To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for July 27, 2026, at 7:00 p.m.

Proposed Agenda:

1. Call to Order and
   Reorganization of the Board
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
   a. Strategic Plan Update
9. Old Business
10. New Business
    a. CyberSecurity Report – Carrie Borell
    b. Board Policy 403. Employee Involvement in Civic Clubs review
    c. Board Policy 404. Contributions, Floral Tributes, and Gifts
    d. Board Policy 408. Delegation of Authority
    e. NRECA Region 7&9 Meeting Voting Delegate and Alternate.
    f. GM/CEO Retirement Letter of Intent
    g. 2026 Audit Engagement Letter
11. Safety Program Report
12. Executive Session (is not requested).
13. Adjourn

Upcoming Events:

KEC Summer Meeting	Overland Park	Aug 01
Sunflower Board Meeting	Hays	Aug 19
LSEC Board of Trustees	Dighton	Aug 24

7/22/2026

MINUTES OF THE REGULAR JUNE 2026
MEETING OF THE BOARD OF TRUSTEES
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.

CALL TO ORDER

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, June 22, 2026, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 7:00 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Gary Shapland, Gerome Copeland, Randall Evans, Randy Evans, Susan Nuss, Shelly Turner, James Jordan and Craig Ramsey. Also present Richard McLeon IV, Scott Briand and Joseph D. Gasper, Attorney.

OPERATIONS REPORT

Scott Briand presented a Purchasing and Warehouse report. Highlights of his report are as follows:

- Lead times are better for common materials. Transformers have about a three-month lead time, but bigger equipment is still over a year.
- Iron poles have a 28-week lead time and the price is going up with tariffs. The manufacture is opening another plant so this should help with lead times.
- Scott has been instituting various cost saving measures such as buying in bulk rather than on an as needed basis for general use items such as 14-4 insulators.
- LSEC has sold 93 Generac's since 2020 and there are 145 annual service contracts. LSEC remains competitive in pricing with the box stores.
- Retail margins for 2025 were 37.2% which is in the target range. The department had $515,177 in gross non-operating margin in 2025.
- The electric purchase order system is in place and working well. It provides good data. NISC is assisting with setting up a quotation system for 2026.

Scott left the meeting after his presentation.

MINUTES OF PRIOR MEETING

______________________________ ______________________________
Secretary President

President Jennison called for action on the minutes of the prior meeting held on May 18, 2026. *Hearing no corrections to the printed minutes, the minutes were approved as printed.*

CASH DISBURSEMENTS

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

There were no questions on the checks.

PRESIDENT'S REPORT

President Jennison had no current items to report.

ATTORNEY'S REPORT

Attorney Gasper reported he had filed an answer in the Lane County tax foreclosure case. This was for the hotel in Dighton that the uncollected bill had been sent to collections and written off.

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

Craig Ramsey, KEC representative, had no current items to report.

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were available for review.
- Total Operating Revenues are up 4.45% at $8,194,778 YTD. This includes kWh sales, fees, and Wholesale power costs of $4,107,486. Wholesale power costs are up 9.2% YTD. The distribution margin is $4,087,292 YTD or 49.9% compared to $4,081,147 YTD last year. Controllable expenses are up $84,841 YTD from last year, driving Operating Margins down $105,750 to $754,756 YTD.

______________________________ ______________________________
Secretary President

- Reliability remains high. LSEC had 4 hours of "All Other" outages affecting 123 meters.
- No major safety incidents were reported.
- The cost of purchased power graph shows it to be a little above average.
- ASAI is 99.99%. The weekend storm had about 500 members without power.
- Manager expenses totaled $918.49 and there were no *per diem* requests.
- Manager McLeon provided a draft delegation of authority policy for review at the July or August meeting.
- The NRECA regional meeting is October 5-7.
- Operating Margin is $147,891 loss with $754,756 YTD.
- Total Margin is $119,892 loss with $913,061 YTD.
- The Cash Balance is $7,024,271.
- The 12-month rolling metrics remain very good.
- The member side is being energized on the Scott Park project.
- FEMA has recognized that LSEC standards include having iron poles. This will allow replacement of these poles in future FEMA events.
- The 2026 pole inspections have been completed.
- IT continues work on the three comprehensive disaster plans.
- The member satisfaction response rate has been low so it required some phone calls to get the responses needed. The same company was used as in the past.
- A question was raised about the June 10 fire south of Laird. Manager McLeon indicated that fires are generally treated as an act of God and are turned over to Federated if a claim is made.
- A question was raised if there is a backup storage for diesel in the event of a loss of electricity. Manager McLeon answered that there was not due to the regulations of the storage tanks.

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.

__________________________________ __________________________________

Secretary President

NEW BUSINESS

1. Policy 401

- The Buick Enclave is currently a pool vehicle and there is no manager's vehicle. The general expectation for a new manager will be to have a vehicle for the manager. The current policy requires logging of all miles driven included in the monthly board packet. The proposed policy change removes the logging requirement. The board discussed the proposed change and Manager McLeon added that his mileage is recorded on the time sheet.
- *A motion to approve the changes to Board Policy 401 as presented was made, duly seconded and carried.*

2. Policy 402

- Manager McLeon presented the proposed changes to Board Policy 402
- *A motion to approve the proposed changes to Board Policy 402 as presented, was made, duly seconded and carried.*

3. Dighton Roof Repair

- Two bids were obtained for the Dighton headquarter roof repair. A bid from Diamond Roofing in the amount of $106,900 for a 60 Mil TPO roof recover was received and a bid from DV Douglas Roofing in the amount of $124,080 was received. There are some concerns about Diamond Roofing as they have recently been acquired by a larger contractor and DV Douglas has been in business since 1955. The DV Douglas bid included removing all the existing TPO membrane.
- The board discussed the two bids and the staff recommendation of the DV Douglas Bid.
- *A motion to approve the DV Douglas Bid in the amount of $124,080 for the roof repair on the Dighton headquarters was made, duly seconded and carried.*

4. LSEC Tower Sites

- A review of the current tower sites and legal arrangements for each was presented by Manager McLeon.
- A site for a new tower near McCracken has been identified and discussion with the landowner has begun. Manager McLeon requested authorization for Attorney Gasper to negotiate a purchase of a one-acre tract for the tower site. The board discussed the purchase and authorization amount.

- *A motion to authorize Attorney Gasper to negotiate the purchase of a one-acre tract of land not to exceed $10,000 was made, duly seconded and carried.*
- *A motion to authorization the re-negotiation of the Ness County Tower lease was made, duly seconded and carried.*

5. Additional Capital Credit Estate Requirements

- There was a coding error in the and some amounts were mistakenly left off of the capital credits approved in May. The coding issue has been corrected.
- *A motion to approve the June 2026 Capital Credit Estates Additional Retirements in the amount of $651.52 was made, duly seconded and carried.*

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:22 p.m., on Monday, June 22, 2026.

______________________________ ______________________________

Secretary President

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3994	6/15/26	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE	314.42
					NRECA GROUP INSURANCE	1,075.61
					Total for Check/Tran - 3994:	1,390.03
3995	6/15/26	WIRE	609	STATE TAX	STATE PAYROLL TAX	5,528.75
3996	6/15/26	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX	14,626.01
3997	6/15/26	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX	22.45
3998	6/15/26	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY	14,427.30
3999	6/15/26	WIRE	614	MEDICARE	FICA MEDICARE	3,374.20
4000	6/15/26	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401K ROTH CONTRIBUTION	7,412.24
					NRECA 401(k) PENSION PLAN	4,393.96
					401(k) CONTRIBUTION PAYMENT fje.602	3,185.16
					NRECA-401(K) LOAN #4	163.78
					NRECA-401(K) LOAN #2	96.50
					Total for Check/Tran - 4000:	15,251.64
4001	6/15/26	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY	31,426.80
54296	6/16/26	CHK	1	NOHELIA MENDEZ	Fuel for Transportation - youth tour	400.00
54297	6/16/26	CHK	1	TOBY OR MICHELLE WHIPPLE	Fuel for Transportation - youth tour	400.00
54298	6/16/26	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	75,000.00
54299	6/16/26	CHK	37	JETMORE REPUBLICAN	Advertisitng - IT Position	26.50
54300	6/16/26	CHK	40	KANSAS ELECTRIC COOPERATIVES	Carrie - Training	300.00
54301	6/16/26	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Bill	26.14
					Monthly Bill	234.47
					Monthly Bill	63.24
					Monthly Bill	51.52
					Total for Check/Tran - 54301:	375.37

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54302	6/16/26	CHK	55	NESS COUNTY NEWS	Monthly Ad Bill		125.40
					Monthly Ad Bill		90.00
						Total for Check/Tran - 54302:	215.40
54303	6/16/26	CHK	105	CITY OF NESS CITY	Monthly Bill		28.51
					Monthly Bill		34.84
						Total for Check/Tran - 54303:	63.35
54304	6/16/26	CHK	117	NESS CITY FARM & FEED	Monthly Bill - Parts		77.06
					Monthly Bill - Parts		22.09
						Total for Check/Tran - 54304:	99.15
54305	6/16/26	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Monthly Bill		1,850.00
54306	6/16/26	CHK	427	DIGHTON HERALD LLC	Subscription Renewal		27.00
					Monthly Advertising		80.00
					Monthly Advertising		74.10
						Total for Check/Tran - 54306:	181.10
54307	6/16/26	CHK	634	FINLEY ENGINEERING COMPANY, INC.	Scott Park & Manning Sectionalizing		13,019.50
54308	6/16/26	CHK	649	ELLIOTT ELECTRIC SUPPLY	ELEC EXP		742.50
					ELEC EXP		550.00
						Total for Check/Tran - 54308:	1,292.50
54309	6/16/26	CHK	903	NISC	May 2026 Print Services		2,031.74
					May 2026 Print Services		466.05
					May 2026 Recurring Invoice		868.00
					May 2026 Recurring Invoice		1,941.90
					May 2026 Recurring Invoice		1,172.58
					May 2026 Recurring Invoice		5,825.71
					May 2026 Recurring Invoice		485.48
					May 2026 Recurring Invoice		1,456.43
					May 2026 MISC		228.47
						Total for Check/Tran - 54309:	14,476.36

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
54310	6/16/26	CHK	1030	THE SCOTT COUNTY RECORD	Advertising	32.00
54311	6/17/26	CHK	5	CRAIG COLLINS	Estate	1,482.30
54312	6/17/26	CHK	5	CRAIG L. MILLER TRUST	Estate	1,715.06
54313	6/17/26	CHK	5	COREY ROHRBOUGH	Estate	939.73
54314	6/17/26	CHK	5	BEVERLY BRADY	Estate	132.19
54315	6/17/26	CHK	5	THE ESTATE OF TERRY DONECKER	Estate	553.60
54316	6/17/26	CHK	5	DAY REVOCABLE TRUST	Estate	253.30
54317	6/17/26	CHK	5	DANIELLE FOSTER	Estate	1.52
54318	6/17/26	CHK	5	HESS FAMILY REVOCABLE TRUST	Estate	8.22
54319	6/17/26	CHK	5	SUSAN D HARDY	Estate	1,078.97
54320	6/17/26	CHK	5	DANA JAMES	Estate	1.52
54321	6/17/26	CHK	5	JUDY LANE	Estate	132.13
54322	6/17/26	CHK	5	ELIZABETH MILLER	Estate	579.35
54323	6/17/26	CHK	5	CECIL O'BRATE TRUST	Estate	878.89
54324	6/17/26	CHK	5	CRAIG RAMSEY	Estate	1,078.96
54325	6/17/26	CHK	5	BRAD R RAMSEY	Estate	1,078.97
54326	6/17/26	CHK	5	PAMELA J SMITH	Estate	1,371.39
54327	6/17/26	CHK	5	CHARLES P. SCHWAB ESTATE	Estate	1,480.29
54328	6/17/26	CHK	5	BLAINE VOGEL	Estate	249.91
54329	6/17/26	CHK	5	WADE VOGEL	Estate	249.90

Accounts Payable
Check Register
06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54330	6/17/26	CHK	5	NANCY WITTHUHN	Estate		132.17
54331	6/17/26	CHK	5	MICHELLE SHULL	Estate		1.52
4018	6/18/26	WIRE	1229	NORTHEND DISPOSAL	Trash		618.20
54332	6/19/26	CHK	1	SACRED HEART PTO	Softball Tourney Sponsorship		50.00
54333	6/19/26	CHK	20	BASIN ELECTRIC POWER COOP	Dispatch & Alarm Monitoring		2,480.86
54334	6/19/26	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC Monthly Assessment		8,023.88
54335	6/19/26	CHK	46	LANE COUNTY TREASURER	Tags for Buick		57.25
54336	6/19/26	CHK	79	POSTMASTER	Newsletter Postage		139.78
54337	6/19/26	CHK	105	CITY OF NESS CITY	Franchise Fee		4,957.29
54338	6/19/26	CHK	107	CINTAS CORPORATION #449	Mats		99.02
54339	6/19/26	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming Ness City		6,667.63
54340	6/19/26	CHK	135	CITY OF BAZINE	Franchise Fee		1,629.47
54341	6/19/26	CHK	155	KEVIN BRADSTREET	Clothing Allowance - Boots, Jeans, Shirt		1,009.62
54342	6/19/26	CHK	361	ANN M JENNINGS	Cobank grant delivery - camp lakeside		52.20
54343	6/19/26	CHK	380	GRAINGER	Cable Cutter		40.84
54344	6/19/26	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Bridger Pipeline - Study Deposit Fee		600.00
54345	6/19/26	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Bill		3.97
					Monthly Bill		2.78
					Monthly Bill		3.97
					Monthly Bill		9.14
						Total for Check/Tran - 54345:	19.86
54346	6/19/26	CHK	544	FIRST WIRELESS, INC.	New Radio		28.38
					New Radio		1,547.69

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 54346:	1,576.07
54347	6/19/26	CHK	1225	CINTAS CORPORATION	First Aid Restock		219.35
54348	6/19/26	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Glove Testing		166.50
4020	6/25/26	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax		20,661.14
4019	6/26/26	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Bill		115.65
54349	6/26/26	CHK	1	KEC MANAGERS ASSOC. IT & CYBERSE	Membership Dues - Carrie Borell		100.00
54350	6/26/26	CHK	1	LANE COUNTY FAIR AMUSEMENT	Donation		200.00
54351	6/26/26	CHK	5	TRACEE BORGER	Estate		320.79
54352	6/26/26	CHK	5	TODD A BORGER	Estate		320.78
54353	6/26/26	CHK	5	LISA CONINE	Estate		254.00
54354	6/26/26	CHK	5	MALINDA GREENE	Estate		254.00
54355	6/26/26	CHK	5	THE ESTATE OF JACK JEWELL	Estate		210.66 VOID
54356	6/26/26	CHK	5	THE ESTATE OF MARIAN KLEWENO	Estate		397.49
54357	6/26/26	CHK	5	LEONA KUNTZELMAN	Estate		254.00
54358	6/26/26	CHK	5	JOHN MARCUS	Estate		119.28
54359	6/26/26	CHK	5	PENNY L NIELSEN	Estate		119.28
54360	6/26/26	CHK	5	THE ESTATE OF RANDALL SCHEURMA	Estate		2,093.45
54361	6/26/26	CHK	5	THE ESTATE OF RONALD E. SURFACE	Estate		578.99
54362	6/26/26	CHK	5	LAVERNA OCHS	Estate		338.39
54363	6/26/26	CHK	5	MICHELLE SHUPE	Estate		254.00
54364	6/26/26	CHK	5	MELISSA SHUPE	Estate		254.12

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
54365	6/26/26	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL Subscriptions/centerspread	2,668.25
54366	6/26/26	CHK	63	RICHARD JENNISON	Meeting Expense	368.85
54367	6/26/26	CHK	122	MYRON SEIB	Parts/Supplies	375.82
					Parts/Supplies	184.63
					Total for Check/Tran - 54367:	560.45
54368	6/26/26	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming - Ness Co.	6,062.63
54369	6/26/26	CHK	160	SHULL OIL COMPANY	Monthly Fuel Bill	3,715.29
					Monthly Fuel Bill	5,374.61
					Monthly Fuel Bill	225.96
					Total for Check/Tran - 54369:	9,315.86
54370	6/26/26	CHK	406	RICHARD MCLEON	KEC Managers Meeting - Wichita	429.83
54371	6/26/26	CHK	450	RANDALL G EVANS	June Board Meeting	350.73
54372	6/26/26	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Printer N1117	127.67
54373	6/26/26	CHK	555	HEALZER PLUMBING HEATING & AIR	Ness City A/C	207.51
54374	6/26/26	CHK	568	SUSAN NUSS	June Board Meeting	434.10
54375	6/26/26	CHK	570	JAMES W JORDAN	June Board Meeting	398.58
54376	6/26/26	CHK	588	GEROME L COPELAND	June Board Meeting	402.20
54377	6/26/26	CHK	604	SEL, INC.	LINE MAT.	93.28
					LINE MAT.	10.36
					Total for Check/Tran - 54377:	103.64
54378	6/26/26	CHK	623	SHELLY TURNER	Meeting Expense	373.20
54379	6/26/26	CHK	624	RANDY J EVANS	Meeting Expense	389.15
54380	6/26/26	CHK	625	GARY SHAPLAND	Meeting Expense	350.73

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54381	6/26/26	CHK	641	UNDERGROUND VAULTS & STORAGE I	Paper Shredding		55.00
54382	6/26/26	CHK	646	NESS CITY ROTARY CLUB	May Meals		32.00
54383	6/26/26	CHK	648	MERCHANT JT&S	Book 2 Tuition - Wells, Bailey		550.00
54384	6/26/26	CHK	649	ELLIOTT ELECTRIC SUPPLY	ELEC EXP		266.06
54385	6/26/26	CHK	1293	DAL HAWKINSON	Clothing Allowance		189.92
54386	6/26/26	CHK	1300	CRAIG RAMSEY	Meeting Expense		386.25
4022	6/29/26	WIRE	265	HASLER - POSTAGE ACH	Postage		50.00
					Postage		125.00
					Postage		75.00
						Total for Check/Tran - 4022:	250.00
4023	6/29/26	WIRE	183	HIBU INC	Yellowbook/digital services		23.00
4008	6/30/26	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE		314.42
					NRECA GROUP INSURANCE		1,075.61
						Total for Check/Tran - 4008:	1,390.03
4009	6/30/26	WIRE	609	STATE TAX	STATE PAYROLL TAX		5,538.87
4010	6/30/26	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX		14,677.19
4011	6/30/26	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX		21.51
4012	6/30/26	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY		14,449.82
4013	6/30/26	WIRE	614	MEDICARE	FICA MEDICARE		3,379.34
4014	6/30/26	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401K ROTH CONTRIBUTION		7,402.69
					NRECA 401(k) PENSION PLAN		4,388.23
					401(k) CONTRIBUTION PAYMENT fje.602		3,185.16
					NRECA-401(K) LOAN #4		163.78
					NRECA-401(K) LOAN #2		96.50

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 4014:	15,236.36
4015	6/30/26	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY		31,426.80
4016	6/30/26	WIRE	101	ATMOS ENERGY	Monthly Bill		94.41
					Monthly Bill		16.66
						Total for Check/Tran - 4016:	111.07
4017	6/30/26	WIRE	1187	MIDWEST ENERGY	Monthly Bill		14.33
					Monthly Bill		10.03
					Monthly Bill		14.33
					Monthly Bill		32.98
						Total for Check/Tran - 4017:	71.67
54387	6/30/26	CHK	1	LANE COUNTY LIONS CLUB	Lane County Calendar Ad		35.00
54388	6/30/26	CHK	1	NRECA	Lewis & Campbell 2025 401r true - up		119.27
54389	6/30/26	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer		75,500.00
54390	6/30/26	CHK	40	KANSAS ELECTRIC COOPERATIVES	Annual Report Booklet		8,698.43
54391	6/30/26	CHK	73	STANION WHOLESALE ELEC CO INC	LINE MAT.		362.29
					LINE MAT.		40.25
					LINE MATERIAL		5,169.64
					LINE MAT.		6,359.92
					LINE MAT.		706.62
					RETAIL		2,083.40
					LINE MATERIAL		380.50
					LINE MAT.		1,020.32
					LINE MAT.		113.37
					TOOLS		121.56
					TOOLS		40.16
					LINE MAT.		115.28
					LINE MAT.		12.81

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					LINE MATERIAL	185.67
					RETAIL	1,020.72
					ELEC EXP	14.88
					LINE MATERIAL	283.46
					LINE MAT.	648.75
					LINE MAT.	72.08
					LINE MAT.	432.54
					LINE MAT.	48.06
					ELEC EXP	31.46
					TOOLS	534.60
					LINE MAT.	83.23
					LINE MAT.	9.25
					LINE MAT.	288.18
					LINE MAT.	32.02
					LINE MAT.	5,997.06
					LINE MAT.	666.34
					RETAIL	483.05
					ELEC EXP	760.60
					LINE MAT.	2,045.39
					LINE MAT.	227.23
					LINE MATERIAL	3,634.38
					LINE MAT.	610.96
					LINE MAT.	67.86
					TOOLS	661.71
					LINE MAT.	1,117.32
					LINE MAT.	124.15
					RETAIL	1,538.18
					ELEC EXP	59.48
					RETAIL	12.58
					RETAIL	94.33
					Total for Check/Tran - 54391:	38,311.64

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
54392	6/30/26	CHK	107	CINTAS CORPORATION #449	Mats	453.78
54393	6/30/26	CHK	298	OVERLEASE K-LAWN	Spring Application	705.25
54394	6/30/26	CHK	366	DIANA KUHLMAN	Interact	360.00
54395	6/30/26	CHK	380	GRAINGER	Parts	225.15
54396	6/30/26	CHK	406	RICHARD MCLEON	2026 Clothing Allowance	139.73
54397	6/30/26	CHK	473	SCOTT BRIAND	Clothing Allowance	113.81
54398	6/30/26	CHK	552	HIGH POINT NETWORKS, LLC	Virtualization transition to hyperv	3,799.67
54399	6/30/26	CHK	646	NESS CITY ROTARY CLUB	Rotary Foundation Contribution	120.00
54400	6/30/26	CHK	998	LANE COUNTY 4-H COUNCIL	4-h Prize donation	100.00
54401	6/30/26	CHK	1160	S&T TELEPHONE COOP ASSN.	Monthly Bill	25.74
					Monthly Bill	25.74
					Monthly Bill	64.36
					Monthly Bill	77.23
					Monthly Bill	64.36
					Total for Check/Tran - 54401:	257.43
54402	6/30/26	CHK	1234	JF BEAVER	Embroidery - Richard Mcleon Jacket	16.35
					Annual Meeting Gifts	6,781.25
					Annual Meting Shirts	1,457.88
					Directors Shirts	92.11
					Total for Check/Tran - 54402:	8,347.59
4021	7/1/26	WIRE	586	NETWORK COMPUTING SOLUTIONS	Monthly Bill	6,213.34
4026	7/2/26	WIRE	530	SNAP-ON CREDIT LLC	Monthly Bill - July	53.64
4027	7/2/26	WIRE	59	NRECA	Quarterly Invoice - 401k pension plan	1,260.00
4029	7/3/26	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Bill	31.30

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Monthly Bill	91.27
					Monthly Bill	159.12
					Monthly Bill	920.68
					Monthly Bill	82.67
					Total for Check/Tran - 4029:	1,285.04
4030	7/7/26	WIRE	468	U.S. BANK	RETAIL	1,234.61
					RETAIL	259.04
					RETAIL	546.20
					Monthly CC Bill	36.03
					Monthly CC Bill	847.90
					Monthly CC Bill	857.95
					Monthly CC Bill	1,640.12
					Monthly CC Bill	215.78
					Monthly CC Bill	997.52
					Monthly CC Bill	17.64
					Monthly CC Bill	1,888.40
					Monthly CC Bill	43.05
					Monthly CC Bill	762.00
					Monthly CC Bill	1,062.66
					Monthly CC Bill	152.72
					Monthly CC Bill	134.16
					Total for Check/Tran - 4030:	10,695.78
4028	7/8/26	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange Report	38.10
54403	7/10/26	CHK	1	CHERRYROAD MEDIA, INC	Advertising	109.68
54404	7/10/26	CHK	1	DEPARTMENT OF TREASURY	48-0526038 Form 720 july 26	204.16
54405	7/10/26	CHK	9	CHAD RUPP	Service Recognition - 20 years	200.00
54406	7/10/26	CHK	38	MICHAEL POLLOCK	Service Recognition - 20 years	200.00

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54407	7/10/26	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Bill		248.75
					Monthly Bill		336.74
					Monthly Bill		36.03
						Total for Check/Tran - 54407:	621.52
54408	7/10/26	CHK	55	NESS COUNTY NEWS	Monthly Advertising Bill		62.70
54409	7/10/26	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming - Ness County		6,673.29
					Tree Trimming - Ness County.		5,135.00
						Total for Check/Tran - 54409:	11,808.29
54410	7/10/26	CHK	145	BUMPER TO BUMPER OF NESS CITY	Monthly Bill		47.25
54411	7/10/26	CHK	187	S&W SUPPLY DIVISION	Monthly Bill		258.49
					Monthly Bill		119.08
					Monthly Bill		144.45
						Total for Check/Tran - 54411:	522.02
54412	7/10/26	CHK	238	ILLINOIS MUTUAL	Monthly Insurance Premium		54.24
54413	7/10/26	CHK	269	ANIXTER INC	LINE MAT.		389.23
					LINE MAT.		43.25
					LINE MAT.		442.36
					LINE MAT.		49.15
					LINE MAT.		167.13
					LINE MAT.		18.56
					TOOL		943.95
					TOOL		471.98
					LINE MAT.		1,151.05
					LINE MAT.		127.89
					LINE MATERIAL		7,470.23
						Total for Check/Tran - 54413:	11,274.78
54414	7/10/26	CHK	272	LEWIS AUTOMOTIVE GROUP INC	Parts		1,003.65

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54415	7/10/26	CHK	306	BORDER STATES INDUSTRIES INC	TOOLS		258.23
					LINE MAT.		854.63
					LINE MAT.		94.96
					LINE MAT.		133.42
					LINE MAT.		14.82
					LINE MAT.		310.47
					LINE MAT.		34.50
					LINE MAT.		633.76
					LINE MAT.		70.42
					BOTTLED WATER		402.70
					LINE MAT.		369.26
					LINE MAT.		41.03
					LINE MAT.		95.70
					LINE MAT		10.63
					LINE MAT		922.80
					LINE MAT.		102.53
						Total for Check/Tran - 54415:	4,349.86
54416	7/10/26	CHK	366	DIANA KUHLMAN	Milage/delivering shirts/bday nate		58.00
					Milage/delivering shirts/bday nate		12.22
						Total for Check/Tran - 54416:	70.22
54417	7/10/26	CHK	380	GRAINGER	Annual Membership Fee		129.00
					Safety Glasses		184.21
					Parts		46.81
					Parts		10.19
						Total for Check/Tran - 54417:	370.21
54418	7/10/26	CHK	387	WESTERN FUEL & SUPPLY	Monthly Fuel Bill		1,233.23
					Monthly Fuel Bill		355.36
						Total for Check/Tran - 54418:	1,588.59
54419	7/10/26	CHK	392	TRUCK CENTER COMPANIES	Parts		406.43

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54420	7/10/26	CHK	473	SCOTT BRIAND	Service Recognition - 5 years		50.00
54421	7/10/26	CHK	493	SCOTT CITY ACE HARDWARE	parts		72.97
54422	7/10/26	CHK	498	BLAKE MCVICKER	Service Recognition - 5 Years		50.00
54423	7/10/26	CHK	562	RENSENHOUSE	ELEC EXP		177.05
					ELEC EXP		899.04
					ELEC EXP		134.60
					ELEC EXP		288.46
					ELEC EXP		49.99
					RETAIL		118.30
					RETAIL		1,485.00
					ELEC EXP		1,615.05
					RETAIL		333.43
						Total for Check/Tran - 54423:	5,100.92
54424	7/10/26	CHK	575	AMERINE UTILITIES CONSTRUCTION I	Bore & Pull		47,700.21
54425	7/10/26	CHK	578	L&R LAWN CARE & SUPPLY	Monthly Bill		269.44
					Monthly Bill		6.69
					Monthly Bill		24.97
					Monthly Bill		29.25
					Monthly Bill		29.94
						Total for Check/Tran - 54425:	360.29
54426	7/10/26	CHK	599	MITCH'S TRASH SERVICE	June Trash		75.00
54427	7/10/26	CHK	601	JAYHAWK OILFIELD SUPPLY INC	Parts		12.18
54428	7/10/26	CHK	608	J & J FUEL SERVICE, LLC	Monthly Fuel Bill		2,447.98
					Monthly Fuel Bill		393.61
						Total for Check/Tran - 54428:	2,841.59
54429	7/10/26	CHK	619	UNITED TELEPHONE ASSOCIATION, IN	Monthly Bill		65.00

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54430	7/10/26	CHK	638	RESCO	TOOL		2,295.01
54431	7/10/26	CHK	803	ALTEC INDUSTRIES, INC	Monthly Bill		676.25
					Monthly Bill		1,043.12
						Total for Check/Tran - 54431:	1,719.37
54432	7/10/26	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Regular Locate Fee		33.25
54433	7/10/26	CHK	1169	WASHER SPECIALTIES CO.	RETAIL		268.00
					ELEC EXP		749.77
						Total for Check/Tran - 54433:	1,017.77
54434	7/10/26	CHK	1225	CINTAS CORPORATION	First Aid Restock		160.80
54435	7/10/26	CHK	1228	BENJAMIN L MANN	Service Recognition - 25 Years		250.00
54436	7/10/26	CHK	1243	TRI-CENTRAL OFFICE SUP-HAYS	Printed Envelopes		95.47
54437	7/10/26	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Glove Testing		112.75
54438	7/10/26	CHK	1248	COMPLIANCE ONE	Monthly Drug & Alcohol Testing		470.20
54439	7/10/26	CHK	1251	TECHLINE, LTD	LINE MATERIAL		907.35
					LINE MAT.		714.07
					LINE MAT.		79.33
					TOOLS		793.28
					TOOLS		1,403.88
					LINE MAT.		1,696.92
					LINE MAT.		188.54
					LINE MAT.		261.23
					LINE MAT.		29.02
						Total for Check/Tran - 54439:	6,073.62
54440	7/10/26	CHK	1303	LANE COUNTY IMPLEMENT, INC	Parts		321.53

Accounts Payable
Check Register

06/13/2026 To 07/10/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference			Amount
						Total Payments for Bank Account - 2 :	(173)	631,423.93
						Total Voids for Bank Account - 2 :	(1)	210.66
						Total for Bank Account - 2 :	(174)	631,634.59
						Grand Total for Payments :	(173)	631,423.93
						Grand Total for Voids :	(1)	210.66
						Grand Total :	(174)	631,634.59

Board Meeting Summary

June 12, 2026

CURRENT ACTIVITIES

Board Election

New Alternate Director for Western

Board Action: The Sunflower Board voted and approved Hale Sloan as alternate director representing Western Cooperative Electric.

PRESIDENT'S REPORT

Transmission Planning and Policy

Holcomb-Sidney 345 kV Update

The Holcomb-Sidney 345 kV transmission project cost remains the same, with no changes to the cost established during the Notification to Construct (NTC) acceptance process. Current efforts are focused on finalizing the transmission line route and obtaining pricing for long lead-time materials, with vendor quotes expected in late July. The update also highlighted emerging considerations related to oil and gas development. While oil and gas infrastructure is not included in Kansas Corporation Commission (KCC) routing criteria, recent developments have prompted the project team to proactively evaluate and adapt to potential conflicts as routing progresses.

FERC Approved Conditional High Impact Large Load (CHILL)

The Federal Energy Regulatory Commission (FERC) approved Southwest Power Pool's (SPP) Conditional High Impact Large Load (CHILL) service on June 5, 2026. CHILLS allows energy-intensive facilities like data centers and advanced manufacturing plants to connect to the grid on a non-firm, conditional basis before lengthy transmission network upgrades are completed.

The discussion noted that SPP is focused on improving speed to market and addressing transmission constraints, while other regions are pursuing different approaches to large load growth. A key takeaway was that hyperscale loads seeking faster interconnection may need to accept curtailments, with behind-the-meter generation offering one of the few ways to reduce those interruptions. The presentation also outlined unresolved challenges, including how curtailments will be managed and enforced and how priorities will be determined when multiple conditional and firm loads share the same point of interconnection.

765 kV Overlay Cost Allocation

SPP is looking at a special cost allocation methodology for all transmission line projects in the 2026 SPP ITP, not just 765 kV. SPP created a Cost Control and Allocation Review and Evaluation Team (CARE Team) who will evaluate different cost allocations and give a recommendation to the SPP board.

Through its Cost Control and Allocation Review and Evaluation (CARE) Team, SPP is evaluating whether the current Highway/Byway (H/B) cost allocation framework appropriately aligns transmission costs with the benefits received, particularly as large loads and data centers become concentrated in certain regions. Alternative approaches include more granular beneficiary-pays models, while considering the need to preserve the regional cost-sharing principles that support the RTO structure. Key concerns included the potential retroactive application of new allocation methods, the long-term stability of cost allocation formulas, the risk of stranded costs if large loads leave before transmission assets reach the end of their useful life, and how evolving load growth patterns should influence future cost responsibility. The team will have the challenge of balancing fairness, flexibility, and cost certainty as SPP plans for significant transmission expansion.

Wildfire Mitigation Plan

Sunflower's Wildfire Mitigation Plan outlines the programs, operating procedures, and industry best practices used to reduce the risk of utility assets contributing to the ignition or spread of wildfires. The plan focuses on risk analysis by evaluating fire ignition sources, environmental conditions, and potential impacts. It also details transmission operational practices, including continuous weather monitoring, breaker and relay settings, and the potential use of Public Safety Power Shutoffs (PSPS) when warranted and coordinated with local emergency management agencies. Additionally, the plan establishes emergency response procedures for wildfire-related outages, including inspections, damage assessments, repairs, and safe restoration of service following fire events.

Technology Services

EMS/SCADA Hardware and Software System Upgrade

The presentation provided an overview of Sunflower's Energy Management System (EMS)/Supervisory Control and Data Acquisition (SCADA) and the early 2026 upgrade. The project modernized critical control systems infrastructure, improved system currency, and ensured continued compliance with industry and regulatory requirements. Extensive planning, testing, and coordination between Sunflower staff and representatives from the technical solution vendor partner resulted in a successful cutover with no significant business, operational, or compliance issues. Key lessons learned emphasized the importance of communication, thorough testing, and careful preparation when upgrading mission-critical systems that support reliable grid operations.

Member Solutions and Communications

Affordability Campaign Update

The affordability communications campaign is ongoing. The first article was customized for each Member, reviewed, and submitted to Kansas Electric Cooperatives (KEC) for publication in the *Kansas Country Living* magazine, with the first installment scheduled to begin reaching mailboxes on July 1. Upcoming efforts include reviewing supporting social media content and developing the second article, which will focus on the importance of maintaining and expanding transmission infrastructure. The campaign will continue through mid-2027 with coordinated print, web, and social media outreach.

Safety

Safety Performance Update

Staff reported the latest safety performance metrics. A total of 50 good catch and six near miss events were reported year-to-date (YTD). In the 939,000 total miles driven YTD by Sunflower crews, no significant vehicle related incidents have occurred to date. Nonetheless, an increased focus remains on maintaining this performance amid increased workload and travel frequency.

The presentation highlighted ongoing efforts to modernize Sunflower's safety programs through the implementation of a new safety management platform and enhancements to facility inspections and emergency preparedness. The new platform streamlines safety reporting, automates communication and recordkeeping processes, and provides real-time visibility into safety performance and trends. Additional improvements to facility inspections have strengthened hazard identification, corrective action tracking, and compliance efforts, while emergency preparedness drills are helping validate response procedures and improve organizational readiness. Together, these initiatives support a stronger safety culture, increased accountability, and more efficient safety management across the organization.

Concordia Service Center

There is a need to replace Sunflower's existing Concordia Service Center due to operational, safety, security, and space limitations. The current facility cannot adequately accommodate modern equipment, lacks sufficient storage and security, and requires significant investment to address aging infrastructure issues. Staff recommended acquiring and developing a new site in partnership with local organizations, providing a long-term solution designed to meet current and future operational needs. Due diligence has been completed, local partners have expressed strong support, and the proposed timeline aligns with existing lease obligations. Next steps include finalizing agreements, completing environmental reviews, refining facility design, and advancing infrastructure planning.

Sunflower Electric Power Corp. - June 2026, Member Billing Summary

WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total
Demand Coincident Peak, kW	26,195	133,182	127,333	114,248	159,926	62,871	166,518	790,273
Demand NCP, kW	27,464	131,568	136,092	122,290	164,712	63,190	169,390	814,706
Wholesale Energy Usage, kWh	14,243,008	87,860,629	63,996,354	56,774,683	84,217,406	36,164,962	79,530,817	422,787,859
RTP Marginal Usage, kWh					(101,618)			(101,618)
Coincident Peak Load Ratio Share, %	3.30%	16.90%	16.10%	14.50%	20.20%	8.00%	21.10%	100.00%
Coincident Load Factor, %	75.50%	91.60%	69.80%	69.00%	73.10%	79.90%	66.30%	74.30%
Metering Points	10	27	25	28	24	26	34	174
CP Demand Rate, $/kW	12.85	13.41	12.85	12.85	12.85	12.85	12.85	12.93
NCP Demand Rate, $/kW	3.54	3.35	3.54	3.54	3.54	3.54	3.54	3.51
CP Demand Charge, $	336,605.75	1,785,879.96	1,636,229.05	1,468,086.80	2,055,049.10	807,892.35	2,139,756.30	10,229,499.31
NCP Demand Charge, $	97,222.56	440,977.11	481,765.68	432,906.60	583,080.48	223,692.60	599,640.60	2,859,285.63
Demand Charge, $	433,828.31	2,226,857.07	2,117,994.73	1,900,993.40	2,638,129.58	1,031,584.95	2,739,396.90	13,088,784.94
Energy Rate, ¢/kWh	0.7437	0.7303	0.7437	0.7437	0.7437	0.7437	0.7437	0.7409
Energy Charge, $	105,925.25	641,689.94	475,940.88	422,233.32	626,324.85	268,958.82	591,470.69	3,132,543.75
RTP Marginal Usage Charge, $			-		(4,990.35)			(4,990.35)
HLF Rider Net Charge, $	6,888.82	20,837.95	(64,431.88)	16,034.72	(19,757.11)	17,491.67	22,935.82	-
EDR Rider Net Charge, $	2,709.47	5,843.97	12,174.13	9,335.43	(52,072.05)	6,879.73	15,129.29	-
ECA Rate (ECA-02), ¢/kWh	1.8850	1.8850	1.8850	1.8850	1.8850	1.8850	1.8850	1.8850
ECA Charge, $	268,480.70	1,656,172.86	1,206,331.27	1,070,202.77	1,587,498.10	681,709.53	1,499,155.90	7,969,551.14
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	3,757.62	20,925.27	18,794.36	15,856.65	25,924.53	9,282.41	22,186.52	116,727.36
Schedule 11 Regional	32,149.33	179,031.69	160,800.10	135,665.75	221,804.13	79,418.06	189,822.58	998,691.64
Schedule 11 Zonal	26,888.70	149,736.58	134,488.24	113,466.64	185,510.13	66,422.81	158,761.74	835,274.84
Schedule 12	1,547.34	8,616.77	7,739.28	6,529.57	10,675.40	3,822.38	9,136.13	48,066.87
Schedule 1a	5,118.63	28,504.41	25,601.68	21,599.93	35,314.40	12,644.49	30,222.48	159,006.02
Schedule 9 SEPC	101,632.22	565,964.83	508,330.14	428,874.03	701,179.42	251,060.74	600,077.58	3,157,118.96
Msc. Transmission	274.02	1,167.58	1,370.69	1,156.44	1,890.66	677.01	1,618.08	8,154.48
Transmission Charge, $	171,367.86	953,947.13	857,124.49	723,149.01	1,182,298.67	423,327.90	1,011,825.11	5,323,040.17
Billing Adjustments, $ (LRR Rider, PGS)		(239,158.87)	(289.04)	(3.13)	(13,924.70)		-	(253,375.74)
ECIR Credit, $			-					-
Community Solar Adjustments, $		(77.38)	(12.05)	(19.29)	(9.16)		(291.93)	(409.81)
Net Charges, $ *	990,250.41	5,268,947.67	4,607,457.53	4,144,866.23	5,946,017.83	2,432,682.60	5,883,191.78	29,273,414.10
3-2-1 Credits, $		(12,700.36)	(216.15)	(15,958.33)	(2,606.12)			(31,480.96)
Total Charges, $	990,250.41	5,256,247.31	4,607,241.38	4,128,907.90	5,943,411.71	2,432,682.60	5,883,191.78	29,241,933.14
Average all-in ¢/kWh	6.953	5.982	7.199	7.272	7.066	6.727	7.397	6.918

Non-Member energy charges:

Non-Member energy charges:	$	$/kWh
10 West Cities	1,136,902.43	0.0669
4 East Cities	146,019.00	0.0757
KEPCo	181,421.73	
KMEA - EMP2 (Local Access)	121,718.35	
KMEA - City of Meade - (Local Access)	21,247.80	
AP & NH other contracted services	283,744.89	
KPP - OATT, L.A.C. & MA Charges	27,266.86	

Basis for Changes from Previous Month

↑ 1. Holcomb Capacity Factor was 48.0% for the month.
↑ 2. Smoky Hills #1 WF Capacity Factor was 34.4% for the month.
→ 3. Shooting Star capacity factor was 26.8% for the month.
↑ 4. Smoky Hills #2 WFCapacity Factor was 37.3% for the month
↓ 5. Johnson Corner Solar Capacity Factor was 21.2% for the month
→ 6. Boot Hill Solar Capacity Factor was 26.2% for the month
↓ 7. Sunflower Solar @ Russell Capacity Factor was 28.6% for month

Note:

↑ = Increase ↓ = Decrease → = Little Effect

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

8-Jul-26

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

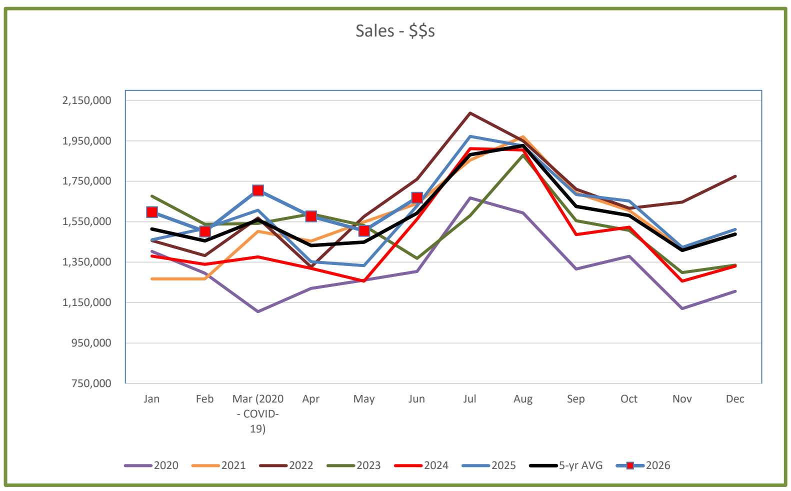
Rates, Reliability, and Safety Dashboard

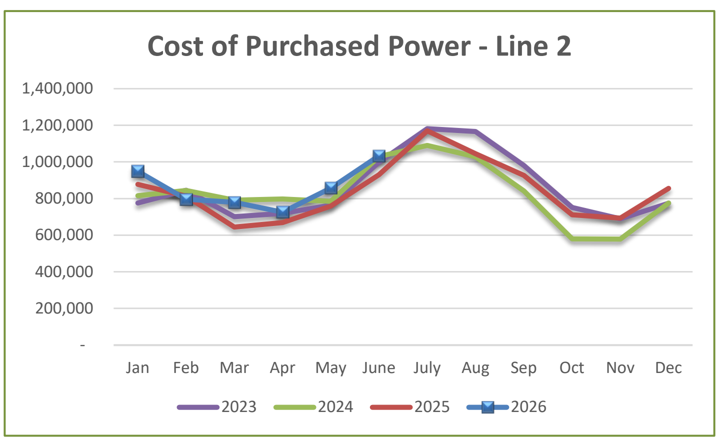
Executive Summary: We continue in solid condition through June 2026.

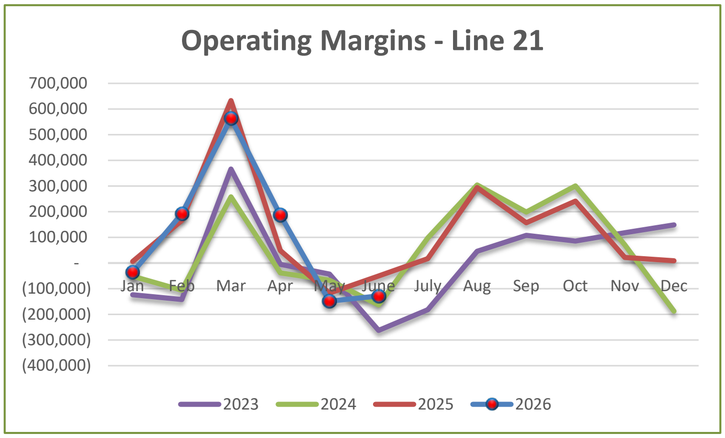
1. Total Operating Revenues (OR, Line 1) are up 4.46% over last year at $9,865,215 YTD. Total Wholesale power costs are up 11.17% YTD. Our distribution margin is $4,724,584 YTD. Controllable expenses are up $121,115 (5.17%) YTD from increased Operations Expenses. This drove Operating Margins down $105,750 to $624,628 YTD.

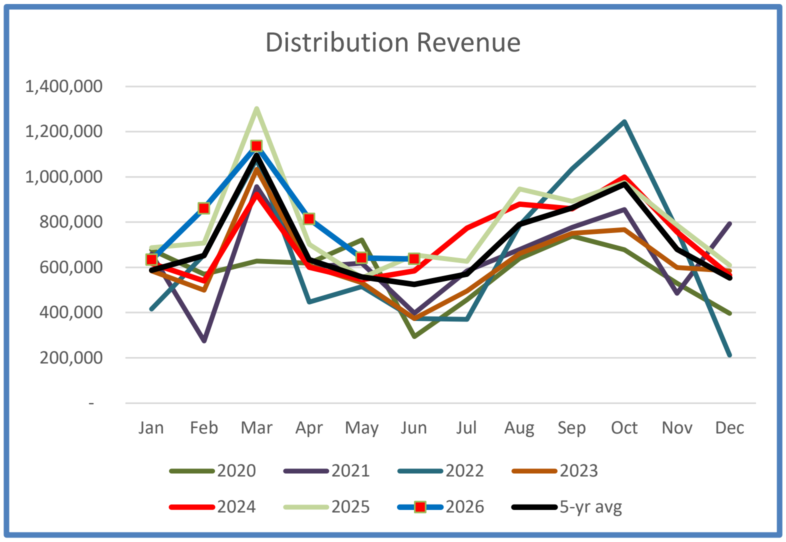
2. Reliability remains high. We had 8 hours of outages affecting 1,030 meters and 1 hour of Major Event outage affecting 569 meters.

3. Safety. No major incidents reported.

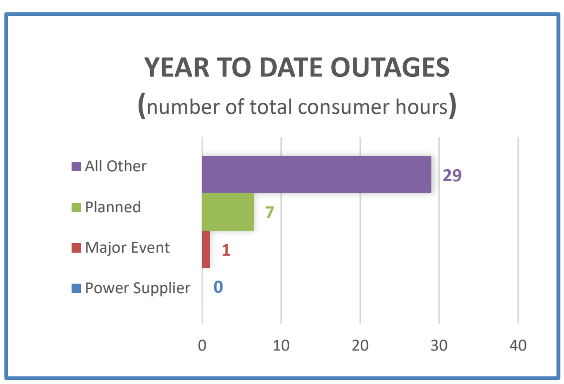








metric	2021	2022	2023	2024	2025	2026	measures
SAIDI	8.19	3.36	1.64	6.67	2.95	0.01	Interruption DURATION / average for every member (hrs)
SAIFI	2.56	1.33	1.02	1.10	1.09	0.46	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	3.20	2.53	5.60	6.07	2.71	0.01	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.91%	99.96%	99.94%	99.92%	99.97%	99.99%	Average Service Availability Index



- Credit Card records. (available for the Boards review.)

- General Manager Expense Report.
  July 15-16, Sunflower Board Meeting and KEC Managers Meetings, Topeka – $695.75

- General Manager Per Diem Requests. None.

- Strategic Planning Update

2026-2029 Strategic Plan Updates					2026	
This Strategic Plan approved by the LSEC Board of Trustees March 23, 2026.					July	Oct
1	Continue to Develop the Safety Program				23	0
A	Create a Disaster Recovery Plan			CT	45	0
	1	Create Index and Outline.			75	0
	2	Develop Action Plans.			60	0
	3	Finalize edits and submit to GM for approval.			0	0
B	Continuous Recordkeeping improvement			CT	18	0
	1	Develop digital Tailgate Sheet			25	0
	2	Create Job Briefing digital form.			15	0
	3	Develop Incident Reporting form			15	0
C	Develop Formal Employee and Public Safety Education Program			CT	5	0
	1	Develop formal employee safety education program			10	0
	2	Develop formal public safety education program			0	0

2	Develop a Building Facilities Plan				20	0
A	Identify and effect necessary repairs, rebuild, or relocation of the Ness City office within budget.			DH	23	0
	1	Evaluate property with cost: benefit of repair or replace.			65	0
		a	Property Evaluation.		80	0
		b	Develop approximate cost to repair / replace.		50	0
	2	Initiate options to repair / replace.			3	0
		a	Develop Options for repairs and budget, if appropriate.	GM	5	0
		b	Develop Options for replace and present to Board.	GM	0	0
	3	Initiate repair / replace.			0	0
B	Identify and effect necessary repairs to comprehensive Dighton Headquarters within budget.			DH	18	0
	1	Evaluate property with cost: benefit of repair or replace.			45	0
		a	Property Evaluation.		85	0
		b	Develop approximate cost to repair / replace.		5	0
	2	Initiate options to repair / replace.			10	0
		a	Develop Options for repairs and budget, if appropriate.	GM	10	0
		b	Develop Options for replace and present to Board.	GM	10	0
	3	Initiate repair / replace.			0	0

3	Develop a Long-Range Construction Plan.		14	0
A	Develop and implement a systemwide Sectionalizing Study Plan.	DH	17	0
1	Select Engineering Firm, scope, and provide required data.		50	0
2	Identify substation rotation / timeline.		0	0
3	Annual implementation progress.		0	0
B.	Analyze current and future substations and prepare improvement recommendations and timeline.	DH	17	0
1	Select Engineering Firm, scope, and provide required data.		50	0
2	Identify substation rotation / timeline.		0	0
3	Annual implementation progress.		0	0
C.	Analyze existing and potential circuits for construction or rebuild.	DH	17	0
1	Select Engineering Firm, scope, and provide required data.		50	0
2	Identify substation rotation / timeline.		0	0
3	Annual implementation progress.		0	0
D.	Create maintenance, testing, and/or replacement plans for critical infrastructure.	DH	7	0
1	Identify and analyze critical infrastructure.		20	0
2	Evaluate existing maintenance schedules and fill gaps.		0	0
3	Execute plan and evaluate additional training needs.		0	0

4	Streamline Data Management		18	0
A	Implement a data mining program or system.	CB	38	0
1	Install Mosaic		25	0
2	Define and scope Document Vault		50	0
B	Develop and implement a data management program.	CB	0	0
1	Implement Mosaic and train staff		0	0
2	Train staff on data mining through Document Vault		0	0
C	Develop Disaster Recovery Plan.	CB	45	0
1	Develop DRP Scope and Framework		75	0
2	Complete Draft DRP		60	0
3	Implement and Review		0	0
D	Develop an asset tracking and lifespan system.	CB	0	0
1	Identify Assets in Mosaic		0	0
2	Identify key responsibilities for development and implementation		0	0
3	Implement and Review		0	0
E	Continuous improvement in Operations and Engineering software.	CB	7	0
1	Identify O&E software, licenses, and operators		10	0
2	Evaluate for weaknesses and/or potential improvements and preform cost analysis for upgrades, if applicable.		0	0
3	Identify key responsibilities for review and implementation		10	0

5	Successful transition to a new General Manager.			17	0
A	Develop company-wide professional and section-specific technical employee development plans.		GM	6	0
	1	Create a Professional Development Blueprint	DK	8	0
	a	Identify critical skills	DK	15	0
	b	Assign skills to responsibilities as appropriate	DK	0	0
	2	Create a Technical Development Blueprint	GM	4	0
	a	Accounting / Finance	JW	0	0
	b	Information Technology	CB	0	0
	c	Operations / Engineering	DH	10	0
	d	Member Services / Communications	AMJ	0	0
	e	Human Resources	DK	15	0
	f	Warehouse / Retail	SB	0	0
B	Develop a Business Continuity Plan.		GM	3	0
	1	Identify existing and lacking critical plans focusing on Rates, Reliability, and Safety.	GM	9	0
	a	Accounting / Finance	JW	50	0
	b	Information Technology	CB	0	0
	c	Operations / Engineering	DH	0	0
	d	Member Services / Communications	AMJ	0	0
	e	Human Resources	DK	0	0
	f	Warehouse / Retail	SB	5	0
	2	Develop plans to fill discrepancies.	GM	0	0
	a	Accounting / Finance	JW	0	0
	b	Information Technology	CB	0	0
	c	Operations / Engineering	DH	0	0
	d	Member Services / Communications	AMJ	0	0
	e	Human Resources	DK	0	0
	f	Warehouse / Retail	SB	0	0
	3	Develop Staff review schedule.	GM	0	0
C	Review and update Manager polices as necessary.		GM	48	0
	1	Identify Current and Potential Manager Policies.		75	0
	2	Amend / develop policies for Board consideration.		20	0
D	Develop critical planning workbooks for Staff.		GM	22	0
	1	Load Forecast Study.		40	0
	2	Wage and Benefit.		25	0
	3	Financial Forecast and Budgets.		0	0
E	Assist the Executive Search process by the Board of Trustees.		GM	8	0
	1	Provide requested data to consultant.		0	0
	2	Provide assistance as requested.		15	0
	Overall completion rate (%)			**18**	**0**

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

1) <u>Accounting and Finance</u>.
   - Operating Margin = -$128,273 with $624,628 YTD.
   - Total Margin = -$100,931 with $811,280 YTD.
   - Cash Balance – $6,505,883.
   - Rolling 12-month Metrics remain very good:
     - TIER – 2.61 (1.25 min.), OPTIER – 2.26 (1.1 min.), DSC – 1.92 (1.25 min.), ODSC – 1.78 (1.1 min.), MDSC – 1.85 (1.35 min.)
     - Equity as a % of Assets – 44.22% and as a % of Capitalization – 47.01%
     - Current Ratio – 2.57%

2) <u>Operations Report (Dal).</u>
   - Projects. We have been focusing on maintenance and engineering projects.
     - Oneok – current impact is about 3.3mW. They are having some pipeline issues in Colorado which are restricting our load. We expect the load to be 6mW at peak.
       - Scott Park. The substation is energized and carried the 5th most load out of 15 substations in June at 2,702 kW. This includes about 200kW that we shifted from Manning.
       - Beeler. The Beeler substation has added a total of about 820kW.
   - Pole-Change-outs
     - Thirteen single-phase (1ø) poles
     - One meter pole poles.
     - SIx three-phase (3ø) poles
   - Inspections.
     - CT & PT inspections are 75% complete.
     - Underground inspections are 80% complete.
   - Engineering
     - Working with NISC on switching coordination at Healy.
     - Updating flow information for Scott Park Substation.
     - Working with Sunflower on Healy / Bridger project.

3) <u>IT and CyberSecurity (Carrie).</u>
   Carrie will be presenting a discussion draft of the Board requested CyberSecurity / AI policy at the Board Meeting. She will also review current activities in Information Technology such as:
   - VMWare to Hyper-V Server transitions
   - Creating a Company Disaster Recovery Plan
   - Microsoft security amendments
   - Various IT topics

Respectfully submitted,

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

The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee: Richard McLeon

Purpose of Trip: Sunflower Board meeting - Hays and KEC MDM - Topeka.

Section 1

DATE		Sun ___/___	Mon ___/___	Tues ___/___	Wed 15-Jul	Thurs 16-Jul	Fri ___/___	Sat ___/___	TOTAL
Mile./Personal Veh.					295	295			
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	$213.88	$213.88	$0.00	$0.00	$427.75
									0
Gas/Oil	Co.								0.00
	Emp.								0.00
Car Rental	Co.								0.00
	Emp.								0.00
Taxi/Limo	Co.								0.00
	Emp.								0.00
Tolls/Parking	Co.								0.00
	Emp.								0.00
Airfare	Co.								0.00
	Emp.								0.00
Lodging	Co.					181.57			181.57
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.								0.00
	Emp.					22.39			22.39
Dinner	Co.								0.00
	Emp.				64.04				64.04
Phone	Co.								0.00
	Emp.								0.00
Misc.	Co.								0.00
	Emp.								0.00
									0.00
TOTAL EXPENSES		$0.00	$0.00	$0.00	$277.92	$417.84	$0.00	$0.00	$695.75

Section 2

Reimbursement Summary

Total Expense from Section 1	$695.75
Less: Company Credit Card	181.57
Less: Other	0.00
Less:Other	0.00
Net due to Employee	$514.18

Section 3

Expense Allocation

Acct. #	Amount
Total	

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

GM / CEO

Presented to LSEC Board of Trustees: 7/27/2026

Board President

Homewood Suites by Hilton - Topeka, KS
1519 SW Arrowhead Rd, Topeka 66604
KS US
7858617840
TOPAR_Homewood@Hilton.com

Date Range: 2026-07-15 - 2026-07-16
Tax#/ID# :

Guest Folio

Confirmation Number - 80299684

Primary Guest

Guest Name	MCLEON, RICHARD A.
Address	PO Box 670, 145 W. Pearl St.
City, State, Zip Code	Dighton KS 67839
Country	US

ADDN GUESTS

Patty McLeon

Hilton Honors

SILVER
764593087

Stay Details

Check In Date	Jul 15, 2026
Check Out Date	Jul 16, 2026
Room	NKJ - 312
Source	OTHER
Guests	1/0

Company Details

Name
Tax#/ID#
PO Number
Account Name

Other Details

Tax Invoice	
Tax/Fee Exemption	NO
Tax/Fee Exempt Date	

Travel Agent

IATA
Name

Date	Type	Description	Amount
Jul 15, 2026	Charge	GUEST ROOM	$155.06
Jul 15, 2026	Tax	RM - SALES TAX	$14.50
Jul 15, 2026	Tax	RM - OCCUPANCY TAX	$10.85
Jul 15, 2026	Tax	RM - TOURISM DISTRICT FEE	$1.00
Jul 15, 2026	Tax	TDF RM - SALES TAX	$0.09
Jul 15, 2026	Tax	TDF RM-OCCUPANCY TAX	$0.07
Jul 16, 2026	Payments	VISA-5708	($181.57)

Summary

Type	Amount
CREDIT CARD	($181.57)
GUEST ROOM	$155.06
RM - SALES TAX	$14.50
RM - OCCUPANCY TAX	$10.85
RM - TOURISM DISTRICT FEE	$1.00
TDF RM - SALES TAX	$0.09
TDF RM-OCCUPANCY TAX	$0.07
Folio Balance	**$0.00**

Check In Time	**05:38 PM**	**Reservations homewoodsuites.com or +1-800-CALL-HOME**
Check Out Time	**12:07 PM**	

NorthStar Steakhouse

1100 NW 25th St
Topeka
Tel (785) 354-8880

Order: 27/1

07/15/2026 06:57:01 PM
Server: Marissa A.
Table: 8

Purchase

Card Type.: Visa
Card No...: xxxx-4793 (NFC (EMV))
Cardholder: CARDHOLDER/VISA
Date/Time.: 07/15/2026 07:40:29 PM

Merchant Code: -
Sequence No..: 1767090414
Response Code: 1/APPROVAL
Approval No..: 915104

APP Crypt	: 097B53EBD6CCE322
AID	: A0000000031010
APP Label	: VISA CREDIT
ATC	: 00E1
Crypt Type	: ARQC
TRN Ref	: 619700805089

Amount: 103.08

Tip 25.00

Total 128.08

Signature ____________

Customer Copy

MIZU SUSHI
1320 SW Ashworth Pl
Topeka, KS, 66604
7857833880

07/16/2026 12:22

Sale

Trans #: 6 Batch #: 410

CREDIT CARD
VISA CHIP READ
Entry Type: CONTACT
************4793 **/**

BASE AMT: USD $36.78

TIP AMT $ 8.00

TOTAL AMT: USD $ 44.78

Resp: APPROVAL 216113
Code: 216113
Ref #: 619717831031
TransID: 586197630867999

App Name: VISA CREDIT
AID: A0000000031010
TVR: 8080008000
TSI: 6800
ATC: 00E3
TC: 237E773BD72302A9
IAD: 06011203A02000

CUSTOMER COPY

Patty and I ordered the same thing at Mizu Sushi and split an order at the North Star Steakhouse. I have included 1/2 of the total cost on the expense report.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION KS0042

PERIOD ENDED June 2026

BORROWER NAME The Lane-Scott Electric Cooperative, Inc.

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 LAST YEAR (*a*)	YEAR-TO-DATE THIS YEAR (*b*)	YEAR-TO-DATE BUDGET (*c*)	THIS MONTH (*d*)
1. Operating Revenue and Patronage Capital	9,429,045	9,865,215	11,503,970	1,670,136
2. Power Production Expense				
3. Cost of Purchased Power	4,692,181	5,140,631	6,480,210	1,033,145
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	578,385	644,624	671,012	108,078
7. Distribution Expense - Maintenance	574,953	694,661	685,238	183,038
8. Customer Accounts Expense	133,589	119,270	153,480	23,515
9. Customer Service and Informational Expense	43,128	37,764	49,680	7,256
10. Sales Expense	46,600	70,081	62,022	8,662
11. Administrative and General Expense	964,517	895,887	1,092,877	167,740
12. Total Operation & Maintenance Expense (*2 thru 11*)	7,033,353	7,602,918	9,194,519	1,531,434
13. Depreciation and Amortization Expense	1,034,508	1,051,139	1,192,490	176,794
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	559,796	536,609	543,326	88,907
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	3,864	3,250	2,769	567
19. Other Deductions	10,672	46,671	10,573	707
20. Total Cost of Electric Service (*12 thru 19*)	8,642,193	9,240,587	10,943,677	1,798,409
21. Patronage Capital & Operating Margins (*1 minus 20*)	786,852	624,628	560,293	(128,273)
22. Non Operating Margins - Interest	126,561	78,281	129,034	12,670
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(14,005)	89,543	47,976	14,672
26. Generation and Transmission Capital Credits	232,170			
27. Other Capital Credits and Patronage Dividends	25,696	18,828	10,000	
28. Extraordinary Items				
29. Patronage Capital or Margins (*21 thru 28*)	1,157,274	811,280	747,303	(100,931)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION**	BORROWER DESIGNATION KS0042
INSTRUCTIONS - See help in the online application.	PERIOD ENDED June 2026

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE LAST YEAR (*a*)	YEAR-TO-DATE THIS YEAR (*b*)	ITEM	YEAR-TO-DATE LAST YEAR (*a*)	YEAR-TO-DATE THIS YEAR (*b*)
1. New Services Connected	19	17	5. Miles Transmission		
2. Services Retired	3	26	6. Miles Distribution – Overhead	2,030.02	2,031.40
3. Total Services in Place	6,080	6,091	7. Miles Distribution - Underground	9.17	9.61
4. Idle Services (*Exclude Seasonals*)	368	417	**8. Total Miles Energized *(5 + 6 + 7)***	2,039.19	2,041.01

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	66,986,924	30. Memberships	0
2. Construction Work in Progress	1,118,270	31. Patronage Capital	25,954,967
3. Total Utility Plant *(1 + 2)*	68,105,194	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	25,783,040	33. Operating Margins - Current Year	624,628
5. Net Utility Plant *(3 - 4)*	42,322,154	34. Non-Operating Margins	2,887,983
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	295,995
7. Investments in Subsidiary Companies	255,487	**36. Total Margins & Equities *(30 thru 35)***	29,763,573
8. Invest. in Assoc. Org. - Patronage Capital	12,728,203	37. Long-Term Debt - RUS (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	445,961	38. Long-Term Debt - FFB - RUS Guaranteed	28,292,734
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)	3,254,474
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)*	13,657,110	**43. Total Long-Term Debt *(37 thru 41 - 42)***	31,547,208
15. Cash - General Funds	246,777	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	100	45. Accumulated Operating Provisions and Asset Retirement Obligations	0
17. Special Deposits	25	**46. Total Other Noncurrent Liabilities *(44 + 45)***	0
18. Temporary Investments	6,037,023	47. Notes Payable	0
19. Notes Receivable (Net)	0	48. Accounts Payable	1,081,211
20. Accounts Receivable - Sales of Energy (Net)	1,624,054	49. Consumers Deposits	189,578
21. Accounts Receivable - Other (Net)	100,273		
22. Renewable Energy Credits	0	50. Current Maturities Long-Term Debt	1,677,862
23. Materials and Supplies - Electric & Other	708,910	51. Current Maturities Long-Term Debt - Economic Development	0
24. Prepayments	92,478	52. Current Maturities Capital Leases	0
25. Other Current and Accrued Assets	27,785	53. Other Current and Accrued Liabilities	724,023
26. Total Current and Accrued Assets *(15 thru 25)*	8,837,425	**54. Total Current & Accrued Liabilities *(47 thru 53)***	3,672,674
27. Regulatory Assets	0	55. Regulatory Liabilities	0
28. Other Deferred Debits	166,766	56. Other Deferred Credits	0
29. Total Assets and Other Debits *(5+14+26 thru 28)*	64,983,455	**57. Total Liabilities and Other Credits *(36 + 43 + 46 + 54 thru 56)***	64,983,455

Formulas - 12-month rolling average

Jun-26 RUS = 7 CFR § 1710.114

Equity - % of Assets	**44.22%**
Margin + Equities - C36	28,839,844
Total Assets - C29	65,226,379

Distribution Equity	**30.65%**
Margin + Equities - C36	28,839,844
Total Assets - C29	65,226,379
Patronage Capital - C8	12,757,314

Equity - % of Capitalization	**47.01%**
Current Equity - C36	28,839,844
Current LT Debt - C43	32,510,235

Current Ratio	**2.57**
Tl. C & A Assets - C26	9,251,101
Tl C & A Liabilities - C54	3,595,252

General Funds Level	**10.44%**
Non Utility Property - C6	-
Invest in Assoc, Other GF - C9	445,544
Other Invest. - C12	5,501
Special Funds - C13	-
Cash Gen. Funds - C15	164,927
Temporary Investments - C18	6,391,079
Prepayments Unapplied - C42	-
Total Utility Plant - C3	67,147,918

Cash to Debt	**20.85%**
Cash Gen. Funds - C15	164,927
Temporary Investments - C18	6,391,079
CFC CTC's - Stat Report	221,958
Current LT Debt - C43	32,510,235

Financial Reporting Ratios

TIER	RUS = 1.25	**2.61**
Net Income - A29		146,935
Interest on LT Debt- A16		91,038

DSC	RUS = 1.25	**1.92**
Depreciation - A13		173,791
Interest on LT Debt- A16		91,038
Pat. Cap. or Margins - A29		146,935
Prin. & Int. Pymts - N, d Total		214,367

MDSC	CFC - 1.35	**1.85**
Depreciation - A13		173,791
Interest on LT Debt- A16		91,038
Operating Income - A21		114,367
Non-Op Margins - Int - A22*		16,440
Patronage Capital - C8		12,757,314
Pat Cap Cash Calc		1,943
Prin. & Int. Pymts - N, d Total		214,367
LT Lease Calculation*		-
if C44 > 0.02 C36		-

Operating TIER	RUS - 1.1	**2.26**
Operating Income - A21		114,367
Interest on LT Debt- A16		91,038

Operating DSC	RUS = 1.1	**1.78**
Operating Income - A21		114,367
Depreciation - A13		173,791
Interest on LT Debt- A16		91,038
Patron. Refund from G&T, other -		-
A26+A27		1,943
Prin. & Int. Pymts - N, d Total		214,367

Interest on LT Debt- A16		91,038
LT Debt - other - C40		3,779,438
	sum A16+C40	3,870,475

Operations Report June 2026

- ## Maintenance

Refused transformers and side taps.
Worked locate tickets system wide.
Repaired lights system wide.
Changed out bad meters.
Monthly substation inspections.
Changed out a bad arrester on the Ritchie Exploration Dowd 1-28 lease.
Changed out bad transformers for Veenker Resources and Ramsey irrigation.
Replaced meter loops for Berexco LLC and Chelle Borger.
Repaired bad connections at Paul Strickert's and High Plains Ag Energy LLC.
Changed out a bad insulator on the Union School tap.
Continued work on CT & PT meter inspections. Inspections are 75% complete.
Worked on yearly underground inspections. Inspections are 80% complete.
Retired a connect for LOGOS Holding LLC and Phillips Exploration.
Converted a 3-phase connect to single-phase at the Lane County Fairgrounds.
Changed out two regulators on the city circuit.

- ## Pole Change Outs

Changed out 1, single-phase pole on the Lake Rd in Finney County.
Changed out 8, single-phase poles south of Grigston.
Changed out 2, 3-phase transformer poles on the FIML and Brookover circuits.
Changed out a meter pole for Doug Petersen.
Changed out 4, 3-phase poles on the Hineman circuit.
Changed out 4, single-phase poles on the Potter tap.
Changed out 1, single-phase pole in Hodgeman County.

- ## Engineering

Worked on meters and collectors in Command Center.
Bench tested and reset meters to be brought into stock.
Worked on easements in Lane County.
Staked in several pole change out jobs for the 2026 red tagged pole list.
Made several projects as-built in the map.
Inspected and mowed the Dighton tower.
Met with KDOT and built staking sheets for the Bazine bridge project.
Worked on pole attributes in the mapping system.
Gathered information that Federated Insurance requested for their annual site visit.
Changed the flow directions in the mapping system for the new substation.
Met with Sunflower and SPP about the Bridger Pipeline project.
Staked in a new connect for Barb Cossman in Ness City.
Worked with NISC on switching coordination for the Healy auto switches.

Substation NCP and CP from Sunflower Determinants

NCP KW

Substation	Recorder ID	Substation capacity (kVa)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	NCP % capacity (kW/kVa)
			2026												
Beeler	SF02 BEELER	28000	7,177	7,844	7,481	8,028	7,287	7,523							28.7%
Dighton 14400	SF02 DIGH14400	28000	5,229	5,133	7,901	5,065	5,229	5,606							28.2%
Dighton 7200	SF02 DIGH7200	22400	2,620	2,290	2,521	2,804	2,732	3,454							15.4%
Manning	SF02 MANNING	25000	5,561	4,706	5,128	5,734	5,221	4,620							22.9%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-							0.0%
Scott Park	SF02ONEOKSC				5	2	1,392	2,702							
LS Seaboard	SF02 SEABOARD	billing	340	336	548	671	612	697							
Twin Springs 14000	SF02 TSPRGS14	11300	337	256	238	233	290	376							3.3%
Twin Springs 7200	SF02 TSPRGS72	11300	166	133	281	282	349	387							3.4%
Dighton WAPA	SFWP DIGHTON	billing	154	137	135	153	152	183							
Dighton - West	SF02 DIGHTCTYW	1500	469	400	417	420	631	862							57.5%
Dighton - North	SF02 DIGHTCTYN	1500	446	423	397	403	506	628							41.9%
Dighton - South	SF02 DIGHTCTYS	1500	622	429	507	511	763	1,038							69.2%
City of Dighton	SFS2 DIGHCTY	billing	1,332	1,110	1,151	1,136	1,723	2,378							
Alexander 115 Sub	MK02 ALEXAN	20000	1,601	1,265	-	2,776	1,549	2,037							13.9%
Ness City 115 Sub	MK02 NESS115	20000	3,384	3,544	3,748	3,728	4,090	6,694							33.5%
LSEC Billing NCP	time		12:00	14:00	11:00	16:00	14:00	16:00							
	date		1/17	2/20	3/26	4/13	5/15	6/17							
Non-Coincidential Peak		178000	29,438	28,006	30,458	31,946	32,526	39,185	0	0	0	0	0	0	22.0%
last year:			29,012	29,081	27,803	27,278	27,611	38,230	46,111	38,369	39,878	31,952	24,004	25,216	

CP KW

Substation	Recorder ID	Substation capacity (kVa)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CP % capacity (kW/kVa)
			2026												
Beeler	SF02 BEELER	28000	5,216	5,994	6,508	5,378	7,229	5,447							25.8%
Dighton 14400	SF02 DIGH14400	28000	4,660	3,962	4,707	4,770	4,689	5,450							19.5%
Dighton 7200	SF02 DIGH7200	22400	2,284	2,071	2,345	2,532	2,383	2,974							13.3%
Manning	SF02 MANNING	25000	4,561	4,121	4,268	5,542	3,903	2,540							22.2%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-							0.0%
Scott Park	SF02ONEOKSC				1	1	830	2,583							
LS Seaboard	SF02 SEABOARD	billing	285	261	189	201	524	547							
Twin Springs 14000	SF02 TSPRGS14	11300	310	223	226	220	232	340							3.0%
Twin Springs 7200	SF02 TSPRGS72	11300	149	97	215	259	298	334							3.0%
Alexander 115 Sub	MK02 ALEXAN	20000	1,480	1,208	-	1,046	1,311	1,847							9.2%
Ness City 115 Sub	MK02 NESS115	20000	2,913	2,153	3,748	2,513	3,128	6,694							33.5%
Sunflower System CP	time		13:00	8:00	18:00	16:00	16:00	16:00							
	date		1/23	2/5	3/25	4/21	5/15	7/29							
Sum of CP		173500	21,858	20,090	22,207	22,462	24,527	28,756	0	0	0	0	0	0	16.6%
last year:			23,406	22,125	20,003	21,921	21,864	28,397	29,851	28,514	26,330	24,440	20,661	20,748	

City of Dighton NCP

Substation	Recorder ID	Substation capacity (kVa)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	NCP % capacity (kW/kVa)
			2026												
Dighton WAPA	SFWP DIGHTON	billing	154	137	135	153	152	183	-	-	-	-	152	-	
Dighton - West	SF02 DIGHTCTYW	1500	469	400	417	420	631	862	-	-	-	-	-	-	57.5%
Dighton - North	SF02 DIGHTCTYN	1500	446	423	397	403	506	628	-	-	-	-	-	-	41.9%
Dighton - South	SF02 DIGHTCTYS	1500	622	429	507	511	763	1,038	-	-	-	-	-	-	69.2%
City of Dighton	SFS2 DIGHCTY	billing	1,332	1,110	1,151	1,136	1,723	2,378	-	-	-	-	-	-	
Non-Coincidential Peak		4500	1,537	1,252	1,321	1,334	1,900	2,528	0	0	0	0	0	0	56.2%
last year:			1,495	1,500	1,213	1,283	1,561	2,522	2,841	2,841	2,099	1,720	1,027	1,187	

Sunflower Billing Summary

		capacity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
City of Dighton @ 2% **Subtract from WHM**	CPKW		1,486	983	1,285	1,265	1,550	2,560							
Demand 1	CPKW	178000	20,372	19,107	20,922	21,197	22,977	26,196	0	0	0	0	0	0	14.7%
Demand 2	NCP	178000	21,801	21,785	24,413	23,927	23,492	27,464							15.4%
Energy purchased			13,693,641	12,234,954	13,626,904	14,194,107	14,013,537	14,243,008							

2026

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												
number/miles	4,321	4,139	3,351	3,785	3,689	9,608						
cost	$57,664.00	$37,282.00	$33,703.00	$40,896.00	$48,027.00	$92,743.00						
total cost						$310,315.00						
2 Underground lines												
number/miles	1458	20	105	308	120	166						
cost	$1,115.00	$491.00	$1,751.00	$6,718.00	$1,890.00	$3,244.00						
total cost						$15,209.00						
3 Poles												
number inspected	0	0	0	0	4260	0						
cost	$0.00	$0.00	$0.00	$0.00	$69,726.50	$0.00						
total cost						$69,726.50						
4 Right-of-way												
miles inspected	55	0	61	74	182	220						
cost	$1,080.00	$0.00	$1,011.00	$635.00	$20,291.00	$27,033.00						
total cost						$50,050.00						
5 Substations												
number inspected	15	15	15	15	16	16						
which ones?	All	All	All	All	All	All						
cost	$3,763.00	$1,602.00	$699.87	$3,920.00	$3,839.00	$3,244.00						
total cost						$17,067.87						
6 DG Interconnections												
number inspected	6	8	0	0	3	4						
cost	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00						
7 CT:PT Metering												
number inspected	0	0	0	0	0	150						
cost	$0.00	$0.00	$0.00	$0.00	$0.00	$8,574.00						
8 Line Clearances												
miles inspected	615	60	45	0	0	18						
cost	$2,000.00	$467.00	$1,208.00	$0.00	$0.00	$215.00						
total cost						$3,890.00						

CYBERSECURITY & INFORMATION TECHNOLOGY

VMWare to Hyper-V Server Transitions:
Many types of vendors that provide a limited service or is in high demand have been restructuring their license practices. Those companies appear to be moving toward a monopolization structure that started evolving the end of 2025 through 2026 with high-rate increases. In some cases, separating software services which involves paying for additional licensing to get those services back. In addition to trying to eliminate perpetual licenses and force customers into subscription models. Some vendors have given such short notices of the changes that it has made it difficult in finding alternative software that are cost effective and accomplishing it in time to transition data to another software. This causes company strains to find alternative licensing options in a limited amount of time which forces companies to subscribe at extremely higher rates to prevent lapsed licenses and service interruptions.

Cybersecurity

- Creating Company Disaster Recovery Plan
- Establishing AI Governance
- Microsoft security amendments to outgoing mail and enforcing conditional access policy.

Information Technology

- Nex-Tech Tech Edge conference.
- VMWare to Hyper-V migration.
- Billing Heat Pump Remote Disconnect/Reconnect issue with meter command message coding issue.
- KEC Radical Leadership: Secrets to Resilience training.
- Rainmaker Training
- S&T Telephone VoIP dashboard amendments.
- Rainmaker Training
- Miscellaneous User Technical Assistance

Communications & Member Service Board Report – July 2026

1. Continuing to Work on Annual Meeting preparations.
    - Voting: We have 59 online votes and 83 paper ballots received so far.

2. Member Satisfaction Survey: Our survey was completed on June 19. We will be receiving the reports soon.

3. CoBank: Grants have been delivered.

4. Video Marketing (Possible 3 Phases): I am working with a company called Observant Media out of Sterling. The first phase is to capture annual meeting video content to be included in a Lane-Scott marketing video and library of videos that can help support executive recruitment, employee recruitment, community engagement, economic development and digital marketing. The videos will be used primarily online through YouTube, our social media channels and on the website. Observant media will be onsite for the annual meeting capturing videos and photography.

    Phase 2: Later this summer we will begin working on a brand & recruitment video to tell the story of Lane-Scott Electric Cooperative through the people who power it every day. It will focus on authentic moments like linemen restoring service, crews preparing for the day, and interactions with members.

    Possible Phase 3: Community & Economic Development Story Initiative. This project is designed to showcase the region as an outstanding place to live, work, raise a family, and build a career. It would be for our service area with potential story elements of local businesses, agriculture, schools, community partnerships, eco-devo, small-town quality of life.

5. The youth tour was a success! Newspaper articles were released to Dighton & Ness City. Leadership camp is July 10-16.

6. Scholarship news releases will be sent to the papers this month.

7. I will be putting together a back-to-school contest.

8. Monthly KCL, social media posts, website updates, new member e-mail series, newsletter e-blast, chamber communications, sponsorship/donation requests, communication plan updates, spending report.

July Board Meeting – Human Resources Report-June Duties

1. Worked on Record Retention schedule.
2. Started on a Professional Development Plan
3. Completed the KECHIT audit.
4. Set up Professional Development seminar for employees to be held in the fall.
5. 401(k) True-up for employees
6. Set up NRECA Benefits meeting for employees to be held September 23, 2026.
7. Updated all employees' profiles in NRECA.
8. Updated the wage and benefit worksheets in preparation for 2027 projections.
9. Completed the end of month Labor Distribution Report
10. Completed and submitted the Compliance One and No Time Lost reports.
11. Sent out evaluations to employees with an anniversary hire date in July and their supervisors.
12. Normal monthly duties, employee assistance, customer service, payroll, FLSA reports, payroll taxes, 401(k) distributions, Health Insurance, Group Insurance, and RS distributions.

Other Job Duties:

1. Completed & Submitted Sales and Use Tax
2. Made manual adjustments for sales tax.
3. Scheduled training and reservations for employees and directors.

June Warehouse Report

Total Inventory Dollars on Hand for June:

Line Material--$399,354 Inventory Turns—1.392

Resale Material--$198,816 Inventory Turns—0.905

Generac Update:

Shipping from Generac slowed in June, so we are still waiting on the three generators to arrive. It's looking like they will be here in early July, then we can move forward with installation. Estimates for generators picked up in June, with us giving out 5; they will be followed up on in July.

Electrician Update:

With the assistance of our summer help, Michael was able to complete many jobs in June. We're hoping to get the list cleaned up while we have constant help available. Michael continues to stay ahead of the new construction at Lane County Feeders and is in the process of designing more electrical for planned future additions there.

Line Material:

We are currently working on looking at some of our future needs for the rest of the year regarding iron poles. An order placed in July will not be seen until some time in the 1st quarter of 2027. Other material is staying steady in lead times and pricing.

10. b. Board Policy 403 Employee Involvement in Civic Clubs Review

This policy is presented for review in conjunction with the pending GM/CEO succession search. From the Manager perspective, I propose that this policy have minor non-substantiative updates.

Background

Board Policy 403 was presented to the Board for possible amendment on January 27, 2025. The Board reviewed and discussed the policy without amendment.

Please review this policy and update if necessary.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: July 26, 1993 **Policy No.:** 403
Supersedes Date: February 1968

SUBJECT: Employee involvement in civic clubs.

OBJECTIVE:

To encourage management & staff participation in civic clubs which benefit the community and the cooperative.

POLICY:

The cooperative shall pay the expenses of the Manager and staff to belong to civic clubs and organizations which benefit the community and, in turn, the membership of Lane-Scott Electric Cooperative. These expenses shall be limited to one organization per staff member and determination of whether an organization or club falls under this policy shall be at the discretion of the General Manager.

ATTESTED ____
Secretary

Date Reviewed: February 4, 2019

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: July 26, 1993 **Policy No.:** 403

SUBJECT: Employee involvement in civic clubs.

OBJECTIVE:

To encourage management & staff participation in civic clubs which benefit the community and the cooperative.

POLICY:

The cooperative shall pay the expenses of the General Manager and staff to belong to civic clubs and organizations which benefit the community and, in turn, the membership of The Lane-Scott Electric Cooperative. These expenses shall be limited to one organization per staff member and determination of whether an organization or club falls under this policy shall be at the discretion of the General Manager.

ATTESTED: ________________________________ date:____________
Secretary

Date Reviewed: July 27, 2026

Revisions: July 26, 1993
February 1968

(seal)

10. c. Board Policy 404 Contributions, Floral Tributes, and Gifts Review

This policy is presented for review in conjunction with the pending GM/CEO succession search. From the Manager perspective, I propose updating the dollar amounts and simplifying the policy by making minor, non-substantiative changes.

<u>Background</u>

Board Policy 404 was last amended by the on September 9, 2019. The Board updated the dollar amounts at that time.

Please review this policy and update if necessary.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: September 9, 2019 **Policy No.:** 404
Supersedes Date: September 7, 2010
July 26, 1993
April 1973

SUBJECT: Contributions, Floral Tributes and Gifts

POLICY:

The Cooperative may make donations to recognized charitable institutions and community and civic organizations not to exceed $100.00 without board approval.

This policy shall include memorials not to exceed $50.00 and floral tributes or gifts to employees, board members and their immediate families $100.00. For purposes of this policy, immediate family is defined as spouse, son, daughter, son-in-law, daughter-in-law, and mother, father, brother, sister, mother-in-law, and father-in-law. This policy will also include former board members and their wives and other closely associated with the organization.

ATTESTED Paul Seib, Jr.
Secretary

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: July 27, 2026 **Policy No.**: 404

SUBJECT: Contributions and Memorials

POLICY:

The Cooperative may make donations to recognized charitable institutions and community and civic organizations not exceeding $150.00 without board approval. However, total annual donations may not exceed the Board approved Donation Budget without previous Board approval.

This policy shall include memorials tributes or gifts to former employees and their immediate families, and board members and their spouses not to exceed $150.00. This policy will also include others closely associated with the organization.

ATTESTED:________________________________ date:_____________
Secretary

Date Reviewed: July 27, 2026

Revisions: September 9, 2019
September 7, 2010
July 26, 1993
April 1973

(seal)

10. d. Board Policy 408 Delegation of Authority

This new DRAFT Policy is presented for your consideration. It is designed to assist in succession planning for the new Lane-Scott GM/CEO. I have researched and extracted this policy from multiple cooperative polices across NRECA.

I attempted to include all my areas of responsibility, but I am sure that I forgot something.

Please review and consider for approval.

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: July 27, 2026 **Policy No.** 408

SUBJECT: Delegation of Authority

I. Objective

Through this policy, the board of trustees of The Lane-Scott Electric Cooperative, Inc. (the "Cooperative") delegates to its General Manager and Chief Executive Officer (the "GM/CEO") the authority to execute and carry out the plans, programs, and policies of the board.

A. This duty will be carried out in an equitable and nondiscriminatory manner consistent with the Boards Code of Ethics.
B. The GM/CEO will provide the board with all information requested or required to meet their governing and fiduciary responsibilities.

II. Provisions

Be it resolved that the board of trustees of the Cooperative delegates to the GM/CEO the following:

A. Corporate Responsibilities.
   1. Serving as Custodian of the Cooperatives records and its' official seal.
   2. Keeping a register of the names and addresses of members.
   3. Keeping on file copies of the Cooperatives' Articles of Incorporation and Bylaws and being responsible for furnishing copies thereof to members upon request and within established board policy.
   4. Receiving, receipting, depositing and investing monies received by the Cooperative within established board policy.
   5. Execute documents not requiring Board execution as the General Manager and/or Chief Executive Officer of the Cooperative.
   6. Support the Board's approved Attorney and Auditor.
   7. Serve as the authorized representative and spokesperson of the Cooperative.
   8. Serve on various Cooperative Boards as approved by the Board of Trustees.
   9. Direct the day-to-day operations and activities of the Cooperative, except as specified otherwise by the bylaws or the board of trustees;

   The Board of Trustees recognizes that the GM/CEO may delegate authority to any level, with full recognition that the GM/CEO cannot be relieved of overall responsibility or any portion of accountability.

B. Governance
   1. Formulate and recommend new and amended policies for the Cooperative as well as amendments to the Tariffs for Electric Service to the board of trustees for consideration.
   2. Formulate and recommend strategic objectives to support Board strategic planning goals

C. Safety / Security
   1. Develop and administer an effective safety and loss control program to minimize and control losses due to accidents, environmental hazards, and other risks.
   2. Safeguard the overall security of the Cooperative. This includes but is not restricted to employees and physical and cyber assets.
   3. Formulate safety policies for all employees and present such proposed policies to the Board for consideration.
   4. Facilitate, along with the Cooperative Attorney, all claims filed against the Cooperative.
   5. Prepare and maintain a mitigation plan related to wildfire dangers from power lines.
   6. Promote public safety regarding the use and dangers of electricity.
   7. To report accidents to the Board monthly.

D. Planning
   1. Long- and short-range planning.
      a. Formulate and recommend to the board of trustees long and short-range plans, including plans in such areas as engineering, power supply, financial, capital credit retirement, load forecast studies, etc.
      b. To formulate and enact managerial long and short-range plan, including plans in such areas as crisis communications, emergency response and disaster recovery, business continuity, public and member relations, etc.
   2. Formulate an annual financial, donation, and capital budget to be recommended to the board of trustees for consideration.
   3. Develop plans and materials for the Cooperative's annual meeting and other membership meetings within the provisions of the bylaws and board policy to be recommended to the board of trustees for approval.
   4. Analyze and determine, in coordination with Kansas Electric Cooperatives (KEC) and National Rural Electric Cooperative Association (NRECA), any state and/or federal legislative and regulatory matters to be supported or opposed by the Cooperative consistent with established Cooperative policy.
   5. Periodically study and analyze the Cooperative's rates, billing, and collecting policies to ensure they meet operating requirements and make appropriate recommendations to the board of trustees.

E. Personnel
   1. Organization structure.
      a. Review periodically all activities of the Cooperative and determine the organization structure best suited to carry out overall objectives.
      b. Annually evaluate new positions and re-evaluate existing positions consistent with the needs of the Cooperative and adjust the organizational chart within the limitation of the budget and established policy.
   2. Personnel Actions.
      a. Determine the need for the transfer, reassignment, or elimination of present positions, and effect such changes, as necessary or appropriate.
      b. Develop or approve standards and qualifications for use in recruiting, transfer and promotion of employed personnel. Such standards and qualifications must meet all federal and state legal requirements.
      c. Have complete responsibility and authority to select, appoint, evaluate, compensate, transfer, promote, direct, instruct, discipline, and terminate any

employed personnel in accordance with applicable laws, rules, regulations, practices, procedures, and Board Policies.

   d. Appraise periodically the performance of his or her immediate staff and counsel and coach them on development and professional improvement and succession.
   e. Ensure that a performance appraisal program is established and carried out for all Cooperative personnel.
3. Wage and benefit administration.
   a. To develop a systematic wage and benefit plan for all employees and present it annually to the board of trustees for approval.
   b. Determine all wage adjustments for employees, including cost of living, merit, etc. within the approved wage and salary plan and within the limitations of the budget. Salary and benefit adjustments for the GM/CEO shall be decided by the board of trustees.
   c. Conduct labor surveys as necessary to determine wages paid for comparable jobs in the areas in which the Cooperative operates and/or recruits' personnel and make appropriate recommendations to the board of trustees on any revisions required in the approved wage and salary plan.
4. Benefits.
   a. Recommend to the board appropriate employee fringe benefit programs.
   b. Administer and approve activities with respect to vacations, holidays, sick leave, personal time off and other fringe benefit programs within established policies.
5. Training
   a. Ensure that all employees are trained in accordance with the qualifications and requirements of such positions.
   b. Initiate and promote appropriate management, professional, and technical training programs for all personnel within the limitations of the budget, including sending personnel to appropriate training programs.
6. Position descriptions. Ensure that written position descriptions are prepared and kept current for all Cooperative personnel. Such completed descriptions will not require board approval. This board policy will serve as the position description for the GM/CEO.
7. Consultants.
   a. Recommend to the board the employment of auditors and principal consultants (lender required or those studies affecting all major aspects of the cooperative such as cost-of-service studies, financial forecasting, engineering studies).
      i. Negotiate contracts or agreements for services making an appropriate recommendation to the Board.
      ii. The awarding of all contracts with consultants should comply with RUS policies and procedures.
   b. Negotiate and select non-principal consultants necessary for managerial functions such as construction contractors, right-of-way maintenance, pole inspections, human resources, surveys, and other areas which do not directly affect the function of the Board and do not require the approval of the Board.

F. Operations.
   1. Overall administration
      a. Prepare Operating Polices for employees to clarify administration of board policies, including Tariffs for Electric Service.
      b. Manage the operations of the Cooperative in accordance with the objectives and policies of the board of trustees.

c. Direct appropriate and efficient membership services in areas such as, but not necessarily confined to, the provision of electric service, power use, member education, and research of new services.
d. Direct, research, manage, and recommend ancillary services for the benefit of the cooperative, its members, and the public. Initiating or terminating ancillary services requires board approval.
e. Participate in national, state and local meetings which further the best interests of the Cooperative; investigate and authorize membership in professional organizations which could be beneficial to the Cooperative, within the limitations of the budget and board policy.

2. Direct system improvements and improvements in service as required within the limitations of the budget and within established policy.
3. Determine the amount of and establish proper control of all physical inventories of the Cooperative, including disposition of surplus or obsolete stock of supplies.
4. Provide or request mutual aid to/from other utilities during emergencies.
5. Public & member relations.
    a. Ensure that authorized Cooperative publications are prepared, edited, published and distributed.
    b. Determine and approve Cooperative participation in community and civic activities within the limitations of board policy.
    c. Develop and carry out, within board policy, a comprehensive public and member relations program including, but not necessarily limited to, the publication of an annual report, the issuance of press releases concerning Cooperative operations, and the use of radio and newspapers to obtain increased understanding of the Cooperative's objectives, policies, and goals.
    d. To ensure that regulatory and/or policy publication requirements are met.
6. Financial.
    a. Manage the Cooperative in such manner as to meet the mortgage requirements of the Cooperative's lenders and maintain the financial integrity of the Cooperative.
    b. Administer the approved budget, including making expenditures as required within the limitations of the budget.
    c. Invest or reinvest Cooperative funds, cash investments, and cash bonds when and if necessary to protect the Cooperative's cash position. Investments will be made in government securities, government guaranteed or insured securities, or NRUCFC or CoBank financial instruments, but other investments may be made with board approval.
    d. Authorize and approve the travel and expenses of Cooperative personnel on Cooperative business, within the limitations of the budget and established policy.
    e. Approve accounting systems, procedures, statistics, and types of reports necessary for sound financial management of the Cooperative.
    f. Provide all financial information necessary and required by the board of trustees and the membership.
    g. Purchase all Cooperative equipment, hardware, furniture, materials and supplies, within the limitation of the budget and established policy.
    h. Prepare loan applications to be recommended to the board for approval.
    i. Approve and sign requisitions for funds related to RUS/CFC/CoBank loans.
    j. Review and approve payment of bills, wages, and other expenditures within established policy.
    k. Determine, negotiate, and purchase insurance coverages as deemed necessary or appropriate.

l. Recommend capital credit allocations in accordance with the Bylaws and Board policy.
m. Prepare capital credit retirements for board consideration.
n. Prepare "write-offs" of delinquent accounts for board approval.

G. Controls
1. Safety. Submit monthly safety reports to the board of trustees.
2. Finances.
   a. Submit periodic and special reports to the board on receipts, disbursements, cash balances; keep them informed on the Cooperative's financial position.
   b. Report monthly on revenues and expenditures.
   c. Review the annual financial audit and direct any remedial action required.
3. Quality of service. Submit monthly to the board a report on quality of service and any remedial action recommended or taken.
4. Operations. Submit periodic and special reports to the board of trustees on conformity of operations with approved objectives, policies and programs; recommend any revisions requiring board approval and direct any remedial action required.
5. Power supply. Review periodically the adequacy of power supply and make appropriate recommendations to the board.
6. Member complaints. Work to resolve public and member complaints and take any corrective action required or to recommend appropriate action by the board.
7. Bylaws. Periodically review the bylaws in consultation with the Cooperative attorney and recommend to the board any revisions required.

III. RESPONSIBILITY

A. The board of trustees is responsible for any change or revision of these delegations and shall provide guidance for the GM/CEO, when requested or deemed necessary, during board meetings.
B. The president shall provide guidance to the GM/CEO, when so requested or deemed necessary, between board meetings.

ATTESTED:____ date:______________
Secretary

Creation: July 27, 2026

(seal)

10. e. NRECA Regional Meeting Delegates

The 2026 NRECA Region 7 and 9 Meeting will be held in Sacramento, Salt Lake City on October 4-6, 2026. CFC will also hold a District meeting on October 4-6, 2026. Current NRECA delegates of record are:

- Craig Ramsey, Voting Delegate, and
- Richard McLeon, Alternate Voting Delegate

As of July 9, 2026, Trustee James Jordan and GM/CEO Richard McLeon are registered to attend the regional meeting.

Management requests that the Board select the Voting and alternate Delegates to the 2026 NRECA Region 7 and 9 Business Meeting and CFC District Meeting.

The submitting the Delegates will be completed on-line and will require a separate certification from the Board President and Board Secretary.

The Reverand Richard McLeon

PO Box 670, Dighton, Kansas 67839 or PO Box 698, Henderson, Texas 75653

27 July 2026

The Board of Trustees
The Lane-Scott Electric Cooperative, Inc.
PO Box 758
Dighton, KS 67839

Re: Notice of intent to Retire

Dear Trustees,

It has been an honor and a privilege to work with the Lane-Scott Board and employees these past seven years. Together we have taken bold and significant steps to improve and assure the stewardship of this cooperative for our members for years to come. Therefore, it is with mixed emotions that I announce my intent to retire from The Lane-Scott Electric Cooperative, Inc. in 2027.

Board Policy 514 Employee Retirement Plan, A., states *"The normal retirement shall be after thirty (30) years of service or reaching 62 years of age…."* I began my Cooperative career on April 4, 1994, and had 30 years of service in April 2024. That same year I reached 62 years of age in December.

To give the Board maximum opportunity to find a suitable replacement and to allow ample time for a smooth transition, I offer a range from March 2, 2027 to the earlier of the 2027 LSEC Annual Meeting or July 21, 2027 as my last day in the office. It is my intent to work with the Board to discover a mutually agreeable final date that is convenient for the next GM/CEO of the Cooperative. I will submit a final letter at that time to the Board of Trustees and the LSEC Human Resources for processing.

Thank you for your support and goodwill over these past years. I pray for your continued success and will always look fondly upon my years with The Lane-Scott Electric Cooperative, Inc.

Sincerely,

The Reverand Richard McLeon, MBA, MSc.
General Manager and CEO
The Lane-Scott Electric Cooperative, Inc.

cc: Diana Kuhlman, LSEC Human Resources Director

10. g. 2026 Audit Engagement letter

Bolinger, Segars, Gilbert, and Moss submitted their 2026 Audit Engagement Letter for Board consideration. Randy Robbins, CPA (partner) has been conducting the Lane-Scott audit since the LSEC: MKEC merger in 2019.

Audit Engagement

estimated fees

	Kelso	Jackson-Thornton	BSGM	
2016	12,335			
2017	13,160			
2018	12,900			
2019		13,300	23,000	Merger of LSEC and MKEC
2020			23,000	
2021			24,000	
2022			26,000	
2023			27,000	
2024			28,000	
2025			29,000	
2026			29,000	

Aside from conducting the Audit for the Board, they also provide accounting consulting services throughout the year for LSEC staff and management. BSGM is recognized by cooperatives nationally for their expertise and has been essential in helping us:

- Merge LSEC and MKEC assets, bookkeeping, and financials,
- Consulted on the merged depreciation schedule,
- develop the current capital credits retirement program, and
- establishing special inventory accounting for acquired substations and transmission assets

They audit multiple electric cooperatives including Lane-Scott, Wheatland, Victory, and Prairie Land in Kansas.

Management requests that the Board approved the 2026 Audit Engagement Letter from BSGM.

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
8215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

July 9, 2026

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

We submit the enclosed audit agreement for the year ended December 31, 2026. RUS policy requires that a written agreement be obtained for the annual audit engagement and a copy be retained for inspection by RUS. If the terms are acceptable, please have the agreement signed by a corporate officer and return one to us.

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

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

Very truly yours,

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

By: Randy Robbins

Randy Robbins, Partner

Enclosures

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
8215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

July 9, 2026

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

We are pleased to confirm our understanding of the services we are to provide Lane-Scott Electric Cooperative, Inc. for the year ended December 31, 2026.

Audit Scope and Objectives

We will audit the financial statements of Lane-Scott Electric Cooperative, Inc. (Cooperative), which comprise the balance sheet as of December 31, 2026 and the related statements of income and patronage capital, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the "financial statements"). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

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

Audit Objectives

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Audit Procedures—Internal Control

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

Audit Procedures—Compliance

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

Responsibilities of Management for the Financial Statements

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

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Cooperative from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

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

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

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

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

Other Services

We will prepare the Cooperative's federal and state information returns for the year ended December 31, 2026 based on information provided by you. We will also assist in preparing the financial statements and related notes of Lane-Scott Electric Cooperative, Inc. in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information return, but management must make all decisions with regard to those matters.

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

Engagement Administration, Fees, and Other

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

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

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

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

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

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

Reporting

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

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

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

Very truly yours,

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

By: Randy Robbins

Randy Robbins, Partner

RESPONSE:

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

By: ______________________________

Title: ______________________________

Date: ______________________________

U. S. DEPARTMENT OF AGRICULTURE

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms *covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded*, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause title "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

Debarment Certification (continued)

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

CERTIFICATION

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

   a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

   b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

   c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

   d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
Organization Name | PR/Award Number or Project Name

Randy Robbins - Partner
Name and Title of Authorized Representative

Randy Robbins
Signature | 7/9/2026
Date

ATTACHMENT A

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

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

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

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

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

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

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

MWH GROUP
CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

Report on the Firm's System of Quality Control

October 31, 2023

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

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

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

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

MWH Group, P.C.

MWH Group, PC

MWH GROUP, P.C. 624 Indiana P.O. Box 97000 Wichita Falls, TX 76307 (940) 723-1471 Fax (940) 723-2251 www.mwhpc.com

SAFETY PROGRAM

- **Safety Monthly Summary:** Working with Carrie on Emergency Response Plan, Safety Council Walk thru is 95 percent completed. Disaster Recovery Plan is in proofing stage. Hoping to have completed soon.

- Changed out line guards on the bucket trucks.

*SAFETY PROJECTS **COMPLETED** AS OF June 2026*

1. Rubber gloves changed out.
2. Rubber sleeves changed out.
3. In- House safety meeting, discussed KEC Safety Summit. Discussed amendments to Emergency Action Plan.

Ann Jennings's submitted report:

- Electrical Safety Around Water- KCL magazine, e-newsletter, social media
- Kitchen Appliance Safety, GFCI's social media.
- Keeping Cool During Summer Outages-Social Media
- Smishing-social media

Diana Kuhlman submitted reports:

- Attended Monthly Safety Meeting.
- Coordinate Monthly Drug Testing.
- Submitted No- Time Loss Report.
- Submitted annual No Time Lost Accident Award Report.

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

1. Completed SafetyAmp Inspection digital form: Completed right of way permits, and overlength permits.
2. FCC radios: Looking into location near McCracken for new tower.
3. Safety Council Yearly Walk-through items being repaired. 95% completed.
4. RESAP Onsite Observation.
    - Sub Station Circuits are being identified. Completed.
    - URD cables being identified and labeled. 75 percent completed.
    - Pad mount and switch cabinet signage. 75 percent completed.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
SAFETY MEETING
June 24th, 2026

Chris Terhune called the meeting to order at 9:02 a.m.
Minutes were read: Minutes were reviewed. Dellon Shelton made a motion to approve May 28th, 2026, minutes. Dal Hawkinson seconded the motion.
Present: Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chris Terhune, Myron Seib, Kevin Bradstreet, Dellon Shelton, Blake McVicker, Taylor Cable, Bailey Wells, Nate Burns, Tad Eubanks, Scott Briand, Michael Pollock, Tate Burrell, Carrie Borell, Ann Jennings, Diana Kuhlman, Jocelyn Shull, Cindy Fuentes-Ummel, Lillie Koehn, and Isabella McNey.
Absent: Richard McLeon, and Chad Rupp.
Guest:

Truck report of inspections:

105	Logan Seifried	OK
110	Dellon Shelton	OK
112	Taylor Cable	OK
123	Tate Burrell	OK
136	Taylor Cable	OK
143	Tate Burrell	OK
145	Dal Hawkinson	OK
150	Kasey Jenkinson	OK
191	Tate Burrell	OK
200	Ben Mann	OK
201	Blake McVicker	OK
305	Dellon Shelton	OK
2401	Myron Seib	OK
2402	Chris Terhune	OK
2501	Nate Burns	OK
2502	Taylor Cable	OK
2503	Bailey Wells	OK

Trailer and Equipment report for inspections:

502	Myron Seib	OK
507	Myron Seib	OK
515	Myron Seib	OK
504	Myron Seib	OK
505	Chris Terhune	OK
508	Chris Terhune	OK
509	Chris Terhune	OK
513	Chris Terhune	OK
516	Chris Terhune	OK
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	Myron Seib	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: All passed.
Line Hoses Annual Test Results: N/A
Blankets Annual Test Results: N/A
Sleeves Quarterly Test Results: N/A
Substation and Regulator Report: Scott Park Substation has load on all circuits except on the spare. City of Ransom and Arnold are being fed from the Ransom Substation. Changed out Regulators on south Dighton City Circuit from lightning damage.
PCB Report: None to Report
Line Clearance: Scott Park, Brenner's rental house, City of Alexander, Solida is trimming trees in City of Ness City, clearing primary and secondaries. Solida will be working next northeast of Ness City on Rural lines.
Accident and Near Misses: Stalled van on side of the bridge project on Highway 156 was blocking the east bound lane, it was around 5:30 am. Visibility was reduced due to darkness and rain. Truck 2402 swerved to miss the stalled van on its way back from an outage at Doll Land & Cattle.
Good Catch Report: N/A.
Old Business: Carrie Borell: Server upgrade has been delayed. GIS server will be transitioning soon. Thank you for your patience and understanding.
New Business:

- Dal Hawkinson: Solida has reached 60 percent of their budget for tree trimming on LSE's system for this year. D.V. Douglas will be replacing the roof on the admin. building in Dighton. Tallgrass has transitioned to Bridger Pipeline Working on load study and long-range plan.
- Carrie Borell: Access control was struck by lightning. Causing damage to switch and card readers. One switch is under warranty. The other switch and networking parts are being ordered and replaced. Nex-Tech will be updating the access control and security system.
- Ann Jennings: Member satisfaction survey is being sent out. Annual Meeting will be July 14th. Meal begins at 6:30, and the rides open at 6:00pm.
- Diana Kuhlman: Working on Professional development with Cathy Domsch. Working on new employee policies. New Annual meeting shirts will be given out soon to celebrate LSE's 85th anniversary.
- Cindy Fuentes-Ummel: Disconnects will be done on Friday in the month of July.
- Kasey Jenkinson: Auto switches are online for the City of Healy and are operating correctly.
- Chris Terhune: Conducted In-House safety meeting, talked about KEC safety summary, discussed amendments to the Emergency Action Plan. Discussed the relocation of the First Aid Kit to the training room. Discussed Professional and Technical Training ideas for the Employee's of LSE.

Meeting adjourned.

Chris Terhune	Carrie Borell
Safety Coordinator	Safety Administrator

LANE-SCOTT ELECTRICT COOPERATIVE, INC.
SAFETY COUNCIL COMMITTEE MEETING
June 24, 2026

Dellon Shelton called the meeting to order at 1:00pm.

Minutes were read: Chris Terhune made a motion to approve the February 10th minutes, and Dellon Shelton seconded. The minutes were read and approved.

Present: Chris Terhune, Dellon Shelton, and Carrie Borell

Quarterly Crew Visit: March and June 18th completed.

Old Business:

- Chris Terhune:
    - Will follow up with Scott Briand on replacing 3-phase tree with spring loaded wires holders for Kasey's truck.
- Safety Council RESAP Walk Thru:
    - Decal replacements are in progress, about 95% completed.
- KEC RESAP Walk Thru items for improvement is about 90% done.
    - In progress of labeling working load limits on each shelf.
- Carrie Borell:
    - The Strategic Plan was presented to the board in February and approved.
    - Policy 508 amendments were approved.
    - Carrie Borell met with Nex-Tech for replacement on the existing access controls and security camera. Performed a facility review to discuss cybersecurity and physical security risk mitigations. Reviewed vulnerabilities, hardware/structural damages, front entry security, network and software security. Discussed maintenance, support, and previous assessment security recommendations. Safety council discussed providing employee vehicle codes for gate entries.

New Business:

- Safety Program: Budget report reviewed and updated. Accounting radio and collapsible traffic cones for all pickups were purchased. Chris is getting cover up quote and follow up on offered donation for a trailer accessory ladder for demo trailer.
- Chris Terhune:
    - Discussed the leadership and technical development program.
    - Active Shooter supplies were approved and will be taken to Richard McLeon for purchase approval.
    - EAP amendments and additions were presented at safety meeting. Additional recommendations were approved. Amendments will be taken to Richard McLeon for final approval.

Meeting adjourned

Chris Terhune	Carrie Borell
Safety Coordinator	Safety Compliance Administrator