To: **Board of Trustees and Attorney - DRAFT**

A regular meeting of the Board of Trustees has been scheduled for August 24, 2026, at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reading and Approval of Minutes
3. Presentation of Check Register
4. Presidents Report
5. Attorney's Report
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
9. Old Business
10. New Business
    a. Communications /Member Services Report – Ann Marie Jennings
    b. Capital Credit Retirement Plan
    c. Board Policy 405. GM serving on other Boards
    d. Board Policy 406. Residence of the GM
11. Safety Program Report
12. Executive Session (is not requested).
13. Adjourn

Upcoming Events:

Office Closed – Labor Day		Sep 7
Sunflower Board Meeting	Hays	Sep 15-16
LSEC Board of Trustees	Dighton	Sep. 28
KEC Board Meeting	Wichita	Sep 30-Oct 1.
NRECA Regional Meeting	Salt Lake City, UT	Oct 4-7

MINUTES OF THE REGULAR JULY 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, July 27 22, 2026, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:49 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, Carrie Borrell and Joseph D. Gasper, Attorney.

REORGANIZATION AND ELECTION OF OFFICERS

President, Jennison asked Attorney Gasper to chair the meeting for the election of officers.

Attorney Gasper called for nominations for president to serve until the next election of officers following the annual meeting in year 2027.

Richard Jennison was nominated to serve as President. The nomination was seconded and it was moved that nominations cease and that a unanimous ballot be cast for Richard Jennison to serve as President. The motion was duly seconded and carried.

Craig Ramsey was nominated to serve as Vice-President. The nomination was seconded and it was moved that nominations cease and that a unanimous ballot be cast for Craig Ramsey to serve as Vice-President. The motion was duly seconded and carried.

Randall Evans was nominated to serve as Secretary. The nomination was seconded and it was moved that nominations cease and that a unanimous ballot be cast for Randall Evans to serve as Secretary. The motion was duly seconded and carried.

Susan Nuss was nominated to serve as Treasurer. The nomination was seconded and it was moved that nominations cease and that a unanimous ballot be

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Secretary President

cast for Susan Nuss to serve as Treasurer. The motion was duly seconded and carried.

Attorney Gasper called for action on the time and place for the monthly meeting. *A motion to keep the monthly board meeting and time to 7:00 p.m. on the fourth Monday of each month at the Cooperative headquarters was made, duly seconded and carried.*

Attorney Gasper called for action on Trustee Compensation. *A motion to keep the Trustee compensation at the current level was made, duly seconded and carried.*

A motion to appoint Richard Jennison and Manager McLeon as the Sunflower delegates and Randall Evans and Dal Hawkinson as the alternate Sunflower delegate was made. The motion was seconded and carried.

A motion to appoint Craig Ramsey as the KEC delegate and Manager McLeon as the alternate KEC delegate was made. The motion was seconded and carried.

IT REPORT

Carrie Borrell presented a Purchasing and Warehouse report. Highlights of his report are as follows:

- IT has been working on improving data analytics and resiliency of the system.
- The meter collector security has been improved by installing fiber to the collectors.
- Sonic Walls and Firewalls have had software upgrades.
- Battery backups have been installed on the collectors, and the boxes all have locks on them. The data is also being encrypted for added security.
- LSEC has collectors on hand to replace any that go bad.
- The member bill print has been redesigned. The data extraction, integration and collection are also better with the redesign.
- Implementation of processes for data entry and workflow have been implemented and updated. This helps keep track of the workflow and billing as well as member communication.
- NISC is helping with financial processes automation. This will help reduce data entry and assist with responsibility assignment.
- The purchase order system has been made electronic, which helps with inventory and pricing.
- The engineering staking program has gone through a merger which will require some changes in the near future.
- Some software companies have increased their licensing subscription costs, so LSEC has made various changes to help with cost savings.

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Secretary President

- AI continues to be an evolving technology. There are benefits and risks associated with AI.
- NIST, DHS and CISA all recommend that companies have an AI policy in place. The policy can prohibit or allow AI pursuant to the policy. A major concern with AI systems is privacy of data that could be put into the AI program. The draft AI policy was reviewed and discussed. The board discussed concerns as well as potential benefits of AI. The board did not take action on the policy and will discuss the topic in the future.

Carrie left the meeting after her presentation.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on June 22, 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 provided an update on the radio tower land purchase and Ness County lease.

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.

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Secretary President

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were available for review. A question was raised on a shipping expense for an oil and air filter from Generac which was $70. Manager McLeon will look into the high shipping cost and address the issue.
- Total Operating Revenues are up 4.46% at $9,865,215 YTD. Wholesale power costs are up 11.17% YTD. The distribution margin is $4,724,584 YTD. Controllable expenses are up $121,115 YTD from increased operations expenses driving Operating Margins down $105,750 to $624,628 YTD.
- Reliability remains high. LSEC had 8 hours of "All Other" outages affecting 1.030 meters and 1 hour of Major Event outage affecting 569 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%.
- Manager expenses totaled $698.75 and there were no *per diem* requests.
- Manager McLeon reviewed the strategic plan update. The overall completion rate was 18% at this time. The roofer will likely be on site in 2-3 weeks. The long-range construction plan will probably be completed in about 6 months.
- Operating Margin is $128,273 loss with $624,628 YTD.
- Total Margin is $100,931 loss with $811,280 YTD.
- The Cash Balance is $6,505,883. This dropped due to loan payments.
- The rolling 12-month metrics remain very good.
- Operations is focused on maintenance and engineering projects. Oneok is experiencing issues in Colorado which is restricting the load. Scott Park is energized and carrying the 5th most load out of 15 substations.
- CT and PT inspections are 75% complete.
- Underground inspections are 80% complete and these inspections will start to be done quarterly instead of annually.
- Engineering is working with NISC on the switching coordination at Healy.

RECEIPT OF MANAGER'S REPORT

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

SAFETY REPORT

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Secretary President

A safety report was included in the board packet.

OLD BUSINESS

- There was no old business before the board.

NEW BUSINESS

1. Policy 403

- Board policy 403 was reviewed with the Board and no changes were recommended by staff. The Board noted that this policy was reviewed and no changes were made to policy 403.

2. Policy 404

- Manager McLeon presented the proposed changes to Board Policy 404 amending the dollar amount and family definition changes.
- *A motion to approve the proposed changes to Board Policy 404 as presented, was made, duly seconded and carried.*

3. Policy 408

- Manager McLeon presented Board policy 408 regarding Delegation of Authority to the Board. This is a new policy and sets out the delegation of authority to the General Manager/CEO. The Board discussed the proposed policy and recommended removal of section II.G.7 for redundancy.
- *A motion to approve Board Policy 508 with the change to remove section II.G.7 was made, duly seconded and carried.*

4. NRECA Regional Meeting Delegates

- James Jordan was appointed voting delegate and Manager McLeon the alternate voting delegate for the 2026 NRECA Region 7 and 9 Meeting.

5. GM/CEO Retirement Letter of Intent

- Manager McLeon presented the board with his retirement letter of intent.

6. 2026 Audit Engagement Letter

- The Board reviewed the audit engagement letter and discussed the audit.

Secretary _____ President _____

- *A motion to accept the 2026 Audit Engagement Letter and to engage Bolinger, Segars, Gilbert and Moss as the 2026 auditor was made, duly seconded and carried.*

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 9:17 p.m., on Monday, July 27, 2026.

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Secretary President

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
4033	7/13/26	WIRE	1160	S&T TELEPHONE COOP ASSN.	Monthly Bill		190.83
					Monthly Bill		190.83
					Monthly Bill		271.50
					Monthly Bill		110.70
					Monthly Bill		190.84
					Monthly Bill		190.83
						Total for Check/Tran - 4033:	1,145.53
4034	7/13/26	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Bill		724.75
					Monthly Bill		129.95
					Monthly Bill		173.42
						Total for Check/Tran - 4034:	1,028.12
4035	7/15/26	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX		15,243.07
4036	7/15/26	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX		19.76
4037	7/15/26	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY		14,694.52
4038	7/15/26	WIRE	614	MEDICARE	FICA MEDICARE		3,436.62
4039	7/15/26	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE		314.42
					NRECA GROUP INSURANCE		1,075.61
						Total for Check/Tran - 4039:	1,390.03
4040	7/15/26	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401K ROTH CONTRIBUTION		7,415.44
					NRECA 401(k) PENSION PLAN		4,402.86
					401(k) CONTRIBUTION PAYMENT fje.602		3,219.91
					NRECA-401(K) LOAN #4		163.78
					NRECA-401(K) LOAN #2		96.50
						Total for Check/Tran - 4040:	15,298.49
4041	7/15/26	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY		31,426.80
4042	7/15/26	WIRE	609	STATE TAX	STATE PAYROLL TAX		5,650.40

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
54441	7/16/26	CHK	1	LANE COUNTY FAIR AMUSEMENT	Operating fair rides & Annual Meeting	100.00
54442	7/16/26	CHK	1	RANSOM OCTOBERFEST	Donation	50.00
54443	7/16/26	CHK	1	SACRED HEART SCHOOL	fall festival donation	50.00
54444	7/16/26	CHK	5	ALMA JEWELL TESTAMENTARY TRUST	Check Rewrite	210.66
54445	7/16/26	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	77,000.00
54446	7/16/26	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC Monthly Assessment	8,023.88
54447	7/16/26	CHK	105	CITY OF NESS CITY	June Pay Station	1,019.63
					Monthly Bill	29.27
					Monthly Bill	35.77
					Total for Check/Tran - 54447:	1,084.67
54448	7/16/26	CHK	117	NESS CITY FARM & FEED	Monthly Bill	92.14
54449	7/16/26	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming	4,530.00
54450	7/16/26	CHK	427	DIGHTON HERALD LLC	Monthly Bill	80.00
54451	7/16/26	CHK	479	CASE BECKMAN	June Mowing	420.00
54452	7/16/26	CHK	516	WESTERN KANSAS BROADCAST CENT	Advertising	480.00
54453	7/16/26	CHK	634	FINLEY ENGINEERING COMPANY, INC.	Professional Services for June	813.00
54454	7/16/26	CHK	903	NISC	June 2026 Print Services	2,031.39
					June 2026 Print Services	340.35
					June 2026 Print Services	39.42
					June 2026 Print Services	231.54
					June 2026 Misc	404.50
					june 2026 recurring invoice	868.00
					june 2026 recurring invoice	1,941.90
					june 2026 recurring invoice	1,172.58

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					june 2026 recurring invoice		5,825.71
					june 2026 recurring invoice		485.48
					june 2026 recurring invoice		1,456.43
						Total for Check/Tran - 54454:	14,797.30
54455	7/16/26	CHK	998	LANE COUNTY 4-H COUNCIL	Livestock Auction Donation		200.00
4063	7/20/26	WIRE	1229	NORTHEND DISPOSAL	Monthly Trash Bill		633.68
54456	7/22/26	CHK	1	FORT HAYS STATE UNIVERSITY	Continuing Eduation Scholarship		1,500.00
54457	7/22/26	CHK	20	BASIN ELECTRIC POWER COOP	dispatch & alarm monitoring		2,482.65
54458	7/22/26	CHK	59	NRECA	2026 Membership Dues		8,535.00
54459	7/22/26	CHK	79	POSTMASTER	Newsletter Postage		149.64
54460	7/22/26	CHK	107	CINTAS CORPORATION #449	Mats		99.02
54461	7/22/26	CHK	160	SHULL OIL COMPANY	Monthly Fuel Bill		4,637.32
					Monthly Fuel Bill		3,876.06
					Monthly Fuel Bill		101.45
						Total for Check/Tran - 54461:	8,614.83
54462	7/22/26	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Monthly Bill		1,850.00
54463	7/22/26	CHK	380	GRAINGER	Ground Kits		61.15
					Ground Kits		6.79
						Total for Check/Tran - 54463:	67.94
54464	7/22/26	CHK	554	KELLER ELECTRIC LLC	Labor/Mileage		1,835.00
					Labor/Mileage		1,500.00
						Total for Check/Tran - 54464:	3,335.00
54465	7/22/26	CHK	577	JAY HAWKINSON	Annual Dot Inspections (3)		309.22
54466	7/22/26	CHK	641	UNDERGROUND VAULTS & STORAGE I	Paper Shredding		55.00

