



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for January 19, 2026, 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
 - a. Board Policy 114 Document Retention Plan - new
 - b. Board Policy 505 Sick Leave and Disability amendment
 - c. Board Policy 537 Job Abandonment - new
 - d. Board Policy 538 Longevity Recognition - new
 - e. Board Policy 539 Employee Insurance - new
10. New Business
 - a. CEO Succession discussion
 - b. Mission Statement consideration
11. Safety Program Report
12. Executive Session (is requested).
13. Adjourn

Upcoming Events:

LSEC Board of Trustees	Dighton	Jan. 19
Sunflower Board Meeting	Hays	Jan. 21
NRECA Directors Conference	Palm Springs, CA	Jan. 25-28
KEC Winter Conference & Legislative Rally	Topeka	Jan. 31 - Feb. 2

**MINUTES OF THE REGULAR DECEMBER 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, December 22, 2025, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:57 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Gary Shapland, Gerome Copeland, Randall Evans, Randy Evans, Shelly Turner, James Jordan and Craig Ramsey. Also present Richard McLeon IV, Chris Terhune and Joseph D. Gasper, Attorney. Susan Nuss attended the meeting via Teams.

SAFETY UPDATE

Chris Terhune, Safety Coordinator presented a Safety Update and highlights of his presentation are as follows:

- Chris thanked the Board for their support for the safety program and for making safety the first priority for Lane-Scott.
- The disaster recovery plan is still in progress and work continues to complete it.
- Chris will attend Certified Loss Control Professional training in 2026.
- KEC performed the RESAP walk through. With the new coordinator there were some different items that were analyzed. LSEC has completed about 90% of the corrections to the RESAP report.
- Safety demonstrations were held at Farm Bureau ag day, Old Settlers and the LSEC annual meeting. There have been some instances where people have used the information from these demonstrations in real life applications.
- Digital forms have been implemented and work continues to improve the forms. The pre and post work truck inspections are now done digitally as well.
- There were two minor accidents with employees and five ag related incidences. LSEC requests that farmers contact them in instances where lines may need to be raised for equipment.
- The Good Catch Program is a new program that encourages reporting of potential issues that are found.
- Chris conducts quarterly crew visits to review various safety items with the crews and to observe their safety compliance.

- The safety council annual walk through was conducted. This walk through is more stringent than the KEC walk through and Chris felt this year's was the best he had done.
- The on boarding training has been changed to include more training on LSEC specific processes.

Chris left the meeting after his presentation.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on November 24, 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 was a question regarding check 380 for the doorknob in the amount of \$566. Manager McLeon will look at the cost of the repair and report to the Board.

A question regarding what the check to Federated was for. Manager McLeon answered that the check was for the annual insurance premium.

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 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.
- Reliability remains high. LSEC had minor outages in November (3 hours across 400 meters), so ASAI remains at 99.97% . “Controllable” outages (“planned” and “all other”) was 2.8% of all outages through November 2025.
- No major safety incidents reported in November.
- The YTD rate of return on rate base is 4.55%.
- The sales are tracking along with the averages.
- The total budget expenditures is at 46.84%.
- The strategic planning session is scheduled January 7-8 at the parish hall to begin at 9:00.
- The managers’ expense report was reviewed.
- Equity as a percentage of assets is 42.58%.
- The OneOk Beeler construction project is complete.
- The OneOk Scott Park project is about 85% complete. This includes eight miles of 115kV transmission line. This project will allow LSEC to take about 10% of the substation which will reduce the load on the Manning substation.
- The Tallgrass project is in the contract negotiation stage and is about 2% along.
- The Shallow Water project is not moving forward at this time due to funding issues.
- The long-range plan is about 10% complete and includes a sectionalizing study.
- Cooperative Building Services is working on projects with the initial focus being on the roof of the Dighton office.
- The wildfire mitigation plan is still being developed. Any potential build out are being rolled into a MarksNelson grant application.

- The cessation of penny production has raised a question on how to deal with billing. NISC has recommended that no immediate changes are necessary at this time.

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. Annual Meeting Location

- Manager McLeon discussed that there is not certainty on the annual meeting location and that staff recommendation is to set the location for “Lane County”.
- *A motion to designate Lane County as the location of the 2026 LSEC Annual Meeting was made, duly seconded and carried.*

2. 2026 Meeting Schedule

- The 2026 Board meeting schedule was reviewed with changes due to conflicts for the January 19, May 18 and December 21 meeting dates.
- *A motion to adopt the 2026 Board meeting schedule as presented was made, duly seconded and carried.*

3. Board Policies

- The board policies contained in the packet were mis-numbered and the policy changes were tabled to revise the board policy numbers.

4. NRECA Voting Delegates

- Craig Ramsey was appointed voting delegate and Richard McLeon as alternate voting delegate for the 2026 NRECA Power Exchange Business Meeting.

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:00 p.m., on Monday, December 22, 2025.

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12/11/2025 To 01/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3792 12/11/25	WIRE	265	HASLER - POSTAGE ACH	Postag	50.00
				Postag	125.00
				Postag	75.00
Total for Check/Tran - 3792:					250.00
3795 12/11/25	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Bill	117.17
				Monthly Bill	117.17
				Monthly Bill	292.93
				Monthly Bill	351.51
				Monthly Bill	292.93
Total for Check/Tran - 3795:					1,171.71
3796 12/11/25	WIRE	530	SNAP-ON CREDIT LLC	Monthly Bill	52.08
53559 12/11/25	CHK	1	THE RUSH COUNTY NEWS	Generac Ad	312.00
53560 12/11/25	CHK	1	THE RUSH COUNTY NEWS	Care Packages Ad	468.00
53561 12/11/25	CHK	5	STEVEN L BROWN	Estate	15.10
53562 12/11/25	CHK	5	LYNETTE F BUHR	Estate	178.34
53563 12/11/25	CHK	5	EITEL FAMILY TRUST	Estate	1,230.57
53564 12/11/25	CHK	5	SHANNON L FEENEY	Estate	32.17
53565 12/11/25	CHK	5	MARY E GRAEFF TRUST	Estate	364.03
53566 12/11/25	CHK	5	LESLIE GILLETT	Estate	180.92
53567 12/11/25	CHK	5	PATRICK J GERSTNER	Estate	147.00
53568 12/11/25	CHK	5	MICHAEL E GERSTNER	Estate	147.00
53569 12/11/25	CHK	5	VICKI A GERSTNER	Estate	146.96
53570 12/11/25	CHK	5	ESTATE OF HAROLD HERDMAN	Estate	755.01

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53571 12/11/25	CHK	5	LILA M SAVOLT	Estate	15.26
53572 12/11/25	CHK	5	STEPHANIE J KENNY	Estate	15.07
53573 12/11/25	CHK	5	PATTY LEGLEITER	Estate	108.80
53574 12/11/25	CHK	5	BONNIE LEGG	Estate	30.21
53575 12/11/25	CHK	5	ROGER W LEGLEITER	Estate	178.34
53576 12/11/25	CHK	5	MICHAEL A LEGLEITER	Estate	178.34
53577 12/11/25	CHK	5	FRANKLIN E MERRYFIELD	Estate	877.21
53578 12/11/25	CHK	5	LOIS MAGIE	Estate	2,334.92
53579 12/11/25	CHK	5	ESTATE OF ALAN RAY MISHLER	Estate	216.67
53580 12/11/25	CHK	5	MICHELLE MCMURRY	Estate	180.99
53581 12/11/25	CHK	5	CHARLES S MCMURRY	Estate	180.99
53582 12/11/25	CHK	5	BRENT J MCMURRY	Estate	180.98
53583 12/11/25	CHK	5	DIANA MCNAIR	Estate	143.51
53584 12/11/25	CHK	5	PATRICIA A MISHLER	Estate	6,282.04
53585 12/11/25	CHK	5	BRIAN MISHLER	Estate	2,093.18
53586 12/11/25	CHK	5	PHIL OCHS	Estate	143.51
53587 12/11/25	CHK	5	PATRICIA PFANNENSTIEL	Estate	30.21
53588 12/11/25	CHK	5	ROBIN L PIERSON	Estate	32.17
53589 12/11/25	CHK	5	CYNTHIA J REIN	Estate	108.80
53590 12/11/25	CHK	5	DALE REIN	Estate	108.80
53591 12/11/25	CHK	5	VONIA REIN	Estate	108.80

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53592 12/11/25	CHK	5	JOEL REIN	Estate	108.80
53593 12/11/25	CHK	5	ALAN REIN	Estate	108.80
53594 12/11/25	CHK	5	JULIE ROANE	Estate	108.80
53595 12/11/25	CHK	5	TRAVIS REIN	Estate	54.41
53596 12/11/25	CHK	5	MICHELLE REIN	Estate	54.53
53597 12/11/25	CHK	5	ESTATE OF RICHARD SHAFFER	Estate	2,007.13
53598 12/11/25	CHK	5	BETTY SCHEUERMAN	Estate	1,248.07
53599 12/11/25	CHK	5	ESTATE OF JUDITH A SCHWINDT	Estate	147.97
53600 12/11/25	CHK	5	REVOC. INTER VIVOS TR OF REX WHIP	Estate	3,147.77
53601 12/11/25	CHK	5	ESTATE OF TERRYD WASSINGER	Estate	485.29
53602 12/11/25	CHK	5	ESTATE OF LESLIE G WAGNER	Estate	133.90
53603 12/11/25	CHK	5	JANET WYMAN	Estate	2,094.45
53604 12/11/25	CHK	5	CONNIE J WILLIAMS	Estate	147.00
53605 12/11/25	CHK	5	RICK STENZEL	Estate	30.21
53606 12/11/25	CHK	5	NANCY SMITH	Estate	2,094.43
53607 12/11/25	CHK	5	DEBRA L STENZEL	Estate	147.00
53608 12/11/25	CHK	380	GRAINGER	Fire Extinguisher	122.55
				Fire Ext. Cover	108.89
				Parts	35.49
Total for Check/Tran - 53608:					266.93
53609 12/11/25	CHK	1160	S&T TELEPHONE COOP ASSN.	Advertisting White pages	419.28
3793 12/12/25	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Bill	209.90

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Monthly Bill	252.67
				Monthly Bill	252.67
Total for Check/Tran - 3793:					715.24
3779 12/15/25	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX	10,732.25
3780 12/15/25	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX	0.77
3781 12/15/25	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY	10,199.16
3782 12/15/25	WIRE	614	MEDICARE	FICA MEDICARE	2,809.21
3783 12/15/25	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401K ROTH CONTRIBUTION	6,373.59
				NRECA 401(k) PENSION PLAN	3,808.07
				401(k) CONTRIBUTION PAYMENT fje.602	2,888.89
				NRECA-401(K) LOAN #4	155.46
				NRECA-401(K) LOAN #2	96.50
Total for Check/Tran - 3783:					13,322.51
3784 12/15/25	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE	294.60
				NRECA GROUP INSURANCE	1,180.71
Total for Check/Tran - 3784:					1,475.31
3785 12/15/25	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY	29,028.72
3786 12/15/25	WIRE	609	STATE TAX	STATE PAYROLL TAX	4,345.45
3807 12/15/25	WIRE	265	HASLER - POSTAGE ACH	Postage	50.00
				Postage	125.00
				Postage	75.00
Total for Check/Tran - 3807:					250.00
53610 12/16/25	CHK	1	NESS CITY ROTARY CLUB	July - November Meals & Dues	104.00
53611 12/16/25	CHK	24	FINNEY COUNTY TREASURER	Property Tax	25,292.04
53612 12/16/25	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	61,500.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53613 12/16/25	CHK	28	GOVE COUNTY TREASURER	Property Tax	6,098.05
53614 12/16/25	CHK	33	HODGEMAN COUNTY TREASURER	Property Tax	15,796.30
53615 12/16/25	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC Monthly Assesment	7,567.83
53616 12/16/25	CHK	46	LANE COUNTY TREASURER	Property Tax	130,176.65
53617 12/16/25	CHK	50	LOGAN COUNTY TREASURER	Property Tax	514.06
53618 12/16/25	CHK	56	NESS COUNTY TREASURER	Property Tax	112,535.91
53619 12/16/25	CHK	68	SCOTT COUNTY TREASURER	Property Tax	35,488.92
53620 12/16/25	CHK	79	POSTMASTER	Newsletter Postage	139.78
53621 12/16/25	CHK	167	RUSH COUNTY TREASURER	Property Tax	12,096.18
53622 12/16/25	CHK	394	DELLON SHELTON	Clothing Allowance / Tax & Shipping	64.05
53623 12/16/25	CHK	484	FLATLANDS GARAGE LLC	Flat Deck Trailer #516	2,308.88
53624 12/16/25	CHK	1200	KASEY JENKINSON	Clothing Allowance	104.39
53625 12/16/25	CHK	1228	BENJAMIN L MANN	Clothing Allowance	58.14
53626 12/16/25	CHK	380	GRAINGER	Parts	89.79
53627 12/16/25	CHK	442	QUADIENT INC.	Online Advantage Service	74.74
				Online Advantage Service	298.97
				Online Advantage Service	201.24
Total for Check/Tran - 53627:					574.95
3794 12/18/25	WIRE	1229	NORTHEND DISPOSAL	Monthly Bill	561.42
3806 12/22/25	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Bill	128.52
53628 12/23/25	CHK	1	SCOTT CITY AREA CHAMBER OF COM	Membership Investment 01/01/26-12/31/26	575.00
53629 12/23/25	CHK	1	SCOTT COUNTY REGISTER OF DEEDS	Scott County Easement filing	483.00

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53630 12/23/25	CHK	1	UTICA RURAL FIRE DEPT	Christmas Event Sponsorship	200.00
53631 12/23/25	CHK	9	CHAD RUPP	Clothing Allowance	551.45
53632 12/23/25	CHK	20	BASIN ELECTRIC POWER COOP	Montly Bill	2,121.49
				Monthly Bill	2,122.15
Total for Check/Tran - 53632:					4,243.64
53633 12/23/25	CHK	105	CITY OF NESS CITY	Franchise FEe	4,646.69
53634 12/23/25	CHK	107	CINTAS CORPORATION #449	Monthly	536.85
53635 12/23/25	CHK	135	CITY OF BAZINE	Franchise Fee	1,587.46
53636 12/23/25	CHK	160	SHULL OIL COMPANY	Monthly Fuel Bill	2,451.32
				Monthly Fuel Bill	2,438.60
				Monthly Fuel Bill	109.42
Total for Check/Tran - 53636:					4,999.34
53637 12/23/25	CHK	212	FOLEY EQUIPMENT COMPANY	Truck 517	701.86
53638 12/23/25	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Monthly	1,495.00
53639 12/23/25	CHK	239	HEALY OIL CO	Truck 123	58.89
53640 12/23/25	CHK	366	DIANA KUHLMAN	Board Meeting Supplies	19.26
53641 12/23/25	CHK	373	KANSASLAND TIRE CO. INC OF HAYS	Truck 110	2,740.91
53642 12/23/25	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Bill	260.33
				Monthly Fuel Bill	105.17
Total for Check/Tran - 53642:					365.50
53643 12/23/25	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly Bill	56.44
				Monthly Bill	40.75
Total for Check/Tran - 53643:					97.19
53644 12/23/25	CHK	427	DIGHTON HERALD LLC	Monthly Bill	240.00

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Monthly Bill	40.00
Total for Check/Tran - 53644:					280.00
53645	12/23/25	CHK 439	BOLINGER, SEGARS, GILBERT & MOSS, Prep of Form 990 Tax Return		5,200.00
53646	12/23/25	CHK 444	HAYS CAR & TRUCK ALIGNMENT, INC. Truck 2402		540.73
53647	12/23/25	CHK 472	C.H. GUERSNEY & COMPANY	Cost of Service Study	3,135.00
53648	12/23/25	CHK 473	SCOTT BRIAND	Clothing Allowance	52.43
53649	12/23/25	CHK 484	FLATLANDS GARAGE LLC	Truck #2503	54.25
53650	12/23/25	CHK 516	WESTERN KANSAS BROADCAST CENT	Holiday Greetings	80.00
53651	12/23/25	CHK 552	HIGH POINT NETWORKS, LLC	Updatesq	1,380.00
53652	12/23/25	CHK 589	CINDY FUENTES - UMMEL	Clothing Allowance	250.00
53653	12/23/25	CHK 616	TAD EUBANKS	Clothing Allowance	72.76
53654	12/23/25	CHK 903	NISC	November 2025 Print Services	2,068.38
				November 2025 Print Services	395.14
				November 2025 Print Services	45.57
				November 2025 MISC	522.15
				November 2025 Recurring	868.00
				November 2025 Recurring	1,802.84
				November 2025 Recurring	1,117.50
				November 2025 Recurring	5,408.52
				November 2025 Recurring	450.71
				November 2025 Recurring	1,352.13
Total for Check/Tran - 53654:					14,030.94
53655	12/23/25	CHK 1030	THE SCOTT COUNTY RECORD	Monthly Bill	142.40
				Monthly Bill	72.60
Total for Check/Tran - 53655:					215.00

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53656 12/23/25	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Parts	551.35
53657 12/23/25	CHK	1285	TIFCO INDUSTRIES	Parts	302.98
				Parts	33.67
Total for Check/Tran - 53657:					336.65
3816 12/26/25	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	24,117.88
3809 12/29/25	WIRE	101	ATMOS ENERGY	Monthly Bill	163.51
				Monthly Bill	28.85
Total for Check/Tran - 3809:					192.36
3797 12/30/25	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX	13,252.63
3798 12/30/25	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX	1.49
3799 12/30/25	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY	11,896.90
3800 12/30/25	WIRE	614	MEDICARE	FICA MEDICARE	3,215.86
3801 12/30/25	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401K ROTH CONTRIBUTION	6,665.45
				NRECA 401(k) PENSION PLAN	4,036.62
				401(k) CONTRIBUTION PAYMENT fje.602	3,092.45
				NRECA-401(K) LOAN #4	155.46
				NRECA-401(K) LOAN #2	96.50
Total for Check/Tran - 3801:					14,046.48
3802 12/30/25	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE	293.93
				NRECA GROUP INSURANCE	1,176.22
Total for Check/Tran - 3802:					1,470.15
3803 12/30/25	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY	29,028.72
3804 12/30/25	WIRE	609	STATE TAX	STATE PAYROLL TAX	5,108.55
3805 12/30/25	WIRE	183	HIBU INC	Monthly	21.00
3808 12/30/25	WIRE	1187	MIDWEST ENERGY	Monthly Bill	20.38

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Monthly Bill	14.26
				Monthly Bill	20.38
				Monthly Bill	46.87
Total for Check/Tran - 3808:					101.89
3810 12/31/25	WIRE	586	NETWORK COMPUTING SOLUTIONS	Microsoft Agreement 365 - Yearly	9,478.56
3811 12/31/25	WIRE	586	NETWORK COMPUTING SOLUTIONS	Monthly	5,160.27
3812 12/31/25	WIRE	586	NETWORK COMPUTING SOLUTIONS	Agreemnet other monthly services	678.13
3813 12/31/25	WIRE	586	NETWORK COMPUTING SOLUTIONS	Agreement domain and secure dns	434.74
53658 12/31/25	CHK	624	RANDY J EVANS	Meeting Expense	8,212.80
53659 12/31/25	CHK	1	ST. THERESA CATHOLIC CHURCH	Hall Rent/Strategic Planning	500.00
53660 12/31/25	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	64,500.00
53661 12/31/25	CHK	28	GOVE COUNTY TREASURER	2nd Half Taxes	2,449.56
53662 12/31/25	CHK	40	KANSAS ELECTRIC COOPERATIVES	2025 CAP Rate Study	255.07
53663 12/31/25	CHK	46	LANE COUNTY TREASURER	Registration	189.00
				Registration	47.25
Total for Check/Tran - 53663:					236.25
53664 12/31/25	CHK	63	RICHARD JENNISON	Meeting Expense	368.20
53665 12/31/25	CHK	73	STANION WHOLESALE ELEC CO INC	ELEC EXP	4,358.50
				ELEC EXP	1,613.04
				ELEC EXP	1,545.90
				ELEC EXP	1,386.88
				ELEC EXP	17.69
				ELEC EXP	1,428.08
				ELEC EXP	996.13
				ELEC EXP	3,142.64

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				ELEC EXP	263.63
				ELEC EXP	113.53
				ELEC EXP	1,906.17
				ELEC EXP	2,090.00
				RETAIL	13.03
				ELEC EXP	123.64
				ELEC EXP	380.29
				ELEC EXP	357.23
				NESS CITY 115 SUB	464.85
				ELEC EXP	41.58
				ELEC EXP	24.63
				LINE MAT.	127.37
				LINE MAT	286.65
				LINE MAT.	46.01
				LINE MAT.	43.34
				LINE MAT.	4.81
				RETAIL	887.91
				RETAIL	757.47
				RETAIL	1,766.57
				ELEC EXP	85.50
				RETAIL	938.08
				METERING	376.45
				LINE MAT.	553.68
				LINE MAT.	61.52
				LINE MAT.	1,021.61
				LINE MAT.	113.52
				ELEC EXP	-380.29
				RETAIL	25.07
				LINE MATERIAL	1,050.39
				5887	43.07
				LINE MATERIAL	718.33

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				LINE MAT.	1,131.42
				LINE MAT.	125.71
				LINE MATERIAL	1,274.62
				LINE MAT.	4,906.76
				LINE MAT.	545.18
				LINE MATERIAL	4,260.33
				LINE MAT.	987.05
				LINE MAT.	109.66
				LINE MATERIAL	690.39
				LINE MAT.	559.70
				LINE MAT.	62.18
				LINE MATERIAL	236.17
				LINE MAT.	41.99
				LINE MAT.	4.67
				LINE MATERIAL	546.38
				LINE MAT.	1,227.17
				LINE MAT.	136.35
				RETAIL	791.43
				LINE MAT.	880.54
				LINE MAT.	97.83
				LINE MAT.	302.15
				LINE MAT.	33.57
				LINE MATERIAL	174.60
				LINE MAT.	2,457.36
				LINE MAT.	273.04
				RETAIL	3,356.81
				ELEC EXP	439.45
Total for Check/Tran - 53665:					54,447.01
53666	12/31/25	CHK 107	CINTAS CORPORATION #449	Monthly	99.02
53667	12/31/25	CHK 114	WHEATLAND ELECTRIC COOPERATIVE	Annual Sum Distribution Capacity	54,000.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53668 12/31/25	CHK	150	CHRIS TERHUNE	Clothing Allowance	796.99
53669 12/31/25	CHK	269	ANIXTER INC	Clothing Allowance - Chad Rupp	119.33
53670 12/31/25	CHK	380	GRAINGER	Safety Glasses Parts	202.53 229.56
Total for Check/Tran - 53670:					432.09
53671 12/31/25	CHK	383	HUXFORD POLE AND TIMBER CO INC	LINE MATERIAL LINE MATERIAL	22,635.27 23,514.12
Total for Check/Tran - 53671:					46,149.39
53672 12/31/25	CHK	450	RANDALL G EVANS	December Board Meeting	350.70
53673 12/31/25	CHK	494	UTILITY ASSET MANAGEMENT INC.	Pole Inspections 2025	34,678.62
53674 12/31/25	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Paper for N1117 Printer	109.21
53675 12/31/25	CHK	554	KELLER ELECTRIC LLC	Contractor work - for circle c	5,087.50
53676 12/31/25	CHK	570	JAMES W JORDAN	December Board Meeting	396.90
53677 12/31/25	CHK	588	GEROME L COPELAND	December Board Meeting	400.40
53678 12/31/25	CHK	620	SPARTAN PUMP & SUPPLY LLC	Underground Outside Ness City Sub	453.11
53679 12/31/25	CHK	623	SHELLY TURNER	Meeting Expense	372.40
53680 12/31/25	CHK	625	GARY SHAPLAND	Meeting Expense	350.70
53681 12/31/25	CHK	1139	LANE COUNTY HOSPITAL	Balke Mcvicker - Lab	35.00
53682 12/31/25	CHK	1225	CINTAS CORPORATION	Monthly Bill	71.86
53683 12/31/25	CHK	1285	TIFCO INDUSTRIES	Parts Parts	292.09 32.46
Total for Check/Tran - 53683:					324.55
53684 12/31/25	CHK	1300	CRAIG RAMSEY	Meeting Expense	1,563.05

