



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for July 28, 2025, at 7:00 p.m.

**Proposed Agenda:**

1. Call to Order
2. Board Re-Organization
  - a. Officer Election
  - b. Board Meeting Time and Schedule
  - c. Sunflower Delegates and Alternates
  - d. KEC Delegate and Alternate
3. Reading and Approval of Minutes
4. Presentation of Check Register
5. Presidents Report
6. Attorney's Report
7. Sunflower EPC Report
8. KEC Report
9. General Manager / CEO Report
10. Old Business
11. New Business
  - a. IT/Cybersecurity update – Carrie Borell
  - b. Cooperative Building Solutions Report
  - c. Long Range Plan
  - d. BSGM 2025 Audit Engagement Letter
12. Safety Program Report
13. Executive Session – if requested
14. Adjourn

**Upcoming Events:**

LSEC Board Meeting	Dighton	July 28
KEC Board Meeting	Overland Park	Aug. 2-4
Sunflower Board Meeting	Hays	Aug. 20
LSEC Board Meeting	Dighton	Aug. 25

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## **2. Board Re-organization, a. Officer Election**

The Officers of the Cooperative and their duties is governed by the Bylaws, Article VI (below).

### **Article VI Officers**

**Section 1. Number.** The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the board of trustees from time to time. The offices of Secretary and of Treasurer may be held by the same person.

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

**Section 3. Removal of Officers and Agents by Trustees.** Any officer or agent elected or appointed by the board of trustees may be removed by the board of trustees whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing such charges in writing with the Secretary together with a petition signed by ten (10) percent of the members may request the removal of the particular officer by reason thereof. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. In the event the board of trustees does not remove such officer, the question of his or her removal shall be considered and voted upon at the next meeting of the members.

**Section 4. President.** Unless otherwise determined by the board of trustees, the President shall:

- A. Be the principal executive officer of the Cooperative and shall preside at all meetings of the members and the board of trustees;
- B. Sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the board of trustees or the members and may sign any deeds, mortgages, deed of trust, notes, bonds, contracts, or other instruments authorized by the board of trustees to be executed except in cases in which the signing and execution thereof shall be expressly delegated by the board of trustees or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- C. In general, perform all duties incident to the office of President and such other duties as may be prescribed by the board of trustees from time to time.

**Section 5. Vice President.** Unless otherwise determined by the board of trustees, in the absence of the President, or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be

subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned by the board of trustees.

**Section 6. Secretary.** Unless otherwise determined by the board of trustees, the Secretary shall keep, or cause to be kept, the minutes of the meetings of the cooperative and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the board of trustees.

**Section 7. Treasurer.** Unless otherwise determined by the board of trustees, the Treasurer shall perform such duties incident to the office of Treasurer, the finances of the cooperative and such other duties as from time to time may be assigned by the board of trustees.

**Section 8. Manager.** The board of trustees may appoint a manager who may be, but who shall not be required to be a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the board of trustees may from time-to-time vest in him.

**Section 9. Bonds of Officers.** Any employee, the Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of its funds or property shall be bonded in such sum and with such surety as the board of trustees shall determine. The board of trustees in its discretion may also require any officer, agent, or employee of the Cooperative to be bonded in such amount and with surety as it shall determine.

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

**Section 11. Reports.** The officers of the Cooperative shall submit at each annual meeting of the members, reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

**Section 12. Officer Standard of Conduct.**

- A. Every officer shall discharge the officer's duties:
  - 1. In good faith; and,
  - 2. In a manner the Officer reasonably believes to be in or not opposed to the Cooperative's best interests.
- B. Officer Reliance on Others. Unless an Officer possess knowledge concerning a matter making reliance unwarranted, then in discharging an Officer's duties and Officer may rely upon information, opinions, reports, or statements, including financial statements and other financial data, prepared, or presented by:
  - 1. One (1) or more other Cooperative Officers or employees whom the Officer reasonably believes to be reliable and competent in the matters prepared or presented;
  - 2. Legal counsel, public accountants, or other individuals regarding matters the Officer reasonably believes are within the individual's professional or expert competence; and
  - 3. If the Officer reasonably believes a Board committee of which the Officer is not a member merits confidence, then the Board committee regarding matters within the Board committee's jurisdiction.
- C. Officer Liability. If an Officer complies with this bylaw, then the Officer is not liable to the Cooperative, any Member, or any other individual or entity for action taken, or not taken, as an Officer.



Office	Incumbent
President	Mr. Richard Jennison, CCD, BLC, DGC
Vice-President	Mr. Craig Ramsey, CCD, BLC, DGC
Secretary	Vacant (Mr. Rad Roehl, CCD, BLC, DGC)
Treasurer	Vacant (Mr. Eric Doll)

## 2. Board Re-organization, b. Board Policy 202 LSEC Board Meetings

The Board Meeting date of the Cooperative are governed by Board Policy 202 (extracted below) and related Bylaws Provisions (extracted below).

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

**Dated:** January 1, 2024

**Policy No.:** 202

**SUBJECT:** Board Meetings

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

#### **POLICY:**

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

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

### **Article V Meetings of Trustees**

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

**Section 2. Special Meetings.** A special meeting of the board of trustees may be called by the President or by any three (3) trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the trustees calling the meeting shall fix the time and place for holding of the meeting.

**Section 3. Notice of Trustees' Special Meeting.** Written notice of the time, place, and purposes of any special meeting of the board of trustees shall be delivered to each trustee either personally or by mail, by or at the direction of the Secretary, or upon a default by in duty by the Secretary, by the President or the trustees calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the trustee at his or her address as it appears on the records of the Cooperative with postage thereon prepaid, at least five (5) days before the date set for the meeting.

**Section 4. Quorum.** A majority of the board of trustees shall constitute a quorum provided, that if less than such majority of the trustees is present at said meeting, a majority of the trustees present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent trustees of the time and place of such adjourned meeting. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the board of trustees, except as otherwise provided in these bylaws.

The Board of Trustees of currently meets:

<i>item</i>	<i>when</i>
Meeting date	4 <sup>th</sup> Monday of each Month
Meeting time	7:00 p.m.
Meeting place:	Dighton Office Board Room

## 2. Board Re-organization, c. Sunflower Electric Power Corporation Delegates and Alternates

Delegates to the Sunflower EPC Board of Directors is governed by Sunflower EPC Bylaws, Article IV DIRECTORS (extracted below).

### ARTICLE IV DIRECTORS

#### Section 1. General Powers.

The business and affairs of the Corporation shall be managed by a Board of Directors which shall exercise all of the powers of the Corporation except such as are by law, the Articles of Incorporation or the Bylaws conferred upon the officers of the Corporation or reserved by the members. The Board of Directors shall consist of two Directors from each Class A member of the Corporation; provided however, in the case of Pioneer Electric Cooperative, Inc. ("Pioneer"), and provided it is a Class A member and its wholly owned subsidiary, Southern Pioneer Electric Company ("Southern Pioneer"), is a Class B member at the time, Pioneer's two Directors may be either a senior management employee or Board of Director or Trustee of Southern Pioneer or Pioneer, as Pioneer and Southern Pioneer shall determine. Of each Class A member's two Directors, one shall be a senior management employee of the Class A Member and in the case of Pioneer and Southern Pioneer, be a senior management employee of either. If a Class A member merges, consolidates, acquires or otherwise combines with one or more Class A members, such surviving entity shall in no event be entitled to more than two Directors.

#### Section 2. Qualifications.

With the exception of Pioneer and Southern Pioneer as provided for above, no person shall be eligible to become or remain a Director in the Corporation who is not (i) a member of the Board of Trustees of a Class A member of the Corporation or (ii) a senior management employee of a Class A member of the Corporation. For purposes of this Section, "senior management employee" shall mean either the manager (or chief executive officer) of a Class A member, or Southern Pioneer as provided for above, or such other employee of a member reporting directly to such manager who is formally designated to act for such manager in the manager's absence or incapacitation.

The LSEC Delegates and Alternates to the Sunflower Board of Directors are currently:

<i>Class.</i>	<i>Director</i>	<i>Alternate</i>
Trustee	Mr. Richard Jennison	Mr. Randall Evans
Senior Management	Mr. Richard McLeon	Mr. Dal Hawkinson

## 2. Board Re-organization, d. Kansas Electric Cooperative Delegate and Alternate

Delegates to the Kansas Electric Cooperatives Board of Directors is governed by the KEC Bylaws, Article III TRUSTEES, Section 1. (extracted below).

### ARTICLE III TRUSTEES

#### Section 1. Number and General Powers:

The business and affairs of KEC, including the adoption of policies not inconsistent with these Bylaws, shall be managed by a Board consisting of one representative to be known as a KEC Trustee (Trustee) from and selected by each member. Each member may also select an Alternate. In the case of a distribution cooperative member, the Trustee and the Alternate shall be a board member or managerial employee from the distribution cooperative. In the case of a generation and transmission cooperative member, the Trustee and the Alternate shall be a board member or managerial employee or member system board member or managerial employee.

The LSEC Delegate and Alternate to the KEC Board of Trustees are currently:

<i>Director</i>	Mr. Craig Ramsey
<i>Alternate</i>	Mr. Richard McLeon

**MINUTES OF THE REGULAR JUNE 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, June 23, 2025, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:01 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, Dal Hawkinson and Joseph D. Gasper, Attorney. Eric Doll was absent.

**MINUTES OF PRIOR MEETING**

President Jennison called for action on the minutes of the prior meeting held on May 19, 2025. *A correction to remove the paragraph prior to the operations report as it was discussed during the prior month's meeting will be made.*

**CASH DISBURSEMENTS**

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

There were no questions regarding the checks.

**PRESIDENT'S REPORT**

President Jennison had no current items to report.

**ATTORNEY'S REPORT**

Attorney Gasper had no current items to report.

**REPORT OF SUNFLOWER DELEGATE**

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

President Jennison had no additions to the written report.

## **KEC REPORT**

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

Craig Ramsey, KEC representative had no additional matters to report.

## **MANAGER'S REPORT**

Manager McLeon commented on the following matters:

- The credit card statement and CEO/Manager expense report were provided for review.
- Distribution revenue is \$3,952,446 YTD. A good spring has LSEC about \$600,000 above the 5-year YTD average. C&I meters account for 74.8% of our total sales, followed by Residential at 16.6%. Irrigation accounts for 1.8%.
- Total Revenues remain strong with total YTD sales 9.63% above 2024 levels. Wholesale power costs per kilowatt-hour continue to rise but remain below revenues at about 2.3% above 2024.
- The Capital and Donation Budgets are at \$280,753 (15.78%) through June 17, 2025.
- Reliability remains high. LSEC had minor outages in May (10 hours across 529 meters), so our ASAI remains at 99.97%. “Controllable” outages (Scheduled for maintenance and “all other”) increased 0.1% to 2.6% of the total outages.
- No major incidents reported. Work continues digital inspection forms and improving radio coverage.
- Registration for the 2025 Region 7&9 Meeting on October 6-8 in Bellevue, Washington is open. Early registration ends August 6, 2025. The hotel reservation deadline is September 5, 2025.
- The classes each Trustee has attended was provided to them at the meeting.
- Registration for the 2025 Summer Meeting on August 2-4, 2025, in Overland Park, KS is open. The deadline for registration and hotel reservations is July 11, 2025. The list of classes offered was provided in the board packet.
- May 2025 Operating Margin was -\$116,874 and Total Margins of -\$84,206 for the month.
- The YTD 2025 Operating Margin is \$860,990 and Total Margins of \$1,210,984 YTD.
- The Cash Balance is \$7,048,034.
- TIER – 3.20 (1.25 min.), OPTIER – 2.19 (1.1 min.), DSC – 2.22 (1.25 min.), ODSC – 2.15 (1.1 min.), MDSC – 2.24 (1.35 min.)

- Equity as a % of Assets is 41.58% and as a % of Capitalization is 44.17%.
- The annual pole top rescue and forklift certification was completed.
- 28 Poles were changed out.
- The wire work on the Ransom tie in was completed.
- Tad is working on creating tower inspection sheets.
- IT participated in a tabletop review held by Sunflower.
- There was an unsuccessful fraudulent employee scheme involving NISC mapping and staking products.
- The RESAP inspection will be conducted next month.
- Ann Marie attended the NRECA Connect Conference and KMSC meeting in Kansas City, MO.
- The new tent was set up for a practice run prior to the annual meeting.
- Holcomb plant tours for the employees were coordinated.
- Boston Shimer was hired in the resale department as a warehouse worker. He will also be trained in the Generac service.
- There is one Generac waiting to be installed.
- There was a follow up question as to what constitutes a C&I load. Manager McLeon discussed the types of loads under C&I and the load levels for the different classifications as well as a few examples of each type.

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

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

## **SAFETY REPORT**

A safety report was included in the board packet.

## **OLD BUSINESS**

The board discussed the proposed changes to Policy 203. *A motion to adopt the proposed changes to Policy 203 was made, duly seconded and carried.*

## **NEW BUSINESS**

1. February 2021 Regulatory Asset Rider
  - The costs associated with Winter Storm Uri have been recovered under the February 2021 Regulatory Asset Rider and staff recommends removing the rider from the tariff.



- *A motion to remove the February 2021 Regulatory Asset Rider from the LSEC tariff as the funds from Winter Storm Uri have been recovered, was made, duly seconded and carried.*

## 2. Parallel Generation Rider

- The Kansas legislature made various amendments affecting parallel generation in House bill 2149. The LSEC Tariff Parallel Generation Rider has been modified to comply with the new legal changes that will take effect July 1, 2025.
- *A motion to approve the amended LSEC Tariff Parallel Generation Rider so as to make it compliant with the legal changes, as presented in the board packet was made, duly seconded and carried.*

## 3. Qualifying Facility and Distributed Generation Rider

- The Kansas legislature amendments reflected in House bill 2149 also affect energy calculation for the qualifying facilities rider. The LSEC Qualifying Facility and Distributed Generation Rider has been modified to mirror the energy calculations in the parallel generation rider.
- *A motion to approve the amended LSEC Qualifying Facility and Distributed Generation Rider so as to make it consistent with the Parallel Generation rider, as presented in the board packet was made, duly seconded and carried.*

## 4. Net Metering Rider

- Lane-Scott has transitioned its distributed generation from Net Metering to PG or QF riders and compensated members for excess generation since 2021. Staff requests the Net Metering Rider be removed from the LSEC tariff.
- *A motion to remove the Net Metering Rider from the LSEC tariff was made, duly seconded and carried.*

## 5. Board Policy 507 Leave Time amendment

- The board discussed the proposed amendments to board policy 507. The amendments are to update the leave time to the current status of the law.
- *A motion to adopt the proposed amendments to board policy 507 regarding leave time was made, duly seconded and carried.*

## 6. Board Policy 530 Scholarships

- *A motion to adopt the proposed amendments to Board Policy 530 regarding scholarships was made, duly seconded and carried.*

#### 7. Board Policy 536 Reasonable Accommodations

- *Manager McLeon presented the proposed new board policy 536 regarding reasonable accommodations under the Pregnant Workers Fairness Act. This policy is to comply with the act.*
- *A motion to adopt the proposed board policy 536 Reasonable Accommodations was made, duly seconded and carried.*

#### 8. NRECA Voting Delegate

- *Craig Ramsey was appointed voting delegate and Manager McLeon alternate voting delegate for the NRECA director election to be held at the KEC Summer Meeting.*

### **EXECUTIVE SESSION**

- *A motion to enter executive session to discuss personnel was made, duly seconded and carried at 8:39 p.m. The board came out of executive session at 8:47 p.m.*

### **ADJOURNMENT**

*A motion to adjourn the meeting was made, seconded and carried at 8:48 p.m., on Monday, June 23, 2025.*

07/15/2025 3:36:00 PM

# Accounts Payable Check Register

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06/11/2025 To 07/15/2025

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52832 06/11/2025	CHK	46	LANE COUNTY TREASURER	Tk 2501 - Registration/Tag	33.25
3580 06/12/2025	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
3557 06/16/2025	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE	1,456.11
3558 06/16/2025	WIRE	609	STATE TAX	STATE PAYROLL TAX	4,470.59
3559 06/16/2025	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX	11,323.40
3560 06/16/2025	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX	24.06
3561 06/16/2025	WIRE	612	STATE UNEMPLOYMENT	STATE UNEMPLOYMENT	12.37
3562 06/16/2025	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY	11,853.78
3563 06/16/2025	WIRE	614	MEDICARE	FICA MEDICARE	2,772.26
3564 06/16/2025	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401(k) PENSION PLAN	12,764.75
3565 06/16/2025	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY	28,463.92
52833 06/16/2025	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	63,000.00
3579 06/18/2025	WIRE	1229	NORTHEND DISPOSAL	Monthly Bill	561.42
52834 06/18/2025	CHK	1	ANDY HINEMAN	Travel Reimb for Youth Tour	400.00
52835 06/18/2025	CHK	1	LAURIE PETERSILIE	Travel Reimb for youth tour	400.00
52836 06/18/2025	CHK	1	NESS CO ER	Myron Seib ER Bill	170.00
52837 06/18/2025	CHK	1	NESS COUNTY FAIRBOARD	Ness Co. Fair sponsorship banner	150.00
52838 06/18/2025	CHK	1	SCOTT COUNTY REGISTER OF DEEDS	Easement Filing	924.00
52839 06/18/2025	CHK	5	CRYSTAL FOUST	Check Rewrite	17.89
52840 06/18/2025	CHK	5	CHERYL OVERMAN	Check Rewrite	0.11
52841 06/18/2025	CHK	5	TANA FEHRENBACH	Check Rewrite	60.31
52842 06/18/2025	CHK	5	CHRISTOPHER GRIFFITH	Check Rewrite	21.28
52843 06/18/2025	CHK	5	TARA GRIFFITH	Check Rewrite	19.51
52844 06/18/2025	CHK	5	SHELBY WHITE	Check Rewrite	19.51
52845 06/18/2025	CHK	5	WADE SHAUERS	Check Rewrite	28.38
52846 06/18/2025	CHK	5	GREG SHAUERS	Check Rewrite	28.39

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# Accounts Payable Check Register

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06/11/2025 To 07/15/2025

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52847 06/18/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	Dues	8,120.53
52848 06/18/2025	CHK	105	CITY OF NESS CITY	May pay station and postage	618.48
52849 06/18/2025	CHK	134	SOLIDA TREE SERVICE, INC.	Ransom	12,398.85
52850 06/18/2025	CHK	298	OVERLEASE K-LAWN	Substation / pole yard invoice	8,078.03
52851 06/18/2025	CHK	380	GRAINGER	Headlamp mounts	29.71
52852 06/18/2025	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Bill	223.10
52853 06/18/2025	CHK	405	SOUTHWEST TOWING, INC	Towing Truck 150	1,100.00
52854 06/18/2025	CHK	427	DIGHTON HERALD LLC	Subscription - Online and Paper	202.00
52855 06/18/2025	CHK	446	COLEEN'S TROPHIES AWARDS & GIFTS,	Trustee retirement gifts	653.70
52856 06/18/2025	CHK	562	RENSENHOUSE	RETAIL MATERIAL	232.74
52857 06/18/2025	CHK	582	IKWCH	Streaming TV Ads	484.05
52858 06/18/2025	CHK	803	ALTEC INDUSTRIES, INC	Truck 110	462.60
52859 06/18/2025	CHK	903	NISC	Monthly	2,761.33
52860 06/18/2025	CHK	1139	LANE COUNTY HOSPITAL	Tad Eubanks - Physical	165.00
52861 06/18/2025	CHK	1215	POWER SYSTEM ENGINEERING, INC.	Substation Inspections	23,831.46
52862 06/18/2025	CHK	1225	CINTAS CORPORATION	Vehicle kit and service charge	598.12
52863 06/18/2025	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Paper/rubber bands	21.87
52864 06/18/2025	CHK	1285	TIFCO INDUSTRIES	Monthly	147.79
52865 06/18/2025	CHK	1293	DAL HAWKINSON	Clothing Allowance, CDL Renewal, Supplie	202.93
52866 06/19/2025	CHK	5	THE ESTATE OF DELMAR TURLEY	Estate	1,418.25VOID
52867 06/19/2025	CHK	5	MISTY BROWN POLO	Estate	1,839.78VOID
52868 06/19/2025	CHK	5	JILL BECKER	Estate	83.16VOID
52869 06/19/2025	CHK	5	GINGER BRAUN	Estate	545.61VOID
52870 06/19/2025	CHK	5	PATRICIA R CONINE	Estate	118.18VOID
52871 06/19/2025	CHK	5	TODD CONINE	Estate	59.09VOID
52872 06/19/2025	CHK	5	PAULA CONINE	Estate	59.11VOID

07/15/2025 3:36:00 PM

# Accounts Payable Check Register

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06/11/2025 To 07/15/2025

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52873 06/19/2025	CHK	5	ARLENE DOLL	Estate	1,957.05VOID
52874 06/19/2025	CHK	5	JOYCE DOWD	Estate	978.57VOID
52875 06/19/2025	CHK	5	LINDA DENNING	Estate	467.01VOID
52876 06/19/2025	CHK	5	CARLISA J DAVIS	Estate	25.37VOID
52877 06/19/2025	CHK	5	BRANDON DEXTER	Estate	545.60VOID
52878 06/19/2025	CHK	5	JOSEPHINE M FENLEY	Estate	962.28VOID
52879 06/19/2025	CHK	5	MECHELLE FOOS	Estate	874.64VOID
52880 06/19/2025	CHK	5	ANNETTA K FELLHOELTER	Estate	114.64VOID
52881 06/19/2025	CHK	5	JANETTA FLAX	Estate	114.64VOID
52882 06/19/2025	CHK	5	WANDA K HANSON	Estate	595.61VOID
52883 06/19/2025	CHK	5	TWILA HIGGINS	Estate	495.49VOID
52884 06/19/2025	CHK	5	MELVIN HAIR	Estate	17.92VOID
52885 06/19/2025	CHK	5	ARLAN HAIR	Estate	17.92VOID
52886 06/19/2025	CHK	5	CHRIS HAIR	Estate	8.96VOID
52887 06/19/2025	CHK	5	MATTHEW HAIR	Estate	8.96VOID
52888 06/19/2025	CHK	5	REX KLITZKE	Estate	83.16VOID
52889 06/19/2025	CHK	5	RICH KLITZKE	Estate	83.22VOID
52890 06/19/2025	CHK	5	CORY MORGAN	Estate	700.72VOID
52891 06/19/2025	CHK	5	DEBRA HAMILTON	Estate	957.57VOID
52892 06/19/2025	CHK	5	JOY MADDEN	Estate	83.16VOID
52893 06/19/2025	CHK	5	LORETTA MCMILLEN	Estate	114.63VOID
52894 06/19/2025	CHK	5	ELDON & ALLENE PAULS FAMILY TRU	Estate	171.21VOID
52895 06/19/2025	CHK	5	JO PARKERSON	Estate	1,475.62VOID
52896 06/19/2025	CHK	5	OPAL ROBERTS	Estate	2,311.99VOID
52897 06/19/2025	CHK	5	GEORGE W RIFFEL TRUST	Estate	895.49VOID
52898 06/19/2025	CHK	5	THE ESTATE OF SCOTT SHERWIN	Estate	1,818.14VOID

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52899 06/19/2025	CHK	5	JULIE STRICKERT	Estate	1,960.54VOID
52900 06/19/2025	CHK	5	BECKY SEIB	Estate	889.57VOID
52901 06/19/2025	CHK	5	THE ESTATE OF HUGH ELMER TAYLOR	Estate	649.32VOID
52902 06/19/2025	CHK	5	NORMA K TODD	Estate	25.36VOID
52903 06/19/2025	CHK	5	JULIANA WAGNER	Estate	17.92VOID
52904 06/19/2025	CHK	5	BRYAN S WHIPPLE	Estate	114.64VOID
52905 06/19/2025	CHK	5	BONNIE SLOCOMBE	Estate	83.16VOID
52906 06/24/2025	CHK	5	THE ESTATE OF DELMAR TURLEY	Check Rewrite	1,418.25
52907 06/24/2025	CHK	5	MISTY BROWN POLO	Check Rewrite	1,839.78
52908 06/24/2025	CHK	5	JILL BECKER	Check Rewrite	83.16
52909 06/24/2025	CHK	5	GINGER BRAUN	Check Rewrite	545.61
52910 06/24/2025	CHK	5	PATRICIA R CONINE	Check Rewrite	118.18
52911 06/24/2025	CHK	5	TODD CONINE	Check Rewrite	59.09
52912 06/24/2025	CHK	5	PAULA CONINE	Check Rewrite	59.11
52913 06/24/2025	CHK	5	ARLENE DOLL	Check Rewrite	1,957.05
52914 06/24/2025	CHK	5	JOYCE DOWD	Check Rewrite	978.57
52915 06/24/2025	CHK	5	LINDA DENNING	Check Rewrite	467.01
52916 06/24/2025	CHK	5	CARLISA J DAVIS	Check Rewrite	25.37
52917 06/24/2025	CHK	5	BRANDON DEXTER	Check Rewrite	545.60
52918 06/24/2025	CHK	5	JOSEPHINE M FENLEY	Check Rewrite	962.28
52919 06/24/2025	CHK	5	MECHELLE FOOS	Check Rewrite	874.64
52920 06/24/2025	CHK	5	ANNETTA K FELLHOELTER	Check Rewrite	114.64
52921 06/24/2025	CHK	5	JANETTA FLAX	Check Rewrite	114.64
52922 06/24/2025	CHK	5	WANDA K HANSON	Check Rewrite	595.61
52923 06/24/2025	CHK	5	TWILA HIGGINS	Check Rewrite	495.49
52924 06/24/2025	CHK	5	MELVIN HAIR	Check Rewrite	17.92

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52925 06/24/2025	CHK	5	ARLAN HAIR	Check Rewrite	17.92
52926 06/24/2025	CHK	5	CHRIS HAIR	Check Rewrite	8.96
52927 06/24/2025	CHK	5	MATTHEW HAIR	Check Rewrite	8.96
52928 06/24/2025	CHK	5	REX KLITZKE	Check Rewrite	83.16
52929 06/24/2025	CHK	5	RICH KLITZKE	Check Rewrite	83.22
52930 06/24/2025	CHK	5	CORY MORGAN	Check Rewrite	700.72
52931 06/24/2025	CHK	5	DEBRA HAMILTON	Check Rewrite	957.57VOID
52932 06/24/2025	CHK	5	JOY MADDEN	Check Rewrite	83.16
52933 06/24/2025	CHK	5	LORETTA MCMILLEN	Check Rewrite	114.63
52934 06/24/2025	CHK	5	ELDON & ALLENE PAULS FAMILY TRU	Check Rewrite	171.21
52935 06/24/2025	CHK	5	JO PARKERSON	Check Rewrite	1,475.62
52936 06/24/2025	CHK	5	OPAL ROBERTS	Check Rewrite	2,311.99
52937 06/24/2025	CHK	5	GEORGE W RIFFEL TRUST	Check Rewrite	895.49
52938 06/24/2025	CHK	5	THE ESTATE OF SCOTT SHERWIN	Check Rewrite	1,818.14
52939 06/24/2025	CHK	5	JULIE STRICKERT	Check Rewrite	1,960.54
52940 06/24/2025	CHK	5	BECKY SEIB	Check Rewrite	889.57
52941 06/24/2025	CHK	5	THE ESTATE OF HUGH ELMER TAYLOR	Check Rewrite	649.32
52942 06/24/2025	CHK	5	NORMA K TODD	Check Rewrite	25.36
52943 06/24/2025	CHK	5	JULIANA WAGNER	Check Rewrite	17.92
52944 06/24/2025	CHK	5	BRYAN S WHIPPLE	Check Rewrite	114.64
52945 06/24/2025	CHK	5	BONNIE SLOCOMBE	Check Rewrite	83.16
52946 06/26/2025	CHK	615	JOE LEIKAM	2 dumpsters	2,000.00
3576 06/27/2025	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	17,903.40
3577 06/27/2025	WIRE	1290	WEX BANK	Monthly Fuel Bill	1,233.95
3578 06/27/2025	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Bill	128.52
52947 06/27/2025	CHK	1	LANE COUNTY FAIR	Fair Board Donation	75.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52948 06/27/2025	CHK	1	LANE COUNTY FAIR AMUSEMENT	Sponsor	200.00
52949 06/27/2025	CHK	9	CHAD RUPP	Drivers License Renewal	39.46
52950 06/27/2025	CHK	20	BASIN ELECTRIC POWER COOP	Monthly Invoice	2,125.41
52951 06/27/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	May 2025 IT & Cybersecurity Group Summit	400.00
52952 06/27/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	Annual Report Booklet	8,988.60
52953 06/27/2025	CHK	63	RICHARD JENNISON	Board Meeting	368.20
52954 06/27/2025	CHK	105	CITY OF NESS CITY	Monthly Bill	4,619.60
52955 06/27/2025	CHK	107	CINTAS CORPORATION #449	Mats	92.54
52956 06/27/2025	CHK	122	MYRON SEIB	Clothing Allowance	183.14
52957 06/27/2025	CHK	135	CITY OF BAZINE	Franchise Fee	1,455.49
52958 06/27/2025	CHK	150	CHRIS TERHUNE	Clothing Allowance	163.86
52959 06/27/2025	CHK	172	TYNDALE COMPANY, INC.	kevin bradstreet clothing allowance	270.72
52960 06/27/2025	CHK	179	RAD ROEHL	Board Meeting	362.60
52961 06/27/2025	CHK	202	CHAD GRIFFITH	Board Meeting	402.50
52962 06/27/2025	CHK	406	RICHARD MCLEON	Milage	321.10
52963 06/27/2025	CHK	444	HAYS CAR & TRUCK ALIGNMENT, INC.	Parts Truck 2402	540.73
52964 06/27/2025	CHK	450	RANDALL G EVANS	Board Meeting	350.70
52965 06/27/2025	CHK	570	JAMES W JORDAN	Board Meeting	396.90
52966 06/27/2025	CHK	588	GEROME L COPELAND	Board Meeting	400.40
52967 06/27/2025	CHK	596	WABASH WELDING COMPANY, LLC	Parts - First aid older	232.24
52968 06/27/2025	CHK	903	NISC	Monthly Bill	3,856.15
52969 06/27/2025	CHK	1160	S&T TELEPHONE COOP ASSN.	Twin Springs Collector	236.42
52970 06/27/2025	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Name Plates	124.72
52971 06/27/2025	CHK	1300	CRAIG RAMSEY	Board Meeting	385.00
3582 06/30/2025	WIRE	183	HIBU INC	Monthly Invoice	17.00
3584 06/30/2025	WIRE	586	NETWORK COMPUTING SOLUTIONS	Monthly Service	678.13



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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3585 06/30/2025	WIRE	586	NETWORK COMPUTING SOLUTIONS	Monthly Bill for July	5,632.81
3566 07/01/2025	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401(k) PENSION PLAN	13,508.66
3567 07/01/2025	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY	28,463.92
3568 07/01/2025	WIRE	609	STATE TAX	STATE PAYROLL TAX	5,222.71
3569 07/01/2025	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX	14,022.03
3570 07/01/2025	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX	25.30
3571 07/01/2025	WIRE	612	STATE UNEMPLOYMENT	STATE UNEMPLOYMENT	13.99
3572 07/01/2025	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY	13,558.56
3573 07/01/2025	WIRE	614	MEDICARE	FICA MEDICARE	3,170.96
3574 07/01/2025	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE	1,456.11
3581 07/01/2025	WIRE	1187	MIDWEST ENERGY	Monthly Bill	69.26
52972 07/01/2025	CHK	1	HODGEMAN COUNTY 4-H SALE FUND	Livestock Auction	150.00
52973 07/01/2025	CHK	1	SACRED HEART PTO	Sacred Heart Baseball Tournament Sponsor	50.00
52974 07/01/2025	CHK	5	RICHARD F SCHMIED	Check Rewrite	10.55
52975 07/01/2025	CHK	5	STANDARD OPERATING CO.	Check Rewrite	3,367.94
52976 07/01/2025	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	71,500.00
52977 07/01/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	Subscriptions	2,556.32
52978 07/01/2025	CHK	73	STANION WHOLESALE ELEC CO INC	LINE MATERIAL	54,953.23
52979 07/01/2025	CHK	106	LANE COUNTY FAIR BOARD	1/2 Large Tent Cost	2,546.50
52980 07/01/2025	CHK	134	SOLIDA TREE SERVICE, INC.	ransom	7,010.76
52981 07/01/2025	CHK	160	SHULL OIL COMPANY	Monthly Bill	6,928.65
52982 07/01/2025	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Saas Monthly Fee	1,495.00
52983 07/01/2025	CHK	317	JOHN DEERE FINANCIAL	parts	8.98
52984 07/01/2025	CHK	380	GRAINGER	safety glasses	212.53
52985 07/01/2025	CHK	383	HUXFORD POLE AND TIMBER CO INC	POLES	45,045.95
52986 07/01/2025	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	printer color	101.15

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52987 07/01/2025	CHK	544	FIRST WIRELESS, INC.	Truck 112	67.08
52988 07/01/2025	CHK	616	TAD EUBANKS	Clothing Allowance, big r parts and shir	169.98
52989 07/01/2025	CHK	617	BOSTON SHIMER	Gas - Tk 105	20.01
52990 07/01/2025	CHK	803	ALTEC INDUSTRIES, INC	Truck 2402	272.29
52991 07/01/2025	CHK	998	LANE COUNTY 4-H COUNCIL	Sponsor	100.00
52992 07/01/2025	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	110.39
52993 07/01/2025	CHK	1225	CINTAS CORPORATION	Monthly	231.13
52994 07/01/2025	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Glove Testing	609.00
52995 07/01/2025	CHK	1251	TECHLINE, LTD	LINE MATERIAL	5,883.65
3575 07/02/2025	WIRE	59	NRECA	401 k pension plan employer	1,289.50
52996 07/10/2025	CHK	1	LANE COUNTY COMMUNITY FOUNDAT	Community Cares Calender Ad	35.00
52997 07/10/2025	CHK	34	AMERICAN SAFETY UTILITY CORP	Kasey Clothing Allowance	674.53
52998 07/10/2025	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Bill	540.56
52999 07/10/2025	CHK	46	LANE COUNTY TREASURER	Unit 105	52.25
53000 07/10/2025	CHK	55	NESS COUNTY NEWS	Monthly Bill	125.40
53001 07/10/2025	CHK	79	POSTMASTER	Newsletter Postage	139.78
53002 07/10/2025	CHK	107	CINTAS CORPORATION #449	Monthly Bill	509.72
53003 07/10/2025	CHK	145	BUMPER TO BUMPER OF NESS CITY	Monthly Bill	191.19
53004 07/10/2025	CHK	187	S&W SUPPLY DIVISION	Monthly Bill	366.13
53005 07/10/2025	CHK	238	ILLINOIS MUTUAL	Monthly Bill	54.24
53006 07/10/2025	CHK	269	ANIXTER INC	IRON POLES	113,767.25
53007 07/10/2025	CHK	306	BORDER STATES INDUSTRIES INC	TOOL	6,634.60
53008 07/10/2025	CHK	380	GRAINGER	Membership fee	129.00
53009 07/10/2025	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Bill	124.18
53010 07/10/2025	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Substation Expense	483.28
53011 07/10/2025	CHK	532	AMERICAN DIGITAL SECURITY	Door Access Controls	3,090.34

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53012 07/10/2025	CHK	544	FIRST WIRELESS, INC.	Unit 150	576.68
53013 07/10/2025	CHK	562	RESENHOUSE	RETAIL MATERIAL	1,918.27
53014 07/10/2025	CHK	578	L&R LAWN CARE & SUPPLY	Monthly Bill	815.35
53015 07/10/2025	CHK	599	MITCH'S TRASH SERVICE	June Trash	75.00
53016 07/10/2025	CHK	616	TAD EUBANKS	Clothing Allowance	206.50
53017 07/10/2025	CHK	903	NISC	monthly bill	10,632.99
53018 07/10/2025	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Name plate - engineering	24.94
53019 07/10/2025	CHK	1248	COMPLIANCE ONE	Monthly Charge	455.35
53020 07/11/2025	CHK	5	GARY DOLL	Check Rewrite	27.80
53021 07/11/2025	CHK	5	WANEL ELLIOTT	Check Rewrite	27.83
53022 07/11/2025	CHK	5	DEBRA HAMILTON	Check Rewrite	319.21
53023 07/11/2025	CHK	5	CYNTHIA MAIER	Check Rewrite	319.18
53024 07/11/2025	CHK	5	WILLIAM MCDONALD	Check Rewrite	319.18
53025 07/11/2025	CHK	5	LEAH SHAPLAND	Check Rewrite	27.81
3586 07/15/2025	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Bill - June	407.11
3587 07/15/2025	WIRE	1160	S&T TELEPHONE COOP ASSN.	York Collector	150.00
53026 07/15/2025	CHK	1	UNITED STATES TREASURY	48-0526038 "Form 720" June 2025	211.67

Total Payments for Bank Account - 2 : (184) 704,162.97

Total Voids for Bank Account - 2 : (41) 24,700.83

Total for Bank Account - 2 : (225) 728,863.80

Grand Total for Payments : (184) 704,162.97

Grand Total for Voids : (41) 24,700.83

Grand Total : (225) 728,863.80



## Board Meeting Summary

June 18, 2025

### CURRENT ACTIVITIES

#### *October Board Meeting Location*

The board meeting location was changed to accommodate participation in the Safety Summit.

**Board Action:** The Sunflower Board voted and approved to move the October 2025 Board meeting location to Victory Electric's office in Dodge City.

### ITC GREAT PLAINS

#### *Presentation*

Representatives from ITC Great Plains, including President Dusky Terry, provided an informative presentation highlighting the company's role in electric transmission development and operations. The presentation included an overview of ITC and its footprint, followed by a review of the partnership between ITC and Sunflower. The team also discussed several collaborative projects completed over the years, emphasizing shared efforts to enhance transmission infrastructure, improve system reliability, and support regional energy needs.

### PRESIDENT'S REPORT

#### *Generation and Power Supply*

#### *Winter/Spring Energy Hedging*

ACES reviewed additional energy hedging above our base policy for the upcoming winter and spring (during Holcomb outage). They evaluated a fixed price energy block and financial natural gas swaps at different sizes and shapes to determine the final recommendations.

**Board Action:** The Sunflower Board voted and approved to execute one-half of the recommended volumes in Q2 2025 at market, with the other half in late Q3/Q4 2025.

#### *Transmission Planning and Policy*

#### *SPP Integrated Transmission Planning (ITP) Draft Portfolio*

Southwest Power Pool's (SPP) ITP portfolio includes \$159 byway notice-to-construct (NTC) projects, including multiple projects in Sunflower/Member service areas. The lines receiving NTCs are old and need to be replaced. Instead of Members being exposed to approximately \$45 million (in-house work) or \$162 million for engineering, procurement, and construction (EPC) to replace poles and structures over the next 10 years for age and condition. Receiving NTCs socializes the cost of replacement across the SPP region and helps offset the highly likely exposure of direct cost to our members. The cost allocation methodology is still unknown pending FERC approvals.

#### *Holcomb to Sidney 345 kV Update*

On June 16, Sunflower responded to SPP, accepting the terms of the conditional NTC (NTCc). Tri-State is still weighing their involvement in the Colorado section of the line. The board likes the long-term benefits of the project, but they are evaluating the short-term rate impacts.

When considering the line's final route, Kansas Corporation Commission (KCC) released a new order for transmission line routing. KCC established line siting guidelines and priorities required for lines 230 kV and larger (K.S.A 66-1,177). They provided definitions and three recommendations, including: 1) routing principles, 2) standard criteria and weights, and 3) required documentation (routing study, protocols, agricultural impact mitigation, landowner protocols, and more). Finally, Sunflower staff are also working on a project communication plan, structure selection, and conductor selection.

## Infrastructure Services

### *Cyber Security Trends Analysis*

Infrastructure services developed a tracking system and metrics protocol to report cybersecurity threats to Sunflower's system. Key findings from the analysis included: 1) the total number of threat attempts increased significantly from 16,110,202 in 2023 to 71,246,145 in 2024; and 2) the most common attack tactic transitioned from phishing emails to remote access attacks, which surged significantly.

Sunflower technical staff leverages a multi-layered security strategy to mitigate the risks presented by ever-changing threats. A few examples of security approaches in our strategy and tactics include multi-factor authentication, advanced next generation firewalls, modern authentication protocols, configuration management, patch management, stringent password policy, reduced internet risk exposure, backups, and more. Sunflower continues to address emerging threats by regularly enhancing our security measures and adapting to the ever-changing threat landscape, ensuring the safety and resilience of our systems and data.

## Financial Services

### *May Financials*

Overall, Member loads were down 4.37% from budget for the month and down 2.53% from budget year to date. Large industrial loads were down 4.76% from budget for the month and down 6.16% from budget year to date. Operation and maintenance expenses were up 21.96% from budget for the month and up 0.27% from budget year to date. Year-to-date member kWh sales are up 3% under budget estimates and up 7% over the prior year.

### *Fitch Credit Rating*

Fitch Credit Rating rated Sunflower as A+ Stable, which was one notch higher than expected. The credit rating was used to support private placement issuance. Last week, Sunflower priced a \$175 million, 30-year private placement at 5.75% (treasury + 140bps). Staff plan to close and fund the debt on July 16. The credit report and lessons learned will be presented to the Board in July. Action recommendations will be discussed at the August board meeting.

### *2025 Rate Design Study*

James Brungardt and Rich Macke from Power System Engineers (PSE) followed up with additional rate design options. After the board reviewed six rate options at the May meeting, it was requested PSE keep the non-coincident peak (NCP) rate at current level but vary seasonality. This meeting, Macke presented three additional rate options that retained the current NCP rate. Macke also analyzed the impact on revenue if a pass-thru member were to install behind-the-meter (BTM) generation. Finally, Sunflower staff reported they met with Western Kansas Industrial Electric Customers (WKIEC) on May 22 to discuss the progress of the rate study. It is anticipated WKIEC will request to present at the Sunflower Board meeting in July.

### *Annual Payroll and Benefit Report*

Staff provided an overview of Sunflower's compensation and benefits. The presentation included a summary of key trends and year-over-year comparisons on payroll expenses and benefit costs. Notably, the Sunflower employee headcount has been stable at 431.5 for the past five years. Additionally, payroll and benefits totaled 53% of total operating expenses in 2024, which was 5% lower than 2023.

## Legal

### *KCC Formula Based Rate (FBR) Filing*

**Board Action:** The Sunflower Board voted and approved Sunflower to join Victory, Western, and Prairie Land on the filing with KCC to continue each member's 34.5 kV FBR.

Sunflower Electric Power Corp. - June 2025, Member Billing Summary								
WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total
Demand Coincident Peak, kW	26,022	146,146	98,931	114,603	178,984	61,957	163,900	790,543
Demand NCP, kW	28,770	123,911	133,362	125,685	182,357	65,397	164,484	823,966
Wholesale Energy Usage, kWh	13,963,171	80,752,237	48,952,063	58,285,461	93,571,208	34,815,250	76,238,029	406,577,419
RTP Marginal Usage, kWh			2,162		(85,038)			(82,877)
Coincident Peak Load Ratio Share, %	3.30%	18.50%	12.50%	14.50%	22.60%	7.80%	20.70%	100.00%
Coincident Load Factor, %	74.50%	76.70%	68.70%	70.60%	72.60%	78.00%	64.60%	71.40%
Metering Points	10	27	25	28	24	26	34	174
CP Demand Rate, \$/kW	11.12	11.08	11.12	11.12	11.12	11.12	11.12	11.11
NCP Demand Rate, \$/kW	3.24	3.05	3.24	3.24	3.24	3.24	3.24	3.21
CP Demand Charge, \$	289,364.64	1,619,710.17	1,100,112.72	1,274,385.36	1,990,302.08	688,961.84	1,822,568.00	8,785,404.81
NCP Demand Charge, \$	93,214.80	378,241.79	432,092.88	407,219.40	590,836.68	211,886.28	532,928.16	2,646,419.99
Demand Charge, \$	382,579.44	1,997,951.96	1,532,205.60	1,681,604.76	2,581,138.76	900,848.12	2,355,496.16	11,431,824.80
Energy Rate, ¢/kWh	0.7334	0.7209	0.7334	0.7334	0.7334	0.7334	0.7334	0.7309
Energy Charge, \$	102,405.90	582,179.71	359,014.43	427,465.57	686,251.24	255,335.04	559,129.70	2,971,781.59
RTP Marginal Usage Charge, \$			121.38		(4,629.72)			(4,508.34)
HLF Rider Net Charge, \$	4,528.61	7,174.66	(32,547.37)	7,721.79	(9,616.63)	11,291.46	11,447.47	-
EDR Rider Net Charge, \$	2,160.78	(2,207.38)	7,575.28	7,713.02	(32,427.07)	5,387.62	11,797.75	-
ECA Rate (ECA-02), ¢/kWh	1.6300	1.6300	1.6300	1.6300	1.6300	1.6300	1.6300	1.6300
ECA Charge, \$	227,599.69	1,316,261.46	797,918.63	950,053.01	1,525,210.69	567,488.58	1,242,679.87	6,627,211.93
Meter Rate, \$/Meter	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Meter Charge, \$	1,050.00	2,835.00	2,625.00	2,940.00	2,520.00	2,730.00	3,570.00	18,270.00
Schedule 1	3,606.01	19,627.05	17,087.14	13,647.46	20,129.38	7,832.55	20,695.64	102,625.23
Schedule 11 Regional	31,112.38	169,340.89	147,426.67	117,749.31	173,674.93	67,578.74	178,560.54	885,443.46
Schedule 11 Zonal	28,916.47	157,388.81	137,021.30	109,438.57	161,416.96	62,809.03	165,957.75	822,948.89
Schedule 12	1,847.70	10,056.79	8,755.35	6,992.88	10,314.18	4,013.35	10,604.32	52,584.57
Schedule 1a	5,502.95	29,951.87	26,075.83	20,826.70	30,718.44	11,952.87	31,582.58	156,611.24
Schedule 9 SEPC	97,877.09	532,733.14	463,792.72	370,430.09	546,367.70	212,597.40	561,737.46	2,785,535.60
Msc. Transmission	1,117.22	6,082.45	5,295.97	4,229.40	6,236.60	2,422.67	6,408.08	31,792.39
Transmission Charge, \$	169,979.82	925,181.00	805,454.98	643,314.41	948,858.19	369,206.61	975,546.37	4,837,541.38
Billing Adjustments, \$ (LRR Rider, PGS)		(236,176.74)	(701.72)	-	(157,133.44)		-	(394,011.90)
ECIR Credit, \$			-					-
Community Solar Adjustments, \$		61.58	1.68	89.04	9.36		212.43	374.09
Net Charges, \$ *	890,304.24	4,593,261.25	3,471,666.21	3,720,901.60	5,540,181.38	2,112,287.43	5,159,879.75	25,488,483.55
3-2-1 Credits, \$		(11,208.71)	(226.40)	(16,774.07)	(2,202.99)			(30,412.17)
Total Charges, \$	890,304.24	4,582,052.54	3,471,439.81	3,704,127.53	5,537,978.39	2,112,287.43	5,159,879.75	25,458,071.38
Average all-in ¢/kWh	6.376	5.674	7.091	6.355	5.924	6.067	6.768	6.263
Non-Member energy charges:			↓ ↑ → ↑ ↓	Basis for Changes from Previous Month				
Non-Member energy charges:	\$	\$/kWh						
10 West Cities	992,437.54	0.0595						
4 East Cities	126,995.73	0.0696						
KEPCo	174,916.39							
KMEA - EMP2 (Local Access)	110,384.56							
KMEA - City of Meade - (Local Access)	19,333.27							
AP & NH other contracted services	80,232.61							
KPP - OATT, L.A.C. & MA Charges	23,770.14							
Note:			↑ = Increase ↓ = Decrease → = Little Effect					
* Victory and So. Pioneer numbers do not include the full requirement cities.								

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

### Rates, Reliability, and Safety Dashboard

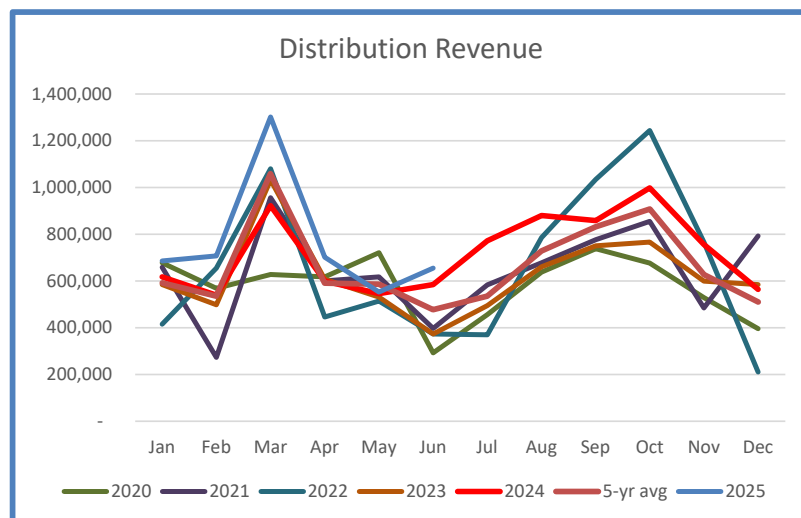
**Executive Summary:** We remain in solid condition.

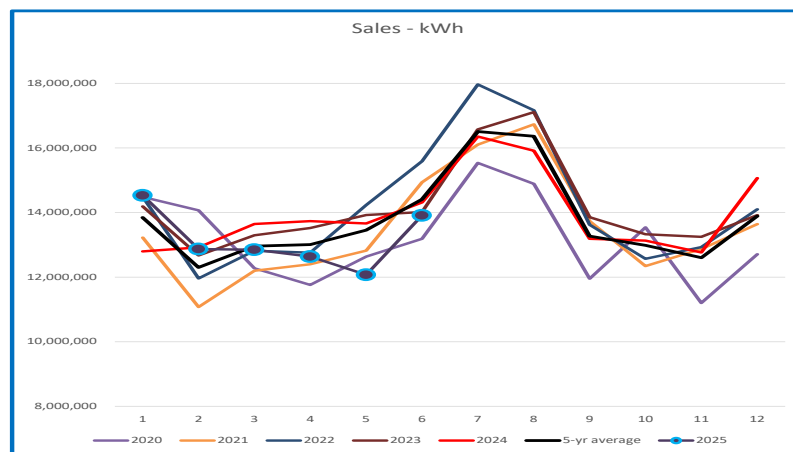
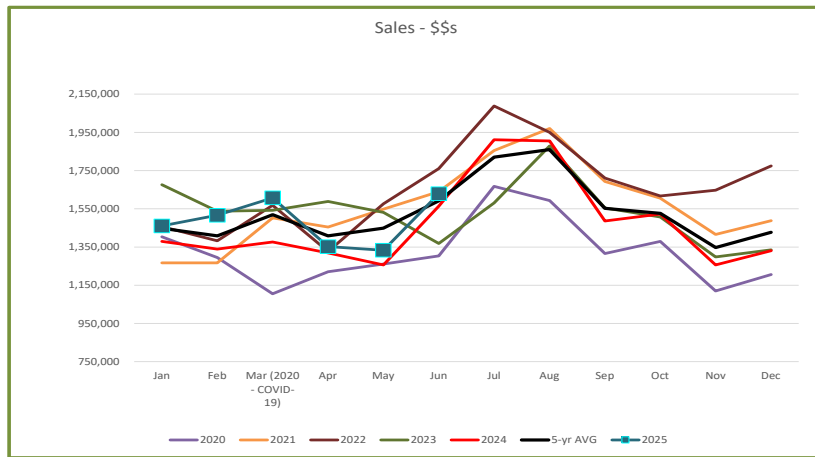
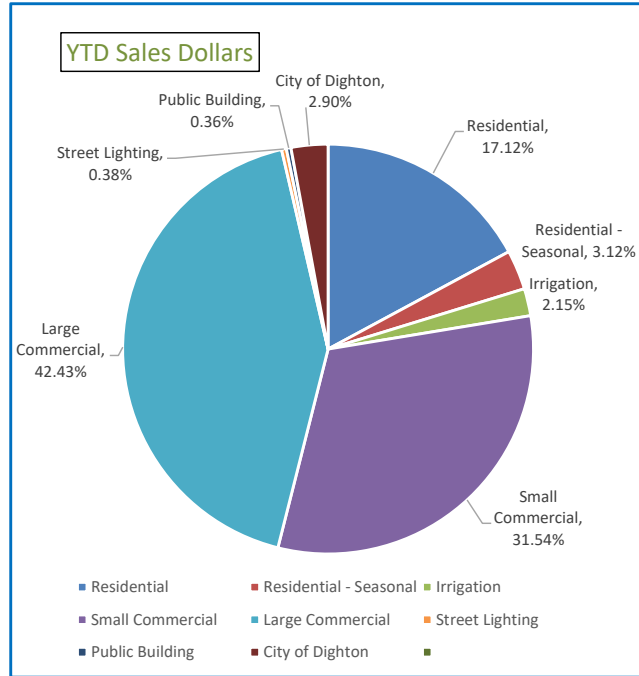
1. Total Revenues remain strong with total YTD sales 8.07% above 2024 levels. Wholesale power costs per kilowatt-hour continue to rise but remain below revenues at about 2.6% above 2024.

Distribution revenue is ahead of budget at \$4,608,162 YTD. Operating Revenues are \$810,585 which should carry us through the end of the year. C&I meters account for 74 % of our total sales, followed by Residential at 17.2% and Residential Seasonal at 3.12%

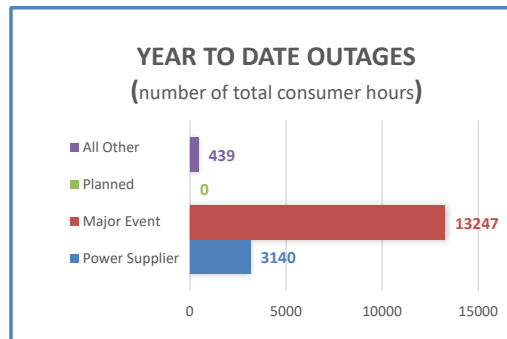
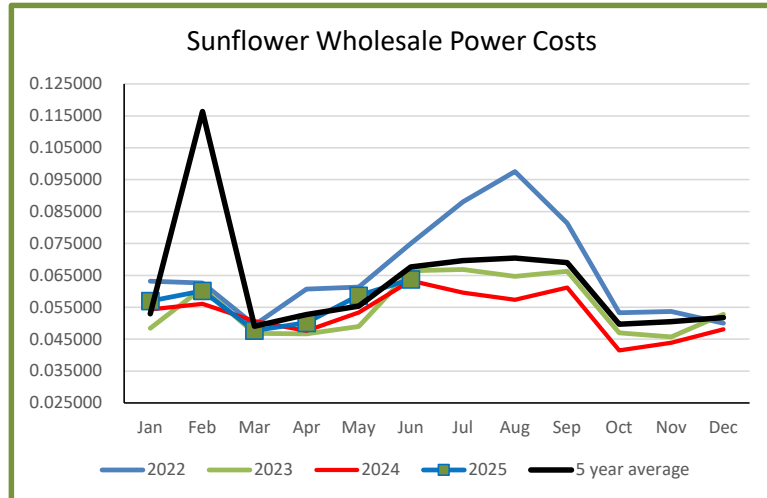
Twelve-month Inflation remains low at 2.70% through June. The Capital and Donation Budgets are at \$376,985 (21.18%) through July 21, 2025.

2. Reliability remains high. We had minor outages in July (5 hours across 613 meters), so our ASAI remains at 99.97%. “Controllable” outages (Scheduled for maintenance and “all other”) remained 2.6% of our total outages.
3. Safety. No major incidents reported. Work continues digital inspection forms and improving radio coverage.









metric	2021	2022	2023	2024	2025	measures
SAIDI	8.19	3.36	1.64	6.67	2.94	Interruption DURATION / average for every member (hrs)
SAIFI	2.56	1.33	1.02	1.10	0.84	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	3.20	2.53	5.60	6.07	3.51	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.91%	99.96%	99.94%	99.92%	99.97%	Average Service Availability Index

- **National Rural Electric Cooperative Association.**
  - 1) Registration for the 2025 Region 7&9 Meeting on October 6-8 in Bellevue, Washington is open. Early registration ends August 6, 2025. The hotel reservation deadline is September 5, 2025.
  - 2) Director's Education is Monday 10/6:
    - 2600.1 Director Duties and Responsibilities
    - 928.1 Artificial Intelligence and Electric Cooperatives
    - 947.1 Providing Feedback to Your CEO
  - 3) You may complete the registration, hotel reservations online through NRECA or contact Diana to make reservations for you.

- Strategic Plan update.  
The Strategic Plan was 90% completed as of July 21, 2025. The largest gain was made in Item 5. Enhance operational excellence by implementing appropriate technology options and processes, subitem B. Analyze Options for AMI utilization in the future. Task: Connecting primary fiber to most collectors increased by 25% directly from adding Tad Eubanks to the Engineering section. Tad came in with a fiber skill set and has made an immediate impact.
- Credit Card records. (Are available for the Boards review.)
- General Manager Expense Reports.
  1. July 16, 2025, Sunflower Board Meeting, Hays (\$141.40). Staff had Unit #105.
  2. July 22, 2025, Ness City Rotary and City Hall (\$46.90). Staff had Unit 105 for an oil change.
- Manager Per Diem Requests. None.
- Departments / Sections. (Notable items are below. Full reports follow and are in the Supplemental file)
  - 1) Accounting and Finance.
    - June 2025 Operating Margin = **-\$49,923**, Total Margin = **-\$29,495**
    - YTD 2025 Operating Margin = \$810,585, Total Margin = \$1,181,007.
    - Cash Balance - \$6,833,197
    - Rolling 12-month Metrics came down a little, but remain good:
      - TIER – 3.29 (1.25 min.), OPTIER – 2.30 (1.1 min.), DSC – 1.98 (1.25 min.), ODSC – 1.93 (1.1 min.), MDSC – 2.01 (1.35 min.)
      - Equity as a % of Assets – 41.58% and as a % of Capitalization – 41.84%
      - General Funds Level – 11.28%
      - Current Ratio – 2.73%
  - 2) Operations Report (Dal).
    - Maintenance. Yearly OCR change-outs, adjusted voltage settings on two circuits, retired 4 connections, change out bad breakers, transformers, and meters, misc. maintenance.
    - Construction.
      - Changed out 9 poles.
      - Framed and set first 2 miles of the Oneok Beeler project.
      - Built new connection for bridge project on Hwy 156 in Finney Co.
    - Engineering
      - Worked on FEMA storm DR 4869 reports (March 19<sup>th</sup> blizzard)
      - Worked with GBT and S&T on fiber collection sites.
      - Met with Summit Utilities and Finley Engineering on Shallow Water project.
  - 3) Information Technology and Cybersecurity (Carrie).
    - Cybersecurity reporting on the types of emails and time of attacks helps IT to provide appropriate training and awareness information to users to help them manage their emails securely and protect the company network.

- Summer intern is assisting to finalize the networking and equipment transitioning. Then the network mapping and retention program can be completed for efficient maintenance and monitoring capabilities.
- 4) Communications (Ann Marie).
- Annual Meeting
    - Annual Reports, election materials, and testing election processes.
    - Meeting preparation comprising promotional items, ads, and giveaways.
  - KEC Membership Directory updates
  - Updating website
- 5) Human Resources (Diana).
- Human Resources
    - Updated employee evaluations
    - Updated 2025 Wage and Benefit information
  - Accounting. Continue to assist Jocelyn with clerical duties as needed.
- 6) Retail Services / Warehouse Report (Scott).
- Generac. Annual Service Calls are beginning. We have had several service and warranty calls
  - Electrician. We are waiting on materials for several larger jobs including several projects at Lane County Feeders.
  - Materials. Line Materials inventory turn at 0.859, Retail at 0.736.
    - Lead times for line materials looks good and prices are holding but vendors are referencing tariff and the potential for price increases.

Respectfully submitted,

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

2023-2025 Strategic Plan Updates					2023			2024				2025				last period changes	
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.					Feb	July	Oct	Jan	Apr	July	Oct	Jan	Apr	July	Oct		
1	Demonstrate leadership in employee and public safety.					42	67	75	77	82	82	84	87	88	89	0	1
A	Continuously review options for safety improvement.				CT	52	75	83	92	100	100	100	100	100	100		0
	1 KEC On-Site Regulatory Report 2022				CT	75	100	100	100	100	100	100	100	100	100		0
	2 KEC On-Site Regulatory Report 2023				CT	0	25	50	75	99	99	100	100	100	100		0
	3 RESAP/Supervisor Self-Assessment 2022				CT	80	100	100	100	100	100	100	100	100	100		0
B	Explore improved field communication technology.				CT	23	65	85	85	88	88	88	94	96	97		1
	1 Antennae installation at both towers.				CT	82	99	100	100	100	100	100	100	100	100		0
	2 Sonic Walls installed.				CB	0	99	99	100	100	100	100	100	100	100		0
	3 Radios installed and training completed.				CT	0	50	100	100	100	100	100	100	100	100		0
	4 Evaluate area coverage.				CT	10	10	40	40	50	50	50	75	85	87		2
C	Develop improved record keeping.				CT	60	63	65	67	73	73	77	81	81	81		0
	1 SafetyAmp electronic safety inspection forms				CT	65	69	75	80	80	80	87	97	98	98		0
	2 SDS Program - review and explore digital options				CT	75	80	80	80	100	100	100	100	100	100		0
	3 OSHA SHARP Program Recommendations				CT	40	40	40	40	40	40	45	45	45	45		0
D	Safety Program Continuous Improvement				CT	33	65	65	67	67	68	72	74	75	77		2
	1 Safety Demo Trailer.				CT	40	95	95	96	96	96	99	100	100	100		0
	2 Evaluate process for data anyltics review.				CT	25	35	35	37	38	40	45	47	50	51		1
2	Identify, assess, and mitigate cyber security risks.					17	31	36	50	55	59	59	72	78	78		0
A	Research and implement cybersecurity mitigation strategies.					19	67	79	80	86	88	91	91	94	94		0
	1 Domain/GIS Server Security upgrades				CB	50	85	95	98	100	100	100	100	100	100		0
	2 Veeam Backup				CB	95	100	100	100	100	100	100	100	100	100		0
	3 Domain Server Replacement Backup				CB	0	90	100	100	100	100	100	100	100	100		0
	4 NRECA Cyber Goals Program				CB	0	35	35	35	50	50	50	50	70	70		0
	5 MicroSoft Email Impersonations, Employee Email Account Reviews, and Security Permissions Reviewed				CB	0	100	100	100	100	100	100	100	100	100		0
	6 Insight VM - Vulnerability Management Transition				CB	0	100	100	100	100	100	100	100	100	100		0
	7 Federated Insurance Wire Transfer Procedure				RM	0	20	100	100	100	100	100	100	100	100		0
	8 Identity an Access Management (2-stage or DUO-type) system				CB	5	5	5	5	35	55	75	80	85	85		0
B	Identify and make necessary investments in hardware, software, and facilities.				CB	30	35	35	50	65	75	75	67	73	73		0

2023-2025 Strategic Plan Updates					2023			2024				2025				last period changes
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.					Feb	July	Oct	Jan	Apr	July	Oct	Jan	Apr	July	Oct	
C	Establish a cybersecurity training and awareness regimen for employees and members.	CB	20	35	45	100	100	100	100	100	100	100	100	100		0
D	Develop a comprehensive policy.	RM	10	15	15	15	15	15	15	20	20	25				0
E	Conduct an advanced audit.	CB	5	5	5	5	10	15	15	80	100	100				0
3	Evaluate advanced rate options for the future.		5	9	18	36	93	100	100	100	100	100	100	0		0
A	Analyze formulary rate structure.		2	3	5	38	100	100	100	100	100	100	100			0
	1 Identify metric to use	RM	4	5	10	50	100	100	100	100	100	100	100			0
	2 Identify level	RM	0	0	0	25	100	100	100	100	100	100	100			0
B	Develop 3-part rate options.		7	15	30	35	85	100	100	100	100	100	100			0
	1 Assure MDM system is gathering / collecting data.	NB	14	20	20	30	70	85	100	100	100	100	100			0
	2 Evaluate 2024 Sunflower bifurcated rate structure.	RM	0	10	40	40	100	100	100	100	100	100	100			0
4	Develop a comprehensive succession plan for the Board, CEO, and staff.		31	53	71	83	87	88	89	95	97	98	0			1
A	Develop job descriptions, education options for employees.		16	55	77	93	94	94	94	100	100	100				0
	1 Review and update all employee job descriptions	RM	10	90	100	100	100	100	100	100	100	100				0
	2 Implement Leadership training for all supervisors	RM	0	15	100	100	100	100	100	100	100	100				0
	3 Implement Myers-Briggs and Emotional Intelligence training for all employees.	DK	0	100	100	100	100	100	100	100	100	100				0
	4 Consolidate all training records with HR	DK	0	100	100	100	100	100	100	100	100	100				0
	5 Substation Technician Apprenticeship program	CT	0	15	50	50	50	50	50	100	100	100				0
	6 Cooper Regulator Training Program	BM	0	0	20	100	100	100	100	100	100	100				0
	7 Lineman Apprenticeship Program	CT	65	75	100	100	100	100	100	100	100	100				0
	8 Staking Certification Program	DH	67	100	100	100	100	100	100	100	100	100				0
	9 SHRM HR Certification program	DK	0	0	25	85	100	100	100	100	100	100				0
B	Develop emergency, interim, and long-term plans for CEO and staff.	RM	58	60	60	83	88	93	95	95	98	100				2
	1 CEO Plan	RM	100	100	100	100	100	100	100	100	100	100				0
	2 Staff Plan	RM	15	20	20	65	75	85	90	90	95	100				5
C	Evaluate appropriate human resource needs for the cooperative.	RM	22	33	68	73	82	83	83	88	92	92				0
	1 Review and update all work flow processes for efficiency.	all	15	25	40	40	45	50	50	65	75	75				0
	2 Review employee benefits package and options	DK	10	15	80	80	100	100	100	100	100	100				0

2023-2025 Strategic Plan Updates			2023			2024				2025				last period changes	
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.			Feb	July	Oct	Jan	Apr	July	Oct	Jan	Apr	July	Oct		
3    Review potential retirement impacts			RM	40	60	85	100	100	100	100	100	100	100	0	
D	Evaluate board nomination process, term options and election process as appropriate.		AMJ	30	65	78	83	83	83	83	95	100	100	0	
1    Implementation of electronic voting process			AMJ	20	95	100	100	100	100	100	100	100	100	0	
2    Board candidate application process			RM	70	100	100	100	100	100	100	100	100	100	0	
3    Research Board term options			RM	0	0	35	50	50	50	50	85	100	100	0	
5	Enhance operational excellence by implementing appropriate technology options and processes.			12	35	45	58	64	69	77	80	83	84	0	1
A	Evaluate and implement processes for data analytics for decision making.			21	53	73	87	92	94	94	95	95	95		0
1    Mobile Radio Firewalls			CB	25	100	100	100	100	100	100	100	100	100		0
2    Mosaic - GM Dashboard			CB	50	50	50	50	75	75	50	50	50	50		0
3    AppSuite cause codes review			CB	100	100	100	100	100	100	100	100	100	100		0
4    Work Management Suite			CB	5	50	98	98	100	100	100	100	100	100		0
5    HR iVue Connect			CB	5	60	98	98	100	100	100	100	100	100		0
6    AppSuite Document Vault			CB	5	25	40	100	100	100	100	100	100	100		0
7    ASP Trustgrid			CB	5	10	15	100	100	100	100	100	100	100		0
8    InTunes - MSoft mobile mgmt and device security			CB	0	0	95	98	100	100	100	100	100	100		0
9    Employee review / evaluation program			DK	0	40	40	40	50	65	90	98	100	100		0
10   Review data anyltics/forecasting for Wage/Salary tables			DK	10	90	90	90	90	95	95	100	100	100		0
B	Analyze options for AMI utilization in the future.			8	17	17	37	42	53	67	68	73	78		5
1    Connecting primary fiber to most collectors.			DH	0	0	0	10	15	25	35	37	40	65		25
2    Establish an annual meter (%) exchange program.			DH	0	10	10	10	10	25	50	55	65	65		0
3    Utilizing our distributed automation system.			DH	20	25	25	25	25	25	50	50	60	60		0
4    Better synchronization between AMI and MDM.			DH	20	40	40	40	60	90	100	100	100	100		0
5    Replacing all collectors nearing life end.			DH	0	10	10	100	100	100	100	100	100	100		0
C	Develop analysis and options around emerging technologies such as DER and Electric Vehicles.			9	36	46	49	58	60	70	76	80	80		0
1    Review Tariff for Line Extension gaps.			RM	15	80	100	100	100	100	100	100	100	100		0
2    Analyze MDM system for ability to "mine" demand information.			NB	0	20	20	30	60	70	100	100	100	100		0
3    Explore EV charging and DER installation options.			SB	10	20	35	35	40	40	45	70	85	85		0
4    Explore Generac PowerCell technology and training			SB	10	25	30	30	30	30	35	35	35	35		0

2023-2025 Strategic Plan Updates	2023			2024				2025				last period changes
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.	Feb	July	Oct	Jan	Apr	July	Oct	Jan	Apr	July	Oct	
Overall completion rate (%)	21	39	49	61	76	80	82	87	89	90	0	1.0

# Lane-Scott Electric Cooperative, Inc. Expense Report

Employee Richard McLeon

Purpose of Trip Sunflower Board of Directors meeting - Hays

## Section 1

DATE		Sun __ / __	Mon __ / __	Tues __ / __	Wed 16-Jul	Thurs __ / __	Fri __ / __	Sat __ / __	TOTAL
Mile./Personal Veh.					202				
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	\$141.40	\$0.00	\$0.00	\$0.00	\$141.40
									0
									0
Gas/Oil	Co.								0.00
	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.								0.00
	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		\$0.00	\$0.00	\$0.00	\$141.40	\$0.00	\$0.00	\$0.00	\$141.40

## Section 2

Reimbursement Summary

Total Expense from Section 1

Less: Company Credit Card

Less: Other

Less: Other

Net due to Employee

\$141.40
0.00
0.00
0.00
\$141.40

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

GM / CEO

Date

7/18/2025

## Section 3

Expense Allocation

Acct. #	Amount
Total	

note: Unit 105 used for Annual Meeting.

Presented to LSEC Board of Trustees: 7/28/2025



# Lane-Scott Electric Cooperative, Inc. Expense Report

Employee Richard McLeon

Purpose of Trip	Rotary Club Meeting, City Hall meeting- Ness City
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## Section 1

DATE		Sun	Mon	Tues	Wed	Thurs	Fri	Sat	TOTAL
		___ / ___	___ / ___	22-Jul	___ / ___	___ / ___	___ / ___	___ / ___	
Mile./Personal Veh.				67					
Mileage Rate		0.700	0.700	0.700	0.700	0.700	0.700	0.700	
Total Mileage Exp.		\$0.00	\$0.00	\$46.90	\$0.00	\$0.00	\$0.00	\$0.00	\$46.90
									0
Gas/Oil	Co.								0.00
	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.								0.00
	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		\$0.00	\$0.00	\$46.90	\$0.00	\$0.00	\$0.00	\$0.00	\$46.90

## Section 2

Reimbursement	Total Expense from Section 1
Summary	Less: Company Credit Card
	Less: Other
	Less: Other
	Net due to Employee

\$46.90
0.00
0.00
0.00
\$46.90

### Section 3

pd

## Expense Allocation

Acct. #	Amount
Total	

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

GM / CEO

Date

7/28/2025

Presented to LSEC Board of Trustees: 6/23/2025

employee: Richard McLeon  
occasion: KEC Summer Meeting - Overland Park, KS

**Per Diem only**

date	locations	amount
2-Aug	travel day	\$ 60.00
3-Aug	KEC Committee Meeting	80.00
4-Aug	KEC Meeting and travel day	60.00

Total Per Diem: **\$ 200.00**

*prepared by:* Richard McLeon *date* 7/28/2025

*submitted:* Submitted to the LSEC Board of Trustees 7/25/2025

*signature:* \_\_\_\_\_

Office Use

*check number:* \_\_\_\_\_

*issued to employee:* \_\_\_\_\_

# FY 2025 per diem rates for Kansas

## Meals and incidental expenses (M&IE) rates and breakdown

Primary destination	County	M&IE total	Breakfast	Lunch	Dinner	Incidental expenses	First and lastday of travel
Standard Rate	Applies for all locations without specified rates	\$68	\$16	\$19	\$28	\$5	\$51.00
Kansas City / Overland Park	Wyandotte / Johnson / Leavenworth	\$80	\$20	\$22	\$33	\$5	\$60.00

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  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KS0042
	PERIOD ENDED June 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)*

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

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

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	8,872,015	9,429,045	9,446,806	1,586,478
2. Power Production Expense				
3. Cost of Purchased Power	5,061,144	4,692,181	5,281,701	930,762
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	580,898	572,629	575,682	145,292
7. Distribution Expense - Maintenance	682,748	567,908	649,708	106,697
8. Customer Accounts Expense	129,136	125,168	142,923	19,727
9. Customer Service and Informational Expense	36,750	43,128	37,744	10,236
10. Sales Expense	43,168	46,600	50,215	8,001
11. Administrative and General Expense	912,945	962,006	992,087	148,571
12. Total Operation & Maintenance Expense (2 thru 11)	7,446,789	7,009,620	7,730,060	1,369,286
13. Depreciation and Amortization Expense	1,012,451	1,034,508	1,050,464	172,577
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	582,770	559,796	539,136	93,052
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	2,670	3,864	2,650	671
19. Other Deductions	10,170	10,672	12,000	815
20. Total Cost of Electric Service (12 thru 19)	9,054,850	8,618,460	9,334,310	1,636,401
21. Patronage Capital & Operating Margins (1 minus 20)	(182,835)	810,585	112,496	(49,923)
22. Non Operating Margins - Interest	189,265	126,561	185,999	21,698
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	60,391	(14,005)	70,366	(1,270)
26. Generation and Transmission Capital Credits	(11,980)	232,170		
27. Other Capital Credits and Patronage Dividends	10,849	25,696	20,000	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	65,690	1,181,007	388,861	(29,495)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION  KS0042		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED  June 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	27	19	5. Miles Transmission		
2. Services Retired	15	3	6. Miles Distribution – Overhead	2,038.10	2,030.02
3. Total Services in Place	6,058	6,080	7. Miles Distribution - Underground	8.73	9.17
4. Idle Services (Exclude Seasonals)	317	368	8. Total Miles Energized (5 + 6 + 7)	2,046.83	2,039.19
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	65,188,619		30. Memberships	0	
2. Construction Work in Progress	783,239		31. Patronage Capital	24,215,944	
3. Total Utility Plant (1 + 2)	65,971,858		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	24,029,272		33. Operating Margins - Current Year	810,584	
5. Net Utility Plant (3 - 4)	41,942,586		34. Non-Operating Margins	2,750,939	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	268,835	
7. Investments in Subsidiary Companies	252,175		36. Total Margins & Equities (30 thru 35)	28,046,302	
8. Invest. in Assoc. Org. - Patronage Capital	12,667,398		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	28,860,908	
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)	4,116,075	
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)	13,592,493		43. Total Long-Term Debt (37 thru 41 - 42)	32,976,983	
15. Cash - General Funds	139,627		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	6,471,487		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,334,260	
20. Accounts Receivable - Sales of Energy (Net)	1,487,446		49. Consumers Deposits	187,295	
21. Accounts Receivable - Other (Net)	248,020				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,726,580	
23. Materials and Supplies - Electric & Other	859,043		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	90,896		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	56,048		53. Other Current and Accrued Liabilities	640,015	
26. Total Current and Accrued Assets (15 thru 25)	9,352,692		54. Total Current & Accrued Liabilities (47 thru 53)	3,888,150	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	191,392		56. Other Deferred Credits	167,728	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,079,163		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,079,163	

## Formulas - 12-month rolling average

Jun-25

RUS = 7 CFR § 1710.114

### Equity - % of Assets

Margin + Equities - C36	27,272,015
Total Assets - C29	65,180,330

### Distribution Equity

Margin + Equities - C36	27,272,015
Total Assets - C29	65,180,330
Patronage Capital - C8	12,550,851

### Equity - % of Capitalization

Current Equity - C36	27,272,015
Current LT Debt - C43	34,116,453

### Current Ratio

TI. C & A Assets - C26	9,473,569
TI C & A Liabilities - C54	3,463,863

### General Funds Level

Non Utility Property - C6	-
Invest in Assoc, Other GF - C9	445,461
Other Invest. - C12	5,501
Special Funds - C13	-
Cash Gen. Funds - C15	267,197
Temporary Investments - C18	6,627,237
Prepayments Unapplied - C42	-
Total Utility Plant - C3	65,147,042

### Cash to Debt

Cash Gen. Funds - C15	267,197
Temporary Investments - C18	6,627,237
CFC CTC's - Stat Report	221,958
Current LT Debt - C43	34,116,453

## Financial Reporting Ratios

### TIER

RUS = 1.25

3.29

Net Income - A29	216,991
Interest on LT Debt- A16	94,561

### DSC

RUS = 1.25

1.98

Depreciation - A13	314,560
Interest on LT Debt- A16	94,561
Pat. Cap. or Margins - A29	216,991
Prin. & Int. Pymts - N, d Total	315,547

### MDSC

CFC - 1.35

2.01

Depreciation - A13	314,560
Interest on LT Debt- A16	94,561
Operating Income - A21	122,781
Non-Op Margins - Int - A22*	25,272
Patronage Capital - C8	12,550,851
Pat Cap Cash Calc	75,641
Prin. & Int. Pymts - N, d Total	315,547

### Operating TIER

RUS - 1.1

2.30

Operating Income - A21	122,781
Interest on LT Debt- A16	94,561

### Operating DSC

RUS = 1.1

1.93

Operating Income - A21	122,781
Depreciation - A13	314,560
Interest on LT Debt- A16	94,561
Patron. Refund from G&T, other - A26+A27	71,936
	3,704
Prin. & Int. Pymts - N, d Total	315,547

Interest on LT Debt- A16	94,561
LT Debt - other - C40	4,268,969
sum A16+C40	4,363,530

# Operations Report June 2025

- **Maintenance**

Refused transformers and side taps.  
Worked locate tickets system wide.  
Fixed lights system wide.  
Retired connects for J&J Fuel Service, Berexco, Grand Mesa Operating, and Rex Grumbein.  
Fixed a broken jumper at Matt Doll's.  
Changed out a bad breaker at Kent Borell's.  
Changed out bad transformers at Kirk Well's and the York lease.  
Changed out bad meters.  
Adjusted voltage settings on the north Healy, and Norton circuits.  
Replaced 2 crossarms by Bazine.  
Fixed secondary at Allen Schuler's, Galen Ludlow's, and the McCarty Dairy.  
Replaced meter loops for Matt Overlease and Pickrell Drilling.  
Yearly OCR change outs.  
Monthly sub checks. Assisted Sunflower with the installation of a new annunciator in the Alexander substation.

- **Pole Change Outs**

Changed out 4, 34.5 poles in Ness City.  
Changed out 2, single-phase poles on the Patchen tap for clearance improvements.  
Changed out 1, 3-phase pole that was hit by a member in Finney Co.  
Changed out 1, 3-phase pole in Utica.  
Changed out 1, 3-phase pole in Alexander.

- **New Connects and Construction**

Built a new connect for L&M Contractors LLC, for the bridge construction on Hwy 156, in Finney Co.  
Framed and set the first 2 miles of the Beeler OneOK project.  
Heavied up transformers and meter loop for Lane Co Feeders irrigation.  
Installed primary underground and set a pad mount transformer for Brian Mishler's new house.

- **Engineering**

Worked on staking sheets, cost estimates, and GPS locations for the FEMA storm DR 4869, March 19<sup>th</sup> blizzard in Ness Co.  
Filed easements in Scott Co.  
Inspected J box locations at the new Scott Park substation.  
Worked with Scott and Jocelyn on new CIAC pricing.  
Worked with Golden Belt and S&T on getting fiber to all our collector sites.  
Staked in pole change outs in Scott Co.  
Worked on meters and collectors in Command Center.  
Made existing project as built in the mapping system.  
Mowed and inspected the tower south of Dighton.  
Met with Summit Utilities & Finnley Engineering on the Shallow Water project. Summit Utilities have decided the cost of getting power to the site is out of their budget and are no longer moving forward with the project.

# Substation NCP and CP from Sunflower Determinants

NCP KW			2025												NCP % capacity (kW/kVa)
Substation	Recorder ID	Substation capacity (kVa)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Beeler	SF02 BEELER	28000	7,107	6,593	6,114	6,502	6,795	7,273							26.0%
Dighton 14400	SF02 DIGH14400	28000	5,287	5,288	6,969	4,798	4,864	5,578							24.9%
Dighton 7200	SF02 DIGHT7200	22400	2,641	2,615	2,483	2,665	2,484	3,907							17.4%
Manning	SF02 MANNING	25000	5,303	5,596	4,898	5,729	4,595	6,137							24.5%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-							0.0%
LS Seaboard	SF02 SEABOARD	billing	297	308	231	217	230	619							
Twin Springs 14000	SF02 TSPRGS14	11300	311	337	247	225	242	338							3.0%
Twin Springs 7200	SF02 TSPRGS72	11300	137	148	243	273	278	304							2.7%
Dighton WAPA	SFWP DIGHTON	billing	154	137	135	153	152	183							
Dighton - West	SF02 DIGHTCTYW	1500	444	420	371	407	501	862							57.5%
Dighton - North	SF02 DIGHTCTYN	1500	472	483	406	359	473	645							43.0%
Dighton - South	SF02 DIGHTCTYS	1500	579	597	436	517	587	1,015							67.7%
City of Dighton	SFS2 DIGHCTY	billing	1,272	1,331	1,003	1,112	1,434	2,360							
Alexander 115 Sub	MK02 ALEXAN	20000	1,523	1,560	1,235	1,279	1,408	3,983							19.9%
Ness City 115 Sub	MK02 NESS115	20000	3,485	3,668	3,032	3,042	3,568	5,026							25.1%
LSEC Billing NCP			time	10:00	10:00	13:00	14:00	14:00	18:00						
			date	1/20	2/12	3/12	4/15	5/13	6/29						
Non-Coincidental Peak			178000	29,012	29,081	27,803	27,278	27,611	38,230	0	0	0	0	0	21.5%
last year:				32,635	30,473	29,796	30,069	29,048	38,629	42,602	38,484	29,491	27,968	29,006	74,218

CP KW			2025												CP % capacity (kW/kVa)
Substation	Recorder ID	Substation capacity (kVa)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Beeler	SF02 BEELER	28000	6,502	4,348	5,263	5,149	5,678	6,605							23.6%
Dighton 14400	SF02 DIGH14400	28000	4,719	5,169	4,832	4,723	4,226	4,383							18.5%
Dighton 7200	SF02 DIGHT7200	22400	2,447	2,609	1,956	2,458	2,352	3,045							13.6%
Manning	SF02 MANNING	25000	4,208	4,061	3,960	4,671	4,036	6,136							24.5%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-							0.0%
LS Seaboard	SF02 SEABOARD	billing	261	302	179	180	184	593							
Twin Springs 14000	SF02 TSPRGS14	11300	262	309	160	214	202	308							2.7%
Twin Springs 7200	SF02 TSPRGS72	11300	130	142	223	213	256	301							2.7%
Alexander 115 Sub	MK02 ALEXAN	20000	1,492	1,517	1,078	1,271	1,362	2,018							10.1%
Ness City 115 Sub	MK02 NESS115	20000	3,385	3,668	2,352	3,042	3,568	5,008							25.0%
Sunflower System CP			time	11:00	13:00	16:00	16:00	16:00	16:00						
			date	1/20	2/18	3/27	4/17	5/14	6/20						
Sum of CP			173500	23,406	22,125	20,003	21,921	21,864	28,397	0	0	0	0	0	16.4%
last year:				20,622	23,185	22,520	21,720	20,103	31,021	31,921	27,610	24,749	23,046	22,411	22,818

City of Dighton NCP			2025												NCP % capacity (kW/kVa)
Substation	Recorder ID	Substation capacity (kVa)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Dighton WAPA	SFWP DIGHTON	billing	154	137	135	153	152	183	-	-	-	-	152	-	
Dighton - West	SF02 DIGHTCTYW	1500	444	420	371	407	501	862	-	-	-	-	-	-	57.5%
Dighton - North	SF02 DIGHTCTYN	1500	472	483	406	359	473	645	-	-	-	-	-	-	43.0%
Dighton - South	SF02 DIGHTCTYS	1500	579	597	436	517	587	1,015	-	-	-	-	-	-	67.7%
City of Dighton	SFS2 DIGHCTY	billing	1,272	1,331	1,003	1,112	1,434	2,360	-	-	-	-	-	-	
Non-Coincidental Peak			4500	1,495	1,500	1,213	1,283	1,561	2,522	0	0	0	0	0	56.0%
last year:				2,323	2,411	1,198	1,354	1,611	2,724	2,916	2,793	1,956	1,194	1,337	1,330

Sunflower Billing Summary			capacity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
City of Dighton @ 2% Subtract from WHM			CPKW	1,314	1,448	962	1,142	1,525	2,375						
Demand 1			CPKW	22,092	20,677	19,041	20,779	20,339	26,022	0	0	0	0	0	0
Demand 2			NCP	178000	23,239	22,680	21,148	20,945	20,793	28,770					
Energy purchased				14,687,589	12,883,539	12,881,661	12,787,324	12,366,045	13,963,172						



**2025**

**Maintenance Inspection Log** - to be completed monthly and copy submitted to Richard 2 weeks before the monthly Board meeting.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>1 Overhead lines</b>												
<i>number/miles</i>	5,430	4,816	5,681	4,367	3,914	5,497						
<i>cost</i>	\$58,189.00	\$55,688.00	\$47,641.00	\$38,439.00	\$43,364.00	\$42,751.00						
<b>2 Underground lines</b>												
<i>number/miles</i>	125	125	563	530	445	215						
<i>cost</i>	\$2,264.00	\$2,513.00	\$5,055.00	\$4,412.00	\$4,259.00	\$2,328.00						
<b>3 Poles</b>												
<i>number inspected</i>	0	0	0	0	0	0						
<i>cost</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
<b>4 Right-of-way</b>												
<i>miles inspected</i>	331	10	0	0	230	20						
<i>cost</i>	\$4,301.00	\$738.00	0.00	\$0.00	\$2,556.00	\$519.00						
<b>5 Substations</b>												
<i>number inspected</i>	15	15	15	15	15	15	15	15	15	15	15	15
<i>which ones?</i>	All	All	All	All	All	All	All	All	All	All	All	All
<i>cost</i>	\$5,760.00	\$7,544.00	\$3,262.00	\$4,660.00	\$1,890.00	\$6,642.00						
<b>6 DG Interconnections</b>												
<i>number inspected</i>	0	0	5	3	0	6						
<i>cost</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
<b>7 CT:PT Metering</b>												
<i>number inspected</i>	0	0	0	90%	100%	0						
<i>cost</i>	\$0.00	\$0.00	\$0.00	\$11,796.00	\$10,080.00	\$0.00						
<b>8 Line Clearances</b>												
<i>miles inspected</i>	0	96	0	0	50	340						
<i>cost</i>	\$0.00	\$1,727.00	\$0.00	\$0.00	\$253.00	\$3,387.00						

## CYBERSECURITY & INFORMATION TECHNOLOGY

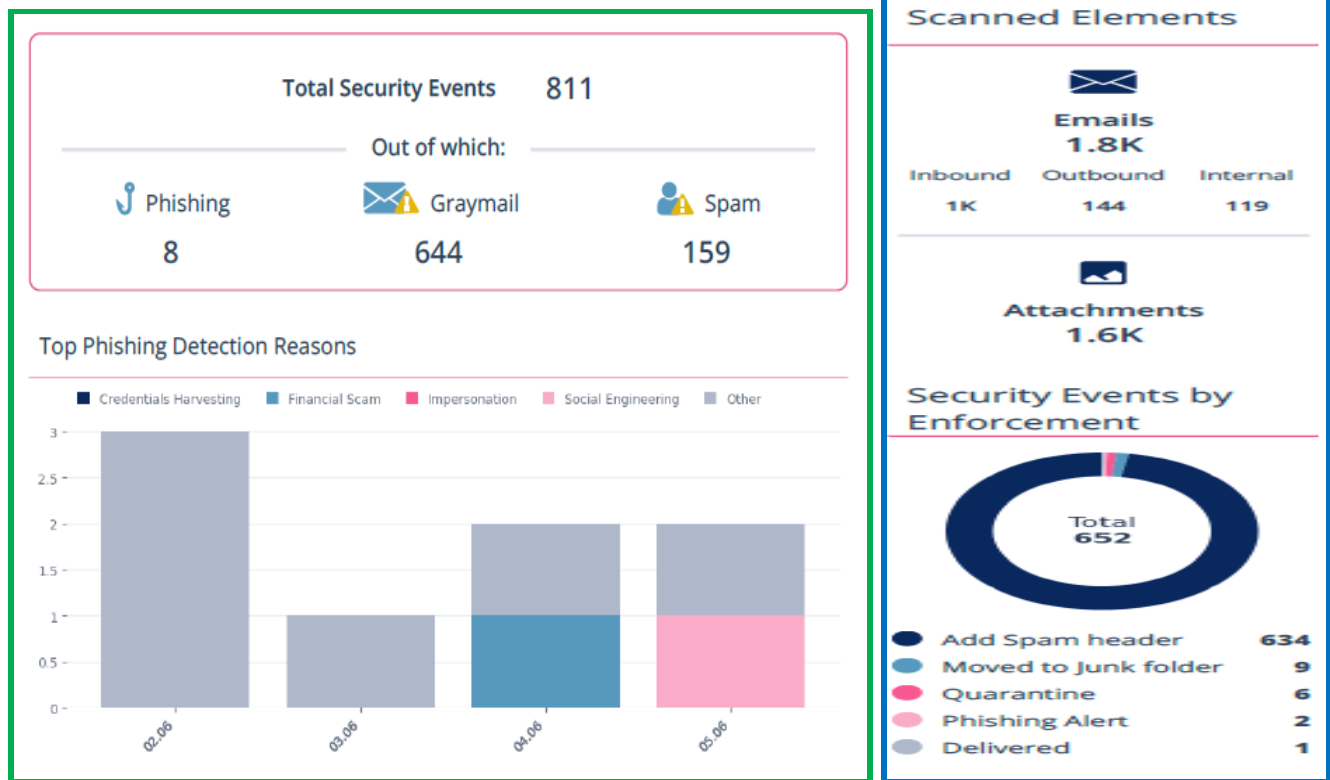
### EXECUTIVE SUMMARY

- Cybersecurity reporting on the types of emails and time of attacks helps IT to provide appropriate training and awareness information to users to help them manage their emails securely and protect the company network.
- Summer intern is assisting to finalize the networking and equipment transitioning. Then the network mapping and retention program can be completed for efficient maintenance and monitoring capabilities.

### Cybersecurity

Email Security Check Up Report - Month: June 2025

Emails are a common target for cybercriminals. Users can be exploited by phishing attacks, malware, and data breaches. Implementing strong email security measures help to mitigate this risk. Monitoring emails is a proactive approach to identify risk and improve the cybersecurity program.



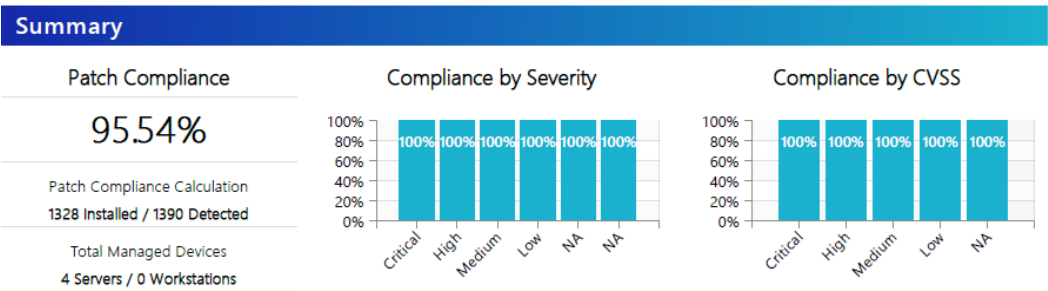
#### Top 3 Phishing Strike Times

The system has detected a high volume of phishing attacks during these times. Please increase your email security practices to combat phishing attacks.



Information Technology

- Patching Report – Month: June 2025  
Security patches and updates fix vulnerabilities and software bugs to enhance protection against cyber threats and unauthorized access while ensuring systems run securely and efficiently, reducing risk of data breaches and other security incidents.



- Finalizing networking migration to the current server room.
- Server Room Restructure, Asset Inventory, and Device Retention
- Miscellaneous User Technical Assistance

## July Board Meeting – Communication & Member Service Board Report

1. Continuing Annual Meeting preparations.
2. Going through website, cleaning up and updating.
3. KEC Membership Directory.
4. Monthly KCL, social media posts, website updates, new member e-mail series, newsletter e-blast, chamber communications, sponsorship/donation requests, communication plan updates, spending report.

## **July Board Meeting – Human Resources Report-June Duties**

1. Old Settlers Parade and helped and Safety Demonstration in Ness for Old Settlers
2. Annual No Time Lost Award information to KEC
3. CFC Fleet Card-Fuel cards
4. Covered Billing Department while Cindy on vacation-Budget Billing, Service Agreements and new customer accounts, disconnects and notices, and ACH file for Bank.

### **Other Job Duties:**

1. Completed the end of month Labor Distribution Report
2. Completed & Submitted Sales and Use Tax
3. Completed and submitted the Compliance One and No Time Lost reports.
4. Normal monthly duties, employee assistance, customer service, payroll, FLSA reports, payroll taxes, 401(k) distributions, Health Insurance, Group Insurance, and RS distributions.
5. Scheduled trainings and reservations for employees and directors.
6. Sent out electronic evaluations to employees with an anniversary hire date in July and their supervisors.
7. Organized Holcomb plant tour for employees
8. Attended KECHIT meeting in Hays regarding BCBS updates and changes
9. Scheduled Emotional Intelligence Seminar in July for all employees

## **June Warehouse Report**

### **Total Inventory Dollars on Hand for June:**

Line Material--\$591,983

Inventory Turns—0.859

Resale Material--\$195,375

Inventory Turns—0.736

### **Generac Update:**

Our Annual Services are starting to ramp up. Over the next few months, we will be completing a majority of those who are signed up. We have two quotes out at this time, with an additional one to be completed. We had a few warranty calls in June as well as some other calls that were out of warranty.

### **Electrician Update:**

The electrical side is staying very steady. Calls continue to come in and we are waiting for some material for a few larger jobs to be completed. Lane County Feeders is looking at several projects of which we will get all the work.

### **Line Material:**

We have not seen a lot of changes on lead times for line material. Things seem to be steady, and I am hopefully optimistic that material will continue to be readily available. We received a load of iron poles in June, refilling our bunks to continue to help harden the system. Prices are holding for now; all vendors keep referencing tariffs and the effect they may have on pricing moving forward.

## 11. b. Cooperative Building Solutions

Dal Hawkinson and Richard McLeon opened discussions with Cooperative Building Solutions (CBS) in May 2024 for building assessment services. We had observed multiple roof leaks (Dighton HQ), broken glass (Ness City), and crumbling mortar (Retail building). We requested an assessment and a building maintenance schedule for all LSEC non-Substation buildings.

CBS completed their assessment in June 2025. Key findings are:

- **Dighton Headquarters**. This is a two-story brick-and-mortar building with multiple additions and renovations. Overall, it remains in good condition relative to its age.
  - **Key Issues and Recommendations:**
    - **Roof:** The roof has surpassed its expected service life, with multiple areas at risk of leaking. Several unused roof penetrations have been capped but still pose a vulnerability.
      - **Recommendation:** Refer to the separate roof assessment report for options and corrective actions.
    - **Exterior Envelope:** Tuckpointing, caulking, and expansion joints have deteriorated throughout the building.
      - **Recommendation:** Perform comprehensive tuckpointing, reseal joints, and replace aging expansion joints.
    - **Structural Settlement:** The north corner and lobby area show signs of foundation settling, which has caused damage to the masonry.
      - **Recommendation:** Mud-jack the affected area and repair resulting masonry issues.
- **Dighton Resale Shop**. A single-story block-and-mortar building in poor condition.
  - **Key Issues and Recommendations:**
    - **Exterior:** Grout joints have fully deteriorated, turning to powder when touched. All exterior trims are wood and display signs of decay.
    - **Paint:** Due to the building's age, lead-based paint may be present.
      - **Recommendation:** Test the exterior paint for lead before any work begins.
    - **Overall Condition:** The scope of necessary repairs is extensive.
      - **Recommendation:** Due to the extent of deterioration, it is advised to evaluate whether continued repair is the most effective long-term option. As part of that evaluation, it may be appropriate to explore the feasibility of replacing the structure with a facility better suited to current operations and potential future needs.
- **Ness City Office**. The subject property includes three single-story buildings and a gravel yard for electrical material, equipment, and pole storage:

- **Office/Garage Building.** The building is generally in serviceable condition. Key Issues and Recommendations:
  - Clearstory Panels: Evidence of water leakage; windows are deteriorated and no longer sealed.
    - Recommendation: Replace clearstory panels.
  - Garage Door & Exterior Trim: Door operates with grinding noises; trim is broken/damaged.
    - Recommendation: Service the garage door (already added to maintenance software) and replace damaged door seals and trim.
  
- **Butler Building.** The structure is functioning well, though it has some age-related concerns.
  - **Key Issues and Recommendations:**
    - **Exterior:** Windows are broken or improperly sealed; gutter is detached.
      - *Recommendation:* If repair costs are justified, replace windows and gutters.
    - **Interior Insulation:** Deteriorating insulation may contain asbestos.
      - *Recommendation:* Have insulation tested for asbestos. Abate if necessary.
  
- **Old Power Plant Truck Building.** This building exhibits extensive signs of aging and deterioration, both externally and internally.
  - **Key Issues and Recommendations:**
    - **Exterior:** The building's exterior masonry shows widespread wear, including areas of missing or damaged tuckpointing, crumbling brickwork, broken windows, and deteriorated seals. Additionally, untreated wood trim on the overhead door shows signs of rot.
    - **Interior:** Interior finishes are aged and may contain lead-based paint. There is evidence of water infiltration around windows, doors, and former penetrations that have been infilled.
      - *Recommendation:* Given the cumulative condition issues and the likely cost of necessary repairs, it may be worthwhile to evaluate the feasibility of replacing this building with a more modern structure that aligns with the cooperative's current and future operational needs. While repair is possible, the investment in a replacement could offer improved long-term value, functionality, and efficiency. Any decision should be based on a careful cost-benefit analysis and the cooperative's strategic goals.



# FACILITY CONDITIONS ASSESSMENT

Property Address: 410 S. High St., Dighton, KS 67839

Date: June 2025



**Lane**  **Scott**  
***Electric Cooperative***

A Touchstone Energy<sup>®</sup> Cooperative 

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**Property Address:** 410 S. High St., Dighton, KS 67839

This commercial property has been well maintained and is in overall good condition for its age. This Executive Summary provides the inspector's professional opinion on significant findings where further action is recommended. These may include safety hazards, deficiencies requiring repair, or conditions that warrant additional attention from the Owner/Client.

It is important to review the entire report, as this summary does not capture all observed conditions or contextual details. All recommendations—including inspections, evaluations, testing, repairs, or replacements—should be carried out by qualified, licensed, and certified professionals. All work must comply with relevant codes, laws, regulations, and manufacturer requirements.

Issues identified in this summary are organized by building and scope of work. As with any visual inspection, some conclusions are based on professional judgment when direct observation is not possible. Only components specifically included in this report were assessed.

Should you wish to proceed with any of the recommendations outlined in this report, we would be pleased to provide a detailed proposal defining the scope of work, implementation approach, and estimated costs. Our team is ready to support you in prioritizing actions, addressing specific concerns, and aligning next steps with your operational objectives, budget, and schedule.

### **Property Overview**

The property consists of the following buildings and facilities:

- 2-Story Main Office Building
- Salt Shed
- Morton Building
- Truck Building
- 3-Sided Building
- Resale Shop
- Gravel yard for electrical materials, equipment, and pole storage

### Main Office Building

This is a two-story brick-and-mortar building with multiple additions and renovations. Overall, it remains in good condition relative to its age.

#### Key Issues and Recommendations:

- **Roof:** The roof has surpassed its expected service life, with multiple areas at risk of leaking. Several unused roof penetrations have been capped but still pose a vulnerability.
    - Refer to the separate roof assessment report for options and corrective actions.
  - **Exterior Envelope:** Tuckpointing, caulking, and expansion joints have deteriorated throughout the building.
    - *Recommendation:* Perform comprehensive tuckpointing, reseal joints, and replace aging expansion joints.
  - **Structural Settlement:** The north corner and lobby area show signs of foundation settling, which has caused damage to the masonry.
    - *Recommendation:* Mud-jack the affected area and repair resulting masonry issues.
- 

### Salt Shed

A single-story metal structure in good condition and functioning as intended.

#### Key Issues and Recommendations:

- **Maintenance Items:** Trim around doors requires painting; garage doors and equipment should be regularly serviced.
    - *Recommendation:* Repaint door trim. Establish a regular maintenance program for garage doors and equipment. (Completed during the facility management program implementation.)
- 

### Morton Building

A single-story metal building in good overall condition.

#### Recommendation:

- Garage doors require service and have been added to the facility management software.
-

### Truck Building

This single-story metal building is also in good condition and suitable for its current use.

#### Recommendation:

- All garage doors and equipment have been added to the facility management program. No additional repairs are recommended at this time.
- 

### 3-Sided Building

A single-story metal building enclosed on three sides.

#### Findings:

- This building is in excellent condition, serving its intended purpose with no repairs currently needed.
- 

### Resale Shop

A single-story block-and-mortar building in poor condition.

#### Key Issues and Recommendations:

- Exterior: Grout joints have fully deteriorated, turning to powder when touched. All exterior trim is wood and displaying signs of decay.
  - Paint: Due to the building's age, lead-based paint may be present.  
➤ *Recommendation:* Test the exterior paint for lead before any work begins.
  - Overall Condition: The scope of necessary repairs is extensive.  
➤ *Recommendation:* Due to the extent of deterioration, it is advised to evaluate whether continued repair is the most effective long-term option. As part of that evaluation, it may be appropriate to explore the feasibility of replacing the structure with a facility better suited to current operations and potential future needs.
- 

### Site Observations

- **Generator and Automatic Transfer Switch (ATS):**  
➤ *Recommendation:* Install protective fencing around the generator and ATS to deter tampering and reduce the risk of injury
- **Concrete Lot:**  
➤ *Recommendation:* Clean and seal the concrete lot every 3 to 5 years to preserve surface integrity and prolong lifespan.

## MAIN BUILDING – GENERATOR AND TRANSFER SWITCH

### Issues:

- Both pieces of equipment are located outside the fenced area and remain unsecured, posing a risk of unauthorized access and potential tampering.
- Without proper safeguards, individuals who attempt to open the equipment may be unaware of the associated hazards, increasing the risk of injury.

### Recommendations:

- Install a secure fence around the equipment to restrict access and mitigate potential safety concerns.
- Alternatively, ensure the equipment cabinets are securely locked to prevent unauthorized handling.



**MAIN BUILDING – PARKING LOT AND CONCRETE****Issues:**

- The parking lot and concrete surfaces are in overall good condition.

**Recommendations:**

- Consider cleaning and sealing to preserve durability and maintain a well-kept appearance.

**MAIN BUILDING – AHU I****Issues:**

- The return plenum is constructed of wood, which poses a risk of mold growth if exposed to moisture.
- Positioned below the evaporator coil, the plenum is vulnerable to water overflow in the event of a clogged condensate pan.
- Mold and mildew accumulation could lead to air quality concerns, potentially impacting employee health.

**Recommendations:**

- Replace the wooden return plenum with a sheet metal alternative to enhance durability and prevent moisture-related issues.





**MAIN BUILDING – 2<sup>ND</sup> FLOOR KITCHENET****Issues:**

- The sink is not draining properly, indicating a potential plumbing blockage.
- The faucet is significantly worn, impacting functionality and usability.

**Recommendations:**

- Repair the plumbing to address the drainage issue, as attempts to resolve it with a liquid clog remover were unsuccessful.
- Replace the faucet to ensure reliable operation and improved water flow.



**MAIN BUILDING-REAR STAIRWELL****Issues:**

- Water is leaking from the roof due to a compromised roof penetration.

**Recommendations:**

- Repair or replace the roof to prevent further water infiltration and structural damage.

**MAIN BUILDING - FRONT STAIRWELL****Issues:**

- Multiple cracks have formed in the walls due to settling.
- Previous repairs have been completed, and the area has been painted over. No additional cracking has occurred since the last repainting.

**Recommendations:**

- Remove the existing patch to ensure a proper surface for repairs.
- Reapply necessary repairs and repaint for a consistent and durable finish



**MAIN BUILDING-ACCOUNTING CLOSET****Issues:**

- A leak appears to be originating from the building fascia, potentially allowing water infiltration into the space.

**Recommendations:**

- Tuckpoint the building fascia and parapet caps to restore structural integrity and prevent further water penetration.

**MAIN BUILDING – BILLING OFFICE LEAK****Issues:**

- Water is leaking from the roof at the point where the canopy bracing is bolted to the building.

**Recommendations:**

- Replace the roof material, this issue is accounted for in the broader roofing assessment.





**MAIN BUILDING – FACIA ALL SIDES****Issues:**

- Multiple areas of the building show deterioration in tuckpointing, expansion joints, and caulking, which may lead to structural vulnerabilities and water infiltration.

**Recommendations:**

- Perform tuckpointing across the entire building to restore integrity and prevent further deterioration.
- Estimated cost may range from \$5.00 - \$25.00 per square foot, depending on the scope and material requirements.



### ALL BUILDINGS

#### Issues:

- Garage doors require servicing to ensure proper functionality and prevent operational issues.

#### Recommendations:

- Garage doors have been included in the facility management program; continue performing routine maintenance to ensure reliability and longevity.



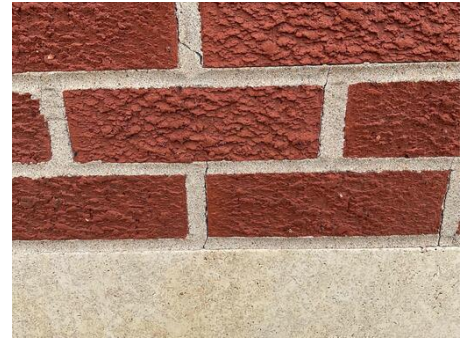


**MAIN BUILDING – SETTLING****Issues:**

- The north corner of the building has settled, resulting in damage to bricks and grout joints.

**Recommendations:**

- Evaluate the feasibility of mud jacking to stabilize the affected corner.
- Remove and replace damaged bricks, then perform tuckpointing to restore structural integrity and appearance.



**MAIN BUILDING- EXTERIOR DOOR MAIN HALLWAY****Issues:**

- Water is leaking around the exterior door, indicating multiple contributing factors.

**Recommendations:**

- Remove and replace the caulk around the door to ensure a proper seal.
- Repair the missing grout around the steel lintel to prevent further water intrusion and maintain structural integrity.
- Consider adding an awning above the door to reduce direct water contact and also protect employees.





**MAIN BUILDING – EXTERIOR DOOR LINEMAN ROOM****Issues:**

- Water is infiltrating around the door, leading to damage to both the building structure and flooring.

**Recommendations:**

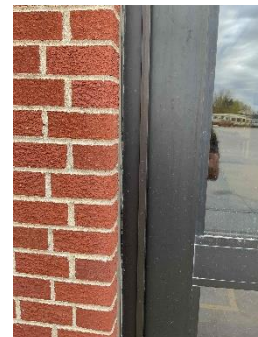
- Remove and replace the caulk around the door to improve the seal and prevent further water intrusion.
- Apply foundation joint sealant where the building meets the concrete to enhance waterproofing and structural integrity.

**MAIN BUILDING – EXTERIOR DOORS****Issues:**

- The caulk around the exterior door has shrunk and detached from either the fascia or door frame, creating a potential water infiltration risk.

**Recommendations:**

- Remove the existing caulk, properly prepare the area, and apply new caulk to ensure a secure and effective seal.





### MAIN BUILDING – MAIN ENTRANCE FLASHING

**Issues:**

- All fasteners on the flashing have backed out, leaving it unsecured and vulnerable to damage and potential water infiltration.

**Recommendations:**

- Reinstall the fasteners to secure the flashing properly and prevent further deterioration or leaks.



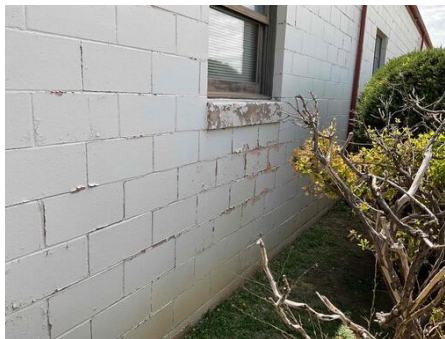
## RESALE BUILDING

**Issues:**

- The grout has deteriorated beyond reasonable repair, crumbling into powder upon scraping.
- The building's paint may contain lead, requiring testing before any work is performed due to potential health risks.

**Recommendations:**

- Due to the advanced deterioration of the grout and the presence of potentially hazardous materials, it may be worth assessing whether continued investment in repairs is practical long term.
- Replacement could be considered if repair costs, and health and safety considerations outweigh the building's value and functionality.



**RESALE BUILDING****Issues:**

- The wooden trim, including flashing and door trim, is showing signs of rot and deterioration.
- Due to the age of the paint, lead testing should be conducted prior to any work being performed to ensure safety.

**Recommendations:**

- If maintaining the building is part of the long-term plan, addressing the deteriorated wood trim may help prevent further damage and maintain overall condition.
- Any work should be preceded by appropriate lead paint testing to ensure safety and compliance with regulations.



As part of the Facility Management Program setup and implementation, key building components and equipment assets were identified, documented, and entered into the facility management software. This includes mechanical systems, electrical panels, overhead doors, roofing components, and other critical infrastructure across all buildings on the site. Each asset was tagged with relevant details such as Asset ID, Asset Name, Location, Manufacturer, Model, Serial Number, and recommended maintenance schedules to support ongoing preventive maintenance and lifecycle planning. This process ensures that the cooperative has a centralized and structured approach to managing facility upkeep and capital planning moving forward.

Asset ID	Description	Group	Category	Manufacturer	Model	Serial #
EEL-01	EMERGENCY EXIT LIGHTS	BUILDING	BUILDING			
GTR-01	GUTTERS	SITE EXT. BLDG.	BUILDING		PSY211SH2	
OHD-01	OVERHEAD DOOR	132 METER SHOP	BUILDING	RAYNOR		1004407
OHD-02	OVERHEAD DOOR	SALT SHED	BUILDING	LIFTMASTER	ATS211R	131-A1-55464
OHD-03	OVERHEAD DOOR	MB-BAY 3	BUILDING	WAYNE DALTON	T3311M	15721 0000000013
OHD-04	OVERHEAD DOOR	MB-BAY 4	BUILDING	WAYNE DALTON	T3311M	15721 0000000014
OHD-05	OVERHEAD DOOR	MB-BAY 5	BUILDING	WAYNE DALTON	T3311M	1686100014
OHD-06	OVERHEAD DOOR	MB-BAY 6	BUILDING	WAYNE DALTON	T3311M	15721 0000000015
OHD-07	OVERHEAD DOOR	TB-BAY 7	BUILDING	RAYNOR	PSY211SH2	1864465
OHD-08	OVERHEAD DOOR	TB-BAY 8	BUILDING	RAYNOR	PSY211SH2	1864465
OHD-09	OVERHEAD DOOR	TB-BAY 9	BUILDING	RAYNOR	PSY211SH2	1864465
OHD-10	OVERHEAD DOOR	TB-BAY 10	BUILDING	RAYNOR	PSY211SH2	1864465
OHD-11	OVERHEAD DOOR	TB-BAY 11	BUILDING	RAYNOR	PSY211SH2	1864465
OHD-12	OVERHEAD DOOR	TB-BAY 12	BUILDING	RAYNOR	PSY211SH2	1864465
OHD-13	OVERHEAD DOOR	TB-BAY 13	BUILDING	RAYNOR	PSY211SH2	1864465
OHD-14	OVERHEAD DOOR	TB-BAY 14	BUILDING	RAYNOR	PSY211SH2	1864469
OHD-15	OVERHEAD DOOR	RS-504	BUILDING	WAYNE DALTON	MT5011	071-A1-36256
OHD-16	OVERHEAD DOOR	RS-506	BUILDING	WAYNE DALTON	CT5011M	101-A1-47123
OHD-17	OVERHEAD DOOR	RS-507	BUILDING	WAYNE DALTON	MT5011	071-A1-36258
OHD-18	OVERHEAD DOOR	RS-507	BUILDING	WAYNE DALTON	MT5011	071-A1-36255
ATS-01	AUTOMATIC TRANSFER SWITCH	SITE/EXT. BLDG	ELECTRICAL	GENERAC	RTSN6000	202112
BP-3S	BRANCH PANEL	3 SIDED BLDG	ELECTRICAL	EATON		
BP-A	BRANCH PANEL	131 MECH.	ELECTRICAL	EATON	PRL1A	
BP-B	BRANCH PANEL	112 CORRIDOR	ELECTRICAL	EATON		

Asset ID	Description	Group	Category	Manufacturer	Model	Serial #
BP-C	BRANCH PANEL	125 STORAGE	ELECTRICAL	CUTLER HAMMER		
BP-D	BRANCH PANEL	125 STORAGE	ELECTRICAL	SQUARE D	NCC26S	
BP-MB	BRANCH PANEL	MORTON BLDG.	ELECTRICAL	CUTLER HAMMER		
BP-RS	BRANCH PANEL	RS-501	ELECTRICAL	CUTLER HAMMER		
BP-RS- TB	BRANCH PANEL	RS-501	ELECTRICAL	CUTLER HAMMER		
BP-S	BRANCH PANEL	TB-BAY 14	ELECTRICAL	EATON	PRL1A	
BP-SS	BRANCH PANEL	SALT SHED	ELECTRICAL	EATON		
GEN-01	GENERATOR	SITE/EXT. BLDG	ELECTRICAL	GENERAC	RG10090GNAC	3012935458
MDP	MAIN DISTRIBUTION PANEL	SITE/EXT. BLDG	ELECTRICAL	EATON	PRL4	
PS-01	POWER SUPPLY	125 STORAGE	ELECTRICAL	HONEYWELL	FCPS-24SA	
AC-01	AIR COMPRESSOR	MORTON BLDG.	EQUIPMENT	INGERSOLL RAND	T10560Y1	T10-20726
AC-02	AIR COMPRESSOR	TB-BAY 14	EQUIPMENT	INGERSOLL RAND	2475	NAR102772203
AC-03	AIR COMPRESSOR	RS-507	EQUIPMENT	CAMPBELL HAUSFELD	VT630501AJ	L6/20/2001-00379
ELEV-01	ELEVATOR EQUIPMENT	121 EQUIP.	EQUIPMENT	OTIS	ABA212410	10121026
GD-01	GARBAGE DISPOSAL	116 BREAKROOM	EQUIPMENT	KITCHENAID	SUPERBA	
GD-02	GARBAGE DISPOSAL	128 LINEMAN RM	EQUIPMENT	KITCHENAID	SUPERBA	
GT- EAST	GATE	SITE/EXT. BLDG	EQUIPMENT	LIFTMASTER	SL585-100-21-G3	4610N9461
GT- WEST	GATE	SITE/EXT. BLDG	EQUIPMENT	LIFTMASTER	SL580-100-11-G	09 13 02 N01S
GT- YARD-N	GATE	SITE/EXT. BLDG	EQUIPMENT	VIKING	H-10	0719-1018-1195
GT- YARD-S	GATE	SITE/EXT. BLDG	EQUIPMENT	VIKING	H-10	0718-10UL-4450
IM-01	ICE MACHINE	125 STORAGE	EQUIPMENT	MANITOWIC	1YT0420W-161	11020570134
PW-01	POWER WASHER	TB-BAY 12	EQUIPMENT	HOTSY	992SS-208	11096240-162148
RANGE- 01	RANGE	128 LINEMAN RM	EQUIPMENT	AMANA	ACR4530BAW0	R41114031
REF-01	REFRIGERATOR	116 BREAKROOM	EQUIPMENT	FRIGIDAIRE	FFHT1826LQO	BA02609220
REF-02	REFRIGERATOR	128 LINEMAN RM	EQUIPMENT	FRIGIDAIRE	FFHT1817LWO	BA02629453
REF-03	REFRIGERATOR	RS-501	EQUIPMENT	WHIRLPOOL	EHT-201ZK	E42618592
FCP-01	FIRE CONTROL PANEL	121 EQUIP.	FIRE PROTECTION	HONEYWELL	NFW2-100	
AHU-01	AIR HANDLING UNIT	208 MECHANICAL	MECHANICAL /HVAC	RUUD	RGRM-04EMAES	HJ5D702F440906687
AHU-02	AIR HANDLING UNIT	124 MECH.	MECHANICAL /HVAC	RUUD	UGRM-06EMAES	HJ05702F290904010
AHU-03	AIR HANDLING UNIT	214 STORAGE	MECHANICAL /HVAC	RUUD	RGRM-09EZAJS	HJ5D701P04100790S
AHU-04	AIR HANDLING UNIT	131 MECH.	MECHANICAL /HVAC	RUUD	RGRM-07BYBGS	HJ5D701F440905536
AHU-05	AIR HANDLING UNIT	208 MECHANICAL	MECHANICAL /HVAC	RUUD	RGRM-07EYBGS	HJ5D701F440905537



Group	Category	Manufacturer	Model	Serial #	Group	Category
AHU-06	AIR HANDLING UNIT	107 MECH.	MECHANICAL /HVAC	RUUD	RGRM-07EYBGS	HJ5D0701F440905531
AHU-07	AIR HANDLING UNIT	111 MECH.	MECHANICAL /HVAC	RHEEM	R92TA0701521MSA	W392217499
AHU-08	AIR HANDLING UNIT	111 MECH.	MECHANICAL /HVAC	RHEEM	R92TA0701521MSA	W372216563
AHU-09	AIR HANDLING UNIT	212 SERVER RM	MECHANICAL /HVAC	PIONEER	WS018GMF122HLE	540F516411326250130152
AHU-10	AIR HANDLING UNIT	RS-507	MECHANICAL /HVAC	CORSAIRE	FGRJ-12ERAJS	EB5D307F440003199
B-01	BOILER	MORTON BLDG.	MECHANICAL /HVAC	PB HEAT, LLC	MI-e-05-SPRK-WPC	5154218-202211
CU-01	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	RUUD	UARL-024JEZ	7230M040904033
CU-02	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	RUUD	UARL-024JEZ	7232W061000420
CU-03	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	RUUD	UARL-060JEZ	7233W220905752
CU-04	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	RUUD	UARL-036JEZ	7231W460900104
CU-05	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	RUUD	UARL-048JEZ	7232W240901239
CU-06	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	RUUD	UARL-048JEZ	7232W240901234
CU-07	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	RHEEM	RA1636AC1NB	W402315616
CU-08	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	RHEEM	RA1636AC1NB	W402315616
CU-09	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	PIONEER	YN018GMFI22RPD	340C299230711280120034
CU-10	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	RHEEM	RAMB-048JAZ	6267F420010097
EF-01	EXHAUST FAN	118 RESTROOM	MECHANICAL /HVAC	TWIN CITY	80L	
EF-02	EXHAUST FAN	119 RESTROOM	MECHANICAL /HVAC	TWIN CITY	80L	
EF-03	EXHAUST FAN	126 RESTROOM	MECHANICAL /HVAC	TWIN CITY	80L	
EF-04	EXHAUST FAN	127 RESTROOM	MECHANICAL /HVAC	TWIN CITY	80L	
EF-05	EXHAUST FAN	129 LOCKERS	MECHANICAL /HVAC	TWIN CITY	80L	
EF-06	EXHAUST FAN	TB-BAY 11	MECHANICAL /HVAC	TWIN CITY	WPB-30L2	A10-000000018256
EF-07	EXHAUST FAN	TB-BAY 13	MECHANICAL /HVAC	TWIN CITY	WPB-E-21E4-28	A10-000000018257
EF-08	EXHAUST FAN	RS-502	MECHANICAL /HVAC	NUTONE	769RL	
GUH-O1	GAS UNIT HEATER	132 METER SHOP	MECHANICAL /HVAC	SOLARONICS	HL85/65N2	ST-10 1724
GUH-O2	GAS UNIT HEATER	TB-BAY 7	MECHANICAL /HVAC	SOLARONICS	HL85/65N2	ST-10 1719
GUH-O3	GAS UNIT HEATER	TB-BAY 9	MECHANICAL /HVAC	SOLARONICS	HL85/65N2	ST-10 1715
GUH-O4	GAS UNIT HEATER	TB-BAY 11	MECHANICAL /HVAC	SOLARONICS	HL85/65N2	ST-10 1716

Asset ID	Description	Group	Category	Manufacturer	Model	Serial #
GUH-05	GAS UNIT HEATER	TB-BAY 13	MECHANICAL /HVAC	SOLARONICS	SS-85-30/40N	St-10- 1740
GUH-06	GAS UNIT HEATER	TB-BAY 14	MECHANICAL /HVAC	STERLING	GSUE-GG045A1MTA11C	L1601477576002001
GUH-07	GAS UNIT HEATER	SALT SHED	MECHANICAL /HVAC	ADV. DIST. PROD.	SEP-100A-6	5618M02966
RP-01	RECIRCULATING PUMP	MORTON BLDG.	MECHANICAL /HVAC	TACO	007-F5-18	
EWB-01	ELECT. WATER HEATER	RS-503	PLUMBING	RHEEM	RTEX-04	202139
EWB-02	ELECT. WATER HEATER	206 WORKROOM	PLUMBING	RHEEM	81VP2S	RH 019200308
WF-01	WATER FILTER	124 MECH.	PLUMBING	AMERICAN PLUMBER	WC34-PRB	
WF-02	WATER FILTER	125 STORAGE	PLUMBING	3M	HF20-S	
WH-01	WATER HEATER	111 MECH.	PLUMBING	LOCHINVAR	LTA030KY	GD13240014
WH-02	WATER HEATER	124 MECH.	PLUMBING	LOCHINVAR	PRN050G	GD13356815
ACP-01	ACCESS CONTROL PANEL	125 STORAGE	SAFETY	S2 SECURITY		
ACP-02	ACCESS CONTROL PANEL	125 STORAGE	SAFETY	S2 SECURITY		
ACP-03	ACCESS CONTROL PANEL	212 SERVER RM	SAFETY	LIFE SAFETY POWER	FP0150-B100C8D8NL4E4M	82143
ACP-04	ACCESS CONTROL PANEL	RS-501	SAFETY	LIFE SAFETY POWER	FP075-B100C4D8E1	83543

# ROOF ASSESSMENT

Property Address: 410 S. High St., Dighton, KS 67839

Date: June 2025



**Lane**  **Scott**  
***Electric Cooperative***

A Touchstone Energy<sup>®</sup> Cooperative 



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**Property Address:** 410 S. High St., Dighton, KS 67839

This roof assessment presents four distinct capital improvement strategies tailored to extend the lifespan, improve weather resilience, and enhance the functional performance of the facility. The existing roofing system shows signs of deterioration that impact energy efficiency, waterproofing reliability, and long-term maintenance costs.

In response, Options A through D were developed to provide a range of interventions—from essential repairs to high-performance systems with architectural enhancements. Each option reflects a different investment level, project duration, and disruption profile, allowing decision-makers to align technical goals with budget constraints and operational priorities.

Key considerations include:

- Structural integrity and reinforcement needs to support new roofing systems
- Drainage and waterproofing upgrades to mitigate water intrusion and ensure compliance with current standards
- Material choices (metal vs. TPO) based on durability, lifecycle, and cost-effectiveness
- Architectural features such as soffit panels and balcony features for added value and user experience
- Construction duration and general conditions, which impact schedule and access to occupied spaces

The report outlines estimated total costs ranging from approximately \$447K to \$1.14M, inclusive of general conditions, risk management, contingency, and contractor fees. These figures are based on preliminary estimates and are subject to refinement as design details and contractor proposals are further developed.

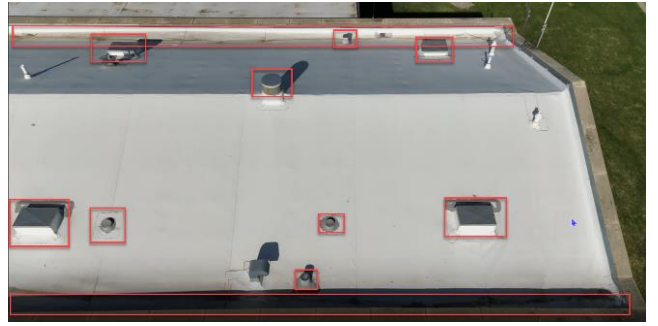
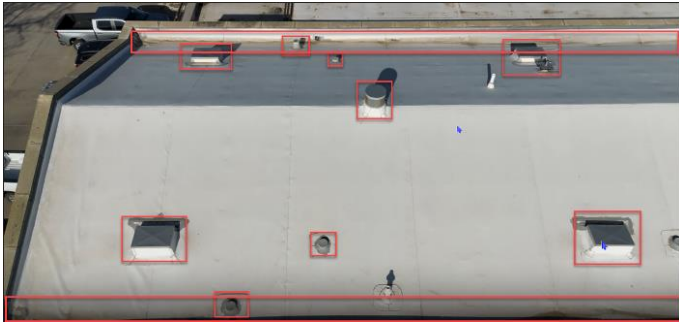
In summary, this assessment supports a data-driven decision process that weighs up-front investment against long-term performance, durability, and risk mitigation. It is recommended that the client evaluate each option in terms of facility use, funding availability, and tolerance for disruption—prioritizing the solution that provides both value and resilience over the coming decades.

## MAIN BUILDING – ROOF ISSUES

The site investigation revealed several existing conditions that compromise the effectiveness and integrity of the current roofing system. Key deficiencies include:

- **Deteriorated Caulking:** In multiple locations, sealants have pulled away from adjacent surfaces, leaving joints exposed and vulnerable to water infiltration. These areas present elevated risk for leaks, particularly during wind-driven rain events.
- **Failed Parapet Cap Grout Joints:** The grout at parapet wall caps has significantly deteriorated, creating pathways for moisture intrusion along vertical transitions. This condition can lead to hidden damage within wall cavities and shorten the life of adjacent materials.
- **Abandoned Roof Penetrations:** Several penetrations, originally used for mechanical or utility equipment, are no longer in service. Without proper capping and sealing, they now represent unnecessary vulnerabilities in the waterproofing envelope.
- **Inadequate Drainage at Valley:** The central valley of the roofing system is undersized and fails to meet best practices for water evacuation. Restricted flow increases the likelihood of water retention, which accelerates membrane fatigue, encourages algae growth, and may lead to ponding or overflow during high-volume rain events.





**Summary:**

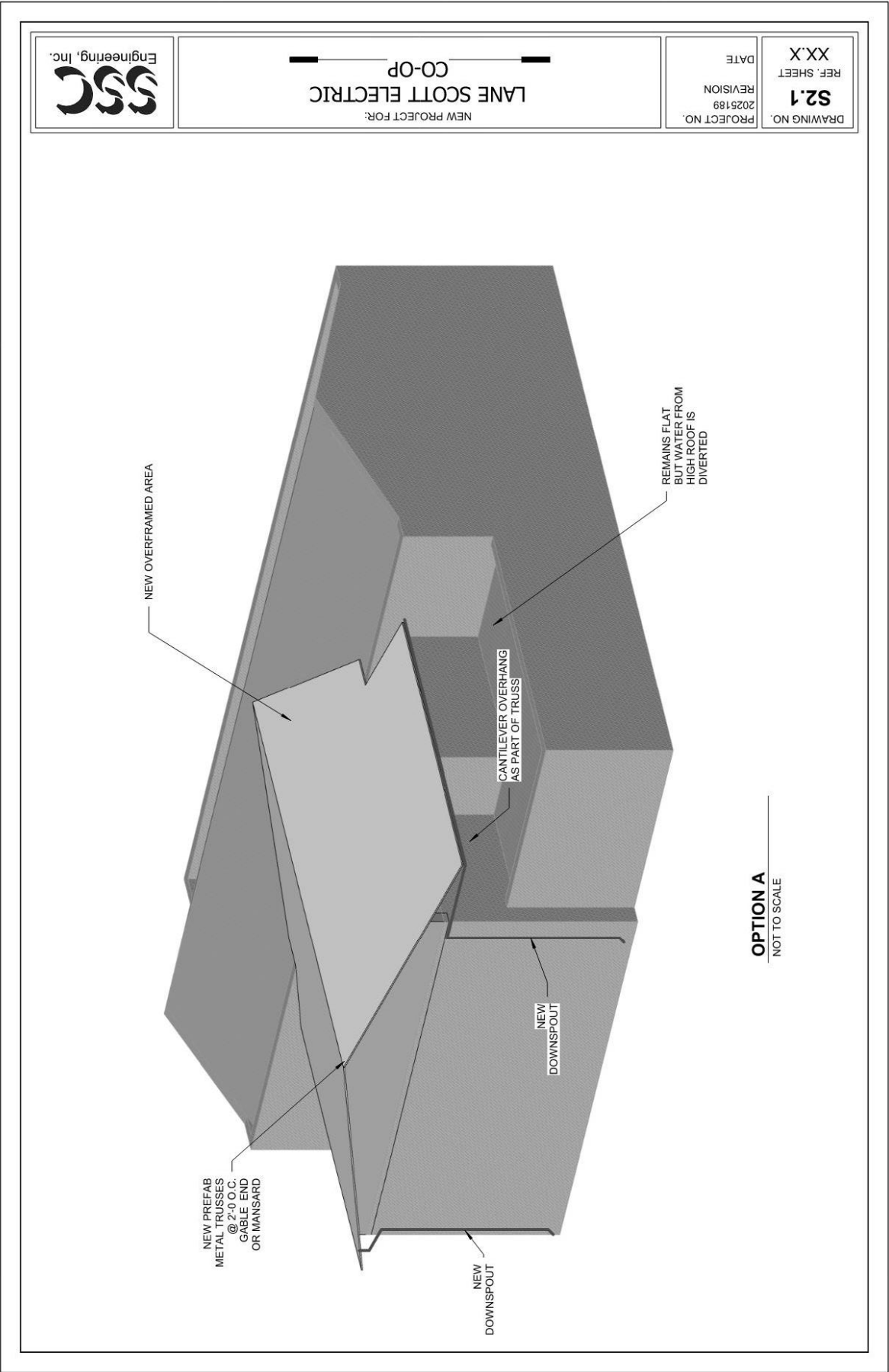
Option A involves a comprehensive replacement of the existing roof system with a combination of standing seam metal roofing and TPO roofing at the lower roof section. The scope includes structural modifications, replacement of trusses and decking, and envelope improvements to ensure long-term durability.

**Key Elements:**

- Complete removal of the existing roofing system, including disposal and surface prep.
- Installation of light-gauge metal trusses and decking to restore structural integrity and create a proper substrate for new assemblies.
- Standing seam metal roofing provides excellent weather resistance, thermal expansion control, and minimal maintenance requirements.
- TPO roofing at the low roof ensures watertight protection in flat or low-slope areas prone to ponding.
- Additional improvements include gable-end metal wall panels, new gutters and downspouts, and through-wall scuppers to optimize drainage.
- Includes targeted patching, structural reinforcement, and repairs to aging sheathing and trusses to extend the life of the building envelope.

Estimated Total Cost Range: \$832,000 – \$915,200.





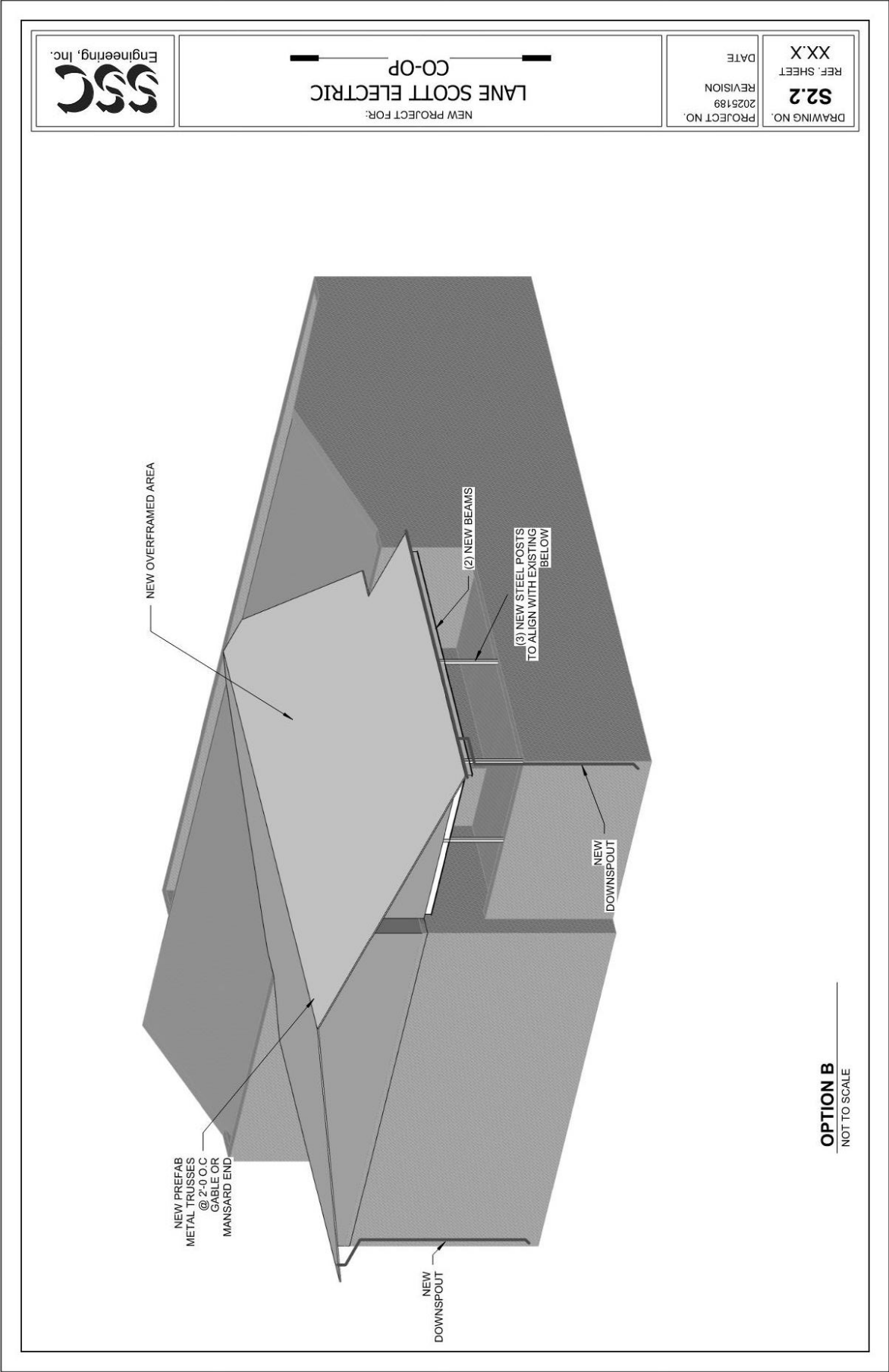
**Summary:**

Option B represents a full roof system replacement and includes additional exterior improvements such as balcony enhancements and soffit panel installation. This option uses a combination of standing seam metal roofing and TPO roofing with pavers at the lower roof, along with structural reinforcements and envelope repairs.

**Key Elements:**

- Removal of the existing roof and replacement with new trusses and decking.
- Installation of standing seam metal roof and TPO roof at the lower area, including pavers for enhanced durability and appearance.
- Metal soffit panels provide a clean, modern edge detail while improving ventilation and finish.
- Architectural upgrades include new balcony lighting and a decorative railing.
- Reinforced drainage systems, envelope repairs, and extensive flashing work ensure long-term waterproofing performance.

Estimated Total Cost Range: \$1,038,000. – 1,141,800.





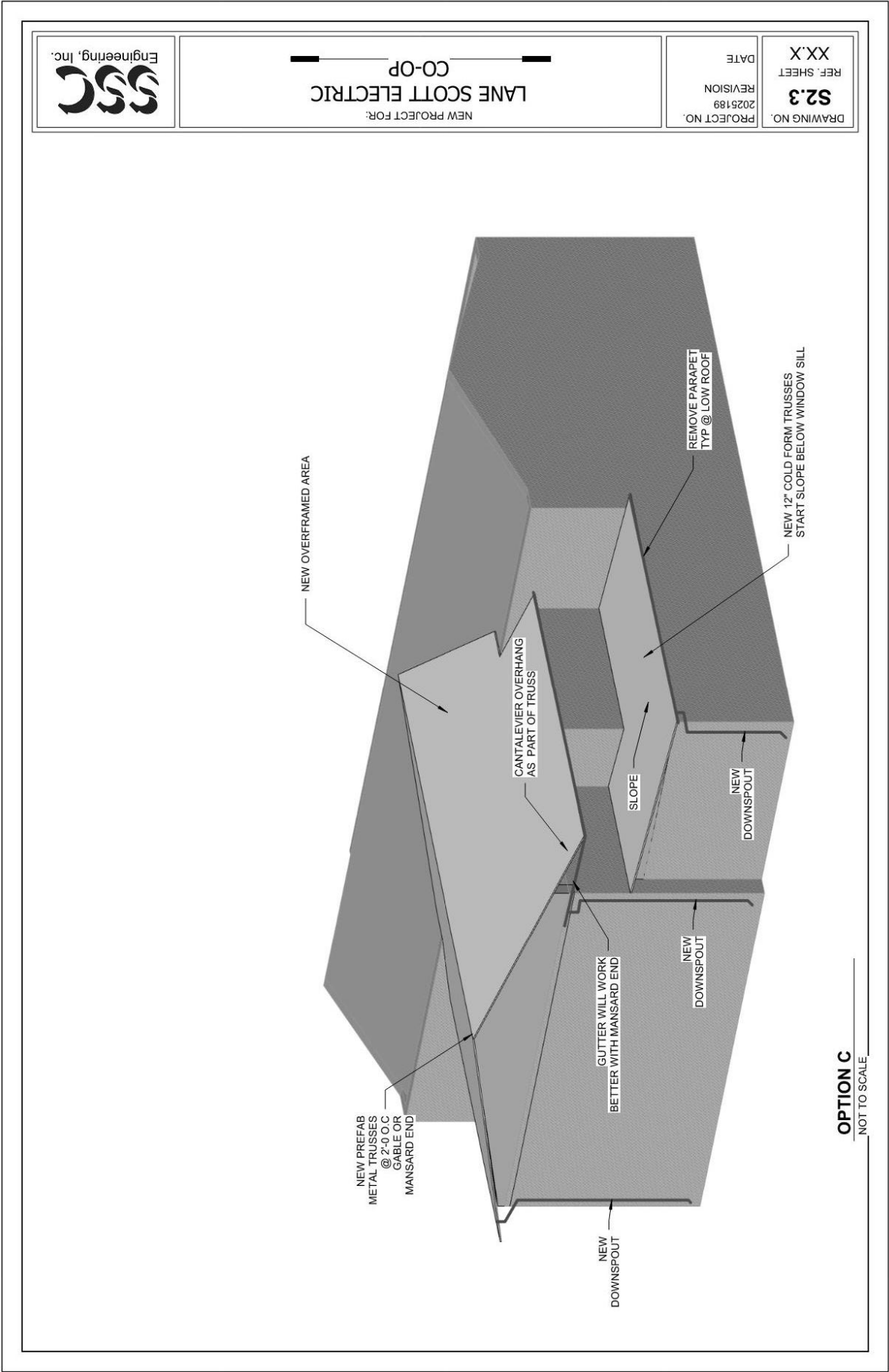
**Summary:**

Option C provides a streamlined solution that delivers the core benefits of a new roof system without architectural add-ons or low-slope roofing.

**Key Elements:**

- Removal of the existing roof and replacement with new trusses and decking.
- Standing seam metal roof installed as the sole roofing membrane, simplifying future maintenance and repairs.
- Includes new gable end panels and gutters to improve drainage and performance.
- Targeted repairs to roof sheathing, trusses, and envelope features restore watertightness.

Estimated Total Cost Range: \$648,700. – 713,570.



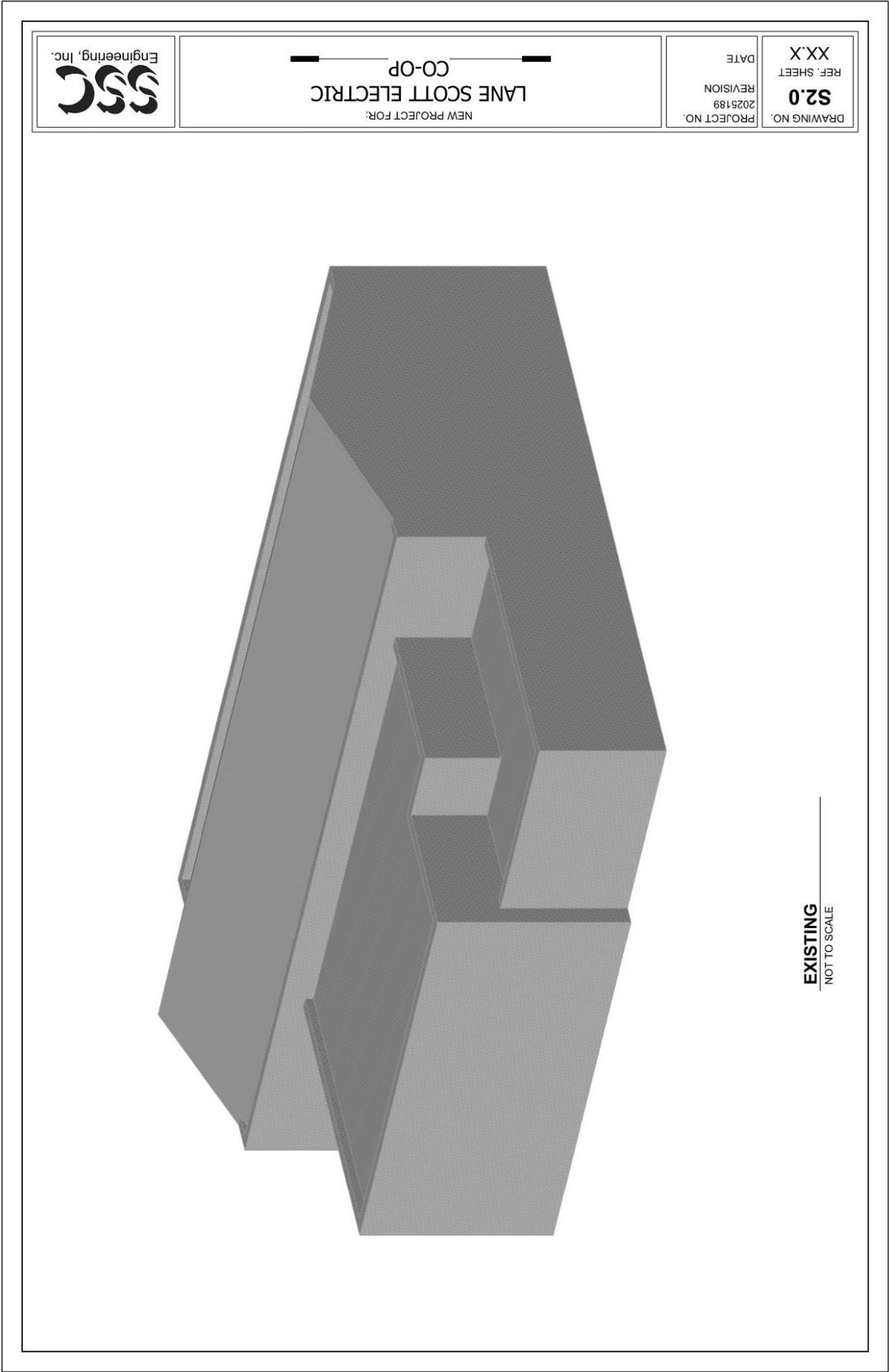
**Summary:**

Option D solely consists of a full TPO roofing system and essential envelope repairs to address the most critical building needs with the least disruption.

**Key Elements:**

- Removal of existing roofing and installation of a full TPO system designed for flat or low-slope areas.
- Addition of new parapet nailers and coping cap for system terminations.
- Minor scupper repair and patching to improve water flow and prevent future leaks.
- Structural repairs limited to critical roof sheathing and truss components.

Estimated Total Cost Range: \$447,000. – 491,700.



The next steps begin with sharing this assessment summary with key stakeholders to ensure everyone is aligned with the proposed roofing options. Once an option is selected, Cooperative Building Solutions will focus on refining the design details and confirming the overall project cost to provide a clear foundation for execution. With that information in place, Cooperative Building Solutions can establish a preliminary schedule outlining procurement, mobilization, and construction activities. From there, development of detailed design documents and technical specifications will set the stage for successful implementation.

# FACILITY CONDITIONS ASSESSMENT

Property Address: 108 South Franklin St., Ness City, KS 67839

Date: June 2025



**Lane**  **Scott**  
***Electric Cooperative***

A Touchstone Energy<sup>®</sup> Cooperative 

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**Property Address:** 108 South Franklin St., Ness City, KS 67839

This commercial property has been generally well maintained and is in good condition overall, considering its age. This Executive Summary provides the inspector's professional opinion on significant findings where further action is recommended. These may include safety hazards, deficiencies requiring repair, or conditions that warrant additional attention from the Owner/Client.

It is important to review the entire report, as this summary does not capture all observed conditions or contextual details. All recommendations—including inspections, evaluations, testing, repairs, or replacements—should be carried out by qualified, licensed, and certified professionals. All work must comply with relevant codes, laws, regulations, and manufacturer requirements.

Issues identified in this summary are organized by building and scope of work. As with any visual inspection, some conclusions are based on professional judgment when direct observation is not possible. Only components specifically included in this report were assessed.

Should you wish to proceed with any of the recommendations outlined in this report, we would be pleased to provide a detailed proposal defining the scope of work, implementation approach, and estimated costs. Our team is ready to support you in prioritizing actions, addressing specific concerns, and aligning next steps with your operational objectives, budget, and schedule.

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### Property Overview

The subject property includes three single-story buildings and a gravel yard for electrical material, equipment, and pole storage:

- Office/Garage Building
- Butler Building
- Old Power Plant Truck Building

All facility assets have been entered into the facility management software.

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### Office/Garage Building

The building is generally in serviceable condition.

### Key Issues and Recommendations:

- **Clearstory Panels:** Evidence of water leakage; windows are deteriorated and no longer sealed.  
➤ *Recommendation:* Replace clearstory panels.
- **Garage Door & Exterior Trim:** Door operates with grinding noises; trim is broken/damaged.  
➤ *Recommendation:* Service the garage door (already added to maintenance software) and replace damaged door seals and trim.



### Butler Building

The structure is functioning well, though it has some age-related concerns.

#### Key Issues and Recommendations:

- **Exterior:** Windows are broken or improperly sealed; gutter is detached.
    - *Recommendation:* If repair costs are justified, replace windows and gutters.
  - **Interior Insulation:** Deteriorating insulation may contain asbestos.
    - *Recommendation:* Have insulation tested for asbestos. Abate if necessary.
- 

### Old Power Plant Truck Building

This building exhibits extensive signs of aging and deterioration, both externally and internally.

#### Key Issues and Recommendations:

- **Exterior:** The building's exterior masonry shows widespread wear, including areas of missing or damaged tuckpointing, crumbling brickwork, broken windows, and deteriorated seals. Additionally, untreated wood trim on the overhead door is showing signs of rot.
- **Interior:** Interior finishes are aged and may contain lead-based paint. There is evidence of water infiltration around windows, doors, and former penetrations that have been infilled.

➤ *Recommendation:* Given the cumulative condition issues and the likely cost of necessary repairs, it may be worthwhile to evaluate the feasibility of replacing this building with a more modern structure that aligns with the cooperative's current and future operational needs. While repair is possible, the investment in a replacement could offer improved long-term value, functionality, and efficiency. Any decision should be based on a careful cost-benefit analysis and the cooperative's strategic goals.

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### Site Recommendations

- **Overhead Doors & Gates:** Recommend enrolling all doors and gates in a regular service agreement with a subcontractor to ensure ongoing maintenance.
- **Mechanical Equipment:** Appears to be in serviceable condition. Continue following the scheduled maintenance in the facility management software for optimal performance.

---

**BUTLER BLDG****Issues:**

- The existing insulation is deteriorating and shows signs of disintegration. Due to the age and appearance of the material, there is a possibility it may contain asbestos. Until testing is performed, it should be treated as potentially hazardous and handled with appropriate precautions.

**Recommendations:**

- It is recommended to have the insulation tested by a qualified environmental professional to determine if asbestos is present. If asbestos is confirmed, appropriate abatement should be carried out in accordance with local, state, and federal regulations.





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**OLD POWER PLANT****Issues:**

- The interior of the building is painted, the age of the interior finish could lend itself to being lead based paint. There are also areas that show signs of water leaking – windows, door and previous building penetrations (infilled areas).

**Recommendations:**

- It is recommended to have the interior paint tested for lead content by a certified professional. If lead is detected, appropriate mitigation or remediation measures should be taken in accordance with applicable health and safety guidelines.



### OFFICE / GARAGE BLDG

**Issues:**

- There are visible signs of water leakage around the clearstory panels. The windows in these areas appear to be deteriorated and are no longer properly sealed, which may contribute to ongoing moisture intrusion.

**Recommendation:**

- Replace the clearstory panels to restore proper sealing and prevent further water infiltration. New panels will help improve energy efficiency and protect the interior from future moisture-related issues.





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**OFFICE / GARAGE BLDG****Issues:**

- The garage door is producing grinding noises during operation, indicating the need for servicing. Additionally, the exterior door trim is broken and damaged, which may affect the door's performance and appearance.

**Recommendation:**

- Service the garage door to ensure proper operation. Replace the damaged exterior door trim and door seals as needed to maintain weather resistance and functionality.



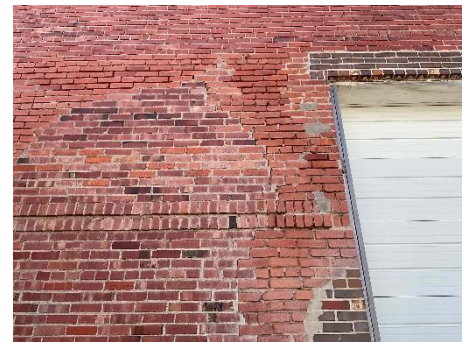
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**OLD POWER PLANT****Issues:**

- The exterior of the building shows significant signs of aging. Many areas of tuckpointing are deteriorated, broken, or missing, and several bricks are beginning to break apart. Multiple windows are broken or have missing seals. Additionally, the wooden trim on the overhead door is untreated and beginning to rot. Taken together, these conditions indicate the building is in poor overall condition.

**Recommendation:**

- Due to the extent of wear and the condition of the structure, it may be beneficial to evaluate whether continued investment in repairs is the most effective long-term solution. As part of future planning, the cooperative may wish to explore the feasibility of replacing the building with a modern structure that better aligns with operational needs and long-term maintenance goals.



---

**BUTLER BLDG****Issues:**

- The building's exterior is generally performing well considering its age. However, several windows are broken, have failed seals, or do not close properly, which may impact energy efficiency and weather protection. Additionally, a section of the gutter system is detached and requires attention.

**Recommendation:**

- If a cost-effective solution is determined, consider replacing the damaged windows and gutters to help preserve the building envelope and prevent future maintenance issues.





As part of the Facility Management Program setup and implementation, key building components and equipment assets were identified, documented, and entered into the facility management software. This includes mechanical systems, electrical panels, overhead doors, roofing components, and other critical infrastructure across all buildings on the site. Each asset was tagged with relevant details such as Asset ID, Asset Name, Location, Manufacturer, Model, Serial Number, and recommended maintenance schedules to support ongoing preventive maintenance and lifecycle planning. This process ensures that the cooperative has a centralized and structured approach to managing facility upkeep and capital planning moving forward.

### Asset List

Asset ID	Description	Group	Category	Manufacturer	Model	Serial #
NC-AC-01	AIR COMPRESSOR	102 NC GARAGE	EQUIPMENT	INDUSTRIAL AIR	ILA3606056	SN1303108Y1343496
NC-AHU-01	AIR HANDLER UNIT	103 NC MEZZANINE	MECHANICAL /HVAC	RHEEM	R801CA050314MSA	W482042782
NC-BP-01	BRANCH PANEL	100 NC OFFICE	ELECTRICAL	CUTLER HAMMER		
NC-BP-02	BRANCH PANEL	BUTLER BLDG	ELECTRICAL	EATON		
NC-BP-03	BRANCH PANEL	OLD POWER PLANT	ELECTRICAL	EATON		
NC-CH-01	CHAIN HOIST	OLD POWER PLANT	EQUIPMENT	VESTIL-USA	PHCH-10-20	51480017
NC-COND-01	CONDENSER UNIT	SITE/EXT. BLDG	MECHANICAL /HVAC	COMFORT MAKER	ACS024AZB1	L950646128
NC-EWH-01	ELECTRIC WATER HEATER	101 NC RESTROOM	PLUMBING	BOSCH	US3-1 PRO	45553703
NC-GEN-01	GENERATOR	SITE/EXT. BLDG	ELECTRICAL	GENERAC	G0070422	3004112337
NC-GT-N	GATE	SITE/EXT. BLDG	EQUIPMENT	VIKING	H-10	0118-10UL-3275
NC-GT-S	GATE	SITE/EXT. BLDG	EQUIPMENT	VIKING	H-11	0118-10UL-3273
NC-IM-01	ICE MACHINE	100 NC OFFICE	MECHANICAL /HVAC	KOOLMORE	CIM-198	2207000045
NC-OHD-01	OVERHEAD DOOR	102 NC GARAGE	BUILDING	LIFTMASTER	MCT-50-11-B2	3022201
NC-OHD-02	OVERHEAD DOOR	BUTLER BLDG	BUILDING	LIFTMASTER	MT5011U	4912N2174
NC-OHD-03	OVERHEAD DOOR	OLD POWER PLANT	BUILDING	LIFTMASTER	MT5011	2108N3670
NC-REF-01	REFRIGERATOR	100 NC OFFICE	APPLIANCE	HOTPOINT		
NC-UH-01	UNIT HEATER	102 NC GARAGE	MECHANICAL /HVAC	SCHWANK	STS-JZ-60-N	JZPXNX60MA11XX
NC-UH-02	UNIT HEATER	102 NC GARAGE	MECHANICAL /HVAC	SCHWANK	STS-JZ-60-N	JZPXNX60LF09XX
NC-WF-01	WATER FILTER	101 NC RESTROOM	PLUMBING	AMERICAN PLUMBER	WC34-PRB	



## 11. c. Long Range Plan.

The 2025 Budget approved \$75,000 for a Long-Range Plan to replace our 2002 Plan that was written by Peak Power. The RUS requires all borrowers to have an active Long-Range Plan. A Long-Range Plan is typically a 10-to-20-year construction plan where the first few years is “carved out” for an immediate Construction Work Plan. I intend to contact Finley Engineering for a cost estimate on a Long-Range Plan that includes a new Construction Work Plan and a Sectionalizing Study. Items to be addressed include:

- Cooperative Building Solutions. There are several critical repairs that need to be made to LSEC building facilities. These capital expenses are typically included in CWP. We will contact CBS about pricing and General Contractor services for:
  - Roof Replacement (to include rain gutters and awnings)
  - Building sealing
  - Ness City Repairs / relocation / new construction
  - Retail building reconstruction

Estimated CWP cost: \$2.0 million for Roof replacement and building sealing to begin immediately. Ness City and Retail building repairs could be in year 3 or later.

- Shallow Water Substation and Transmission. Although the methane gas project has been postponed, we still need voltage support south of Scott City. We are currently getting voltage support from Wheatland Electric through an 1800kVA interconnection. This is through a 5-year contract signed in 2024. Wheatland has stated that they also have voltage issues south of Scott City and intend to renew the contract one time only.

Estimated CWP Cost: \$2.5 million (probable 2026-2027 construction)

- Interconnections. There remain several interconnections between existing substations that need to be made to allow us to back-feed stations for enhanced reliability and system hardening.

Estimated CWP cost: \$750,000. These costs can be spread over the LRP.

- Sectionalizing study.
  - Scott Park Substation
  - Manning Substation
  - Shallow Water Substation
  - Tallgrass substation. We are having a call with Tallgrass today. Early indications are that they need a 10MW substation north of Manning. We will need an engineering analysis and a sectionalizing study for load balancing. Our thought is to build a radial 115kV transmission line out of the Manning substation and shift some load to Scott Park.

Estimated CWP Cost: \$300,000.

We are anticipating that the total cost for a 2025-2028 Construction Work Plan at about \$5.5 million. We further believe we can pay up to \$3 million out of cash and pay the balance out of revenues. This will allow us to build utility plant without borrowing. If the engineering assessment includes projects pushing the CWP to \$6 million or higher, we will contact CFC for lender support.

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PHONE: (806) 747-3806**

**FAX: (806) 747-3815**

**8215 NASHVILLE AVENUE**

**LUBBOCK, TEXAS 79423-1954**

July 16, 2025

Lane-Scott Electric Cooperative, Inc.  
410 S High St.  
Dighton, Kansas 67839

We submit the enclosed audit agreement for the year ended December 31, 2025. RUS policy requires that a written agreement be obtained for the annual audit engagement and a copy be retained for inspection by RUS. If the terms are acceptable, please have the agreement signed by a corporate officer and return one to us.

As required by RUS, we are enclosing an executed certification related to the Executive Orders covering Debarment and Suspension.

We appreciate the opportunity to continue as your auditor. If you have any questions or need additional information, please let us know.

Very truly yours,

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

By:   
Randy Robbins, Partner

Enclosures

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PHONE: (806) 747-3806**

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**LUBBOCK, TEXAS 79423-1954**

July 16, 2025

Lane-Scott Electric Cooperative, Inc.  
410 S High St.  
Dighton, Kansas 67839

We are pleased to confirm our understanding of the services we are to provide Lane-Scott Electric Cooperative, Inc. for the year ended December 31, 2025.

**Audit Scope and Objectives**

We will audit the financial statements of Lane-Scott Electric Cooperative, Inc. (Cooperative), which comprise the balance sheet as of December 31, 2025 and the related statements of income and patronage capital, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the "financial statements"). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1. Schedule of Electric Plant
2. Schedule of Accumulated Provision for Depreciation
3. Schedule of Other Property and Investments
4. Schedule of Patronage Capital
5. Schedule of Long-Term Debt
6. Schedule of Administrative and General Expenses

**Audit Objectives**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America [and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole]. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the requirements of the Rural Utilities Service, (The requirements of Rural Utilities Service are incorporated into this agreement as Attachment A) and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Cooperative or to acts by management or employees acting on behalf of the Cooperative. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as a part of our pre-audit planning, which modifications may be made during the conclusion of our audit planning:

1. Management override of controls.
2. Improper revenue recognition due to fraud or other factors.

Our audit of the financial statements does not relieve you of your responsibilities.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the Cooperative and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Lane-Scott Electric Cooperative, Inc.'s compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Cooperative from whom we determine it necessary to

obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Cooperative involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Cooperative received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Cooperative complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Cooperative is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

### **Other Services**

We will prepare the Cooperative's federal and state information returns for the year ended December 31, 2025 based on information provided by you. We will also assist in preparing the financial statements and related notes of Lane-Scott Electric Cooperative, Inc. in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities for the tax services, financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Cooperative; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bolinger, Segars, Gilbert & Moss L.L.P. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Rural Utilities Service or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bolinger, Segars, Gilbert & Moss L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Rural Utilities Service. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Randy Robbins is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We estimate that our fee for these services will be \$29,000 including travel and other out-of-pocket costs such as report reproduction, word processing, postage, travel, copies, telephone, etc. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.



## Reporting

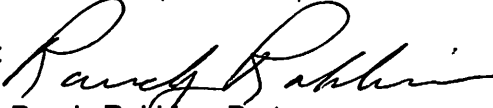
We will issue a written report upon completion of our audit of Lane-Scott Electric Cooperative, Inc.'s financial statements. Our report will be addressed to the Board of Directors of Lane-Scott Electric Cooperative, Inc. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Lane-Scott Electric Cooperative, Inc. is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

By:   
Randy Robbins, Partner

## RESPONSE:

This letter correctly sets forth the understanding of Lane-Scott Electric Cooperative, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## U. S. DEPARTMENT OF AGRICULTURE

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### CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

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#### INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms *covered transaction*, *debarred*, *suspended*, *ineligible*, *lower tier covered transaction*, *participant*, *person*, *primary covered transaction*, *principal*, *proposal*, and *voluntarily excluded*, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause title "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

Debarment Certification (continued)

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

CERTIFICATION

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
  - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

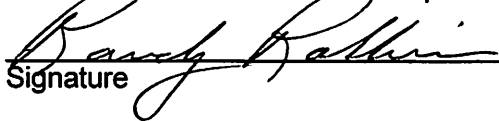
BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

Organization Name

PR/Award Number or Project Name

Randy Robbins - Partner

Name and Title of Authorized Representative



Signature

7/16/2025

Date

## **ATTACHMENT A**

(1) The audit is being performed and the auditors' report, letter to Board of Directors regarding RUS, 7 CFR, Part 1773, RUS policies concerning audits of RUS borrowers, and report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with government auditing standards are being issued in order to enable the borrower to comply with the provisions of RUS' security instrument;

(2) RUS will consider the borrower to be in violation of its security instrument with RUS if the borrower fails to have an audit performed and documented in compliance with GAGAS and with RUS §1773;

(3) We represent that we meet the requirements under RUS §1773 to be satisfactory to RUS;

(4) We will perform the audit and will prepare the auditors' report, report on compliance, report on internal controls, and management letter in accordance with the requirements of RUS §1773;

(5) We will document the audit work performed in accordance with GAGAS, the professional standards of the AICPA, and the requirements of RUS §1773;

(6) We will make all audit-related documents, including auditors' reports, workpapers, and management letter available to RUS or its representatives (OIG and GAO), upon request, and will permit the photocopying of all audit-related documents; and

(7) We will follow the requirements of reporting irregularities and illegal acts as outlined in RUS §1773.9.



## Report on the Firm's System of Quality Control

October 31, 2023

To the Partners of Bolinger, Segars, Gilbert & Moss, LLP  
and the Texas Society of CPAs Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Bolinger, Segars, Gilbert & Moss, LLP (the firm) in effect for the year ended May 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitation of, and the procedures performed in a System Review as described in the standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Governmental Auditing Standards*, compliance audits under the Single Audit Act, and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bolinger, Segars, Gilbert & Moss, LLP in effect for the year ended May 31, 2023, has been suitable designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Bolinger, Segars, Gilbert & Moss, LLP has received a peer review rating of *pass*.

MWH Group, P.C.

MWH Group, PC

# SAFETY PROGRAM

**Safety Monthly Summary:** Working with Carrie on Emergency Response Plan. **Reschedule June Safety meeting with KEC. There will be no Safety Meeting minutes for the month of June.** Trucks and glove inspections we're completed June 23<sup>rd</sup>. Resap conducted on July 8<sup>th</sup> and 9<sup>th</sup>, with KEC. Great observation overall a few new things for safety council to review for changes and updates. 2025 RESAP at 25%. All truck grounds tested good , and one personal protective ground was replaced.

## ***SAFETY PROJECTS COMPLETED AS OF July 2025***

- Rubber gloves changed out.
- Rubber sleeves changed out.
- KEC Safety Meeting: July 16<sup>th</sup> Maintenance, care & testing of personal protective equipment.
- KEC Resap Observation.

Ann Jennings's submitted report:

- Extension Cord Safety – Social Media.
- Ways to Stay Safe During Power Outage. – Social Media.
- Grilling Safety- Social Media.
- What is GFCI outlet - social media.
- Posting on Utility Poles. – social Media.

Diana Kuhlman submitted reports:

- Attended Monthly Safety Meeting.
- Coordinate Monthly Drug Testing.
- Submitted No- Time Loss Report to Federated and KEC.
- CDL renewals for lineman.

## ***SAFETY PROJECTS IN PROGRESS AS OF July 2025***

1. SafetyAmp Inspection digital form: Completing inspection form for forklift
2. FCC radios: Sunflower tower study on east side of LSE territory for better coverage and redundancy.
3. New weather resistant jackets and pants options being discussed and priced. Looking at different options from vendors. Waiting on reply from one vendor.
4. Safety Council Yearly Walk through items to resolve. "Postponed"
5. RESAP Onsite Observation.
  - Sub Station Circuits are being identified.
  - URD cables being identified and labeled. In Progress.
  - Pad mount and switch cabinet signage in progress of being updated.