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54467	7/22/26	CHK	646	NESS CITY ROTARY CLUB	May & June Meals		40.00
54468	7/22/26	CHK	649	ELLIOTT ELECTRIC SUPPLY	LINE MAT.		112.50
					LINE MAT.		12.50
						Total for Check/Tran - 54468:	125.00
54469	7/22/26	CHK	790	SUNBELT SOLOMON	Parts		8,490.41
54470	7/22/26	CHK	1225	CINTAS CORPORATION	First aid kit restock		267.77
54471	7/22/26	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Glove Testing		134.50
4058	7/23/26	WIRE	586	NETWORK COMPUTING SOLUTIONS	Thinkpad Lenovo		2,817.75
4052	7/27/26	WIRE	595	JMS ADVISORY GROUP	Annual compliance services		2,004.80
4051	7/28/26	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax		24,919.47
4054	7/28/26	WIRE	183	HIBU INC	Mothly Yellowbook bill		23.00
4057	7/29/26	WIRE	586	NETWORK COMPUTING SOLUTIONS	Remote Support		1,245.04
4061	7/29/26	WIRE	101	ATMOS ENERGY	Monthly Bill		92.01
					Monthly Bill		16.24
						Total for Check/Tran - 4061:	108.25
4043	7/30/26	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE		314.42
					NRECA GROUP INSURANCE		1,075.61
						Total for Check/Tran - 4043:	1,390.03
4044	7/30/26	WIRE	609	STATE TAX	STATE PAYROLL TAX		5,024.02
4045	7/30/26	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX		12,609.30
4046	7/30/26	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX		15.73
4047	7/30/26	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY		13,298.02
4048	7/30/26	WIRE	614	MEDICARE	FICA MEDICARE		3,110.04

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
4049	7/30/26	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401K ROTH CONTRIBUTION		7,415.44
					NRECA 401(k) PENSION PLAN		4,411.81
					401(k) CONTRIBUTION PAYMENT fje.602		3,223.39
					NRECA-401(K) LOAN #4		163.78
					NRECA-401(K) LOAN #2		96.50
						Total for Check/Tran - 4049:	15,310.92
4050	7/30/26	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY		31,426.80
4056	7/30/26	WIRE	586	NETWORK COMPUTING SOLUTIONS	Shipping Charge - JS Labtop		58.59
4055	7/31/26	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Water		135.03
4059	7/31/26	WIRE	586	NETWORK COMPUTING SOLUTIONS	Monthly Bill		7,080.04
4062	8/3/26	WIRE	1187	MIDWEST ENERGY	Monthly Bill		12.44
					Monthly Bill		8.71
					Monthly Bill		12.44
					Monthly Bill		28.62
						Total for Check/Tran - 4062:	62.21
4064	8/3/26	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Bill		31.31
					Monthly Bill		91.28
					Monthly Bill		159.12
					Monthly Bill		920.82
					Monthly Bill		82.68
						Total for Check/Tran - 4064:	1,285.21
4060	8/4/26	WIRE	530	SNAP-ON CREDIT LLC	Monthly Software subscription Bill		53.64
54472	8/4/26	CHK	1	FORT HAYS STATE UNIVERSITY	Kamryn Anderson Continuing Education Sch		1,500.00
54473	8/4/26	CHK	1	THE RUSH COUNTY NEWS	Annual Meeting Ad		312.00
54474	8/4/26	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer		69,000.00
54475	8/4/26	CHK	40	KANSAS ELECTRIC COOPERATIVES	KCL Subscriptions/Centerspread		2,673.74

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54476	8/4/26	CHK	59	NRECA	Subscription to rural electric magazine		390.00
					Subscription to rural electric magazine		273.00
						Total for Check/Tran - 54476:	663.00
54477	8/4/26	CHK	63	RICHARD JENNISON	Meeting Expense		368.85
54478	8/4/26	CHK	73	STANION WHOLESALE ELEC CO INC	LINE MATERIAL		207.77
					LINE MATERIAL		23.08
					RETAIL		8.46
					ELEC EXP		417.28
					LINE MATERIAL		638.27
					6052		1,412.78
					LINE MAT.		110.57
					LINE MAT.		12.28
					LINE MAT.		2,877.63
					LINE MAT.		319.73
					LINE MATERIAL		283.47
					LINE MAT.		1,144.60
					LINE MAT.		127.17
					LINE MATERIAL		451.64
					LINE MAT.		2,099.45
					LINE MAT.		233.27
					RETAIL		1,145.16
					ELEC EXP		109.60
					ELEC EXP		20.31
					RETAIL		676.75
					RETAIL		57.51
					LINE MATERIAL		197.01
					LINE MAT.		114.23
					LINE MAT.		12.69
					RETAIL		232.04

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					ELEC EXP		47.11
					RETAIL		295.91
					RETAIL		716.91
					ELEC EXP		178.28
					ELEC EXP		722.52
					RETAIL		1,820.14
					ELEC EXP		9.53
					RETAIL		1,931.15
					LINE MATERIAL		885.67
					LINE MAT.		3,296.47
					LINE MAT.		366.29
					LINE MAT.		661.46
					LINE MAT.		73.49
					ELEC EXP		185.26
					ELEC EXP		36.78
					LINE MAT.		952.27
					LINE MAT.		105.80
					TOOLS		1,006.79
					LINE MAT.		2,235.58
					LINE MAT.		248.40
					ELEC EXP		44.32
					LINE MATERIAL		2,077.87
					LINE MAT.		3,392.02
					LINE MAT.		376.88
						Total for Check/Tran - 54478:	34,599.65
54479	8/4/26	CHK	105	CITY OF NESS CITY	Franchise Fee		6,672.35
54480	8/4/26	CHK	107	CINTAS CORPORATION #449	Matts		453.78
54481	8/4/26	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming - Ness co		4,980.00
					Tree Trimming - Ness co.		7,095.00

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 54481:	12,075.00
54482	8/4/26	CHK	135	CITY OF BAZINE	Franchise Fee		2,242.32
54483	8/4/26	CHK	138	CITY OF UTICA	Franchise Fee		1,913.73
54484	8/4/26	CHK	139	CITY OF MCCRACKEN	Franchise Fee		1,922.76
54485	8/4/26	CHK	140	CITY OF BROWNELL	Franchise Fee		541.61
54486	8/4/26	CHK	141	CITY OF RANSOM	Franchise Fee		3,933.46
54487	8/4/26	CHK	142	CITY OF ALEXANDER	Franchise Fee		804.07
54488	8/4/26	CHK	187	S&W SUPPLY DIVISION	Parts		65.90
54489	8/4/26	CHK	218	SPENCER PEST CONTROL	structural & rodent control		162.75
54490	8/4/26	CHK	238	ILLINOIS MUTUAL	Insurance Premium		54.24
54491	8/4/26	CHK	269	ANIXTER INC	LINE MAT.		641.57
					LINE MAT.		71.28
						Total for Check/Tran - 54491:	712.85
54492	8/4/26	CHK	306	BORDER STATES INDUSTRIES INC	LINE MATERIAL		7,785.42
					LINE MATERIAL		865.04
					LINE MAT.		281.01
					LINE MAT.		31.23
					LINE MATERIAL		154.07
					LINE MAT.		416.62
					LINE MAT.		46.28
					LINE MAT.		973.84
					LINE MAT.		108.20
					TOOLS		129.12
					TOOLS		172.52
					LINE MATERIAL		2,011.95
					LINE MAT.		643.52

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					LINE MAT.		71.49
					LINE MAT.		-238.27
					LINE MAT.		-26.47
					METERS		31,374.00
					LINE MAT.		387.86
					LINE MAT.		43.10
					LINE MAT.		660.11
					LINE MAT.		73.35
						Total for Check/Tran - 54492:	45,963.99
54493	8/4/26	CHK	366	DIANA KUHLMAN	Interact		414.00
					Interact hotel & uber		920.81
						Total for Check/Tran - 54493:	1,334.81
54494	8/4/26	CHK	383	HUXFORD POLE AND TIMBER CO INC	LINE MATERIAL		24,071.81
54495	8/4/26	CHK	386	SEILER INSTRUMENT & MFG CO INC	Geospatial Subscription 1 year		1,995.00
54496	8/4/26	CHK	406	RICHARD MCLEON	Sunflower b Meeting - Hays & KEC MDM Top		514.18
54497	8/4/26	CHK	450	RANDALL G EVANS	July Board Meeting		350.73
54498	8/4/26	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Kocera		110.38
54499	8/4/26	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Bill		1.50
					Monthly Bill		1.05
					Monthly Bill		1.50
					Monthly Bill		3.45
						Total for Check/Tran - 54499:	7.50
54500	8/4/26	CHK	562	RENSENHOUSE	ELEC EXP		195.54
					RETAIL		594.00
					ELEC EXP		1,265.55
					ELEC EXP		2,842.57
					ELEC EXP		31.38

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					ELEC EXP		1,881.26
					ELEC EXP		159.60
					ELEC EXP		55.92
						Total for Check/Tran - 54500:	7,025.82
54501	8/4/26	CHK	568	SUSAN NUSS	July Board Meeting		432.65
54502	8/4/26	CHK	570	JAMES W JORDAN	July Board Meeting		398.58
54503	8/4/26	CHK	588	GEROME L COPELAND	July Board Meeting		402.20
54504	8/4/26	CHK	599	MITCH'S TRASH SERVICE	July Trash		75.00
54505	8/4/26	CHK	620	SPARTAN PUMP & SUPPLY LLC	Blue Cement - Shop		47.26
54506	8/4/26	CHK	623	SHELLY TURNER	Meeting Expense		373.20
54507	8/4/26	CHK	624	RANDY J EVANS	Meeting Expense		389.15
54508	8/4/26	CHK	625	GARY SHAPLAND	Meeting Expense		350.73
54509	8/4/26	CHK	638	RESCO	LINE MAT		966.74
					LINE MAT.		107.41
						Total for Check/Tran - 54509:	1,074.15
54510	8/4/26	CHK	773	BRETZ, INC.	Monthly Bill		106.82
54511	8/4/26	CHK	803	ALTEC INDUSTRIES, INC	Truck 2502		572.25
54512	8/4/26	CHK	903	NISC	Prosupport		524.00
54513	8/4/26	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Regular Locate Fee		26.60
54514	8/4/26	CHK	1160	S&T TELEPHONE COOP ASSN.	Monthly Bill		257.43
54515	8/4/26	CHK	1225	CINTAS CORPORATION	First Aid Restock		186.70
54516	8/4/26	CHK	1251	TECHLINE, LTD	LINE MATERIAL		1,016.38
					LINE MAT.		789.75

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					LINE MAT.		87.75
					LINE MAT.		142.82
					LINE MAT.		15.86
					TOOLS		793.28
					LINE MATERIAL		485.33
					LINE MAT.		768.99
					LINE MAT.		85.44
						Total for Check/Tran - 54516:	4,185.60
54517	8/4/26	CHK	1285	TIFCO INDUSTRIES	Parts		175.64
					Parts		19.52
						Total for Check/Tran - 54517:	195.16
54518	8/4/26	CHK	1300	CRAIG RAMSEY	Meeting Expense		386.25
54519	8/4/26	CHK	9999	TAMMY SHULL	DEP To AP		118.40
4067	8/5/26	WIRE	586	NETWORK COMPUTING SOLUTIONS	New Docking Station		215.92
4068	8/5/26	WIRE	586	NETWORK COMPUTING SOLUTIONS	Shipping Charge - Docking Station		38.39
4066	8/6/26	WIRE	586	NETWORK COMPUTING SOLUTIONS	Remote Support - Sentinel one deployment		230.56
4069	8/6/26	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange Report		40.80
4070	8/7/26	WIRE	468	U.S. BANK	RETAIL		546.20
					RETAIL		624.95
					Monthly CC Bill		56.51
					Monthly CC Bill		514.95
					Monthly CC Bill		1,148.76
					Monthly CC Bill		816.74
					Monthly CC Bill		2,478.94
					Monthly CC Bill		508.57
					Monthly CC Bill		142.92
					Monthly CC Bill		459.00

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					Monthly CC Bill		40.31
					Monthly CC Bill		588.50
					Monthly CC Bill		25.00
					Monthly CC Bill		319.72
					Monthly CC Bill		3,345.00
					Monthly CC Bill		2,380.34
					Monthly CC Bill		181.57
					Monthly CC Bill		512.64
						Total for Check/Tran - 4070:	14,690.62
4071	8/7/26	WIRE	1267	AFLAC	Monthly Insurance		1,810.87
4065	8/10/26	WIRE	18	CITY OF DIGHTON	Monthly Bill		627.14
					Monthly Bill		209.05
					Monthly Bill		292.67
					Monthly Bill		961.61
						Total for Check/Tran - 4065:	2,090.47
54520	8/11/26	CHK	1	CHERRYROAD MEDIA, INC	Annual Meeting Ads		675.00
54521	8/11/26	CHK	1	GARDEN CITY COMMUNITY COLLEGE	Continuing Education Scholarship		1,500.00
54522	8/11/26	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Bill		18.74
					Monthly Bill		16.42
					Monthly Bill		130.69
						Total for Check/Tran - 54522:	165.85
54523	8/11/26	CHK	55	NESS COUNTY NEWS	Monthly Ads		156.75
					Monthly Ads		51.30
						Total for Check/Tran - 54523:	208.05
54524	8/11/26	CHK	105	CITY OF NESS CITY	July Postage		1,018.63
54525	8/11/26	CHK	134	SOLIDA TREE SERVICE, INC.	Tree Trimming - Ness co.		1,335.00
54526	8/11/26	CHK	182	G.E.M.S. INC	Test Capacitors/replace		569.58

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54527	8/11/26	CHK	252	J&R CAR AND TRUCK CENTER LLC	Parts		298.27
54528	8/11/26	CHK	380	GRAINGER	Parts		90.86
					Parts		381.62
						Total for Check/Tran - 54528:	472.48
54529	8/11/26	CHK	392	TRUCK CENTER COMPANIES	Monthly Bill		274.90
54530	8/11/26	CHK	449	JOHN ROSS & CO SIGNATURE CATERIN	Annual Meeting Meal		12,203.00
54531	8/11/26	CHK	484	FLATLANDS GARAGE LLC	Tires for Tr#: 2401, 2402		5,338.20
54532	8/11/26	CHK	493	SCOTT CITY ACE HARDWARE	Annual Meeting parts		490.49
54533	8/11/26	CHK	516	WESTERN KANSAS BROADCAST CENT	Radio - Annual Meeting june & july		571.50
					Radio Annual Meeting July		880.00
						Total for Check/Tran - 54533:	1,451.50
54534	8/11/26	CHK	578	L&R LAWN CARE & SUPPLY	Monthly Bill		87.55
					Monthly Bill		72.54
					Monthly Bill		94.80
					Monthly Bill		9.73
					Monthly Bill		58.55
					Monthly Bill		15.91
						Total for Check/Tran - 54534:	339.08
54535	8/11/26	CHK	608	J & J FUEL SERVICE, LLC	Monthly Fuel Bill		1,901.95
					Monthly Fuel Bill		321.20
						Total for Check/Tran - 54535:	2,223.15
54536	8/11/26	CHK	619	UNITED TELEPHONE ASSOCIATION, IN	Monthly Bill		65.00
54537	8/11/26	CHK	1030	THE SCOTT COUNTY RECORD	Annual Meeting Ads		185.00
54538	8/11/26	CHK	1254	EAGLE RADIO	Annual Meeting Radio		397.50
54539	8/11/26	CHK	9999	REBECCA FOOS	DEP To AP		249.34

Accounts Payable
Check Register

07/11/2026 To 08/11/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					Total Payments for Bank Account - 2 :	(137)	636,658.60
					Total Voids for Bank Account - 2 :	(0)	0.00
					Total for Bank Account - 2 :	(137)	636,658.60
					Grand Total for Payments :	(137)	636,658.60
					Grand Total for Voids :	(0)	0.00
					Grand Total :	(137)	636,658.60

Accounts Payable
Check Register

PARAMETERS ENTERED:

Check Date:	07/11/2026 To 08/11/2026
Bank:	2
Vendor:	All
Check:	
Journal:	All
Format:	All GL References/Amounts
Extended Reference:	No
Sort By:	Date
Voids:	Current
Payment Type:	All
Group By Payment Type:	No
Minimum Amount:	0.00
Authorization Listing:	No
Credit Card Charges:	No

Sunflower
ELECTRIC POWER CORP

Board Meeting Summary

July 15, 2026

CURRENT ACTIVITIES

Scheduling Options for Strategic Session

The board will hold another strategy planning session, separate from the regular board meeting. Potential dates for February and March 2027 were presented and board approval will be requested at the August Board meeting. The session will take place at the Wichita Annex (4105 N. Ridge Road) in the Ag Credit conference room and will include the Board and alternates, the Sunflower executive team, member cooperative staff, and select Sunflower staff based on discussion topics.

PRESIDENT'S REPORT

Financial Services

May Financials

Overall, Member loads were up 1.68% from budget for the month and up 0.02% from budget year to date.
Large industrial loads were down 7.23% from budget for the month and down 3.07% from budget year to date.
Operation and maintenance expenses were down 14.09% from budget for the month and down 7.63% from budget year to date. Year-to-date Member kWh sales are 0% under budget estimates and up 2% over the prior year.

Member Solutions and Communications

Affordability Campaign

The affordability campaign continues to move forward following the April kickoff with member communicators and Board alignment. Since May, Sunflower and participating member cooperatives have met regularly to review messaging, provide feedback, and coordinate communications.

The first article in the Behind the Cost of Power series, Understanding the Cooperative Difference, launched in the July Kansas Country Living magazine and was published across Sunflower's and participating members' websites and social media channels. Work is now focused on Part 2: Maintaining and Expanding Transmission Infrastructure, which explains the role of transmission in reliability, the difference between costs and rates, how resources are managed responsibly, and the long-term planning required to meet future energy needs. Layout materials will be submitted to KEC on July 24, with final member approval scheduled for August 14. The article is expected to be mailed on August 26 and published online in late August/early September.

Legal

KCC Joint Application for Wheatland

The Sunflower Board voted and approved to join Wheatland's City of Lakin filing with the Kansas Corporation Commission (KCC).

OTHER BUSINESS

NRECA Region 7 Meeting

Election of Voting Delegate and Alternate

The NRECA Region 7 meeting is scheduled for October 5-7 in Salt Lake City, Utah.
Board Action: The Sunflower Board voted and approved Shane Laws as the voting delegate at the NRECA Region 7 meeting and Bruce Mueller as the alternate.

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

WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total
Demand Coincident Peak, kW	29,682	137,951	144,553	130,660	190,201	71,672	192,154	896,873
Demand NCP, kW	31,170	136,669	149,502	144,231	205,418	73,351	194,843	935,184
Wholesale Energy Usage, kWh	17,367,425	103,197,056	80,663,637	73,962,199	106,055,256	41,898,367	100,796,854	523,940,794
RTP Marginal Usage, kWh					3,246			3,246
Coincident Peak Load Ratio Share, %	3.30%	15.40%	16.10%	14.60%	21.20%	8.00%	21.40%	100.00%
Coincident Load Factor, %	81.30%	103.90%	77.50%	78.60%	77.40%	81.20%	72.90%	81.10%
Metering Points	11	27	25	29	24	26	34	176
CP Demand Rate, $/kW	12.85	13.38	12.85	12.85	12.85	12.85	12.85	12.93
NCP Demand Rate, $/kW	3.54	3.36	3.54	3.54	3.54	3.54	3.54	3.51
CP Demand Charge, $	381,413.70	1,846,456.45	1,857,506.05	1,678,981.00	2,444,082.85	920,985.20	2,469,178.90	11,598,604.15
NCP Demand Charge, $	110,341.80	459,034.65	529,237.08	510,577.74	727,179.72	259,662.54	689,744.22	3,285,777.75
Demand Charge, $	491,755.50	2,305,491.10	2,386,743.13	2,189,558.74	3,171,262.57	1,180,647.74	3,158,923.12	14,884,381.90
Energy Rate, ¢/kWh	0.7437	0.7322	0.7437	0.7437	0.7437	0.7437	0.7437	0.7414
Energy Charge, $	129,161.54	755,616.35	599,895.47	550,056.87	788,732.94	311,598.16	749,626.20	3,884,687.53
RTP Marginal Usage Charge, $			-		1,286.14			1,286.14
HLF Rider Net Charge, $	6,681.33	22,428.07	(81,743.90)	16,247.15	(18,508.24)	16,118.51	38,777.04	-
EDR Rider Net Charge, $	2,667.10	6,805.20	12,387.43	10,004.55	(53,777.84)	6,434.29	15,479.26	-
ECA Rate (ECA-02), ¢/kWh	2.2790	2.2790	2.2790	2.2790	2.2790	2.2790	2.2790	2.2790
ECA Charge, $	395,803.62	2,351,860.91	1,838,324.29	1,685,598.52	2,416,999.28	954,863.78	2,297,160.30	11,940,610.70
Meter Rate, $/Meter	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Meter Charge, $	1,155.00	2,835.00	2,625.00	3,045.00	2,520.00	2,730.00	3,570.00	18,480.00
Schedule 1	4,191.43	23,341.06	20,964.14	17,687.27	28,917.47	10,354.04	24,747.91	130,203.32
Schedule 11 Regional	32,188.44	179,249.49	160,995.73	135,830.80	222,073.97	79,514.68	190,053.51	999,906.62
Schedule 11 Zonal	26,673.39	148,537.57	133,411.34	112,558.07	184,024.67	65,890.94	157,490.47	828,586.45
Schedule 12	1,658.10	9,233.56	8,293.27	6,996.96	11,439.55	4,095.99	9,790.10	51,507.53
Schedule 1a	4,972.10	27,688.39	24,868.76	20,981.57	34,303.42	12,282.51	29,357.27	154,454.02
Schedule 9 SEPC	101,266.09	563,925.94	506,498.89	427,329.02	698,653.44	250,156.30	597,915.81	3,145,745.49
Msc. Transmission	678.37	3,419.34	3,393.12	2,862.75	4,680.36	1,675.88	4,005.54	20,715.36
Transmission Charge, $	171,627.92	955,395.35	858,425.25	724,246.44	1,184,092.88	423,970.34	1,013,360.61	5,331,118.79
Billing Adjustments, $ (LRR Rider, PGS)		(234,948.88)	(587.09)	(1.44)	(65,945.16)		-	(301,482.57)
ECIR Credit, $			(16,023.28)					(16,023.28)
Community Solar Adjustments, $		(799.29)	(124.50)	(234.06)	(94.62)	(156.87)	(3,040.28)	(4,449.62)
Net Charges, $ *	1,198,852.01	6,164,683.81	5,599,921.80	5,178,521.77	7,426,567.95	2,896,362.82	7,273,856.25	35,738,609.59
3-2-1 Credits, $		(16,583.97)	(285.99)	(22,485.03)	(3,178.94)			(42,533.93)
Total Charges, $	1,198,852.01	6,148,099.84	5,599,635.81	5,156,036.74	7,423,389.01	2,896,362.82	7,273,856.25	35,696,075.66
Average all-in ¢/kWh	6.903	5.958	6.942	6.971	6.999	6.913	7.216	6.813

Non-Member energy charges:

Non-Member energy charges:	$	$/kWh
10 West Cities	1,400,292.02	0.0618
4 East Cities	181,032.89	0.0730
KEPCo	202,398.57	
KMEA - EMP2 (Local Access)	136,747.16	
KMEA - City of Meade - (Local Access)	27,319.76	
AP & NH other contracted services	335,953.97	
KPP - OATT, L.A.C. & MA Charges	32,325.43	

Basis for Changes from Previous Month

1. ↑ Holcomb Capacity Factor was 48.0% for the month.
2. ↑ Smoky Hills #1 WF Capacity Factor was 32.0% for the month.
3. → Shooting Star capacity factor was 32.1% for the month.
4. ↑ Smoky Hills #2 WFCapacity Factor was 33.5% for the month
5. ↓ Johnson Corner Solar Capacity Factor was 34.8% for the month
6. → Boot Hill Solar Capacity Factor was 39.5% for the month
7. ↓ Sunflower Solar @ Russell Capacity Factor was 35.5% for month

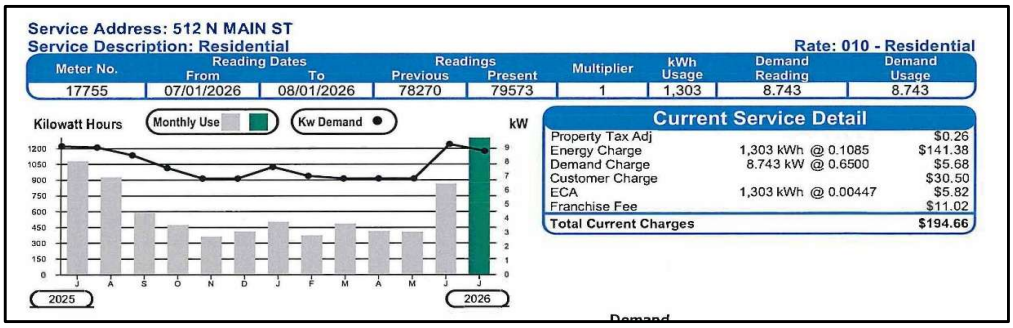
Note:

↑ = Increase ↓ = Decrease → = Little Effect

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

7-Aug-26

Sample LSEC Member billing.



Service Address: 512 N MAIN ST
Service Description: Residential
Rate: 010 - Residential

Meter No.	Reading Dates From	Reading Dates To	Readings Previous	Readings Present	Multiplier	kWh Usage	Demand Reading	Demand Usage
17755	07/01/2026	08/01/2026	78270	79573	1	1,303	8.743	8.743

Current Service Detail

Property Tax Adj		$0.26
Energy Charge	1,303 kWh @ 0.1085	$141.38
Demand Charge	8.743 kW @ 0.6500	$5.68
Customer Charge		$30.50
ECA	1,303 kWh @ 0.00447	$5.82
Franchise Fee		$11.02
Total Current Charges		**$194.66**

Current Service Detail

					LSEC	SEPC	totals	
Aug-26	Property Tax Adjustment						0.26	to taxing authority
	Energy Charge:	1303 kWh						
	WPC		0.069029	63.6%		89.945	89.95	to SEPC
	LSEC		0.039471	36.4%	51.431		51.43	to LSEC
			0.1085					
	Demand Charge				5.68		5.68	to LSEC
	Customer Charge				30.50		30.50	to LSEC
	ECA:					5.82	5.82	to SEPC
	Franchise Fee:		6.00%				11.02	to Bazine
					87.61	95.76	194.66	

					LSEC	SEPC	totals	
YTD Avg	Property Tax Adjustment						0.26	to taxing authority
	Energy Charge:	1303 kWh						
	WPC		0.061395	60.9%		79.998	80.00	to SEPC
	LSEC		0.039471	39.1%	51.431		51.43	to LSEC
			0.100866					
	Demand Charge				5.68		5.68	to LSEC
	Customer Charge				30.50		30.50	to LSEC
	ECA:					-	-	to SEPC
	Franchise Fee:		6.00%				10.06	to Bazine
					87.61	80.00	177.92	
			Annual				2,135.10	

					LSEC	SEPC	totals	
10.0% increase	Property Tax Adjustment						0.26	to taxing authority
	Energy Charge:	1303 kWh						
	WPC		0.067535	63.1%		87.997	88.00	to SEPC
	LSEC		0.039471	36.9%	51.431		51.43	to LSEC
			0.107006					
	Demand Charge				5.68		5.68	to LSEC
	Customer Charge				30.50		30.50	to LSEC
	ECA:					-	-	to SEPC
	Franchise Fee:		6.00%				10.54	to Bazine
					87.61	88.00	186.40	
			Annual				2,236.86	
				increase:			101.76	4.55%

Richard McLeon

From: Kansas Electric Cooperatives, Inc. <cdorr@kec.org>
Sent: Tuesday, August 4, 2026 2:05 PM
To: Richard McLeon
Subject: Summary of the KEC Summer Meeting and Survey Link

Summary of the KEC Summer Meeting, KCRE Special Meeting, and KEC Board Meeting, held Aug. 3 at the Marriott Kansas City Overland Park in Overland Park, Kansas.

In official action at the **KCRE Special Meeting**, the participating KCRE Members:

1. Reaffirmed the KCRE rebranding.
2. Created a fourth at-large executive committee position to be filled by the KCRE Executive Committee, per bylaws and re-elected at the KCRE Annual Meeting.

In official action at the **KEC Board Meeting**, the KEC Board:

1. Authorized KEC's collaboration with Wichita State University for a National Science Foundation research initiative.

During the **KEC Board Meeting**, participants heard a finance report through June 2026 and discussed other matters.

KEC Summer Meeting Highlights

KEC held the 2026 Summer Meeting on Aug. 3 at the Overland Park Marriott.

The meeting opened with a national outlook on the electric cooperative industry presented by NRECA Board President **Mike Partin** and Kansas' representative on the NRECA Board of Directors, **Pat Morse**.

Ashley Slater, NRECA Vice President of Regulatory Affairs, provided an update on the national political and regulatory environment affecting electric cooperatives. She noted that while the political landscape remains volatile, electric cooperatives' core priorities continue to center on delivering reliable, affordable, and safe electric service.

KEC hosted check presentations from **Mike Lewis** of CFC and **Corey Parr** of Federated Rural Electric Insurance Exchange.

Attendees participated in a Trustee Roundtable session, sharing challenges, asking questions, and exchanging ideas with directors from other electric cooperatives.

Dr. Frank Luntz, nationally recognized communications expert and public opinion researcher, delivered the luncheon keynote address. Drawing on his extensive experience conducting polling and focus groups, he shared insights into current public attitudes and communication trends.

KEC's Loss Control, Safety, and Compliance staff presented RESAP Certificates of Excellence, No Lost Time Certificates of Recognition, and Good Catch awards. Attendees also received a Government Relations update during the afternoon session.

The day concluded with a keynote address from Olympic gold medalist **Mike Schlappi**, who shared his inspiring story of overcoming a life-changing gunshot injury suffered as a teenager. He emphasized the importance of resilience, perseverance, and personal responsibility, encouraging attendees to view attitude as a choice rather than a circumstance.

A vendor trade show was held throughout the day, providing attendees an opportunity to connect with industry partners.

Prior to the meeting, directors attended training sessions on August 1 and 2. Directors had the choice of the following NRECA courses: 2640.1 Financial Decision Making, 901.1 Basic Parliamentary Procedure for Directors, 926.1 Navigating in the Era of Uncertainty, and 958.1 Succession Planning: Developing the Purpose-Driven Organization.

On Sunday evening, KEC hosted a social hour for attendees, speakers, and vendors.

Complete the KEC Summer Meeting Survey by Aug. 11

Visit the KEC Summer Meeting Webpage

Average Retail Price of Electricity to Residential Consumers
For RECs and IOUs in Kansas
For the Year Ending December 31, 2025

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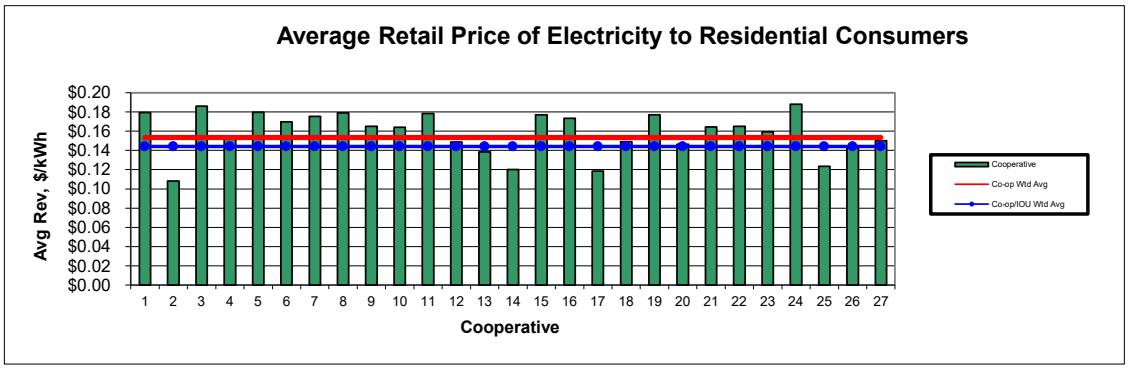
	Cooperative	Residential Consumers	Residential MWh Sold	Residential Revenue, $	Avg Mo. Revenue/ Consumer, $	Avg Mo. kWh/ Consumer	Avg Revenue $/ kWh	Diff from Co-op Avg, %	Diff from Co-op/IOU Avg, %
1	4 Rivers	8,696	104,078	18,674,592	178.96	997	0.1794	16.8%	24.5%
2	Alfalfa	2,870	52,836	5,705,008	165.65	1,534	0.1080	-29.7%	-25.1%
3	Bluestem	5,939	76,013	14,134,988	198.34	1,067	0.1860	21.1%	29.1%
4	Brown Atchison	2,480	30,246	4,665,985	156.79	1,016	0.1543	0.5%	7.1%
5	Butler	6,921	108,646	19,520,133	235.04	1,308	0.1797	17.0%	24.7%
6	Caney Valley	3,529	32,704	5,551,488	131.09	772	0.1697	10.5%	17.8%
7	CMS	1,983	22,647	3,973,040	166.96	952	0.1754	14.2%	21.7%
8	Doniphan	1,590	15,789	2,826,922	148.16	828	0.1790	16.5%	24.2%
9	DSO	7,343	94,676	15,638,902	177.48	1,074	0.1652	7.6%	14.6%
10	Flint Hills	4,222	53,564	8,779,925	173.30	1,057	0.1639	6.7%	13.7%
11	FreeState	17,654	230,487	41,129,616	194.15	1,088	0.1784	16.1%	23.8%
12	Heartland	9,813	118,289	17,582,204	149.31	1,005	0.1486	-3.3%	3.1%
13	Lane Scott	2,217	23,654	3,277,079	123.18	889	0.1385	-9.8%	-3.9%
14	Midwest Energy	29,814	319,560	38,384,320	107.29	893	0.1201	-21.8%	-16.7%
15	Nemaha-Marshall	3,406	39,339	6,957,821	170.23	962	0.1769	15.2%	22.8%
16	Ninnescah	1,390	21,139	3,667,597	219.88	1,267	0.1735	13.0%	20.4%
17	Pioneer	5,039	61,718	7,312,455	120.93	1,021	0.1185	-22.9%	-17.8%
18	Prairie Land	13,620	133,383	19,897,459	121.74	816	0.1492	-2.9%	3.5%
19	Rolling Hills	6,061	68,007	12,027,774	165.37	935	0.1769	15.2%	22.8%
20	Sedgwick	7,064	103,812	15,203,193	179.35	1,225	0.1464	-4.7%	1.6%
21	Southern Pioneer	12,633	114,476	18,810,368	124.08	755	0.1643	7.0%	14.0%
22	Sumner-Cowley	3,362	49,790	8,211,588	203.54	1,234	0.1649	7.4%	14.4%
23	Tri-County	13,184	137,842	21,982,530	138.95	871	0.1595	3.8%	10.7%
24	Twin Valley	2,170	25,553	4,807,344	184.61	981	0.1881	22.5%	30.5%
25	Victory	14,362	144,226	17,820,710	103.40	837	0.1236	-19.5%	-14.2%
26	Western CEA	5,757	59,545	8,474,331	122.67	862	0.1423	-7.4%	-1.2%
27	Wheatland	20,138	209,946	31,511,727	130.40	869	0.1501	-2.3%	4.2%
	Total	213,257	2,451,965	376,529,099					
	Weighted Average				147.13	958	0.1536		
	Median				165.37	981	0.1643		

Note: Southern Pioneer is not a cooperative, but a wholly-owned subsidiary of Pioneer and operated as a not-for-profit utility.
Does not include non-KEC member Ark Valley Electric Cooperative, Inc.

Investor-Owned Utilities	Residential Consumers	Residential MWh Sold	Residential Revenue, $	Avg Mo. Revenue/ Consumer, $	Avg Mo. kWh/ Consumer	Avg Revenue $/ kWh
Empire Dist. (KS Only)	8,432	108,034	14,419,292	142.51	1,068	0.1335
Evergy Kansas Central	343,712	3,510,666	512,528,292	124.26	851	0.1460
Evergy Kansas South	305,665	3,147,135	459,539,882	125.28	858	0.1460
Evergy Metro (KS Only)	247,427	2,900,103	383,015,554	129.00	977	0.1321
Total	905,236	9,665,938	1,369,503,020			
Weighted Average				126.07	890	0.1417

Co-op/IOU Total	1,118,493	12,117,904	1,746,032,119			
Co-op/IOU Wtd Average				130.09	903	0.1441



Source: 2025 RUS/CFC Form 7
2025 KCC Annual Report

Prepared by:
KEC KANSAS ELECTRIC COOPERATIVES, INC.

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

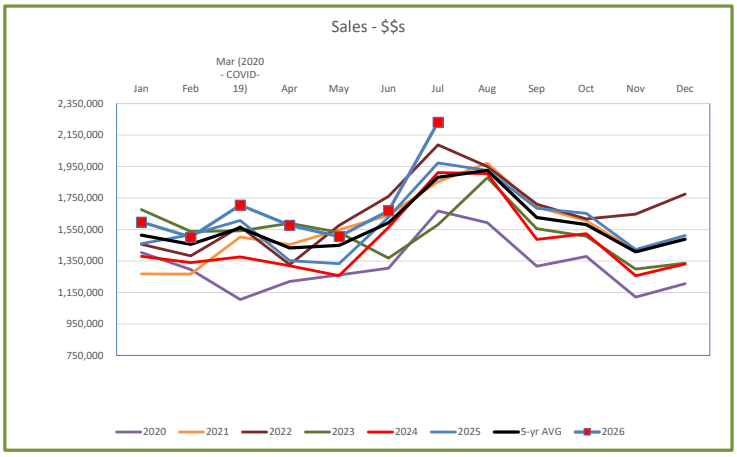
Rates, Reliability, and Safety Dashboard

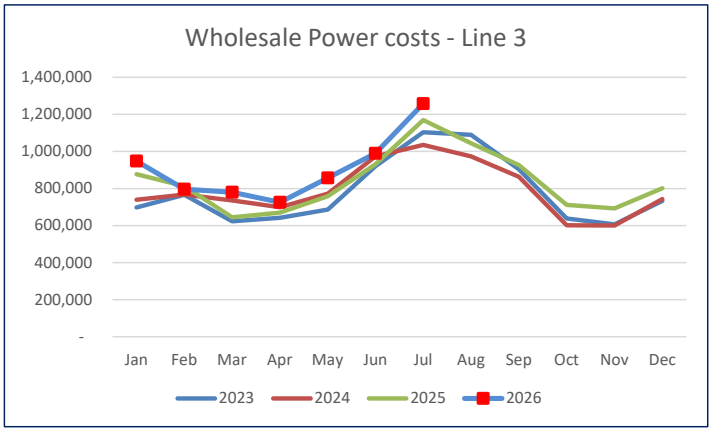
Executive Summary: We continue in solid condition through July 2026.

1. Total YTD Operating Revenues (OR, Line 1) are up 7.06% over last year at $11,840,416, with most of the increase due to a 9.15% increase in Total YTD Wholesale power costs. **Our distribution margin is $5,441,973 which is $78,530 over YTD_{2025} on the strength of total sales (up 2.5% or 2,432,004 kWh) .**

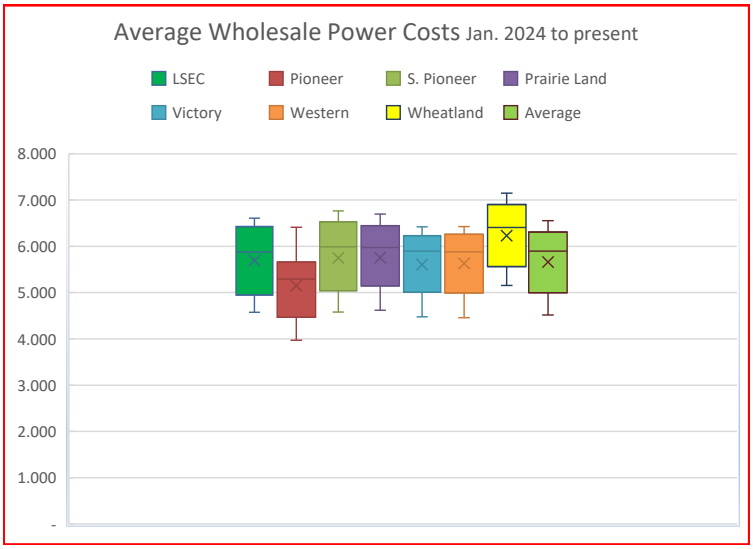
2. Reliability remains high. We had a total of 34 hours of outages affecting 559 meters with 24 hours from Power Supplier outages.

3. Safety. No major incidents were reported in July.

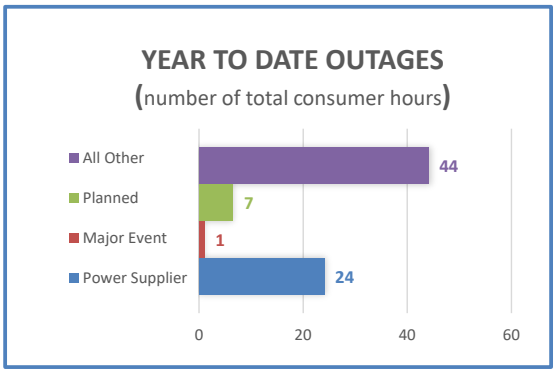




Income Statement - Abbreviated					
		Jul-26		YTD	
1	Total Sales ($$$s)	$ 1,975,200		$ 11,840,115	
2	*less* SEPC Wholesale Power - CoPP	1,257,511	*64%*	6,398,142	*54%*
3	Lane-Scott Distribution Revenue	717,689	*36%*	5,441,973	*46%*
4	*less* Total Lane-Scott operating Expenses:	698,942		4,501,131	
5	Operating Margins	18,747		940,842	
6	*less* Non-Operating Expenses:	8,318		105,030	
	Patronage Capital or Margins:	$ 27,065		$ 835,812	



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	0.56	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	3.20	2.53	5.60	6.07	2.71	0.02	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. $1,537.41 total with $669.90 GM expense
  August 2-4, KEC Board and Summer Meetings, Overland Park – $1,251.98
  August 18-19, SEPC Board Meetings, Hays, KS - $285.43

- General Manager Per Diem Requests. None.

- Vehicle Damage Update

  Thursday, August 13, 2026 a large Bucket truck was damaged when it slid off the road while in route to repair lightning storm damage to the LSEC distribution system. The rural road had not been resurfaced or coated with gravel. The truck slowly slid parallel off the road at a portion where the angle of descent overcame the center of balance. The Line Superintendent was driving, and a tenured Journeyman Lineman was the passenger.

  The truck came to rest on the driver's side, damaging the mirrors, bins, and bucket boom. The driver and passenger were able to crawl out the passenger side window and call for help. The Operations Manager picked them up and notified the Safety Coordinator to begin an investigation. The driver and the passenger were drug tested as per our practice. Each test was negative.

  Our current plan is to seek a rental ($4,700 per month) and possibly search for a used bucket truck. It could be up to two years before we can get delivery on a new Bucket truck. In the meantime, we are waiting for an Inspector from Federated Insurance to determine if the frame is bent and the truck "Totaled."

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

1) Accounting and Finance.
   - Operating Margin = -$18,747 with $640,842 YTD.
   - Total Margin = -$27,065 with $835,812 YTD.
   - Cash Balance – $7,032,942.
   - 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 – 44.4% and as a % of Capitalization – 47.22%
     - Current Ratio – 2.56%

2) Operations Report (Dal).
   - Projects. We have been focusing on maintenance and engineering projects.
     - Long-Range Plan. Work continues.
     - Interconnection Agreements. We are developing IAs with Finley for the Scott Park Substation.

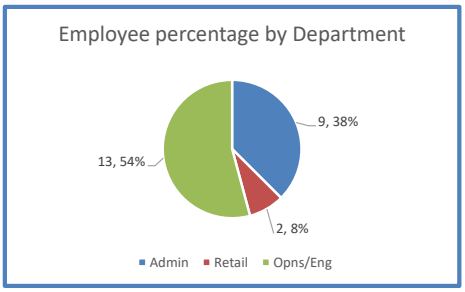
- Oneok – We are scheduled to have a conference call to make the final true-up. WE expect that our load-ratio share will be about $125,000.
- Bridger Pipeline. The location has changed (again) which re-sets the construction clock.
- Brookover Feeders and Lane County Feeders are expanding and have requested new connections.

- Pole-Change-outs
  - Two meter-pole poles.
  - Thirteen single-phase (1ø) poles
  - One two-phase (V-phase) pole.
  - Two three-phase (3ø) poles
- Engineering
  - Working with NISC on switching coordination at Healy.
  - Updating flow information for Scott Park Substation.
  - Working with Finley and Sunflower on multiple projects.

3) <u>IT and CyberSecurity (Carrie).</u>

Carrie has surveyed LSEC employees on AI usage as per the Boards directions. Results followed closely with Crew: office ratios.

- 64% - NO AI use at work.
- 32% YES
- 4% neutral



Carrie continues to develop a DRAFT AI policy for Board consideration. She is also working on various components of our Dighton security system that were damaged due to nearby lightning strikes.

4) Communications / Member Services (Ann Marie)

AMJ will be presenting at the Board Meeting. Her report will include, among others:

- Annual Meeting Report
- Member Satisfaction Survey
- Video Marketing
- Back to School Promotion.

Respectfully submitted,

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

GM / CEO Exprense Sheet Summary

Aug-26

date	item	LSEC Credit Card	GM expense	total expense
4-Aug	KEC Summer Meeting - Overland Park, KS	716.93	535.05	1,251.98
18-Aug	Sunflower Board, Hays	150.58	134.85	285.43
	totals	867.51	669.90	1,537.41

The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee: Richard McLeon
Purpose: KEC Summer Meeting - Overland Park, KS

Section 1

DATE		Sun 2-Aug	Mon 3-Aug	Tues 4-Aug	Wed ___ / ___	Thurs ___ / ___	Fri ___ / ___	Sat ___ / ___	TOTAL
Miles - POV		369		369					
Mileage Rate		0.725	0.725	0.725	0.725	0.725	0.725	0.725	
TI Mileage Exp.		$267.53	$0.00	$267.53	$0.00	$0.00	$0.00	$0.00	$535.05
									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.	15.00	15.00	15.00					45.00
	Emp.								0.00
Airfare	Co.								0.00
	Emp.								0.00
Lodging	Co.	190.66	201.31	279.96					671.93
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.								0.00
	Emp.								0.00
Dinner	Co.								0.00
	Emp.								0.00
Phone	Co.								0.00
	Emp.								0.00
Misc.	Co.								0.00
	Emp.								0.00
TOTAL EXPENSES		$473.19	$216.31	$562.49	$0.00	$0.00	$0.00	$0.00	$1,251.98

Section 2

Reimbursement Summary

Total Expense from Section 1	$1,251.98
Less: Company Credit Card	716.93
Less: Other	0.00
Less:Other	0.00
Net due to Employee	$ 535.05

Section 3

Expense Allocation

Acct. #	Amount
Total	

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

Presented to LSEC Board of Trustees: 8/24/2026

GM / CEO

Board President

MARRIOTT

MARRIOTT KC OVERLAND PARK **GUEST FOLIO**

1026	MCLEON/RICHARD/MR	236.55	08/04/26	08:44	4931
ROOM	NAME	RATE	DEPART	TIME	ACCT#
CNK			08/01/26	17:25	
TYPE			ARRIVE	TIME	
48		PASSPORT: VSXXXXXXXXXXXX5708			
ROOM CLERK	ADDRESS	PAYMENT			MBV#: XXXXX9804

DATE	REFERENCES		CHARGES	CREDITS	BALANCES DUE
08/01	PARKING	# 493148	15.00		
08/01	ROOM	1026, 1	161.10		
08/01	ST. TAX	1026, 1	15.06		
08/01	OCC. TAX	1026, 1	14.50		
08/02	ROOM	1026, 1	170.10		
08/02	ST. TAX	1026, 1	15.90		
08/02	OCC. TAX	1026, 1	15.31		
08/02	PARKING	#0493148	15.00		
08/03	ROOM	1026, 1	236.55		
08/03	ST. TAX	1026, 1	22.12		
08/03	OCC. TAX	1026, 1	21.29		
08/03	PARKING	#0493148	15.00		
08/04	CCARD-VS			716.93	
	PAYMENT RECEIVED BY VISA	XXXXXXXXXXXX5708			.00

========== EXP. REPORT SUMMARY ==========

08/01	PARKING	15.00
	ROOM&TAX	190.66
08/02	ROOM&TAX	201.31
	PARKING	15.00
08/03	ROOM&TAX	279.96
	PARKING	15.00

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OVERLAND PARK KS 66210

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This statement is your only receipt. You have agreed to pay in cash or by approved personal check or to authorize us to charge your credit card for all amounts charged to you. The amounts shown in the credit column opposite any credit card entry in the reference column above will be charged to the credit card number set forth above. (The credit card company will bill in the usual manner.) If for any reason the credit card company does not make payment on this account, you will owe us such amount. If you are direct billed, in the event payment is not made within 25 days after check-out, you will owe us interest from the check-out date on any unpaid amount at the rate of 1.5% per month (ANNUAL RATE 18%), or the

The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee: Richard McLeon
Purpose: SEPC Board Meetings - Hays, KS

Section 1

DATE		Sun ___ / ___	Mon ___ / ___	Tues 18-Aug	Wed 19-Aug	Thurs ___ / ___	Fri ___ / ___	Sat ___ / ___	TOTAL
Mile./Personal Veh.				94	92				
Mileage Rate		0.725	0.725	0.725	0.725	0.725	0.725	0.725	
Total Mileage Exp.		$0.00	$0.00	$68.15	$66.70	$0.00	$0.00	$0.00	$134.85
									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.				150.58				150.58
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.								0.00
	Emp.								0.00
Dinner	Co.								0.00
	Emp.								0.00
Phone	Co.								0.00
	Emp.								0.00
Misc.	Co.								0.00
	Emp.								0.00
TOTAL EXPENSES		$0.00	$0.00	$68.15	$217.28	$0.00	$0.00	$0.00	$285.43

Section 2

Reimbursement Summary

Total Expense from Section 1	$ 285.43
Less: Company Credit Card	150.58
Less: Other	0.00
Less:Other	0.00
Net due to Employee	$ 134.85

Section 3

Expense Allocation

Acct. #	Amount
Total	

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

Presented to LSEC Board of Trustees: 8/24/2026

GM / CEO

Board President

From: rpmcleon@eastex.net
To: Richard McLeon
Subject: FW: Reservation Confirmation #73766888 for TownePlace Suites by Marriott Hays
Date: Thursday, August 20, 2026 12:32:34 PM

From: TownePlace Suites By Marriott Reservations <reservations@res-marriott.com>
Sent: Monday, July 27, 2026 11:40 AM
To: rpmcleon@eastex.net
Subject: Reservation Confirmation #73766888 for TownePlace Suites by Marriott Hays

ENHANCE YOUR STAY | SUMMARY OF CHARGES | CONTACT US

TownePlace Suites by Marriott Hays

4001 General Hays Road Hays, Kansas 67601 USA +1-785-261-9630

Thank you for your booking, Mr. Richard Mcleon.

We can't wait to say hello.

Tue, Aug 18, 2026 – Wed, Aug 19, 2026

Confirmation Number: 73766888

Check-In:	Tuesday, August 18, 2026	04:00 PM
Check-Out:	Wednesday, August 19, 2026	11:00 AM

Number of rooms	1 Room
Guests per room	1 Adult
Guarantee Method	Credit Card Guarantee, Visa
Total for Stay	150.58 USD

Room 1

Room Type	Studio, 1 King, Sofa bed

UPGRADE ROOM

Guaranteed Requests:

Non-Smoking Room

ALL REQUESTS

Manage Stay

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

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION KS0042

PERIOD ENDED July 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	11,225,448	11,840,416	13,421,298	1,975,200
2. Power Production Expense				
3. Cost of Purchased Power	5,862,005	6,398,142	7,560,245	1,257,511
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	587,011	685,513	782,847	40,888
7. Distribution Expense - Maintenance	671,879	851,152	799,444	156,491
8. Customer Accounts Expense	154,127	137,051	179,060	15,409
9. Customer Service and Informational Expense	52,607	45,238	57,960	7,474
10. Sales Expense	52,097	75,633	72,359	5,552
11. Administrative and General Expense	1,164,544	1,101,117	1,275,023	205,068
12. Total Operation & Maintenance Expense (*2 thru 11*)	8,544,270	9,293,846	10,726,938	1,688,393
13. Depreciation and Amortization Expense	1,206,637	1,228,442	1,391,238	177,303
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	653,166	625,964	633,880	89,355
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	4,536	3,823	3,231	573
19. Other Deductions	11,122	47,499	12,335	829
20. Total Cost of Electric Service (*12 thru 19*)	10,419,731	11,199,574	12,767,622	1,956,453
21. Patronage Capital & Operating Margins (*1 minus 20*)	805,717	640,842	653,676	18,747
22. Non Operating Margins - Interest	146,498	92,205	150,540	13,924
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(8,853)	83,937	55,972	(5,606)
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*)	1,201,228	835,812	870,188	27,065

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 July 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	25	20	5. Miles Transmission		
2. Services Retired	3	26	6. Miles Distribution – Overhead	2,030.02	2,031.40
3. Total Services in Place	5,718	6,091	7. Miles Distribution - Underground	9.17	9.61
4. Idle Services (*Exclude Seasonals*)	368	419	**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	67,151,904	30. Memberships	0
2. Construction Work in Progress	938,628	31. Patronage Capital	25,954,968
3. Total Utility Plant *(1 + 2)*	68,090,532	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	25,958,631	33. Operating Margins - Current Year	640,841
5. Net Utility Plant *(3 - 4)*	42,131,901	34. Non-Operating Margins	2,896,301
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	295,736
7. Investments in Subsidiary Companies	255,487	**36. Total Margins & Equities** *(30 thru 35)*	29,787,846
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	506,195	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	6,304,664	47. Notes Payable	0
19. Notes Receivable (Net)	0	48. Accounts Payable	1,538,805
20. Accounts Receivable - Sales of Energy (Net)	2,122,078	49. Consumers Deposits	192,596
21. Accounts Receivable - Other (Net)	190,566		
22. Renewable Energy Credits	0	50. Current Maturities Long-Term Debt	1,677,862
23. Materials and Supplies - Electric & Other	708,659	51. Current Maturities Long-Term Debt - Economic Development	0
24. Prepayments	66,441	52. Current Maturities Capital Leases	0
25. Other Current and Accrued Assets	25,428	53. Other Current and Accrued Liabilities	1,130,342
26. Total Current and Accrued Assets *(15 thru 25)*	9,924,156	**54. Total Current & Accrued Liabilities** *(47 thru 53)*	4,539,605
27. Regulatory Assets	0	55. Regulatory Liabilities	0
28. Other Deferred Debits	161,492	56. Other Deferred Credits	0
29. Total Assets and Other Debits *(5+14+26 thru 28)*	65,874,659	**57. Total Liabilities and Other Credits** *(36 + 43 + 46 + 54 thru 56)*	65,874,659

Formulas - 12-month rolling average

Jul-26 RUS = 7 CFR § 1710.114

Equity - % of Assets	44.40%
Margin + Equities - C36	28,983,692
Total Assets - C29	65,273,707

Distribution Equity	30.89%
Margin + Equities - C36	28,983,692
Total Assets - C29	65,273,707
Patronage Capital - C8	12,762,381

Equity - % of Capitalization	47.22%
Current Equity - C36	28,983,692
Current LT Debt - C43	32,391,087

Current Ratio	2.56
Tl. C & A Assets - C26	9,288,149
Tl C & A Liabilities - C54	3,624,568

General Funds Level	10.46%
Non Utility Property - C6	-
Invest in Assoc, Other GF - C9	445,586
Other Invest. - C12	5,501
Special Funds - C13	-
Cash Gen. Funds - C15	182,726
Temporary Investments - C18	6,406,393
Prepayments Unapplied - C42	-
Total Utility Plant - C3	67,306,226

Cash to Debt	21.03%
Cash Gen. Funds - C15	182,726
Temporary Investments - C18	6,406,393
CFC CTC's - Stat Report	221,958
Current LT Debt - C43	32,391,087

Financial Reporting Ratios

TIER RUS = 1.25	2.61
Net Income - A29	145,644
Interest on LT Debt- A16	90,703

DSC RUS = 1.25	1.92
Depreciation - A13	174,222
Interest on LT Debt- A16	90,703
Pat. Cap. or Margins - A29	145,644
Prin. & Int. Pymts - N, d Total	214,367

MDSC CFC - 1.35	1.85
Depreciation - A13	174,222
Interest on LT Debt- A16	90,703
Operating Income - A21	114,473
Non-Op Margins - Int - A22*	15,939
Patronage Capital - C8	12,762,381
Pat Cap Cash Calc	1,781
Prin. & Int. Pymts - N, d Total	214,367

Operating TIER RUS - 1.1	2.26
Operating Income - A21	114,473
Interest on LT Debt- A16	90,703

Operating DSC RUS = 1.1	1.78
Operating Income - A21	114,473
Depreciation - A13	174,222
Interest on LT Debt- A16	90,703
Patron. Refund from G&T, other - A26+A27	- 1,781
Prin. & Int. Pymts - N, d Total	214,367
Interest on LT Debt- A16	90,703
LT Debt - other - C40	3,707,637
sum A16+C40	3,798,341

Operations Report July 2026

• Maintenance

Refused transformers and side taps.
Worked locate tickets system wide.
Repaired lights system wide.
Monthly substation inspection.
Monthly KEC safety meeting. Testing of personal grounds.
Worked on underground inspections.
Continued work on CT/PT meter inspections.
Repaired an underground junction box at the Ness City swimming pool.
Removed a tree branch reported by a member in Alexander.
Removed overhead secondary for Sierra Delaney.
Combined two connects into one and updated a meter loop for Carrie Borell.
Changed out two insulators and two cutouts on the Patchen tap.
Changed out bad transformers at M Bar D Land & Cattle, Blaine Vogel, and HG Oil.
Retired a connect at Cottonwood Corrals.
Changed out a bad pad mount transformer for Mike Kelso Oil, Cruge lease.
Replaced several meter cans damaged by lightning.
Changed out OCR's.
Repaired a crossarm on the north 4-mile road circuit.

• New Construction

Framed and set 2 miles of poles for the OneOk cathodic bed build.
Built a new irrigation connect for Midway Development.

• Pole Change Outs

Changed out 9, single-phase poles on the Dry Lake tap.
Changed out 2, single phase poles by Alamota.
Changed out 2, meter poles in Alexander and 1 in Utica.
Changed out 1, 3-phase pole on the Frusher tap.
Changed out 1, V-phase pole on the Pawnee circuit.
Changed out 2, single-phase poles on the Whipple tap.
Changed out 1, 3-phase pole by the Dighton pole yard.

• Engineering

Continued work with Finley on LRP items.
Met with Hayden towers about the McCracken tower project.

Made several projects as-built in the mapping system.
Met with Lane County Feeders about a new service for a water well and pen addition.
Completed new CIAC prices.
Built new outage sheets to reflect the source transfer switches at Healy.
Met with Sunflower and Bridger Pipeline on identifying long lead time items.
Met with a few members about new connects.
Staked in a new connect for Brookover Feeders.
Filed easements in Lane & Ness County.
Requested quotes on BABA approved conductors for the Bazine Bridge project.
Worked on meters and collectors in Command Center.

Substation NCP and CP from Sunflower Determinants

= maximum last year

NCP KW

Substation	Recorder ID	Substation capacity (kVa)	2026 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	NCP % capacity (kW/kVa)
Beeler	SF02 BEELER	28000	7,177	7,844	7,481	8,028	7,287	7,523	7,540						28.7%
Dighton 14400	SF02 DIGH14400	28000	5,229	5,133	7,901	5,065	5,229	5,606	6,620						28.2%
Dighton 7200	SF02 DIGH7200	22400	2,620	2,290	2,521	2,804	2,732	3,454	4,435						19.8%
Manning	SF02 MANNING	25000	5,561	4,706	5,128	5,734	5,221	4,620	4,002						22.9%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-	-						0.0%
Scott Park	SF02ONEOKSC	24000			5	2	1,392	2,702	5,215						21.7%
LS Seaboard	SF02 SEABOARD	billing	340	336	548	671	612	697	604						
Twin Springs 14000	SF02 TSPRGS14	11300	337	256	238	233	290	376	391						3.5%
Twin Springs 7200	SF02 TSPRGS72	11300	166	133	281	282	349	387	420						3.7%
Dighton WAPA	SFWP DIGHTON	billing	154	137	135	153	152	183	216						
Dighton - West	SF02 DIGHTCTYW	1500	469	400	417	420	631	862	981						65.4%
Dighton - North	SF02 DIGHTCTYN	1500	446	423	397	403	506	628	854						56.9%
Dighton - South	SF02 DIGHTCTYS	1500	622	429	507	511	763	1,038	1,262						84.1%
City of Dighton	SFS2 DIGHCTY	billing	1,332	1,110	1,151	1,136	1,723	2,378	2,943						
Alexander 115 Sub	MK02 ALEXAN	20000	1,601	1,265	-	2,776	1,549	2,037	2,165						13.9%
Ness City 115 Sub	MK02 NESS115	20000	3,384	3,544	3,748	3,728	4,090	6,694	7,545						37.7%
LSEC Billing NCP	time		12:00	14:00	11:00	16:00	14:00	16:00	17:00						
	date		1/17	2/20	3/26	4/13	5/15	6/17	7/20						
Non-Coincidential Peak		178000	29,438	28,006	30,458	31,946	32,526	39,185	45,193	0	0	0	0	0	25.4%
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)	2026 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CP % capacity (kW/kVa)
Beeler	SF02 BEELER	28000	5,216	5,994	6,508	5,378	7,229	5,447	5,963						25.8%
Dighton 14400	SF02 DIGH14400	28000	4,660	3,962	4,707	4,770	4,689	5,450	4,922						19.5%
Dighton 7200	SF02 DIGH7200	22400	2,284	2,071	2,345	2,532	2,383	2,974	4,435						19.8%
Manning	SF02 MANNING	25000	4,561	4,121	4,268	5,542	3,903	2,540	3,810						22.2%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-	-						0.0%
Scott Park	SF02ONEOKSC				1	1	830	2,583	3,014						
LS Seaboard	SF02 SEABOARD	billing	285	261	189	201	524	547	243						
Twin Springs 14000	SF02 TSPRGS14	11300	310	223	226	220	232	340	385						3.4%
Twin Springs 7200	SF02 TSPRGS72	11300	149	97	215	259	298	334	390						3.5%
Alexander 115 Sub	MK02 ALEXAN	20000	1,480	1,208	-	1,046	1,311	1,847	2,135						10.7%
Ness City 115 Sub	MK02 NESS115	20000	2,913	2,153	3,748	2,513	3,128	6,694	7,545						37.7%
Sunflower System CP	time		13:00	8:00	18:00	16:00	16:00	16:00	16:00						
	date		1/23	2/5	3/25	4/21	5/15	6/29	7/27						
Sum of CP		173500	21,858	20,090	22,207	22,462	24,527	28,756	32,842	0	0	0	0	0	18.9%
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)	2026 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	NCP % capacity (kW/kVa)
Dighton WAPA	SFWP DIGHTON	billing	154	137	135	153	152	183	216	-	-	-	152	-	
Dighton - West	SF02 DIGHTCTYW	1500	469	400	417	420	631	862	981	-	-	-	-	-	65.4%
Dighton - North	SF02 DIGHTCTYN	1500	446	423	397	403	506	628	854	-	-	-	-	-	56.9%
Dighton - South	SF02 DIGHTCTYS	1500	622	429	507	511	763	1,038	1,262	-	-	-	-	-	84.1%
City of Dighton	SFS2 DIGHCTY	billing	1,332	1,110	1,151	1,136	1,723	2,378	2,943	-	-	-	-	-	
Non-Coincidential Peak		4500	1,537	1,252	1,321	1,334	1,900	2,528	3,097	0	0	0	0	0	68.8%
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	

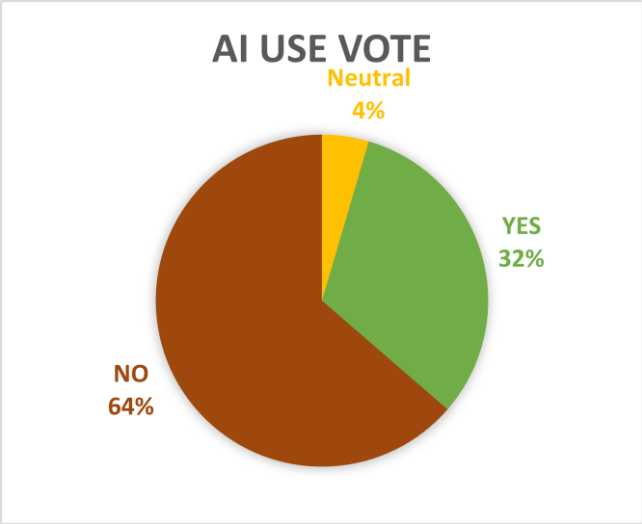
Sunflower Billing Summary

		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	3,159						
Demand 1	CPKW	178000	20,372	19,107	20,922	21,197	22,977	26,196	29,683	0	0	0	0	0	16.7%
Demand 2	NCP	178000	21,801	21,785	24,413	23,927	23,492	27,464	31,170						17.5%
Energy purchased			13,693,641	12,234,954	13,626,904	14,194,107	14,013,537	14,243,008	17,367,425						

CYBERSECURITY & INFORMATION TECHNOLOGY

EXECUTIVE SUMMARY

An AI Use Survey was given to employees to determine if individuals wanted to use AI in their work and if so, what they would use AI for.
This form was anonymous to ensure individuals' choices are kept private, reducing social pressure and to encourage honest feedback, and participation.
Employee AI Use Results:



Types of Use:

- Yes, but unsure on type of use yet.
- Employee Training, Skill Building, Job Description Aids, Policy Templates and Information, and Brainstorming Issues. Graphics Idea Generation and News Releases. Research, Reports, Cross Reference new Thing in utility industry. Adobe
- Microsoft Products – Word: Article Wording, Excel: Formulas, PowerPoint, Outlook: Rewording Emails, Letters, Standard Communication, Correspondences

Cybersecurity

- AI Policy and Procedures
  - AI Policy research government security framework guidelines, data security, and risk management. Review other cooperative policies.
  - AI Governance research and cybersecurity provider consultation planning. Review current applications and product recommendations for best security options. Current software upgrade quotes with business AI security availability.
    - 2026 Aug-Dec Microsoft CoPilot License Upgrade: Approximately $3,898
    - 2027 Jan-Dec Microsoft CoPilot Renewal: Approximately $9,984
    - NISC AI Assistant (Private) Jan-Dec License: Approximately $2,400.00 (Not including programming, data uploading, and maintenance.)
- Camera and Access Control Upgrade
- KEC Cyber & IT Group Meeting

Information Technology

- Network device replacement from lightning strike damage.
- Trustee Board Presentation
- Hyper-V Transition
- Annual Meeting voting, registration, and meeting preparations.
- Miscellaneous User Technical Assistance

Communications & Member Service Board Report – August 2026

1. Post Annual Meeting Report
    - Meals Served = 465
    - Quorum = 104
    - Expenses

Annual Meeting Expense Report - 2026

Item	Expense	Description
Member Gifts	$6,781.25	85 Year Camping Mugs
Meal	$12,203.00	John Ross Catering
Employee Awards	$750.00	
Ben Mann Service Award - 25 years	$250.00	
Chad Rupp Service Award - 20 years	$200.00	
Michael Pollock Service Award - 20 years	$200.00	
Scott Briand Service Award - 5 years	$50.00	
Blake McVicker Service Award - 5 years	$50.00	
Election Services	$300.00	OSG Return Mailing Postage
OSG Election Bill	$3,192.94	Final
Energy Gift Certificates	$400.00	
Annual Report Mailing	$1,547.69	Postage
Annual Report Printing	$8,698.43	
Annual Meeting - 85th Banners	$121.61	
Raffle Prizes - LSEC purchased	$512.64	
Tent Rental (1/2 of total, shared with Fairboard)	$2,546.50	Tent Rental
Supplies	$31.11	Certificate Paper
Nominating Committee - mileage	$1,183.77	
Total:	**$38,268.94**	

**Advertising is included in the Communications General Advertising Budget.*

2. Member Satisfaction Survey: Attachment in Board Report
    - In the Sept. Newsletter I have put together Q&A information based on the responses of the satisfaction survey. They answer the following 6 concerns/questions/topics:
        1. Communications Methods: 69% of respondents said they want to receive power outage information by text message.
        2. 39% of members want to have a better understanding of how the electric system works and where their power comes from.

3. Several members expressed interest in “selling electricity” back to Lane-Scott electric through distributed generation (DG) sources such as behind the meter wind and solar.
4. Several members commented about not having a choice of electric utility providers.
5. Electric rates are always a concern.
6. Concern over frequent changes in General Manager’s.

3. Video Marketing:
   a. Ryan with Observant Media is preparing the Annual Meeting Video. If available by the board meeting, I will share during my presentation.
   b. Move on to phase 2 / recruitment video.

4. Back to School Promotion:
   Concept: Students can nominate a teacher to win $100 for classroom supplies, the nominating student will also receive a prize of an Owala water bottle and Bento Lunchbox.
   Deadline: Sept. 30
   Execution: A QR code is available to scan that goes to an entry form on our website. At the end of the contest a teacher / student will be selected. We will take the prizes to the school for the teacher and student.
   Promotion: KCL Sept. newsletter, Flyers to schools, email to schools to send through their communication channels, social media, website, SmartHub.

5. Leadership Camp article in the Sept. magazine and already sent to newspapers.

6. Scholarship Program Update: 4 of the 6 recipients' scholarships have been processed and sent to the schools.

7. I will begin working on a Cooperative Month Promotion for October.

8. Additional Projects:
   - Contingency Plan which will eventually include a full manual of SOPs of how to do my job beginning with critical tasks.
   - Working on the Member Service DRP for Safety Council. Due Oct.
   - Communication Dept. 2027 Budget

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

July Warehouse Report

Total Inventory Dollars on Hand for July:

Line Material--$400,551 Inventory Turns—1.358

Resale Material--$190,144 Inventory Turns—0.922

Generac Update:

All generators we were waiting on arrived and installations were completed in July. As of the end of July, we have two completed estimates we will follow up on in August. We also have an additional three estimates that need to be done. Annual services are in progress and everything is moving along nicely with the Generac portion of the department.

Electrician Update:

July remained very busy with multiple jobs being completed. With the heat turning up, the our main calls in July were irrigation calls. Several estimates were given which, if won, will keep Michael busy for the rest of the year. We continued to use our contract electrician to help us stay ahead.

Line Material:

The line build South of Beeler has started and there were no issues procuring the material for this. Master quote sheets were sent out to our vendors, these quote sheets have every item we use on the line side on them. Once we get them back, we will be able to see where our best pricing is moving forward for the rest of the year.

10. b. Capital Credit Retirement Plan

It has been a minute since we reviewed the Capital Credit Retirement Plan so I would like to walk through it as a refresher.

Terminology

- Capital credit – a member's portion of the overall operating margin of the Cooperative. This is generically calculated as (total operating margins ÷ total kWh sold) x members annual kWh purchases.
- Allocation – the annual amount credited to the member's account
- Retirement – the payment of capitol credits allocated. This is the return of the members' pro-rata share of operating margin.

Conventional Wisdom

Most cooperatives think about retirements in terms of the time between the allocation and the retirement. This is referred to as the "rotation". The typical rotation is 20 years. Midwest Energy just announced that they were moving to a 25-year rotation plan. Lane-Scott does not have a set rotation or any policy defining when retirements will occur (outside the Bylaws).

Defining a set rotation term is not practical for Lane-Scott because we have years when the cooperative did not allocate margins. These years are 1975, 1989-1992, 1996, 2003, 2010-2016, 2020, and 2023. The goal of the Board of Trustees has been to minimize rates for our members. As a result, for some years the weather hasn't been cooperative and we have margin losses. Those losses are applied against next year's gains to reduce the new allocation.

The problem with a set rotation is that if we determine that LSEC wants a 20-year rotation, that will mean that in 2026, a 20-year calendar rotation would retire year 2006 ($224,233) while a 20-year actual would retire year 1986.

The Cooperative worked with our auditors BSGM to create a formulary retirement based on the ratio of our total capital credit balance to net utility plant depreciation. This formula is:

year	Lane-Scott Electric Cooperative, Inc.		
	allocated	retired	unretired amount
1961	27,480	27,480	-
1962	22,296	22,296	-
1963	54,192	54,192	-
1964	44,263	44,263	-
1965	36,269	36,269	-
1966	49,356	49,356	-
1967	41,398	41,398	-
1968	67,296	67,296	-
1969	44,715	44,715	-
1970	89,875	89,875	-
1971	81,066	81,066	-
1972	78,891	78,891	-
1973	81,060	81,060	-
1974	17,925	17,925	-
1975	-	-	-
1976	8,630	8,630	-
1977	61,324	61,324	-
1978	48,867	48,867	-
1979	24,575	24,575	-
1980	111,333	111,333	-
1981	79,537	79,537	-
1982	25,679	25,679	-
1983	62,705	62,705	-
1984	229,090	229,090	-
1985	126,244	126,244	-
1986	131,018	131,018	-
1987	53,975	53,975	-
1988	152,650	152,650	-
1989	-	-	-
1990	-	-	-
1991	-	-	-
1992	-	-	-
1993	195,218	195,218	-
1994	135,909	135,909	-
1995	19,522	19,522	-
1996	-	-	-

year	Lane-Scott Electric Cooperative, Inc.		
	allocated	retired	unretired amount
1997	100,930	100,930	-
1998	438,374	438,374	-
1999	864,531	864,531	-
2000	551,489	551,489	-
2001	586,236	300,358	285,878
2002	894,126	115,738	778,388
2003	-	-	-
2004	445,083	49,134	395,949
2005	654,424	69,280	585,145
2006	249,740	25,507	224,233
2007	957,265	88,619	868,646
2008	760,877	58,018	702,859
2009	812,994	66,911	746,083
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	300,583	6,475	294,108
2018	462,498	8,643	453,855
2019	53,938	811	53,127
2020	-	-	-
2021	649,304	9,348	639,955
2022	613,614	6,850	606,764
2023	-	-	-
2024	455,481	1,079	454,402
2025	1,480,320	-	-

	Lane-Scott Electric Cooperative, Inc.		
	allocated	retired	unretired amount
totals	13,534,167	4,964,455	7,089,391
		36.68%	52.38%
avg.			

$$\frac{\text{Total allocated Capital Credit balance}}{\text{(YE Net Utility Plant ÷YE Depreciation and Amortization Expense)}}$$

This formulary retirement is shown below where we retire oldest allocations first. I am estimating that for 2026 we will request a distribution retirement of $432,175 (based on the formula) and a G&T retirement of $754,645 ($1,186,820 total). The 2026 allocation is added to increase the 2027 balance to $10,221,617. This increases the formula retirement to $499,199.57.

Capital Credit Retirement Plan - example 8/12/2026

1. G&T Capital Credits will be paid the year following their retirement to LSEC.
2. Distribution Capital Credits will be planned according to the following schedule.

note: Unretired amount as of 12/31/2025. Balances will decrease with Special Estate retirements.

year	*Board approved allocation (previous year)*	*amount to be retired*	*Retirement year*	*unretired amount*	*retirement amount*	*remaining balance*	*calendar rotation*	*YE allocated CC balance*	*YE Net Utility Plant*	*YE D&A exp.*
2026	$ 1,480,320	$ 432,175	2001	285,877.50	285,877.50	-				
			2002	778,387.89	146,297.70	632,090.19	24	8,741,297	41,845,344	2,068,860
					432,175.20				432,175.20	
G&T	754,645	$ 754,645	2011	1,198,177	754,645.00	443,532.00				
	$ 2,234,965	$ 1,186,820			1,186,820.20					
2027	$ 650,000	$ 499,200	2002	632,090.19	499,200.00	132,890.19				
							25	10,221,617	41,645,344	2,033,860
					499,200.00				499,199.57	
2028	$ 600,000	$ 524,325	2002	132,890.19	132,890.19	-				
			2004	395,949.29	395,949.29	-	24	10,871,617	41,445,344	1,998,860
					528,839.48				524,325.25	
2029	$ 600,000	$ 543,830	2005	585,144.78	585,144.78	-				
							24	11,471,617	41,245,344	1,963,860
					585,144.78				546,210.74	
2030	$ 600,000	$ 564,233	2006	224,232.90	224,232.90	-				
			2007	868,645.89	340,000.00	528,645.89	23	12,071,617	41,045,344	1,928,860
					564,232.90				567,286.25	
2031	$ 600,000	$ 588,646	2007	528,645.89	528,645.89	-				
			2008	702,859.12	60,000.00	642,859.12	23	12,671,617	40,845,344	1,893,860
					588,645.89				587,539.88	
2032	$ 600,000	$ 606,960	2009	642,859.12	642,859.12	-				
							23	13,271,617	40,645,344	1,858,860
					642,859.12				606,959.51	
2033	$ 600,000	$ 625,533								
		LSEC	2017	294,108.22	294,108.22	-		13,871,617	40,445,344	1,823,860
		MKEC	2017	572,654.17	330,000.00	242,654.17	16		625,532.75	
					624,108.22					

An interesting note is that it is projected that in 2033 the cooperative will retire its first MKEC allocation. This is the first year after the 2010-2016 gap and jumps the Calander rotation from 23 years to 16 years while the formula rotation is 22 years ($13,871,617÷$625,532.75).

Questions?

10. c. Board Policy 405 Review

This review is part of the ongoing preparation for the GM/CEO search event. To reduce or remove obstacles that could deter a highly qualified candidate, it is recommended that this policy be amended to allow the GM/CEO to earn and retain compensation received from serving on boards of affiliated organizations.

Such service is beneficial to the cooperative by increasing the profile of the cooperative, developing stronger ties, and gaining additional knowledge of the organization that is being served. Additionally, the extra compensation would supplement the GM/CEOs income allowing then to earn a competitive wage without additional compensation from LSEC.

If the service becomes a distraction, the Board may always withdraw its' consent and tell the GM/CEO to withdraw.

The GM/CEO recommends this policy be amended as presented.

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: ~~March 26, 2001~~ August 24, 2026 **Policy No.:** 405
~~**Supersedes Date:** New Policy~~

SUBJECT: General Manager /CEO serving as board member or delegate on other affiliated organizations.

POLICY:

The General Manager/CEO may serve as a delegate or board member on other affiliated organizations, such as Sunflower, KEC, NRECA, CFC, ~~and~~ Federated, etc. However, ~~all compensation and benefits associated with those services must be turned over to the Cooperative~~ Board approval must be secured before submitted for nomination or vote.

Any out-of-pocket and travel expenses paid by the General Manager/CEO ~~pays for~~ may be reimbursed by ~~either~~ the cooperative ~~or the affiliated organization~~ with Board approval.

ATTESTED: _____ date:_____
Secretary

Revisions: March 26, 2001

(seal)

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: August 24, 2026 **Policy No.:** 405

SUBJECT: General Manager /CEO serving as board member or delegate on other affiliated organizations.

POLICY:

The General Manager/CEO may serve as a delegate or board member on other affiliated organizations, such as Sunflower, KEC, NRECA, CFC, Federated, etc. However, Board approval must be secured before submitted for nomination or vote.

Any out-of-pocket and travel expenses paid by the General Manager/CEO may be reimbursed by the cooperative with Board approval.

ATTESTED: _____ date:_____
Secretary

Revisions: March 26, 2001

(seal)

10. d. Board Policy 405 Review

This review is part of the ongoing preparation for the GM/CEO search event. To reduce or remove obstacles that could deter a highly qualified candidate, it is recommended that this policy be amended to allow the new /CEO to consider housing options in larger communities.

While it is important for the GM/CEO to be physically present during emergencies to provide support and leadership, it is not essential. Consider:

- Today, operational emergencies are managed by the Operations Manager and/or Line Superintendent rather than the GM/CEO.
- During emergencies, the GM/CEO handles emergency management coordination functions such as updating city and county emergency management agencies and mutual aid considerations. Communications handles social media, the press, and the call center.
- Additionally, the ability to work at home has been proven for certain positions, including the General Manager/CEO, thereby reducing correlation between residence and work product.

Amending this policy is beneficial to the cooperative by increasing the educational and social appeal of the area. That allows for the perception of a better quality of life for the candidate and their family.

The GM/CEO recommends this policy be amended as presented.

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: ~~December 4, 2017~~ August 26, 2026 **Policy No.:** 406
~~**Supersedes Date:** March 26, 2001~~

SUBJECT: ~~Residence of the~~ General Manager/CEO Residence

POLICY:

~~One requirement the Cooperative has is in regard to the residence of the General Manager.~~ The Board of Directors recognizes that it is important that the General Manager/CEO be available when emergencies arise such as ice-storms or other related problems and time is of the essence. Therefore, they have determined that it is preferable that the General Manager/CEO ~~must~~ live within ~~Lane County, Kansas~~ the LSEC Service area as defined by the KCC Certificate of Convenience.

However, the Board also recognizes that a suitable residence may not be readily available and may extend the residence options upon request.

ATTESTED _____ date:_____
Secretary

Revisions: March 26, 2001
December 4, 2017

(seal)

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: August 26, 2026 **Policy No.:** 406

SUBJECT: General Manager/CEO Residence

POLICY:

The Board of Directors recognizes that it is important that the General Manager/CEO be available when emergencies arise such as ice-storms or other related problems and time is of the essence. Therefore, they have determined that it is preferable that the General Manager/CEO live within the LSEC Service area as defined by the KCC Certificate of Convenience.

However, the Board also recognizes that a suitable residence may not be readily available and may extend the residence options upon request.

ATTESTED _____ date:_____
Secretary

Revisions: March 26, 2001
December 4, 2017

(seal)

SAFETY PROGRAM

- **Safety Monthly Summary:** Working with Carrie on Emergency Response Plan, Safety Council Walk thru is completed. Disaster Recovery Plan is in proofing stage, will be meeting with staff members for updates on their key parts to the plan. Hoping to have completed soon. Checking over trucks and buildings for items to be repaired.
- Changed rubber gloves.

*SAFETY PROJECTS **COMPLETED** AS OF August 2026*

1. KEC Safety Meeting, Maintenance, Care & Test of Hotline Tools. Admin. Office Ergonomics.

Ann Jennings's submitted report:

- Extreme Heat Safety Tips- Social Media.
- E-Bike & E-Scotter Electrical Safety- Social Media.
- Dorm Room Electrical Safety- Social Media.
- Bus Stop Safety- Social Media.
- 811 Dig Safe- Social Media.
- Are You Prepared for Sever Storms-Social Media.
- Summer Storm Tips Video-Social Media.
- Stop Scammers-Using Strong Passwords- Social Media.
- Electrical Lawn Tools-Social Media.
- Safety Tip: Dorm Room Safety- Never charge your phone under a pillow or bedding-Magazine.
- 811 Magazine.

Diana Kuhlman submitted reports:

- Coordinate Monthly Drug Testing.
- Submitted No- Time Loss Report.
- CDL updates and verification in Clearinghouse.
- Run CDL queries for CDL drivers.
- Dellon and Chris attending KEC Safety Summit.

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

1. FCC radios: Looking into location near McCracken for new tower.
2. Safety Council Yearly Walk-through items being repaired. completed.
3. RESAP Onsite Observation.
    - Sub Station Circuits are being identified. Completed.
    - URD cables being identified and labeled. 85 percent completed.
    - Pad mount and switch cabinet signage. 85 percent completed.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
SAFETY MEETING
July 15th, 2026

Chris Terhune called the meeting to order at 9:02 a.m.
Minutes were read: Minutes were reviewed. Dal Hawkoinson made a motion to approve June 24th, 2026, minutes. Dellon Shelton seconded the motion.
Present: 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, Jocelyn Shull, Cindy Fuentes-Ummel, and Lillie Koeh.
Absent: Richard McLeon**,** Kasey Jenkinson**,** Chad Rupp, Ann Jennings, Diana Kuhlman, and Isabella McNey.
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	Kevin Bradstreet	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	Tad Eubanks	OK
2502	Bailey Wells	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: Two pairs were rejected due to snags #85, and #99
Line Hoses Annual Test Results: N/A
Blankets Annual Test Results: N/A
Sleeves Quarterly Test Results: All Passed
Substation and Regulator Report: All substations have been sprayed for weeds and mowed. Gates were repaired at Beeler and Ness Substations.
PCB Report: None to Report
Line Clearance: City of Ness City, City of Bazine, City of Alexander, and City of Utica.
Accident and Near Misses: Employee was driving out of Dighton main facility lot and heard a car horn. Upon multiple looks missed a vehicle in the blind spot.
Good Catch Report: N/A.
Old Business: Carrie Borell: Server upgrade has been completed for anything that will affect the employees directly and now finishing a few things on the networking side.
New Business:

- Dal Hawkinson: Thanks to all employees on a job well done on setting up for the 85th annual meeting.
- Carrie Borell: North side of the building was struck by nearby lightning strike. Burnt up several key components on the access entry system. Two switches and an access point have been ordered for replacement. Working on rearranging some wires to get all entry access points on the main building back up and operating.
- Ben Mann: Versa Tech batteries on Hineman Switches have been replaced.
- Myron Seib: Discussed how important it was to be vigilant on blind corners. Even if you need to stop to confirm the intersection to be clear. Please take the time to prevent accidents.
- Scott Briand: If you buy any new chemicals, please remember to obtain a new SDS sheet and give it to Scott, so the SDS sheets will be current.
- Tolan Sager: From KEC discussed the safety summary, focusing on covering accidents and near misses. Also cover the article written by BJ, about what kind of legacy are we teaching our kids and fellow workers. Cover Hazard Recognition with Admin.

Meeting adjourned.

_____ _____

Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator