



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for December 22, 2025, at 7:00 p.m.

**Proposed Agenda:**

1. Call to Order
2. Reading and Approval of Minutes
3. Presentation of Check Register
4. Presidents Report
5. Attorney's Report
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
9. Old Business
10. New Business
  - a. Safety Program Update – Chris Terhune
  - b. 2026 Annual Meeting location
  - c. 2026 Meeting Schedule
  - d. Board Policy 110 Document Retention Plan
  - e. Board Policy 503 Job Abandonment
  - f. Board Policy 505 Sick Leave and Disability amendment
  - g. Board Policy 510 Longevity Recognition
  - h. Board Policy 514 Employee Insurance
  - i. NRECA Annual Meeting Delegate and Alternate
11. Safety Program Report
12. Executive Session (is not requested).
13. Adjourn

**Upcoming Events:**

Office Closed – Christmas Holiday		Dec. 24-25
Office Closed – New Years Holiday		Jan. 1
CFC Strategic Planning	Dighton	Jan. 7-8
LSEC Board of Trustees	Dighton	Jan. 19
Sunflower Board Meeting	Hays	Jan. 21
NRECA Directors Conference	PS, CA	Jan. 25-28
KEC Winter Conference & Legislative Rally, Topeka		Jan. 31 - Feb. 2

**MINUTES OF THE REGULAR NOVEMBER 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, November 24, 2025, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:58 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Gary Shapland, Randall Evans, Randy Evans, Shelly Turner, James Jordan and Craig Ramsey. Also present Richard McLeon IV and Joseph D. Gasper, Attorney. Gerome Copeland and Susan were absent.

**MINUTES OF PRIOR MEETING**

President Jennison called for action on the minutes of the prior meeting held on October 27, 2025. *Hearing no corrections to the printed minutes, the minutes were approved as printed.*

**CASH DISBURSEMENTS**

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

There were no questions on the checks.

**PRESIDENT'S REPORT**

President Jennison had no current items to report.

**ATTORNEY'S REPORT**

Attorney Gasper had no current items to report.

**REPORT OF SUNFLOWER DELEGATE**

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

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 items 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.
- Total kWh remain strong at \$16,134,626 YTD which is 7.13% above 2024 levels. The YTD Distribution revenue is \$8,048,646 which is \$726,522 or 9.03% above last year. Operating Revenues are \$1,482,435 \$764,570 over last year.
- Twelve-month Inflation rose slightly to 3.0% through September. The Capital and Donation Budgets are \$566,992 (31.86%) through November 17, 2025.
- Reliability remains high. LSEC had minor outages in October (9 hours across 356 meters), so the ASAI remains at 99.97%. "Controllable" outages ("Planned" and "all other") remained 2.8% of total outages through October.
- No major safety incidents were reported in October.
- The revenue classes were reviewed with their relative percentages per class. Irrigation was down due to a wet spring.
- The rate of return on rate base was 4.55% YTD.
- The Christmas gathering has varied over the past few years. A survey of the employees indicated they would prefer to close the office at noon on Christmas rather than have an alternative get together.
- *A motion to approve the closing of the office at noon on Christmas Eve and to compensate the employees for a full day of work in lieu of an alternative celebration was made, duly seconded and carried.*
- The Strategic planning session will be held January 7-8.
- The GM expense report was reviewed.
- The cash balance is approximately \$7 million.
- The financial ratios remain good for the month.
- Nate and Tad continue work on filing of easements.
- Carrie has completed the NRECA Executive Leadership Program Certificate.
- Ann Marie is working on the Fill Your Tank and Gift of Electricity programs along with the military gift packages.
- The youth tour applications will be December 1 through February 2.
- Generac sales have been very good.

- Line material is beginning to be stockpiled for the winter weather season.

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

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

## **SAFETY REPORT**

A safety report was included in the board packet.

## **OLD BUSINESS**

There was no old business before the board.

## **NEW BUSINESS**

1. 2026-2034 Financial forecast and 2026 Financial, Donation, and Capital Budgets
  - Manager McLeon discussed the 2026-2034 Financial Forecast and 2026 Financial, Donation and Capital Budgets as contained in the Board packet.
  - The budget was prepared using data from the Load Forecast Study, Wage and Benefit Plan and Sunflower Wholesale Power Cost projections. The budget supports the Board's strategic plan, is conservative, and focuses on safety, succession planning, operations and maintenance, and information technology.
  - A cost-of-service study and rate adjustment is anticipated for 2026.
  - The key challenges in the plan include Inflation, Staffing, and Wholesale Power Costs.
  - The Financial Forecast is based on historical costs through 2024 and projected costs for 2025-2034. The first year of the Financial Forecast is the 2026 Budget.
  - The Budgeted Distribution revenue is \$10,047,561, Operating Margins of \$1,120,591 and Patronage Margin of \$2,101,338. The budget meets all financial ratio requirements.
  - The capital budget totals \$1,208,516 with the detailed expenditures in the packet.
  - The donation budget totals \$6,715 with the detailed expenditures in the packet.

- The budget reduces Cash to \$6,435,617 due to loan payment and construction. This is above the minimum General Funds balance of \$3,645,054.
- *A motion to approve the 2026-2034 Financial Forecast and 2026 Financial, Donation and Capital Budget as presented to the Board was made, duly seconded and carried.*

## 2. Operating Margin Study

- The 2025 Operating Margins have been exceeding normal margins for most of 2025. The past five years Operating Margins have averaged 1.33% of Total Operating Revenue whereas this year it is 8.86% YTD.
- After months of review no error could be identified so Manager McLeon requested Guernsey to review the data to help determine the cause of the excess.
- The five potential reasons for the increase are rates applied incorrectly, billing units incorrect, metering errors, rates overperforming, or everything is correct.
- Guernsey found the rates and billing units are being applied correctly and LSEC has reviewed the metering data to ensure it is correct. The findings indicate that the operating margins are correct. The issue is now how to deal with the additional revenue.
- The comparison of allocating the \$900,000 compared to borrowing funds for future construction work plans was reviewed. LSEC may be able to avoid having to borrow if the \$900,000 is allocated, all projected 2026 capital and construction projects are completed, the Oneok Load Ratio shares comes to \$750,000 and LSEC is willing to run the cash balance down to a minimum. Manager McLeon would control the expenses in either scenario to preserve cash.
- The pros and cons of returning versus allocating the excess were reviewed and discussed.
- Staff requested the Board take no action but instead allow the total operating margins to be allocated as usual.
- No action was taken by the Board.

## 3. Estate Retirements

- Manager McLeon presented the proposed estate capital credits retirement request in the amount of \$28,864.46.
- *A motion to approve the estate capital credit retirements in the amount of \$28,864.46 as presented, was made, duly seconded and carried.*

## 4. Christmas Bonus

- Manager McLeon presented the Board with the proposed Christmas bonus of \$250 per full time employee, \$125 per part time employee, and including Trustees at the full time employee rate but not including the General Manager in the bonus program.
- The board discussed the proposed Christmas bonus.
- *A motion to approve the Christmas bonus of \$250 per full time employee (including the General Manager) and Trustees and \$125 per part time employee for a total amount of \$8,375.00 was made, duly seconded and carried.*

## **ADJOURNMENT**

*A motion to adjourn the meeting was made, seconded and carried at 8:46 p.m., on Monday, November 25, 2025.*

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# Accounts Payable Check Register

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53447 11/17/2025	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE	Payroll Transfer	68,000.00
3755 11/18/2025	WIRE	1229	NORTHEND DISPOSAL	Monthly	561.42
3773 11/18/2025	WIRE	1	UTAH UNCLAIMED PROPERTY	Utah Unclaimed Property	507.84
3775 11/18/2025	WIRE	1	ARKANSAS UNCLAIMED PROPERTY	Arkansas Unclaimed Property	520.85
3757 11/20/2025	WIRE	265	HASLER - POSTAGE ACH	Postage	250.00
3758 11/24/2025	WIRE	1267	AFLAC	Monthly	1,126.44
3774 11/25/2025	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	28,287.70
53448 11/26/2025	CHK	252	J&R CAR AND TRUCK CENTER LLC	Purchased Truck# 2503	67,299.87
53449 11/26/2025	CHK	1	NESS CO. CHAMBER OF COMMERCE	Gift Certificate - x-mas	100.00
53450 11/26/2025	CHK	1	SCOTT COUNTY INDOOR ARENA & ACT	Arena Sign Advertising	200.00
53451 11/26/2025	CHK	1	SCOTT COUNTY REGISTER OF DEEDS	Easement Filings	546.00
53452 11/26/2025	CHK	20	BASIN ELECTRIC POWER COOP	Dispatch and alarm monitoiring fees	2,122.37
53453 11/26/2025	CHK	23	FEDERATED RURAL ELECTRIC	Annual Premium 2026-2027	29,678.00
53454 11/26/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC Monthly Assesment	4,064.98
53455 11/26/2025	CHK	63	RICHARD JENNISON	November Board Meeting	368.20
53456 11/26/2025	CHK	79	POSTMASTER	Newsletter postage	139.78
53457 11/26/2025	CHK	105	CITY OF NESS CITY	Monthly Bill	5,526.88
53458 11/26/2025	CHK	107	CINTAS CORPORATION #449	Monthly Bill	536.85
53459 11/26/2025	CHK	122	MYRON SEIB	Reimb	1,106.71
53460 11/26/2025	CHK	135	CITY OF BAZINE	Franchise Fee	1,735.23
53461 11/26/2025	CHK	160	SHULL OIL COMPANY	Monthly Fuel Bill	6,927.66
53462 11/26/2025	CHK	218	SPENCER PEST CONTROL	Rodent Control	54.25
53463 11/26/2025	CHK	235	LEIGHTON AYERS	FR Jeans	356.25
53464 11/26/2025	CHK	239	HEALY OIL CO	Truck 123	47.30
53465 11/26/2025	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Truck 143	255.28
53466 11/26/2025	CHK	279	IT1 CONSULTING	Acrobat Licensing and Creative Cloud	3,698.68

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53467 11/26/2025	CHK	298	OVERLEASE K-LAWN	Fall Application Lawns	705.25
53468 11/26/2025	CHK	338	SIMPLY KLEAN, LLC	Window Cleaning Oct.	1,514.00
53469 11/26/2025	CHK	361	ANN M JENNINGS	Pickup Military Packages/colleens trophy	119.00
53470 11/26/2025	CHK	380	GRAINGER	Door Knob for womens bathroom	566.33
53471 11/26/2025	CHK	391	ULINE	3 way first aid station sign	120.97
53472 11/26/2025	CHK	393	C BAR R ENTERPRISES LLC	Circle C	592.32
53473 11/26/2025	CHK	414	TALLEY INC.	Collector Site locate	448.88
53474 11/26/2025	CHK	427	DIGHTON HERALD LLC	Monthly Bill	365.00
53475 11/26/2025	CHK	428	WILSON BOHANNAN PADLOCK COMP	PADLOCKS	238.46
53476 11/26/2025	CHK	450	RANDALL G EVANS	November Board Meeting	350.70
53477 11/26/2025	CHK	459	YESTERDAYS BODY SHOP	Truck 201 - windshield	396.56
53478 11/26/2025	CHK	472	C.H. GUERSNEY & COMPANY	Rate review	221.25
53479 11/26/2025	CHK	498	BLAKE MCVICKER	CDL Renewal	27.00
53480 11/26/2025	CHK	552	HIGH POINT NETWORKS, LLC	StorMagic License Renewal	4,342.17
53481 11/26/2025	CHK	570	JAMES W JORDAN	November Board Meeting	396.90
53482 11/26/2025	CHK	575	AMERINE UTILITIES CONSTRUCTION I	Bore and Place	5,096.29
53483 11/26/2025	CHK	601	JAYHAWK OILFIELD SUPPLY INC	parts	60.28
53484 11/26/2025	CHK	620	SPARTAN PUMP & SUPPLY LLC	Parts - Josh Crombie	402.78
53485 11/26/2025	CHK	623	SHELLY TURNER	November Board Meeting	372.40
53486 11/26/2025	CHK	624	RANDY J EVANS	KEC District 3 Meeting	1,957.56
53487 11/26/2025	CHK	625	GARY SHAPLAND	November Board Meeting	350.70
53488 11/26/2025	CHK	903	NISC	Ocotber 2025 Print Services	14,937.35
53489 11/26/2025	CHK	1225	CINTAS CORPORATION	Monthly Bill	308.40
53490 11/26/2025	CHK	1228	BENJAMIN L MANN	Clothing Allowance	771.46
53491 11/26/2025	CHK	1293	DAL HAWKINSON	Clothing Allowance/Reimb	269.86
53492 11/26/2025	CHK	1300	CRAIG RAMSEY	November Board Meeting	385.00



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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3768 11/28/2025	WIRE	183	HIBU INC	Monthly Bill	21.00
3767 12/01/2025	WIRE	1239	CULLIGAN OF DODGE CITY	monthly bill	128.52
3770 12/01/2025	WIRE	586	NETWORK COMPUTING SOLUTIONS	Monthly Billing	5,582.91
3771 12/01/2025	WIRE	586	NETWORK COMPUTING SOLUTIONS	Monthly Bill	678.13
3759 12/02/2025	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401(k) PENSION PLAN	14,096.27
3760 12/02/2025	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY	29,028.72
3761 12/02/2025	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE	1,552.89
3762 12/02/2025	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX	12,222.59
3763 12/02/2025	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY	11,237.32
3764 12/02/2025	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX	1.45
3765 12/02/2025	WIRE	609	STATE TAX	STATE PAYROLL TAX	4,798.46
3766 12/02/2025	WIRE	614	MEDICARE	FICA MEDICARE	3,051.98
3769 12/02/2025	WIRE	101	ATMOS ENERGY	monthly	114.92
3772 12/02/2025	WIRE	1187	MIDWEST ENERGY	Monthly Bill	68.09
53493 12/02/2025	CHK	1	E-470 PUBLIC HIGHWAY AUTHORITY	Tad - Buick #105 - education	8.80
53494 12/02/2025	CHK	1	FIRST NATIONAL BANK OF DIGHTON	Christmas Bonus	8,375.00
53495 12/02/2025	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	66,500.00
53496 12/02/2025	CHK	129	NORTHWEST FIRE EXTINGUISHERS	Year Service	1,452.82
53497 12/02/2025	CHK	136	NATHAN BURNS	Clothing Allowance	1,163.98
53498 12/02/2025	CHK	220	LANDIS+GYR TECHNOLOGY, INC	CC SaaS Montly Fee	1,495.00
53499 12/02/2025	CHK	222	TOUCHSTONE ENERGY COOPERATIVE	2026 Membership Dues	5,510.00
53500 12/02/2025	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Truck #2401	162.24
53501 12/02/2025	CHK	380	GRAINGER	Tools	508.86
53502 12/02/2025	CHK	392	TRUCK CENTER COMPANIES	Truck 150	92.01
53503 12/02/2025	CHK	431	LANE COUNTY EMS	CPR	600.00
53504 12/02/2025	CHK	494	UTILITY ASSET MANAGEMENT INC.	Pole Inspections	31,779.77

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53505 12/02/2025	CHK	596	WABASH WELDING COMPANY, LLC	Labor/Parts	335.96
53506 12/02/2025	CHK	616	TAD EUBANKS	Clothing Allowance - Boots	258.58
53507 12/02/2025	CHK	903	NISC	Ocotber 2025 MISC	301.70
53508 12/02/2025	CHK	1225	CINTAS CORPORATION	Monthly	84.52
53509 12/02/2025	CHK	1228	BENJAMIN L MANN	Clothing Allowance	319.49
53510 12/02/2025	CHK	73	STANION WHOLESALE ELEC CO INC	RETAIL	72,264.30
53511 12/02/2025	CHK	306	BORDER STATES INDUSTRIES INC	LINE MATERIAL	22,283.91
53512 12/02/2025	CHK	1251	TECHLINE, LTD	LINE MATERIAL	4,354.87
53513 12/10/2025	CHK	1	DCF - LIEAP	Joni Philyaw - refund	135.38
53514 12/10/2025	CHK	1	ST. THERESA CHURCH	Hall Rent - Cathy Domsch	250.00
53515 12/10/2025	CHK	1	UNIVERSITY OF WYOMING	Continuing Education Scholarship	1,500.00
53516 12/10/2025	CHK	1	USD 482 HIGH SCHOOL	Welding - Shop Class	996.48
53517 12/10/2025	CHK	37	JETMORE REPUBLICAN	Generac Ad	80.00
53518 12/10/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL Subscriptions	3,955.10
53519 12/10/2025	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Bill	644.20
53520 12/10/2025	CHK	55	NESS COUNTY NEWS	Monthly	316.40
53521 12/10/2025	CHK	105	CITY OF NESS CITY	November Pay station/postage	615.38
53522 12/10/2025	CHK	107	CINTAS CORPORATION #449	Monthly	99.02
53523 12/10/2025	CHK	117	NESS CITY FARM & FEED	Monthly Bill	194.90
53524 12/10/2025	CHK	122	MYRON SEIB	Clothing Allowance	506.43
53525 12/10/2025	CHK	145	BUMPER TO BUMPER OF NESS CITY	Monthly Bill	57.67
53526 12/10/2025	CHK	164	FAIRBANK EQUIPMENT INC.	parts	515.02
53527 12/10/2025	CHK	167	RUSH COUNTY TREASURER	Care Packages	780.00
53528 12/10/2025	CHK	182	G.E.M.S. INC	Rewind and Install Bearings	750.00
53529 12/10/2025	CHK	187	S&W SUPPLY DIVISION	Monthly Invoice	211.35
53530 12/10/2025	CHK	234	ELECTRICOMM, INC.	Transformer Oil/Service	9,076.03

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53531 12/10/2025	CHK	238	ILLINOIS MUTUAL	Monthly Bill	54.24
53532 12/10/2025	CHK	247	DUMLER'S WEST SIDE INC	Truck Flat #110 from October	75.95
53533 12/10/2025	CHK	269	ANIXTER INC	TRANSFORMER	1,996.40
53534 12/10/2025	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Truck #123	7,807.75
53535 12/10/2025	CHK	373	KANSASLAND TIRE CO. INC OF HAYS	Truck #2503	3,782.88
53536 12/10/2025	CHK	394	DELLON SHELTON	Clothing Allowance	660.00
53537 12/10/2025	CHK	414	TALLEY INC.	Collector Site Locate	448.88
53538 12/10/2025	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Sub Maintenance	7,680.05
53539 12/10/2025	CHK	484	FLATLANDS GARAGE LLC	Truck 191	400.50
53540 12/10/2025	CHK	494	UTILITY ASSET MANAGEMENT INC.	pole inspections full - re written check	4,399.35
53541 12/10/2025	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Printer N1117 Monthly	495.26
53542 12/10/2025	CHK	528	DAVID N HESKETT DC LLC	Dot Physical	1,300.00
53543 12/10/2025	CHK	562	RENSENHOUSE	RETAIL	2,784.08
53544 12/10/2025	CHK	575	AMERINE UTILITIES CONSTRUCTION I	Josh Crombie Underground	4,596.72
53545 12/10/2025	CHK	578	L&R LAWN CARE & SUPPLY	Monthly	972.51
53546 12/10/2025	CHK	599	MITCH'S TRASH SERVICE	November Trash	75.00
53547 12/10/2025	CHK	608	J & J FUEL SERVICE, LLC	Monthly Fuel Bill	1,043.75
53548 12/10/2025	CHK	617	BOSTON SHIMER	Clothing Allowance	308.94
53549 12/10/2025	CHK	654	LANE COUNTY PUBLIC WORKS	June - Novemeber Bill	376.00
53550 12/10/2025	CHK	773	BRETZ, INC.	Monthly Bill	64.50
53551 12/10/2025	CHK	803	ALTEC INDUSTRIES, INC	Truck 150, 200	186.55
53552 12/10/2025	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	147.63
53553 12/10/2025	CHK	1160	S&T TELEPHONE COOP ASSN.	Monthly Bill	257.11
53554 12/10/2025	CHK	1172	WESTERN SUPPLY COMPANY	RETAIL	103.00
53555 12/10/2025	CHK	1225	CINTAS CORPORATION	monthly bill	341.48
53556 12/10/2025	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Glove Testing	4,145.70

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**Bank Account: 2 - FIRST STATE BANK**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53557 12/10/2025	CHK	1248	COMPLIANCE ONE	Monthly Testing	394.80
53558 12/10/2025	CHK	1303	LANE COUNTY IMPLEMENT, INC	Truck 191	488.25
<b>Total for Bank Account - 2 :</b>					(132) 625,841.11
<b>Grand Total :</b>					(132) 625,841.11



## Board Meeting Summary

*November 12, 2025*

### CURRENT ACTIVITIES

#### *December 2025 Board Meeting*

The December 2025 Board meeting will be held at the Intercontinental Hotel in Kansas City, Mo., December 11-12. Day one will be an education session featuring General Paul Funk followed by a risk presentation from Jeff Bieker and legislative strategy by Lee Tafarielli and Blaine Finch. The annual Christmas dinner will follow with the business meeting on Friday.

#### *Board Strategic Discussion*

The board agreed to hold a two-day strategy discussion in the first quarter of 2026 (preferably February) separate from the regular board meeting. The session will take place at the Wichita Annex in the Ag Credit conference room and will include the Board and alternates, Sunflower executive team, member cooperative staff, and select Sunflower staff based on discussion topics. Sunflower staff will begin planning the event and provide an update to the board in December.

### PRESIDENT'S REPORT

#### **Transmission**

##### *2025 Southwest Power Pool (SPP) Integrated Transmission Plan (ITP)*

On Tuesday Nov. 4, SPP voted to approve a portfolio of transmission projects totaling \$8.6 billion in estimated engineering and construction costs and whose benefit-to-cost ratios are estimated to range from 12:1 to 18:1. It is the single largest single portfolio ever approved by SPP.

#### **Technology Services**

##### *Operation Kill "T"*

Sunflower is transitioning away from costly and outdated AT&T technology supporting voice and data services to more efficient, dependable, and internally managed solutions. The previously provided vendor solutions were expensive, complex, and leveraged specialized on-site equipment leading to situations where prolonged outages occurred with poor communication exhibited by AT&T surrounding problem status, root cause, resolution steps taken, etc. Over the past few years, the Sunflower's technology services team has been implementing new voice and data network access solutions to eliminate costly circuits and reduce design complexity while enhancing security, reliability, and efficiency. By replacing the last remnants of AT&T's technology and services in 2025, Sunflower will spend significantly less overall in the future while continuing to improve network reliability and stability.

#### **Financial Services**

##### *Large Load Tariff*

Sunflower's Large Load Power Service (LLPS) is a new tariff designed to support large-scale load growth while protecting existing members from financial risk. Developed in anticipation of new industrial or commercial load opportunities, the LLPS tariff establishes clear, consistent terms for serving new or expanded loads of 50 MW or more and serves as a backstop to custom contracts. Sunflower's tariff streamlines the large load process, defines fair cost recovery through customer, demand, and energy charges, and includes provisions for capacity contracts, collateral requirements, and termination fees. The rate structure ensures new customers pay their fair share for energy, transmission, and infrastructure costs while maintaining reliability and minimizing exposure for Sunflower and its members. The tariff's comprehensive framework (covering 15-year service agreements, collateral equal to up to three years of expected bills,

and strong credit and termination safeguards) positions Sunflower to confidently pursue and serve new large load opportunities with financial and operational stability. The Board will revisit the tariff at the December board meeting.

### *Patronage Retirement*

The Board previously approved patronage retirement guidelines through January 2027, outlining an annual retirement of \$12 million (\$8.5 million First In, First Out (FIFO) from Sunflower, \$1.5 million from Mid-Kansas, and \$2 million Last In, First Out (LIFO) from Sunflower) maintaining roughly a 70/30 FIFO/LIFO split. As in prior years, the 2026 patronage retirement will be formally approved by unanimous written consent in January 2026, with payout scheduled for January 8, 2026. This approach aligns with Fitch's credit rating considerations, as maintaining a stable \$12 million retirement supports equity strength during the ongoing and future build cycles. Staff will present final figures at the December Board meeting, with no changes anticipated.

## **Human Resources**

### *2025 Gallup Results*

The 2025 Gallup Q12 Employee Engagement Survey showed significant improvement in Sunflower's employee engagement metrics, reflecting growing organizational commitment and stronger team connections. Participation reached 87%, up from 81% in 2024, and the overall engagement mean rose to 4.26 from 4.16 the previous year. Sunflower now ranks 92nd in Gallup's Utilities industry database with a 15.25:1 engagement ratio, demonstrating a substantial increase in engaged employees compared to 2023's 3.25:1 ratio. These results highlight the positive correlation between engagement and key business outcomes, including retention, performance, and team commitment.

Following the survey, Gallup presented results to the executive team and findings were shared with managers and supervisors across the organization. Leaders are now meeting with their teams to identify priority areas, develop targeted action plans, and regularly review progress to sustain engagement momentum and continue strengthening workplace culture.

## **Member Solutions and Communications**

### *NRECA Customer Essentials Training for Member Staff*

Sunflower is sponsoring Member staff to attend the NRECA Customer Service Essentials training in Q2 2026. Two sessions will be offered, each accommodating 30 participants for a total of 60, with 36 Member staff already expressing interest; any remaining spots will be offered to Sunflower staff. The estimated cost to sponsor Member staff is approximately \$11,500, covered through the member solutions department outside services budget.

Sunflower Electric Power Corp. - November 2025, Member Billing Summary									
WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total	
Demand Coincident Peak, kW	19,614	104,412	90,445	86,040	128,611	50,472	97,351	576,945	
Demand NCP, kW	20,633	92,118	99,820	91,954	142,734	51,485	100,533	599,277	
Wholesale Energy Usage, kWh	12,661,334	73,806,178	61,215,310	51,596,032	82,042,972	31,642,192	58,627,847	371,591,865	
RTP Marginal Usage, kWh					(59,951)			(59,951)	
Coincident Peak Load Ratio Share, %	3.40%	18.10%	15.70%	14.90%	22.30%	8.70%	16.90%	100.00%	
Coincident Load Factor, %	89.70%	98.20%	94.00%	83.30%	88.60%	87.10%	83.60%	89.50%	
Metering Points	10	27	25	28	24	26	34	174	
CP Demand Rate, \$/kW	7.36	7.68	7.36	7.36	7.36	7.36	7.36	7.41	
NCP Demand Rate, \$/kW	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	
CP Demand Charge, \$	144,359.04	801,589.68	665,675.20	633,254.40	946,576.96	371,473.92	716,503.36	4,279,432.56	
NCP Demand Charge, \$	66,850.92	298,462.32	323,416.80	297,930.96	462,458.16	166,811.40	325,726.92	1,941,657.48	
Demand Charge, \$	211,209.96	1,100,052.00	989,092.00	931,185.36	1,409,035.12	538,285.32	1,042,230.28	6,221,090.04	
Energy Rate, ¢/kWh	0.7334	0.7200	0.7334	0.7334	0.7334	0.7334	0.7334	0.7307	
Energy Charge, \$	92,858.22	531,369.45	448,953.08	378,405.30	601,703.16	232,063.84	429,976.63	2,715,329.68	
RTP Marginal Usage Charge, \$			-		(2,975.89)			(2,975.89)	
HLF Rider Net Charge, \$	5,836.72	9,396.84	(64,121.13)	11,546.66	(4,272.48)	14,586.67	27,026.72	-	
EDR Rider Net Charge, \$	3,067.88	6,631.44	14,832.66	(26,122.44)	(20,282.27)	7,667.01	14,205.72	-	
ECA Rate (ECA-02), ¢/kWh	1.4110	1.4110	1.4110	1.4110	1.4110	1.4110	1.4110	1.4110	
ECA Charge, \$	178,651.42	1,041,405.17	863,748.02	728,020.01	1,157,626.33	446,471.33	827,238.92	5,243,161.22	
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	3,717.32	20,232.90	17,614.58	14,068.72	20,750.73	8,074.33	21,334.46	105,793.04	
Schedule 11 Regional	30,947.37	168,442.77	146,644.77	117,124.81	172,753.82	67,220.32	177,613.53	880,747.39	
Schedule 11 Zonal	28,783.57	156,665.45	136,391.55	108,935.59	160,675.09	62,520.36	165,195.01	819,166.62	
Schedule 12	1,929.70	10,503.13	9,143.93	7,303.24	10,771.95	4,191.48	11,074.97	54,918.40	
Schedule 1a	5,485.57	29,857.29	25,993.49	20,760.94	30,621.45	11,915.13	31,482.85	156,116.72	
Schedule 9 SEPC	98,184.19	534,404.63	465,247.92	371,592.36	548,081.98	213,264.45	563,499.97	2,794,275.50	
Misc. Transmission	481.85	2,624.19	2,285.24	1,824.73	2,689.83	1,042.58	2,761.54	13,709.96	
Transmission Charge, \$	169,529.57	922,730.36	803,321.48	641,610.39	946,344.85	368,228.65	972,962.33	4,824,727.63	
Billing Adjustments, \$ (LRR Rider, PGS)		(101,972.74)	(383.83)	-	(144,930.33)		-	(247,286.90)	
ECIR Credit, \$			(13,111.74)					(13,111.74)	
Community Solar Adjustments, \$		(1,018.36)	(136.42)	(209.38)	(120.55)		(3,673.71)	(5,158.42)	
Net Charges, \$ *	662,203.77	3,511,429.16	3,044,955.54	2,667,375.90	3,944,647.94	1,610,032.82	3,313,536.89	18,754,045.62	
3-2-1 Credits, \$		(7,778.97)	(238.56)	(11,811.47)	(2,424.95)			(22,253.95)	
Total Charges, \$	662,203.77	3,503,650.19	3,044,716.98	2,655,564.43	3,942,222.99	1,610,032.82	3,313,536.89	18,731,791.67	
Average all-in ¢/kWh	5.230	4.747	4.974	5.147	4.809	5.088	5.652	5.042	
Non-Member energy charges:			<div>⬇️</div> <div>⬆️</div> <div>➡️</div> <div>⬆️</div> <div>⬇️</div>	Basis for Changes from Previous Month					
Non-Member energy charges:		\$		\$/kWh	<div>1. Holcomb Capacity Factor was 62.9% for the month.</div> <div>2. Smoky Hills #1 WF Capacity Factor was 22.6% for the month.</div> <div>3. Shooting Star capacity factor was 15.6% for the month.</div> <div>4. Smoky Hills #2 WFCapacity Factor was 34.9% for the month</div> <div>5. Johson Corner Solar Capacity Factor was 12.5% for the month</div> <div>6. Boot Hill Solar began commissioning and generation on 11/22/25</div>				
10 West Cities		641,968.27		0.0492					
4 East Cities		90,611.27		0.0567					
KEPCo		141,944.66							
KMEA - EMP2 (Local Access)		68,813.98							
KMEA - City of Meade - (Local Access)		13,519.92							
AP & NH other contracted services		287,390.37							
KPP - OATT, L.A.C. & MA Charges		20,345.08							
Note:			⬆️ = Increase      ⬇️ = Decrease      ➡️ = Little Effect						
* Victory and So. Pioneer numbers do not include the full requirement cities.									

# KEC Board Meeting Summary

*Dec. 4, 2025, at the Wichita Marriott*

**To:** KEC Trustees,  
Alternate Trustees, and  
Member System  
Managers

**From:** Shana Read,  
Director of Education and  
Training

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printable version  
of this summary](#)

## Upcoming KEC Meetings

**KEC Winter Conference**  
**Jan. 31 - Feb. 2, 2026**  
Cyrus Hotel / Townsite,  
Topeka

**KEC Board Meeting**  
**Mach 4-5, 2026**  
Marriott, Wichita

**KEC Board Meeting**  
**May 6-7, 2026**  
Hilton Garden Inn, Salina

**KEC Summer Meeting**  
**Aug. 1-3, 2026**  
Marriott, Overland Park

**KEC Board Meeting**  
**Sept. 30 - Oct. 1, 2026**  
Marriott, Wichita

**KEC Board Meeting**  
**Dec. 2-3, 2026**  
Marriott, Wichita

## In official action, the KEC Board of Trustees

1. As recommended by the Budget and Operations Committee, approved the 2026 KEC budget and assessments.
2. Ratified the decision made by the Executive Committee to adjust the November member assessment reduction.
3. As recommended by the Budget and Operations Committee, approved the declaration of a qualified notice of allocation of 100% of the KCL Magazine & Publishing 2025 net margin with a subsequent disbursement of at least 20% of that patronage during the 1<sup>st</sup> quarter of 2026.
4. Elected Lee Tafanelli, KEC, as the voting delegate and Michael Leitch, Bluestem, as the alternate to the 2026 NRECA and NRTC Annual Meetings.
5. Elected Keith Ross to fill the unexpired term as the District 3 representative to the KEC Executive Council.
6. Accepted the Nominating Committee recommendation for the following slate of officers: Jim Christopher, DSO, as President; Bruce Mueller, Sunflower, as Vice President; Michael Leitch, Bluestem, as Secretary; and John George, Rolling Hills, as Treasurer.

## KEC Committee Meetings

On Wednesday, Dec. 3, the **Legislative & Regulatory Committee** received updates on recent federal and state regulatory developments. The committee also heard a report on the 2026 elections and expected legislation for the 2026 session.

The **Executive Committee** met to review general association activities, including the district meeting evaluations and the 2026 Winter Conference. They also reviewed a request from a cooperative in Maine to join the KEC Youth Tour program.

## KEC Board Meeting

On Thursday, Dec. 4, the **KEC Board of Trustees** heard reports from each of the KEC Departments, as well as the Executive, Nominating, and Legislative & Regulatory committees. The Board met in executive session to receive the Budget & Operations Report, take action on the 2026 budget, and hear a report from the Management Evaluation Committee.



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

### Rates, Reliability, and Safety Dashboard

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

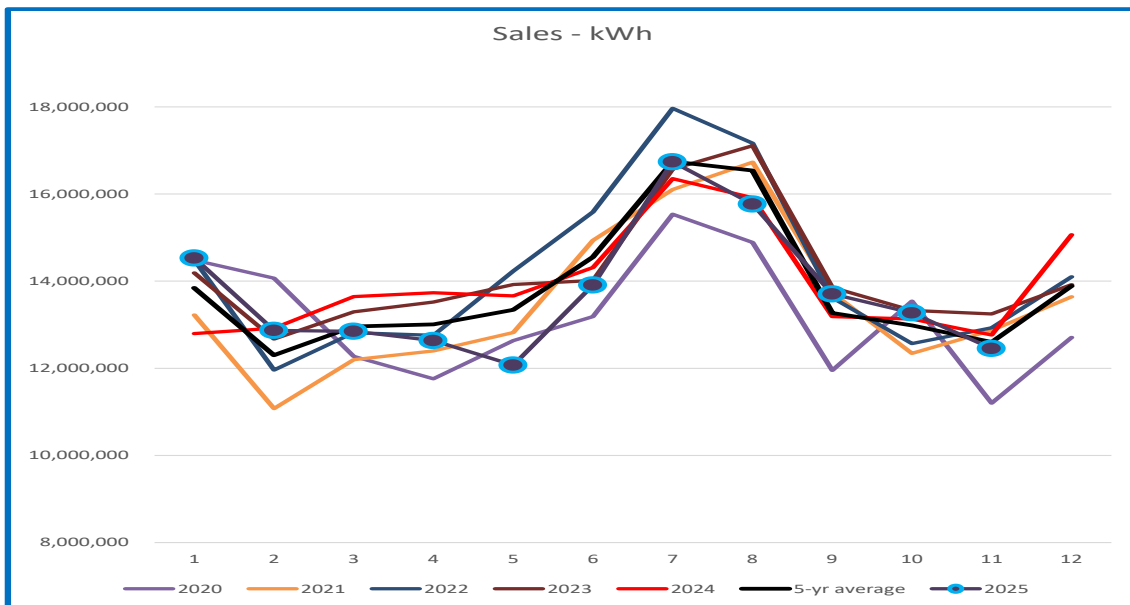
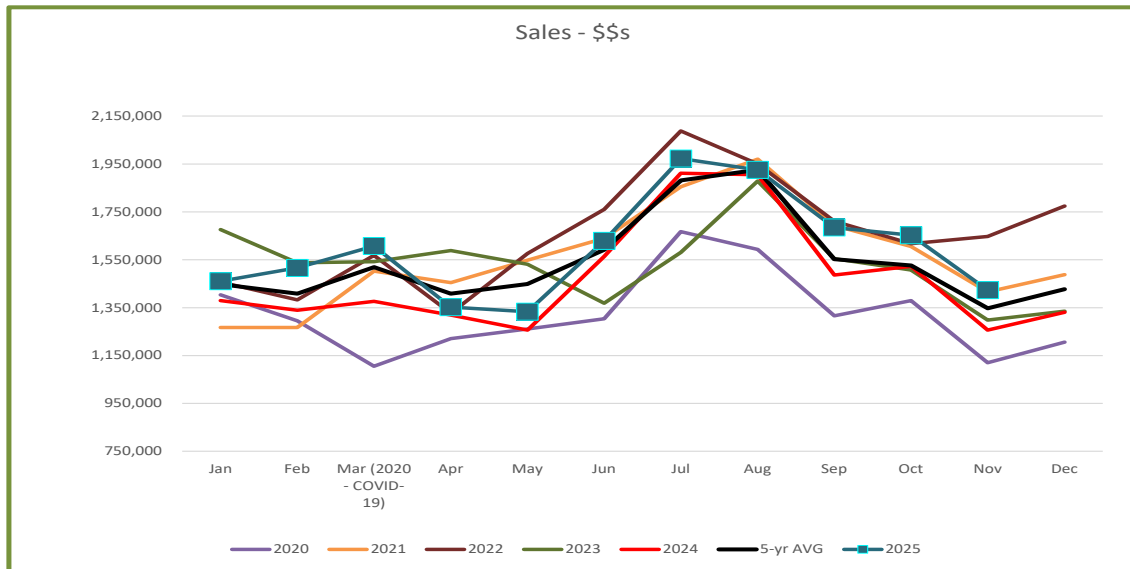
1. Total sales revenues remain strong at \$18,201,492 YTD which is 7.6% above 2024 YTD levels. The YTD Distribution revenue is \$8,835,854 which is \$757,038 or 8.57% above last year. Operating Revenues are \$1,489,138 which is \$700,263 over last year.

The Capital and Donation Budgets are at \$833,352 (46.83%) through December 18, 2025.

2. Reliability remains high. We had minor outages in November (3 hours across 400 meters), so our ASAI remains at 99.97%. “Controllable” outages (“planned” and “all other”) was 2.8% of all outages through November 2025.
3. Safety. No major incidents reported.

Revenue class	YTD kWh %	YTD revenue%	YTD Revenue Δ from 5-yr average (\$s and %)		YTD \$/kWh
Residential	0.53%	7.24%	102,674	3.52%	0.1405
Residential Seasonal	0.92%	5.03%	44,801	9.62%	0.2583
Irrigation	-23.42%	-15.70%	-202,346	-24.06%	0.0954
C&I 1000kVa or less	-1.59%	7.77%	5,190	0.10%	0.1245
C&I over 1000kVa	3.09%	13.10%	687,150	10.09%	0.1064
Public & Street Lighting	-0.50%	9.94%	6,216	10.90%	0.1824
Sales to Public Authorities	-5.97%	2.22%	4,488	8.22%	0.1739
City of Dighton	-13.87%	-19.41%	-113,345	-18.12%	0.0717
TOTALS	-1.06%	7.60%	534,827	3.14%	0.1163

Rate of Return on Rate Base						
2020	2021	2022	2023	2024	2025 YTD - Nov	Average
1.55%	-0.88%	2.49%	0.07%	1.80%	4.55%	1.60%

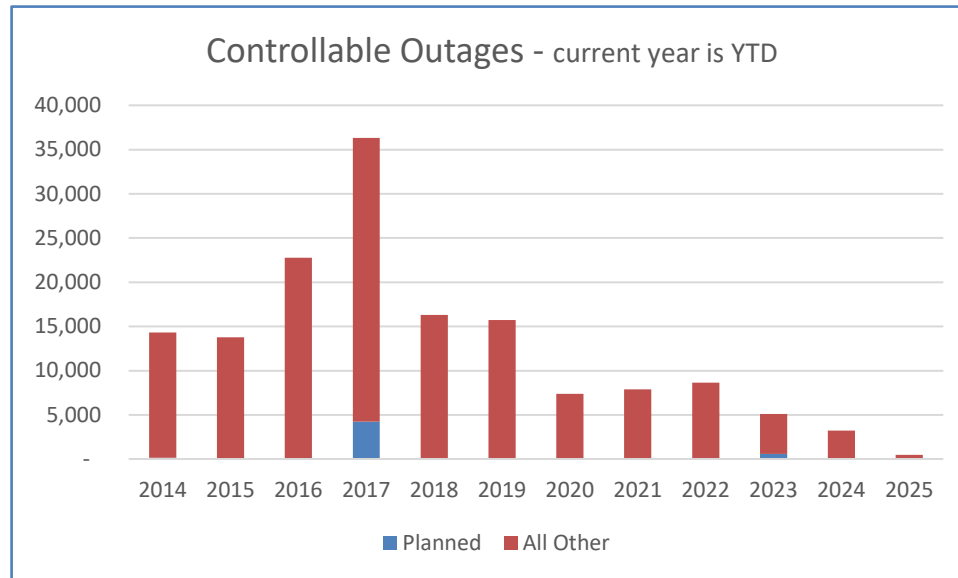


## 2025 Budget Summary

Total through December 18, 2025

- 1 Donations
- 2 Communications
- 3 Finance
- 4 Human Resources
- 5 IT / Cyber
- 6 Operations
- 7 Safety

	budget	expenditures	%
1	6,065	5,035	83.02%
2	139,785	124,023	88.72%
3	10,800	7,192	66.59%
4	19,690	9,542	48.46%
5	87,000	35,556	40.87%
6	1,457,226	648,185	44.48%
7	58,966	3,820	6.48%
	1,779,532	833,352	46.83%



metric	2021	2022	2023	2024	2025	measures
SAIDI	8.19	3.36	1.64	6.67	2.95	Interruption DURATION / average for every member (hrs)
SAIFI	2.56	1.33	1.02	1.10	1.08	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	3.20	2.53	5.60	6.07	2.73	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

- CFC Strategic Planning session. We have scheduled **January 7-8** for the CFC Strategic Planning workshop with CFC. This will be creating the 2026-2028 Strategic Plan which will include a new Construction Work Plan and GM/CEO succession planning.
- Credit Card records. (Are available for the Boards review.)
- General Manager Expense Reports.
  1. Dec 2-4, Ness City Rotary and KEC Board meetings, (\$548.93).
- General Manager Per Diem Requests. None.

**Departments / Sections.** (Notable items are below. Full reports for all sections are posted in Call to Order).

- All Staff are working on their 2025 Projects, 2026 Capital, Financial, and Training Budget items as well as maintaining current technical and supervisory training programs.

1) Accounting and Finance.

- November 2025 Operating Margin = \$22,220 with \$1,489,138 YTD.
- November 2025 Total Margin = \$55,003 with \$1,996,682 YTD.
- Cash Balance – \$6,992,207.
- Rolling 12-month Metrics remain very good:
  - TIER – 2.58 (1.25 min.), OPTIER – 1.82 (1.1 min.), DSC – 3.05 (1.25 min.), ODSC – 4.55 (1.1 min.), MDSC – 4.85 (1.35 min.)

- Equity as a % of Assets – 42.58% and as a % of Capitalization – 45.24%
- Current Ratio – 2.78%

## 2) Operations Report (Dal).

- Projects
  - Construction
    - Oneok – Beeler, ±650 KW (2026 energize). Trenched in new primary underground and set the metering cabinet. This project is 100% complete.
    - Oneok – Scott Park, 6MW and 8 miles 115kV transmission (2026 energize). Substation is near completion and Transmission line construction underway. This project is about 85% complete.
    - Tallgrass – 15MW, 6 miles 115kV transmission (2027 energize). Contract negotiations underway between Sunflower and Tallgrass related to materials purchasing and delivery. This project is about 2% along.
    - Shallow water – 2 to 8MW, 2-3 miles 115kV transmission (2027-2028 energize). The low side of the project is needed to serve LSEC, the high side is requested by Bighorn Renewables. Bighorn is not currently willing to fund their portion of the project so we will move ahead without them.
  - Planning
    - Long Range Plan (Finley Engineering). This project is about 10% completed and includes:
      - Sectionalizing Study (Finley Engineering). This project is looking at the Substations on the western side of the system (Manning, Scott Park, Twin Springs, Tallgrass, and Shallow Water) is about 25% completed.
      - Cooperative Building Systems. We are focusing on the Dighton Roof (2026) then Ness City office and yard (2027) and Dighton Warehouse and Retail (2028).
    - Wildfire Mitigation Plan (Vantage Point and MarksNelson). The planning portion of this project is being developed by Vantage Point and funded through a KEC / Federated Insurance grant. Any potential build-out (including possible LRP projects) are being rolled into a MarksNelson grant application.
- Maintenance. Multiple maintenance projects across the LSEC system.
  - Repaired secondary and moved the meter loop to the alley at Josh Crombie's.
  - Retired connects for Kelton Bangerter, Beverly Kerkhof, and Berexco Oil.
  - Repaired a loose connection at Darren York's.
  - Changed out a bad transformer on the Transpacific Oil, Crowell lease.
  - Replaced breakers at Rex Whipple's water well.
  - Changed out a bad insulator on the York 3-phase.
  - Lowered the voltage on an oil well south of Grigston to allow J&S Electric to adjust the VFD at the well.
  - Pulled the cutouts on the Mull Drilling, McDonald A&B lease. R&B Electric changed out the disconnect switch.
  - Replaced secondary at Ronnie Palmer's in Ness City.
  - Hung Christmas Lights at office
- Pole Change Outs. Eighteen poles changed.
- Construction.

- Built a new single-phase connect for Kevin Roney's hunting cabin in Shields.
- Built a new single-phase connect for the Tillman Infrastructure tower, west of Healy.
- Built 1 mile of new single-phase line for Magellan cathodic bed, south of Ness City.
- Engineering.
  - Nate attended the annual Landis & Gyr Users Group meeting. He was able to get many questions answered about security and firmware updates that need to be done before we switch from Command Center to Emerge.
  - Staked in a few clearance jobs in Hodgeman County.
  - Staked in a new collector location west of Brownell.
  - Started compiling data from the AMI and mapping system, for the long-range plan.
  - Gathered information for FEMA DR 4869 (March 19<sup>th</sup> Blizzard).
  - Tad attended Phase 1 of his staking certification program in Kerney, Nebraska.

3) Information Technology and Cybersecurity (Carrie).

We received the following NISC Notice:

U.S. Treasury stopped the production of new pennies due to high production cost that each penny costs 3.7 cents to produce. Pennies will continue to be in circulation for years to come. Eventually businesses may have to start rounding prices to nearest five cents. For the time being NISC is not planning on any software-related rounding for these reasons:

- Member Advisory Committee: Consensus that **immediate changes are not necessary.**
- **Canadian Experience:** Discontinued their penny 13 years ago, and NISC has 20 Members in Canada that managed without requesting automatic rounding.
- **Continued Circulation:** Pennies will remain in circulation for years.

4) Communications (Ann Marie).

- Continuing Education Scholarship application period will begin Jan. 1 – Mar. 27, 2026. Six \$1,500 scholarships will be available.
- CoBank Sharing Success Grants: The application period begins in January with an April 3 deadline. We will be awarding four \$1000 grants.
- Auto Pay Program: We will launch a campaign beginning in January to remind/inform members to enroll in auto pay.
- The Kansas Low Income Energy Assistance Program (LIEAP) application period begins January 20 – March 31.

Respectfully submitted,

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

# THE LANE-SCOTT ELECTRIC COOPERATIVE INC.

Location: Board Meeting  
Date: 12-22-2025  
Time: 7:00pm  
Facilitator: Safety Coordinator Report

## Agenda Items

- Disaster Recovery Plan.
- Resap Walk Thru
- Demo's -Farm Bureau Ag Day, Old Settlers, and Annual Meeting.
- Safety Amp.
- Crew Visits- Quarterly.
- Accidents and Near Misses Report
- Good Catch Program
- Safety Council Yearly Walk Thru.

## **10. b. 2026 Annual Meeting Location**

Article III, Section 1. of the Bylaws of the Lane-Scott Electric Cooperative states:

***Annual Meeting.** The annual meeting of the members shall be held on a day to be selected by the board of trustees in each year, at such place in the area served by the Cooperative as shall be designated in the notice of the meeting, for the purpose of electing trustees, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.*

The Board approved July 14, 2026, as the date of the 2026 LSEC Annual Meeting at the October 2025 Board Meeting with the location to be determined. Staff has since met with the Lane County Fair Board and has been assured that the Fair Committee supports the Cooperative holding its Annual Meeting at the Fairgrounds with shared expenses on the big tent as per customary.

However, remember that the Lane County Commissioners did not support giving the Cooperative a contractual agreement for the meeting. We have a very good relationship with the Fair Board and Staff feels that we can work together should the unexpected happen, but we cannot say with 100% certainty that the fairgrounds will be available to us.

While the Fairgrounds is our first choice and we will proceed with plans to have the meeting there, we feel that we must also consider other venue options in Dighton and Lane County such as the Coop Office and St. Theresa Parish Hall.

Therefore,

**Staff requests that the Board of Trustees designate “Lane County” as the place of 2026 Lane-Scott Electric Cooperative Annual Meeting.**

# 10. c. The Lane-Scott Electric Cooperative, Inc. 2026 Board Meeting Schedule (proposed)

(based on known calendars as of December 1, 2025)

Lane-Scott Schedule					
<u>January</u>	1	Office Closed - New Years	<u>July</u>	4	Office Closed – 4 <sup>th</sup> of July
	7-8	CFC Strategic Planning Session		14	LSEC Annual Meeting
	19	LSEC Board of Trustees meeting - <b>change</b>		27	LSEC Board of Trustees meeting
<u>February</u>	23	LSEC Board of Trustees meeting	<u>August</u>	24	LSEC Board of Trustees meeting
<u>March</u>	23	LSEC Board of Trustees meeting	<u>September</u>	7	Office Closed – Labor Day
				28	LSEC Board of Trustees meeting
<u>April</u>	3	Office Closed – Good Friday	<u>October</u>	26	LSEC Board of Trustees meeting
	27	LSEC Board of Trustees meeting			
	27	Nominating Committee meeting	<u>November</u>	23	LSEC Board of Trustees meeting
<u>May</u>	18	LSEC Board of Trustees meeting - <b>change</b>		26-27	Office Closed - Thanksgiving
	25	Office Closed – Memorial Day	<u>December</u>	21	LSEC Board of Trustees meeting - <b>change</b>
<u>June</u>	22	LSEC Board of Trustees meeting		25	Office Closed - Christmas

Consolidated Schedule					
<u>January</u>	1	Office Closed - New Years	<u>July</u>	4	Office Closed – 4 <sup>th</sup> of July
	7-8	CFC Strategic Planning Session		14	LSEC Annual Meeting
	19	LSEC Board of Trustees meeting - <b>change</b>		15	Sunflower EPC Board, Hays
	21	Sunflower EPC Board, Hays		27	LSEC Board of Trustees meeting
	31	KEC Winter Conference, Cyrus Hotel, Topeka	<u>August</u>	1-3	KEC Summer Meeting, Overland Park
<u>February</u>	1-2	KEC Winter Conference, Cyrus Hotel, Topeka		19	Sunflower EPC Board, Hays
	18	Sunflower EPC Board, Hays		24	LSEC Board of Trustees meeting
	23	LSEC Board of Trustees meeting	<u>September</u>	7	Office Closed – Labor Day
<u>March</u>	4-Jan	KEC Board Meeting, Wichita		16	Sunflower EPC Board, Hays
	6-11	NRECA Annual, Nashville, TN		28	LSEC Board of Trustees meeting
	18	Sunflower EPC Board, Hays		30	KEC Board Meeting, Wichita
	23	LSEC Board of Trustees meeting	<u>October</u>	1-Jan	KEC Board Meeting, Wichita
<u>April</u>	3	Office Closed – Good Friday		5-7	NRECA Regional Mtng, Salt Lake City, UT
	15	Sunflower EPC Board, Hays		21	Sunflower EPC Board, Hays
	tbd	NRECA Legislative Conference		26	LSEC Board of Trustees meeting
	27	LSEC Board of Trustees meeting	<u>November</u>	18	Sunflower EPC Board, Hays
	27	Nominating Committee meeting		23	LSEC Board of Trustees meeting
<u>May</u>	6-7	KEC Board Meeting, Salina		26-27	Office Closed - Thanksgiving
	18	LSEC Board of Trustees meeting - <b>change</b>	<u>December</u>	2-3	KEC Board Meeting, Wichita
	20	Sunflower Board Meeting		10-11	Sunflower Board, Kansas City, MO
	25	Office Closed – Memorial Day		21	LSEC Board of Trustees meeting - <b>change</b>
<u>June</u>	17	Sunflower EPC Board, Hays		25	Office Closed - Christmas
	tbd	Youth Tour			
	22	LSEC Board of Trustees meeting			



## **10. d. Board Policy 110 Document Retention Policy**

This is the culmination of a four-year project.

The Cooperative does not currently have a documented Document Retention and Destruction Plan (DRP). These plans are essential to manage documents and reduce risk. The DRP is based on similar plans from Pioneer, Prairie Land, and Wheatland Electric Cooperatives. Retention and destruction schedules are derived from:

- The Code of Federal Regulations
- The Employee Retirement Income Security Act of 1974 (ERISA)
- Internal Revenue Service
- NRECA Sample Records Management Policy (2008)
- RUS Bulletin 180-2

We are working out the details of the Plan mechanics but have agreed upon the basics that will be set up in Operating Policy:

- All records will be kept digitally and backed-up off sight.
- Subject Matter Experts (SMEs) in each section will be responsible for up loading documents.
- SMEs will have the authority to place holds on documents to prevent destruction. All holds require the signature of the General Manager.
- The DRP Administrator will be responsible for managing the DRP and notifying the SMEs of upcoming document destruction.

**Staff requests that the Board approve new Board Policy 110 Document Retention Plan.**

# THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

**Dated:** December 19, 2025

**Policy No:** 110

## **SUBJECT: Document Retention Policy**

- I. **Objective:** The objective of the Document Retention Policy (policy or DRP) is to ensure the reasonable and good faith retention of all records created by or for The Lane-Scott Electric Cooperative, Inc. (the "Cooperative") or under its control, whether paper or electronic, that are necessary or advisable to retain for: business operations; historical value; accounting, audit, tax and financial purposes; compliance with applicable law, rules and regulations; possible future use in litigation, official proceedings, governmental investigations or other matters. The schedule for record retention is listed in Exhibit A to this DRP. Other records, which are not necessary to retain for these reasons, shall be destroyed in accordance with these guidelines.
- II. **Policy:** Records, which may be in electronic or paper form, shall be retained in accordance with these guidelines. An index of the records retained will be maintained. Records not required to be retained shall be destroyed after the requisite retention period, if any, has passed. An ongoing log will be maintained that details the destruction of records. Pending or potential litigation, government investigation and other circumstances may require a suspension of regularly scheduled destruction of selected records. Employees will be promptly notified of any suspension by the General Manager ("GM") or his designee, hereafter designated as the "Records Custodian." Questions about the DRP should be directed to the Records Custodian or Cooperative's legal counsel. The GM may further designate a Records Custodian for specific documents and/or specific events.

The GM shall assign a Document Retention Plan Administrator and endorse applicable Records Custodians for all documents as set forth in Exhibit A, incorporated by reference.

- A. **Retention of Records:** Records shall be indexed and retained in a manner that ensures easy accessibility. Records shall be maintained for as long as the period stated in Exhibit B to the DRP, which is based on the minimum periods required by applicable state or federal law and necessity for ongoing business purposes. The retention schedule may be amended from time to time as needed to reflect changing legal requirements, business needs or evolving practices and as approved by the Board of Trustees. The sources used in determining retention guidelines can be found in, but not absolutely limited to, Exhibit C to the DRP.

The Records Custodian shall be responsible for supervising all retention practices and procedures and ensuring that appropriate internal controls are implemented. Paper and electronic records and other information shall be maintained in the formats and/or media and at the locations provided in an Index of Records, which media shall ensure a life expectancy that, at a minimum, preserves the records for as long as specified in the schedule. All records that require transfer to storage

media that is different from the media in which the document was originally created or is being maintained requires documentation of the transfer and verification for accuracy.

- B. Destruction of Records and Other Information.** Unless a legal hold is in effect, destruction of records shall occur within a reasonable amount of time after the retention period stated in the schedule has been met. Other information should be discarded as soon as practicable after it has served its purpose, unless subject to a legal hold. The Cooperative may use any appropriate method to destroy records.

A log of records destroyed shall be maintained. The Records Destruction Log can be found in Exhibit D to the DRP. In the event a record is destroyed prior to the expiration of the applicable retention period (Loss or Untimely Destruction), the pertinent information shall be notated on the Records Destruction Log.

- C. Suspension of Destruction / “Legal Hold:”** A legal hold is the process for suspending the destruction of records and other information that becomes necessary for the Cooperative to preserve. A legal hold may need to be issued for various reasons, such as:

- A complaint is filed against the Cooperative.
- A credible threat of litigation has been received by the Cooperative.
- A discovery request is received.
- A records preservation order has been issued.
- A subpoena has been served on the Cooperative.
- A governmental, regulatory or law enforcement agency has instituted an investigation.
- An event has occurred that resulted in death or serious bodily injury.
- A circumstance has arisen that is likely to cause the Cooperative to file a lawsuit against someone or some entity.
- An employee has made a complaint/allegation/report regarding a violation of law, Cooperative policy, or other unethical or improper conduct prompting an internal investigation.

If a Cooperative employee receives any such complaint, request, subpoena or inquiry, he or she should immediately submit it to the GM or General Counsel. A determination will be made by Management and/or legal counsel regarding the need to preserve records. If such a need is determined to exist, a legal hold notification will be issued. See Exhibit E for this form.

The legal hold requires the preservation of all records and other information detailed in the legal hold notice. Regarding electronic records and information, all such active, distributed and archived materials must be preserved.

If a computer or peripheral device (e.g. desktop, laptop, smart phone, IPAD, external disk drive, etc.) has stored records or other information subject to the legal hold, then any scheduled replacement of that computer or device must be suspended until the stored materials on such item are copied to a secure medium. Such steps must be documented noting the dates of such copying and the

equipment replacement, the person responsible for the copying and replacement, and the location of the copied materials.

Consideration should be given to the need to preserve the application software necessary to view documents. The Cooperative shall have the hardware and software available to locate, identify, and reproduce the records in readable form without loss of clarity.

A Legal Hold Release releases the obligation to preserve records and allows for retention per the Retention Schedule to resume unless specific guidance is otherwise provided. See Exhibit E to this policy for the Legal Hold Notification/Release form.

- D. Compliance with the Policy:** Every employee, trustee and agent of the Cooperative is required to comply with the DRP.
- E. Reporting of Suspected Noncompliance:** Should any employee, Trustee or agent of the Cooperative suspect or become aware of information indicating that a person responsible for the retention or destruction of records is not in compliance with this policy, such information shall be promptly reported to his/her direct supervisor, the Cooperative's legal counsel, or the GM. If the GM is suspected of not following this policy, suspicion should be reported to the General Counsel.
- F. Responsibility:** The Board of Trustees of the Cooperative hereby delegates responsibility to the GM to put in place the procedures necessary to administer this policy and overall responsibility for the administration of the DRP.

ATTESTED: \_\_\_\_\_ date \_\_\_\_\_  
Secretary

New policy: December 19, 2025

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

**Dated:** December 19, 2025

**Policy No:** 110

**SUBJECT:** Document Retention Policy

## Appendices / Exhibits

Exhibit A. Document Retention Plan Administrator and applicable Records Custodians

Exhibit B. Schedule of Documents and Records Custodians

Exhibit C. Sources

Exhibit D. Records Destruction Log

Exhibit E. Legal Hold Notification / Release

## Exhibit A. Document Retention Plan Administrator and applicable Records Custodians

The General Manager / CEO delegates the appropriate authority and responsibility to administer Board Policy 110 Document Retention Plan to the Human Resources Administrator.

The General Manager / CEO further endorses applicable Records Custodians as identified in Exhibit B.

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*General Manager / CEO*

*dated*

# The Lane-Scott Electric Cooperative, Inc.

**Dated:** 'December 19, 2025

**Policy No:** 110

**SUBJECT: Document Retention Policy**

## Exhibit B - Schedule

Item No.	Category	Group	Description	Retention Period	Records Custodian
1	03-Finance	Accounts Payable	Accounts Payable Invoices/Vouchers - Other Includes: power bill, loan/mortgage payments Excludes: plant items (posted directly to 300 accounts)	6 Years	CFO
2	03-Finance	Accounts Payable	Accounts Payable Invoice/Vouchers - Plant Items	35 years	CFO
3	03-Finance	Accounts Payable	<u>Vendor Files</u> W9, credit application, payment preference/ACH info, correspondence if appropriate, etc. Excludes: Items listed elsewhere (i.e. certificate of insurance for contract labor)	Settlement + 6 years	CFO
4	09-Tax	Accounts Payable	IRS Form 1099 (Miscellaneous Income)	Date filed + 3 years	CFO
5	01-Corporate & General	Contracts	<u>Purchased Power Agreements</u> Contracts with others for the transmission or the purchase, sale or interchange of product	Expiration of agreement + 6 years	CFO
6	03-Finance	Contracts	<u>Contracts for Goods and Services Other Than Plant Items</u> Service contracts, such as for management, accounting and financial services Leases Property contracts Tree cutting agreements Joint Use Pole agreements	Life of contract + 6 years	CFO
7	06-Plant & Depreciation	Contracts	<u>Contracts Relating to Plant Items</u> Service contracts and other agreements in connection with construction of plant, including supervision and engineering Acquisition or sale of plant	Plant retired or sold + 6 years	CFO
8	01-Corporate & General	Contracts	Mutual Aid Agreements	Life of agreement + 6 years	CFO
9	08-Billing	Contracts	Line Extension Contracts	Expiration + 4 years	Lead Billing Representative
10	07-Purchases & Stores	Contracts	<u>Certificates of Insurance-Contract Labor</u> General liability and/or workers compensation	Policy period + 6 years	HR Administrator
11	15-Service Related	Member Services	Customer Survey	20 years	Communications Director

12	03-Finance	Consumer Accounting	<u>Cash Receipts</u> i.e. payment/billing stubs, daily cash sheets, deposit slips, EFT bank draft report, daily recap reports, payment arrangements, etc.	Destroy at option after CPA Audit	CFO
13	08-Billing	Customer/Member File	<u>Consumer Account Records - Contracts, Completed Forms and General Correspondence</u> Surge protection application, residential space heating documentation, landlord revert form, NSF letters, general correspondence, budget billing, call in sheets, red flag form, etc.	Expiration/superseded + 6 years	Lead Billing Representative
14	08-Billing	Customer/Member File	<u>Member/Customer Contract for Service</u> Member/Customer application and supporting documentation (photo ID, misc. legal documents, Account Set-Up form) Connect/Disconnect Order/Service Order	Life of corporation	Lead Billing Representative
15	03-Finance	Customer/Member File	<u>Consumer Account Records - Patronage</u> Patronage totals (Allocations & Retirements) Patronage assignments, transfers, name changes Records indicating the last known address Affidavit of Heirship, Letters Testamentary, Will, Trust Assignment, Death Certificate, W-9	Life of corporation	CFO
16	08-Billing	Customer/Member File	Security Deposit Records	Life of corporation	Lead Billing Representative
17	08-Billing	Customer/Member File	Uncollectible Accounts, Bankruptcy Filings	Life of corporation	Lead Billing Representative
18	15-Service Related	Customer/Member File	Member/Customer Complaints	Account closed + 6 years	Lead Billing Representative
19	08-Billing	Billing	<u>Revenue Summaries / Billing</u> Summary of monthly operating revenues according to class of service Summary of forfeited discounts and penalties (i.e. cycle billing reports, CIS month-end report, CIS year-end report)	6 years	Lead Billing Representative
20	08-Billing	Billing	<u>Billing Adjustments</u> Including related correspondence and agreements	Adjustment fully paid/refunded + 6 years	Lead Billing Representative
21	09-Tax	Billing	Consumer Account Records - Tax Exemption Forms	Last sales tax submission using form + 3 years	Lead Billing Representative
22	08-Billing	Billing	<u>CIAC Balancing Ledger</u>	6 years	Lead Billing Representative
23	11-Miscellaneous	General Ledger	<u>Budgets</u> Capital, operating	3 years	CFO
24	11-Miscellaneous	General Ledger	Long-Range Financial Forecasts	10 years	CFO
25	03-Finance	General Ledger	General Ledger	25 years	CFO
26	03-Finance	General Ledger	Journal Entries to Non-Plant Accounts (non-300s)	10 years	CFO
27	03-Finance	General Ledger	Journal Entries to Plant Accounts (300s)	35 years	CFO



28	11-Miscellaneous	General Ledger	<u>Financial, Operating and Statistical Reports Used for Internal Administrative or Operating Purposes</u> Monthly Form 7	25 years	CFO
29	03-Finance	General Ledger	<u>Accountant/Audit Reports and Associated Work Papers</u> Reports of examinations and audits, such as those performed by external audit firms and Commission accountants	Report date + 5 years	CFO
30	03-Finance	General Ledger	<u>Annual Reports to Federal and State Regulatory Commissions - Work Papers</u> Financial and Operating Report Electric Distribution (previously known as Form 7, also known as Annual Form 7)	Report = life of corporation  Work papers = Report Date + 5 years	CFO
31	03-Finance	General Ledger	<u>Year-End Trial Balance of General and Subsidiary Ledgers</u> Unless noted elsewhere	2 years	CFO
32	03-Finance	Subsidiary Ledger	<u>Subsidiary Ledgers</u> Unless noted elsewhere (plant (CPR), depreciation, payroll, accounts receivable)	10 years	CFO
33	03-Finance	Subsidiary Ledger	Accounts Receivable Aged Trial Balance	2 years	CFO
34	03-Finance	General Ledger	<u>Bank Statements</u> Including reconciliations	6 years	CFO
35	03-Finance	Subsidiary Ledger	<u>Payment/Check Registers (Checks and ACH)</u> Accounts payable, payroll, capital credits	6 years	CFO
36	03-Finance	Subsidiary Ledger	<u>Payment/Check Registers (Checks and ACH)</u> Special Construction	Life of corporation	CFO
37	03-Finance	Subsidiary Ledger	Labor Distribution Journal	6 years	CFO
38	03-Finance	Subsidiary Ledger	Fleet Management Distribution Journal	6 years	CFO
39	07-Purchases & Stores	Subsidiary Ledger	<u>Material and Supplies Ledgers</u> Received Issued (Charged) On Hand (Inventory) Material module month and closing records	6 years	CFO
40	07-Purchases & Stores	Subsidiary Ledger	<u>Miscellaneous Receivables</u> Sale of inventoried material, merchandise and services Reimbursement of expense incurred (accidents, etc.) Sale of salvage/scrap material Miscellaneous Receivable Open Balance Miscellaneous Receivable Accts Rec      Other	Invoice paid in full/written off + 3 years	Purchasing Manager

41	06-Plant & Depreciation	Subsidiary Ledger	Construction and Retirement Records and Reports (Work Order Closings) Charges such as material, labor, and other Work order distribution (closing) entries Staking Sheets	35 years	CFO
42	06-Plant & Depreciation	Subsidiary Ledger	Continuing Property Records (CPR) and Utility Plant Ledgers	35 years	CFO
43	06-Plant & Depreciation	Subsidiary Ledger	Special Equipment Summaries	6 years	CFO
44	06-Plant & Depreciation	Subsidiary Ledger	Depreciation Records	35 years	CFO
45	12-Employment Related	Payroll	Time Sheets	5 years	HR Administrator
46	12-Employment Related	Payroll	Transportation Reports/Mileage Logs	5 years	HR Administrator
47	12-Employment Related	Payroll	<u>Payroll Records</u> Deductions, pay rate changes, etc.	Superseded + 5 years	HR Administrator
48	12-Employment Related	Payroll	Employee Exemption Certificates (W4/K4)	Superseded + 5 years	HR Administrator
49	09-Tax	Payroll	IRS Form W-2 (Wage and Tax Statement)	Tax payment + 5 years	HR Administrator
50	12-Employment Related	Payroll	<u>Employment Tax Returns</u> 940, 941, etc.	File date + 5 years	HR Administrator
51	12-Employment Related	Human Resources	Job Position Descriptions	Superseded + 2 years	HR Administrator
52	11-Miscellaneous	Human Resources	<u>Job Postings</u> EEO-Equal Employment Opportunity	3 years	HR Administrator
53	12-Employment Related	Human Resources	<u>Recruitment - Interviewed Candidates</u> Job application, resume, correspondence	Date of action + 3 years	HR Administrator
54	12-Employment Related	Human Resources	<u>Recruitment - Unsuccessful Candidates</u> Job application, resume, correspondence	Date of action + 3 years	HR Administrator
55	12-Employment Related	Human Resources	<u>Apprenticeship Agreements - Master Agreement</u> DOL - Department of Labor	Superseded + 6 years	HR Administrator
56	12-Employment Related	Human Resources	<u>Apprenticeship Agreements - Employee Agreements</u> DOL - Department of Labor	Employee termination + 5 years	HR Administrator
57	12-Employment Related	Human Resources	Salary Administration Reports	Minimum 10 years, then destroy at GM's option	HR Administrator
58	12-Employment Related	Human Resources	Wage & Salary Survey	Minimum 10 years, then destroy at GM's option	HR Administrator
59	12-Employment Related	Human Resources	Personnel Benefits Handbook	Superseded	HR Administrator
60	12-Employment Related	Human Resources	Employee Benefit Records	Employee termination + 6 years	HR Administrator
61	12-Employment Related	Human Resources	Employee Benefit Correspondence	1 year	HR Administrator
62	12-Employment Related	Human Resources	Employee Pension Plan & Benefit Plan	Life of plan + 1 year	HR Administrator
63	12-Employment Related	Human Resources	Employee Benefit Summary Plan Description (SPD) and Distribution of Summary Annual Reports (ERISA)	Filing + 6 years	HR Administrator
64	09-Tax	Human Resources	IRS Form 5500 Annual Return/Report of Employee <u>Benefit Plan</u> Filing to qualify employee benefit plan	Life of plan + 5 years	HR Administrator
65	12-Employment Related	Human Resources	HIPPA Compliance Documentation	6 years	HR Administrator

66	12-Employment Related	Human Resources	<u>Affirmative Action Plans</u> EEO-Equal Employment Opportunity	3 years	HR Administrator
67	12-Employment Related	Human Resources	<u>Discrimination Claims</u> EEO-Equal Employment Opportunity	Final disposition of claim + 3 years	HR Administrator
68	12-Employment Related	Human Resources	<u>ADA/Civil Rights Actions</u> DOL - Department of Labor	Date of record + 3 years	HR Administrator
69	12-Employment Related	Human Resources	<u>CDL Driver Qualification Files</u> Department of Transportation (DOT) driver records	9 years or employee termination + 3 years, whichever is longer	HR Administrator
70	12-Employment Related	Human Resources	<u>Drug Testing</u> CDL / DOT Random	6 years	HR Administrator
71	04-Insurance	Human Resources	<u>Insurance Claims - Workers' Compensation</u> Including supporting documentation	Settlement + 6 years	HR Administrator
72	12-Employment Related	Human Resources	<u>Employee Survey</u>	Superseded	HR Administrator
73	12-Employment Related	Personnel File	<u>Pre-Employment Physical Files</u>	Employee termination + 5 years	HR Administrator
74	12-Employment Related	Personnel File	<u>Alien Registration (Form I-9)</u>	Employee termination + 5 years	HR Administrator
75	12-Employment Related	Personnel File	<u>New Hire Reporting</u>	6 years	HR Administrator
76	12-Employment Related	Personnel File	<u>Personnel Records</u> Application/resume, performance evaluations, etc.	Employee termination + 6 years	HR Administrator
77	12-Employment Related	Personnel File	<u>Employee Assistance Program (EAP) - Employee Specific Correspondence</u>	Employee termination + 5 years	HR Administrator
78	12-Employment Related	Personnel File	<u>Employee Exposure - Medical Records</u> Blood Born Pathogen and Toxic Substance Exposure	Date of record + 30 years	HR Administrator
79	05-Operations & Maintenance	Engineering	<u>Right-of-Way/Easements</u> Including related correspondence	Property disposition + 6 years	Lead Billing Representative or Engineering Coordinator
80	05-Operations & Maintenance	Engineering	<u>Underground Permits/Agreements</u>	Life of permit/agreement + 6 years	Operations Manager
81	05-Operations & Maintenance	Operations	<u>Overhead and Underground Line Inspections</u>	6 years	Operations Manager
82	06-Plant & Depreciation	Engineering	<u>Blueprints for Substations</u>	Life of structure	Operations Manager
83	06-Plant & Depreciation	Engineering	<u>Engineering Records, Drawings, and Other Supporting Data for Proposed or As-Constructed Utility Facilities</u> Drawings, reports, plans, studies, environmental reports (Does not include staking sheets. See Work Order Closings.)	Plant retired	Operations Manager
84	06-Plant & Depreciation	Engineering	<u>Engineering Records, Drawings, and Other Supporting Data for Proposed or As-Constructed Utility Facilities</u> Maps (aerial photos, geological maps)	Superseded or plant retired	Operations Manager
85	05-Operations & Maintenance	Engineering	<u>Construction Work Plan</u> Including related amendments	Superseded + 11 years	Operations Manager

86	05-Operations & Maintenance	Metering	<u>Transformer History Records</u> Including transformer inspection reports	Life of transformer	Operations Manager
87	05-Operations & Maintenance	Metering	Meter Field Accuracy Test	Life of meter	Operations Manager
88	06-Plant & Depreciation	Metering	<u>Meter Inventory</u> Meter history records, meter cards, meter shop reports	Life of meter	Operations Manager
89	13-Environmental	Metering	PCB Equipment Inspection and Maintenance History	Disposal + 3 years	Purchasing Manager
90	05-Operations & Maintenance	Metering	Substation Inspections and Tests	6 years	Operations Manager
91	06-Plant & Depreciation	Operations	Line Locates - Received	3 years	Operations Manager
92	06-Plant & Depreciation	Operations	Line Locates - Sent	3 years	Operations Manager
93	15-Service Related	Operations	Outage Reports, Service Interruption Logs and Reports	6 years	Operations Manager
94	14-Licenses, Permits & Other Requirements	Operations	<u>FCC-Radio License</u> Including correspondence	Permanently or until corporation no longer holds an FCC license	Safety Coordinator
95	15-Service Related	Operations	Pole Inspection Reports	20 years	Operations Manager
96	12-Employment Related	Safety	Safety Manual	Superseded + 5 years	Safety Coordinator
97	12-Employment Related	Safety	Employee Safety Training Records	Employee termination + 5 years	Safety Coordinator
98	12-Employment Related	Safety	Material Safety Data Sheets (MSDS)	Superseded	Safety Coordinator
99	12-Employment Related	Safety	<u>Safety Testing</u> High voltage glove inspection, hot stick, ground chain	6 years	Safety Coordinator
100	12-Employment Related	Safety	Bucket Truck Test Reports	Life of vehicle + 3 years	Safety Coordinator
101	12-Employment Related	Safety	Vehicle Inspection Checklists - Daily	End of year + 2 years	Safety Coordinator
102	12-Employment Related	Safety	Vehicle Inspection Checklists - Annual Department of Transportation (DOT)	Life of vehicle + 3 years	Safety Coordinator
103	12-Employment Related	Safety	Motor Vehicle Repair and Maintenance Records	Life of vehicle + 3 years	Safety Coordinator
104	04-Insurance	Safety	<u>Insurance Claims - Other than Workers' Compensation</u> Including supporting documentation	Settlement + 6 years	HR Administrator
105	12-Employment Related	Safety	OSHA 300 & 301 Report of Occupational Injuries and Illnesses	Filing + 5 years	HR Administrator
106	12-Employment Related	Safety	<u>Employee Exposure - First Report of Injury</u> Blood Born Pathogen and Toxic Substance Exposure	Date of record + 30 years	HR Administrator
107	01-Corporate & General	Facility/General Plant	Vehicle Titles	Property disposition	CFO
108	01-Corporate & General	Facility/General Plant	Deeds and Abstracts for Substations/Deeds and Abstracts for Non-Substation Plant Title Insurance Policy	Property disposition + 6 years	CFO
109	06-Plant & Depreciation	Facility/General Plant	Blueprints for General Plant	Life of structure	Operations Manager
110	07-Purchases & Stores	Warehousing	Purchase Orders	Closed + 6 years	Purchasing Manager
111	13-Environmental	Warehousing	PCB Spills	Clean-up + 5 years	Purchasing Manager
112	13-Environmental	Warehousing	<u>Used Oil Records</u> Spill prevention protection and control plans, procedures and record of tests and inspections	3 years	Purchasing Manager
113	01-Corporate & General	Permanent Record	Articles of Incorporation	Life of corporation	CFO

114	01-Corporate & General	Permanent Record	By-laws	Life of corporation	CFO
115	01-Corporate & General	Permanent Record	Board Policies & Procedures	Life of corporation	HR Administrator
116	01-Corporate & General	Permanent Record	Organizational Charts	Life of corporation	HR Administrator
117	09-Tax	Permanent Record	Federal Income Tax Exemption Letter (Letter of Determination)	Life of corporation	CFO
118	09-Tax	Permanent Record	IRS Rulings (e.g. private letter ruling)	Life of corporation	CFO
119	01-Corporate & General	Corporate & General	Board of Directors Meeting Packets	10 years	HR Administrator
120	01-Corporate & General	Permanent Record	Board of Directors Meeting Minute Books	Life of corporation	HR Administrator
121	01-Corporate & General	Permanent Record	Board of Directors Standing Committee Minutes	Life of corporation	HR Administrator
122	01-Corporate & General	Permanent Record	Board Resolutions	Life of corporation	HR Administrator
123	01-Corporate & General	Corporate & General	<u>Annual Meeting Reports</u> Reports or statements to members	5 years	Communications Director
124	01-Corporate & General	Permanent Record	<u>Annual Meeting Minutes</u> ; Ballots for Trustee Elections; Nominating committee minutes/reports	Life of corporation	Communications Director
125	09-Tax	Corporate & General	<u>Federal Income Tax Returns (990 and/or 1120)</u> Including: supporting documentation, amendments, appeals See 'Accounts Payable Invoices/Vouchers' for retention of payment record	Final tax liability determined + 3 years	CFO
126	11-Miscellaneous	Corporate & General	<u>Department of Energy Reports (DOE)</u> Form EIA-861 - Annual Electric Power Industry Report	Report Date + 5 years	CFO
127	09-Tax	Corporate & General	<u>Property Tax Returns</u> Including: supporting documentation, amendments, appeals See 'Accounts Payable Invoices/Vouchers' for retention of payment record	Settlement + 3 years	CFO
128	09-Tax	Billing	<u>Sales, Use &amp; Excise Tax Returns</u> Including: supporting documentation, amendments See 'Accounts Payable Invoices/Vouchers' for retention period of payment record	Final tax liability determined + 3 years	Lead Billing Representative
129	09-Tax	Corporate & General	Other Information Returns and Reports to Taxing Authorities	Date filed or tax payment (whichever is latest) + 3 years	CFO
130	03-Finance	Corporate & General	Unclaimed Property Filing with the State of Kansas (Escheat)	10 years	CFO
131	03-Finance	Corporate & General	<u>Loan/Mortgage Documents</u> Including executed loan contract and mortgage	Loan paid in full + 6 years	CFO
132	03-Finance	Corporate & General	Loan Statements (as proof of payment)	Loan paid in full + 6 years	CFO
133	03-Finance	Permanent Record	Release of Lien/Notification from Lender of Satisfaction of Financial Commitment	Life of corporation	CFO
134	02-Information Technology	Network Director / CIO	Operating System Documentation	Superseded	Network Director / CIO
135	02-Information Technology	Network Director / CIO	Software - Data Recovery	Life of records retained for which the software is needed	Network Director / CIO
136	02-Information Technology	Network Director / CIO	Software Application Documentation	Superseded	Network Director / CIO

137	15-Service Related	Corporate & General	<u>Litigation</u> Complaints/disputes, court orders, motions, pleadings, etc.	Settlement + 10 years	CFO
138	03-Finance	Corporate & General	Franchise Agreements	Superseded/terminated + 6 years	CFO
139	03-Finance	Corporate & General	Rate Study/Proposal	Rates superseded or no longer used to charge for utility service + 6 years	CFO
140	03-Finance	Corporate & General	Rate Schedule/Tariffs	Rates superseded or no longer used to charge for utility service + 6 years	CFO
141	11-Miscellaneous	Member Services	<u>Advertising</u> By or for the company on behalf of itself or any associate company in newspapers, magazines and other publications (excluding routine notices and invitations for bids which may be destroyed at option)	2 years	Communications Director
142	04-Insurance	Corporate & General	<u>Insurance Policies and Associated Work Papers</u> Including workers' compensation, all-risk, umbrella, directors, cyber, etc.	Expiration + 5 years	CFO
143	03-Finance	Corporate & General	<u>FEMA Claims</u> Including supporting documentation and correspondence	Date of Final Expenditure Report (Form P7) + 3 years	CFO
144	11-Miscellaneous	Corporate & General	Records of Predecessor or Associated Organizations	Consistent with the requirements for the same types of records of the utility	CFO
145	01-Corporate & General	Corporate & General	Record Retention Destruction Log	Life of corporation	CFO
146	01-Corporate & General	Corporate & General	Record Retention Inventory/Index	Life of corporation	CFO

# THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Dated: December 19, 2025

Policy No: 110

SUBJECT: Document Retention Policy

## Exhibit C – Sources

Code of Federal Regulations (C.F.R.)

<http://www.gpoaccess.gov/cfr/index.html>

8 C.F.R. § 274a.2 Verification of Employment Eligibility

[http://edocket.access.gpo.gov/cfr\\_2008/janqtr/pdf/8cfr274a.2.pdf](http://edocket.access.gpo.gov/cfr_2008/janqtr/pdf/8cfr274a.2.pdf)

18 C.F.R. § 125.2 (g)(1) Schedule of Records and Periods of Retention

[http://edocket.access.gpo.gov/cfr\\_2008/aprqtr/pdf/18cfr125.2.pdf](http://edocket.access.gpo.gov/cfr_2008/aprqtr/pdf/18cfr125.2.pdf)

18 C.F.R. § 125.3 Schedule of Records and Periods

[http://edocket.access.gpo.gov/cfr\\_2008/aprqtr/pdf/18cfr125.3.pdf](http://edocket.access.gpo.gov/cfr_2008/aprqtr/pdf/18cfr125.3.pdf)

29 C.F.R. Subtitle B, Regulations Relating to Labor

<http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200829>

40 C.F.R. Protection of Environment

<http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200840>

49 C.F.R. Chapter III, Federal Motor Carrier Safety Administration, Department of Transportation (DOT)

[http://www.access.gpo.gov/nara/cfr/waisidx\\_07/49cfrv5\\_07.html#301](http://www.access.gpo.gov/nara/cfr/waisidx_07/49cfrv5_07.html#301)

ERISA 29 U.S.C. § 1027 Title 29, Labor, Retention of Records

<http://frwebgate3.access.gpo.gov/cgi-bin/TEXTgate.cgi?WAISdocID=33225415543+0+1+0&WALSaction=retrieve>

Internal Revenue Service (IRS) Publication 15, Employer's Tax Guide

<http://www.irs.gov/pub/irs-pdf/p15.pdf>

Internal Revenue Service (IRS) Treasury § 301.6104(d)–1 Public inspection and distribution of applications for tax exemption and annual information returns of tax-exempt organizations.

[http://frwebgate.access.gpo.gov/cgi-bin/get-cfr.cgi?TITLE=26&PART=301&SECTION=6104\(d\)-1&YEAR=2000&TYPE=PDF](http://frwebgate.access.gpo.gov/cgi-bin/get-cfr.cgi?TITLE=26&PART=301&SECTION=6104(d)-1&YEAR=2000&TYPE=PDF)

NRECA Sample Records Management Policy for Electric Cooperatives, 10/02/2008

Tracey Steiner (703)-907-5847 or [tracey.steiner@nreca.coop](mailto:tracey.steiner@nreca.coop).

RUS BULLETIN 180-2, Records Retention Recommendations for RUS Borrowers

<http://www.usda.gov/rus/pasd/180.pdf>

<http://www.usda.gov/electric/bulletin.htm>

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Dated: December 19, 2025

Policy No: 110

SUBJECT: Records Retention Policy

Exhibit D – Records Destruction Log

Date <sup>(1)</sup>	Record Description	Method of Destruction	Destroyed By <sup>(1)</sup>	Loss or Untimely Destruction <sup>(2)</sup>	
				Check below if the record was lost/untimely destroyed and describe the event or circumstance	

<sup>(1)</sup> In the event of a loss or untimely destruction, if the date of the occurrence is unknown indicate when the loss or destruction was discovered and by whom.

<sup>(2)</sup> Record lost or destroyed prior to the expiration of the established retention period



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

**Dated:** December 19, 2025

**Policy No:** 110

**SUBJECT:** Document Retention Policy

### **Exhibit E – Legal Hold Notification / Release**

To ensure that every employee, trustee and agent of Lane-Scott Electric Cooperative, Inc. will recognize and respond appropriately to a notification that certain records are now potentially relevant and necessary for litigation or a governmental investigation, this exhibit provides a sample legal hold notification/release form.

#### URGENT NOTICE

#### LEGAL HOLD NOTIFICATION

TO: \_\_\_\_\_  
*Name all persons identified as likely to have relevant records including the designated Records Custodian*

FROM: Richard McLeon, General Manager/CEO

DATE: \_\_\_\_\_

RE: *Your Obligation to Preserve Records & Other Information*

\_\_\_\_\_

The event/circumstance described below has triggered an obligation to preserve records and other information. Your assistance is necessary and required for the preservation of records and other information to fulfill the Cooperative's legal obligations and/or preserve the Cooperative's rights. Failure to fully comply with this directive could result in harm or penalties against the Cooperative; therefore, employees could be subject to discipline, up to and including termination of employment, for failure to follow the directives in this notice.

Event or Circumstance Triggering the Need to Preserve Records

\_\_\_\_\_  
*(Description of lawsuit, investigation, occurrence, etc. If litigation, describe specific claims involved.)*

### Types of Records & Other Information to be Preserved

All paper and electronic records and other information that could be relevant to the above described event or circumstance must be preserved – that is, retained and not deleted – including, without limitation: Any work orders, communications of any kind notifying Lane-Scott of damaged property, including internal communications. Any maintenance records on any property involved in the fire or damaged by the extreme wind. Also, retain any investigation records. This includes documents or records kept in data form only. This also includes rough draft notes and handwritten notes and communications.

*(This includes information such as, documents (including drafts & revisions), spreadsheets (including drafts and revisions), emails (sent & received), databases, calendars, presentations, image files, maps, voice messages, data generated based on Internet activity (cookies, cache, history files), computer usage logs, etc.)*

When potentially relevant records or other information exist on multiple platforms or media, for example: a file on a desktop computer, on a laptop computer, on a mobile device, on a portable storage medium such as a CD-ROM, and a paper copy, every copy must be preserved.

Any routine or planned destruction of these types of records or data that you are aware of and can control (e.g. a user's personal email setting to automatically delete messages older than a certain date) **must be suspended for the period of this hold.**

### Time Period

All of the above described records and other information currently in your possession or under your control must be preserved until further notice from myself or the General Counsel. *(from this point forward until you are notified that this hold is lifted, or state specific time period if known).*

### Verification of Preservation

Search all of your department records and personal files of all employees that performed any type of services for the above referenced work and preserve them.

*Describe the actual steps that a recipient of this notice must take to verify preservation. Different types of records or information may require different preservation methods, e.g. certain electronic files may be subject to automatic purging that requires an override or programming change.)*

### Contact Person(s)

If you have questions regarding this notice or are aware of any other persons not listed as recipients of this notice –including retired employees, contractors, consultants or others– who should receive this notice, please direct all such questions and information to General

Manager/CEO. (Provide name and contact details of the person overseeing the matter triggering the legal hold, such as the Cooperative's legal counsel).

#### Reminders

Reminders may be sent to you periodically during the course of this *litigation, investigation, audit, matter* to ensure that you continue to preserve relevant information and to inform you of any change as the matter progresses that would affect your preservation obligations. Such a change could include a change in scope that could add additional categories of records or other information for preservation or may require you to take additional preservation or verification steps.

### LEGAL HOLD RELEASE

The event/circumstance described above has been resolved and your preservation obligation is now released. Record management shall resume as shown in the Retention Schedule (Records Management, Exhibit A), unless otherwise noted below.

#### Notes Regarding Further Retention of Records & Other Information Previously Preserved


*Provide any specific instructions regarding future retention of the documents previously preserved.)*

*Regarding form & content of the legal hold notification: The form and content of the notice may vary widely depending upon the circumstances. The notice need not provide a detailed list of all information to retain. Instead, it should describe the types of information that must be preserved, with enough detail to allow the recipient to implement the hold. Additionally, the notice should: (i) describe the subject matter of the litigation and the subject matter, dates, and other criteria defining the information to be preserved; (ii) include a statement that relevant electronically stored information and paper documents must be preserved; (iii) identify likely locations of relevant information (e.g., network, workstation, laptop or other devices); (iv) provide steps that can be followed for preserving the information as may be appropriate; and (v) convey the significance of the obligation to the recipients. The notice need not demand preservation of all documents, only those affected by the preservation obligation. Additionally, the preservation obligation, except in extreme circumstances, should not require the complete suspension of normal document management policies, including the routine destruction and deletion of records. Communications should be accomplished in a manner reasonably designed to provide prominent notice to the recipients.*

*Regarding time period for the hold: In litigation, the hold should remain in effect until the litigation has been finally resolved, either settled or a final judgment issued and the time for all appeals has run. Similarly, in a governmental investigation or audit, the hold should remain in effect until the investigation has been finally concluded, but only if the conclusion of the investigation forecloses the possibility of future prosecution or enforcement actions, check-up audits or inspections, etc.)*

#### **10. e. Board Policy 503 Job Abandonment Policy**

The Cooperative does not have a policy regarding job abandonment. This policy attempts to fill that void within current Kansas law as a right-to-work state.

The expectation is that employees will call in before their shift if they can't make it in and will not leave without notice. There is a 24-hour window which reflects three (3) business days at 8-hour shifts. The nature of the cooperative means some employees work 10-hour days, some work 8-hours, some work on-call. Basically, there is limited standardization.

If an employee abandons their position, we plan to withhold all payments for personal time and subtract the replacement value of any un-returned cooperative materials within the limits of the law.

**Staff requests that the Board approve new Board Policy 503 Job Abandonment.**

# THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

**Dated:** December 22, 2025

**Policy No.:** 503

**SUBJECT:** Job Abandonment

**OBJECTIVE:** To establish criteria for dismissal due to job abandonment.

- I. **Policy.** The Lane-Scott Electric Cooperative, inc. (the Cooperative) shall follow current Kansas law related to job abandonment.
- II. **Expectation.** The Cooperative expects employees to report to work on time and remain at work for every scheduled shift.
  - A. An employee who is unable to report to work at the designated time is required to notify their supervisor as soon as practicable but no later than employee's scheduled time. The employee's failure to do this may be subject to discipline up to and including termination.
  - B. Employees who leave the workplace before their scheduled shift ends, fail to notify their supervisor, and fail to report to work for twenty-four (24) consecutive business hours without notifying the cooperative of the absence will be considered as having voluntarily resigned because of job abandonment.
  - C. Employees who fail to report to work for twenty-four (24) consecutive business hours (equal to three consecutive business days) without notifying the cooperative of the absence will be considered as having voluntarily resigned because of job abandonment.

### III. Settlements

- A. Employees voluntarily resigning and terminated due to job abandonment will forfeit all post termination benefits such as payment for unused personal time off.
  - B. Employees voluntarily resigning and terminated due to job abandonment will return all cooperative property before the next pay period. The former employees' final check will be reduced by any employee indebtedness, and by the replacement value of unreturned cooperative property.
- IV. **Authority.** The General Manager shall be responsible for the equitable administration of this policy. He/she shall consider any relevant extraordinary circumstances related to a lack of notification before disciplinary action is taken.

(seal)

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Board Secretary

#### **10. f. Board Policy 505 Sick Leave and Disability**

This is an amendment to an existing policy.

In 2023, the Board amended this policy to gradually eliminate the practice of buying back unused sick leave from employees. It created a time limit of December 31, 2025.

This policy will be effective January 1, 2026 and removes item I., J. related to the buy-back.

**Staff requests that the Board amend Board Policy 505 Sick Leave and Disability Leave.**

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

**Dated:** January 01, ~~2024~~ 2026

**Policy No.:** 505

**SUBJECT:** Sick Leave and Disability Leave

**OBJECTIVE:** To set forth the policy of the Board of Trustees on the terms and working conditions of employment sick leave.

**I. Sick Leave**

- A. The term "sick leave" shall be defined to mean any time during which an employee may, due to illness, injury, family emergency or other physical incapacitation not incurred in the line of duty, be excused from work without suffering the loss of normal earnings. All permanent full-time employees are eligible for sick leave benefits. Sick leave shall accrue at the rate of eight (8) hours for each full month of employment.
- B. Unused sick leave may be allowed to accumulate to a maximum of 720 hours.
- C. All absences from duty approved as sick leave shall be so charged and deducted from that amount of sick leave standing to the employee's credit. Any sick leave accruing to an employee and not used shall be cumulative without regard to time with the following provision:

If at the end of the calendar year, an employee has an excess of ninety (90) days or 720 hours standing to his credit, that portion more than ninety (90) days or 720 hours, shall be forfeit. The remaining ninety (90) days shall then be carried over to the credit of the employee to the subsequent year.

Payment of sick leave shall be calculated at the employee's regular rate of pay and any amount received for loss of income from any company sponsored Insurance, except from employee group medical insurance, shall be deducted.

- D. Sick leave for extended illness or absence must be approved by the General Manager. A doctor's certificate will be required to substantiate an employee's claim of extended sick leave. A doctor's release will be required before an employee can return to full active duty.

It is the employee's responsibility to ensure Lane-Scott receives the doctor's certificates. If doctor's certificates are not provided within two weeks of the onset of the extended absence the employee may be subject to discipline up to and including termination. Further, it is required that the employee remain in contact with their supervisor or the General Manager during their absence. If contact is not made on at least a bi-weekly basis the employee may be subject to termination.

- E. Sick Leave shall be granted for serious illness in the immediate family as needed. However, absences beyond three (3) days must be approved by the General Manager. "Immediate family" shall be defined as spouse, mother, father, child, brother, sister, grandparents, grandchildren, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, and uncle.
- F. Sick leave benefits will cease immediately upon termination of employment.
- G. No benefits shall be paid for off duty accidents which occurred while the employee was working for hire for anyone other than the Cooperative.
- H. If the employees sick leave requirement exceeds their accrued balance of paid leave benefit, the employee will not be paid, contributions to the employee's 401(k) plan shall cease and no paid benefits shall accrue during disability leave. However, the Cooperative may continue the employee's insurance benefits and deductions including supplemental insurance and 401(k) loans provided the employee agrees to repay the Cooperative at 100% of the premiums on a payment schedule not to exceed the duration of the unpaid pay period. Contributions to the Retirement Security Plan will continue to be made by the Cooperative.
- I. Sick Leave shall extend for a maximum of thirteen (13) weeks.
- ~~J. Effective until December 31, 2025: Lane Scott Electric Cooperative, Inc. will buy back sick leave for employees who have been with the company 15 years or more. This will be a 25% of their total hours at their base pay rate, this is for retirement from Lane Scott Electric Cooperative, Inc. only.~~

## **II. Disability Leave**

- A. If an employee becomes injured and/or ill and is medically unable to perform the duties required of his/her job for a period of thirteen (13) weeks, he/she shall be considered disabled and at that time placed on disability leave.
- B. An employee will not be paid, contributions to the employee's 401(k) plan shall cease, and no paid benefits shall accrue during disability leave. Employees should contact NRECA for further information regarding their disability insurance and other NRECA benefits.
- C. It is understood that disability leave shall not be used for the purpose of accepting gainful employment elsewhere. If an employee accepts such employment elsewhere during a disability leave, it shall be presumed that he/she has resigned without notice.
- D. During disability leave, the Cooperative may continue the employee's insurance benefits and deductions, including supplemental insurance and 401(k) loans provided the employee agrees to repay the Cooperative at 100% of the premiums on a payment schedule not to exceed the duration of the unpaid pay period. The employee can be terminated if payment becomes past due. Contributions to the Retirement Security Plan will continue as per NRECA guidelines.
- E. The length of Disability Leave allowed is at the discretion of the General Manager.



presuming that the employee will have the ability to return to work within one (1) year, in their previous capacity, or in an existing available position for which they are qualified and capable of performing. A 6-month evaluation will be conducted with the General Manager, Human Resources and Supervisor. If it is the recommendation of a competent medical professional that the employee is unlikely to return to work in their previous capacity, or in an existing available position for which they are qualified and capable of performing, the employee may be terminated.

### III. Return to Work

- A. The employee may be required to provide a medical release from a licensed medical doctor or physician's assistant before returning to work in any capacity. The Cooperative may require a second opinion from a Cooperative approved licensed medical doctor or physician's assistant if, at the Cooperatives sole discretion, one is needed. Employees on Disability Leave or Workers Compensation shall be required to provide said release.
- B. The employees shall notify the Cooperative of their intent to return within a reasonable time. The Cooperative shall then:
  - 1. Return the employee to their previous position if the residual effects of the injury or illness allow him/her to perform those essential job requirements and daily responsibilities.
  - 2. Extend to the employee an alternate position for which the employee is qualified, if such a position exists.
- C. If an employee's injury does not allow him/her to perform the employees essential job requirements and daily responsibilities and another position is not available due to the employees reduced capacity termination may result.
- D. Light Duty. If the employee is medically allowed to return to work at "light duty" or at less than 100% capacity, the Cooperative will attempt to create a temporary position if the Cooperative has the necessary work and can accommodate the employees' limitations. Pay will be commensurate with the position. The Cooperative is not obligated to create such a position and any such position will continue only if the project work is available.

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Board Secretary

(seal)

Revisions:     July 10, 2023  
                     June 6, 2022  
                     September 7, 2010  
                     February 27, 2006  
                     September 27, 2004  
                     April 26, 1993  
                     September 24, 1990  
                     **January 1, 2024**

# **THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

## **POLICY**

**Dated:** January 01, 2026

**Policy No.:** 505

**SUBJECT:** Sick Leave and Disability Leave

**OBJECTIVE:** To set forth the policy of the Board of Trustees on the terms and working conditions of employment sick leave.

### **I. Sick Leave**

A. The term "sick leave" shall be defined to mean any time during which an employee may, due to illness, injury, family emergency or other physical incapacitation not incurred in the line of duty, be excused from work without suffering the loss of normal earnings. All permanent full-time employees are eligible for sick leave benefits. Sick leave shall accrue at the rate of eight (8) hours for each full month of employment.

B. Unused sick leave may be allowed to accumulate to a maximum of 720 hours.

C. All absences from duty approved as sick leave shall be so charged and deducted from that amount of sick leave standing to the employee's credit. Any sick leave accruing to an employee and not used shall be cumulative without regard to time with the following provision:

If at the end of the calendar year, an employee has an excess of ninety (90) days or 720 hours standing to his credit, that portion more than ninety (90) days or 720 hours, shall be forfeit. The remaining ninety (90) days shall then be carried over to the credit of the employee to the subsequent year.

Payment of sick leave shall be calculated at the employee's regular rate of pay and any amount received for loss of income from any company sponsored Insurance, except from employee group medical insurance, shall be deducted.

D. Sick leave for extended illness or absence must be approved by the General Manager. A doctor's certificate will be required to substantiate an employee's claim of extended sick leave. A doctor's release will be required before an employee can return to full active duty.

It is the employee's responsibility to ensure Lane-Scott receives the doctor's certificates. If doctor's certificates are not provided within two weeks of the onset of the extended absence the employee may be subject to discipline up to and including termination. Further, it is required that the employee remain in contact with their supervisor or the General Manager during their absence. If contact is not made on at least a bi-weekly basis the employee may be subject to termination.

E. Sick Leave shall be granted for serious illness in the immediate family as needed.

However, absences beyond three (3) days must be approved by the General Manager. "Immediate family" shall be defined as spouse, mother, father, child, brother, sister, grandparents, grandchildren, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, and uncle.

- F. Sick leave benefits will cease immediately upon termination of employment.
- G. No benefits shall be paid for off duty accidents which occurred while the employee was working for hire for anyone other than the Cooperative.
- H. If the employee's sick leave requirement exceeds their accrued balance of paid leave benefit, the employee will not be paid, contributions to the employee's 401(k) plan shall cease and no paid benefits shall accrue during disability leave. However, the Cooperative may continue the employee's insurance benefits and deductions including supplemental insurance and 401(k) loans provided the employee agrees to repay the Cooperative at 100% of the premiums on a payment schedule not to exceed the duration of the unpaid pay period. Contributions to the Retirement Security Plan will continue to be made by the Cooperative.
- I. Sick Leave shall extend for a maximum of thirteen (13) weeks.

## **II. Disability Leave**

- A. If an employee becomes injured and/or ill and is medically unable to perform the duties required of his/her job for a period of thirteen (13) weeks, he/she shall be considered disabled and at that time placed on disability leave.
- B. An employee will not be paid, contributions to the employee's 401(k) plan shall cease, and no paid benefits shall accrue during disability leave. Employees should contact NRECA for further information regarding their disability insurance and other NRECA benefits.
- C. It is understood that disability leave shall not be used for the purpose of accepting gainful employment elsewhere. If an employee accepts such employment elsewhere during a disability leave, it shall be presumed that he/she has resigned without notice.
- D. During disability leave, the Cooperative may continue the employee's insurance benefits and deductions, including supplemental insurance and 401(k) loans provided the employee agrees to repay the Cooperative at 100% of the premiums on a payment schedule not to exceed the duration of the unpaid pay period. The employee can be terminated if payment becomes past due. Contributions to the Retirement Security Plan will continue as per NRECA guidelines.
- E. The length of Disability Leave allowed is at the discretion of the General Manager, presuming that the employee will have the ability to return to work within one (1) year, in their previous capacity, or in an existing available position for which they are qualified and capable of performing. A 6-month evaluation will be conducted with the General Manager, Human Resources and Supervisor. If it is the recommendation of a competent medical professional that the employee is unlikely to return to work in their previous capacity, or in an existing available position for which they are qualified and capable of performing, the employee may be terminated.

### III. Return to Work

- A. The employee may be required to provide a medical release from a licensed medical doctor or physician's assistant before returning to work in any capacity. The Cooperative may require a second opinion from a Cooperative approved licensed medical doctor or physician's assistant if, at the Cooperatives sole discretion, one is needed. Employees on Disability Leave or Workers Compensation shall be required to provide said release.
- B. The employees shall notify the Cooperative of their intent to return within a reasonable time. The Cooperative shall then:
  - 1. Return the employee to their previous position if the residual effects of the injury or illness allow him/her to perform those essential job requirements and daily responsibilities.
  - 2. Extend to the employee an alternate position for which the employee is qualified, if such a position exists.
- C. If an employee's injury does not allow him/her to perform the employees essential job requirements and daily responsibilities and another position is not available due to the employees reduced capacity termination may result.
- D. Light Duty. If the employee is medically allowed to return to work at "light duty" or at less than 100% capacity, the Cooperative will attempt to create a temporary position if the Cooperative has the necessary work and can accommodate the employees' limitations. Pay will be commensurate with the position. The Cooperative is not obligated to create such a position and any such position will continue only if the project work is available.

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Board Secretary

(seal)

Revisions:     April 26, 1993  
                     September 24, 1990  
                     September 27, 2004  
                     February 27, 2006  
                     September 7, 2010  
                     June 6, 2022  
                     July 10, 2023  
                     January 1, 2024

#### **10. g. Board Policy 510 Longevity Recognition**

This policy was requested by a Trustee. Our research failed to find any documentation standardizing employee and Trustee longevity recognition.

We crafted this policy by combining our recent practices with research from other cooperatives policies. The Basics are:

- Longevity recognition will be in five-year increments.
- Longevity awards will be capped at \$10.00 per year of service.
- Retirement awards are eligible to employees at normal retirement (30 years in the RS program or age 62), and to Trustees after 20-years of service.
- Retirement awards are capped at \$15.00 per year of service.
- Longevity and Retirement will not be awarded in the same year. Retirement takes precedence.

**Staff requests that the Board approve new Board Policy 510 Longevity Recognition.**

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

**Dated:** December 22, 2025

**Policy No.:** 510

**SUBJECT:** Longevity Recognition

**OBJECTIVE:** To establish a schedule for the recognition employee and Trustee service.

## **I. Service Recognition**

- A. Employees and Trustees shall be recognized upon the completion of five (5) years' service and upon each subsequent five (5) year intervals. Awards shall not be retroactive.
- B. The recognition shall be accompanied by a gift not to exceed an amount equal to \$10.00 per year of service.

## **II. Retirement**

- A. Employees and Trustees shall be recognized upon retirement. This is defined as normal retirement of employees and after providing twenty (20) years of service for Trustees.
- B. The recognition shall be accompanied by a gift not to exceed an amount equal to \$15.00 per year of service.
- C. If an employee or Trustee qualifies for both a Service and Retirement recognition in the same year, Retirement recognition only shall prevail.

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Board Secretary

(seal)

## **10. h. Board Policy 514 Employee Insurance**

This proposed policy started as a project to research and possibly update the Cooperatives Health Saving Account (HSA) payment to employees in the High-Deductible Health Insurance Plan (HDP).

This Plan was established in about 2017 and cost the cooperative significantly less than a standard employee health plan. Employees participating in the HDP are not charged for monthly insurance premiums and receive HSA payments over 5 years equal to the amount of the high deductible.

- That deductible was \$2700/employee and \$5400/family in 2018.
- It is \$3400/employee and \$6800/family for 2026.

In our research we could not find any documentation where the Board of Trustees approved the HSA payment to an employee. The memory is that the payment was designed to incentivize employees to participate in the HDP. It did not work. A search from July 2, 2010 through December 2, 2025 identified one employee on the HDP receiving the full employer contribution.

The lack of records led to the creation of this document. The Cooperative has long offered various insurance benefits to employees and paid for many of them. These are part of the Salary and Benefit Plan that the Board approves annually. However, in the interest of transparency and documentation, we felt it important to memorialize the Boards commitment in Policy.

**Staff requests that the Board approve new Board Policy 514 Employee Insurance.**

# THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

**Dated:** December 22, 2025

**Policy No.:** 514

**SUBJECT:** Employee Insurance

**POLICY:** The Lane-Scott Electric Cooperative, inc. (the Cooperative) shall provide permanent full-time employees with the option to participate in the Cooperatives' insurance programs upon the first day of employment.

## **I. Health Insurance.**

Employees have the option to enroll in the Cooperatives major medical health insurance program. Basic vision, dental, mental health, and substance abuse will be included in the plan.

- A. A standard major medical program will be offered in which the employee will contribute 10% of the insurance premium. The Cooperative will pay the remaining 90%.
- B. A high-deductible major medical program (HDHP) will be offered (if available) in which the cooperative will pay 100% of the insurance premium.
- C. Employees may elect to enroll in various saving programs (such as Health Savings accounts, Flexible Savings accounts, 125 Plans) as available and as permitted under current tax law.

**II. Life Insurance.** The Cooperative will provide a basic life insurance benefit through NRECA benefits. Employees will have the option to increase the amount of life insurance, at their expense, upon approval of NRECA.

## **III. Other insurance.**

- A. Supplemental Insurance may be available through third party insurers (such as AFLAC, Medical Transport Solutions, etc.) may be available through payroll deduction, however, the Cooperative will not participate in the cost of these programs.
- B. Ancillary insurance offerings (such as Accidental Death and Dismemberment, Business Travel, Key Employee Life, etc.) may be offered and funded at the discretion of the Board of Trustees.

**IV. Accountability.** Management will annually present to the Board of Trustees a summary of the insurance offerings and costs for review and approval.

ATTESTED: \_\_\_\_\_ date \_\_\_\_\_  
Secretary

(seal)



#### **10. i. NRECA Annual Meeting Delegate and Alternate**

The NRECA Power Exchange (annual Meeting) will be held March 6-11 in Nashville, TN with the Business Meeting on March 10.

As of 12/11/25 Mr. Ramsey and I have registered to attend. NRECA has requested that we certify or change our voting delegate and alternate by February 27, 2026. Currently, our certified delegates are:

- Voting Delegate – Richard McLeon
- Alternate Voting Delegate – Craig Ramsey

**Staff requests that the Board appoint the Voting Delegate and Alternate Voting Delegate for the 2026 NRECA Power Exchange Business Meeting.**

# SAFETY PROGRAM

**Safety Monthly Summary:** Working with Carrie on Emergency Response Plan, developing emergency action plans. Created board report for Trustee's and Richard. Safety Budget for year 2026 was approved.

## *SAFETY PROJECTS COMPLETED AS OF December 2025*

- Rubber gloves changed out.
- In-House Safety Meeting: Cpr and First Aid training completed November 12<sup>th</sup>.

Ann Jennings's submitted report:

- "Bright Lights, Safe Nights" outdoor light safety: Magazine, e-newsletter, social media.
- Winter Storm Tip animated video: Social Media
- Space Heater Safety video: Social Media
- Holiday Tree Safety: Social Media
- Winter Weather Driving Safety: Social Media

Diana Kuhlman submitted reports:

- Attended Monthly Safety Meeting.
- Coordinate Monthly Drug Testing.
- Submitted No- Time Loss Report to Federated and KEC.
- Organized Medical Certification Physicals.
- Filled Medical Certifications with the State.

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

1. SafetyAmp Inspection digital form: Working on developing right of way permits, and overlength permits.
2. FCC radios: Looking into location for a tower south of McCracken to help with dead zones and redundancy on east side of LSEC system.
3. Safety Council Yearly walk thru completed.
4. Safety Council Yearly Walk through items being repaired. 20% completed.
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.
  - Will begin fixing items that were noted during KEC RESAP observation. 75% Completed.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.  
SAFETY MEETING  
November 12th, 2025

Chris Terhune called the meeting to order at 8:35 a.m.

**Minutes were read:** Minutes were reviewed. Leighton Ayers made a motion to approve October 2nd, 2025, minutes. Dal Hawkinson seconded the motion.

**Present:** Ben Mann, Dal Hawkinson, Chad Rupp, Chris Terhune, Myron Seib, Kevin Bradstreet, Leighton Ayers, Dellon Shelton, Blake McVicker, Taylor Cable, Bailey Wells, Nate Burns, Tad Eubanks, Scott Briand, Micheal Pollock, Boston Shimmer, Carrie Borell, Diana Kuhlman, Jocelyn Walker, Cindy Fuentes-Ummel, and Lillie Koehn.

**Absent:** Richard McLeon, Kasey Jenkinson, Myron Seib, and Ann Jennings.

**Guest:**

**Truck report of inspections:**

105	Bailey Wells	OK
110	Dellon Shelton	OK
112	Taylor Cable	OK
123	Boston Shimmer	OK
132	Bailey Wells	OK
136	Leighton Ayers	OK
143	Boston Shimmer	OK
145	Dal Hawkinson	OK
150	Kevin Bradstreet	OK
173	Chad Rupp	OK
191	Micheal Pollock	Bad inside dual tire.
200	Ben Mann	OK
201	Blake McVicker	OK
305	Dellon Shelton	OK
2401	Dellon Shelton	OK
2402	Chris Terhune	OK
2501	Nate Burns	OK

**Trailer and Equipment report for inspections:**

502	Blake McVicker	OK
507	Blake McVicker	OK
515	Blake McVicker	OK
504	Blake McVicker	OK
505	Chris Terhune	OK
508	Chris Terhune	OK
509	Chris Terhune	OK
513	Chris Terhune	OK
516	Chris Terhune	OK
517	Chris Terhune	OK
518	Scott Briand	OK
519	Scott Briand	OK
700	Chris Terhune	OK
701	Chris Terhune	OK
702	Chris Terhune	OK
703	Chris Terhune	OK
512	Dellon Shelton	OK
514	Scott Briand	OK

**Warehouse, building, and pole yard inspections:**

Ness City Warehouse	Blake McVicker	OK
Ness Pole Yard & Transformer Dock	Blake McVicker	OK
Warehouse	Scott Briand	OK
Pole Yard & Transformer Dock	Scott Briand	OK
Office	Diana Kuhlman	OK

**Personal Tools:** All Passed

**Gloves Monthly Test Results:** Employee 74 Rejected due to ozone, employee 140 due to snag.

**Line Hoses Annual Test Results:** N/A

**Blankets Annual Test Results:** N/A

**Sleeves Quarterly Test Results:** N/A

**Substation and Regulator Report:** All have been inspected for the month. All subs are in good shape.

**PCB Report:** None to Report

**Line Clearance:** City of Ness City, Scott Park Ranger Station.

**Accident and Near Misses:** Truck driver had a diabetic attack and truck rolled forward striking a pole, insulators on C-1 structure came loose and the pole was pushed over at an angle. Incident was called in as lines on top of truck and driver is unresponsive. Kasey and Kevin responded to the call out. Lines were not on the truck. Backed truck away from pole and reinstalled the insulators after straightening the pole and tamping the structure. No injuries to driver, pole, or truck.

**Good Catch Report:** Nothing to Report.

**Old Business:** None to Report.

**New Business:**

- ♦ Dal Hawkinson: One Oke: Scott Park Substation: All easements have been signed for the transmission line for new Substation. Construction of transmission line will begin in the first week of December and should be completed by the end of February. Meeting with company, (Peaks Renewable) for Shallowater Substation. Beeler One Oke project is completed.
- ♦ Diana Kuhlman: 1<sup>st</sup> Aid and CPR training will be completed today. Asking for ideas for Christmas Party. Cold and Flu season are upon us, please if you're sick (Stay Home) be courteous to your fellow team members by not spreading it.
- ♦ Jocelyn Walker: Capital Credit retirements will be completed by end of December.
- ♦ Carrie Borell: NISC updates on software will be completed by November 26<sup>th</sup>. Should not affect AppSuite. KowBe4 training will be sent out to employees soon.
- ♦ Cindy Fuentes-Ummel: If you pull a meter that can't be shut off from the office, there will be a charge applied for reconnecting a meter of \$240 to the consumer. After hours that charge will increase to \$265.
- ♦ Leighton Ayers: Inquired if SRS received a disconnect list for consumers, for after-hour call-ins. Cindy confirmed that they do and she in return receives updates to that list from SRS.
- ♦ Chris Terhune: Bailey Wells received certificate for completing KEC hot-line-school. Accident and near misses were reviewed in the KEC safety summary.
- ♦ Lane County EMS trained employees on 1<sup>st</sup> Aid and CPR.

Meeting adjourned.

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Chris Terhune  
Safety Coordinator

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Carrie Borell  
Safety Administrator