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3814 1/2/26	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Bill	29.81
				Monthly Bill	89.77
				Monthly Bill	156.87
				Monthly Bill	755.72
				Monthly Bill	76.32
Total for Check/Tran - 3814:					1,108.49
3820 1/2/26	WIRE	265	HASLER - POSTAGE ACH	Postage	50.00
				Postage	125.00
				Postage	75.00
Total for Check/Tran - 3820:					250.00
3818 1/6/26	WIRE	59	NRECA	Quarterly 401 Pension Plan	1,260.00
3819 1/6/26	WIRE	168	ONLINE INFORMATION SERVICES, INC	Monthly	38.10
3826 1/6/26	WIRE	468	U.S. BANK	RETAIL	1,953.00
				ELEC EXP	336.15
				RETAIL	12,800.72
				Monthly CC Bill	19,456.96
				Monthly CC Bill	210.34
				Monthly CC Bill	3,006.71
				Monthly CC Bill	57.34
				Monthly CC Bill	236.29
				Monthly CC Bill	885.49
				Monthly CC Bill	272.04
				Monthly CC Bill	511.52
				Monthly CC Bill	303.77
				Monthly CC Bill	185.48
				RETAIL	21,765.40
Total for Check/Tran - 3826:					61,981.21
53685 1/6/26	CHK	46	LANE COUNTY TREASURER	Title Fee Unit 2503	10.00 VOID
				c	4,340.25 VOID

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				c	6,533.50 VOID
Total for Check/Tran - 53685:					10,883.75 VOID
53686 1/6/26	CHK	46	LANE COUNTY TREASURER	Title Fee Unit 2503	10.00
53687 1/6/26	CHK	46	LANE COUNTY TREASURER	c	4,340.25
				c	6,533.50
Total for Check/Tran - 53687:					10,873.75
3821 1/7/26	WIRE	1267	AFLAC	Monthly Bill - for december	1,126.44
53688 1/7/26	CHK	46	LANE COUNTY TREASURER	Truck 2503 Registration	430.25
53689 1/9/26	CHK	23	FEDERATED RURAL ELECTRIC	Annual Premium	144,461.00
53690 1/9/26	CHK	37	JETMORE REPUBLICAN	Advertising	80.00
				Advertising	60.00
Total for Check/Tran - 53690:					140.00
53691 1/9/26	CHK	105	CITY OF NESS CITY	December pay station/postage	618.01
53692 1/9/26	CHK	187	S&W SUPPLY DIVISION	Parts	21.09
				Parts	49.33
Total for Check/Tran - 53692:					70.42
53693 1/9/26	CHK	226	KANSAS CORPORATION COMMISSION	Quarterly Assesment	259.05
53694 1/9/26	CHK	229	GASPER LAW OFFICE	Professional Serives	4,788.00
53695 1/9/26	CHK	238	ILLINOIS MUTUAL	Monthly Bill	54.24
53696 1/9/26	CHK	269	ANIXTER INC	LINE MAT.	565.10
				LINE MAT.	62.79
				SUBSTATION ARRESTER	3,480.68
				TRANSFORMERS	9,982.00
				LINE MAT.	316.00
				LINE MAT.	35.11

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 53696:					14,441.68
53697 1/9/26	CHK	306	BORDER STATES INDUSTRIES INC	METERS	53,890.29
				TOOLS	107.42
				SUB ARRESTER	5,864.79
				TOOLS	431.83
				SUB ARRESTER	2,932.40
				LINE MAT.	1,110.42
				LINE MAT.	123.38
				HEALY SWITCHES	1,131.20
				LINE MATERIAL	807.54
				LINE MAT.	690.77
				LINE MAT.	76.75
Total for Check/Tran - 53697:					67,166.79
53698 1/9/26	CHK	317	JOHN DEERE FINANCIAL	Truck 2401	78.64
53699 1/9/26	CHK	355	VIRGINIA TRANSFORMER CORP	Price Adj. on tariffs	17,747.04
53700 1/9/26	CHK	380	GRAINGER	Panel Light	24.61
				Parts	203.78
Total for Check/Tran - 53700:					228.39
53701 1/9/26	CHK	395	DOLLAR GENERAL - REGIONS 410526	Monthly bill	56.49
				Monthly bill	15.90
Total for Check/Tran - 53701:					72.39
53702 1/9/26	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Wellness Newsletter	74.27
53703 1/9/26	CHK	439	BOLINGER, SEGARS, GILBERT & MOSS, Audit - Work performed through dec 2025		5,000.00
53704 1/9/26	CHK	562	RENSENHOUSE	ELEC EXP	20.50
				ELEC EXP	1,123.52
				RETAIL	956.40
				RETAIL	173.50

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				ELEC EXP	139.14
Total for Check/Tran - 53704:					2,413.06
53705 1/9/26	CHK	578	L&R LAWN CARE & SUPPLY	Monthly bill	303.94
				Monthly bill	189.51
				Monthly bill	8.22
				Monthly bill	347.90
				Monthly bill	33.78
Total for Check/Tran - 53705:					883.35
53706 1/9/26	CHK	598	STATE AFFAIRS INC	Subscription Feb 1 2026 - Jan 31 2027	500.00
53707 1/9/26	CHK	599	MITCH'S TRASH SERVICE	December Trash	75.00
53708 1/9/26	CHK	608	J & J FUEL SERVICE, LLC	Monthly Fuel Bill	252.90
				Monthly Fuel Bill	868.72
Total for Check/Tran - 53708:					1,121.62
53709 1/9/26	CHK	619	UNITED TELEPHONE ASSOCIATION, IN	Monthly Bill	65.00
53710 1/9/26	CHK	632	DOMSCH ENTERPRISES LLC	Project Management	3,164.50
53711 1/9/26	CHK	634	FINLEY ENGINEERING COMPANY, INC.	Scott Park & Manning Studies	2,175.60
53712 1/9/26	CHK	639	NEBRASKA RURAL ELECTRIC ASSOCIATION	Staking Tech Certification	1,050.00
53713 1/9/26	CHK	640	BS TRAILER SALES, INC.	Truck 2503	4,459.87
				Truck 2503	8,854.07
Total for Check/Tran - 53713:					13,313.94
53714 1/9/26	CHK	642	FR WEAR	Logo	23.80
				Logo	59.50
				Logo	23.80
				Logo	11.90
Total for Check/Tran - 53714:					119.00
53715 1/9/26	CHK	773	BRETZ, INC.	Monthly Bill	279.00

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Monthly Bill	244.70
Total for Check/Tran - 53715:					523.70
53716 1/9/26	CHK	803	ALTEC INDUSTRIES, INC	Truck 112	452.37
53717 1/9/26	CHK	929	AMERICAN CASTING & MFG CORP	LINE MAT. LINE MAT.	344.56 38.28
Total for Check/Tran - 53717:					382.84
53718 1/9/26	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee	90.44
53719 1/9/26	CHK	1160	S&T TELEPHONE COOP ASSN.	Monthly Bill	257.11
53720 1/9/26	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Wide format paper	65.09
53721 1/9/26	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Testing	372.35
53722 1/9/26	CHK	1248	COMPLIANCE ONE	Monthly	394.80
53723 1/9/26	CHK	1251	TECHLINE, LTD	LINE MAT. LINE MAT. LINE MATERIAL LINE MAT. LINE MAT.	471.17 52.35 6,721.58 808.05 89.79
Total for Check/Tran - 53723:					8,142.94
53724 1/9/26	CHK	1254	EAGLE RADIO	Advertising	586.25
3817 1/12/26	WIRE	611	FEDERAL UNEMPLOYMENT	940 return	166.24
3822 1/12/26	WIRE	468	U.S. BANK	Monthly Fuel CC Bill Monthly Fuel CC Bill	24.26 35.88
Total for Check/Tran - 3822:					60.14
3824 1/12/26	WIRE	18	CITY OF DIGHTON	Monthly Bill Monthly Bill Monthly Bill	372.59 124.20 173.88

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Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Monthly Bill	571.31
				Total for Check/Tran - 3824:	1,241.98
3825 1/12/26	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Bill	209.90
				Monthly Bill	203.62
				Monthly Bill	203.63
				Total for Check/Tran - 3825:	617.15
3823 1/13/26	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Bill	154.15
				Monthly Bill	154.15
				Monthly Bill	382.20
				Monthly Bill	154.15
				Monthly Bill	154.14
				Monthly Bill	154.15
				Total for Check/Tran - 3823:	1,152.94
53725 1/13/26	CHK	568	SUSAN NUSS	December Board Meeting - Virtual	350.00

Total Payments for Bank Account - 2 :	(208)	1,332,344.98
Total Voids for Bank Account - 2 :	(1)	10,883.75
Total for Bank Account - 2 :	(209)	1,343,228.73
Grand Total for Payments :	(208)	1,332,344.98
Grand Total for Voids :	(1)	10,883.75
Grand Total :	(209)	1,343,228.73



Board Meeting Summary

December 11-12, 2025

BOARD EDUCATION SESSION

Fireside Chat with General Paul Funk

The Fireside Chat with General Paul Funk highlighted the significant complexity and workload inherent in the electric utility industry, drawing parallels to Funk's military experience. He began by describing operations in Iraq and the fight against ISIS, emphasizing that it was the nation's first true "information war." For a time, ISIS succeeded in shaping perceptions and influencing local populations—an example Funk used to illustrate the power of communication, narrative, and strategic messaging.

Funk then connected these lessons to leadership within the utility sector. He underscored the importance of command and feedback, stressing overcommunication, "leading up," clearly explaining intentions so they can be conveyed accurately to higher authorities, and building trust throughout an organization. He concluded with insights from his "Funk's 40 Fundamentals," calling attention to several key principles. He clarified that one—number 35—doesn't literally mean taking someone's belongings but rather adopting successful ideas and proven concepts from others instead of reinventing the wheel.

BOARD MEETING

Current Activities

Board Strategic Discussion

A dedicated two-day strategy session is scheduled for February 11–12, 2026, to focus on long-term priorities outside the regular board meeting cycle. The discussions will be held in person at the Wichita Annex in the Ag Credit room, with no virtual attendance option. Participants will include the Board, the executive team, member staff, and additional Sunflower staff as needed based on the topics.

The agenda will cover several key strategic issues. Day 1 will center on succession planning and a review of the organization's top 10 risks. Day 2 will shift to operational and organizational considerations, including aging infrastructure, the risk-reward proposition of large loads, and updates to Communications and Member Solutions since 2023.

PRESIDENT'S REPORT

Financial Services

October Financials

Overall, Member loads were down 0.05% from budget for the month and down 2.81% from budget year to date. Large industrial loads were down 1.99% from budget for the month and down 5.26% from budget year to date. Operation and maintenance expenses were down 2.8% from budget for the month and down 6.99% from budget year to date. Year-to-date Member kWh sales are 3% under budget estimates and up 5% over the prior year.

Patronage Retirement

The Sunflower Board previously approved guidelines for patronage retirements through January 2027. The guideline structure, subject to annual Board approval and sufficient financial metrics as determined by the Board, is for \$12 million. Staff presented final numbers. Written unanimous consent will be circulated after the December Board meeting for approval in January 2025. Staff anticipate making the cash patronage retirement on January 8, 2026.

Board Strategy Follow Through Update

Of the 60 total strategic actions requested by the Sunflower Board during the strategy discussions in April and November 2023, 30 items were completed in 2025, only seven in process anticipating being completable. The remainder have been consolidated or determined to not be completable, 88% of the change actions complete or no longer underway.

System Backbone Project

Sunflower staff requested Board approval to recover \$1,005,233 through Sunflower's non-zonal rider in 2026, up slightly from the \$990,025 approved for 2025. The non-zonal transmission rider, established by the Board in 2020, is used to recover costs for member transmission projects that are not included in the transmission formula rate (TFR) and are not directly assigned. Since 2020, a portion of the Santa Fe to Twin Springs project has been recovered through this rider.

Beginning in 2023, FERC authorized Sunflower to move the Charleston to Santa Fe and Santa Fe Sub projects into the TFR, which allowed those projects to be removed from the non-zonal rider. Currently, approximately \$6.7 million in project costs are being recovered through the rider. Each year, Sunflower recalculates the revenue requirement for these projects and seeks Board approval before moving forward with cost recovery.

Board Action: The Sunflower Board voted and approved the proposed system backbone revenue requirement and continue using the non-zonal transmission rider for the recovery of the costs in 2026.

Sunflower Electric Power Corp. - December 2025, Member Billing Summary								
WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total
Demand Coincident Peak, kW	19,537	101,315	96,524	84,444	139,102	48,154	106,256	595,332
Demand NCP, kW	21,292	84,676	103,421	94,854	147,512	51,230	107,257	610,242
Wholesale Energy Usage, kWh	13,818,603	72,338,153	64,731,700	55,029,269	86,567,317	33,804,752	62,622,601	388,912,395
RTP Marginal Usage, kWh					(4,554)			(4,554)
Coincident Peak Load Ratio Share, %	3.30%	17.00%	16.20%	14.20%	23.40%	8.10%	17.80%	100.00%
Coincident Load Factor, %	95.10%	96.00%	90.10%	87.60%	83.60%	94.40%	79.20%	87.80%
Metering Points	10	27	25	28	24	26	34	174
CP Demand Rate, \$/kW	7.36	7.70	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, \$	143,792.32	780,325.76	710,416.64	621,507.84	1,023,790.72	354,413.44	782,044.16	4,416,290.88
NCP Demand Charge, \$	68,986.08	274,350.24	335,084.04	307,326.96	477,938.88	165,985.20	347,512.68	1,977,184.08
Demand Charge, \$	212,778.40	1,054,676.00	1,045,500.68	928,834.80	1,501,729.60	520,398.64	1,129,556.84	6,393,474.96
Energy Rate, ¢/kWh	0.7334	0.7189	0.7334	0.7334	0.7334	0.7334	0.7334	0.7307
Energy Charge, \$	101,345.63	520,031.92	474,742.29	403,584.66	634,884.70	247,924.05	459,274.16	2,841,787.41
RTP Marginal Usage Charge, \$			-		110.55			110.55
HLF Rider Net Charge, \$	6,074.04	11,959.51	(66,768.90)	11,811.64	(5,461.46)	14,859.06	27,526.09	-
EDR Rider Net Charge, \$	3,265.93	5,603.90	15,298.89	(27,032.01)	(19,926.65)	7,989.52	14,800.41	-
ECA Rate (ECA-02), ¢/kWh	1.9630	1.9630	1.9630	1.9630	1.9630	1.9630	1.9630	1.9630
ECA Charge, \$	271,259.18	1,419,997.94	1,270,683.27	1,080,224.55	1,699,316.43	663,587.28	1,229,281.66	7,634,350.31
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	3,139.81	17,089.61	14,878.06	11,883.07	17,526.99	6,819.94	18,020.04	89,357.52
Schedule 11 Regional	30,947.37	168,442.77	146,644.78	117,124.82	172,753.83	67,220.33	177,613.54	880,747.44
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	1,815.31	9,880.50	8,601.88	6,870.30	10,133.38	3,943.00	10,418.44	51,662.81
Schedule 1a	5,315.99	28,934.28	25,189.93	20,119.14	29,674.82	11,546.78	30,509.59	151,290.53
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	821.06	4,470.40	3,892.49	3,108.40	4,583.22	1,779.35	4,708.26	23,363.18
Transmission Charge, \$	169,007.30	919,887.64	800,846.61	639,633.68	943,429.31	367,094.21	969,964.85	4,809,863.60
Billing Adjustments, \$ (LRR Rider, PGS)		(107,542.19)	(523.92)	(0.18)	(146,031.07)		-	(254,097.36)
ECIR Credit, \$			(10,678.73)					(10,678.73)
Community Solar Adjustments, \$		(52.09)	(6.98)	(10.71)	(6.17)		(187.59)	(263.54)
Net Charges, \$ *	764,780.48	3,827,397.63	3,531,725.20	3,039,986.43	4,610,565.24	1,824,582.76	3,833,786.42	21,432,817.21
3-2-1 Credits, \$		(9,419.25)	(182.90)	(14,329.77)	(2,744.19)			(26,676.11)
Total Charges, \$	764,780.48	3,817,978.38	3,531,542.30	3,025,656.66	4,607,821.05	1,824,582.76	3,833,786.42	21,406,141.10
Average all-in ¢/kWh	5.534	5.278	5.456	5.498	5.323	5.397	6.122	5.504
Non-Member energy charges:			Basis for Changes from Previous Month					
Non-Member energy charges:								
	\$	\$/kWh						
10 West Cities	778,998.64	0.0517						
4 East Cities	104,908.36	0.0577						
KEPCo	151,880.07							
KMEA - EMP2 (Local Access)	73,318.73							
KMEA - City of Meade - (Local Access)	11,164.48							
AP & NH other contracted services	294,633.40							
KPP - OATT, L.A.C. & MA Charges	61,515.90							
Note:								
			↓	↑	→	↑	↓	→
			1. Holcomb Capacity Factor was 61.8% for the month. 2. Smoky Hills #1 WF Capacity Factor was 34.9% for the month. 3. Shooting Star capacity factor was 21.1% for the month. 4. Smoky Hills #2 WFCapacity Factor was 39.3% for the month 5. Johnson Corner Solar Capacity Factor was 13.2% for the month 6. Boot Hill Solar Capacity Factor was 14.7% for the month still testing 7. Sunflower Solar @ Russell is now operating Cap. Fac. 8.8% for month ↑ = Increase ↓ = Decrease → = Little Effect					

* Victory and So. Pioneer numbers do not include the full requirement cities.

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

Rates, Reliability, and Safety Dashboard

Executive Summary: We remain in solid condition.

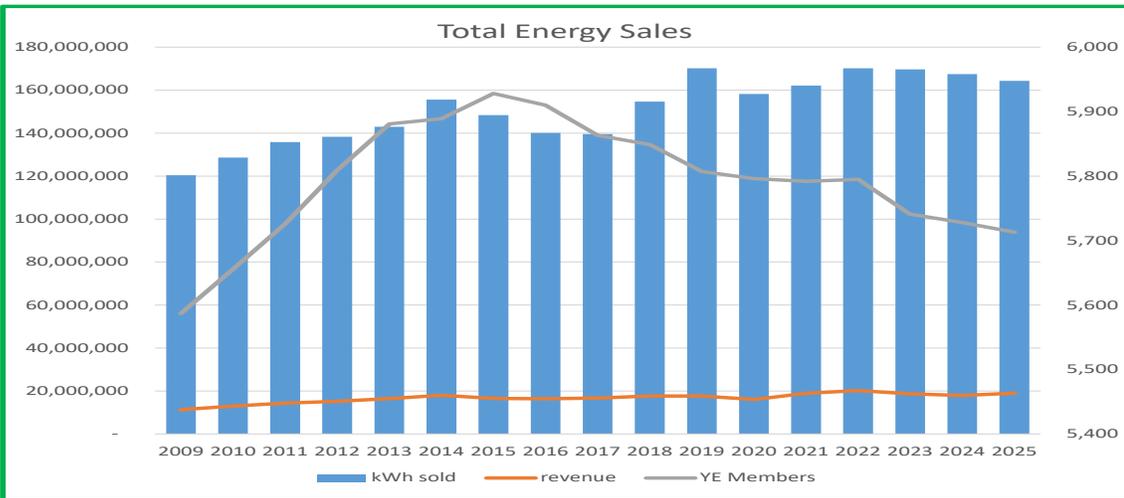
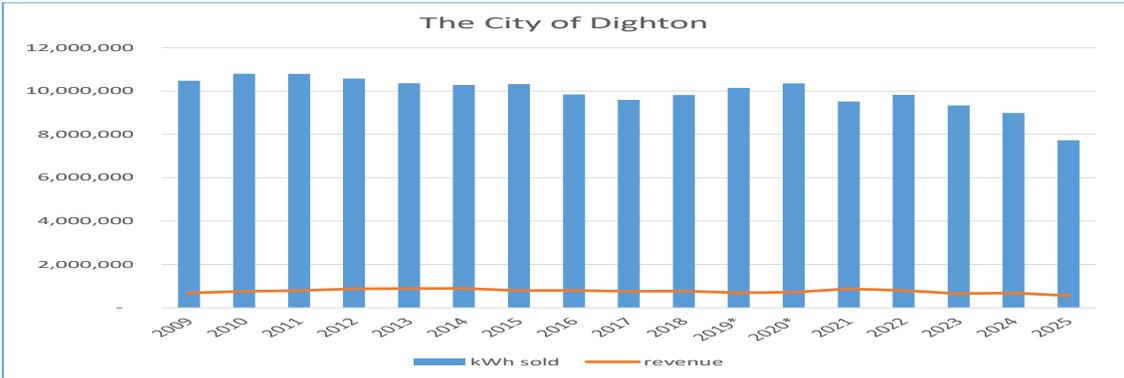
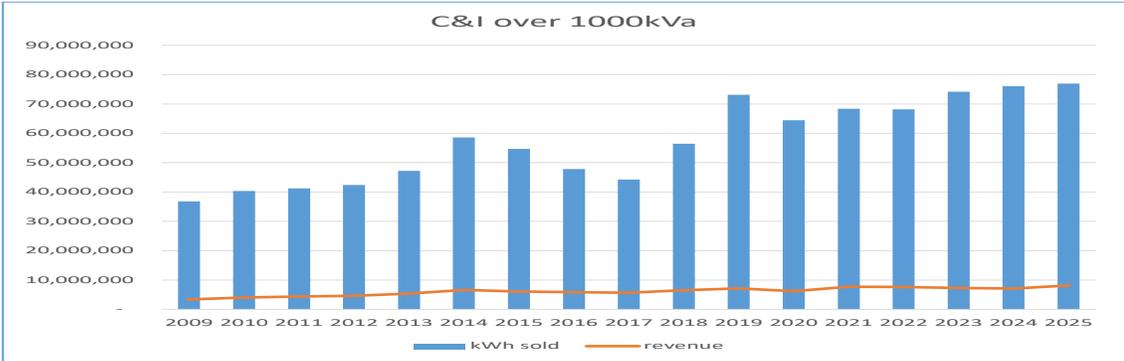
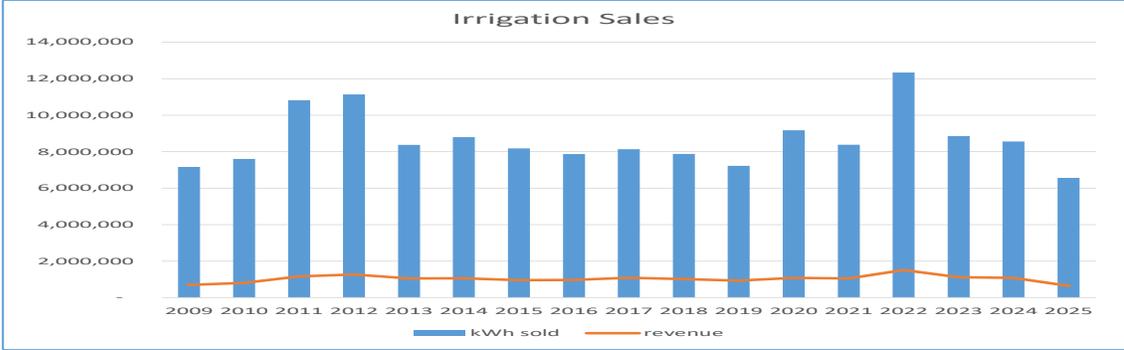
1. Total operating revenue remain strong at \$19,666,293 which is about 4.1% above budget. Wholesale power costs totaled \$10,091,873 or 51.3% of operating margins collected. Operating Revenues (unaudited) were are \$1,476,578 and our preliminary Rate of Return on Rate base was 4.73%. This is about 2.0% above the 2025 inflation rate.

The Capital and Donation Budgets ended 2025 at \$842,200 (47.33%) through December 31, 2025. Most of our shortages were in Operations due to focusing on member projects like the Scott Park Substation.

2. Reliability remains high. We had minor outages in December (1 hour across 26 meters), so our ASAI remains at 99.97%. “Controllable” outages (“planned” and “all other”) remained at 2.8% of all outages. We continue searching for ways to harden the system through iron poles, tie lines, pole testing, etc.
3. Safety. No major incidents reported. We are laying out plans and projects for 2026. These will be noted for the 2026 Strategic Plan.

Revenue class	from last year		from 5-year avg.		YTD \$/kWh
	YTD kWh %	YTD revenue%	YTD kWh %	YTD revenue%	
Residential	0.45%	7.55%	88,316	2.78%	0.1400
Residential Seasonal	1.88%	5.62%	41,422	8.02%	0.2566
Irrigation	-23.26%	-15.50%	-196,030	-23.35%	0.0950
C&I 1000kVa or less	-1.95%	7.81%	-33,158	-0.57%	0.1239
C&I over 1000kVa	1.15%	13.68%	570,137	7.51%	0.1060
Public & Street Lighting	-0.45%	9.84%	5,832	9.26%	0.1819
Sales to Public Authorities	-6.17%	2.22%	4,059	6.78%	0.1735
City of Dighton	-14.02%	-18.42%	-147,990	-21.05%	0.0720
TOTALS	-1.90%	8.06%	332,588	1.78%	0.1160

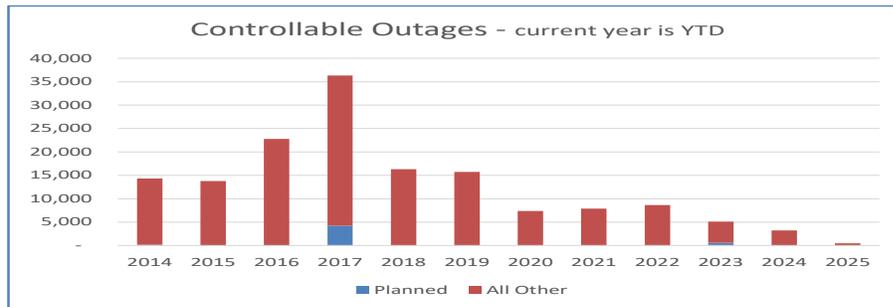
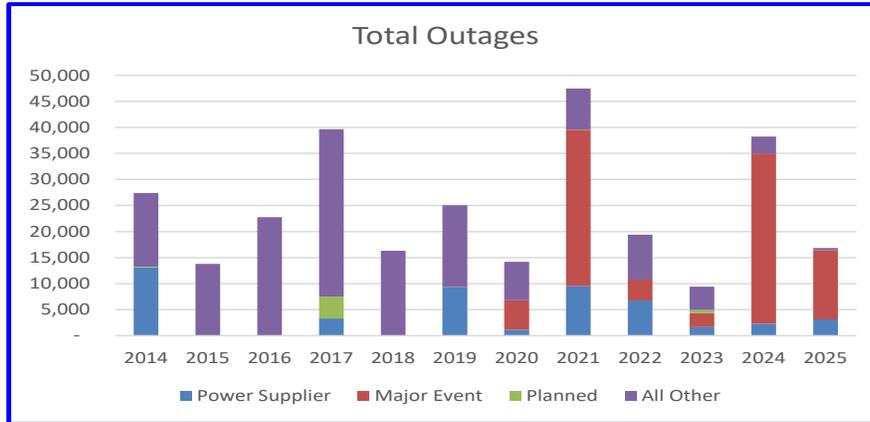
Rate of Return on Rate Base						
2020	2021	2022	2023	2024	2025	Average
1.55%	-0.88%	2.49%	0.07%	1.80%	4.73%	1.63%



2025 Budget Summary

Total through year end

	budget	expenditures	%
1 Donations	6,065	5,235	86.31%
2 Communications	139,785	132,672	94.91%
3 Finance	10,800	7,192	66.59%
4 Human Resources	19,690	9,542	48.46%
5 IT / Cyber	87,000	35,556	40.87%
6 Operations	1,457,226	648,185	44.48%
7 Safety	58,966	3,820	6.48%
	1,779,532	842,200	47.33%



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	1.09	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	3.20	2.53	5.60	6.07	2.71	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

• **Projects**

○ Construction

- Oneok – Scott Park, 6MW and 8 miles 115kV transmission (2026 energize). Substation is near completion and Transmission line construction underway. This project is about 90% 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.
 - Facilities repairs.
 - Headquarters Roof. Cooperative Building Systems did the initial assessment of all LSEC facilities. Dal and I are noting delays in their deliverables and are seeking contractors to provide second opinions.
 - 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.
- Credit Card records. (Are available for the Boards review.)
- General Manager Expense Reports.
 - Jan. 7, Strategic Planning Dinner with CFC, (\$308.32).

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

1) Accounting and Finance.

- December 2025 Operating Margin = \$8,961 with \$1,481,177 YTD.
- December 2025 Total Margin = \$77,151 with \$2,052,312 YTD.
- Cash Balance – \$6,330,982.
- Rolling 12-month Metrics remain very good:
 - TIER – 2.61 (1.25 min.), OPTIER – 1.91 (1.1 min.), DSC – 3.65 (1.25 min.), ODSC – 3.40 (1.1 min.), MDSC – 3.63 (1.35 min.)
 - Equity as a % of Assets – 42.77% and as a % of Capitalization – 45.45%
 - Current Ratio – 2.77%
 - Cash to Debt – 20.56%

2) Operations Report (Dal).

- Maintenance. Multiple maintenance projects across the LSEC system.
 - Changed out a bad regulator panel on the Grigston circuit.
 - Updated meter loops for Mark Shapland and Van Hank's.
 - Changed out bad breakers at Doug Peterson's and Russel Smith's.
 - Fixed secondary for Tanner Bush and Patrick Lewis.
 - Changed out a bad arrester on the McBee 3-phase.
 - Changed out a bad transformer at Sandy Renner's water well.
 - Retired a single-phase connect for Randy Norton.
 - Fixed a broken jumper at Pokey Feeders.
 - Fixed a phase floater on the Reimer single-phase.

- Pole Change Outs. Changed out 12 poles.
- New Construction
 - Built a ¼ mile of new 3-phase to Nutrien Ag new facility east of Arnold.
 - Built a new single-phase connect for Micheal Peter's in Brownell.
 - Set a new 3-phase pole and built a new connect for Grisell Memorial Hospital in Ransom.
 - Built a new single-phase connect for John Huslig's irrigation.
 - Built a new single-phase connect for Ward Electric in Bazine.
 - Built 1 mile of new single-phase for a tie line east of Ness City.
- Engineering
 - Met with several members about service upgrades for double throw meter cans.
 - Mapped copperweld lines for replacement
 - Worked with Finley Engineering on breaker and fuse sizing for the sectionalizing study.
 - Met with Western Electric about a territory swap north of Utica.
 - Updated the dig safe maps.
 - Met with S&T about getting fiber to the Healy source transfer switches.
 - Worked on FEMA DR 4824 July windstorm.

3) Information Technology and Cybersecurity (Carrie).

- PCI Compliance yearly compliance assessment review. Fiserv compliance changes reviewed, discussed with vendors possible internal process changes, and Fiserv external assessment changes that could be upgraded.
- E-check electronic payment velocity limits reviewed, increased considerations, and discussed with vendors the fees and requirements involved.
- Trustee CyberSecurity. Carrie did a short survey with other cooperatives regarding their security measures for Trustees. LSEC remains ahead of many of our peers.

4) Communications (Ann Marie).

- Distributive Generation excess generation payments will be calculated and applied as a bill credit on the February bill. Mark Eitel's wind turbine is the only generator receiving a credit for 2025. He currently has a \$129.75 credit from January through June (when the requirement was to purchase power at 150%) and a current bill credit of over \$400.00. He has requested an annual clearing of the account.
- 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 is January 20 – March 31.

Respectfully submitted,

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

GM / CEO Expense Sheet Summary

date	item	LSEC Credit Card	GM expense	total expense	Total Due GM
7-Jan	Board Strategic Planning Dinner with Facilitators GM expenses: drinks + spouse	232.92	75.40 (69.44)	308.32	0.00
totals		232.92	5.96	308.32	0.00

The Lane-Scott Electric Cooperative, Inc. Expense Report

GM / CEO: Richard McLeon
 Purpose of Trip: Board Strategic Planning - take Facilitators to Dinner

Section 1

DATE	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	TOTAL
	___ / ___	___ / ___	___ / ___	7-Jan	___ / ___	___ / ___	___ / ___	
Mile./Personal Veh.				104				
Mileage Rate	0.725	0.725	0.725	0.725	0.725	0.725	0.725	
Total Mileage Exp.	\$0.00	\$0.00	\$0.00	\$75.40	\$0.00	\$0.00	\$0.00	\$75.40
								0
								0
Gas/Oil								0.00
								0.00
Car Rental								0.00
								0.00
Taxi/Limo								0.00
								0.00
Tolls/Parking								0.00
								0.00
Airfare								0.00
								0.00
Lodging								0.00
								0.00
Breakfast								0.00
								0.00
Lunch								0.00
								0.00
Dinner				232.92				232.92
				(69.44)				(69.44)
Phone								0.00
								0.00
Misc.								0.00
								0.00
TOTAL EXPENSES	\$0.00	\$0.00	\$0.00	\$238.88	\$0.00	\$0.00	\$0.00	\$238.88

Section 2

Reimbursement	Total Expense from Section 1	\$ 238.88
Summary	Less: Company Credit Card	232.92
	Less: Other	0.00
	Less: Other	0.00
	Net due to Employee	\$ 5.96

Section 3

Expense Allocation	
Acct. #	Amount
Total	

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

Presented to LSEC Board of Trustees: 1/19/2026

GM / CEO

Board President

Baron's Steakhouse & Bar
 1911 E. Kansas Ave
 Garden City, KS 67846
 (620)805-6444
<https://www.baronssteakhouse.com/>

Daisy S Station 2
 1/7/2026 6:26 PM Order: 40
 Table 15 Check 1
 Dine In

Tanqueray		7.00**
Woodford Reserve		16.00**
2 @ 8.00	27.00	
Old Fashioned		4.00
Bacon Clothesline		20.00*
Bacon Wrapped Shrimp	8.75	15.00*
Side Salad		0.00
2 @ 0.00		
Side Salad		0.00
Chicken Chardonnay	20.00	20.00*
Strip Loin		35.00*
Strip Loin		35.00*
Strip Loin		35.00*
	53.75 →	53.75

Subtotal \$ 187.00
 KS Sales \$ 15.92 4.75
 Order Total \$ 202.92 60.50
 8.94 tip

Gratuity \$ 30.00
 Total \$ 232.92
 Thank you!
 \$ 69.44

Suggested Tip
 15% \$ 30.44
 18% \$ 36.53
 20% \$ 40.58
 22% \$ 44.64

This is not a receipt of payment.

*Dinner w/ CFE
 (Drinks + Party = \$69.44)*

Baron's Steakhouse & Bar
 1911 E. Kansas Ave
 Garden City, KS 67846
 (620)805-6444
<https://www.baronssteakhouse.com/>

Daisy S Station 2
 1/7/2026 6:26 PM Order: 40
 Table 15 Check 1
 Dine In

Account: ...5708
 Guest: MCLEON/RICHARD
 Card Type: VISA
 AUTH Code: 031887

Amount \$202.92
 Gratuity \$ 30.00
 Total \$ 232.92

X 

I AGREE TO PAY ABOVE TOTAL AMOUNT
 ACCORDING TO CARD ISSUER AGREEMENT

Customer Copy



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

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION
KS0042

PERIOD ENDED December 2025

BORROWER NAME
The Lane-Scott Electric Cooperative, Inc.

INSTRUCTIONS - See help in the online application.

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

CERTIFICATION

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

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

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

(check one of the following)

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

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

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	18,535,047	19,666,293	18,893,688	1,464,802
2. Power Production Expense				
3. Cost of Purchased Power	9,954,804	10,091,873	10,563,445	854,936
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	1,176,649	1,176,886	1,151,368	45,988
7. Distribution Expense - Maintenance	1,204,706	1,177,424	1,299,421	86,676
8. Customer Accounts Expense	275,935	237,652	285,847	9,567
9. Customer Service and Informational Expense	81,314	83,410	75,489	6,082
10. Sales Expense	92,526	106,809	100,431	12,066
11. Administrative and General Expense	1,932,023	2,107,123	1,984,182	175,366
12. Total Operation & Maintenance Expense (2 thru 11)	14,717,957	14,981,177	15,460,183	1,190,681
13. Depreciation and Amortization Expense	2,033,608	2,068,860	2,100,936	172,386
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,157,703	1,115,638	1,078,277	91,765
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	6,142	7,518	5,300	628
19. Other Deductions	18,113	16,522	24,000	381
20. Total Cost of Electric Service (12 thru 19)	17,933,523	18,189,715	18,668,696	1,455,841
21. Patronage Capital & Operating Margins (1 minus 20)	601,524	1,476,578	224,992	8,961
22. Non Operating Margins - Interest	365,970	247,151	372,000	16,961
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	63,245	68,169	140,733	48,681
26. Generation and Transmission Capital Credits	547,152	232,170		
27. Other Capital Credits and Patronage Dividends	25,898	28,244	50,306	2,548
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,603,789	2,052,312	788,031	77,151

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION

KS0042

PERIOD ENDED

December 2025

INSTRUCTIONS - See help in the online application.

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	50	48	5. Miles Transmission	0.00	0.00
2. Services Retired	64	11	6. Miles Distribution – Overhead	2,030.02	2,030.02
3. Total Services in Place	6,064	6,097	7. Miles Distribution - Underground	9.17	9.17
4. Idle Services (Exclude Seasonals)	346	397	8. Total Miles Energized (5 + 6 + 7)	2,039.19	2,039.19

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	65,629,580	30. Memberships	0
2. Construction Work in Progress	1,174,246	31. Patronage Capital	23,743,713
3. Total Utility Plant (1 + 2)	66,803,826	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	24,976,229	33. Operating Margins - Current Year	1,476,579
5. Net Utility Plant (3 - 4)	41,827,597	34. Non-Operating Margins	2,956,251
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	289,939
7. Investments in Subsidiary Companies	252,175	36. Total Margins & Equities (30 thru 35)	28,466,482
8. Invest. in Assoc. Org. - Patronage Capital	12,663,847	37. Long-Term Debt - RUS (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	445,461	38. Long-Term Debt - FFB - RUS Guaranteed	28,485,076
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	0	40. Long-Term Debt Other (Net)	3,906,821
12. Other Investments	5,501	41. Long-Term Debt - RUS - Econ. Devel. (Net)	0
13. Special Funds	0	42. Payments – Unapplied	0
14. Total Other Property & Investments (6 thru 13)	13,588,942	43. Total Long-Term Debt (37 thru 41 - 42)	32,391,897
15. Cash - General Funds	157,446	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	100	45. Accumulated Operating Provisions and Asset Retirement Obligations	0
17. Special Deposits	25	46. Total Other Noncurrent Liabilities (44 + 45)	0
18. Temporary Investments	5,951,453	47. Notes Payable	0
19. Notes Receivable (Net)	0	48. Accounts Payable	1,073,034
20. Accounts Receivable - Sales of Energy (Net)	1,477,297	49. Consumers Deposits	174,738
21. Accounts Receivable - Other (Net)	165,124	50. Current Maturities Long-Term Debt	1,605,920
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Economic Development	0
23. Materials and Supplies - Electric & Other	822,731	52. Current Maturities Capital Leases	0
24. Prepayments	177,965	53. Other Current and Accrued Liabilities	589,587
25. Other Current and Accrued Assets	24,042	54. Total Current & Accrued Liabilities (47 thru 53)	3,443,279
26. Total Current and Accrued Assets (15 thru 25)	8,776,183	55. Regulatory Liabilities	0
27. Regulatory Assets	0	56. Other Deferred Credits	19,262
28. Other Deferred Debits	128,198	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	64,320,920
29. Total Assets and Other Debits (5+14+26 thru 28)	64,320,920		

Formulas - 12-month rolling average

Dec-25

RUS = 7 CFR § 1710.114

Equity - % of Assets

Margin + Equities - C36	27,862,985
Total Assets - C29	65,145,652

Distribution Equity

Margin + Equities - C36	27,862,985
Total Assets - C29	65,145,652
Patronage Capital - C8	12,616,235

Equity - % of Capitalization

Current Equity - C36	27,862,985
Current LT Debt - C43	33,440,883

Current Ratio

TI, C & A Assets - C26	9,332,456
TI C & A Liabilities - C54	3,364,253

General Funds Level

Non Utility Property - C6	-
Invest in Assoc, Other GF - C9	445,461
Other Invest. - C12	5,501
Special Funds - C13	-
Cash Gen. Funds - C15	232,625
Temporary Investments - C18	6,419,333
Prepayments Unapplied - C42	-
Total Utility Plant - C3	66,101,185

Cash to Debt

Cash Gen. Funds - C15	232,625
Temporary Investments - C18	6,419,333
CFC CTC's - Stat Report	221,958
Current LT Debt - C43	33,440,883

Financial Reporting Ratios

TIER

RUS = 1.25

2.61

Net Income - A29	279,468
Interest on LT Debt- A16	173,605

DSC

RUS = 1.25

3.65

Depreciation - A13	315,575
Interest on LT Debt- A16	173,605
Pat. Cap. or Margins - A29	279,468
Prin. & Int. Pymts - N, d Total	210,358

MDSC

CFC - 1.35

3.63

Depreciation - A13	315,575
Interest on LT Debt- A16	173,605
Operating Income - A21	157,591
Non-Op Margins - Int - A22*	47,163
Patronage Capital - C8	12,616,235
Pat Cap Cash Calc	69,455
Prin. & Int. Pymts - N, d Total	210,358
LT Lease Calculation*	-
if C44 > 0.02 C36	-

Operating TIER

RUS - 1.1

1.91

Operating Income - A21	157,591
Interest on LT Debt- A16	173,605

Operating DSC

RUS = 1.1

3.40

Operating Income - A21	157,591
Depreciation - A13	315,575
Interest on LT Debt- A16	173,605
Patron. Refund from G&T, other - A26+A27	64,943
Prin. & Int. Pymts - N, d Total	210,358
Interest on LT Debt- A16	173,605
LT Debt - other - C40	4,098,027
sum A16+C40	4,271,632

Operations Report December 2025

- Maintenance
 - Refused transformers and side taps.
 - Worked locate tickets system wide.
 - Fixed lights system wide.
 - Monthly substation inspections.
 - Changed out a bad regulator panel on the Grigston circuit.
 - Updated meter loops for Mark Shapland and Van Hank's.
 - Changed out bad breakers at Doug Peterson's and Russel Smith's.
 - Fixed secondary for Tanner Bush and Patrick Lewis.
 - Changed out a bad arrester on the McBee 3-phase.
 - Changed out a bad transformer at Sandy Renner's water well.
 - Retired a single-phase connect for Randy Norton.
 - Fixed a broken jumper at Pokey Feeders.
 - Fixed a phase floater on the Reimer single-phase.
 - Changed out bad meters.
- Pole Change Outs
 - Changed out 7, 3-phase poles north of Grigston.
 - Changed out 2, V-phase poles by Brookover Feeders.
 - Changed out 2, single-phase poles by the Ness City substation.
 - Changed out a bad transformer pole in Scott Park.
- New Construction
 - Built a ¼ mile of new 3-phase to Nutrien Ag new facility east of Arnold.
 - Built a new single-phase connect for Micheal Peter's in Brownell.
 - Set a new 3-phase pole and built a new connect for Grisell Memorial Hospital in Ransom.
 - Built a new single-phase connect for John Huslig's irrigation.
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- Engineering
 - Met with several members about service upgrades for double throw meter cans.
 - Mapped copperweld lines for replacement. This will be part of our infrastructure grant or LRP.
 - Worked with Finley Engineering on breaker and fuse sizing for the sectionalizing study.
 - Met with Western Electric about a territory swap north of Utica.
 - Monthly radio tower inspection.
 - Made staking sheets for the Riverside tie line.
 - Updated the dig safe maps.
 - Imported new meters into NISC.
 - Met with S&T about getting fiber to the Healy source transfer switches.
 - Worked on FEMA DR 4824 July windstorm.

Substation NCP and CP from Sunflower Determinants

NCP KW			2025												NCP % capacity (kW/kVa)
Substation	Recorder ID	Substation capacity (kVa)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Beeler	SF02 BEELER	28000	7,107	6,593	6,114	6,502	6,795	7,273	7,788	7,221	7,556	7,996	6,223	7,029	28.6%
Dighton 14400	SF02 DIGH14400	28000	5,287	5,288	6,969	4,798	4,864	5,578	9,358	5,449	8,817	6,813	4,217	4,918	33.4%
Dighton 7200	SF02 DIGH7200	22400	2,641	2,615	2,483	2,665	2,484	3,907	4,350	4,292	3,217	2,685	2,737	2,139	19.4%
Manning	SF02 MANNING	25000	5,303	5,596	4,898	5,729	4,595	6,137	7,068	6,673	5,384	5,327	4,913	4,455	28.3%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
LS Seaboard	SF02 SEABOARD	billing	297	308	231	217	230	619	802	515	645	526	218	251	
Twin Springs 14000	SF02 TSPRGS14	11300	311	337	247	225	242	338	345	349	268	242	223	242	3.1%
Twin Springs 7200	SF02 TSPRGS72	11300	137	148	243	273	278	304	322	335	255	220	168	95	3.0%
Dighton WAPA	SFWP DIGHTON	billing	154	137	135	153	152	183	216	174	135	146	152	158	
Dighton - West	SF02 DIGHTCTYW	1500	444	420	371	407	501	862	923	870	676	544	357	352	61.5%
Dighton - North	SF02 DIGHTCTYN	1500	472	483	406	359	473	645	774	792	635	523	306	388	52.8%
Dighton - South	SF02 DIGHTCTYS	1500	579	597	436	517	587	1,015	1,144	1,179	788	653	364	447	78.6%
City of Dighton	SFS2 DIGHCTY	billing	1,272	1,331	1,003	1,112	1,434	2,360	2,652	2,648	1,990	1,529	895	1,053	
Alexander 115 Sub	MK02 ALEXAN	20000	1,523	1,560	1,235	1,279	1,408	3,983	2,352	2,062	5,686	1,505	1,143	1,286	28.4%
Ness City 115 Sub	MK02 NESS115	20000	3,485	3,668	3,032	3,042	3,568	5,026	8,017	5,810	3,826	3,243	2,088	2,403	40.1%
LSEC Billing NCP	time		10:00	10:00	13:00	14:00	14:00	18:00	17:00	15:00	15:00	15:00	7:00	8:00	
	date		1/20	2/12	3/12	4/15	5/13	6/29	7/19	8/20	9/30	10/3	11/6	12/31	
Non-Coincidental Peak		178000	29,012	29,081	27,803	27,278	27,611	38,230	46,111	38,369	39,878	31,952	24,004	25,216	25.9%
last year:			32,635	30,473	29,796	30,069	29,048	38,629	42,602	38,484	29,491	27,968	29,006	28,216	

CP KW			2025												CP % capacity (kW/kVa)
Substation	Recorder ID	Substation capacity (kVa)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Beeler	SF02 BEELER	28000	6,502	4,348	5,263	5,149	5,678	6,605	6,700	5,667	6,737	7,996	5,477	4,898	28.6%
Dighton 14400	SF02 DIGH14400	28000	4,719	5,169	4,832	4,723	4,226	4,383	4,062	4,132	5,496	4,473	3,472	5,222	19.6%
Dighton 7200	SF02 DIGH7200	22400	2,447	2,609	1,956	2,458	2,352	3,045	3,985	3,723	3,070	2,220	2,628	2,250	17.8%
Manning	SF02 MANNING	25000	4,208	4,061	3,960	4,671	4,036	6,136	7,004	6,458	4,854	4,511	5,231	4,096	28.0%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
LS Seaboard	SF02 SEABOARD	billing	261	302	179	180	184	593	218	274	284	224	211	284	
Twin Springs 14000	SF02 TSPRGS14	11300	262	309	160	214	202	308	317	318	228	208	199	214	2.8%
Twin Springs 7200	SF02 TSPRGS72	11300	130	142	223	213	256	301	303	316	147	107	212	95	2.8%
Alexander 115 Sub	MK02 ALEXAN	20000	1,492	1,517	1,078	1,271	1,362	2,018	1,941	1,990	1,688	1,472	1,143	1,286	10.1%
Ness City 115 Sub	MK02 NESS115	20000	3,385	3,668	2,352	3,042	3,568	5,008	5,321	5,636	3,826	3,229	2,088	2,403	28.2%
Sunflower System CP	time		11:00	13:00	16:00	16:00	16:00	16:00	15:00	16:00	16:00	16:00	8:00	10:00	
	date		1/20	2/18	3/27	4/17	5/14	6/20	7/29	8/7	9/11	10/3	11/10	12/4	
Sum of CP		173500	23,406	22,125	20,003	21,921	21,864	28,397	29,851	28,514	26,330	24,440	20,661	67,108	38.7%
last year:			20,622	23,185	22,520	21,720	20,103	31,021	31,921	27,610	24,749	23,046	22,411	22,818	

City of Dighton NCP			2025												NCP % capacity (kW/kVa)
Substation	Recorder ID	Substation capacity (kVa)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Dighton WAPA	SFWP DIGHTON	billing	154	137	135	153	152	183	216	174	135	146	152	158	
Dighton - West	SF02 DIGHTCTYW	1500	444	420	371	407	501	862	923	870	676	544	357	352	61.5%
Dighton - North	SF02 DIGHTCTYN	1500	472	483	406	359	473	645	774	792	635	523	306	388	52.8%
Dighton - South	SF02 DIGHTCTYS	1500	579	597	436	517	587	1,015	1,144	1,179	788	653	364	447	78.6%
City of Dighton	SFS2 DIGHCTY	billing	1,272	1,331	1,003	1,112	1,434	2,360	2,652	2,648	1,990	1,529	895	1,053	
Non-Coincidental Peak		4500	1,495	1,500	1,213	1,283	1,561	2,522	2,841	2,841	2,099	1,720	1,027	1,187	63.1%
last year:			2,323	2,411	1,198	1,354	1,611	2,724	2,916	2,793	1,956	1,194	1,337	1,330	

Sunflower Billing Summary		capacity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
City of Dighton @ 2% Subtract from WHM	CPKW	1,314	1,448	962	1,142	1,525	2,375	2,610	2,673	2,093	1,645	1,047	1,211		
Demand 1	CPKW	178000	22,092	20,677	19,041	20,779	20,339	26,022	27,241	25,841	24,237	22,795	19,614	65,897	37.0%
Demand 2	NCP	178000	23,239	22,680	21,148	20,945	20,793	28,770	32,263	27,415	25,136	23,002	20,633	21,292	18.1%
Energy purchased			14,687,589	12,883,539	12,881,661	12,787,324	12,366,045	13,963,172	16,971,864	15,589,505	13,847,241	13,628,138	12,661,334	13,818,803	

2025

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1 Overhead lines												
<i>number/miles</i>	5,430	4,816	5,681	4,367	3,914	5,497	4,364	4,553	4,415	4,360	5,176	4,081
<i>cost</i>	\$58,189.00	\$55,688.00	\$47,641.00	\$38,439.00	\$43,364.00	\$42,751.00	\$33,992.00	\$37,268.00	\$42,179.00	\$38,500.00	\$47,678.00	\$43,748.00
2 Underground lines												
<i>number/miles</i>	125	125	563	530	445	215	390	145	364	260	346	209
<i>cost</i>	\$2,264.00	\$2,513.00	\$5,055.00	\$4,412.00	\$4,259.00	\$2,328.00	3109	\$1,695.00	\$3,037.00	\$2,936.00	\$9,252.00	\$2,001.00
3 Poles												
<i>number inspected</i>	0	0	0	0	0	0	0	0	269	1969	2129	0
<i>cost</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,399.00	\$31,780.00	\$34,678.62	\$0.00
4 Right-of-way												
<i>miles inspected</i>	331	10	0	0	230	20	295	235	155	253	123	80
<i>cost</i>	\$4,301.00	\$738.00	0.00	\$0.00	\$2,556.00	\$519.00	\$3,199.00	\$1,499.00	\$2,646.00	\$4,898.00	\$783.00	\$560.00
5 Substations												
<i>number inspected</i>	15	15	15	15	15	15	15	15	15	15	15	15
<i>which ones?</i>	All											
<i>cost</i>	\$5,760.00	\$7,544.00	\$3,262.00	\$4,660.00	\$1,890.00	\$6,642.00	\$5,291.00	\$1,804.00	\$10,754.00	\$5,043.00	\$2,823.00	\$4,866.00
6 DG Interconnections												
<i>number inspected</i>	0	0	5	3	0	6	0	3	26	6	4	5
<i>cost</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7 CT:PT Metering												
<i>number inspected</i>	0	0	0	90%	100%	0	0	0	0	0	0	0
<i>cost</i>	\$0.00	\$0.00	\$0.00	\$11,796.00	\$10,080.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8 Line Clearances												
<i>miles inspected</i>	0	96	0	0	50	340	129	110	391	440	469	441
<i>cost</i>	\$0.00	\$1,727.00	\$0.00	\$0.00	\$253.00	\$3,387.00	\$1,375.00	\$1,314.00	\$7,054.00	\$5,812.00	\$5,191.00	\$5,405.00

CYBERSECURITY & INFORMATION TECHNOLOGY

EXECUTIVE SUMMARY

- PCI Compliance yearly compliance assessment review. Fiserv compliance changes reviewed, discussed with vendors possible internal process changes, and Fiserv external assessment changes that could be upgraded.
- E-check electronic payment velocity limits reviewed, increase considerations, and discussed with vendors the fees and requirements involved.

Cybersecurity

Cybersecurity can be difficult. I truly appreciate your feedback and working with you so we can all be able to efficiently and effectively do what is best for Lane Scott while keeping our data secure. I did a short survey with approximately 6 other cooperatives. Below are the results of the 4 cooperatives that shared their trustee cybersecurity practices with me.

<u>Coop</u>	<u>Device</u>	<u>Meeting Software</u>	<u>Email Software</u>	<u>Webinar Software</u>	<u>Cybersecurity Data Protection</u>	<u>Cybersecurity Network Protection</u>
Western	iPads – Keyboard Case Only provided if asked for.	Call to Order	Outlook	Teams	Isolated and access is only allowed on Company Device and Company Email	Isolated with Network management Tools
Wheatland	iPads – Keyboard Case Only provided if asked for.	Call to Order	Outlook	Teams	Isolated and access is only allowed on Company Device and Company Email	Isolated with Network management Tools
Prairie Land	iPads with Keyboard Case	Call to Order	Outlook	Teams	Isolated and access is only allowed on Company Device and Company Email	Isolated with Network management Tools
Heartland	iPads with Keyboard Case	OnBoard	Outlook	Teams	Isolated and access is only allowed on Company Device and Company Email	Isolated with Network management Tools
Lane-Scott Electric	iPads with Keyboard Case	Call to Order	Outlook	Teams	Isolated and access is only allowed on Company Device and Company Email	Isolated with Network management Tools

At our last KEC Information Technology & Cybersecurity Group meeting one of the many topics discussed was our trustee's cybersecurity programs. I was able to proudly express our trustee's support for our cybersecurity program throughout the years. Lane-Scott is one of the first cooperatives that the trustees are actively participating in our cybersecurity programs and involved in trustee's cybersecurity training to learn to protect Lane Scott data that they have access to and improve our cybersecurity practices. Many more coops said they will be moving forward as well with a trustee's cybersecurity training program with similar applications like our KnowBe4 and HacWare software. I met with some cooperatives that reached out after the meeting to get advice on stages for their trustee cybersecurity program and training transition. I was able to tell them I have great trustees that work with me on doing what's right to minimize cybersecurity risk and understand risk mitigation. I provided them with an outline of our transitioning stages to help guide them and hopefully we can another cooperative.

We started our trustee cybersecurity transition at the end of 2024 and completed it around May or June 2025. We are now at the last stage of adapting and finalizing some data retrieval and document processes. I sincerely hope I'm able to guide us through and minimize the growing pain that change brings. I cannot thank you all enough for everything that you do. **Without your support we would not be as advanced in our cybersecurity program as we are today.**

Information Technology

- Rainmaker Leadership and Myers & Briggs Training
- Electronic payment processes review.
- 2026 Project Goals and Strategic Planning
- Miscellaneous User Technical Assistance

January Communication and Member Service Board Report

1. Promoting the Continuing Education Scholarships and CoBank Sharing Success Grants including newspaper articles, social media, Scott and Ness County Chamber e-newsletter, e-mail blast, promote on SmartHub and Lane-Scott website.
2. Auto Pay Program Campaign: Promoting through social media, SmartHub, Lane-Scott website, e-mail blast, and Feb. bill stuffer.
3. The Kansas Low Income Energy Assistance Program (LIEAP): I will be sending letters/applications to the local senior centers and churches in January and include in February content.
4. Distributive Generation excess generation payments will be calculated and applied as a bill credit on the February bill. Mark Eitel's wind turbine is the only generator receiving a credit for 2025.
5. Crisis Communication Plan: I will be reviewing and making necessary revisions.
6. 2025 Top 100 Users Report: Included and saved on Lane-Scott website trustee page.
7. Monthly KCL, social media posts, website updates, new member e-mail series, newsletter e-blast, chamber communications, sponsorship/donation requests, communication plan updates, spending report.

January Board Meeting – Human Resources Report-December Duties

1. Balanced all employee benefit accounts
2. True-up on employee benefits
3. Set up CDL medical certifications
4. Entered CDL certifications to the State registry
5. Property taxes
6. Assisted Richard with Board policies
7. Year-end payroll benefits and deductions.
8. Researched the calculation of Qualified OT for W-2's.

Other Job Duties:

1. Completed the end of month Labor Distribution Report
2. Completed & Submitted Sales and Use Tax
3. Completed and submitted the Compliance One and No Time Lost reports.
4. Normal monthly duties, employee assistance, customer service, payroll, FLSA reports, payroll taxes, 401(k) distributions, Health Insurance, Group Insurance, and RS distributions.

December Warehouse Report

Total Inventory Dollars on Hand for December:

Line Material--\$510,374

Inventory Turns—0.809

Resale Material--\$206,357

Inventory Turns—0.523

Generac Update:

Activity remained very high in December for Generac generators. With the sale ending, we had several estimates to get out. All but two generators were installed, those two along with five more (once they get here) will be installed in January. We have installed the new model Generac, the Next-Gen, and are anxious to see how the upgrades do. Going forward, all will be Nex-Gen once the Guardian units are sold out.

Electrician Update:

December remained very busy with several jobs going on at once. To help keep things moving, we called in our contract helper. Our contractor was able to keep things moving on the grain bin build so we didn't fall behind schedule. This also allowed Michael to keep working on other jobs and not fall further behind schedule.

Line Material:

Things have been steady and smooth for line side material. I haven't heard anything too bad from our vendors so hopefully this trend will continue. I am still working with the new vendor for CSP transformers. Our stock on iron poles, wood poles, and other ancillary material is good as we are entering into the winter months.

9. a. Board Policy 114 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 114 Document Retention Plan.

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: January 19, 2026

Policy No: 114

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: January 19, 2026

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

Dated: January 19, 2026 **SUBJECT:**

Policy No: 114

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 114 Document Retention Plan to the Human Resources Administrator.

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

General Manager / CEO *dated*

The Lane-Scott Electric Cooperative, Inc.

Policy No: 114

Dated: January 19, 2026
 SUBJECT: Document Retention Policy

Exhibit B - Schedule

Item No.	Category	Group	Description	Retention Period	Records Custodian
1	03-Finance	Accounts Payable	<u>Accounts Payable Invoices/Vouchers - Other</u> 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	Employee Survey	Superseded	HR Administrator
73	12-Employment Related	Personnel File	Pre-Employment Physical Files	Employee termination + 5 years	HR Administrator
74	12-Employment Related	Personnel File	Alien Registration (Form I-9)	Employee termination + 5 years	HR Administrator
75	12-Employment Related	Personnel File	New Hire Reporting	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	Employee Assistance Program (EAP) - Employee Specific Correspondence	Employee termination + 5 years	HR Administrator
78	12-Employment Related	Personnel File	<u>Employee Exposure - Medical Records</u> Blood Borne 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	Underground Permits/Agreements	Life of permit/agreement + 6 years	Operations Manager
81	05-Operations & Maintenance	Operations	Overhead and Underground Line Inspections	6 years	Operations Manager
82	06-Plant & Depreciation	Engineering	Blueprints for Substations	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	<u>Vehicle Inspection Checklists - Annual</u> 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 Borne 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 & 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: January 19, 2026

Policy No: 114

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

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

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

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

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&WAIAction=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.

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. POLICY

Dated: January 19, 2026

Policy No: 114

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.)

9. b. 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 immediately 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 19, ~~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.

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 19 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.

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.

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

9. c. Board Policy 537 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 537 Job Abandonment.

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

Dated: January 19, 2026

Policy No.: 537

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)

Board Secretary

9. d. Board Policy 538 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 538 Longevity Recognition.

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

Dated: January 19, 2026

Policy No.: 538

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.

Board Secretary

(seal)

9. e. Board Policy 539 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 539 Employee Insurance.

10. g. Employee Insurance.

High Deductible Plan information

The practice for the past seven years has been to charge non-High-Deductible Plan employee participants 10% of the annual cost of their health insurance while not charging HDP participants nothing. The intent was to encourage employees to participate in the less expensive HDP.

2026 LSEC Health Insurance Premiums								
Plan participant	Regular Health Insurance			High-deductible plan				
	Premium	LSEC Amount	Employee amount	Premium	Monthly savings from premium	Annual savings	Monthly savings from employee	Annual savings
Employee	836.18	752.56	83.62	729.62	106.56	1,278.72	22.94	275.28
Employee/Child	1,641.17	1,477.05	164.12	1,424.98	216.19	2,594.28	52.07	624.84
Employee/Spouse	1,729.24	1,556.31	172.93	1,499.66	229.58	2,754.96	56.65	679.80
Family	2,534.73	2,281.25	253.48	2,195.55	339.18	4,070.16	85.70	1,028.40

In every situation it is cheaper for the Cooperative to pay 100% of the HDP premiums vs. paying 90% of the regular plan.

Also consider:

- 2018: The deductible on the HDP was \$2,700.00/employee and \$5,400.00/family.
 - HSA payments to employees were \$3,900 single and \$7,800 family paid out over 5 years.
 - HSA payments were only available in the first 5 years of employment
- 2026: The deductible on the 2026 HDP was \$3,400.00/employee and \$6,800.00/family.

LSEC employees have not been receptive to the HDP despite:

- covering 100% of the cost, AND
- contributing thousands of dollars in deductible, AND
- participation in HSA.

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

Dated: January 19, 2026

Policy No.: 539

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. a. GM / CEO Succession Planning

This is an opportunity to have a continued discussion about GM / CEO Succession from the January 7-8 Strategic Planning meeting. The attached sheet was provided by CFC as general considerations.

CEO Succession Planning

CFC Strategic Planning Facilitation Team

Of the hundreds of strategic planning sessions facilitated by CFC, succession planning is a top priority goal of rural electric cooperative boards of directors. Effective boards know succession planning is a critical process for ensuring the stability and continuity of leadership within an organization.

The board of directors has a primary responsibility of hiring, overseeing and evaluating the chief executive of the cooperative. Performing these duties effectively requires developing a succession strategy, identifying the current and future needs of the organization, determining method of selecting the next CEO, and negotiating salary and benefits.

Boards often find themselves less ready than anticipated when facing real and immediate consequences of CEO transition rather than abstract scenarios. Succession planning is a systematic approach to identifying and developing new professionals who can replace seasoned leaders when they leave, retire, or pass away.

Whether the board is undergoing a transition or simply seeking to be prepared, CFC's Strategic Facilitation Services (SFS) group and your cooperative's Regional Vice President aim to provide a starting point to its member cooperatives as they prepare to take a deeper dive into CEO succession planning.

Where to Begin – Integration with Strategic Plan

When planning CEO succession, a board should first assess the cooperative's strategic position. Although creating a strategic plan during the search is not ideal, having clear strategic goals is essential. These goals help align organizational priorities, guide the desired CEO traits, and ensure effective communication of strategy to candidates.

Defining the Next CEO – Not Just the Next in Line

Below are strategic discussion items to consider as your board begins to consider what is needed and wanted in the next CEO:

- **Current CEO's Skills and Qualities:** Identify the beneficial skills and qualities of the current CEO that create member value. Probe into culture, leadership style, conflict management, and how the CEO handles professional and personal pressure.
- **Desired Skills and Qualities:** Identify what the current CEO lacks and what is desired in the next CEO, such as delegation skills, transparency, or people development.

Key Issues: Identify the top three upcoming challenges for the cooperative and outline the expected results for the new CEO.

When an organization is about to change leadership, it is worth considering policies and procedures regarding the position, how the board interacts with the CEO, including:

1. **CEO Evaluation:** How do you want the performance of the next CEO to be evaluated? This is a time to align your expectations as a board.
2. **Changes with New CEO:** What will need to change when a lesser-known person occupies the CEO position? How will it affect your need for communication with the CEO.
3. **Competitive Pay:** Is the pay competitive? Discuss available information resources.
4. **Cooperative Policy:** CEO benefits like company vehicle, spouse travel, residency requirements, management contract, and more
5. **Authority:** Can the CEO make exceptions to policy? What are the CEO's spending authorization limits without board approval? What is the spending authority within budgeted parameters?

Internal vs. External Hire

Directors should discuss their preference for hiring internally or placing a priority on finding external talent, along with desire to consider an executive search consultant to understand the process and costs.

Conclusion

CFC is a resource for rural electric cooperatives as they embark on a process to think strategically about CEO succession. A facilitated discussion that includes the issues above puts the board on solid footing, allowing them to determine the method of hiring, meeting the strategic needs of the cooperative, and providing an opportunity to achieve success in the CEO hiring process.

10. b. Mission Statement consideration

The Lane-Scott Electric Cooperative Staff prepared the following draft Mission Statement for the Boards consideration.

At the Lane-Scott Electric Cooperative, our mission is to enrich the lives of our members, communities, and employees with electrical service powered by a solid foundation in ethics, morals, dedication, and safety.

We strive to focus on the future while providing service at a affordable cost, continually seeking and pursuing sustainable opportunities. We are guided by our founding Cooperative principles, serving the best interests of our members.

This item was discussed at the January 7-8 Strategic Planning meeting and suggested amendments are consolidated below:

At the Lane-Scott Electric Cooperative, our mission is to enrich the lives of our members, communities, and employees with electrical service guided by a solid foundation in safety, ethics, morals, and dedication.

We strive to focus on the future while providing service at a reasonable cost, continually seeking and pursuing sustainable opportunities. We are guided by our founding Cooperative principles, serving the best interests of our members.

Management requests the Board approve the Mission Statement as amended.

SAFETY PROGRAM

Safety Monthly Summary: Working with Carrie on Emergency Response Plan, working on items to be fixed from Safety Council Yearly Walk Thru. Checking prices on new line coverup.

SAFETY PROJECTS **COMPLETED** AS OF January 2026

- Rubber gloves changed out.
- Rubber Sleeves changed out.
- KEC Safety Meeting: Bloodborne Pathogens/Hazard Communications, Emergency Preparedness, and Prevention of Back Injuries. Admin: Bloodborne Pathogens/Hazard Communication.

Ann Jennings's submitted report:

- Winter Safety When Working Outdoors- Magazine, e-newsletter & social media.
- Mary's Story: Safe Electricity downed line video-social media.
- Warning signs of Hypothermia-social media.
- Electric Blanket Safety- social media.
- Utility Scam: Winter Bill Relief Scammers-social media.
- Space Heater Safety-social media.
- Winter Storm Tip Video (galloping lines & how to be prepared for outages)-social media.

Diana Kuhlman submitted reports:

- Attended Monthly Safety Meeting.
- Coordinate Monthly Drug Testing.
- Submitted No- Time Loss Report to Federated and KEC.
- Completed and submitted OSHA 300.
- Completed and submitted Federated OSHA 300.
- MCS-150.

SAFETY PROJECTS **IN PROGRESS** AS OF January 2026

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 through items being repaired. 50% completed.
4. 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
December 17th, 2025

Chris Terhune called the meeting to order at 9:01 a.m.

Minutes were read: Minutes were reviewed. Dal Hawkinson made a motion to approve November 12th, 2025, minutes. Dellon Shelton seconded the motion.

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

Absent: Kasey Jenkinson, Blake McVicker, and Jocelyn Walker.

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	Boston Shimmer	OK
200	Ben Mann	OK
201	Dellon Shelton	OK
305	Dellon Shelton	OK
2401	Dellon Shelton	OK
2402	Chris Terhune	OK
2501	Nate Burns	OK

Trailer and Equipment report for inspections:

502	Dellon Shelton	OK
507	Dellon Shelton	OK
515	Dellon Shelton	OK
504	Dellon Shelton	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	Myron Seib	OK
Ness Pole Yard & Transformer Dock	Myron Seib	OK
Warehouse	Scott Briand	OK
Pole Yard & Transformer Dock	Scott Briand	OK
Office	Diana Kuhlman	OK

Personal Tools: All Passed

Gloves Monthly Test Results: 3 gloves rejected. 1-snag, 1-ozone, 1 chemical

Line Hoses Annual Test Results: N/A

Blankets Annual Test Results: N/A

Sleeves Quarterly Test Results: N/A

Substation and Regulator Report: Batteries changed out on Nova's at the Manning Substation. Epoxilators changed out in Ransom Substation. Changed c-7/c-7, and a/6 outside of Ness 115 Substation.

PCB Report: None to Report

Line Clearance: City of Ness City, City of Brownell, and Harlun Nuss Residence.

Accident and Near Misses: Water well pulling rig came into contact with conductor near Riley Farms irrigation well, Discussion was held with operator. Lines were raised. Semi and trailer hit a light pole in Ness City at the 4-way stop. Light pole will be replaced after road construction is completed.

Good Catch Report: Nothing to Report.

Old Business: None to Report.

New Business:

- ♦ Richard McLeon: Spoke about innovative coops at the NRECA annual meeting and will be speaking again at the National Director's Conference. An article will also be printed in the RE Magazine.
- ♦ Dal Hawkinson: One Oke: Scott Park Substation: moving forward with riser poles being set outside of substation. Contract sent to Tallgrass for sub project, waiting on response. Wildfire mitigation plan is almost completed. CBS reviewed building infrastructure, they are working on a detailed bid. Pole Testers tested 4,367 poles with only 15 poles rejected.
- ♦ Diana Kuhlman: Retiree insurance information handed out and changes were discussed. Working on year-end stuff.
- ♦ Nate Burns: Spoke with Clint France about new grain facility.
- ♦ Carrie Borell: Working on digital tail gate forms for iVue for safety.
- ♦ Cindy Fuentes-Ummel: Bill Vouchers were late being mailed out due to NISC.
- ♦ Ann Jennings: Youth programs: Youth leadership programs for sophomores and juniors going on now. Grants for continuing education are available. Sharing success grants 4-\$1000 are available if qualifications are met. Gifts of electricity can be purchased for members of The Lane- Scott Electric.
- ♦ Scott: Need year-end inventory from trucks.
- ♦ KEC: Tolan Sager: Covered safety summit, and 3-phase transformer connections.

Meeting adjourned.

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator

LANE-SCOTT ELECTRICT COOPERATIVE, INC.

SAFETY COUNCIL COMMITTEE MEETING

December 17, 2025

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

Minutes were read: Leighton Ayers made a motion to approve the November 12th minutes, and Carrie Borell seconded. The minutes were read and approved.

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

Absent:

Old Business:

- ◆ KEC Training Service Menu 2026 safety meeting schedule along with the In-House safety meeting and safety council meeting schedules were provided to employees and posted.
- ◆ RESAP Walk Thru for Dighton is completed. Decal replacements were the main items found. It was agreed that through the years between having a designated safety budget to use toward improvements and the increased employee involvement that has made a huge positive impact on the safety program. Next Friday we will be doing the Ness territory.
- ◆ KEC RESAP Walk Thru items for improvement is about 80% done.

New Business:

- ◆ Safety Program 2025 budget report reviewed. Chris Terhune purchased slings and ratchet straps that were replaced with protective bags to minimize damage.
- ◆ Richard McLeon:
 - The Buick will become the manager's vehicle and a new vehicle that may fit 6 people will be purchased for employee vehicle pool use.
 - Trustees will be doing Strategic Planning in January. After receiving those results council will discuss projects for February board meeting approval.
- ◆ Chris Terhune:
 - Scott Briand is replacing 3-phase tree with spring loaded wires holders for Kasey's truck.
 - Speaking at the December board meeting on the safety program.
 - All quarterly crew visits have been completed for the year.
 - Safety demos have been a huge success in 2025. A member reported that it helped them this year to know what to safely do when they had an incident involving our power lines. Requests have been received for 2026 demonstrations for the K-6th Ag Days and some schools Junior High/High School students.

Meeting adjourned

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Compliance Coordinator