



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for February 24, 2025, 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 Manager / CEO Report
9. Old Business
10. New Business
 - a. Purchasing / Retail Update
 - b. Utica May Day donation increase
 - c. Hineman Tower and Ground Lease renewal
11. Safety Program Report
12. Executive Session (if requested).
13. Adjourn

Upcoming Events:

KEC Board Meeting	Wichita	Mar. 5-6
NRECA Annual Meeting	Atlanta, GA	Mar. 7-13
Sunflower Board of Trustees meeting	Hays	Mar. 19
LSEC Board of Trustees meeting	Dighton	Mar. 24

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**MINUTES OF THE REGULAR JANUARY 2025
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, January 27, 2025, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:00 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Gerome Copeland, Randy Evans, Susan Nuss, Chad Griffith, James Jordan and Craig Ramsey. Also present Richard McLeon IV and Joseph Gasper, Attorney. Eric Doll was absent.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on December 23, 2024, 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 had no current items to report.

REPORT OF SUNFLOWER DELEGATE

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

- 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.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The Manager expense report was presented to the Trustees for review.
- LSEC had a good financial year. Revenues were \$392,111 (or 2.26%) above the 5-year average while expenses were \$152,742 (or 0.9%) below the same period. This net increase of \$544,853 led us to a projected Rate of Return on Rate Base of 2.35%.
- 2024 unaudited Total Operating Margins are \$664,266 and Total Margins are \$1,492,994. Total kWh sales are up, but total sales dollars are down due to lower wholesale power costs. This led to 2024 Distribution Revenue of \$8,643,587.
- The January 2024 blizzard impacted the YTD reliability numbers but our numbers still look good. Service availability was 99.92% overall.
- YTD dollar sales finished below 2023 (-4.09%) and -2.48% below of the 2019-2024 average.
- YTD kWh sales finished below 2023 (-1.28%) but are 1.18% above the 2019-2024 average.
- YTD total cost of wholesale power was 1.00% above 2023 and 12.08% below the 5-year average. Wholesale power accounted for 53.5% of the 2024 total LSEC billing.
- Dec. Distribution Revenue was \$564,771 (\$8,642,587 YTD).
- ASAI – 99.92%
- C&I accounts for 80 % of the kW/h sold.
- The strategic plan advanced by 5% for a completion rate of 88%. The largest gains were to identify, assess and mitigate cyber security risks and to develop a comprehensive succession plan for the board, CEO and staff. Manager McLeon has reached out to Mike Lewis for a fall 2025 date for a strategic planning session.
- The ACRE/KCRE forms were provided to the trustees.
- The quarterly line extension update was conducted and resulted in a reduction in the charges due to the decreased price in conductor.
- The unaudited year end financials show that all metrics were met.
- Cash on hand is \$6,385,213.
- Pole testing is complete with a rejection rate of 2.85%.

- The back feed plans have been completed. Options for issues have been identified and will be addressed in the 2025 Operations Project Management.
- As of December 2024, CISA Guideline Projects have been completed.
- Microsoft licensing has been upgraded on all devices with enhanced security risks and multi-Factor authentication implemented where possible.
- Safety is working on ordering proper signage.
- Chris Terhune will attend the OSHA 30 workshop in February.
- The radio antennas have been installed on the Twin Springs tower. Coverage maps are still being evaluated.
- Smart Hub added 34 members bringing the total to 960 members.
- The new Bill Print is on track for February.
- 20 Generators were sold in 2024.
- Retail showed a \$47,355 net non-operating margin for the electricians through November.
- The option of adding an electrician is being considered.
- A discussion regarding linemen numbers to cover on-call and to maintain the policy of two linemen on-call for safety reasons was discussed.

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. Policy 113 Capital Credits
 - A review of the 2024 capital credits project studied LSEC compliance with various state Escheatment requirements, early retirement discounts for estates and/or former patrons and G&T allocation and retirement application.
 - LSEC is working with JMS to clean up the various escheatment issues and should be in compliance in 2025.

- LSEC allows for early retirement of capital credits for estates but not for former members. There is no discount for the early retirement. Discounting for early retirement was evaluated by the special project and various options were presented in the board packet. The board discussed the various options and issues with early retirements and discounting of the capital credits.
- The board then discussed the issues of allocating or not allocating G&T capital credits, especially those from Sunflower. Sunflower is a corporation which causes confusion on how some of their allocations should be treated.
- The board discussed the various issues and instructed the staff to first focus on the G&T capital credits first.

2. Policy 403 Community Organization and Activities

- The proposed changes to Policy 403 were presented to the board.
- One issue that has come up is how to treat coaching.
- The board discussed the policy and what they felt the policy should look like and requested that the covered expenses should be limited to the General Manager and First Responders and requested the policy be changed to reflect these wishes.

3. Policy 513 Employee Apparel

- Proposed changes to Policy 513 to bring it up to date from the old RUS language and to more accurately detail the proper clothing for certain personnel were reviewed by the board.
- *A motion to approve the proposed changes to Policy 513 as presented to the board was made, duly seconded and carried.*

4. Policy 515 Employee NRECA SelectRE Pension Plan

- *A motion to approve the proposed change to Policy 515 as presented in the board packet was made, duly seconded and carried.*

5. Policy 534 Company Credit Card Use

- The board reviewed the proposed changes to policy 534 regarding employee use of credit cards.
- *A motion to approve the proposed changes to Policy 534 as presented in the board packet was made, duly seconded and carried.*

6. Tariff Section II Amendment

- The auditor found a discrepancy between the non-domestic tariff rate and the published rate. The new rate of \$0.110550 per kWh was used in the public meeting literature and at the public meetings. The tariff revision adopted by the board at the May 20, 2024 meeting contained a typographical error that incorrectly stated the new non-domestic rate as \$0.10550 rather than \$0.110550 which was the published rate and the COSS recommended rate. The resolution 2025-0127 corrects the typographical error on the adopted tariff.
- *A motion to adopt Resolution 2025-0127 which corrects the typographical error on the amended rate tariff to indicate the non-domestic rate as \$0.110550 was made, duly seconded and carried.*

7. NRECA Voting Delegate

- Craig Ramsey was appointed voting delegate and Manager McLeon as the alternate voting delegate for both NRECA and NRTC at the NRECA annual meeting.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 9:31 p.m., on Monday, January 27, 2025.

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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
3448 01/13/2025	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Invoice	863.32
3449 01/13/2025	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	409.07
52345 01/16/2025	CHK	1	JAYHAWK OILFIELD SUPPLY INC	Retial-Supplies	8.50
52346 01/16/2025	CHK	1	NESS CITY ROTARY CLUB	November & December Meals	76.00
52347 01/16/2025	CHK	1	NESS COUNTY OLD SETTLERS REUNIO	Old Settlers Donation	750.00
52348 01/16/2025	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	72,000.00
52349 01/16/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC Monthly Dues	7,614.12
52350 01/16/2025	CHK	79	POSTMASTER	Newsletter Postage	132.98
52351 01/16/2025	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	498.18
52352 01/16/2025	CHK	117	NESS CITY FARM & FEED	Monthly Invoie	134.31
52353 01/16/2025	CHK	172	TYNDALE COMPANY, INC.	K.Jenkinson-Clothing Allowance	328.65
52354 01/16/2025	CHK	370	U.S. PAYMENTS, LLC	Kiosk Transaction Fee	3.81
52355 01/16/2025	CHK	380	GRAINGER	Monthly Statement	89.77
52356 01/16/2025	CHK	387	WESTERN FUEL & SUPPLY	Monthly Invoice	506.34
52357 01/16/2025	CHK	427	DIGHTON HERALD LLC	Monthly Invoice	130.00
52358 01/16/2025	CHK	484	FLATLANDS GARAGE LLC	Truck #105	127.67
52359 01/16/2025	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Invoice	602.47
52360 01/16/2025	CHK	544	FIRST WIRELESS, INC.	License App Fees-New Tower Site License	999.75
52361 01/16/2025	CHK	545	CIRCLE C COUNTRY SUPPLY	Tools	87.78
52362 01/16/2025	CHK	575	AMERINE UTILITIES CONSTRUCTION I	Project of 8/1/24 & 8/3/24	7,402.99
52363 01/16/2025	CHK	9999	GEORGE GARCIA	INACTIVE REFUND	122.46
3450 01/21/2025	WIRE	1229	SCHABEN SANITATION	Monthly Invoice	705.53
3453 01/21/2025	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
3455 01/24/2025	WIRE	101	ATMOS ENERGY	Monthly Invoice	276.47
52364 01/24/2025	CHK	1	FIRST NATIONAL BANK	Safe Deposit Box Rent	15.00
52365 01/24/2025	CHK	2	CASHIER ACCOUNT	Petty Cash	143.85

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52366 01/24/2025	CHK	20	BASIN ELECTRIC POWER COOP	Dispatch & Alarm Monitor Fees	2,118.24
52367 01/24/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL Subscriptions	2,608.86
52368 01/24/2025	CHK	105	CITY OF NESS CITY	December-Pay Station & Postage	5,681.13
52369 01/24/2025	CHK	135	CITY OF BAZINE	Franchise Fee	1,762.98
52370 01/24/2025	CHK	138	CITY OF UTICA	Franchise Fee	2,096.87
52371 01/24/2025	CHK	139	CITY OF MCCRACKEN	Franchise Fee	2,170.56
52372 01/24/2025	CHK	140	CITY OF BROWNELL	Franchise Fee	635.73
52373 01/24/2025	CHK	141	CITY OF RANSOM	Franchise Fee	4,219.62
52374 01/24/2025	CHK	142	CITY OF ALEXANDER	Franchise Fee	964.04
52375 01/24/2025	CHK	160	SHULL OIL COMPANY	Monthly Statement	4,557.21
52376 01/24/2025	CHK	172	TYNDALE COMPANY, INC.	C.Terhune-Clothing Allowance	223.78
52377 01/24/2025	CHK	218	SPENCER PEST CONTROL	Rodent Control	54.25
52378 01/24/2025	CHK	226	KANSAS CORPORATION COMMISSION	Quarterly Assessment	100.56
52379 01/24/2025	CHK	532	AMERICAN DIGITAL SECURITY	Truck Bay Access Control	222.43
3454 01/27/2025	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	21,686.91
3458 01/28/2025	WIRE	183	HIBU INC	Monthly Statement	17.00
3456 01/29/2025	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	217.76
3457 01/29/2025	WIRE	1290	WEX BANK	Monthly Invoice	595.96
3459 01/31/2025	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Statement	200.73
3460 01/31/2025	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Invoice	912.48
3461 01/31/2025	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange and HR	90.19
3462 01/31/2025	WIRE	18	CITY OF DIGHTON	Monthly Statement	1,387.72
3463 01/31/2025	WIRE	1267	AFLAC	Monthly Statement	1,603.74
3464 01/31/2025	WIRE	586	NETWORK COMPUTING SOLUTIONS	Cyber Security Software	5,632.65
52380 01/31/2025	CHK	3	MJ'S STITCHING & SCREENING	Hornet Throw Out Shirts	716.10
52381 01/31/2025	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	61,000.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52382 01/31/2025	CHK	55	NESS COUNTY NEWS	Advertising	181.75
52383 01/31/2025	CHK	63	RICHARD JENNISON	Board Meeting	168.20
52384 01/31/2025	CHK	73	STANION WHOLESALE ELEC CO INC	LINE MATERIAL	32,855.33
52385 01/31/2025	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Ness City	92.54
52386 01/31/2025	CHK	150	CHRIS TERHUNE	KEC OSHA 30	306.00
52387 01/31/2025	CHK	172	TYNDALE COMPANY, INC.	K.Bradstreet-Clothing Allowance	30.22
52388 01/31/2025	CHK	179	RAD ROEHL	Board Meeeting	162.60
52389 01/31/2025	CHK	182	G.E.M.S. INC	Monthly Invoice	446.21
52390 01/31/2025	CHK	202	CHAD GRIFFITH	Board Meeting	202.50
52391 01/31/2025	CHK	234	ELECTRICOMM, INC.	Transformer Oil Samples	6,959.19
52392 01/31/2025	CHK	309	KANSAS BG LLC	DFC Plus-All Trucks	399.97
52393 01/31/2025	CHK	362	C&E DOORS LLC	Labor & Material-Garage Doors	3,132.89
52394 01/31/2025	CHK	380	GRAINGER	Monthly Invoice	65.32
52395 01/31/2025	CHK	392	TRUCK CENTER COMPANIES	Emission work on truck #105	2,595.40
52396 01/31/2025	CHK	406	RICHARD MCLEON	Quarterly-Travel & Per Diem	949.00
52397 01/31/2025	CHK	439	BOLINGER, SEGARS, GILBERT & MOSS,	Prepare Federal Forms 990 & 990-T EOY	4,450.00
52398 01/31/2025	CHK	450	RANDALL G EVANS	Board Meeting	2,940.81
52399 01/31/2025	CHK	498	BLAKE MCVICKER	Clothing Allowance	342.37
52400 01/31/2025	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Copier Contract	140.04
52401 01/31/2025	CHK	552	HIGH POINT NETWORKS, LLC	Intunes & Apple Bus Manager	1,667.50
52402 01/31/2025	CHK	563	JOCELYN WALKER	CFC CFO Orientation	280.00VOID
52403 01/31/2025	CHK	568	SUSAN NUSS	Board Meeting	229.80
52404 01/31/2025	CHK	569	FAUROT HEATING AND COOLING INC	BOILER FOR MORTON	8,995.80
52405 01/31/2025	CHK	570	JAMES W JORDAN	Board Meeting	196.20
52406 01/31/2025	CHK	588	GEROME L COPELAND	Board Meeting	200.40
52407 01/31/2025	CHK	803	ALTEC INDUSTRIES, INC	Truck #200	1,300.55

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52408 01/31/2025	CHK	1172	WESTERN SUPPLY COMPANY	Monthly Invoice	464.58
52409 01/31/2025	CHK	1200	KASEY JENKINSON	Leadership Training	294.00
52410 01/31/2025	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Ness City	155.57
52411 01/31/2025	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Glove Testing, Branding-Glove/Sleeves	128.00
52412 01/31/2025	CHK	1300	CRAIG RAMSEY	Board Meetin	185.00
52413 02/06/2025	CHK	1	AMERICA'S ELECTRIC COOPERATIVES	ACRE Contributions	800.00
52414 02/06/2025	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	557.29
52415 02/06/2025	CHK	220	LANDIS+GYR TECHNOLOGY, INC	SaaS Monthly Fee	1,495.00
52416 02/06/2025	CHK	238	ILLINOIS MUTUAL	Premiums	54.24
52417 02/06/2025	CHK	279	IT1 CONSULTING	Software Service-Microsoft	8.90
52418 02/06/2025	CHK	306	BORDER STATES INDUSTRIES INC	WO 5827	87,018.14
52419 02/06/2025	CHK	493	SCOTT CITY ACE HARDWARE	Parts	15.63
52420 02/06/2025	CHK	544	FIRST WIRELESS, INC.	Work on Radios	1,079.62
52421 02/06/2025	CHK	552	HIGH POINT NETWORKS, LLC	Trustee iPads	460.00
52422 02/06/2025	CHK	562	RENSENHOUSE	RETAIL MATERIAL	724.14
52423 02/06/2025	CHK	578	L&R LAWN CARE & SUPPLY	Monthly Invoice	114.21
52424 02/06/2025	CHK	599	MITCH'S TRASH SERVICE	Trash Service-Ness City	75.00
52425 02/06/2025	CHK	601	JAYHAWK OILFIELD SUPPLY INC	Part	38.93
52426 02/06/2025	CHK	803	ALTEC INDUSTRIES, INC	TOOLS	242.69
52427 02/06/2025	CHK	1016	KANSAS ONE-CALL SYSTEM INC	January Locate Fees	17.29
52428 02/06/2025	CHK	1169	WASHER SPECIALTIES CO.	RETAIL MATERIAL	629.35
52429 02/06/2025	CHK	1251	TECHLINE, LTD	LINE MATERIAL	11,712.40
52430 02/06/2025	CHK	1303	LANE COUNTY IMPLEMENT, INC	Parts for Chipper	59.89
52431 02/06/2025	CHK	1306	KCRE	KCRE Contributions	900.00
3465 02/07/2025	WIRE	468	U.S. BANK	Retail Meterial	454.81
3467 02/07/2025	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA-February Group Ins	2,842.91

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3468 02/07/2025	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS-Group Ins	60,583.60
3469 02/07/2025	WIRE	180	NRECA	NRECA Grp Adm Fee-February Grp Admin Fee	247.37
3470 02/07/2025	WIRE	468	U.S. BANK	Retail Material	22,472.87
3466 02/10/2025	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
52432 02/10/2025	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	535.62
52433 02/10/2025	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Invoice	1,292.53
52434 02/10/2025	CHK	1248	COMPLIANCE ONE	Drug and Alcohol Testing	345.45
52435 02/10/2025	CHK	46	LANE COUNTY TREASURER	Registration Fees	255.75
52436 02/10/2025	CHK	117	NESS CITY FARM & FEED	Tools	8.67
52437 02/10/2025	CHK	172	TYNDALE COMPANY, INC.	K.Jenkinson-Clothing Allowance	142.14
52438 02/10/2025	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Statement	29.51
52439 02/10/2025	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Dighton	299.08
52440 02/10/2025	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Monthly Statement	220.85

Total Payments for Bank Account - 2 : (116) 481,978.14

Total Voids for Bank Account - 2 : (1) 280.00

Total for Bank Account - 2 : (117) 482,258.14

Grand Total for Payments : (116) 481,978.14

Grand Total for Voids : (1) 280.00

Grand Total : (117) 482,258.14



Board Meeting Summary

January 17, 2025

CURRENT ACTIVITIES

November 2025 Board Meeting Date Change

Board Action: The Sunflower Board voted and approved to change the date of the November 2025 board meeting to November 12, 2025.

December 2025 and 2026 Board Meeting Dates

Board Action: The Sunflower Board voted and approved to hold the December 2025 board meeting at the Intercontinental Hotel in Kansas City, Mo., December 11-12, 2025, and the December 2026 board meeting at the Intercontinental Hotel in Kansas City, Mo., December 10-11, 2026.

Vice-President Search Timeline

The talent search for the two open vice president positions is in progress. For the vice president of human resources position, the executive team met on January 16 to review the list of applicants and selected five candidates for virtual interviews. Virtual interviews are scheduled for January 29-30 with final, in-person interviews on February 12-13. For the vice president of member solutions and communications position, the executive team will meet on January 24 to review the list of applicants and select candidates for virtual interviews scheduled for February 5-6 with final, in-person interviews on February 26-27.

PRESIDENT'S REPORT

Generation, Power Supply, and Market Affairs

Clifton Repair/Replace Update

Staff presented an update on the Frank Lill & Son (FLS) Class 3 cost estimate for a Solar Turbine T350 project, including the cost and impact of evaporative coolers and the cost and impact of a selective catalytic reduction (SCR) NOx emission control system. Questions and concerns currently being addressed by staff include: 1) the projected output at the capability test site rating temperature is six MW less than the interconnection limit. Can inlet air cooling be added to economically increase the facility output closer to the interconnection limit at capability test site rating temperature? 2) Preliminary environmental netting analysis indicates the annual capacity factor would be limited to 10-15% to avoid exceeding annual NOx emission limits. Can an SCR be economically added to increase the annual capacity factor limitation? 3) The T350 turbines may not be insurable due to being viewed as "immature." Can terms be negotiated to ensure a T350 project is insurable? 4) Why is the cost estimate from FLS significantly lower than T350 cost estimate from Burns & McDonnell (B&McD), and are we sure the FLS estimate is viable?

While staff continues to address the T350 insurance issue and work with B&McD to review the FLS cost estimate, they presented three options to the board for consideration. 1) Hold off on a decision until B&McD review of FLS T350 estimate is complete and all current estimating activities for RICE and small frame CT are complete. 2) Hold off on a decision until B&McD review of FLS T350 estimate is complete. Or, 3) order the T350 combustion turbines now and continue the evaluation of the FLS estimate from a balance of plant perspective.

Board Action: The Sunflower Board voted and approved to move forward with option 3.

Transmission Planning and Policy

United States Court of Appeals Decision on the C2 Waiver Process Case

Oral arguments on the C2 byway waiver process were held on December 9. On December 26 the court issued an order holding the C2 waiver appeal in abeyance pending the outcome of the FERC 205 filing appeal on the reallocation of costs of Sunflower's four notices to construct (NTCs). Therefore, the appeal on the reallocation of costs for the four Sunflower NTCs will proceed prior to the Court of Appeals ruling on the appeal of the byway waiver process.

It is the staff's opinion; this does not pose much of a threat to Sunflower's 205 filing appeal. If Sunflower wins the 205 (FERC is upheld), FERC might argue the C2 waiver is moot since the Sunflower facilities have been regionally cost allocated and there is no evidence anyone has future projects, or will have future projects, potentially qualifying for the C2 waiver. The threat would be not to the existing NTCs that are the subject of the favorable 205 order, but instead any future NTCs Sunflower or Midwest might want to have regionally allocated as opposed to byway allocated.

Southwest Power Pool (SPP) Integrated Transmission Planning (ITP) Assessment

New sources of demand—data centers, crypto mining, oil and gas production, and electric cars—consume tremendous energy. The demand in the SPP region could be 25% higher by 2030. We need significant amounts of new transmission and generation, which is costly and takes years to complete. The 2024 ITP portfolio—costing more than \$7.6 billion and aimed at optimizing reliability, resiliency, and economics will bring substantial benefits to the region. Rapid load growth, extreme winter weather analysis, and new persistent operational needs criteria led to the 2024 ITP needs list increasing 4x compared to the 2023 ITP.

Load forecasts show rapid load growth with substantial growth in the early portion of the planning horizon. The 2024 ITP Year 2 load is higher than the 2023 ITP Year 10 for both seasons. Load growth can result in higher transmission line loading, increased voltage violations, increased economic congestion and emergency energy, and shortfall concerns. The implications of proactive transmission planning amid load uncertainty include the potential for unnecessary expenditures if the anticipated loads do not materialize, challenges in aligning transmission upgrades with actual demand, and delays or the inability to meet consumer expectations and needs.

Lastly, the 2024 ITP portfolio included the 85.2-mile Elm Creek to Tobias 345 kV transmission line, which will be partially located within the Sunflower zone. The Market and Operations Committee (MOPC) and SPP board approved a staging (need by) date of December 1, 2028, for the transmission line. Because this date is greater than three years, the project qualifies as a FERC Order No. 1000 competitively bid project. The project is needed in 2028 and is expected to cost \$2 million/mile or approximately \$70 million. Staff are in communication with ITC to submit a joint bid for the project.

SPP Expedited Generation Interconnection Process

For entities who have projects waiting in SPP's generation interconnection (GI) queue, SPP is developing an "expedited resource adequacy study" process to bypass the GI queue. This new process includes a one-time, six-month study. The project must have a proposed commercial operation date within five years of request submission. To be eligible for the expedited study, the developer or load responsible entity (LRE) submits a request for inclusion. The request must be for Network Resource Interconnection Service (NRIS) to facilitate deliverability to load. Any generation/fuel type qualifies, and the amount of capacity is limited to the ceiling calculated by SPP based on LREs' load projections and existing resources to meet Planning Reserve Margin (PRM).

SPP Future Reserve Margin 2029 Value

As part of the evolving energy landscape, the load responsible entities (LREs) and SPP recognize a long-term vision of PRM requirements is a desirable and necessary policy goal for meeting the energy and capacity needs of the future. SPP developed a long-term PRM policy paper outlining the framework for establishing long-term planning horizon PRM requirements in a way that minimizes changes to those requirements and provides adequate notice before the applicable operating season.

Long-term PRM requirements will:

- Be documented as a requirement (which allows regulated entities the ability to seek recovery of associated costs)
- Be updated after the initial setting:
 - Latest evaluation scheduled Year 4 (approximately 3.5 years in advance of requirement)
 - The final evaluation will use the latest loss of load expectation (LOLE) study methodologies
- Recognize and consider mitigation for the risk necessary to account for potential changes in the resource mix and other uncertainties that may occur in the four years after the PRM value is last evaluated
- Recognize and consider the inclusion of mitigation to account for operational flexibility and uncertainties

These policies are intended to provide state regulators with the framework for establishing Long-Term PRM requirements intended to provide LREs insight into their long-term resource planning needs. The purpose of a long-term PRM is not for SPP to supplant long-term planning at the LRE level; the purpose is to provide LREs with more forward-looking information to make better-informed long-term planning decisions.

During its December 2024 meeting, the resource and energy adequacy leadership (REAL) team, which consists of representatives of LREs, state regulators, and SPP board members, approved the long-term PRM policy paper. Consistent with the approval of the long-term PRM, the REAL team and the supply adequacy working group (SAWG) approved the 2029 base PRM values of 38% for the winter season and 17% for the summer season. The 2029 base PRM values will be presented to MOPC, regional state committee (RSC), and SPP board for approvals in April 2024. If approved by the stakeholder groups, the 2029 base PRM will not need to be submitted to FERC for approval.

Financial Services

November Financials

Overall, Member loads were down 4.3% from budget for the month and down 1.33% from budget year to date. Large industrial loads were down 6.68% from budget for the month and down 7% from budget year to date. Operation and maintenance expenses were down 19.33% from budget for the month and up .52% from budget year to date. Member transmission bills were \$3.4M lower in 2024 due to the implementation of FERC 205. The amount was realized July through December 2024.

Rate Design Study

Sunflower staff gathered and provided data to Power Engineers (PSE) for its joint meeting on December 19 to discuss the general outline of the 2025 Sunflower rate study. The rate study will focus on seasonality, non-coincident peak rates, and time-of-use rates. Staff will continue to provide monthly updates during the rate study. Rate changes will need to be approved at the September 2025 Board meeting to be included in the 2026 budget.

Economic Development Tariff Revision

Staff recommended updating the Economic Development Rider (EDR) tariff to specify “coincident” demand to be used in the monthly rate calculation. Also, to allow Sunflower flexibility if contract terms are already met within the Member contract, staff recommend adding “may” to the terms of the written contract section.

Board Action: The Sunflower Board voted and approved the EDR-25 Tariff for implementation on January 17, 2025.

Safety and Supply Chain

2024 Safety Performance and 2025 Look-Ahead

To summarize safety performance in 2024, the Sunflower safety team covers approximately 52,000 square miles to serve approximately 419 internal employees, which is a 160:1 employee-to-safety specialist ratio. Safety team engagement was strengthened through 240+ safety meetings and training, and safety team members specifically completed 90+ specialized trainings to close knowledge and training gaps. Staff collectively worked 793,071 total hours, and it has been 401 days since our last lost-time incident. There was one recordable incident in 2024, which is a positive trend despite missing the zero-incident goal. Vehicle-related incidents declined and are trending favorably. We also successfully implemented OnSolve, our critical communications platform. Lastly, the safety team has established partnerships with KEC loss prevention staff, and adopted a regional model, enhancing safety specialists’ support to employees, their technical growth, and logistical efficiency.

The team is in the planning stages of a Q4 2025 all-employee safety event. They are tentatively looking at Wednesday, October 15, and Thursday, October 16, at the Ellis County Fairgrounds.

Legal

Jones v Sunflower

Sunflower legal representatives and Federated Insurance met with the plaintiffs on Monday, January 13 in the Jones v. Sunflower personal injury suit. The Plaintiff sought to recover damages for injuries sustained in a car accident involving a Sunflower employee in 2022. Both parties settled in mediation.

Sumner County Eminent Domain Appeals

Mid-Kansas Electric Company, Inc. filed an appeal of eminent domain awards in Sumner County, Kan., in 2017. In a successful outcome for Mid-Kansas, the first of the appeals made it to trial in 2019, where the jury awarded Mid-Kansas approximately 83% of the initial award back at amounts less than Mid-Kansas's original offers for consensual easements. The rest of the jury trials were delayed due to COVID. After a briefing on several specific topics with oral arguments, the judge vacated the original petition, remanded it, found that a portion of the Eminent Domain Procedure Act is unconstitutional as applied to these facts, and Sunflower is thus required to pay attorneys' fees of the landowners. Sunflower formally appealed the order, and the Supreme Court denied the appeal based on ripeness. Sunflower recently is working on an amended petition to move the proceedings forward.

OTHER BUSINESS

Voting Delegates/Alternates

Kansas Electric Cooperatives Meetings

Board Action: The Sunflower Board voted and approved Bruce Mueller and Shane Laws to represent Sunflower as the voting delegate and alternate delegate, respectively, for Kansas Electric Cooperatives membership meetings.



TOPEKA, KANSAS

FEB. 1-3, 2025

2025



2025 KEC Winter Conference

Feb. 1-3, 2025

To: KEC Trustees,
Alternate Trustees and
Member System Managers

From: Shana Read,
Director of Education and
Training

Click for a printable
version of this
summary

KEC Winter Conference Photos

View and download
the [photos from the
Winter Conference.](#)

KEC Winter Conference Presentations

The presentations and
resources from the KEC
Winter Conference will be
archived on [KEC's
Members-Only site.](#)

KEC Winter Conference Summary

Prior to the 2025 KEC Winter Conference, directors were offered several training options. Pat Mangan facilitated both the **2600 Director Duties and Liabilities** and the new **928.1 Artificial Intelligence and Electric Cooperatives** courses. Lou Green facilitated the **909.1 Effective Governance in the Face of Crisis** course, while Pam Dykstra led the **Crucial Conversations for Mastering Dialogue** course.

On Sunday, Feb. 2, attendees had the opportunity to network at the KEC social sponsored by CFC.

The conference saw over 150 electric cooperative trustees, managers, and key staff members in attendance. The day began with an update from NRECA's Senior Vice President of Government Relations **Louis Finkel**. He touched on the current political landscape, the presidential transition, the Trump administration's priorities, and how NRECA and the co-ops' have an opportunity to push the reliability and affordability message.

Jim Christopher, KEC Board Vice President, conducted the **KEC Annual Meeting Business Session**. Attendees received a financial report from **Bruce Mueller**, KEC Treasurer, and watched the "State of the Statewide" video presented by CEO **Lee Tafanelli**. This video, which highlighted the achievements of KEC in 2024 and a look forward to 2025, will be available on KEC's members-only site.

Reagan McCloud, KEC's Director of Government Relations, provided a legislative update, reviewing key issues in preparation for discussions with legislators and state officials later in the day, including rooftop solar consumer protections.

Senate President **Ty Masterson** and House Speaker **Dan Hawkins** participated in a Legislative Leadership Panel discussion moderated by **Lee Tafanelli**. The panel covered a variety of topics, including the rationale behind this year's condensed legislative session aimed at returning to a 90-day calendar, the budget process and collaboration with the governor, and constituent concerns about energy issues.



Upcoming KEC Meetings

KEC Board Meeting
March 5-6, 2025
Marriott, Wichita

KEC Board Meeting
May 7-8, 2025
Marriott, Wichita

KEC Summer Meeting
Aug. 2-4, 2025
Marriott, Overland Park

KEC Board Meeting
Oct. 1-2, 2025
Hilton Garden Inn, Salina

KEC Board Meeting
Dec. 3-4, 2025
Marriott, Wichita

Attendees traveled to the Kansas Statehouse for office visits, committee meetings, and other **Day at the Capitol** activities.

The day concluded with a **Legislative Reception**, co-hosted by Federated Rural Electric Insurance Exchange and all Kansas electric cooperatives. The event attracted more than 300 Kansas elected officials, cooperative trustees, managers, spouses, and guests, providing ample networking opportunities and a chance to participate in the Sponsor Showcase.

The **KCRE Silent Auction** results were announced, and the event raised \$6,880. The KCRE Cooler Contest raised \$2,120. The winners of the coolers were Grant Foley, Greg Tanking, and Kathy O'Brien.

The winners of the \$250 drawings, sponsored by KEPCo, Sunflower, and Ubicquia were Larry Butel, Nick Zerr, Lori Jones, and Jason Rabe.

The winners of the KEC Auxiliary scholarships were announced. **Landry George**, sponsored by Heartland, and **Sophie Imm**, sponsored by Prairie Land, will each be awarded \$1,000.

January Board Meeting Summary

Feb. 3, 2025

In official action at the **January KEC Board Meeting**, the KEC Board of Trustees:

1. Elected **Kirk Thompson**, CMS, as President; **Jim Christopher**, DSO, as Vice President; **John George**, Rolling Hills, as Secretary; and **Bruce Mueller**, Sunflower, as Treasurer.

KCRE Annual Meeting and Executive Committee Summary

Feb. 3, 2025

In official action at the **Kansas Committee for Rural Electrification (KCRE) Annual Meeting**, the KCRE members:

1. Elected **Chris Parr**, FreeState; **Kirk Girard**, Prairie Land; and **James McMullin**, Sumner-Cowley; as at-large members to the KCRE Executive Committee.

During the KCRE Annual Meeting the KCRE Chairman's report was provided by Acting Chair **Chuck Goeckel**. Mr. Goeckel thanked the members for their continued support and explained how PAC donations are used to make a positive impact in the political area for the benefit of co-op consumer-members, and he provided a finance report on behalf of Secretary/Treasurer Kirk Thompson.

In official action at the **KCRE Executive Committee Meeting**, the KCRE Executive Committee Members:

1. Elected **Pat Morse**, Victory, as Chair and as the America's Electric Cooperatives PAC Board Representative; **Chris Parr**, FreeState, as Vice Chair; and **Kirk Thompson**, CMS, as Secretary-Treasurer.



The KCRE Executive Committee (from left): James McMullin, Kirk Girard, Chris Parr, Jim Christopher, Pat Morse, and Reagan McCloud. Not pictured: Kirk Thompson.



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

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Annual Capital Credit Calculation

Fiscal Year 2024

	KEC		LCS		Magazine & Printing		Apparatus		Total Credits	Total %
Cooperative	Credits	%	Credits	%	Credits	%	Credits	%		
4 Rivers	\$ (2,588.16)	4.48%	\$ 676.91	4.82%	\$ 4,627.01	5.25%	\$ 5,594.05	6.52%	\$ 8,309.81	6.38%
Alfalfa	\$ (399.28)	0.69%	\$ 12.41	0.09%	\$ 538.75	0.61%	\$ 457.45	0.53%	\$ 609.34	0.47%
Bluestem	\$ (2,260.30)	3.91%	\$ 478.81	3.41%	\$ 3,629.03	4.11%	\$ 2,807.61	3.27%	\$ 4,655.15	3.57%
Brown-Atchison	\$ (1,433.81)	2.48%	\$ 389.73	2.77%	\$ 1,665.17	1.89%	\$ 995.29	1.16%	\$ 1,616.37	1.24%
Butler	\$ (1,815.07)	3.14%	\$ 465.29	3.31%	\$ 4,078.28	4.62%	\$ 2,764.53	3.22%	\$ 5,493.03	4.22%
Caney Valley	\$ (1,685.19)	2.92%	\$ 429.45	3.06%	\$ 1,670.71	1.89%	\$ 3,072.80	3.58%	\$ 3,487.77	2.68%
CMS	\$ (1,729.60)	2.99%	\$ 540.19	3.84%	\$ 990.93	1.12%	\$ 6,375.03	7.43%	\$ 6,176.55	4.74%
Doniphan	\$ (983.65)	1.70%	\$ 350.41	2.49%	\$ 1,153.55	1.31%	\$ 1,268.71	1.48%	\$ 1,789.02	1.37%
DSO	\$ (2,088.31)	3.62%	\$ 479.88	3.41%	\$ 3,584.93	4.06%	\$ 1,842.59	2.15%	\$ 3,819.09	2.93%
Flint Hills	\$ (1,988.24)	3.44%	\$ 485.28	3.45%	\$ 2,959.56	3.36%	\$ 3,559.20	4.15%	\$ 5,015.81	3.85%
FreeState	\$ (2,598.48)	4.50%	\$ 744.74	5.30%	\$ 8,268.51	9.38%	\$ 3,075.74	3.59%	\$ 9,490.51	7.29%
Heartland	\$ (2,303.71)	3.99%	\$ 557.89	3.97%	\$ 73.84	0.08%	\$ 2,440.60	2.85%	\$ 768.61	0.59%
KAMO	\$ (1,310.00)	2.27%	\$ 42.96	0.31%		0.00%		0.00%	\$ (1,267.04)	-0.97%
KEPCo	\$ (540.56)	0.94%	\$ 21.48	0.15%	\$ 606.75	0.69%	\$ 382.34	0.45%	\$ 470.02	0.36%
Lane-Scott	\$ (1,786.91)	3.09%	\$ 444.31	3.16%	\$ 2,353.58	2.67%	\$ 2,938.15	3.43%	\$ 3,949.13	3.03%
Midwest Energy	\$ (4,600.08)	7.96%	\$ 162.30	1.15%	\$ -	0.00%		0.00%	\$ (4,437.78)	-3.41%
Nemaha-Marshall	\$ (1,423.17)	2.46%	\$ 425.22	3.03%	\$ 1,850.43	2.10%	\$ 1,890.00	2.20%	\$ 2,742.48	2.11%
Ninnescah	\$ (1,781.83)	3.08%	\$ 403.46	2.87%	\$ 1,319.69	1.50%	\$ 6,736.29	7.85%	\$ 6,677.61	5.13%
Pioneer	\$ (3,784.40)	6.55%	\$ 1,394.40	9.92%	\$ 3,625.37	4.11%	\$ 10,594.81	12.35%	\$ 11,830.18	9.08%
Prairie Land	\$ (3,111.35)	5.39%	\$ 937.42	6.67%	\$ 7,704.64	8.74%	\$ 4,790.10	5.58%	\$ 10,320.80	7.92%
Rolling Hills	\$ (2,407.61)	4.17%	\$ 662.07	4.71%	\$ 4,058.27	4.60%	\$ 6,106.70	7.12%	\$ 8,419.43	6.46%
Sedgwick	\$ (2,205.91)	3.82%	\$ 464.40	3.30%	\$ 4,021.55	4.56%	\$ 2,525.23	2.94%	\$ 4,805.27	3.69%
Sumner-Cowley	\$ (1,810.76)	3.14%	\$ 398.88	2.84%	\$ 2,337.04	2.65%	\$ 461.65	0.54%	\$ 1,386.82	1.06%
Sunflower	\$ (1,232.05)	2.13%	\$ 42.96	0.31%	\$ 588.52	0.67%	\$ 0.69	0.00%	\$ (599.88)	-0.46%
Tri County	\$ (381.36)	0.66%	\$ 12.41	0.09%	\$ 876.09	0.99%		0.00%	\$ 507.14	0.39%
Twin Valley	\$ (1,194.01)	2.07%	\$ 383.60	2.73%	\$ 1,398.87	1.59%	\$ 2,753.69	3.21%	\$ 3,342.15	2.57%
Victory	\$ (2,708.94)	4.69%	\$ 733.00	5.22%	\$ 8,682.63	9.84%	\$ 3,575.70	4.17%	\$ 10,282.39	7.89%
Western	\$ (2,249.70)	3.90%	\$ 596.73	4.25%	\$ 4,180.38	4.74%	\$ 1,400.31	1.63%	\$ 3,927.73	3.02%
Wheatland	\$ (3,355.93)	5.81%	\$ 1,317.52	9.37%	\$ 11,350.17	12.87%	\$ 7,365.61	8.59%	\$ 16,677.37	12.80%
Grand Total	\$ (57,758.37)	100.00%	\$ 14,054.11	100.00%	\$ 88,194.25	100.00%	\$ 85,774.87	100.00%	\$ 130,264.86	100.00%

Kansas Electric Cooperatives, Inc.
Accrued Member Equity
As of December 31, 2024

Capital Credits											
Status	Cooperative	Member Fee	Headquarter Capital	Land Acquisition	KEC	LCS	Magazine & Printing	Apparatus	Grand Total		
Allocated	4 Rivers	\$ 30.00	\$ 69,734.06	\$ 1,637.65	\$ 24,102.10	\$ 2,578.26	\$ 4,627.01	\$ 5,670.53	\$ 108,379.61		
	Alfalfa	\$ 10.00	\$ 5,729.37	\$ 150.39	\$ 2,899.68	\$ 32.11	\$ 538.75	\$ 463.70	\$ 9,824.01		
	Ark Valley	\$ 10.00	\$ 46,776.26	\$ 882.87	\$ 12,231.64	\$ 1,139.34	\$ -	\$ (5,946.43)	\$ 55,093.68		
	Bluestem	\$ 20.00	\$ 40,576.18	\$ 1,041.61	\$ 15,478.24	\$ 1,289.96	\$ 3,629.03	\$ 2,845.98	\$ 64,881.00		
	Brown-Atchison	\$ 10.00	\$ 19,407.17	\$ 509.69	\$ 7,645.78	\$ 1,018.88	\$ 1,665.17	\$ 1,008.90	\$ 31,265.59		
	Butler	\$ 10.00	\$ 37,603.93	\$ 788.16	\$ 14,789.53	\$ 1,347.85	\$ 4,078.27	\$ 2,802.33	\$ 61,420.07		
	Caney Valley	\$ 10.00	\$ 43,588.83	\$ 802.10	\$ 11,017.39	\$ 1,162.58	\$ 1,670.71	\$ 3,114.81	\$ 61,366.41		
	CMS	\$ 10.00	\$ 34,201.27	\$ 590.45	\$ 6,158.91	\$ 1,349.99	\$ 990.93	\$ 6,462.18	\$ 49,763.73		
	Doniphan	\$ 10.00	\$ 8,849.60	\$ 256.25	\$ 5,252.31	\$ 882.11	\$ 1,153.55	\$ 1,286.06	\$ 17,689.88		
	DSO	\$ 20.00	\$ 39,930.62	\$ 1,086.16	\$ 14,618.37	\$ 1,352.89	\$ 3,584.93	\$ 1,867.78	\$ 62,460.75		
	Flint Hills	\$ 10.00	\$ 41,154.52	\$ 1,116.80	\$ 14,109.46	\$ 1,402.32	\$ 2,959.57	\$ 3,607.86	\$ 64,360.52		
	FreeState	\$ 20.00	\$ 75,176.55	\$ 1,623.72	\$ 28,412.44	\$ 2,732.93	\$ 8,268.51	\$ 3,117.78	\$ 119,351.93		
	Heartland	\$ 20.00	\$ 69,518.88	\$ 1,548.49	\$ 15,438.77	\$ 1,632.52	\$ 73.84	\$ 2,473.97	\$ 90,706.47		
	KAMO	\$ 10.00	\$ -	\$ -	\$ 4,189.75	\$ 55.57	\$ -	\$ -	\$ 4,255.32		
	KEPCo	\$ 10.00	\$ -	\$ -	\$ 8,699.96	\$ 494.79	\$ 606.75	\$ 387.58	\$ 10,199.08		
	Lane-Scott	\$ 10.00	\$ 18,734.72	\$ 487.39	\$ 15,792.77	\$ 1,269.05	\$ 2,353.58	\$ 2,978.31	\$ 41,625.82		
	Midwest Energy	\$ 20.00	\$ 104,150.50	\$ 8,505.13	\$ 31,942.90	\$ 635.49	\$ (22.88)	\$ -	\$ 145,231.14		
	Nemaha-Marshall	\$ 10.00	\$ 21,989.40	\$ 615.50	\$ 7,725.32	\$ 1,077.77	\$ 1,850.43	\$ 1,915.84	\$ 35,184.25		
	Ninnescah	\$ 10.00	\$ 25,392.07	\$ 643.37	\$ 8,258.28	\$ 1,111.22	\$ 1,319.69	\$ 6,828.37	\$ 43,563.00		
	Pioneer	\$ 10.00	\$ 60,494.47	\$ 1,565.22	\$ 8,373.14	\$ 2,749.65	\$ 3,625.37	\$ 10,739.63	\$ 87,557.48		
	Prairie Land	\$ 20.00	\$ 48,457.42	\$ 1,526.24	\$ 19,877.08	\$ 2,384.31	\$ 7,704.64	\$ 4,855.58	\$ 84,825.26		
	Rolling Hills	\$ 30.00	\$ 75,315.42	\$ 2,127.78	\$ 6,529.40	\$ 1,638.90	\$ 4,058.27	\$ 6,190.19	\$ 95,889.96		
	Sedgwick	\$ 10.00	\$ 29,547.86	\$ 598.81	\$ 12,507.07	\$ 1,227.45	\$ 4,021.55	\$ 2,559.75	\$ 50,472.49		
	Sumner-Cowley	\$ 10.00	\$ 35,384.82	\$ 710.17	\$ 10,676.86	\$ 1,068.26	\$ 2,337.04	\$ 467.97	\$ 50,655.12		
	Sunflower	\$ 10.00	\$ -	\$ 44.55	\$ 8,852.83	\$ 111.16	\$ 588.52	\$ 0.69	\$ 9,607.76		
	Tri County	\$ 10.00	\$ -	\$ -	\$ 2,381.68	\$ 32.11	\$ 876.09	\$ -	\$ 3,299.88		
	Twin Valley	\$ 10.00	\$ 15,977.65	\$ 359.25	\$ 7,737.93	\$ 1,001.79	\$ 1,398.87	\$ 2,791.33	\$ 29,276.82		
	Victory	\$ 10.00	\$ 25,176.87	\$ 699.05	\$ 17,850.44	\$ 2,007.15	\$ 8,682.63	\$ 3,624.60	\$ 58,050.74		
	Western	\$ 10.00	\$ 36,353.16	\$ 966.42	\$ 16,272.33	\$ 2,409.40	\$ 4,180.38	\$ 1,419.46	\$ 61,611.16		
	Wheatland	\$ 10.00	\$ 70,164.40	\$ 2,676.43	\$ 24,562.67	\$ 3,272.12	\$ 11,350.17	\$ 7,466.30	\$ 119,502.09		
Allocated Total		\$ 400.00	\$ 1,099,386.00	\$ 33,559.65	\$ 384,385.03	\$ 40,467.93	\$ 88,171.37	\$ 81,001.05	\$ 1,727,371.03		
Unallocated Credits		\$ -	\$ -	\$ -	\$ (191,719.53)	\$ (18,187.20)	\$ -	\$ -	\$ (209,906.73)		
Grand Total		\$ 400.00	\$ 1,099,386.00	\$ 33,559.65	\$ 192,665.50	\$ 22,280.73	\$ 88,171.37	\$ 81,001.05	\$ 1,517,464.30		

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Accrued Member Equity
As of December 31, 2024

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	Alfalfa	\$ 10.00	\$ 5,729.37	\$ 150.39	\$ 2,899.68	\$ 32.11	\$ 538.75	\$ 463.70	\$ 9,824.01		
	Ark Valley	\$ 10.00	\$ 46,776.26	\$ 882.87	\$ 12,231.64	\$ 1,139.34	\$ -	\$ (5,946.43)	\$ 55,093.68		
	Bluestem	\$ 20.00	\$ 40,576.18	\$ 1,041.61	\$ 15,478.24	\$ 1,289.96	\$ 3,629.03	\$ 2,845.98	\$ 64,881.00		
	Brown-Atchison	\$ 10.00	\$ 19,407.17	\$ 509.69	\$ 7,645.78	\$ 1,018.88	\$ 1,665.17	\$ 1,008.90	\$ 31,265.59		
	Butler	\$ 10.00	\$ 37,603.93	\$ 788.16	\$ 14,789.53	\$ 1,347.85	\$ 4,078.27	\$ 2,802.33	\$ 61,420.07		
	Caney Valley	\$ 10.00	\$ 43,588.83	\$ 802.10	\$ 11,017.39	\$ 1,162.58	\$ 1,670.71	\$ 3,114.81	\$ 61,366.41		
	CMS	\$ 10.00	\$ 34,201.27	\$ 590.45	\$ 6,158.91	\$ 1,349.99	\$ 990.93	\$ 6,462.18	\$ 49,763.73		
	Doniphan	\$ 10.00	\$ 8,849.60	\$ 256.25	\$ 5,252.31	\$ 882.11	\$ 1,153.55	\$ 1,286.06	\$ 17,689.88		
	DSO	\$ 20.00	\$ 39,930.62	\$ 1,086.16	\$ 14,618.37	\$ 1,352.89	\$ 3,584.93	\$ 1,867.78	\$ 62,460.75		
	Flint Hills	\$ 10.00	\$ 41,154.52	\$ 1,116.80	\$ 14,109.46	\$ 1,402.32	\$ 2,959.57	\$ 3,607.86	\$ 64,360.52		
	FreeState	\$ 20.00	\$ 75,176.55	\$ 1,623.72	\$ 28,412.44	\$ 2,732.93	\$ 8,268.51	\$ 3,117.78	\$ 119,351.93		
	Heartland	\$ 20.00	\$ 69,518.88	\$ 1,548.49	\$ 15,438.77	\$ 1,632.52	\$ 73.84	\$ 2,473.97	\$ 90,706.47		
	KAMO	\$ 10.00	\$ -	\$ -	\$ 4,189.75	\$ 55.57	\$ -	\$ -	\$ 4,255.32		
	KEPCo	\$ 10.00	\$ -	\$ -	\$ 8,699.96	\$ 494.79	\$ 606.75	\$ 387.58	\$ 10,199.08		
	Lane-Scott	\$ 10.00	\$ 18,734.72	\$ 487.39	\$ 15,792.77	\$ 1,269.05	\$ 2,353.58	\$ 2,978.31	\$ 41,625.82		
	Midwest Energy	\$ 20.00	\$ 104,150.50	\$ 8,505.13	\$ 31,942.90	\$ 635.49	\$ (22.88)	\$ -	\$ 145,231.14		
	Nemaha-Marshall	\$ 10.00	\$ 21,989.40	\$ 615.50	\$ 7,725.32	\$ 1,077.77	\$ 1,850.43	\$ 1,915.84	\$ 35,184.25		
	Ninnescah	\$ 10.00	\$ 25,392.07	\$ 643.37	\$ 8,258.28	\$ 1,111.22	\$ 1,319.69	\$ 6,828.37	\$ 43,563.00		
	Pioneer	\$ 10.00	\$ 60,494.47	\$ 1,565.22	\$ 8,373.14	\$ 2,749.65	\$ 3,625.37	\$ 10,739.63	\$ 87,557.48		
	Prairie Land	\$ 20.00	\$ 48,457.42	\$ 1,526.24	\$ 19,877.08	\$ 2,384.31	\$ 7,704.64	\$ 4,855.58	\$ 84,825.26		
	Rolling Hills	\$ 30.00	\$ 75,315.42	\$ 2,127.78	\$ 6,529.40	\$ 1,638.90	\$ 4,058.27	\$ 6,190.19	\$ 95,889.96		
	Sedgwick	\$ 10.00	\$ 29,547.86	\$ 598.81	\$ 12,507.07	\$ 1,227.45	\$ 4,021.55	\$ 2,559.75	\$ 50,472.49		
	Sumner-Cowley	\$ 10.00	\$ 35,384.82	\$ 710.17	\$ 10,676.86	\$ 1,068.26	\$ 2,337.04	\$ 467.97	\$ 50,655.12		
	Sunflower	\$ 10.00	\$ -	\$ 44.55	\$ 8,852.83	\$ 111.16	\$ 588.52	\$ 0.69	\$ 9,607.76		
	Tri County	\$ 10.00	\$ -	\$ -	\$ 2,381.68	\$ 32.11	\$ 876.09	\$ -	\$ 3,299.88		
	Twin Valley	\$ 10.00	\$ 15,977.65	\$ 359.25	\$ 7,737.93	\$ 1,001.79	\$ 1,398.87	\$ 2,791.33	\$ 29,276.82		
	Victory	\$ 10.00	\$ 25,176.87	\$ 699.05	\$ 17,850.44	\$ 2,007.15	\$ 8,682.63	\$ 3,624.60	\$ 58,050.74		
	Western	\$ 10.00	\$ 36,353.16	\$ 966.42	\$ 16,272.33	\$ 2,409.40	\$ 4,180.38	\$ 1,419.46	\$ 61,611.16		
	Wheatland	\$ 10.00	\$ 70,164.40	\$ 2,676.43	\$ 24,562.67	\$ 3,272.12	\$ 11,350.17	\$ 7,466.30	\$ 119,502.09		
Allocated Total		\$ 400.00	\$ 1,099,386.00	\$ 33,559.65	\$ 384,385.03	\$ 40,467.93	\$ 88,171.37	\$ 81,001.05	\$ 1,727,371.03		
Unallocated Credits		\$ -	\$ -	\$ -	\$ (191,719.53)	\$ (18,187.20)	\$ -	\$ -	\$ (209,906.73)		
Grand Total		\$ 400.00	\$ 1,099,386.00	\$ 33,559.65	\$ 192,665.50	\$ 22,280.73	\$ 88,171.37	\$ 81,001.05	\$ 1,517,464.30		



A Touchstone Energy® Cooperative 

Mailing Address: P.O. Box 4267, Topeka, Kansas 66604-0267
Office: 785-478-4554 • Fax: 785-478-4852 • Web: www.kec.org

MEMBER EQUITY STATEMENT FOR THE YEAR ENDING DECEMBER 31, 2024

The KEC Board of Trustees voted to declare 100% of the 2024 Magazine/Printing patronage as a qualified notice of allocation with a 100% refund to be disbursed during the first quarter of 2025. This statement will serve as your qualified written notice of allocation. Your patronage during this past year is sincerely appreciated and we look forward to serving you during the forthcoming year. Your system's member equity balance information reflecting 2024 credit allocations and any cash distributions are summarized as follows:

			Year End 2023 Balance	Distributions made in 2024	Allocations posted Year End	Current Balance
Lane-Scott	Allocated	Member Fee	\$ 10.00			\$ 10.00
		Headquarter Capital	\$ 18,734.72			\$ 18,734.72
		Land Acquisition	\$ 487.39			\$ 487.39
		Undistributed Land	\$ 0.00			\$ 0.00
		KEC	\$ 15,792.77			\$ 15,792.77
		LCS	\$ 1,269.05			\$ 1,269.05
		Magazine/Printing Apparatus	\$ 1,345.14	\$ (1,345.14)	\$ 2,353.58	\$ 2,353.58
					\$ 2,978.31	\$ 2,978.31
	Allocated Total		\$ 37,639.07	\$ (1,345.14)	\$ 5,331.89	\$ 41,625.82
	Undistributed	KEC	\$ (3,942.89)		\$ (1,786.91)	\$ (5,729.80)
		LCS	\$ (694.52)		\$ 444.31	\$ (250.21)
Undistributed Total		\$ (4,637.41)		\$ (1,342.60)	\$ (5,980.01)	

Please refer to the KEC Equity Transaction Register for additional transactional detail.

KEC Equity Transaction Register

Patronage Statement																					
				Member Fee	Headquarter Capital	Land Acquisition	KEC	LCS	Magazine & Printing	Apparatus	Grand Total										
Cooperative	Status	Date	Description																		
Lane-Scott	Allocated	1/1/2024	Balance Forward	\$	10.00	\$	18,734.72	\$	487.39	\$	15,792.77	\$	1,269.05	\$	1,345.14	\$	-	\$	37,639.07		
		8/15/2024	Retirement of 2023 Magazine & Printing Credits	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(1,345.14)	\$	-	\$	(1,345.14)
		12/31/2024	Credits for 1995 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(1,681.21)	\$	(1,681.21)
			Credits for 1996 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(216.09)	\$	(216.09)
			Credits for 1997 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(1,870.19)	\$	(1,870.19)
			Credits for 1998 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(2,039.77)	\$	(2,039.77)
			Credits for 1999 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(945.63)	\$	(945.63)
			Credits for 2000 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(55.32)	\$	(55.32)
			Credits for 2001 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(1,047.80)	\$	(1,047.80)
			Credits for 2002 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	173.57	\$	173.57
			Credits for 2003 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	574.83	\$	574.83
			Credits for 2004 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	24.60	\$	24.60
			Credits for 2005 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,294.15	\$	1,294.15
			Credits for 2006 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	451.99	\$	451.99
			Credits for 2007 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	0.09	\$	0.09
			Credits for 2008 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	974.62	\$	974.62
			Credits for 2009 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	284.19	\$	284.19
			Credits for 2010 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(370.93)	\$	(370.93)
			Credits for 2011 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	6,388.95	\$	6,388.95
			Credits for 2012 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(1,481.70)	\$	(1,481.70)
			Credits for 2013 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(4,452.31)	\$	(4,452.31)
			Credits for 2014 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(1,224.09)	\$	(1,224.09)
			Credits for 2015 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(4,580.48)	\$	(4,580.48)
			Credits for 2016 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	634.07	\$	634.07
			Credits for 2017 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(3,176.23)	\$	(3,176.23)
			Credits for 2018 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,784.52	\$	1,784.52
			Credits for 2019 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,375.77	\$	1,375.77
			Credits for 2020 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,188.56	\$	1,188.56
			Credits for 2021 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,558.18	\$	1,558.18
			Credits for 2022 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,902.46	\$	2,902.46
			Credits for 2023 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	3,571.36	\$	3,571.36
			Credits for 2024 Apparatus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,938.15	\$	2,938.15
			Credits for 2024 Magazine/Printing	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,353.58	\$	2,353.58
			Allocated Total			\$	10.00	\$	18,734.72	\$	487.39	\$	15,792.77	\$	1,269.05	\$	2,353.58	\$	2,978.31	\$	41,625.82
			Current Value Assignment of Unallocated Credits			\$	-	\$	-	\$	-	\$	(5,729.80)	\$	(250.21)	\$	-	\$	-	\$	(5,980.01)

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

Rates, Reliability, and Safety Dashboard

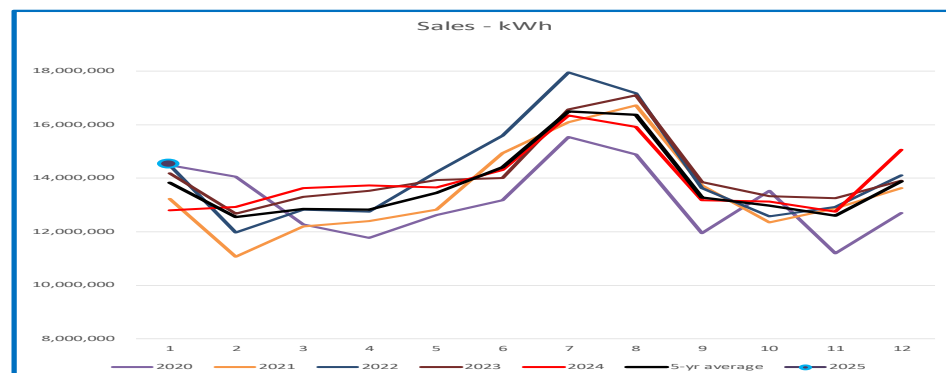
Executive Summary: We are starting well.

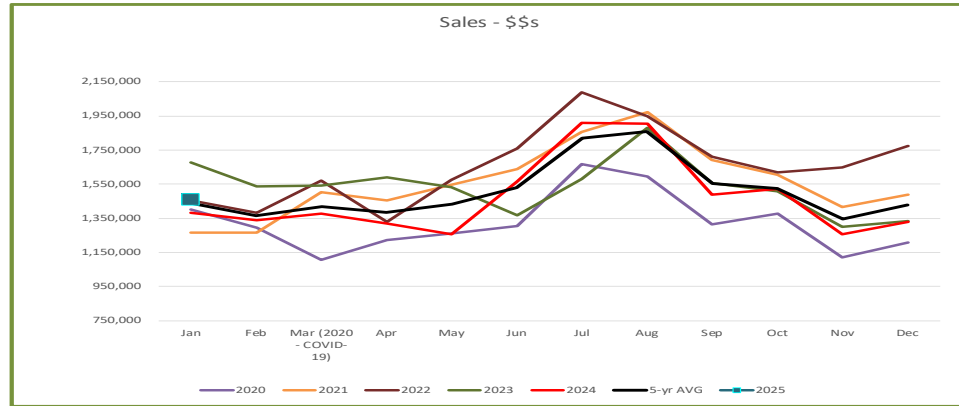
1. Revenues are up (odd for January) and wholesale power costs are down (also odd). This has produced \$5,867 in Operating Revenues when January typically averages a \$16,914 loss (since 2016). Also, Distribution Revenues are up \$11,712 over last year and \$51,988 over the 5-year average.
2. Reliability was good with only a few major storms in January. However, there were two Power Supplier outages which accounted for 683 (or 83%) of our 820 total consumer outage hours.
3. Safety remains a top priority with no incidents reported.

Also,

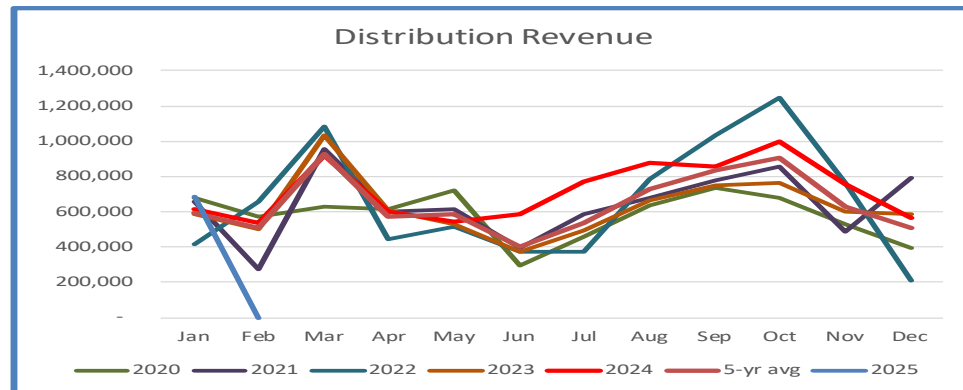
- Our average cost per kWh was \$0.1234. Wholesale Power cost averaged \$0.0567 and accounted for 45.95% of our revenue collections.
- Revenues are 5.88% (\$81,125) above January 2024 and 1.75% above the 2019-2024 average.
- kWh sales are 13.5% above Jan 2024 and 5.02% above the 2019-2024 average.
- The total cost of wholesale power was 6.7% below Jan 2024 and 3.2% below the 5-year average. Wholesale power accounted for 53.5% of the 2024 total LSEC billing.
- Small Commercial drove most of our increases with just over \$100,00 in sales over Jan 2024.

metric	2021	2022	2023	2024	2025	measures
SAIDI	8.19	3.36	1.64	6.67	0.14	Interruption DURATION / average for every member (hrs)
SAIFI	2.56	1.33	1.02	1.10	0.06	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	3.20	2.53	5.60	6.07	2.25	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.91%	99.96%	99.94%	99.92%	99.99%	Service Availability





Form 7 Part O.		Jan-25					
		meters	kWh	%	\$s	%	\$s/kWh
1	Residential Sales	2,214	2,291,557	15.8%	276,055	18.9%	0.1205
2	Residential Seasonal	1,103	235,979	1.6%	49,359	3.4%	0.2092
3	Irrigation Sales	337	38,010	0.3%	3,235	0.2%	0.0851
4	C&I 1000 kVa or less	1,814	4,244,837	29.2%	470,220	32.2%	0.1108
5	C&I over 1000 kVa	187	6,902,501	47.5%	601,704	41.2%	0.0872
6	Public Street and Lighting	12	31,602	0.2%	5,368	0.4%	0.1699
7	Other Sales to Public Authorities	47	45,028	0.3%	6,235	0.4%	0.1385
9	Sales for Resale - Other	1	739,800	5.1%	48,706	3.3%	0.0658
		5,715	14,529,314		1,460,882		0.1234



- Credit Card records. (Are available for the Boards review.)
- Strategic Plan Update. CFC has scheduled November 4-5, 2025, for our next Strategic Planning Session. Jim Gossett is scheduled as our facilitator. Previous facilitators were:
 - Aaron Stallings – February 12-13, 2019
 - Aaron Stallings – December 13-14, 2022
- Federated Wildfire Case. A new schedule for the December 15, 2021, Wildfire lawsuit has been published. We have a pre-trial conference scheduled for October 13, 2025.
- General Manager Expense Reports.

1. The \$370.73 Report from February 2-4 is for the KEC Winter Conference. This included the KCRE Annual Meeting, a KEC Board Meeting, and the Legislative Reception in Topeka, KS.
 2. The Board approved a Per Diem of \$102.00 for Feb 19-20 which included the 2/19 Sunflower Board Meeting and the 2/20 KEC Managers Meeting in Topeka. Extreme cold weather caused the Sunflower meeting to move to 100% TEAMS and I withdrew from the Managers Meeting. I have refunded the Cooperative the \$102.00.
- Manager Per Diem Requests. None
 - Departments / Sections. (Notable items are below. Full reports follow and are in the Supplemental file)
 - 1) Accounting and Finance.
 - Jan 2025 Operating Margin = \$5,867, Total Margin = \$19,940
 - Cash Balance - \$7,159,504
 - Rolling 12-month Metrics:
 - TIER – 2.34 (1.25 min.), OPTIER – 1.64 (1.1 min.), DSC – 1.42 (1.25 min.), ODSC – 1.31 (1.1 min.), MDSC – 1.41 (1.35 min.)
 - Equity as a % of Assets – 40.65%. and as a % of Capitalization – 43.37%
 - General Funds Level – 11.63%
 - Current Ratio – 2.54%
 - 1) Operations Report (Dal).
 - Power Systems Engineers has completed their inspection of all LSEC Substations and is preparing new inspection and maintenance criteria.
 - Met with Scott Boone from Summit Utilities about a 4-6 meg load on the Wheatland Interconnect. This load is a gas reclamation station like the Conine project.
 - Changed out 19 various poles.
 - 3) Information Technology and Cybersecurity (Carrie).
 - An external cybersecurity assessment has been conducted to evaluate the security posture of our external public accessible systems and networks to identify potential vulnerabilities, assess existing security measures, and receive recommended improvements to strengthen defenses against external cyber threats. The assessment meets the industry-standard frameworks CIS-TOP18 (Center for Internet Security's Top 18 Critical Security Controls) and NIST (National Institute of Standards and Technology) Cybersecurity Framework guidelines.
 - Out of the seven concerns reported there were two previously in process to be resolved. Two of the resolutions simultaneously resolved two other items. This left three recommendations to consider. No penetration into the internal network system was possible. The vendor reported that our report was very good. They had to look extremely hard and dig deep to find anything to write up.
 - A Brute Force Attack targeted at a local cooperative resulted in approximately 33 million individual access attempts believed to be from technical “bots” and/or Artificial Intelligence techniques attempting to access existing and non-active accounts. The company mitigations prevented and avoided a compromise.

- iVue Web Payment errors and reporting issues announcement of fixes on upgrade version 2.61.3-11. We were able to get the upgrade completed avoiding an impact to Lane Scott payment processes and balancing.
- 4) Safety (Chris). I am working with Carrie on improving all digital inspection forms on safety amp. I also attended OSHA 30-hour training in Wichita for certification and reviewed amendments to Emergency Action Plan.
- 5) Communications (Ann Marie).
- Ann Marie is preparing the 2025 Annual Meeting and Nominating Committee information. She has requested the Chad, Rad, and Eric announce their intent whether to run for re-election by the March Board Meeting.
 - Testing and Finalized the New Bill Print took a good portion of time in January, and we were able to run the new bill print in February.
 - Youth Tour and Leadership Camp deadline was Feb. 1. We received 6 applications, and the winners are: Emma Petersilie of Ness City, Maggie Hineman, Scott City, Maelyn Berndt, Dighton, Alliah Garza, Bazine, and alternate Lyssa Beesley, Dighton. I am currently coordinating with them to determine who is attending which trip.
- 6) Human Resources (Diana).
- 2025 Payroll adjustments on all benefits.
 - Ran the W-2 Reconciliation for 2024.
 - Processed 1099's for 2024.
 - Processed W-2's for 2024.
 - Completed the OSHA 300.
 - Gathered Audit information for auditors.
 - Put out ad, set up interviews and interviewed for Cashier position.
- 7) Retail Services / Warehouse Report (Scott).
- Generac. Three outstanding quotes and over 100 service contracts to start the year.
 - Electrician. January was slow but allowed timer for the Retail Inventory.
 - Line Materials. Stocking levels are good with \$549,195 in Inventory and a 1.037 Turn.

Respectfully submitted,

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

The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee Richard McLeon

Purpose of Trip KEC Winter Conference - Topeka

Section 1

DATE		Sun 2-Feb	Mon 3-Feb	Tues 4-Feb	Wed ___ / ___	Thurs ___ / ___	Fri ___ / ___	Sat ___ / ___	TOTAL
Mile./Personal Veh.									
Mileage Rate		0.700	0.700	0.700	0.700	0.700	0.700	0.700	
Total Mileage Exp.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
									0
									0
Gas/Oil	Co.			39.35					39.35
	Emp.								0.00
Car Rental	Co.								0.00
	Emp.								0.00
Taxi/Limo	Co.								0.00
	Emp.								0.00
Tolls/Parking	Co.								0.00
	Emp.								0.00
Airfare	Co.								0.00
	Emp.								0.00
Lodging	Co.	165.69	165.69						331.38
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.								0.00
	Emp.								0.00
Dinner	Co.								0.00
	Emp.								0.00
Phone	Co.								0.00
	Emp.								0.00
Misc.	Co.								0.00
	Emp.								0.00
									0.00
TOTAL EXPENSES		\$165.69	\$165.69	\$39.35	\$0.00	\$0.00	\$0.00	\$0.00	\$370.73

Section 2

Reimbursement Summary

Total Expense from Section 1

Less: Company Credit Card

Less: Other

Less: Other

Net due to Employee

\$370.73
370.73
0.00
0.00
\$0.00

Section 3

Expense Allocation

Acct. #	Amount
Total	

All expenses on this report were actually incurred by me while performing company business.

GM / CEO

Date

note:

Presented to LSEC Board of Trustees:

2/24/2025

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 January 2025
	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.
INSTRUCTIONS - See help in the online application.	

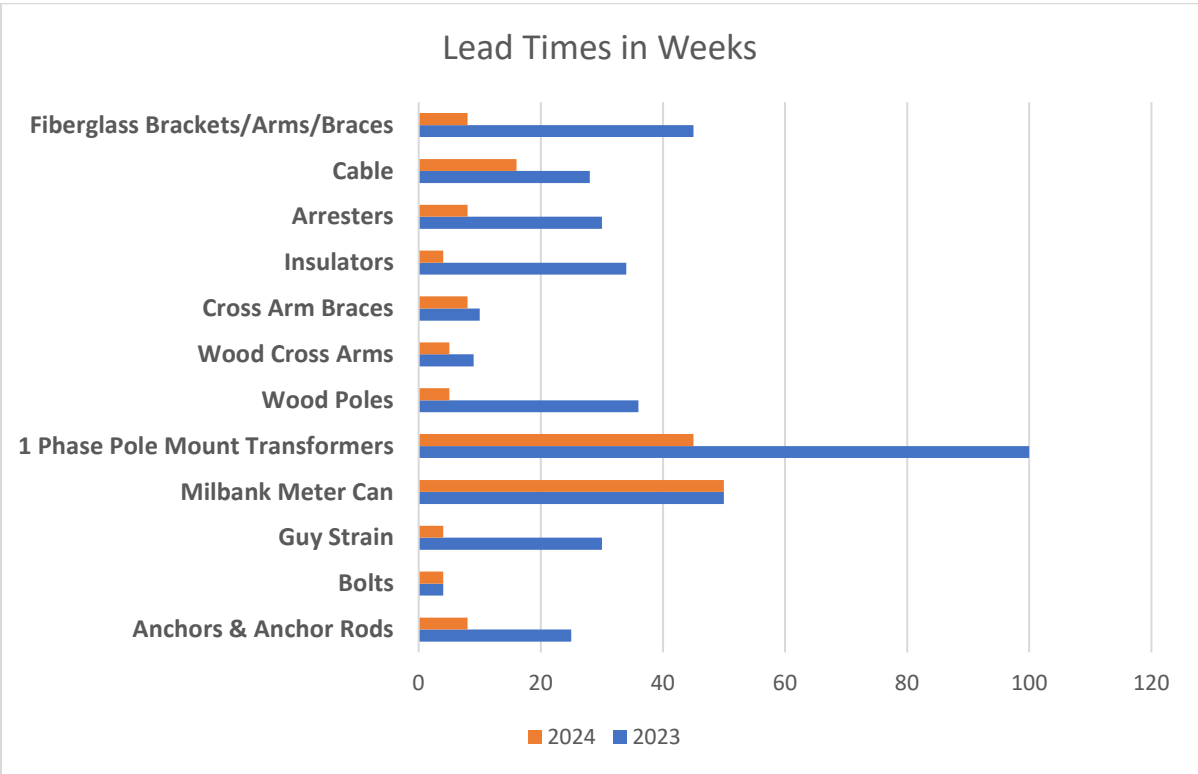
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

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.
_____	_____
DATE	

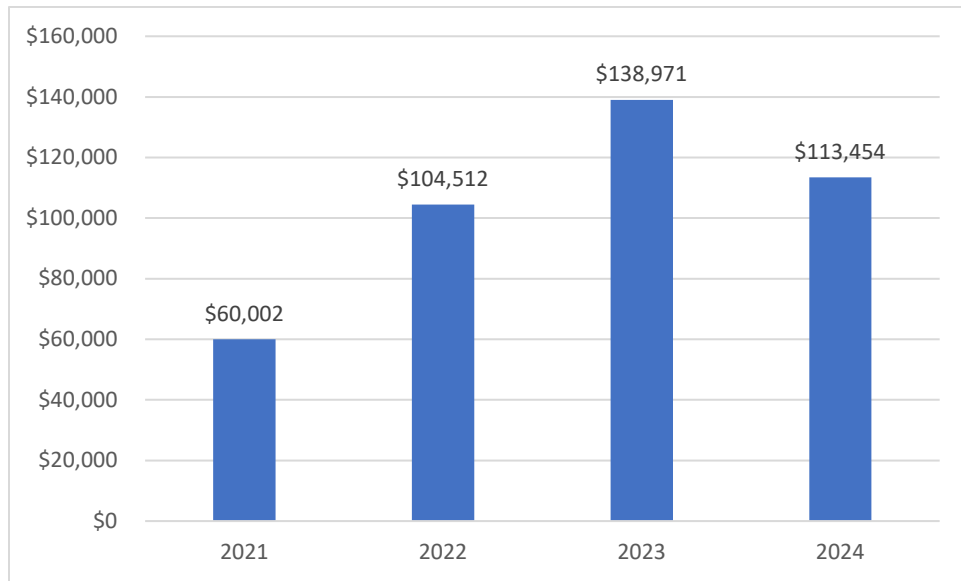
PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	1,433,535	1,563,489		1,563,489
2. Power Production Expense				
3. Cost of Purchased Power	815,994	876,816		876,816
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	124,103	142,090		142,090
7. Distribution Expense - Maintenance	148,521	73,895		73,895
8. Customer Accounts Expense	21,771	18,009		18,009
9. Customer Service and Informational Expense	4,906	7,674		7,674
10. Sales Expense	7,901	6,385		6,385
11. Administrative and General Expense	111,618	167,172		167,172
12. Total Operation & Maintenance Expense (2 thru 11)	1,234,814	1,292,041		1,292,041
13. Depreciation and Amortization Expense	168,170	171,034		171,034
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	97,472	92,649		92,649
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	452	609		609
19. Other Deductions	655	1,289		1,289
20. Total Cost of Electric Service (12 thru 19)	1,501,563	1,557,622		1,557,622
21. Patronage Capital & Operating Margins (1 minus 20)	(68,028)	5,867		5,867
22. Non Operating Margins - Interest	33,936	22,573		22,573
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	1,650	(8,500)		(8,500)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	1,345			
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	(31,097)	19,940		19,940

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 January 2025		
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	2	2	5. Miles Transmission		
2. Services Retired	0	0	6. Miles Distribution – Overhead	2,031.47	2,030.02
3. Total Services in Place	6,048	6,066	7. Miles Distribution - Underground	8.92	9.17
4. Idle Services (Exclude Seasonals)	312	351	8. Total Miles Energized (5 + 6 + 7)	2,040.39	2,039.19
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	64,284,276		30. Memberships	0	
2. Construction Work in Progress	790,152		31. Patronage Capital	23,064,057	
3. Total Utility Plant (1 + 2)	65,074,428		32. Operating Margins - Prior Years	664,782	
4. Accum. Provision for Depreciation and Amort.	23,289,807		33. Operating Margins - Current Year	5,866	
5. Net Utility Plant (3 - 4)	41,784,621		34. Non-Operating Margins	2,793,661	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	385,694	
7. Investments in Subsidiary Companies	252,175		36. Total Margins & Equities (30 thru 35)	26,914,060	
8. Invest. in Assoc. Org. - Patronage Capital	12,235,169		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	29,676,675	
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)	4,321,142	
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)	13,160,264		43. Total Long-Term Debt (37 thru 41 - 42)	33,997,817	
15. Cash - General Funds	303,326		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	6,634,095		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,061,056	
20. Accounts Receivable - Sales of Energy (Net)	1,405,967		49. Consumers Deposits	170,230	
21. Accounts Receivable - Other (Net)	121,626		50. Current Maturities Long-Term Debt	1,407,291	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	730,237		52. Current Maturities Capital Leases	0	
24. Prepayments	150,948		53. Other Current and Accrued Liabilities	809,511	
25. Other Current and Accrued Assets	81,992		54. Total Current & Accrued Liabilities (47 thru 53)	3,448,088	
26. Total Current and Accrued Assets (15 thru 25)	9,428,316		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	170,938	
28. Other Deferred Debits	157,702		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	64,530,903	
29. Total Assets and Other Debits (5+14+26 thru 28)	64,530,903				

Warehouse Lead Times

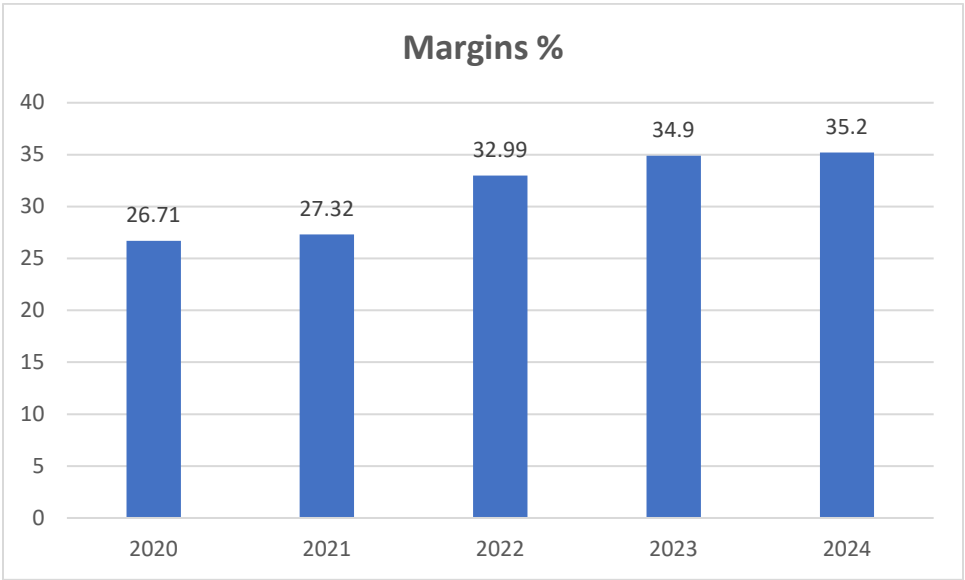


Generac Sales 2021-2024



- Average Margin on Generac Generator is 13%
- Sold 75 since 2020
- 105 on Annual Service List (Gained over 30 in 2024)

Retail Margins



- \$590,880 in Gross Non-Operating Margin for 2024

10. b. Utica May Day Donation

The Cooperative has long supported the Utica May Day Celebration with a typical donation of \$250.00 which is the middle level donation (other levels are \$100.00 and \$500.00). The Board continued this support by approving a \$250.00 donation to this event in the Donation Budget on November 25, 2024.

Please consider:

- Board Policy 404 states, *“The Cooperative may make donations to recognized charitable institutions and community and civic organizations not to exceed \$100.00 without board approval.”*
- The Cooperative has been notified that the 2025 middle level donation has increased from \$250.00 to \$300.00.

Staff requests the Board approve increasing the 2025 Utica May Day contribution from \$250.00 to \$300.00.

10. c. Hineman Tower Renewal and Ground Lease

Attorney Gasper has been negotiating with the Hineman family to secure a renewal of the existing tower and ground lease. This tower is critical to our current operations, and we offer space to numerous community organizations.

Attorney Gasper has been in contact with LSEC management to define terms and parameters for a possible renewal.

Staff recommendation is to approve the renewal negotiated by Attorney Gasper.

SAFETY PROGRAM

Safety Monthly Summary: Working with Carrie on improving digital inspection forms on safety amp. Attended OSHA 30-hour training in Wichita for certification. Reviewed amendments to Emergency Action Plan.

*SAFETY PROJECTS **COMPLETED** AS OF February 2025*

- Rubber gloves changed out.
- Waiting on Three Phase Layout Arms sent in for testing and cleaning to come back to send the other half in.
- LSEC In-House safety meeting.
- LSEC Safety Council meeting
- FCC radios: Mobile Radio Service reprogrammed all radios for the Twin Springs Tower repeater.

Ann Jennings's submitted report:

- Newsletter-Snow Shoveling Safety -Social Media.
- Call Before You Dig- Take it From the Groundhog, Don't Assume You Know What's Underground.
- Mylar Balloon- Valentines Day Ballons.
- Electric Powered Medical Device Backup.
- Space Heater Safety Tips.

Diana Kuhlman submitted reports:

- Attended Monthly Safety Meeting.
- Coordinate Monthly Drug Testing.
- Zoom Meeting with Foley regarding CDL Drivers and Compliance Updates.
- Update Safety Posters.
- Run Annual Clearing House Query on all CDL Drivers.

*SAFETY PROJECTS **IN PROGRESS** AS OF January 2024*

1. SafetyAmp Inspection digital forms are being revised with updates.
2. FCC radios: Looking into cost options for dead spots with radio's in Bazine and McCracken area.
3. New weather resistant jackets and pants options being discussed and priced.
4. OSHA 30 training booked for February.
5. Safety Council Yearly Walk through items to resolve. -95% completed
6. RESAP Onsite Observation.
 - Sub Station Circuits are being identified.
 - The switching procedure for substations. Completed.
 - URD cables being identified and labeled. In Progress.
 - Pad mount and switch cabinet signage in progress of being updated.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

SAFETY MEETING

January 29, 2025

Chris Terhune called the meeting to order at 9:05 a.m.

Minutes were read: Dal Hawkinson made a motion to approve the December 11th, 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, Myron Seib, Leighton Ayers, Dellon Shelton, Blake McVicker, Taylor Cable, Nate Burns, Carrie Borell, Rebecca Campbell, Ann Jennings, Diana Kuhlman, Jocelyn Walker, and Cindy Fuentes Ummel.

Absent: Kevin Bradstreet, Scott Briand, and Micheal Pollock,

Guest:

Truck report of inspections:

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

Trailer and Equipment report of inspections:

502	Myron Seib	OK
507	Myron Seib	OK
515	Myron Seib	OK
504	Myron Seib	OK
505	Chris Terhune	OK
508	Chad Rupp	Anti-freeze leak
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: 35 rejected for ozone.

Line Hoses Annual Test Results: N/A

Blankets Annual Test Results: N/A

Sleeves Quarterly Test Results: N/A

Substation and Regulator Report:

- ♦ Ben Mann: Received new Nova for Ness 34.5 Substation. A new light was installed at Twin Springs Substation.

PCB Report: None to Report

Line Clearance: City of Bazine, City of Alexander, City of Ness City, Brenners.

Accident and Near Misses: Morton building boiler for the floor heat was replaced by Faurot heating and cooling, Ben and Leighton entered the Morton building thereafter and noticed the smell of something burning. Pinpointed it to the pallet under the new boiler, upon reading the instructions it was advised to remove the pallet and use fire retardant materials to support the boiler. Stacey was cleaning LSE and used the elevator to take cleaning cart to the second floor, upon arriving at the second floor she said the elevator made a strange grinding noise. Otis Elevator has been notified, and a repair ticket has been filed.

Old Business: Nothing to report on.

New Business:

- ♦ Richard McLeon: Annual meeting contract with Lane County is under review for venue location. Cooperative Building Solutions is performing an inspection on all LSE buildings. The maintenance schedule and update suggestions for facilities improvements will be discussed. The roof of the main building will be looked at. If employees would like to donate to the acre/kcre please contact Dianna for more information. Policy 513 will be updated; Policy 534 will be updated.
- ♦ Dal Hawkinson: Company BKI will be helping with wildfire mitigation plan; review of Western Cooperatives plan is a great template to develop LSE's plan. Sunflower Electric is working on a tower study for radio coverage dead spots on the eastern side of the system. A new load study is underway for potential load south of the Scott City area. PSE will be conducting a walkthrough of LSE Substations, recommendations to follow. One Oke right of access permits have been signed. Meeting with sunflower on possible route change for the 115KV line to new Substation. Most equipment for the new substation has been ordered. Possible 3Meg load on Beeler Substation on 4/0 circuit is being reviewed for updates to existing line.
- ♦ Kasey Jenkinson: Pawnee V-phase regulator has been replaced. Three new regulators on South Dry Lake 3 phase have been installed. H-peg connects have been built and energized. Bad poles are being replaced.
- ♦ Carrie Borell: Reported notification of a brute force cyber-attack targeted at Sunflower Electric company. IT notified our firewall company for awareness purposes. Discussed with everyone the importance of maintenance of accounts, permissions, passwords, and use of 2MFA (Two Multi-Factor Authentication). Reported iVue Connect 2MFA requirements that will be effective February 1, 2025, and DUO 2MFA implementation effective approximately March 1, 2025.
- ♦ Ann Jennings: CoBank grant application excepted till April 3rd. New bill print going out in February.
- ♦ Diana Kuhlman: Evaluations will be conducted the month before your anniversary date. W-2 have been given to employees.
- ♦ Cindy Fuentes Ummel: Let me know if there are specific office supply brands you like, those will be ordered.
- ♦ Chris Terhune: Working with Eldridge Fencing on repairing gates. Half of the three phase layout arms have been sent off for testing and cleaning.
- ♦ Mikey Goddard: KEC: Discussed substation overhead requirements. And stress management with Administration.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator