHK	37	JETMORE REPUBLICAN	Electrical Safety AD	60.00
52091 11/07/2024	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC Dues	2,272.19
52092 11/07/2024	CHK	55	NESS COUNTY NEWS	Advertising	257.35
52093 11/07/2024	CHK	104	HOME OIL CO	Monthly Invoice	258.82
52094 11/07/2024	CHK	147	DIGHTON HIGH SCHOOL	Electrathon Sponsorship	500.00
52095 11/07/2024	CHK	226	KANSAS CORPORATION COMMISSION	Quarterly Assessment	104.15
52096 11/07/2024	CHK	238	ILLINOIS MUTUAL	Monthly Invoice-Emp Ins	54.24
52097 11/07/2024	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Monthly Invoice	739.36
52098 11/07/2024	CHK	279	IT1 CONSULTING	Software service-Microsoft	556.32
52099 11/07/2024	CHK	313	WALKER PLUMBING INC	WO #5790	304.08
52100 11/07/2024	CHK	380	GRAINGER	Monthly Invoice	107.84
52101 11/07/2024	CHK	484	FLATLANDS GARAGE LLC	Truck #200-Tire repair	60.00
52102 11/07/2024	CHK	578	L&R LAWN CARE & SUPPLY	Monthly Invoice	29.04
52103 11/07/2024	CHK	803	ALTEC INDUSTRIES, INC	Truck #201	1,050.19
52104 11/07/2024	CHK	903	NISC	Monthly Invoice	1,484.83
52105 11/07/2024	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fees	54.00
52106 11/07/2024	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	117.02
52107 11/07/2024	CHK	1303	LANE COUNTY IMPLEMENT, INC	Truck #136 & #173	656.43
52108 11/07/2024	CHK	1	AMERICAN LEGION AUXILIARY	Veteran's Day meal Donation	50.00
52109 11/07/2024	CHK	1254	EAGLE RADIO	Advertising	280.40

Total Payments for Bank Account - 2 : (126) 475,646.25

Total Voids for Bank Account - 2 : (0) 0.00

Total for Bank Account - 2 : (126) 475,646.25



Board Meeting Summary

October 24, 2024

CURRENT ACTIVITIES

New Board Alternate for Lane-Scott

Board Action: The Sunflower Board voted and approved Dal Hawkinson to replace Kathy Lewis as an alternate director representing Lane-Scott Electric Cooperative.

January 2025 Board Meeting

Board Action: The Sunflower Board voted and approved to change the date of the January 2025 Board meeting to Friday, January 17, 2025.

PRESIDENT'S REPORT

Generation, Power Supply, and Market Affairs

Clifton Repair/Replace Update

Staff continues to evaluate the various technology options for the Clifton combustion turbine replacement project. They presented the updated Burns & McDonnell technology feasibility study refresh, received in September 2024, which evaluated the GE LM6000, Wartsila and MAN Reciprocating Internal Combustion Engines (RICE), Solar Turbine Titan T350, and the Siemens SGT-800.

Burns & McDonnell indicated the need to order LM6000 turbines by October to protect a commercial operation date of June 1, 2028. There are indications that the delivery times for turbines, transformers, and high voltage breakers have softened somewhat, but not a lot. The slightly reduced delivery times give Sunflower a few more months to evaluate options, but it is not clear how much extra time.

Staff reviewed risk mitigation, cost versus benefit of delaying project, potential cost mitigation, construction management impacts, and then presented three paths the Board can take to keep the project moving.

Community Solar Program Pricing

The current price per share in the Community Solar Program is \$5, which is equal to \$0.04/kWh. Due to low market pricing in 2024, Community Solar subscribers haven't seen much benefit to the program. Margins from the Community Solar Program go toward offsetting the Power Purchase Agreement costs for Johnson Corner Solar. After a request from the Board, staff evaluated the price and are seeking approval next month for a tariff revision decreasing the cost per share to \$4.

Transmission Planning and Policy

2024 Integrated Transmission Planning (ITP) Assessment

The 4x increase in the 2024 Southwest Power Pool (SPP) ITP needs list is due to rapid load growth, extreme winter weather analysis, and new persistent operational needs criteria. A financial impact study of the 2024 ITP portfolio projects a reduction in the SPP F1Y10 marginal Energy Cost (MEC) from approximately \$66/MWh to about \$25/MWh. The MEC represents the SPP system-wide average cost of producing one additional unit of energy. Based on the implementation of the aforementioned consolidated portfolio, the SPP footprint average monthly electric bill in 2033 will be reduced by \$10.55-\$11.47.

The 2024 ITP portfolio—costing more than \$7.5 billion and aimed at optimizing reliability, resiliency, and economics—is expected to bring between \$88.68 and \$95.66 billion in economic benefit to the region. Of that \$7.5 billion infrastructure investment, more than \$2.2 billion is specifically allocated to winter weather projects. SPP staff and stakeholders agree the winter weather portfolio is needed and expects it to provide significant benefits to SPP and its customers. The Transmission Working Group (TWG) and the Economic Studies Working Group (ESWG) recommend starting the winter weather projects as soon as possible, similar to persistent operational solutions. Both groups recommend the SPP Markets and Operations Committee (MOPC) approve a waiver of the ITP staging process.

Specific to the Sunflower service area, the Holcomb-to-Sidney, Neb., project is expected to reduce load shed by an additional 175 MW relative to the full 2024 ITP portfolio. SPP will likely issue Sunflower a Notice to Construct (NTC) for the \$850 million project in early 2025. Sunflower predicts the lack of competitive bid and issuance of an NTC will be challenged by Federal Energy Regulatory Commission (FERC), which would delay the completion of the NTC.

C2 Waiver Appeal Update

In October 2023, FERC approved a SPP proposal to establish a waiver process so transmission costs in a pricing zone with large amounts of generation, such as wind, used to serve consumers outside the area can be allocated regionally instead of within the pricing zone. After considering rehearing arguments raised by Southwestern Electric Power, Public Service Company of Oklahoma, Southwestern Public Service Company, and Oklahoma Gas & Electric Company — American Electric Power, Xcel Energy, and OGE Energy subsidiaries — as well as City Utilities of Springfield, Missouri, Kansas City Board of Public Utilities, and Missouri Joint Municipal Electric Utility Commission, FERC unanimously reversed its earlier decision.

The briefing process for the appeal of FERC’s reversal of the C2 Waiver is now complete, and the D.C. Circuit Court scheduled arguments for December 9. The petitioners, including Sunflower, argue the order violates the cost causation principle since it rejects a correction of an unjust/unreasonable rate and leaves an unjust/unreasonable rate in place. FERC’s argument focuses on the SPP board’s discretion, and even if a cost allocation method is just and reasonable, the Commission cannot accept it without also finding that it is not unduly discriminatory and preferential.

Engie Buckner Substation Interconnection

Engie is in the process of developing a 1,002 MW wind energy project northeast of Cimarron. Connection to their preferred Point of Interconnection (POI) violates Sunflower’s internal policy because it’s less than 25-miles from an existing POI. The lead line reroute is very expensive, and SPP refused to move the POI to the existing Buckner Substation. The Board and Sunflower staff discussed whether Engie should be allowed to connect to the original POI if they sign a special contract agreeing to pay for the substation as well as future O&M costs with a 9% mark up going for the next 30 years (or other predetermined period of time).

Non-Jurisdictional Generation Evaluation

SPP recently developed a protocol for addressing non-jurisdictional generation, which are connections to a facility not under the SPP open access transmission tariff. SPP requires notification of non-jurisdictional generation of more than five MW. The process is being refined to allow a screening process to use transmission-owner study for reliability screening when generation is less than 10 MW. It is also being refined to give queue priority for injection to the transmission system and a 60 day no-queue priority for non-injecting non-jurisdictional generation.

Technology Services

Cimarron River Station Boiler Modernization

The process boiler at Cimarron River Station is a core component for Sunflower’s industrial revenue-generating customers, and a modernization project was essential to maintain safe and efficient operation of the equipment. The facility’s Foxboro 761 controllers and relay controls were upgraded to the Ovation Distributed Control System (DCS).

Originally, Burns & McDonnell’s engineering plans incorporated a temporary boiler with electrical and mechanical tie-ins completed by multiple contractors. It was quickly discovered a much larger temporary boiler unit was needed, which

wasn't a viable option due to the significantly higher incremental cost and much tighter market availability. After collaborating with internal resources, vendor partners, and customers, Sunflower eliminated the temporary boiler rental unit and extended the length of the outage from four to 13 days. Some of the plant equipment/instrumentation replaced during the project included the forced draft fan damper, oxygen analyzer, flame scanner, and fuel gas header pressure control valve. In addition, the main gas and vent valve piping was upgraded from ¾-inch to 2 ½-inches to be compliant with National Fire Protection Association requirements.

Due to extensive pre-outage work, the full scope of the project was completed under budget, on time and with improved customer satisfaction.

Financial Services

September Financials

Overall, Member loads were down 2.02% from budget for the month and down 1.2% from budget year to date. Large industrial loads were down 9.78% from budget for the month and down 6.58% from budget year to date. Operation and maintenance expenses were down 17.66% from budget for the month and up 3.48% from budget year to date. Member transmission bills will be \$3.4M lower in 2024 due to the implementation of FERC 205. The amount is to be realized July through December 2024.

Average Member Rate

Sunflower is a member of the G&T Accounting and Finance Association. Each year the financial data for each of the Association's approximately 50 members is provided and compiled into key performance indicators (KPI). Sunflower monitors the yearly average member rate KPI and charts the rates for a peer group who own generation and a significant amount of transmission assets. For the year 2023, Sunflower was in the second position of the lower quartile of the peer group at 54.12 mills. Associated Electric was the only other member with a lower rate.

External Affairs, Member Solutions, and Communications

Sunflower Members Conference

Sunflower staff requested feedback from Members regarding Sunflower's Member Conference and whether co-ops still find it valuable. Due to the resources required from Sunflower to plan and host the event, in addition to the time and travel required by the Members to attend the event, Sunflower staff want to ensure topics and timing benefit the Members. Board members encouraged Sunflower to hold future Member conferences concentrating more on contemporary issues facing the co-ops versus Sunflower-specific topics. The Board also suggests developing more collaboration opportunities and roundtable discussions to develop actionable solutions at the conference.

Safety and Supply Chain

Q3 2024 Safety Performance

In the 603,757 hours worked by Sunflower employees in the third quarter of 2024, there were zero recordable or lost-time incidents, and the steady volume of safety reports continues. In addition, vehicle-related incidents are favorably trending with less than half the number of incidents compared to 2023.

Looking into Q4 2024, Sunflower staff are developing standalone mobile substation standard operating procedures (SOP); developing an updated comprehensive safety manual; advancing the safety management suite project; enhancing fleet Enterprise Asset Management (EAM) system features; and creating a roadmap for 2025 quarterly safety meetings and recognition events. In November, the safety specialists will engage in power supply and generation observations with Rural Electric Safety Achievement Program (RESAP) and NRECA teams.

Legal

Joint KCC Application with Wheatland

Board Action: The Sunflower Board voted and approved to join Wheatland's 34.5 kV Formula Based Rate (FBR) filing with the Kansas Corporation Commission (KCC).

Sunflower Electric Power Corp. - October 2024, Member Billing Summary								
WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total
Demand Coincident Peak, kW	21,524	124,482	81,726	76,522	132,475	46,559	130,706	613,994
Demand NCP, kW	23,514	106,413	116,796	88,071	154,323	48,987	130,998	669,102
Wholesale Energy Usage, kWh	13,651,517	87,950,338	54,457,023	46,188,615	71,737,202	29,589,173	66,204,393	369,778,261
RTP Marginal Usage, kWh			1,704		(29,724)			(28,021)
Coincident Peak Load Ratio Share, %	3.50%	20.30%	13.30%	12.50%	21.60%	7.60%	21.30%	100.00%
Coincident Load Factor, %	85.20%	95.00%	89.60%	81.10%	72.80%	85.40%	68.10%	80.90%
Metering Points	10	26	25	28	23	25	34	171
CP Demand Rate, \$/kW	6.97	7.33	6.97	6.97	6.97	6.97	6.97	7.02
NCP Demand Rate, \$/kW	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07
CP Demand Charge, \$	150,022.28	912,703.79	569,630.22	533,358.34	923,350.75	324,516.23	911,020.82	4,324,602.43
NCP Demand Charge, \$	72,187.98	326,687.91	358,563.72	270,377.97	473,771.61	150,390.09	402,163.86	2,054,143.14
Demand Charge, \$	222,210.26	1,239,391.70	928,193.94	803,736.31	1,397,122.36	474,906.32	1,313,184.68	6,378,745.57
Energy Rate, ¢/kWh	0.6943	0.6906	0.6943	0.6943	0.6943	0.6943	0.6943	0.6934
Energy Charge, \$	94,782.48	607,353.05	378,095.11	320,687.55	498,071.39	205,437.63	459,657.10	2,564,084.31
RTP Marginal Usage Charge, \$			68.81		(272.79)			(203.98)
HLF Rider Net Charge, \$	5,513.04	4,750.39	(40,566.00)	18,652.83	(13,489.06)	11,949.32	13,189.45	-
EDR Rider Net Charge, \$	3,688.87	8,027.66	14,715.21	(48,929.08)	(3,387.71)	7,995.49	17,889.55	-
ECA Rate (ECA-02), ¢/kWh	0.6130	0.6130	0.6130	0.6130	0.6130	0.6130	0.6130	0.6130
ECA Charge, \$	83,683.80	539,135.57	333,821.55	283,136.21	439,749.05	181,381.63	405,832.93	2,266,740.74
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	2,837.58	14,997.11	13,686.57	10,045.43	14,525.53	6,217.26	16,047.01	78,356.49
Schedule 11 Regional	28,321.24	149,682.79	136,602.66	100,261.19	144,976.14	62,053.14	160,161.67	782,058.83
Schedule 11 Zonal	31,457.90	166,260.63	151,731.83	111,365.43	161,032.70	68,925.72	177,900.08	868,674.29
Schedule 12	1,760.67	9,305.47	8,492.31	6,233.03	9,012.87	3,857.72	9,956.92	48,618.99
Schedule 1a	4,695.30	24,815.52	22,646.99	16,622.04	24,035.21	10,287.63	26,552.78	129,655.47
Schedule 9 SEPC	85,262.89	450,629.62	411,251.02	301,842.71	436,459.92	186,814.95	482,176.95	2,354,438.06
Msc. Transmission	880.00	4,650.80	4,244.37	3,058.80	4,504.60	1,928.00	4,976.28	24,242.85
Transmission Charge, \$	155,215.58	820,341.94	748,655.75	549,428.63	794,546.97	340,084.42	877,771.69	4,286,044.98
Billing Adjustments, \$ (LRR Rider, PGS)		(108,536.13)		19,291.88	(6,182.24)		-	(95,426.49)
ECIR Credit, \$			-					-
Community Solar Adjustments, \$		180.12		46.79	33.33		663.77	924.01
Net Charges, \$ *	566,144.03	3,113,374.30	2,365,609.37	1,948,991.12	3,108,606.30	1,224,379.81	3,091,759.17	15,418,864.14
3-2-1 Credits, \$		(7,643.47)	(222.57)	(11,855.72)	(2,449.94)			(22,171.70)
Total Charges, \$	566,144.03	3,105,730.83	2,365,386.80	1,937,135.40	3,106,156.36	1,224,379.81	3,091,759.17	15,396,692.44
Average all-in ¢/kWh	4.147	3.531	4.343	4.194	4.332	4.138	4.670	4.164
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 40.9% for the month.</div> <div>2. Smoky Hills #1 WF Capacity Factor was 40.8% for the month.</div> <div>3. Shooting Star capacity factor was 17.3% for the month.</div> <div>4. Smoky Hills #2 WFCapacity Factor was 43.6% for the month</div> <div>5. Johson Corner Solar Capacity Factor was 18.7% for the month</div>				
10 West Cities	551,866.44	0.0428						
4 East Cities	81,488.85	0.0508						
KEPCo	139,289.04							
KMEA - EMP2 (Local Access)	88,228.30							
KMEA - City of Meade - (Local Access)	15,271.15							
AP & NH other contracted services	405,487.39							
KPP - OATT, L.A.C. & MA Charges	20,582.52							
Note:			⬆ = Increase ⬇ = Decrease ➡ = Little Effect					
* Victory and So. Pioneer numbers do not include the full requirement cities.								

Richard McLeon

From: Kansas Electric Cooperatives, Inc. <sread@kec.org>
Sent: Friday, November 8, 2024 10:00 AM
To: Richard McLeon
Subject: KEC Winter Conference Information and Registration



NOTE: Co-op system managers will complete the online registration form.

Important Deadlines

- Jan. 3, 2025 – Registration deadline.
- Jan. 3, 2025 – Cut-off date for Hotel Reservations. Cancellation is 48 hours prior to 4 p.m. check-in.
- Jan. 17, 2025 – Registration cancellation deadline.

KEC's winter conference will include directors' training, KEC's annual business session, Day at the Capitol activities, and a Legislative Reception. These events will be held at multiple venues in downtown Topeka.

Members will once again have the option of staying at the Cyrus Hotel or at the overflow hotel of the SpringHill Suites. Reservations will be made by the co-ops and taken on a first-come, first-serve basis.

The director training is scheduled for Feb. 1-2 at the Cyrus Hotel. On Sunday evening, KEC will host a networking social for all members from 4-6 p.m. at the Cyrus.

On Monday, Feb. 5, the morning program will be held at the Townsite Ballroom. The program includes the KCRE Annual Meeting, KEC Annual Business Session, and a legislative briefing. The afternoon program will shift to the Kansas State Capitol for legislative visits and attendance at Senate and House committee meetings. **NEW** - There will be a roundtable discussion held on the top floor of the Townsite Tower from 3:30 - 4:30 p.m.

Due to space limitations, there will not be a spouses' program. If a spouse wishes to attend the meeting, they may register or the meeting as an attendee at full price. If a spouse wishes to travel to Topeka but not attend the meeting, there are other breakfast and lunch

options close to both hotels. Spouses are welcome to attend the Sunday evening social and the Monday night event at no additional cost.

On Monday evening, KEC-member cooperatives will host their annual Legislative Reception from 5-7 p.m. at the Townsite Ballroom. Attendees can enjoy dinner, network at the sponsor showcase, and bid on silent auction items. Legislators will be invited to join in all the evening's festivities, providing opportunities for co-ops to visit with lawmakers. Please note that co-ops will only be assigned one round table during the event, but there will be plenty of places for everyone to sit.

Shuttles will be available on Monday for members wanting transportation between the hotels and meeting locations. There is no need to pre-register for transportation. The bus schedules will be posted in the program and at the hotel and meeting venues.

Below are the 2025 KEC Winter Conference schedule highlights.

More program details coming soon!

- **Saturday & Sunday**
 - Director Training (see more details below)
 - Sunday Social, 4-6 p.m.
- **Monday**
 - KCRE Meeting
 - KEC Annual Business Session
 - KEC Board of Trustees Meeting
 - Statehouse Visit
 - Roundtable Discussion
 - Legislative Reception and KCRE Silent Auction, 5-7 p.m.



Meeting Registration

Registration Fee: \$150

Registration Deadline: Jan. 3, 2025

Registration Cancellation Deadline: Jan. 17, 2025

If circumstances change and you can no longer attend the KEC Winter Conference, you may cancel your meeting registration by [emailing Carol Dorr](#) or by calling 785-228-4614. KEC's attendee cancellation policy is outlined below.

- Registrations may be refunded if KEC is notified of cancellation by Jan. 17. Cancellations received after Jan. 17 or nonattendance will not be refunded. Cancellations received after the cutoff date will be billed for the full registration amount due.
- Please remember that cancelling your registration does not automatically cancel your hotel and travel arrangements. Attendees are responsible for cancelling their own hotel reservations.

NOTE: Co-op system managers will complete the online registration form. If you need to make changes to your registration form once it has been submitted, please [refer to these instructions](#).

If you need a printable registration form to share at your board meetings, please feel free to [use this document for your internal use](#). However, we ask that co-op system managers use the online form to register your co-op's attendees.

Registration Includes:

- Meeting Attendance
- Sunday Social, 4-6 p.m.
- Monday Luncheon
- Monday Reception
- Monday Bus Transportation

Registration**Does Not Include:**

- Directors Courses
- Breakfasts
- Monday Luncheon for Spouse/Guest

Name Badge: Register all attendees, including spouses and guests names, so badges can be made in advance.

Winter Conference Registration Form

Saturday Directors Training

Saturday, Feb. 1, 2025

9 a.m. – 4 p.m. 2600 Director Duties and Liabilities

9 a.m. – 4 p.m. 909.1 Effective Governance in the Face of Crisis

Director Duties and Liabilities

NRECA Credentialed Cooperative Director (CCD) Course 2600

Instructor: Pat Mangan, NRECA

Time: 9 a.m. – 4 p.m.

Cost: \$300 (lunch provided for course attendees)

Course Description: Boards are responsible for directing the affairs of the corporation. This course discusses and explains the duties of loyalty, obedience, and due care, and the need for directors to acquire the minimum knowledge and skills necessary to fulfill their responsibilities within the cooperative context.

KEY TOPICS

- An overview of today's multi-billion dollar electric utility business.
- The concepts and values that govern cooperatively owned businesses and related types of organizations.
- Legal and regulatory concepts affecting public utilities.
- Key legal documents such as articles of incorporation and bylaws.

NEW Effective Governance in the Face of Crisis

NRECA Board Leadership Course (BLC) Course 909.1

Instructor: Lou Green, NRECA

Time: 9 a.m. – 4 p.m.

Cost: \$300 (lunch provided for course attendees)

Course Description: This course is designed to help electric cooperative directors to recognize the landscape of a public relations crisis. Participants will learn to evaluate crisis management plans, oversee communication strategies, and navigate legal compliance. Interactive exercises will bolster skills in stakeholder engagement, with a focus on developing resilience and strategic responses for long-term crisis management. This training is tailored to enhance the directors' ability to maintain cooperative integrity and member trust during challenging times.

KEY TOPICS

- Understanding the role of the board in crisis management and effective crisis communication.
- Strategies for preparing your cooperative to effectively manage

- The role of management and guidelines for maintaining an effective relationship with the CEO.

crises, enduring crisis situations, and building cooperative resilience.

- Crafting a crisis communication plan and the board's role in its oversight.
- Examine how trust, or the lack thereof, can influence the course of a crisis and the cooperative's reputation.

Sunday Directors Training

Sunday, Feb. 2, 2025

9 a.m. – 4 p.m. 928.1 Artificial Intelligence and Electric Cooperatives

9 a.m. – 4 p.m. Crucial Conversations for Mastering Dialogue

NEW Artificial Intelligence and Electric Cooperatives

NRECA Board Leadership Course (BLC)
Course 928.1

Instructor: Pat Mangan, NRECA

Time: 9 a.m. – 4 p.m.

Cost: \$300 (lunch provided for course attendees)

Course Description: Artificial intelligence (AI) has moved rapidly into the electric industry including electric cooperatives by accelerating a variety of functions such as the processing of vast amounts of meter data, automated functions that increase reliability and enhanced member satisfaction. This course will provide electric cooperative directors a foundational understanding of AI, its jargon, implications, its applications, and strategic importance so that they can engage in conversations about AI in their boardroom and decide if this rapidly evolving technology has a role to play at their cooperative.

KEY TOPICS

- The basic principles and jargon of artificial intelligence (AI)
- Impact of AI on the electric industry
- AI's risks and opportunities

NEW Crucial Conversations for Mastering Dialogue

This course will count toward Director Gold certification.

Instructor: Pam Dykstra, Crucial Learning

Time: 9 a.m. – 4 p.m.

Cost: \$500 (lunch provided for course attendees)

Course Description: **There is limited seating for this course. Priority will go toward KEC Trustees, KEC Alternate Trustees, CEOs, and Board Leadership.**

This course teaches the tools for holding high stakes conversations in an effective way. Throughout the training you will have the opportunity to apply the skills to real life challenges you are facing.

KEY LESSONS

- Cultures of dialogue foster engagement.
- With skills to dialogue effectively about difficult topics, people are more likely to share ideas and challenge the status quo
- When people are able to quickly surface critical information, decision making is not only more efficient, it's also more likely to be fueled by facts rather than ego and politics
- Staying agile in changing circumstances requires people

- Importance of data quality, cybersecurity, and privacy in the implementation of AI

- who can dialogue in the face of stress and uncertainty
- Almost nothing saps time and money as much as silence

Hotel Reservations

KEC has reserved a block of rooms at both the Cyrus Hotel and the SpringHill Suites Hotel. Cooperatives will make their own room reservations on a first-come, first-served basis.

Cyrus Hotel, Topeka, a Tribute Portfolio Hotel

920 S Kansas Ave, Topeka, KS 66612
785-596-0500
\$139 per night
[Make your reservation online.](#)

SpringHill Suites by Marriott Topeka Southwest

2745 SW Fairlawn Rd, Topeka, KS 66614
785-596-9650
\$104 per night
[Make your reservation online.](#)

- Complimentary Breakfast
- Complimentary Parking

Hotel Reservations

- **Room Block Dates: Friday, Jan. 31, 2025 – Tuesday, Feb. 4, 2025**
- **Hotel Reservation Cut-Off Date: Jan. 3, 2025. Room blocks could sell out before the cut-off date, so it is best to book rooms as soon as possible.**
- **Hotel Cancellation Policy:** Please ensure your check-in and check-out dates are correct prior to finalizing arrangements. Should you need to cancel for any reason, please do so at least 24 hours prior to arrival to avoid one night's room and tax charged as a cancellation fee. This charge will be posted to the form of payment on file for the room.
- **Multiple Reservations on one Credit Card:** If multiple reservations are being charged to the same credit card, you will need to contact the hotel directly. For the Cyrus, contact [Kelsey Savage](#) for the electronic credit card authorization form at 785-596-0541. For SpringHill Suites, contact [Jennifer Smith](#), 785-596-9661.

Downtown Parking Instructions

- **Overnight Guests at the Cyrus:** Daily self-parking is \$10 plus sales tax per vehicle. The daily fee will be added to each guest room. Parking is located on floors 8-10 in the Coronado Parking Garage on the 900 block of SE Quincy Street (directly behind the hotel). Guests will gain access to the garage with their room key. Parking is available 24 hours per day with unlimited in and out privileges. There is a drop box for room keys at the exit.
- **Day Guests:** Daily self-parking is \$10 plus sales tax per vehicle. Guests will pull into the crescent drive at the front of the hotel, pay for parking at the front desk and obtain a garage key. There is a drop box for keys when exiting the garage. Parking is located on floors 8-10 in the Coronado Parking Garage on the 900 block of SE Quincy Street (directly behind the hotel). Guests will gain access to the garage with their room key. Parking is available 24 hours per day with unlimited in and out privileges.
- **Street parking** is available at no charge all day Saturday and Sunday. Additional parking garages charging by the hour are located throughout downtown.

- **ADA parking** on Kansas Avenue: Motor vehicles displaying the special license plate or placard authorized by K.S.A. 8-1,125, as amended, shall be permitted to park in any parking space on public or private property which is clearly marked as being reserved for the use of disabled persons or persons responsible for the transportation of a disabled person, except a parking space on private property which is clearly marked as being reserved for the use of specified disabled persons, or park without charge in any metered zone and shall be exempt from any time limitation imposed on parking in any zone designated for parking, during the hours in which parking is permitted by the City. (Ord. 19370 § 96, 3-23-10. Code 1995 § 142-404.)



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

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

A. Rates and Reliability Dashboard

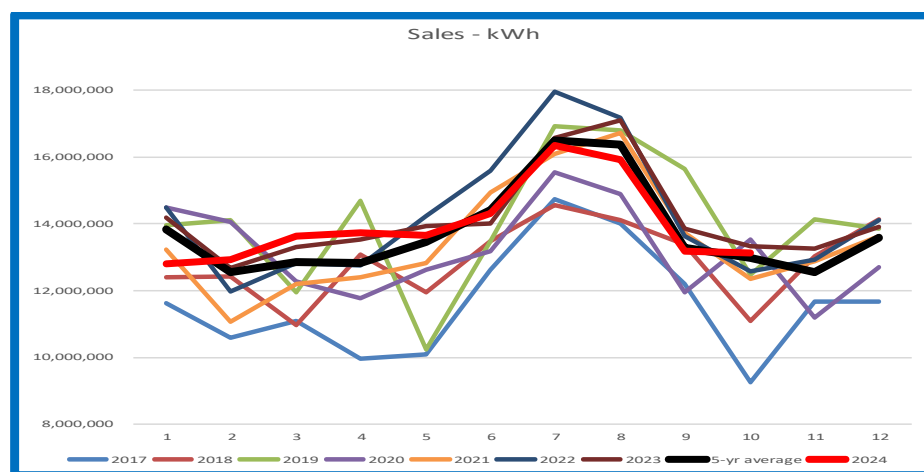
Executive Summary:

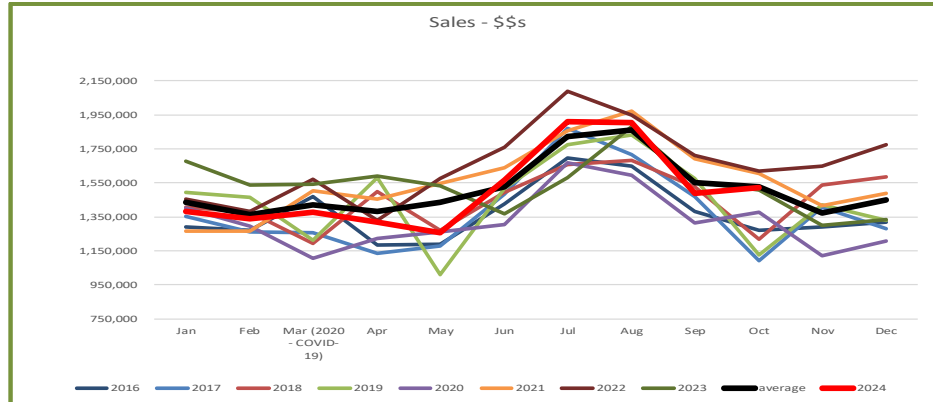
Energy kWh Sales are consistent with our 5-year average while total dollar sales are slightly below. This is driven by lower wholesale power costs (about 60% of our billings) which have outpaced our LSEC rate increases and driven our total sales dollars down.

The important financial number is our distribution revenue (total revenue less WPC) which is \$727,306 above our five-year average. All financial metrics are met. We are on track for a good financial year.

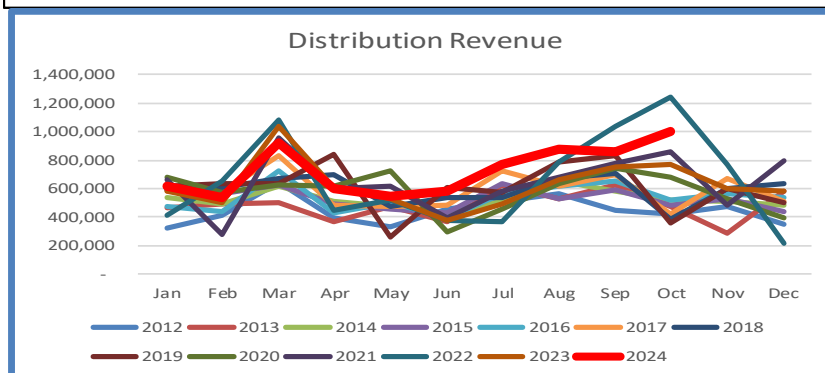
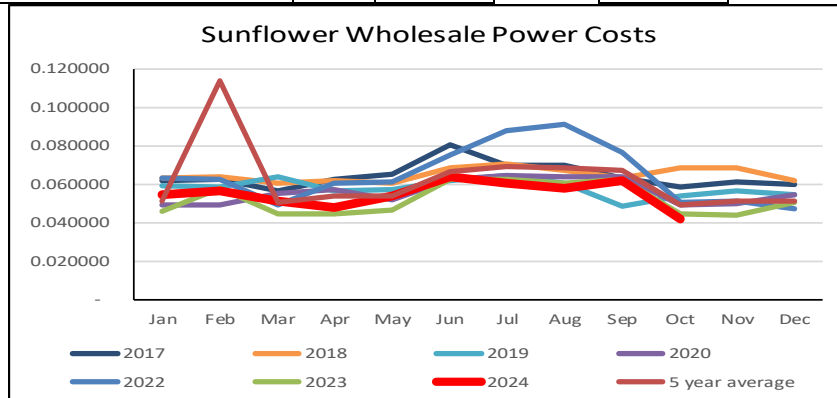
The January blizzard continues to impact our YTD reliability numbers but our SAIFI (Average number of interruptions per customer) is 0.99 which is well below our 2020-2023 average of 1.52. Our reliability numbers look good.

- YTD kWh sales are below 2023 (-2.0%) but are 0.45% ahead of the 2019-2024 average.
- YTD dollar sales remain below 2023 (-4.48%) and 1.74% below the 2019-2024 average.
- YTD cost of wholesale power is 1.13% above 2023 and 12.66% below the 5-year average.
- Oct Distribution Revenue is \$999,162 (\$7,322,124 YTD)
- YTD Distribution Revenue is 13.88% above 2023 and 9.93% above the 5-year average.
- SAIDI – 6.45
- SAIFI – 0.99
- CAIDI – 6.53
- ASAI – 99.93%





Form 7 Part O.		Oct-24					
		meters	kWh	%	\$s	%	\$s/kWh
1	Residential Sales	2,210	1,378,184	10.5%	211,767	13.9%	0.1537
2	Residential Seasonal	1,111	156,143	1.2%	44,110	2.9%	0.2825
3	Irrigation Sales	337	852,417	6.5%	81,670	5.4%	0.0958
4	C&I 1000 kVa or less	1,822	3,849,768	29.3%	473,474	31.1%	0.1230
5	C&I over 1000 kVa	182	6,212,409	47.3%	656,309	43.1%	0.1056
6	Public Street and Lighting	12	31,562	0.2%	5,696	0.4%	0.1805
7	Other Sales to Public Authorities	47	24,058	0.2%	4,577	0.3%	0.1903
9	Sales for Resale - Other	1	625,200	4.8%	45,296	3.0%	0.0725
		5,722	13,129,741		1,522,900		0.1505



metric	2020	2021	2022	2023	2024	measures
SAIDI	2.45	8.19	3.36	1.64	6.45	Interruption DURATION / average for every member (hrs)
SAIFI	1.16	2.56	1.33	1.02	0.99	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	2.10	3.20	2.53	5.60	6.53	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.97%	99.91%	99.96%	99.94%	99.93%	Service Availability

B. Credit Card records. (are available for the Boards review.)

C. Scott Luecal recommendations. Scott mad several recommendations which we will integrate into our reporting to the Board. However, I would like the Board preference on the following:

- 1) Board Agenda –
 - a) reorganize into three sections: Decision Items, Oversight Items, Informational Items. That would look like 1. Minutes, Old Business, new Business, then 2. GM and Section reports, then 3. SEPC, KEC, and NRECA.
 - b) Move Safety to first Section Report under #2.
 - c) Add “Other” under New Business for open Board discussion.
- 2) Mission and Vision Statements. Neither have been updated recently. The Staff can prepare a starting place for the Board to consider.
- 3) GM / CEO expenditures and time-off requests to Board (or Board President or designee) for approval?
- 4) Board evaluations. Recommended every 1-2 years. If interested, I can look for a form or a third party to facilitate. Next year would be the Strategic Planning session and we could try to integrate them together.

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

- 1) Accounting and Finance. Our financial strength remains very good, and operating metric standards are met.
 - TIER – 2.54, OPTIER – 1.74
 - DSC – 1.53, ODSC – 1.39, MDSC – 1.50
 - Equity as a % of Assets – 41.77%. and as a % of Capitalization – 44.35%
 - Cash Balance - \$7,473,979
 - General Funds Level – 11.90%
 - Current Ratio – 2.74%
- 2) Operations Report (Dal). Operations encompasses construction, maintenance, and engineering for all LSEC plant. As usual, they were focused on distribution and substation maintenance and pole change-outs. Key items were:
 - Construction is beginning to slow but WestKan, Oneok, and Conine are progressing.
 - We focused on Maintenance projects to prepare for winter.
 - Completed 14 pole changes outs for clearance and pole replacements.
 - Troubleshooting meter collector communications issues.
- 3) Information Technology and Cybersecurity (Carrie). IT touches every part of the cooperative and drives all our processes. Major items completed this month were:
 - Resolved Server time zone syncing.
 - Trustee MicroSoft licensing updates and testing.
 - NCS Cybersecurity integration and updates.
- 4) Communications (Ann Marie). Ann Marie manages all aspects of Cooperative communications and marketing. Major projects last month were:
 - Member Monday Giveaway. There were 125 submissions over the month. Winners were randomly selected each week. They were: Lora Bruntz, Bazine, Amy Piedra, Dighton (Lane Co), Neah Whipple, Beeler, Ruth Bauer, Utica.
 - Dal and I presented to 10 Junior and Seniors at a Ness City High School Career Day.

- Bill Print (Attachment): Carrie, Rebecca and I have been working with NISC on this. The final design and features have been finalized. NISC will do the formatting on their end, then we will test. The plan is for the new bills to go out with the February billing.
 - Youth Tour and Leadership Camp 2025. I will begin promoting in December. The deadline for applications will be Feb. 1, 2025.
 - Christmas Gift Certificates will again be available for anyone who wants to purchase the gift of electricity for a LSEC member.
- 5) Human Resources (Diana). Normal Monthly duties include employee assistance, customer service, payroll, FLSA reports, payroll taxes, 401(k) distributions, Health Insurance, Group Insurance, substance testing, and RS distributions. Major Items completed include:
- Administer employee Open Enrollment for BCBS and NRECA benefits, CDL Hearing Tests and Medical certification, Annual Employee Benefit Statements, Aflac options, and flu shots.
 - Cross training as clerical backup for billing, disconnects, and Service Orders.
 - Facilitate employee and Trustee training registration and travel.
- Special Projects (Kathy). Kathy is focusing her energy and experience on cleaning up some remaining projects that critical to Lane-Scott. Currently:
- Capital Credits Project. We continue working with Bill Miller at BSGM on the bookkeeping and policy recommendations and the JMS Advisory Group on the legalities of the out of state escheatment. This project is now about 85% complete. There are three parts to consider:
1. Dollar escheatment's to the proper authorities. This is a legal requirement and creates some financial risk for the cooperative,
 2. Additional Board Options:
 - a. discounted capital credit retirement options for estates and disconnected accounts and,
 - b. G&T allocations and retirements.
 3. Policy updates to reflect the needed and Board-approved changes.
- 6) Retail Services / Warehouse Report (Scott).
- Total Non-operating margins YTD rose to \$44,733.25.
 - Line Material Inventory levels (\$522,859) are looking great at 0.921 inventory turns per year. Retail materials (\$166,701) look good at 0.708 inventory turns.
 - Electrician. Michael should have all service contracts annual services completed by month end. He is focusing on getting the smaller jobs completed so we will see a lot of activity without a lot of margin.
 - Generac. Four more generator quotes were prepared, and two warranty jobs were completed.

Respectfully submitted,

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



Office Hours: 8:00-5:00 Mon-Fri
Phone: (620) 397-5327
Toll-Free: 1-800-407-2217
Pay By Phone: 1-844-968-1966
Website: www.lanescott.coop

Member Name

JOHN DOE

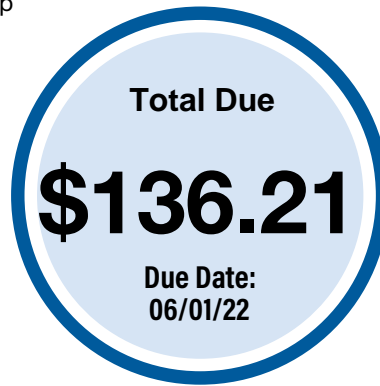
Account #

JANE DOE

999999999

Important Messages

Monthly message will print here.



Billing Date:	05/10/2022
Current Bill Due Date:	06/01/2022
Previous Balance	\$128.31
Payment Received - Thank You!	-\$128.31
Adjustments	-\$5.72
Balance Forward	-\$5.72
Current Charges	\$141.93
Total Due 06/01/22	\$136.21
Amount Due After 06/01/22	\$141.25

Service Address: 123 ANY ROAD
Service Description: HOUSE

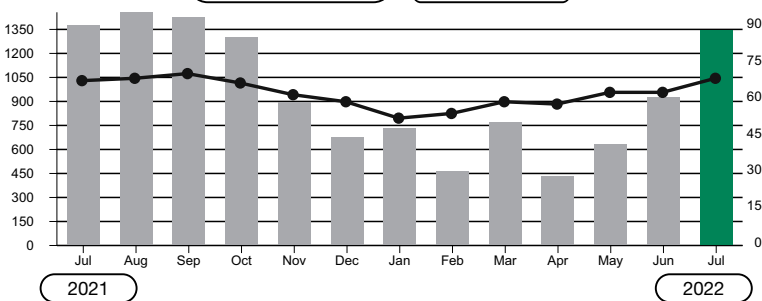
Rate: 010 - Residential

Meter No.	Reading Dates From	To	Readings Previous	Present	Multiplier	kWh Usage	Demand Reading	Demand Usage
12345678	04/10/22	05/10/22	24945	26292	1	1,347	6.854	6.854

Kilowatt Hours

Monthly Use

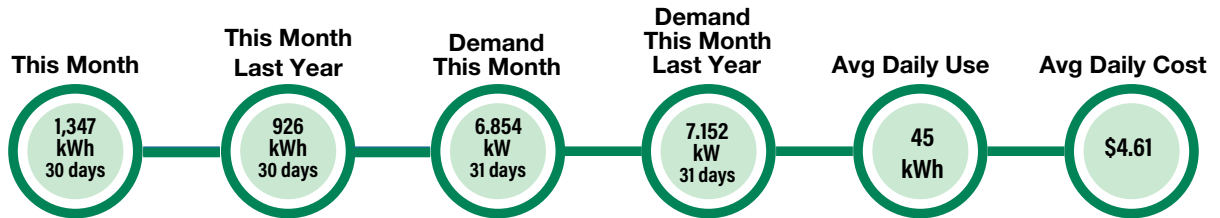
kW Demand



Current Service Detail

Customer Charge		\$15.00
Energy Charge	500 kWh @ 0.07600	\$38.00
Energy Charge	500 kWh @ 0.08640	\$43.20
Energy Charge	347 kWh @ 0.09710	\$33.69
Power Cost Adjustment	1,347 kWh @ 0.00630	\$8.49
Gross Receipts Tax		\$3.55
Total Current Charges		\$141.93

Energy Usage Comparison



KEEP
SEND



410 S. High St.
PO Box 758
Dighton, KS 67839

Account Number	999999999
Total Due 06/01/2022	\$136.21
Amount Due After 06/01/2022	\$143.02

PAY YOUR BILL 24/7

ONLINE: Check or credit/debit card at lanescott.coop or SmartHub mobile app.

PHONE: 1-844-968-1966



JOHN DOE
123 ANY ST
ANYWHERE, USA 99999

LANE-SCOTT ELECTRIC COOPERATIVE
PO BOX 758
DIGHTON KS 67839-0758



Kiosk



2004202001740040003013700031644202310020

PAYMENT OPTIONS



Phone

24/7 call toll free 1-844-968-1966.



Online

Visit our website at www.lanescott.coop for quick bill pay or www.lanescott.coop/smarthub.



Mobile App

Download the SmartHub app from the Apple App Store or Google Play Store.



Auto Pay

Sign up for Automatic Bank Draft or Recurring Credit Card payments.



Mail

Please include your payment stub in the enclosed envelope.



Kiosk

Located in the Dighton Office Foyer.



Drop Box Locations

Lane-Scott Electric - Office Foyer
410 S. High Street
Dighton, KS

City of Ness City Office
208 W. Main Street
Ness City, KS

*The Ness City drop box only
accepts payment by check.*



ActivContent Area

Help Us Keep Your Contact Information Current

☐ Please Update My Contact Information

Mailing Address _____

City _____ State _____ Zip _____

Email _____

Phone _____

☐ Comments

Sign up Today for



Paperless Billing

Save time, money and trees -- go paperless!



Outage Information

Receive notices of planned outages and restoration.



Energy Use Data

Track your monthly, daily and hourly usage.



Manage Your Account

Update your personal information and sign up to receive important notifications from Lane-Scott.



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Phone: (620) 397-5327
Toll-Free: 1-800-407-2217
Pay By Phone: 1-844-968-1966
Website: www.lanescott.coop

Member Name
Invoice Group #
Primary Account #

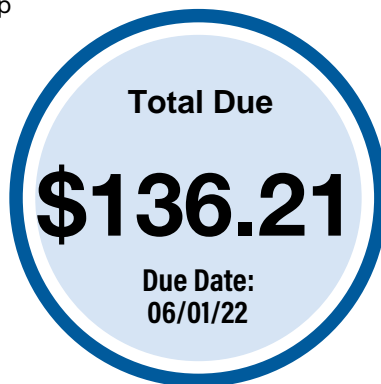
JOHN DOE
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Balance Forward	-\$5.72
Current Charges	\$141.93
Total Due 06/01/22	\$136.21
Amount Due After 06/01/22	\$141.25

Important Messages

Monthly message will print here.



Invoice Group Summary Page

Account #	Service Address	Balance Forward	Current Charges	Total Due
12345001	STATE HIGHWAY 97	0.00	33.00	33.00
12345002	STATE HIGHWAY 97	0.00	20.00	20.00
12345003	8-B DAVIS LN	0.00	110.00	110.00
Total		\$0.00	\$126.44	\$230.48



410 S. High St.
PO Box 758
Dighton, KS 67839

Invoice Group #	999999
Primary Account Number	999999999
Total Due 06/01/2022	\$136.21
Amount Due After 06/01/2022	\$143.02

PAY YOUR BILL 24/7

ONLINE: Check or credit/debit card at lanescott.coop or SmartHub mobile app.

PHONE: 1-844-968-1966



JOHN DOE
123 ANY ST
ANYWHERE, USA 99999

LANE-SCOTT ELECTRIC COOPERATIVE
PO BOX 758
DIGHTON KS 67839-0758



Kiosk



2004202001740040003013700031644202310020

PAYMENT OPTIONS



Phone

24/7 call toll free 1-844-968-1966.



Online

Visit our website at www.lanescott.coop for quick bill pay or www.lanescott.coop/smarthub.



Mobile App

Download the SmartHub app from the Apple App Store or Google Play Store.



Auto Pay

Sign up for Automatic Bank Draft or Recurring Credit Card payments.



Mail

Please include your payment stub in the enclosed envelope.



Kiosk

Located in the Dighton Office Foyer.



Drop Box Locations

Lane-Scott Electric - Office Foyer
410 S. High Street
Dighton, KS

City of Ness City Office
208 W. Main Street
Ness City, KS

The Ness City drop box only accepts payment by check.



ActivContent Area

Help Us Keep Your Contact Information Current

☐ Please Update My Contact Information

Mailing Address _____

City _____ State _____ Zip _____

Email _____

Phone _____

☐ Comments

Sign up Today for



Paperless Billing

Save time, money and trees -- go paperless!



Outage Information

Receive notices of planned outages and restoration.



Energy Use Data

Track your monthly, daily and hourly usage.



Manage Your Account

Update your personal information and sign up to receive important notifications from Lane-Scott.

MEMBER NAME
Account Number
Statement Date

JOHN DOE & JANE DOE
12345001
05/10/2022

Page 3 of 4

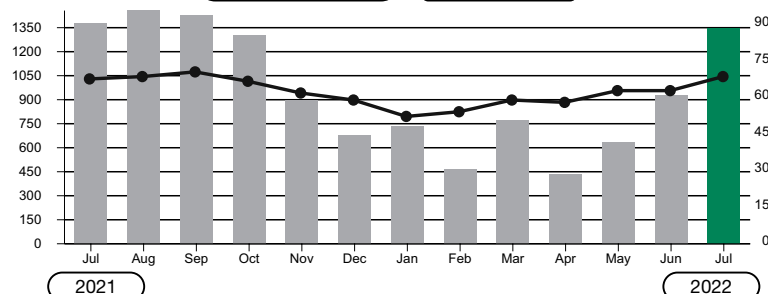
Account #: 999999999
Service Address: 123 ANY ROAD

Service Description: HOUSE
Rate: 010 - Residential

Meter No.	Reading Dates		Readings		Multiplier	kWh Usage	Demand Reading	Demand Usage
	From	To	Previous	Present				
12345678	04/10/22	05/10/22	24945	26292	1	1,347	6.854	6.854

Kilowatt Hours

Monthly Use  kW Demand 



Current Service Detail

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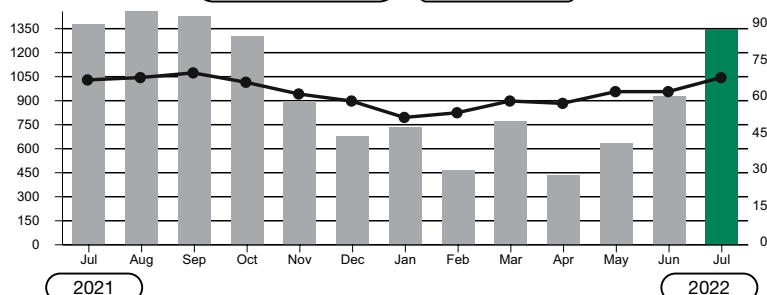
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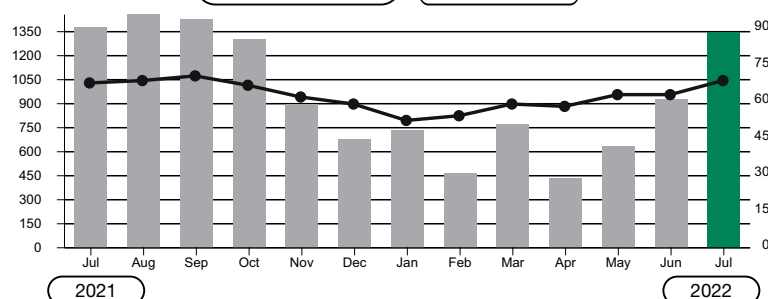
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MEMBER NAME
Account Number
Statement Date

JOHN DOE & JANE DOE
12345001
05/10/2022

Page 4 of 4

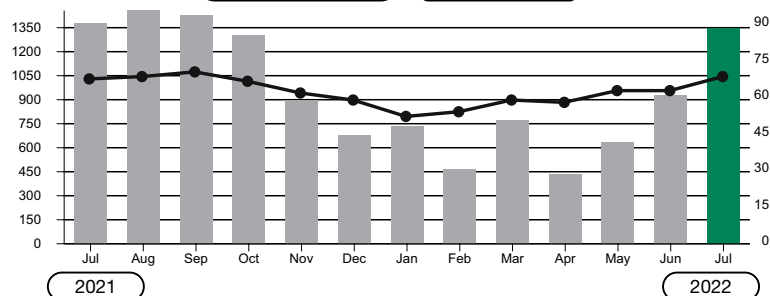
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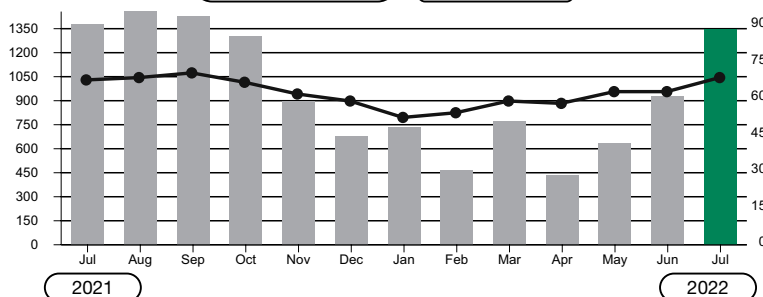
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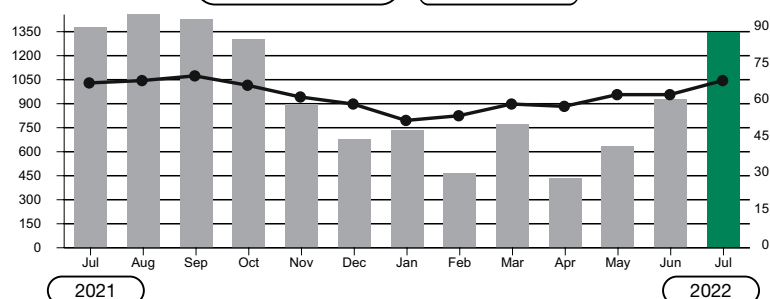
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According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information 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	BORROWER DESIGNATION KS0042
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	PERIOD ENDED October 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)	
<input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.	<input type="checkbox"/> 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.
<div></div> <div></div> <div>DATE</div>	

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	15,188,068	15,922,753	15,773,324	1,578,911
2. Power Production Expense				
3. Cost of Purchased Power	8,882,553	8,600,715	8,862,448	579,749
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	838,906	927,302	917,239	123,195
7. Distribution Expense - Maintenance	931,822	1,050,698	973,316	105,289
8. Customer Accounts Expense	215,904	222,818	228,822	22,621
9. Customer Service and Informational Expense	58,805	62,163	60,251	6,229
10. Sales Expense	85,492	74,924	87,799	10,615
11. Administrative and General Expense	1,658,041	1,586,151	1,498,541	159,360
12. Total Operation & Maintenance Expense (2 thru 11)	12,671,523	12,524,771	12,628,416	1,007,058
13. Depreciation and Amortization Expense	1,623,402	1,692,380	1,656,079	170,090
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,016,424	966,467	979,389	95,885
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	4,513	4,775	4,433	681
19. Other Deductions	22,766	16,495	19,841	4,199
20. Total Cost of Electric Service (12 thru 19)	15,338,628	15,204,888	15,288,158	1,277,913
21. Patronage Capital & Operating Margins (1 minus 20)	(150,560)	717,865	485,166	300,998
22. Non Operating Margins - Interest	325,931	310,457	324,021	29,068
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	72,171	84,902	60,241	3,227
26. Generation and Transmission Capital Credits		353,677		365,657
27. Other Capital Credits and Patronage Dividends	28,307	20,430	59,522	1,052
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	275,849	1,487,331	928,950	700,002

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 October 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	23	44	5. Miles Transmission		
2. Services Retired	55	25	6. Miles Distribution – Overhead	2,038.10	2,031.47
3. Total Services in Place	6,041	6,067	7. Miles Distribution - Underground	8.73	8.92
4. Idle Services (Exclude Seasonals)	275	345	8. Total Miles Energized (5 + 6 + 7)	2,046.83	2,040.39
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	64,095,793		30. Memberships	0	
2. Construction Work in Progress	623,652		31. Patronage Capital	23,579,806	
3. Total Utility Plant (1 + 2)	64,719,445		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	22,804,707		33. Operating Margins - Current Year	717,866	
5. Net Utility Plant (3 - 4)	41,914,738		34. Non-Operating Margins	2,720,325	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	356,344	
7. Investments in Subsidiary Companies	252,175		36. Total Margins & Equities (30 thru 35)	27,374,341	
8. Invest. in Assoc. Org. - Patronage Capital	12,687,102		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	29,929,461	
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)	4,422,230	
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)	13,612,197		43. Total Long-Term Debt (37 thru 41 - 42)	34,351,691	
15. Cash - General Funds	287,950		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	6,963,946		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	842,498	
20. Accounts Receivable - Sales of Energy (Net)	1,485,647		49. Consumers Deposits	161,178	
21. Accounts Receivable - Other (Net)	140,574				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,399,794	
23. Materials and Supplies - Electric & Other	848,924		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	18,936		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	63,155		53. Other Current and Accrued Liabilities	1,175,406	
26. Total Current and Accrued Assets (15 thru 25)	9,809,257		54. Total Current & Accrued Liabilities (47 thru 53)	3,578,876	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	196,689		56. Other Deferred Credits	227,973	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,532,881		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,532,881	

2025-2034 Financial Forecast
and
2025 Financial, Donation, and Capital Budgets

presented to the Board of Trustees

November 25, 2024



prepared by: Richard McLeon, M.B.A., M.Sc.
General Manager / CEO

and Staff

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Executive Summary

This Budget was prepared using data from the Load Forecast Study, Wage and Benefit Plan, and Sunflower Wholesale Power Cost projections. It assumes that the Cooperative will continue operating in generally the same manner as in previous years. The budget supports the Boards' Strategic Plan, is conservative, and focuses on the safety, succession planning, operations and maintenance, and information technology.

A rate adjustment is not anticipated in 2025. However, it is assumed that the Cooperative will adjust future revenue requirements to meet inflationary changes and a cost of service study may be required in 2026.

Key Challenges

Inflation

The U.S. Bureau of Labor Statistics Consumer Price Index Calculator (www.bls.gov/data/inflation_calculator.htm), shows that \$100 in November 2023 has the same buying power as \$102.81 in October 2024. This indicates a 2.81% growth in overall inflation over the past year and has impacted our cost of materials. Many economists are predicting inflation to remain at around 2.5 to 3.0% per year for several years. This will substantially erode margins gained in the last rate adjustment and exceeds our projected growth rates. Inflation will continue to create many challenges for Lane-Scott management.

Staffing

Finding, training, and retaining qualified staff is a national challenge. This budget addresses succession planning by budgeting additional funds for:

- A. Recruiting. The Cooperative is increasing recruiting efforts with seasonal help, interns, and participating in local job fairs. It is our opinion that we will have the most success recruiting people with ties to the area who wish to stay. Long-term relocations have proven difficult for many businesses in our area.
- B. Training. The industry is ever evolving and employee skill sets must evolve as well. This can be set into two categories: Operational and interpersonal. This Budget reflects training expenditures for the Board as well as Employees. The Employee portion includes training for the technical aspects of every positions, communications skills, and supervisor / managerial skill training as appropriate.
- C. Retention. The mobile workplace has created threats and opportunities as we all compete for the same qualified pool of employees.
 - 1 Flexible hours. Employees in Generations Y, Z, and Alpha generally have nontraditional expectations related to flexible hours and workplace dynamics. This has lead to LSEC offering limited employees a 4x10 schedule as well as supervisor approved flexible hours.

- 2 Market Wages. Several of our employees have skill sets that are marketable to wider pools. Young linemen are always tempted by higher IOU and Union wages. This leads us to match (as closely as we can) whatever the unions have negotiated with our neighboring cooperatives and IOUs. Office Staff recognizes that remote work has become a staple as employers acknowledge that certain nonsupervisory functions do not need to operate from the office building. This has led to a wider job market for large employers offering higher wages. This temptation means that we are effectually competing against job markets in Wichita, Salina,
- 3 Quality of Life. To combat these things, LSEC needs to offer competitive wages with the broader economy and compensate shortcomings with quality of life. Most studies show that generally employees will forgo a portion of pay for job satisfaction and enjoyment. The challenge for management is creating that space that strikes the proper balance between paycheck and quality of life.

Sunflower

Wholesale Power. This accounts for about 58% of our members total power bill (5-year average). Therefore, we have no control over the majority of our members monthly billings. As Sunflower rates rise, so will our members and it gets easy to lose focus on that 42% that is needed to operate LSEC.

Capital Credits. If Sunflower continues to allocate more capital credits than they retire, our Distribution Equity will continue to decrease. Also, the G&T allocation has a huge impact on our "bottom line" Total Margins (Line 28) on the Statement of Operations. This is paper money and not real dollars until retired.

Financial Forecast 2025-2034

The Financial Forecast is based on historical costs through 2023, and projected costs for 2024 through 2034. The Cooperative completed its annual Load Forecast Study in September 2024 which projected an overall increase in KWH sales of 2.24%. Revenue is indexed to a 3.0% inflation rate providing positive growth in distribution income. Because of market instability, annual wholesale power costs are projected to increase by an average of about 2-3%. Also, new pumping loads are not included in the forecast.

Statement of Operations - 2025

The 2025 Statement of Operations is the first year of the Financial Forecast. It uses current rates, costs, and revenue trends and produces positive, but diminishing, operating margins, financial metrics (OTIER, DSC, and ODSC), and rates of return on total electric rate base.

Balance Sheet - 2025

The Balance Sheet was prepared using historical trends and projections for 2024 through 2034. Like the Statement of Operations, many costs were projected using standard linear regressions and/or weighted averages.

Capital expenditures such as vehicle purchases and construction projects along with long-term debt requirements were factored into the forecasted Balance Sheet.

Financial Budget - 2025

The first year of the Financial Forecast is the proposed 2025 Budget, summarized as follows:

Statement of Operations	<u>amount</u>
Distribution Revenue	\$ 8,330,243
Operating Margins	224,992
Patronage Margin	1,472,672
Balance Sheet	\$ 62,612,539

The Balance Sheet projects a decrease in total Assets and Liabilities. This is the result of using cash to build plant (equity) rather than increasing debt.

		<u>min.</u>	<u>projected</u>
Financial Ratios	TIER	1.25	2.37
	OTIER	1.10	1.21
	DSC	1.25	1.84
	ODSC	1.10	1.64
	MDSC	1.35	1.53
Equity Ratios	% Assets		44.81%
	Distribution Equity		30.79%
	% Capitalization		46.69%
	Current Ratio		2.40
	General Funds Level		5.57%
	Cash to Debt		10.95%

Capital Budget \$ 1,539,026

Notable items include:

1	Truck - 173 Bucket Truck (Chad) - on order	260,000
2	Pole Replacement (approx.) 75 poles	175,000
3	Misc. Construction	125,000
4	Pole Inspections (4,000) poles	108,150
5	Tracked Skid steer with pole setting attachment	94,500
6	Radio Tower	85,000
7	Healy Auto Switches	76,000

Donation Budget \$ 6,065

Cash Flow Summary

This Budget reduces Cash to \$6,990,132 due to loan pay-offs and construction. This is above our minimum General Funds balance of \$3,216,229.

Minimum Cash Requirement	
Two months power bill	1,760,574
One years interest payment	1,078,277
Two months payroll	377,378
	<hr/>
	3,216,229

Staff Involved in the creation of this Budget are:

Scott Briand

Carrie Borrell

Nate Burns

Rebecca Campbell

Ann Marie Jennings

Diana Kuhlman

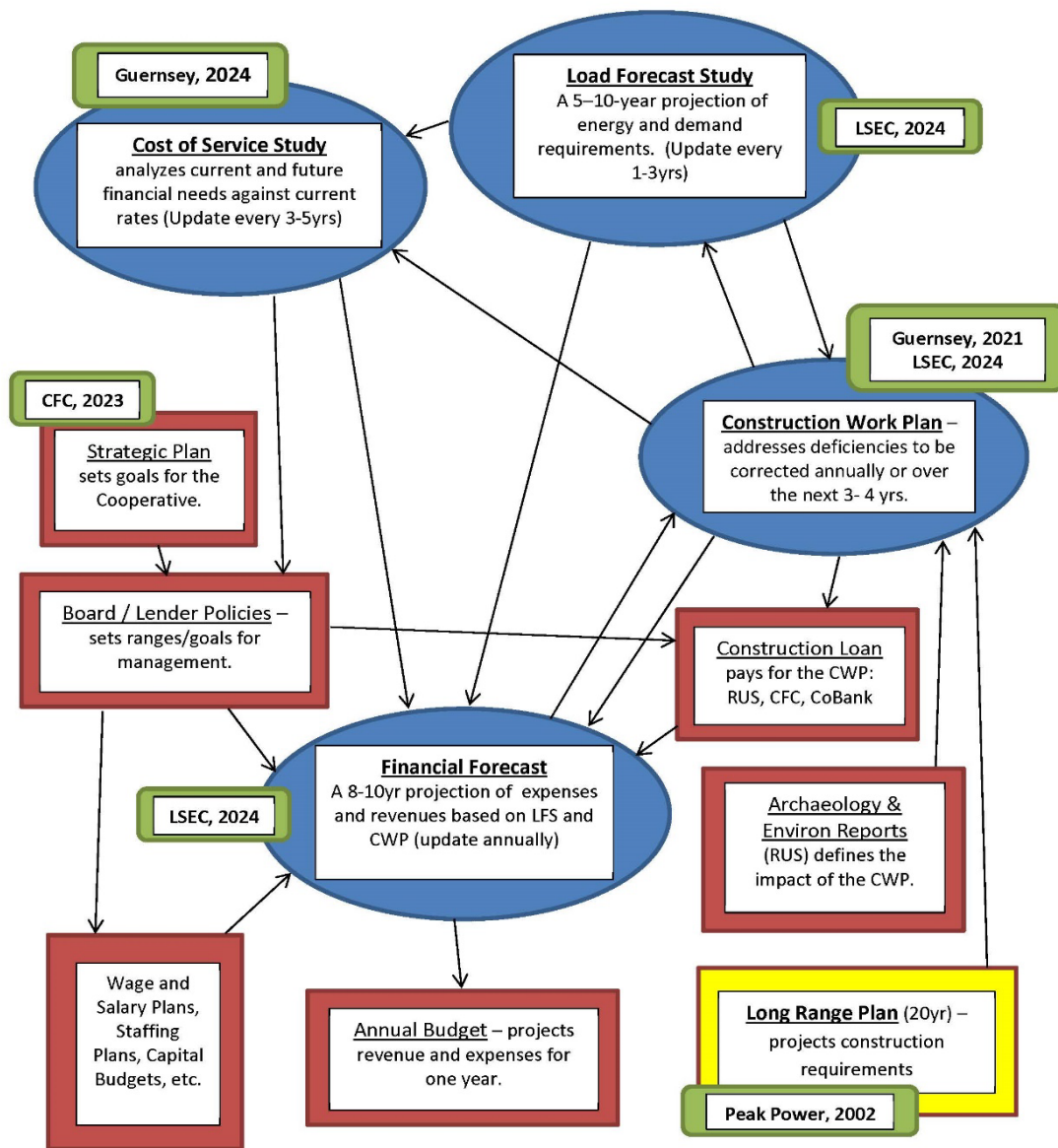
Dal Hawkinson

Chris Turhune

Jocelyn Walker

Forecasting and Planning

Electric Cooperative Forecasting and Planning Tools



H:\LSEC\Documents\Forecasting and Planning\2024 Electric Cooperative Forecasting and Planning Tools.docx

2025-2034 Financial Forecast Assumptions

The Forecast was assembled using the following assumptions:

	2025	2026	2027
1 Foundation documents:			
a The 2025 Load Forecast Study			
i Projected Revenues	\$ 18,893,688	\$ 19,528,573	\$ 20,185,136
ii Projected kWh	168,691,228	172,482,835	176,478,407
iii Projected CP Demand	32,017	32,355	32,694
iv Projected NCP Demand	32,649	33,018	33,386
b The 2025 Wage and Salary Plan			
i Total Wage and Benefit Projection	\$ 3,746,202	<i>not projected</i>	
ii Projected increase	1.59%		
c Sunflower LSEC WPC projections			
i Total Wholesale Power Cost Projection	\$ 11,384,492	\$ 11,953,499	\$ 12,353,141
ii Projected kWh	180,420,887	181,341,297	182,311,297
iii Projected CP Demand	29,588	29,714	29,850
iv Projected NCP Demand	30,820	30,952	31,093
v Projected Average rate per kWh	0.0631	0.06592	0.06776
vi Projected total SEPC Average rate per kWh	0.06262		

2 LSEC and SEPC typically have different load and revenue projections with SEPC being higher. The conservative position is to use the LSEC projected Load Forecast numbers for the Financial Forecast. SEPC Projected Average rate per kWh figures are used to project wholesale power costs at LSEC projected kWh levels.

3 The Budget was prepared assuming that the weather and Cooperative operations will continue in essentially same manner as in previous years.

4 LSEC and Sunflower Capital Credit allocations and distributions are assumed to be consistent with past history.

5 No new debt is assumed throughout the Financial Forecast.

6 Inflation continues to be an unknown factor (assumed at 3.0%) and will continue impact costs.

7 Staffing will be as per the approved Wage and Benefit Plan if revenues permit and quality candidates are presented.

8 The Board of Trustees will adjust rates to meet the additional revenue requirements identified in future Cost of Service Studies. This is projected to adjust revenues at a minimum of 3.5% per year to account for future capital projects. The next COSS is anticipated in 2026.

9 Miscellaneous:

Donations

Donations are primarily spread between Lanes, Scott, Ness, Finney, and Hodgeman counties on a load ratio share type equation. Donors are selected based on prior donations, Member and Trustee requests, and compatibility with the image and goals of the Cooperative along with community needs.

Capital Budget items.

Capital budget items are conditional expenditures based on cash flow and availability. The Cooperative is not currently operating under a Construction Work Plan so all proposed construction items are included in the Capital Budget. All capital expenditures have to be approved by the GM / CEO prior to being ordered.

Training Budget.

Trustees. The Trustee Budget is based upon previous years expenditures as recorded on the year end, audited Form 7.

Employees. The Training Budget items are conditional expenditures based on cash flow and availability. All training expenditures have to be approved by the GM / CEO prior to being scheduled.

Financial Forecast - Statement of Operations

Increase		actual		projected		estimated								
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1	Operating Revenue	20,914,246	17,842,791	18,588,418	18,893,688	19,503,274	19,771,658	20,040,041	20,308,424	20,576,808	20,845,191	21,113,575	21,381,958	21,650,342
3	Cost of Purchased Power	12,903,008	10,346,476	9,443,615	10,563,445	11,065,762	11,218,037	11,370,313	11,522,588	11,674,863	11,827,139	11,979,414	12,131,689	12,283,964
4	Transmission Exp	-	-	-	-	-	-	-	-	-	-	-	-	-
4a	Distribution Margin	8,011,238	7,496,315	9,144,804	8,330,243	8,437,512	8,553,620	8,669,728	8,785,837	8,901,945	9,018,053	9,134,161	9,250,269	9,366,377
4b	ratio	38.3%	42.0%	49.2%	44.1%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%
6	DE - Operations	1,095,418	1,051,121	1,137,363	1,151,368	1,134,618	1,150,231	1,165,845	1,181,458	1,197,072	1,212,685	1,228,298	1,243,912	1,259,525
7	DE - Maintenance	1,133,983	1,062,231	1,283,615	1,299,421	1,222,614	1,239,438	1,256,262	1,273,087	1,289,911	1,306,735	1,323,560	1,340,384	1,357,208
8	Customer Exp Accounts	256,928	258,175	282,370	285,847	277,132	280,945	284,759	288,572	292,386	296,200	300,013	303,827	307,640
9	CS and Info exp	59,232	69,604	74,571	75,489	77,436	78,502	79,568	80,633	81,699	82,764	83,830	84,896	85,961
10	Sales Expense	74,714	104,865	99,209	100,431	107,345	108,822	110,299	111,777	113,254	114,731	116,208	117,685	119,162
11	A & G	1,640,675	1,952,613	1,960,046	1,984,182	1,997,182	2,012,966	2,028,751	2,044,535	2,060,319	2,076,103	2,091,888	2,107,672	2,123,456
12	Total O&M (3-11)	17,163,957	14,845,085	14,280,788	15,460,183	15,882,089	16,088,943	16,295,796	16,502,650	16,709,504	16,916,357	17,123,211	17,330,065	17,536,918
12a	Total Controllable Expenses	4,260,950	4,498,609	4,837,174	4,896,738	4,816,327	4,870,905	4,925,484	4,980,062	5,034,640	5,089,219	5,143,797	5,198,375	5,252,954
12b	Dist Margin less Contollable Expenses	3,750,289	2,997,706	4,307,630	3,433,505	3,621,185	3,682,715	3,744,245	3,805,775	3,867,304	3,928,834	3,990,364	4,051,893	4,113,423
13	Dep / Amort Exp	1,888,035	1,955,181	2,026,749	2,100,936	2,180,936	2,279,791	2,361,780	2,443,770	2,525,760	2,607,749	2,689,739	2,771,728	2,853,718
14	Tax Expense - Prop & Gross Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Int on LT Debt	1,282,652	1,216,985	1,147,683	1,078,277	1,008,871	939,464	870,058	800,651	731,245	661,838	592,432	523,026	453,619
18	Int exp other	269	5,374	5,061	5,300	5,539	5,779	6,018	6,258	6,497	6,737	6,976	7,215	7,455
19	Other Deducts	16,024	24,588	22,030	24,000	25,584	25,584	25,584	25,584	25,584	25,584	25,584	25,584	25,584
20	TL Cost of El. Svc (12-19)	20,350,938	18,047,213	17,482,311	18,668,696	19,103,019	19,339,560	19,559,236	19,778,913	19,998,589	20,218,265	20,437,941	20,657,618	20,877,294
21	Op Margins (1 minus 20)	563,308	(204,422)	1,106,108	224,992	400,255	432,098	480,805	529,512	578,219	626,926	675,633	724,340	773,048
22	Non-Op Margins - Int	132,044	400,256	367,589	372,000	382,737	382,737	382,737	382,737	382,737	382,737	382,737	382,737	382,737
24	Income (Loss) from Equity Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Non-Op Margins - Other	140,732	78,836	89,765	140,733	204,167	249,993	295,819	341,645	387,471	433,297	479,123	524,949	570,775
26	G&T Cap Credits	670,085	501,621	620,000	684,641	631,469	631,469	631,469	631,469	631,469	631,469	631,469	631,469	631,469
27	Other Cap Credits & Pat Divs	50,306	32,481	25,000	50,306	40,313	40,313	40,313	40,313	40,313	40,313	40,313	40,313	40,313
28	Extraordinary Items	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Pat Cap or Margins (21-27)	1,556,474	808,772	2,208,461	1,472,672	1,658,942	1,736,611	1,831,144	1,925,677	2,020,210	2,114,743	2,209,276	2,303,809	2,398,342
RUS	TIER - 1.25	2.213	1.665	2.924	2.366	2.644	2.849	3.105	3.405	3.763	4.195	4.729	5.405	6.287
RUS	OTIER - 1.10	1.439	0.832	1.964	1.209	1.397	1.460	1.553	1.661	1.791	1.947	2.140	2.385	2.704
RUS	DSC - 1.25	1.323	1.124	1.519	1.271	1.314	1.332	1.350	1.368	1.386	1.403	1.420	1.448	1.476
RUS	ODSC - 1.10	1.247	0.988	1.390	1.131	1.155	1.162	1.169	1.177	1.184	1.191	1.197	1.213	1.229

Donations Budget

2025 County Breakout: Ness 58%, Lane 26%, Scott 9%, Hodgeman3%, and Rush 5%

	2024	2025
Bazine American Legion	150.00	150.00
Camp Christy	-	150.00
Camp Lakeside	-	150.00
Coop Cares Golf Tournament - Wheatland Electric	550.00	-
Dighton Electrathon Team	500.00	500.00
Dighton Kid Wind Program	250.00	250.00
Dighton Post Prom	50.00	-
Dighton Kickoff to Summer Sponsorship & Car Show Prize	100.00	130.00
District Honor Guard - SW KS Military Funeral Services	200.00	200.00
Hodgeman County Livestock Auction	150.00	150.00
KCRE Golf Tournament Hole Sponsor	175.00	250.00
Knights of Columbus - Tootsie Roll Drive	100.00	100.00
Lane Co. 4-H Council (awards)	100.00	100.00
Lane County Amusement Association / Annual Mtg Don.	100.00	100.00
Lane County Historical Society	25.00	25.00
Lane County Livestock Auction	150.00	150.00
Lane County Rodeo Sponsor	100.00	100.00
McCracken Park Christmas Lighting Sponsor	25.00	-
McCracken Rodeo Sponsor	260.00	260.00
Ness City After Prom	50.00	-
Ness County Arena Sponsorship	-	250.00
Ness City Fall Festival Donation + electricity	50.00	50.00
Ness County Fire District #1 - Fireman's Ball	-	500.00
Ness City Fun Run	100.00	100.00
Ness Co. Fair Sponsorship (Banner)	150.00	150.00
Ness County Livestock Auction	200.00	200.00
NRECA International Foundation	1,000.00	500.00
Octoberfest Prize Donation - Ransom	50.00	50.00
Old Settlers Reunion	-	750.00
Sacred Heart PTO Softball Sponsor	-	50.00
Sacred Heart School Fall Festival Donation	100.00	50.00
SCAAC: Scott County Indoor Arena Signage	200.00	200.00
Utica Christmas Sponsorship	200.00	200.00
Utica May Day Sponsor	250.00	250.00
Western Plain After Prom	50.00	-
Wild West Catbackers	100.00	-

TOTAL: \$ 5,485.00 \$ 6,065.00

Capital Budget items - 2025

These are extraordinary expenses that will be capitalized and depreciated.

	carry-over	Budget	
1 Admin / General			
a Long Range Plan	yes	75,000	
b Wildfire Management Plan		10,000	
2 Technology			
Security Camera and Access Control - Ness Office	yes	30,000	
3 Financial and Human Resources			
Uplift L-Shaped Standing Desk		1,800	
4 Member Services			
no items			
5 Operations / Engineering			
a <u>Construction Plan</u>			
Fiber to Collectors	yes	5,000	
Healy Auto Switches		76,000	
Long Range Plan - PSE	yes	45,000	
New Meters		39,555	
Pole Inspections (4,000) poles	yes	108,150	
Pole Replacement (approx.) 75 poles		175,000	
Radio Tower	yes	85,000	
Router Replacement/Build Out - Cut from 30 to 15	yes	28,125	
Spare Nova controllers (2)		19,075	
Tower Study (Sensus)		20,000	
Tree Trimming based on Solida 3 year average	yes	75,000	
b <u>Equipment</u>			
Fork lift 6,000lb	yes	39,007	
Tracked Skid steer with pole setting attachment		94,500	
Truck - 132 replacement (flatbed)		70,462	
Truck - 135 Stakers (Chevy Colorado work truck)		40,156	
Truck - 173 Bucket Truck (Chad) - on order	yes	260,000	
Truck Tools and Equipment	yes	25,000	
c <u>Facilities & Miscellaneous</u>			
Land Scaping - Removing bushes on High Street		20,000	
Concrete (South end of main lot)		10,000	
CBS maintenance program		62,196	
Misc. Construction		125,000	
	total:	\$ 1,539,026	
	carry-over:	775,282	50.4%

PART A. STATEMENT OF OPERATIONS					
Item	2022	2023	2024 pro-rata	2025	% change from 2024
1 Operating Revenue and Patronage Capital	20,914,246	17,842,791	18,588,418	18,893,688	1.64%
3 Cost of Purchased Power	12,903,008	10,346,476	9,443,615	10,563,445	11.86%
4 Transmission Expense	-	-	-	-	
Distribution revenue:	8,011,238	7,496,315	9,144,804	8,330,243	-8.91%
6 Distribution Expense - Operation	1,095,418	1,051,121	1,137,363	1,151,368	1.23%
7 Distribution Expense - Maintenance	1,133,983	1,062,231	1,283,615	1,299,421	1.23%
8 Customer Accounts Expense	256,928	258,175	282,370	285,847	1.23%
9 Customer Service and Informational Expense	59,232	69,604	74,571	75,489	1.23%
10 Sales Expense	74,714	104,865	99,209	100,431	1.23%
11 Administrative and General Expense	1,640,675	1,952,613	1,960,046	1,984,182	1.23%
total controllable expenses:	4,260,950	4,498,609	4,837,174	4,896,738	1.23%
12 Total Operation & Maintenance Expense (2 thru 11)	17,163,957	14,845,085	14,280,788	15,460,183	8.26%
13 Depreciation and Amortization Expense	1,888,035	1,955,181	2,026,749	2,100,936	3.66%
14 Tax Expense - Property & Gross Receipts	-	-	-	-	-
16 Interest on Long-Term Debt	1,282,652	1,216,985	1,147,683	1,078,277	-6.05%
18 Interest Expense - Other	269	5,374	5,061	5,300	4.73%
19 Other Deductions	16,024	24,588	22,030	24,000	8.94%
20 Total Cost of Electric Service (12 thru 19)	20,350,938	18,047,213	17,482,311	18,668,696	6.79%
21 Patronage Capital & Operating Margins (1 minus 20)	563,308	(204,422)	1,106,108	224,992	-79.66%
22 Non Operating Margins - Interest	132,044	400,256	367,589	372,000	1.20%
24 Income (Loss) from Equity Investments	-	-	-	-	
25 Non Operating Margins - Other	140,732	78,836	89,765	140,733	56.78%
26 Generation and Transmission Capital Credits	670,085	501,621	620,000	684,641	10.43%
27 Other Capital Credits and Patronage Dividends	50,306	32,481	25,000	50,306	101.22%
28 Extraordinary Items	-	-	-	-	
29 Patronage Capital or Margins (21 thru 28)	1,556,474	808,772	2,208,461	1,472,672	-33.32%

RUS Form 7 PART C. BALANCE SHEET

Projected Year End 2025

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1 Total Utility Plant in Service	66,588,174	30 Memberships	-
2 Construction Work in Progress	443,388	31 Patronage Capital	24,937,433
3 Total Utility Plant (1 + 2)	67,031,562	32 Operating Margins - Prior Years	489,023
4 Accum. Provision for Depreciation and Amort.	24,639,982	33 Operating Margins - Current Year	365,377
5 Net Utility Plant (3 - 4)	42,391,580	34 Non-Operating Margins	1,911,077
6 Non-Utility Property (Net)	-	35 Other Margins and Equities	356,344
7 Investments in Subsidiary Companies	252,175	36 Total Margins & Equities (30 thru 35)	28,059,254
8 Invest. in Assoc. Org. - Patronage Capital	12,687,102	37 Long-Term Debt - RUS (Net)	-
9 Invest. in Assoc. Org. - Other - General Funds	445,461	38 Long-Term Debt - FFB - RUS Guaranteed	28,938,388
10 Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958	39 Long-Term Debt - Other - RUS Guaranteed	-
11 Investments in Economic Development Projects	-	40 Long-Term Debt Other (Net)	3,097,822
12 Other Investments	5,501	41 Long-Term Debt - RUS - Econ. Devel. (Net)	-
13 Special Funds	-	42 Payments - Unapplied	-
14 Total Other Property & Investments (6 thru 13)	13,612,197	43 Total Long-Term Debt (37 thru 41 - 42)	32,036,210
15 Cash - General Funds	43,465	44 Obligations Under Capital Leases - Noncurrent	-
16 Cash - Construction Funds - Trustee	100	45 Accumulated Operating Provisions and Asset Retirement Obligations	-
17 Special Deposits	25	46 Total Other Noncurrent Liabilities (44 + 45)	-
18 Temporary Investments	3,240,055	47 Notes Payable	-
19 Notes Receivable (Net)	-	48 Accounts Payable	1,192,431
20 Accounts Receivable - Sales of Energy (Net)	1,491,627	49 Consumers Deposits	113,201
21 Accounts Receivable - Other (Net)	233,189	50 Current Maturities Long-Term Debt	-
22 Renewable Energy Credits	-	51 Current Maturities Long-Term Debt - Economic Development	-
23 Materials and Supplies - Electric & Other	892,747	52 Current Maturities Capital Leases	-
24 Prepayments	79,389	53 Other Current and Accrued Liabilities	1,211,443
25 Other Current and Accrued Assets	63,116	54 Total Current & Accrued Liabilities (47 thru 53)	2,517,075
26 Total Current and Accrued Assets (15 thru 25)	6,043,713	55 Regulatory Liabilities	-
27 Regulatory Assets	-	56 Other Deferred Credits	-
28 Other Deferred Debits	565,049		
29 Total Assets and Other Debits (5+14+26 thru 28)	62,612,539	57 Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	62,612,539

Financial Ratios - 2025 (year-end projected)

Strength / Equity Ratios

Equity - % of Assets	44.81%	General Funds Level	5.57%
Margin + Equities - C36	28,059,254	Non Utility Property - C6	-
Total Assets - C29	62,612,539	Invest in Assoc, Other GF - C9	445,461
		Other Invest. - C12	5,501
Distribution Equity	30.79%	Special Funds - C13	-
Margin + Equities - C36	28,059,254	Cash Gen. Funds - C15	43,465
Total Assets - C29	62,612,539	Temporary Investments - C18	3,240,055
Patronage Capital - C8	12,687,102	Prepayments Unapplied - C42	-
		Total Utility Plant - C3	67,031,562
Equity - % of Capitalization	46.69%	Cash to Debt	10.95%
Current Equity - C36	28,059,254	Cash Gen. Funds - C15	43,465
Current LT Debt - C43	32,036,210	Temporary Investments - C18	3,240,055
		CFC CTC's - Stat Report	225,000
Current Ratio	2.40	Current LT Debt - C43	32,036,210
TI, C & A Assets - C26	6,043,713		
TI C & A Liabilities - C54	2,517,075		

Operating Ratios

TIER	RUS = 1.25	2.37	Operating TIER	RUS = 1.1	1.21
Net Income - A29	1,472,672		Operating Income - A21	224,992	
Interest on LT Debt- A16	1,078,277		Interest on LT Debt- A16	1,078,277	
DSC	RUS = 1.25	1.84	Operating DSC	RUS = 1.1	1.64
Depreciation - A13	2,100,936		Operating Income - A21	224,992	
Interest on LT Debt- A16	1,078,277		Depreciation - A13	2,100,936	
Pat. Cap. or Margins - A29	1,472,672		Interest on LT Debt- A16	1,078,277	
Prin. & Int. Pymts - N, d Total	2,522,528		Patron. Refund from G&T, other - A26+A27	684,641	
				50,306	
MDSC	CFC - 1.35	1.53	Prin. & Int. Pymts - N, d Total	2,522,528	
Depreciation - A13	2,100,936				
Interest on LT Debt- A16	1,078,277				
Operating Income - A21	224,992				
Non-Op Margins - Int - A22*	372,000				
Patronage Capital - C8	12,687,102				
Pat Cap Cash Calc	734,947				
Prin. & Int. Pymts - N, d Total	2,957,182				

2025 Cash Flow Projections

item		2022	2023	YE 2024 (estimated)	2025 Budget
1	Operating Revenue	20,914,246	17,842,791	18,588,418	18,893,688
	less:				
3	Cost of Power	12,903,008	10,346,476	9,443,615	10,563,445
4	Transmission Expense	-	-	-	-
6	Operations	1,095,418	1,051,121	1,137,363	1,151,368
7	Maintenance	1,133,982	1,062,231	1,283,615	1,299,421
8	Consumer Accounting	256,927	258,175	282,370	285,847
9	Customer Service & Information	59,232	69,604	74,571	75,489
10	Sales Expense	74,714	104,865	99,209	100,431
11	Administration & General	1,640,676	1,952,613	1,960,046	1,984,182
13	Depreciation	1,888,036	1,955,181	2,026,749	2,100,936
16	Long-Term Debt Interest Expense	1,282,652	1,216,985	1,147,683	1,078,277
18	Other Interest Expense	269	5,374	5,061	5,300
19	Other Deductions	16,024	24,588	22,030	24,000
20	Total Operating Expense	20,350,938	18,047,213	17,482,311	18,668,696
	Controllable Expenses	4,260,949	4,498,609	4,837,174	4,896,738
21	Operating Margins	563,308	(204,422)	1,106,108	224,992
	Adds:				
22	Non-Operating Margins - Interest Income	132,043	400,256	367,589	372,000
25	Non-Operating Margins - Other	140,733	78,836	89,765	140,733
26	G&T Capital Credits	684,641	501,621	620,000	684,641
27	Other Capital Credits & Patronage Dividends	50,306	32,481	25,000	50,306
29	Net Margins	1,571,031	808,772	2,208,461	1,472,672
ADD:	Depreciation	1,888,036	1,955,181	2,026,749	2,100,936
	Cash Investments on Hand January 1st	5,917,469	10,945,108	7,186,490	7,272,481
F7,I, 2, d	Capital Credits paid to LSEC	340,507	421,734	325,000	325,000
LESS:	Capital Credit Allocations from G&T, etc.	(684,641)	(501,621)	(620,000)	(684,641)
F7, N	Principal Payments on Long-term debt	(2,283,515)	(2,309,237)	(2,035,968)	(1,407,290)
F7,I	LSEC Patronage Capital Retirements	(524,046)	(577,316)	(590,000)	(550,000)
Net Cash Available before Distribution Plant Additions		6,224,841	10,742,621	8,500,732	8,529,158
	Less: Capital and Work Plan Budget	782,000	2,713,142	1,259,185	1,539,026
	Add: Cash advance from Loans, FEMA, etc.	-	-	-	-
Net Cash Available After Plant Additions		5,442,841	8,029,479	7,241,547	6,990,132
Additional Cash Required from LT Loans for min. General Fund Balance of \$3.2 MM*		-	-	-	-
Estimated Rate of Return on Rate Base:		2.69%	-1.15%	5.95%	1.19%

* Minimum Cash Requirement (use previous year Form 7)

2 months power bill	1,760,574
1 yr interest payment	1,078,277
2 months payroll	377,378
	3,216,229

10. b. Capital Credits - Estates

Board Policy 113. Consumers Capital Credits, Expectation G. Special Capital Credit Retirements, provides the Cooperative the opportunity to make special retirements for a variety of reasons, among them Estate Liquidations. The policy states that these retirements will be made twice annually, in June and December upon the approval of the Board of Trustees.

CAPITAL CREDIT LIQUIDATION REQUESTS SUBMITTED FOR BOARD APPROVAL DECEMBER 2024						
Last Name	First Name	Cust No.	ELEC-COOP	Total ELEC Amount	Form W-9	G&T
Barnett	Steven D	20440	\$ 172.43	\$ 172.43	N/A	\$ -
Brenner	Ron	20593	\$ 408.20	\$ 408.20	N/A	\$ 373.20
Carr	Wilma	30348	\$ 473.17	\$ 473.17	N/A	\$ 384.68
Dechant	Marvin	40316	\$ 654.36	\$ 654.36	N/A	\$ 470.43
Delaney	Neal	40110	\$ 2,809.50	\$ 2,809.50	W-9	\$ 2,563.93
Egbert	Doug D	50164	\$ 3,387.98	\$ 3,387.98	W-9	\$ 230.92
Hembree	Robert F	80215	\$ 24,904.23	\$ 24,904.23	W-9	\$34,858.40
Jacobs	Charles	100135	\$ 437.82	\$ 437.82	N/A	\$ 330.35
Miller	Roger	130486	\$ 516.85	\$ 516.85	N/A	\$ 446.34
Parkerson	Keith	160289	\$ 1,398.83	\$ 1,398.83	N/A	\$ 1,325.33
Pember	Arthur	160070	\$ 8,915.82	\$ 8,915.82	W-9	\$ 8,890.03
Pfannenstiel	Janice	160351	\$ 366.19	\$ 366.19	N/A	\$ 322.34
Rupp	Rodney	180409	\$ 200.11	\$ 200.11	N/A	\$ 164.75
Scheib	Robert L	190325	\$ 1,837.24	\$ 1,837.24	N/A	\$ 1,714.93
Seib	John	190811	\$ 799.30	\$ 799.30	W-9	\$ 680.29
Sherwin	Warren	190113	\$ 3,690.97	\$ 3,690.97	W-9	\$ 1,496.48
Speer	Marilyn	191131	\$ 56.57	\$ 56.57	N/A	\$ 173.01
Wanker	Patrick	230639	\$ 172.72	\$ 172.72	N/A	\$ 528.03
Yeager	Irvin	250050	\$ 6,262.28	\$ 6,262.28	W-9	\$ 4,795.69
				\$ 57,464.57		

Staff requests that the Board approve the above Special Estates Retirement of \$57,464.57.

10. c. Proposed Christmas Bonus

The Lane-Scott Electric Cooperative, Inc. Board of Trustees has traditionally approved a one-time Christmas Bonus for all employees of the General Manager (and occasionally included the General Manager as well). This Bonus is shown on the following page as:

Employee	2019	2020	2021	2022	2023
Full-time, \$ per employee	150.00	150.00	150.00	200.00	250.00
Part-time, \$ per employee	50.00	50.00	50.00	75.00	75.00

This year, after the Board approved a generous compensation budget, the General Manager requests that the Board of Trustee approve a Christmas Bonus in the reduced amount of \$200.00 for full-time employees and \$75.00 for part-time employees for a total employee Christmas Bonus of \$4,275.00.

As the General Manager and CEO, I have continued the practice of including the Board of Trustees in the Christmas Bonus at the same level as full-time employees. This represents an additional \$1,800 for a total expenditure of \$6,075.00.

The General Manager requests that the Board of Trustees approve a Christmas Bonus in the amount of \$200.00 for full-time and \$75.00 for part-time employees.

10. c. Proposed Christmas Bonus

Emp #	Employee	2019	2020	2021	2022	2023	2024
	Full-time, \$ per employee	150.00	150.00	150.00	200.00	250.00	200.00
	Part-time, \$ per employee	50.00	50.00	50.00	75.00	75.00	75.00
5	Kathy Lewis	150.00	150.00	150.00	200.00	250.00	200.00
17	Dave Howard	150.00	150.00				
21	Carrie Borrell	150.00	150.00	150.00	200.00	250.00	200.00
22	Rebecca Campbell	150.00	150.00	150.00	200.00	250.00	200.00
26	Richard McLeon	150.00	150.00	150.00	200.00		?
34	Kalo Mann*	150.00	150.00	150.00	200.00	250.00	
35	Nate Burns	150.00	150.00	150.00	200.00	250.00	200.00
50	Kasey Jenkinson	150.00	150.00	150.00	200.00	250.00	200.00
55	Ben Mann	150.00	150.00	150.00	200.00	250.00	200.00
74	Dal Hawkinson	150.00	150.00	150.00	200.00	250.00	200.00
81	Dee Shull	150.00	150.00				
84	Michael Pollock	150.00	150.00	150.00	200.00	250.00	200.00
85	Chad Rupp	150.00	150.00	150.00	200.00	250.00	200.00
89	Chris Terhune	150.00	150.00	150.00	200.00	250.00	200.00
91	Larry Kraft	150.00	150.00				
93	Myron Seib	150.00	150.00	150.00	200.00	250.00	200.00
99	Kevin Bradstreet	150.00	150.00	150.00	200.00	250.00	200.00
108	Mark McCulloch*	150.00	150.00	150.00	200.00	250.00	
117	Leighton Ayers	150.00	150.00	150.00	200.00	250.00	200.00
130	Ann Marie Jennings	150.00	150.00	150.00	200.00	250.00	200.00
131	Diana Kuhlman	150.00	150.00	150.00	200.00	250.00	200.00
132	Dellan Shelton	50.00	150.00	150.00	200.00	250.00	200.00
134	Scott Briand			150.00	200.00	250.00	200.00
135	Blake McVickers			150.00	200.00	250.00	200.00
137	Dylan Fehrenbach				200.00		
138	Katie Ripple					250.00	
139	Jocelyn Walker					250.00	200.00
140	Taylor Cable					250.00	200.00
141	Cindi Fuentes						200.00
129	Stacey Foos	50.00	50.00	50.00	75.00	75.00	75.00

employees	22	22	21	22	23	22
total Bonus	3,250	3,350	3,200	4,475	5,825	4,275
Trustees	9	9	9	9	9	9
total Bonus	1,350	1,350	1,350	2,250	2,250	1,800
TOTAL:	4,600	4,700	4,550	6,725	8,075	6,075

200	6,075
250	7,575
	<u>1,500</u>

SAFETY PROGRAM

SAFETY PROJECTS COMPLETED AS OF November 2024

- Rubber gloves changed out.
 - Ongoing: Testing and adjusting digital truck inspections, Creating trencher inspection form.
 - Safety Amp Implementation for digital sign in sheet for safety meetings, KEC safety summary, and LSE Emergency Action Plan.
 - In- House safety meeting: Guest speaker: Bill Glynn Discussing cyber security training.
- Ann Jennings's submitted report:
- Mgr. article: May Your Holidays Be Merry and Bright, has a holiday safety section
 - Safety Demonstration Trailer
 - Now is the time to ready your car for winter-social media
 - Common Causes of Electrical Fires-social media
 - Downed Line Safety-social media
 - Child Safety & Protection Month-social media
 - Safety Demo Trailer-social media
- Diana Kuhlman submitted reports:
 - Attended Monthly Safety Meeting.
 - Coordinate Monthly Drug Testing.
 - Submitted No-Time Loss Report to KEC.
 - Reviewed all CDL Medical Certifications.
 - Set up appointments in-house medical certifications.
 - Reviewed all CDL expirations for 2025.
 - Apprentice ship meeting with Chris and Kansas Office of Apprenticeship.

SAFETY PROJECTS IN PROGRESS AS OF November 2024

1. SafetyAmp Inspection form being created for trencher.
2. FCC radios: Ordered repeater and antenna for Sunflower Tower to help with signal and redundancy. Looking into coverage options for dead spots with radio's in Bazine and McCracken area.
3. Demo trailer: Demo for First Responders and AG Personal in Dighton and Ness City.
4. Waiting approval of budget items for 2025 year.
5. Waiting approval of budget with Dal for schooling for 2025 year.
6. 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. (On Hold)
 - Working on moving connect for James Bergen grain bin site,

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
SAFETY MEETING
October 17, 2024

Chris Terhune called the meeting to order at 9:03 a.m.

Minutes were read: Dal Hawkinson made a motion to approve the September 5, 2024, minutes. Seconded by Dellon Shelton. Minutes were read and approved as printed.

Present: Richard McLeon, Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Kevin Bradstreet, Myron Seib, Leighton Ayers, Dellon Shelton, Blake McVicker, Taylor Cable, Scott Briand, Micheal Pollock, Kathy Lewis, Carrie Borell, Rebecca Campbell, Ann Jennings, Diana Kuhlman, and Jocelyn Walker.

Absent: Nate Burns, Cindy Fuentes.

Guest: None

Truck report of inspections:

105	Taylor Cable	OK
110	Blake McVicker	OK
112	Dellon Shelton	OK
123	Micheal Pollock	OK
132	Taylor Cable	OK
135	Chris Terhune	OK
136	Kevin Bradstreet	OK
143	Scott Briand	OK
145	Dal Hawkinson	OK
150	Kasey Jenkinson	OK
173	Chad Rupp	OK
191	Micheal Pollock	OK
200	Leighton Ayers	OK
201	Blake McVicker	Replacing backup camera.
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	Scott Briand	OK

Personal Tools: All Passed

Gloves Monthly Test Results: One glove was rejected due to ozone.

Line Hoses Annual Test Results: N/A

Blankets Annual Test Results: 2-Blankets were rejected due to ozone and snag.

Sleeves Quarterly Test Results: All Passed

Substation and Regulator Report:

- ♦ Ben Mann: Fall Regulator checks are completed. All subs have been inspected.

PCB Report: None to Report

Line Clearance: City of Ness City, City of McCracken, and Hineman 3-phase.

Accident and Near Misses: Myron reported that 2 lines were tore down. One on the Mennonite road and the other on the Little Mennonite road. Line was raised for higher clearances. A-1/A-5 broke by Ed Boots place. Taller pole was installed for higher clearances.

Old Business: Carrie Borell: NCS transitions is underway. Please bring problems and questions to her for further information.

New Business:

- ♦ Richard McLeon: Thank you to Chad Rupp and Blake McVicker for responding to the call of hurricane restoration for South Carolina. Eighty linemen responded from Kansas. Sunflower is projecting a rate increase of 3.18% for the year 2025. Clifton Power Plant is under review by sunflower board for facility update. Salary and benefits are being taken to the board for approval this month. LSE will be looking to fill positions for assistant accountant, electrician, and lineman.in the 2025 year upon board approval. Budgets to be turned in by the end of the month for approval.
- ♦ Dal Hawkinson: Moving forward with One Oke sub project. Kasey Jenkinson and Kevin Bradstreet will be attending the Cooper Regulator and Tap changer school. Looking into a tower study for radio coverage in the year 2025. And possibly purchasing a tower soon. Storm damage on double circuit on highway 4 is qualified for FEMA.
- ♦ Ann Jennings: Thank you, Scott Briand, for helping with “Touch a Truck” in Ransom at their festival. Safety Demo’s to be done November 11th in Dighton, and November 12th at J&S in Ness City, all are welcome to attend. Demonstration meal RSVPs are due by November 6th. Email was sent to all employees on Casino night fund raiser for the new grocery store. If you and your partner win the golf cart that will belong to LSE if it is won on LSE’S tickets. Military care packages are available, let me know names and addresses by November 15th. LSE is giving away \$3–\$100-dollar gift certificates to coop members. Member Monday is a success and ongoing.
- ♦ Rebecca Campbell: Updating electronic service orders in the notes, for easier availability for the lineman. The meter retirement issue has been resolved.
- ♦ Diana Kuhlman: December will be the start of employee evaluations. The month before your anniversary your supervisor will administer your evaluation. Supervisors let me know if you need any modifications to your forms. November 14th will be Career Day in Dodge City with over 200 participants. Emails will be given out promoting “Born Here Stay Here” program. Sunflower Facilities tours will be scheduled soon.
- ♦ Chad Rupp: AED pads are going to be out of date. New ones are on order.
- ♦ Chris Terhune: PET will be at LSE to conduct annual truck testing October 22-23rd. KDOT inspections will be done by October 21st. In- House Safety Meeting: Reviewed Emergency Action Plan, reviewed KEC Safety Summary. First all-Digital Safety meeting.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator