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

A regular meeting of the Board of Trustees has been scheduled for October 26, 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. 2027 Wage and Benefit Plan
    b. General Capital Credit Retirement
    c. Board Policy 512 Employee Insurance amendment
    d. 2027 Annual Meeting date
11. Safety Program Report
12. Executive Session (is not requested).
13. Adjourn

Upcoming Events:

Sunflower Board Meeting	Hays	Nov. 17-18
LSEC Board Meeting - Holmes	Dighton	Nov. 23
LSEC Board Meeting	Dighton	Nov. 23

MINUTES OF THE REGULAR SEPTEMBER 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, September 28, 2026, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:58 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Gary Shapland, Gerome Copeland, Randall Evans, Randy Evans, Susan Nuss, Shelly Turner, and James Jordan. Also present Richard McLeon IV, Dal Hawkinson and Joseph D. Gasper, Attorney. Craig Ramsey attended electronically.

LOAD FORECAST STUDY

Dal Hawkinson and Manager McLeon presented a Load Forecast Study.

- The load forecast study is the first piece that develops into the budget.
- Dal and Manager each prepared parallel studies and compared their findings which were close on the numbers for each study.
- The forecast uses actual data up to the prior year and the current year as projected to year end. These numbers tend to normalize pricing and weather cycles.
- A projected meter loss of 0.31% per year for 2027-2036.
- kWh Sales are projected to increase 0.39% per year and revenue is projected to increase 1.75% per year.
- Most of the growth is projected to be in the small and large commercial loads.
- 2027 projected revenue is $20,529,828.
- The various rate classes and their projections were reviewed.
- *A motion to approve the 2027 Load Forecast Study as presented, was made, duly seconded and carried.*

SHALLOW WATER SUBSTATION

Dal Hawkinson presented an update on the Shallow Water Substation.

Secretary President

- The Shallow Water Substation project is intended to help alleviate voltage issues in the area. Currently LSEC contracts with Wheatland for voltage support in the area but that contract will likely not be renewable after the next renewal.
- Staff has developed a plan for substation. A site has been identified and discussed with the landowner. The landowners along the proposed transmission line route have been contacted in regards to easements as well.
- Dal reviewed the location and proposed routes with the board and requested that the board attorney be allowed to negotiate with the landowner for the purchase of the land.
- *A motion to authorize board attorney Joseph Gasper to negotiate the purchase of two acres for the Shallow Water Substation site, not to exceed $10,000.00 was made, duly seconded and carried.*

Dal left the meeting after his presentation.

MINUTES OF PRIOR MEETING

President Jennison called for action on the minutes of the prior meeting held on August 24, 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 mediation in the Salmans fire case.

REPORT OF SUNFLOWER DELEGATE

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

Secretary President

President Jennison had no additions to the written report.

KEC REPORT

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

MANAGER'S REPORT

Manager McLeon commented on the following matters:

- The credit card statements were available for review.
- LSEC remains on solid financial condition through August 2026.
- Total YTD Operating Revenues are up 7.22% over last year at $14,002,225, with most of the increase due to a 10.28% increase in Total YTD Wholesale power costs. The distribution margin is $6,357,589 which is $166,200 over YTD mainly due to C&I over 1,000 kVa adding over 3.6MM kWh.
- Reliability remains high with a total of four hours of outages affecting 575 meters. The YTD total is 80 consumer hours affecting 3,768 members compared to last year with 36,673 outage hours affecting 5,436 meters.
- There was a safety incident with a bucket truck rolling over with no injuries involved.
- Sales were a little low compared to average with the wholesale power cost being higher than average.
- ASAI is 99.99%.
- Manager expenses totaled $943.16 and there were no *per diem* requests.
- The vehicle accident response with regards to contacting law enforcement was discussed. Policy 513 was discussed and was recommended to modify the language from officer to law enforcement agency. The truck is being transported to Alltec in Missouri for testing to see if it can be repaired. Federated needs the report from the testing which can only be conducted at the Missouri facility.
- The Dighton roof project has been completed.
- The parts for the Ransom substation have been ordered.
- The Bridger pipeline location has changed again which delays the project.
- Communications continues to work on the Youth Tour and Leadership camp as well as the promotional video.

RECEIPT OF MANAGER'S REPORT

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

_____ _____

Secretary President

SAFETY REPORT

There was an incident in the office with a disconnected member entering the office and yelling at staff. The Board discussed the incident and recommended the Sheriff be contacted with regards to a no trespassing advisory for the member.

OLD BUSINESS

1. McCracken Tower Update

- Attorney Gasper presented the proposed Purchase Agreement for one acre of land south of McCracken for the location of a radio tower. The purchase price of the site is $7,500.00.
- *A motion to approve the Real Estate Purchase Agreement for the purchase of the described real estate in the amount of $7,500.00 was made, duly seconded and carried.*

2. AI Policy 540

- Manager McLeon presented the proposed AI policy for board review. It is expected that this policy will require changes with the rapid changes in the area of AI.
- The policy was assisted by NRECA to attempt to have the most current policy provisions.
- The board discussed the policy and requested that IV C be changed to add the word "and" to reflect that portion be as follows: "Individuals must use due diligence to ensure that vendors and their products meet the standards set forth in this policy and are in the best interest of the cooperative."
- *A motion to approve Policy 540 as with the amendment was made, duly seconded and carried.*

NEW BUSINESS

1. Board Policy 503

- Staff review of policy resulted in a request that certain changes be made to the policy. Manager McLeon presented the proposed changes to the Board for discussion.
- *A motion to approve the proposed changes to Board Policy 503 regarding standby duties was made, duly seconded and carried.*

2. KECHIT Update

Secretary President

- Manager McLeon reviewed the KECHIT insurance program.
- KECHIT is a health insurance group mad up of Sunflower and the Sunflower members which purchases health insurance for employees through Blue Cross and Blue Shield of Kansas. The major medical plan includes Visual and Dental.
- LSEC offers a $500/1,000 plan and a $3,400/6,800 plan. Employees choosing the lower deductible plan pay 10% of the premium per month and no employee contribution is required under the higher deductible plan. The 2026 premium cost for the higher deductible is $1,499.66 per month with the lower deductible is $4,668.95 for the LSEC portion. Currently only one employee uses the high-deductible plan.
- The estimated increase for 2027 is 6.63% to 8.4% increase. IMA is in negotiations to try to reduce premium costs.
- The employee contributions from the other Sunflower members were discussed.
- The board discussed the KECHIT plan and advised Manager McLeon to prepare the 2027 Salary and Benefit plan extending 2026 benefit levels.

3. 2027 Youth Tour and Leadership Camp

- The cost of the Cooperative Youth Tour for 2027 is $4,600 each for a total of $9,200 and the cost of the Youth Leadership Camp is $2,150 each for a total of $4,300.
- The Board discussed the camp and tour and expressed the desire for the attendees to speak at the Annual Meeting.
- *A motion to approve LSEC participation in the 2027 Youth Tour and Colorado Leadership Experience for an estimated cost of $13,500 was made, duly seconded and carried.*

ADJOURNMENT

A motion to adjourn the meeting was made, seconded and carried at 8:40 p.m., on Monday, September 28, 2026.

Secretary President

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
4111	9/15/26	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX		13,297.86
4112	9/15/26	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX		2.25
4113	9/15/26	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY		12,075.98
4114	9/15/26	WIRE	614	MEDICARE	FICA MEDICARE		3,111.56
4115	9/15/26	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401K ROTH CONTRIBUTION		7,402.69
					NRECA 401(k) PENSION PLAN		4,396.66
					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 - 4115:	15,283.02
4116	9/15/26	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY		31,426.80
4117	9/15/26	WIRE	609	STATE TAX	STATE PAYROLL TAX		5,045.23
4118	9/15/26	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE		314.42
					NRECA GROUP INSURANCE		1,075.61
						Total for Check/Tran - 4118:	1,390.03
54636	9/16/26	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer		69,500.00
54637	9/16/26	CHK	107	CINTAS CORPORATION #449	Monthly - Mats		101.99
54638	9/16/26	CHK	427	DIGHTON HERALD LLC	Monthly Bill		80.00
54639	9/16/26	CHK	479	CASE BECKMAN	August Mowing		510.00
54640	9/16/26	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Bill		0.90
					Monthly Bill		0.63
					Monthly Bill		0.90
					Monthly Bill		2.07
						Total for Check/Tran - 54640:	4.50
54641	9/16/26	CHK	539	HRDL, INC.	Safety and Quality Management subscripti		2,632.00

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54642	9/16/26	CHK	552	HIGH POINT NETWORKS, LLC	Windows Server 2025 Standard 16-core lic		1,275.96
54643	9/16/26	CHK	554	KELLER ELECTRIC LLC	Labor		10,950.50
54644	9/16/26	CHK	563	JOCELYN SHULL	KEC Accounting Training		170.00
54645	9/16/26	CHK	634	FINLEY ENGINEERING COMPANY, INC.	Professional Services		948.00
54646	9/16/26	CHK	635	LILLIE KOEHN	KEC Accounting Training		170.00
54647	9/16/26	CHK	641	UNDERGROUND VAULTS & STORAGE I	Monthly Shredding		55.00
54648	9/16/26	CHK	651	GLOBAL RENTAL CO., INC.	Truck Rental		6,964.50
54649	9/16/26	CHK	903	NISC	August 2026 Print Services		2,088.95
					August 2026 Print Services		366.96
					August 2026 Recurring Invoice		1,302.00
					August 2026 Recurring Invoice		1,791.01
					August 2026 Recurring Invoice		1,169.90
					August 2026 Recurring Invoice		5,373.03
					August 2026 Recurring Invoice		447.75
					August 2026 Recurring Invoice		1,343.26
						Total for Check/Tran - 54649:	13,882.86
54650	9/16/26	CHK	1234	JF BEAVER	Directors Shirts		430.55
					Directors Shirts		47.96
						Total for Check/Tran - 54650:	478.51
54651	9/16/26	CHK	1248	COMPLIANCE ONE	Monthly Drug & Alcohol Testing		470.20
4119	9/18/26	WIRE	1229	NORTHEND DISPOSAL	Monthly Trash Bill		604.94
4128	9/25/26	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly water		125.34
4130	9/25/26	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax		30,300.58
54652	9/25/26	CHK	1	BAZINE AMERICAN LEGION	American Legion Riders		150.00

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54653	9/25/26	CHK	40	KANSAS ELECTRIC COOPERATIVES	KEC Monlthy Assessment		8,023.88
54654	9/25/26	CHK	79	POSTMASTER	Newsletter Postage		149.64
54655	9/25/26	CHK	105	CITY OF NESS CITY	Monthly Bill		28.41
					Monthly Bill		34.72
					Franchise Fee		8,335.59
						Total for Check/Tran - 54655:	8,398.72
54656	9/25/26	CHK	107	CINTAS CORPORATION #449	Monthly Mat Bill		508.22
54657	9/25/26	CHK	122	MYRON SEIB	Excavated Water Line		300.00
54658	9/25/26	CHK	134	SOLIDA TREE SERVICE, INC.	Ness City Bazine Bridge		10,070.26
54659	9/25/26	CHK	135	CITY OF BAZINE	Franchise Fee		2,582.42
54660	9/25/26	CHK	160	SHULL OIL COMPANY	Monthly Fuel Bill		5,518.93
					Monthly Fuel Bill		3,543.67
					Monthly Fuel Bill		331.26
						Total for Check/Tran - 54660:	9,393.86
54661	9/25/26	CHK	366	DIANA KUHLMAN	Mileage SHRM conference		369.75
54662	9/25/26	CHK	380	GRAINGER	Steel		107.34
					Steel		11.93
						Total for Check/Tran - 54662:	119.27
54663	9/25/26	CHK	383	HUXFORD POLE AND TIMBER CO INC	LINE MATERIAL		21,248.64
54664	9/25/26	CHK	452	DAVIS AG-A/C SERVICE LLC	replaced cabin filter/harness update 136		571.27
54665	9/25/26	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Kyocera 5054ci		91.92
54666	9/25/26	CHK	638	RESCO	LINE MAT.		335.92
					LINE MAT.		37.32
						Total for Check/Tran - 54666:	373.24

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54667	9/25/26	CHK	652	2 BOTTOM FARMS TRUST	Hydrilic all trucks		1,000.00
					Hydrilic all trucks		1,000.00
						Total for Check/Tran - 54667:	2,000.00
54668	9/25/26	CHK	653	ALL STAR TOWING & RECOVERY	Truck #150 - Tow fee to altec		3,871.00
54669	9/25/26	CHK	790	SUNBELT SOLOMON	TRANSFORMER		12,434.10
54670	9/25/26	CHK	1225	CINTAS CORPORATION	First Aid Restock		294.46
54671	9/25/26	CHK	1228	BENJAMIN L MANN	Clothing Allowance		792.63
54672	9/25/26	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Rubber Glove Testing		587.05
54673	9/25/26	CHK	1285	TIFCO INDUSTRIES	Monthly Bill		294.70
					Monthly Bill		32.74
						Total for Check/Tran - 54673:	327.44
4129	9/29/26	WIRE	101	ATMOS ENERGY	Monthly Bill		89.15
					Monthly Bill		15.73
						Total for Check/Tran - 4129:	104.88
4131	9/29/26	WIRE	1187	MIDWEST ENERGY	Monthly Bill		12.85
					Monthly Bill		9.00
					Monthly Bill		12.85
					Monthly Bill		29.56
						Total for Check/Tran - 4131:	64.26
4132	9/29/26	WIRE	183	HIBU INC	Monthly Yellowbook Pages		25.00
4120	9/30/26	WIRE	610	FEDERAL PAYROLL TAX	FEDERAL PAYROLL TAX		12,135.18
4121	9/30/26	WIRE	611	FEDERAL UNEMPLOYMENT	FEDERAL UNEMPLOYMENT TAX		0.55
4122	9/30/26	WIRE	613	FICA-SOCIAL SECURITY	FICA SOCIAL SECURITY		11,334.62
4123	9/30/26	WIRE	614	MEDICARE	FICA MEDICARE		3,050.25

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
4124	9/30/26	WIRE	1157	NRECA 401(K) PENSION PLAN	NRECA 401K ROTH CONTRIBUTION		7,428.19
					NRECA 401(k) PENSION PLAN		4,426.96
					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 - 4124:	15,338.82
4125	9/30/26	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RETIREMENT & SECURITY		31,426.80
4126	9/30/26	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA GROUP INSURANCE		314.42
					NRECA GROUP INSURANCE		1,075.61
						Total for Check/Tran - 4126:	1,390.03
4127	9/30/26	WIRE	609	STATE TAX	STATE PAYROLL TAX		4,821.13
54674	9/30/26	CHK	655	TRAILER SOLUTIONS LLC	2026 Load Trailer		13,268.00
54675	9/30/26	CHK	656	GARDEN CITY TIRE CENTER INC.	Tires for Truck 200		2,331.79
4133	10/1/26	WIRE	586	NETWORK COMPUTING SOLUTIONS	Monthly Bill		7,345.82
54676	10/1/26	CHK	1	KENDRA PFANNENSTIEL	Promotion - Winner		100.00
54677	10/1/26	CHK	9	CHAD RUPP	Clothing Allowance		878.48
54678	10/1/26	CHK	20	BASIN ELECTRIC POWER COOP	Alarm Monitoring		2,482.65
54679	10/1/26	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer		67,000.00
54680	10/1/26	CHK	40	KANSAS ELECTRIC COOPERATIVES	Accounting Workship BSGM		1,700.00
					KCL Subscriptioins		2,822.25
						Total for Check/Tran - 54680:	4,522.25
54681	10/1/26	CHK	63	RICHARD JENNISON	Meeting Expense		368.85
54682	10/1/26	CHK	73	STANION WHOLESALE ELEC CO INC	RETAIL		1,909.62
					LINE MAT.		981.95
					LINE MAT.		109.11

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					RETAIL	299.30
					LINE MAT.	451.63
					LINE MAT.	50.18
					LINE MATERIAL	297.65
					LINE MAT.	9.81
					LINE MAT.	1.09
					LINE MATERIAL	304.24
					LINE MAT.	1,015.47
					LINE MAT.	112.82
					RETAIL	123.65
					ELEC EXP	158.40
					LINE MAT.	490.20
					LINE MAT.	54.47
					RETAIL	680.08
					STREET LIGHT ARM	386.92
					LINE MATERIAL	2,220.37
					RETAIL	131.49
					ELEC EXP	42.70
					LINE MATERIAL	3,198.31
					LINE MAT.	190.72
					LINE MAT.	21.19
					LINE MAT.	842.56
					LINE MAT.	93.62
					LINE MAT.	763.51
					LINE MAT.	84.84
					ELEC EXP	102.83
					LINE MATERIAL	297.64
					LINE MAT.	80.68
					LINE MAT.	8.97
					LINE MAT.	39.89
					LINE MAT.	4.43

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					LINE MAT.		4,768.23
					LINE MAT.		529.81
					RETAIL		1,219.78
					ELEC EXP		97.13
					ELEC EXP		43.54
					LINE MAT.		79.89
					LINE MAT.		8.88
					RETAIL		1.64
					LINE MAT.		3,178.83
					LINE MAT.		353.21
					RETAIL		1,297.61
					ELEC EXP		77.61
					LINE MT.		147.33
					LINE MAT.		105.68
					LINE MAT.		28.11
					LINE MATERIAL		151.89
					LINE MT.		164.07
					LINE MAT.		1,632.63
					LINE MAT.		199.60
					RETAIL		275.12
					LINE MAT.		884.13
					LINE MAT.		98.24
					RETAIL		356.94
					ELEC EXP		131.54
						Total for Check/Tran - 54682:	31,391.78
54683	10/1/26	CHK	136	NATHAN BURNS	L&G User Group		170.00
54684	10/1/26	CHK	150	CHRIS TERHUNE	Voltage Regulator/tap charger school		306.00
54685	10/1/26	CHK	218	SPENCER PEST CONTROL	Structural and Rodent Control		162.75
54686	10/1/26	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Monthly Flat Fee		1,850.00

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54687	10/1/26	CHK	269	ANIXTER INC	LINE MAT.		194.62
					LINE MAT.		21.62
					LINE MAT.		194.62
					LINE MAT.		21.62
					LINE MATERIAL		7,351.96
					Chris Clothing Allowance		252.59
					Chad Clothing Allowance		252.59
					Scott Clothing Allowance		42.10
						Total for Check/Tran - 54687:	8,331.72
54688	10/1/26	CHK	306	BORDER STATES INDUSTRIES INC	LINE MAT.		11,459.16
					LINE MAT.		1,273.24
					LINE MAT.		1,289.08
					LINE MAT.		143.22
					LINE MAT.		1,065.60
					LINE MAT.		118.39
					LINE MAT.		195.39
					LINE MAT.		21.71
					LINE MAT.		342.06
					LINE MAT.		38.01
					LINE MATERIAL		669.05
					LINE MAT.		404.04
					LINE MAT.		44.89
					LINE MAT.		199.45
					LINE MAT.		22.16
					LINE MAT.		387.86
					LINE MAT.		43.10
						Total for Check/Tran - 54688:	17,716.41
54689	10/1/26	CHK	373	KANSASLAND TIRE CO. INC OF HAYS	Tires		1,989.50
					Tires		1,136.83
						Total for Check/Tran - 54689:	3,126.33

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54690	10/1/26	CHK	380	GRAINGER	Safety Glasses		205.11
54691	10/1/26	CHK	394	DELLON SHELTON	Voltage Regulator Maintenance/tap charge		306.00
54692	10/1/26	CHK	406	RICHARD MCLEON	kec b&o teams meeting - scott city ks		36.25
					KEC Managers - Salina		315.76
					SEPC Board Meetings - hays ks		143.55
						Total for Check/Tran - 54692:	495.56
54693	10/1/26	CHK	417	SUNFLOWER ELECTRIC POWER COOP	Sub Maintenance		6,472.52
54694	10/1/26	CHK	450	RANDALL G EVANS	September Board Meeting		350.73
54695	10/1/26	CHK	562	RENSENHOUSE	RETAIL		594.00
					ELEC EXP		1,723.00
					ELEC EXP		370.00
					ELEC EXP		160.08
						Total for Check/Tran - 54695:	2,847.08
54696	10/1/26	CHK	568	SUSAN NUSS	September Board Meeting		432.65
54697	10/1/26	CHK	570	JAMES W JORDAN	September Board Meeting		398.58
54698	10/1/26	CHK	588	GEROME L COPELAND	September Board Meeting		402.20
54699	10/1/26	CHK	616	TAD EUBANKS	Staking Tehnician Program		306.00
54700	10/1/26	CHK	623	SHELLY TURNER	Meeting Expense		373.20
54701	10/1/26	CHK	624	RANDY J EVANS	Meeting Expense		389.15
54702	10/1/26	CHK	625	GARY SHAPLAND	Meeting Expense		350.73
54703	10/1/26	CHK	650	LANE COUNTY GROCERY	Grocery Bill		219.02
					Grocery Bill		71.30
					Grocery Bill		62.77
						Total for Check/Tran - 54703:	353.09

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
54704	10/1/26	CHK	657	THE RUSH COUNTY NEWS	Display Ad		172.00
54705	10/1/26	CHK	1200	KASEY JENKINSON	Clothing Allowance		644.23
54706	10/1/26	CHK	1225	CINTAS CORPORATION	First Aid Restock		125.71
54707	10/1/26	CHK	1251	TECHLINE, LTD	LINE MATERIAL		1,367.37
					LINE MAT.		239.24
					LINE MAT.		26.58
					LINE MATERIAL		813.75
						Total for Check/Tran - 54707:	2,446.94
54708	10/1/26	CHK	1282	MIDWEST ELECTRIC TRANSFORMER S	50KVA TRANS		1,980.13
4135	10/2/26	WIRE	530	SNAP-ON CREDIT LLC	Monthly Bill		53.64
4136	10/5/26	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Bill		31.31
					Monthly Bill		91.28
					Monthly Bill		161.87
					Monthly Bill		921.07
					Monthly Bill		82.68
						Total for Check/Tran - 4136:	1,288.21
4137	10/6/26	WIRE	168	ONLINE INFORMATION SERVICES, INC	Monthly Bill		46.20
4138	10/6/26	WIRE	468	U.S. BANK	Monthly CC Bill		523.42
					Monthly CC Bill		1,167.66
					Monthly CC Bill		578.16
					Monthly CC Bill		25.00
					Monthly CC Bill		332.52
					Monthly CC Bill		58.16
					Monthly CC Bill		8,035.86
					Monthly CC Bill		1,377.15
					Monthly CC Bill		311.76
					Monthly CC Bill		2,747.88

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					Monthly CC Bill		1,266.78
					Monthly CC Bill		342.97
					Monthly CC Bill		26.88
					Monthly CC Bill		815.57
					Monthly CC Bill		806.19
						Total for Check/Tran - 4138:	18,415.96
4139	10/7/26	WIRE	1267	AFLAC	Monthly Insurance		1,730.01
54709	10/8/26	CHK	38	MICHAEL POLLOCK	Clothing Allowance		1,382.46
54710	10/8/26	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Bill		35.61
					Monthly Bill		150.70
					Monthly Bill		894.57
					Monthly Bill		81.36
						Total for Check/Tran - 54710:	1,162.24
54711	10/8/26	CHK	105	CITY OF NESS CITY	September Postage		1,018.48
54712	10/8/26	CHK	107	CINTAS CORPORATION #449	Mats		101.99
54713	10/8/26	CHK	117	NESS CITY FARM & FEED	Monthly Bill		379.74
					Monthly Bill		562.54
						Total for Check/Tran - 54713:	942.28
54714	10/8/26	CHK	238	ILLINOIS MUTUAL	Insurance Premium		54.24
54715	10/8/26	CHK	380	GRAINGER	Air Filters		101.39
54716	10/8/26	CHK	578	L&R LAWN CARE & SUPPLY	Monthly Bill		86.55
					Monthly Bill		325.48
					Monthly Bill		18.43
						Total for Check/Tran - 54716:	430.46
54717	10/8/26	CHK	599	MITCH'S TRASH SERVICE	Monthly Trash Bill		75.00
54718	10/8/26	CHK	608	J & J FUEL SERVICE, LLC	Monthly Fuel Bill		1,588.20

Accounts Payable
Check Register

09/12/2026 To 10/13/2026

Bank Account: 2 - FIRST STATE BANK

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					Monthly Fuel Bill		359.90
						Total for Check/Tran - 54718:	1,948.10
54719	10/8/26	CHK	619	UNITED TELEPHONE ASSOCIATION, IN	Monthly Bill		65.00
54720	10/8/26	CHK	627	BAILEY WELLS	Clothing Allowance		350.99
54721	10/8/26	CHK	646	NESS CITY ROTARY CLUB	August Meals & Dues		90.94
54722	10/8/26	CHK	651	GLOBAL RENTAL CO., INC.	Truck Rental		5,099.50
54723	10/8/26	CHK	773	BRETZ, INC.	Tire Disposal		16.00
54724	10/8/26	CHK	803	ALTEC INDUSTRIES, INC	Inspection for TR #150		2,008.66
54725	10/8/26	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fee		22.61
54726	10/8/26	CHK	1160	S&T TELEPHONE COOP ASSN.	Monthly Bill		257.43
54727	10/8/26	CHK	1248	COMPLIANCE ONE	Monthly Drug Testing		470.20
54728	10/8/26	CHK	1293	DAL HAWKINSON	Tyndale - Clothing Allowance		185.90
54729	10/8/26	CHK	1300	CRAIG RAMSEY	Meeting Expense		350.00
54730	10/8/26	CHK	1303	LANE COUNTY IMPLEMENT, INC	utility tractor		205.00

Total Payments for Bank Account - 2 :	(123)	601,484.23
Total Voids for Bank Account - 2 :	(0)	0.00
Total for Bank Account - 2 :	(123)	601,484.23
Grand Total for Payments :	(123)	601,484.23
Grand Total for Voids :	(0)	0.00
Grand Total :	(123)	601,484.23

Sunflower ELECTRIC POWER CORP

Board Meeting Summary

September 16, 2026

PRESIDENT'S REPORT

Technology Services

Physical Access Controls Proof of Concept Overview

A proof of concept was conducted to evaluate alternative technology for replacing traditional physical keys used for access to certain critical facilities. Testing was performed at select telecommunications facilities from May through July 2026, allowing the technology to be evaluated under comparable environmental conditions while minimizing operational, business continuity, and compliance impacts. The mobile credential solution replaces traditional keys and access cards with a mobile application solution which will run on an employee's smart device and provides features such as remote credential management, automated access records, and monitoring of lock status and battery condition. Field testing demonstrated reliable day-to-day performance, including under extreme temperature conditions, with no operational issues related to dust, dirt, moisture, or ice. Participants noted a brief adjustment period when transitioning to mobile access, and a technical issue with lock battery reporting was identified for correction through a future firmware update.

Based on the proof-of-concept results, the technology is being considered for broader deployment at designated critical substations currently using traditional physical key locks. Implementation considerations include reliance on mobile devices for access, the absence of an alternate physical credential, coordination with members regarding perimeter gate access, and development of training and transition plans. The project is included in the 2027 capital planning process, with implementation currently targeted for completion by the end of 2027. Next steps include finalizing the implementation approach, engaging impacted members, completing deployment activities, and providing the board with a project completion update following implementation.

Financial Services

August Financials

Overall, Member loads were up 6.3% from budget for the month and up .82% from budget year to date. Large industrial loads were up 4.9% from budget for the month and down 2.22% from budget year to date. Operation and maintenance expenses were up 66.76% from budget for the month and up 1.86% from budget year to date. Year-to-date Member kWh sales are 1% over budget estimates and up 3% over the prior year.

2026 Audit Engagement

Sunflower

Board Action: The Sunflower Board voted and approved the 2026 audit engagement.

2027-2029 Budget

The budget presented reflected the same assumptions and estimates previously reviewed by the Board in August. No changes were made to the budget between the August and September Board meetings.

Board Action: The Sunflower Board voted and approved the 2027 budget.

Board Action: The Sunflower Board voted and approved an income tax deduction resolution.

WHM Approval

Board Action: The Sunflower Board voted and approved the WHM-27 tariff for implementation on January 1, 2027.

Board Action: The Sunflower Board voted and approved sending the 90-day notice of tariff change letter to Western

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Kansas Industrial Energy Consumers (WKIEC).

Rate Design

Over the past several rate studies, Sunflower gradually shifted cost recovery from energy charges toward demand charges. With anticipated changes in capital investment and member load profiles, a review of the current rate design may be appropriate to ensure costs continue to be classified and recovered in a manner that aligns with system cost drivers.

The current rate design uses the capacity method, which assigns production plant and related fixed costs primarily to demand. Alternative approaches, including average excess demand and the peaker method, would classify a greater portion of costs as energy-related or differentiate costs based on the type of generation serving system needs. Given the anticipated changes, the Board decided to conduct a rate study in 2027 for 2028 rates.

OTHER BUSINESS

Voting Delegates/Alternates

Cooperative Finance Corporation (CFC) District 7 Meeting

The CFC District 7 Meeting will be held October 6, 2026, in Salt Lake City, Utah.

Board Action: The Sunflower Board voted and approved Shane Laws and Bruce Mueller to serve as Sunflower's voting delegate and alternate voting delegate, respectively, at the CFC District 7 meeting.

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

WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total
Demand Coincident Peak, kW	28,879	142,686	139,707	125,389	183,044	70,134	173,830	863,669
Demand NCP, kW	28,965	140,889	140,827	135,401	191,372	71,448	175,449	884,351
Wholesale Energy Usage, kWh	14,754,583	85,711,055	72,765,033	58,970,537	99,193,163	36,878,611	74,955,438	443,228,420
RTP Marginal Usage, kWh					63,126			63,126
Coincident Peak Load Ratio Share, %	3.30%	16.50%	16.20%	14.50%	21.20%	8.10%	20.10%	100.00%
Coincident Load Factor, %	71.00%	83.40%	72.30%	65.30%	75.30%	73.00%	59.90%	71.30%
Metering Points	11	28	25	29	24	27	34	178
CP Demand Rate, $/kW	12.85	13.06	12.85	12.85	12.85	12.85	12.85	12.88
NCP Demand Rate, $/kW	3.54	3.54	3.54	3.54	3.54	3.54	3.54	3.54
CP Demand Charge, $	371,095.15	1,863,934.47	1,795,234.95	1,611,248.65	2,352,115.40	901,221.90	2,233,715.50	11,128,566.02
NCP Demand Charge, $	102,536.10	498,747.06	498,527.58	479,319.54	677,456.88	252,925.92	621,089.46	3,130,602.54
Demand Charge, $	473,631.25	2,362,681.53	2,293,762.53	2,090,568.19	3,029,572.28	1,154,147.82	2,854,804.96	14,259,168.56
Energy Rate, ¢/kWh	0.7437	0.7328	0.7437	0.7437	0.7437	0.7437	0.7437	0.7416
Energy Charge, $	109,729.83	628,132.25	541,153.55	438,563.88	737,699.55	274,266.23	557,443.59	3,286,988.88
RTP Marginal Usage Charge, $					5,234.93			5,234.93
HLF Rider Net Charge, $	7,306.13	23,028.75	(75,772.26)	16,088.29	(9,866.79)	18,261.44	20,954.44	-
EDR Rider Net Charge, $	6,441.35	17,932.88	31,766.78	(87,254.70)	(17,709.27)	16,099.96	32,723.03	-
ECA Rate (ECA-02), ¢/kWh	1.8050	1.8050	1.8050	1.8050	1.8050	1.8050	1.8050	1.8050
ECA Charge, $	266,320.22	1,547,084.54	1,313,408.85	1,064,418.19	1,790,436.59	665,658.93	1,352,945.66	8,000,272.98
Meter Rate, $/Meter	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Meter Charge, $	1,155.00	2,940.00	2,625.00	3,045.00	2,520.00	2,835.00	3,570.00	18,690.00
Schedule 1	4,792.52	27,576.85	23,970.57	20,223.78	33,064.48	11,838.90	28,296.97	149,764.07
Schedule 11 Regional	32,050.11	184,420.88	160,303.86	135,247.07	221,119.62	79,172.97	189,236.76	1,001,551.27
Schedule 11 Zonal	26,669.36	153,459.30	133,391.17	112,541.05	183,996.85	65,880.98	157,466.66	833,405.37
Schedule 12	2,050.01	11,796.05	10,253.47	8,650.77	14,143.41	5,064.12	12,104.10	64,061.93
Schedule 1a	5,118.76	29,454.11	25,602.34	21,600.49	35,315.30	12,644.82	30,223.25	159,959.07
Schedule 9 SEPC	101,266.09	582,699.47	506,498.89	427,329.02	698,653.44	250,156.30	597,915.81	3,164,519.02
Misc. Transmission	318.51	1,832.97	1,593.21	1,344.23	2,197.64	786.90	1,880.82	9,954.28
Transmission Charge, $	172,265.36	991,239.63	861,613.51	726,936.41	1,188,490.74	425,544.99	1,017,124.37	5,383,215.01
Billing Adjustments, $ (LRR Rider, PGS)		(224,126.74)	(391.65)	(0.02)	(118,011.03)	(1.57)	-	(342,531.01)
ECIR Credit, $			(35,280.54)					(35,280.54)
Community Solar Adjustments, $		(248.37)	(41.01)	(72.73)	(29.40)	(81.24)	(1,034.47)	(1,507.22)
Net Charges, $ *	1,036,849.14	5,348,664.47	4,932,844.76	4,252,292.51	6,608,337.60	2,556,731.56	5,838,531.58	30,574,251.59
3-2-1 Credits, $			(297.32)	(17,347.24)	(2,892.14)		(4,946.45)	(25,483.15)
Total Charges, $	1,036,849.14	5,348,664.47	4,932,547.44	4,234,945.27	6,605,445.46	2,556,731.56	5,833,585.13	30,548,768.44
Average all-in ¢/kWh	7.027	6.240	6.779	7.181	6.655	6.933	7.783	6.891

Non-Member energy charges:	$	$/kWh
9 West Cities	787,517.89	0.0592
4 East Cities	159,735.03	0.0780
KEPCo	189,795.99	
KMEA - EMP2 (Local Access)	131,966.42	
KMEA - City of Meade - (Local Access	25,848.43	
AP & NH other contracted services	293,531.36	
KPP - OATT, L.A.C. & MA Charges	42,677.91	

Basis for Changes from Previous Month

1. ↑ Holcomb Capacity Factor was 63.1% for the month.
2. ↑ Smoky Hills #1 WF Capacity Factor was 35.6% for the month.
3. → Shooting Star capacity factor was 30.3% for the month.
4. ↑ Smoky Hills #2 WFCapacity Factor was 42.1% for the month
5. ↓ Johnson Corner Solar Capacity Factor was 23.9% for the month
6. → Boot Hill Solar Capacity Factor was 25.2% for the month
7. ↓ Sunflower Solar @ Russell Capacity Factor was 20.0% for month

Note:

↑ = Increase ↓ = Decrease → = Little Effect

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

7-Oct-26

KEC Board Meeting Summary

October 1, 2026, at the Wichita Marriott

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

From: Shana Read, Director of Education and Training

Click for a printable version of this summary

Upcoming KEC Meetings

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

KEC Winter Conference
Jan. 30 - Feb. 1, 2027
Topeka, Kansas

KEC Board Meeting
March 3-4, 2027
Hilton Garden Inn Salina

KEC Board Meeting
May 12-13 2027
Marriott, Wichita

KEC Summer Meeting
July 31 - Aug. 2, 2027
Overland Park, Kansas

KEC Board Meeting
Oct. 6-7, 2027
Hilton Garden Inn, Salina

KEC Board Meeting
Dec. 1-2, 2027
Marriott, Wichita

In official action, the KEC Board of Trustees:

1. As recommended by the Budget and Operations Committee, approved the 2027 salary and benefits budget for KEC.
2. As recommended by the Policy & Bylaws Committee, approved the updated policies PB08 (Attendance and Participation in KEC Meetings), PB10 (Cash Reserves); and PB15 (Wage and Salary Administration).
3. Approved the slate of KEC Board of Trustee meetings for 2027.

KEC Committee Meetings

On Wednesday, Sept. 30, the standing committees met the day before the board meeting.

The **Communications Committee** reviewed the proposed 2027 department budget and received updates on communications and advocacy efforts, *Kansas Country Living* redesign plans, advertising and postal trends, and sponsorship revenue generation. The committee also heard a report on preparations for the upcoming Kansas Member Services and Communicators Conference.

The **Loss Control, Safety & Compliance Committee** reviewed the proposed 2027 department budget and received updates on the KEC Safety Summit, leadership development initiatives, apprenticeship program exploration, Safety Supervisors Group activities, training program enhancements, and plans for a new safety-focused podcast. The committee also discussed the potential development of a statewide outage map.

The **Policies & Bylaws Committee** reviewed proposed revisions to PB08 (Attendance and Participation in KEC Meetings), PB10 (Cash Reserves); and PB15 (Wage and Salary Administration).

The **Legislative & Regulatory Committee** reviewed the proposed 2027 department budget. They received federal and state legislative updates on the 2026 election cycle and emerging policy issues, and discussed a capitalization rate study proposal.

The **Executive Committee** met on Oct. 1 to review general association activities, including the director training opportunities, and plans for the 2027 Winter Conference.

Prior to the KEC Board Meeting, **Rusty Endicott**, Federated's Vice President of Safety and Loss Prevention, provided an industry update.

KEC Board Meeting

The **KEC Board of Trustees** heard reports from the Executive; Communications; Loss Control, Safety & Compliance; Policies & Bylaws; and Legislative & Regulatory committees. The Board also heard a report from Pat Morse, NRECA Director.

Kansas Electric Cooperatives, Inc. | PO Box 4267 | Topeka, KS 66604 US

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2027 KEC Board Meeting Dates

Jan. 30 – Feb.1, 2027	***Hotel Topeka***	***Winter Conference***
March 3-4, 2027	Hilton Garden Inn, Salina	KEC Board Meeting
May 12-13, 2027	Marriott, Wichita	KEC Board Meeting
July31 – Aug. 2, 2027	***Overland Park Marriott***	***Summer Meeting***
Oct. 6-7, 2027	Hilton Garden Inn, Salina	KEC Board Meeting
Dec. 1-2, 2027	Marriott, Wichita	KEC Board Meeting

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

Rates, Reliability, and Safety Dashboard

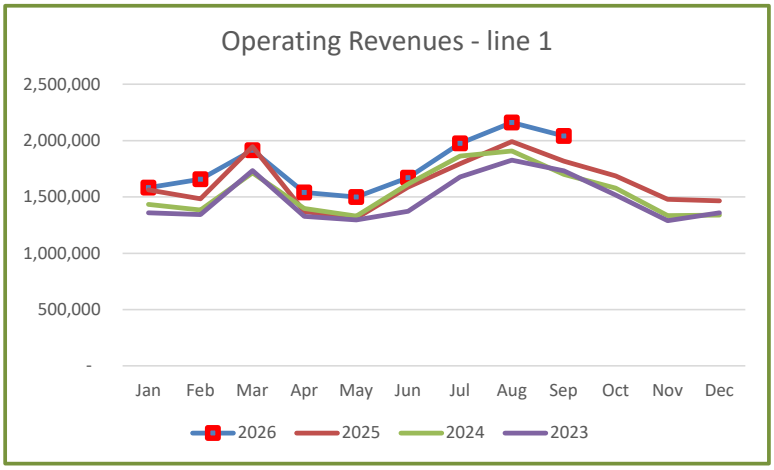
Executive Summary: We continue in solid condition through September 2026.

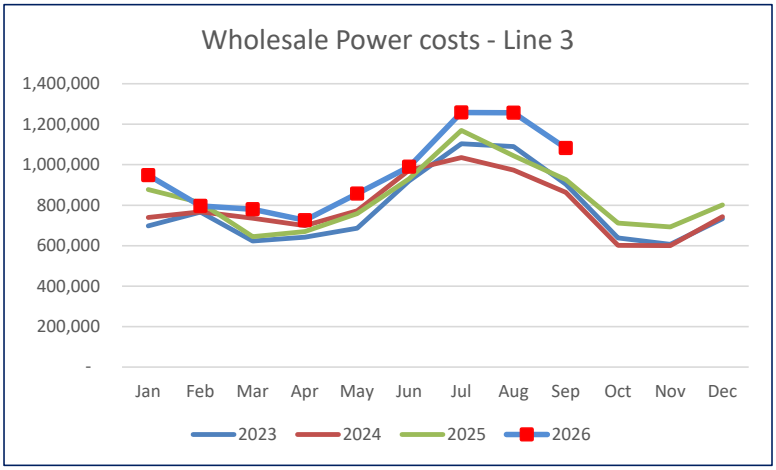
1. Total Operating Revenues (Part A, line 1) are up 7.9% over last year at $16,053,544. Total Wholesale power costs (Part A, line 3) continue to climb and are up 11.15% to $8,736,222, accounting for 54.4% of Operating Revenues. Our current distribution margin is $7,317,322 which is about 3.3% ahead of last year and reflects Oneok sales.

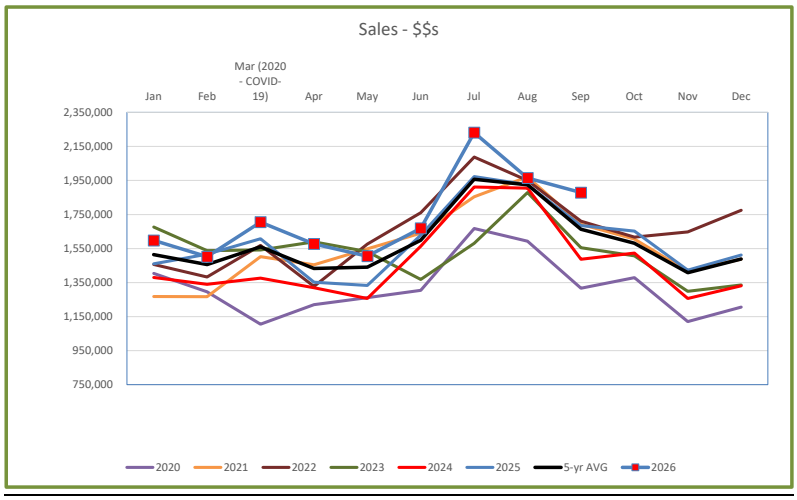
   This generates a year-to-date Operating Margin (line 21) of $1,032,484.

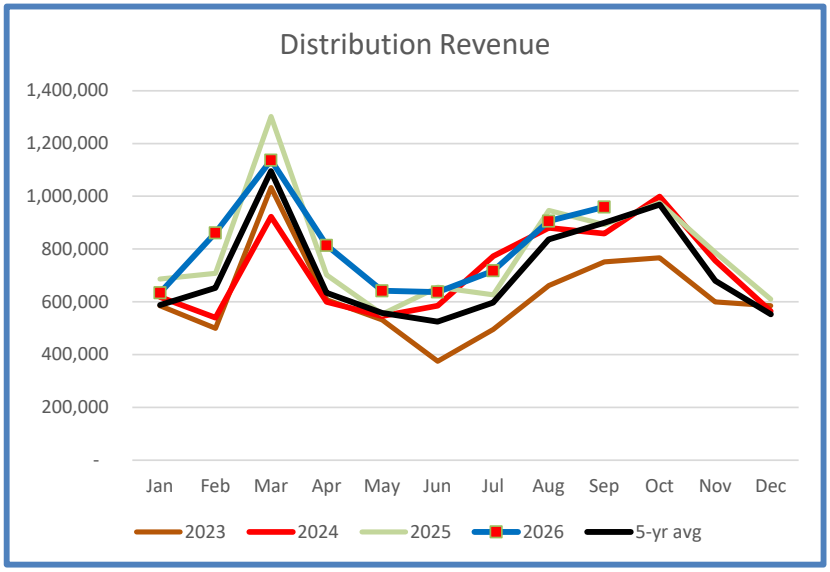
2. Reliability remains high. We had 9 hours of outages affecting 272 meters.

3. Safety. No major incidents reported.

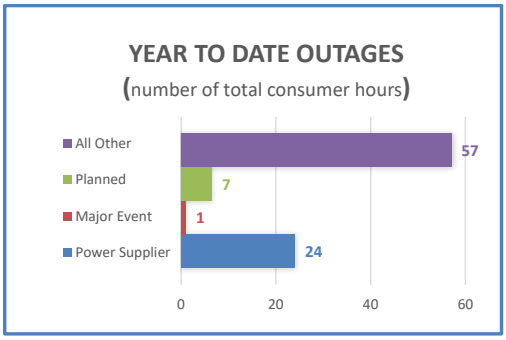








metric	2021	2022	2023	2024	2025	2026	measures
SAIDI	8.19	3.36	1.64	6.67	2.95	0.02	Interruption DURATION / average for every member (hrs)
SAIFI	2.56	1.33	1.02	1.10	1.09	0.71	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	3.20	2.53	5.60	6.07	2.71	0.02	Customer Avg Interruption Duration 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/CEO Expense Report.
  Sep. 29-Oct 1, KEC Board and Committee meetings, Wichita - $754.28
  Oct. 4-7, NRECA Region 7&9 meeting, Salt Lake City, UT - $3,157.76
  Oct. 13, Ness City, KS City Hall and Rotary Club – $70.33
  Oct. 20-21, Sunflower Board Meeting, Hays – $341.85

- General Manager Per Diem Requests. None.

- Strategic Planning Update

  Our completion rate increased from 19% to 33% in the last quarter.

2026-2029 Strategic Plan Updates			*2026*	
This Strategic Plan approved by the LSEC Board of Trustees March 23, 2026.			July	Oct
1	Continue to Develop the Safety Program		23	27
A	Create a Disaster Recovery Plan	CT	45	47
1	Create Index and Outline.		75	77
2	Develop Action Plans.		60	65
3	Finalize edits and submit to GM for approval.		0	0
B	Continuous Recordkeeping improvement	CT	18	21
1	Develop digital Tailgate Sheet		25	27
2	Create Job Briefing digital form.		15	20
3	Develop Incident Reporting form		15	15
C	Develop Formal Employee and Public Safety Education Program	CT	5	13
1	Develop formal employee safety education program		10	15
2	Develop formal public safety education program		0	10
2	Develop a Building Facilities Plan		23	34
A	Identify and effect necessary repairs, rebuild, or relocation of the Ness City office within budget.	DH	22	23
1	Evaluate property with cost: benefit of repair or replace.		65	65
a	Property Evaluation.		80	80
b	Develop approximate cost to repair / replace.		50	50
2	Initiate options to repair / replace.		0	3
a	Develop Options for repairs and budget, if appropriate.	GM	0	5
b	Develop Options for replace and present to Board.	GM	0	0
3	Initiate repair / replace.		0	0
B	Identify and effect necessary repairs to comprehensive Dighton Headquarters within budget.	DH	24	45
1	Evaluate property with cost: benefit of repair or replace.		45	85
a	Property Evaluation.		85	95
b	Develop approximate cost to repair / replace.		5	75
2	Initiate options to repair / replace.		10	18
a	Develop Options for repairs and budget, if appropriate.	GM	10	25
b	Develop Options for replace and present to Board.	GM	10	10
3	Initiate repair / replace.		0	10

3	Develop a Long-Range Construction Plan.		16	28
A	Develop and implement a systemwide Sectionalizing Study Plan.	DH	25	50
	1 Select Engineering Firm, scope, and provide required data.		50	90
	2 Identify substation rotation / timeline.		0	10
	3 Annual implementation progress.		0	0
B.	Analyze current and future substations and prepare improvement recommendations and timeline.	DH	17	20
	1 Select Engineering Firm, scope, and provide required data.		50	50
	2 Identify substation rotation / timeline.		0	10
	3 Annual implementation progress.		0	0
C.	Analyze existing and potential circuits for construction or rebuild.	DH	17	27
	1 Select Engineering Firm, scope, and provide required data.		50	70
	2 Identify substation rotation / timeline.		0	10
	3 Annual implementation progress.		0	0
D.	Create maintenance, testing, and/or replacement plans for critical infrastructure.	DH	7	13
	1 Identify and analyze critical infrastructure.		20	20
	2 Evaluate existing maintenance schedules and fill gaps.		0	10
	3 Execute plan and evaluate additional training needs.		0	10

4	Streamline Data Management		18	20
A	Implement a data mining program or system.	CB	38	38
	1 Install Mosaic - **Postposed NISC migrating to a different platform.**		25	25
	2 Define and scope Document Vault		50	50
B	Develop and implement a data management program.	CB	0	5
	1 Implement Mosaic and train staff - **Research new platform options.**		0	10
	2 Train staff on data mining through Document Vault		0	0
C	Develop Disaster Recovery Plan.	CB	45	45
	1 Develop DRP Scope and Framework		75	75
	2 Complete Draft DRP		60	60
	3 Implement and Review		0	0
D	Develop an asset tracking and lifespan system.	CB	0	0
	1 Identify Assets in Mosaic - **NISC New Platform**		0	0
	2 Identify key responsibilities for development and implementation		0	0
	3 Implement and Review		0	0
E	Continuous improvement in Operations and Engineering software.	CB	7	12
	1 Identify O&E software, licenses, and operators		10	15
	2 Evaluate for weaknesses and/or potential improvements and preform cost analysis for upgrades, if applicable.		0	10
	3 Identify key responsibilities for review and implementation		10	10

5	Successful transition to a new General Manager.		17	55
A	Develop company-wide professional and section-specific technical employee development plans.	GM	6	31
1	Create a Professional Development Blueprint	DK	8	40
a	Identify critical skills	DK	15	40
b	Assign skills to responsibilities as appropriate	DK	0	40
2	Create a Technical Development Blueprint	GM	4	22
a	Accounting / Finance	JW	0	0
b	Information Technology	CB	0	10
c	Operations / Engineering	DH	10	50
d	Member Services / Communications	AMJ	0	10
e	Human Resources	DK	15	50
f	Warehouse / Retail	SB	0	10
B	Develop a Business Continuity Plan.	GM	5	18
1	Identify existing and lacking critical plans focusing on Rates, Reliability, and Safety.	GM	9	22
a	Accounting / Finance	JW	50	0
b	Information Technology	CB	0	10
c	Operations / Engineering	DH	0	10
d	Member Services / Communications	AMJ	0	50
e	Human Resources	DK	0	50
f	Warehouse / Retail	SB	5	10
2	Develop plans to fill discrepancies.	GM	0	15
a	Accounting / Finance	JW	0	0
b	Information Technology	CB	0	10
c	Operations / Engineering	DH	0	0
d	Member Services / Communications	AMJ	0	25
e	Human Resources	DK	0	50
f	Warehouse / Retail	SB	0	5
3	Develop Staff review schedule.	GM	0	0
C	Review and update Manager polices as necessary.	GM	48	95
1	Identify Current and Potential Manager Policies.		75	100
2	Amend / develop policies for Board consideration.		20	90
D	Develop critical planning training for Staff.	GM	22	65
1	Load Forecast Study.		40	100
2	Wage and Benefit.		25	75
3	Financial Forecast and Budgets.		0	20
C	Assist the Executive Search process by the Board of Trustees.	GM	8	68
1	Provide requested data to consultant.		0	100
2	Provide assistance as requested.		15	35
Overall completion rate (%)			**19**	**33**

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

1) Accounting and Finance.
   - Operating Margin = $251,318 with $1,032,439 YTD.
   - Total Margin = $267,708 with $1,282,997 YTD.
   - Cash Balance – $6,722,278.
   - Rolling 12-month Metrics remain very good:
     - TIER – 2.59 (1.25 min.), OPTIER – 2.24 (1.1 min.), DSC – 2.46 (1.25 min.), ODSC – 2.28 (1.1 min.), MDSC – 2.37 (1.35 min.)

- Equity as a % of Assets – 45.16% and as a % of Capitalization – 47.97%
- Current Ratio – 2.44%

2) Operations Report (Dal).
   - Projects. We continue focusing on maintenance and engineering projects.
     - Scott Park/Oneok – current impact is about 3.5mW. They are having some pipeline issues in Colorado which are limiting pumping. We expect the load to be 6mW at peak.
     - Bridger / Tallgrass – awaiting current SPP study (no change)
   - Pole-Changeouts
     - Six three-phase (3ø) poles
     - Two V-phase (2ø) poles
     - Sixteen single-phase (1ø) poles
     - Three-meter pole poles.
   - New Construction.
     - Three single-phase (1ø) connections
     - One three-phase (3ø) connection
   - Engineering
     - Met with Landis & Gyr about new security files for routers.
     - Met with an electrician about a new water treatment plant in Ness City.
     - Met with landowners along the line route for the Shallow Water substation project.

3) Communications and Member Services (Ann Marie).
   - Multiple promotions include the Scavenger Hunt, Military Care Packages, Thanksgiving Giveaway, and Holiday Lighting contest.
   - Safety Demonstration for First Responders in Dighton at 6pm on 11/6 at the coop.
   - LSEC Promotional video production continues.

4) Warehouse, Retail and Purchasing (Scott).
   - Generac. Seven new units confirmed for purchase.
   - Electrician. Very busy with many estimates and small jobs. Michael will be supported with help from the crew.
   - Line materials. Inventory turn at 1.449 and looking good as we prepare for winter storms.

Respectfully submitted,

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

GM / CEO Exprense Sheet Summary

9/29/2026 through 10/23/2026

date	item	LSEC Credit Card	GM expense	total expense
30-Oct	KEC Board and Committee meetings	369.30	384.98	754.28
4-Oct	NRECA Regional Meeting	1,622.91	1,534.85	3,157.76
13-Oct	Ness City Rotary Club and City Hall visit	-	70.33	70.33
21-Oct	Sunflower Board Meeting - Hays	197.54	144.31	341.85
	totals	2,189.75	2,134.46	$ 4,324.21

The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee: Richard McLeon

Purpose of Trip: KEC Board and Committee Meetings - Wichita

Section 1

DATE		Sun ___ / ___	Mon ___ / ___	Tues 29-Sep	Wed 30-Sep	Thurs 1-Oct	Fri ___ / ___	Sat ___ / ___	TOTAL
Mile./Personal Veh.				210	32	289			
Mileage Rate		0.725	0.725	0.725	0.725	0.725	0.725	0.725	
Total Mileage Exp.		$0.00	$0.00	$152.25	$23.20	$209.53	$0.00	$0.00	$384.98
									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.					310.22			310.22
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.				9.33	33.29			42.62
	Emp.								0.00
Dinner	Co.			16.46					16.46
	Emp.								0.00
Phone	Co.								0.00
	Emp.								0.00
Misc.	Co.								0.00
	Emp.								0.00
TOTAL EXPENSES		$0.00	$0.00	$168.71	$32.53	$553.04	$0.00	$0.00	$754.28

Section 2

Reimbursement Summary

Total Expense from Section 1	$ 754.28
Less: Company Credit Card	369.30
Less: Other	0.00
Less:Other	0.00
Net due to Employee	$ 384.98

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: 10/26/2026

GM / CEO

Board President

RCB

Meal - 23.00 x 0.5 = 11.50

State Tax - (5%) 0.58

Tip - 8.75 x 0.5 = 4.38

$16.46

River City Brewery Company
150 N. Mosley
Wichita, KS 67202

Server: Janette W
Check #67 Table 22
Ordered: 9/29/26 5:09 PM

Corn Fritters	$9.00
Manhattan	$14.00
Banana Bread Brit	$6.50
Festbier	$5.50
Subtotal	$35.00
State Tax	$1.73
Liquor Tax	$1.20
Tip	$8.75
Total	$46.68

Input Type	C (EMV Chip Read)
VISA CREDIT	xxxxxxxx4793
Time	5:51 PM
Transaction Type	Sale
Authorization	Approved
Approval Code	719215
Payment ID	syxMyYYCcNkw
Application ID	A0000000031010
Application Label	VISA CREDIT
Device ID	8af73a5f4590f412
Card Reader	CASTLES

RICHARD A MCLEON

The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee: Richard McLeon

Purpose of Trip: NRECA Regional Meeting - Salt Lake City, UT

Section 1

DATE		Sun 4-Oct	Mon 5-Oct	Tues 6-Oct	Wed 7-Oct	Thurs 8-Oct	Fri ___ / ___	Sat ___ / ___	TOTAL
Mile./Personal Veh.									
Mileage Rate		0.725	0.725	0.725	0.725	0.725	0.725	0.725	
Total Mileage Exp.		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Travel Expense:									1,381.40
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.				1,073.91				1,073.91
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.								0.00
	Emp.		17.48		23.00				40.48
Dinner	Co.								0.00
	Emp.	50.00	32.62		30.35				112.97
Phone	Co.								0.00
	Emp.								0.00
Registration	Co.				549.00				549.00
	Emp.								0.00
TOTAL EXPENSES		$50.00	$50.10	$0.00	$1,676.26	$0.00	$0.00	$0.00	$3,157.76

Section 2

Reimbursement Summary

Total Expense from Section 1	$3,157.76
Less: Company Credit Card	1,622.91
Less: Other	0.00
Less:Other	0.00
Net due to Employee	$1,534.85

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: 10/26/2026

GM / CEO

Board President

note: I chose to drive to the meeting and take a few vacation days en route. Instead of requesting mileage reimbursement for the drive to SLC, I am requesting what I normally would have done which is drive to Garden City, fly to SLC, then take a cab to the hotel.

The cost of flying is estimated at $1,378.50 while the cost of driving is about $2,466.00 plus

hotel rooms along the way. A reimbursement at flight costs saves the Cooperative about $1,087.50.

Mileage reimbursement

Drive:	Mileage one-way:	1620 x $0.70 =	1,134.00
	Mileage return:	1620 x $0.70 =	1,134.00
	Hotel parking plus tip:	4 x $47 =	198.00
			2,466.00
Fly:	Mileage Dighton to Garden City:	52 x $0.725 =	37.70
	GC to SLC (American, Business Class):		1,254.00
	Cab to and from Hotel:	$25 x 2 + tip=	52.00
	Mileage return:	52 x $0.725 =	37.70
			1,381.40

HYATT REGENCY

Hyatt Regency Salt Lake City
170 South West Temple
Salt Lake City, UT 84101
Tel: 801-596-1234
Fax: 801-596-1235
hyattregencysaltlakecity.com

INVOICE

Richard Mcleon
Po Box 758
Dighton KS 67839-0758
United States

Room No. 2430
Arrival 10-04-26
Departure 10-07-26
Folio Window 1
Folio No. 351603

Confirmation No. 1488951101
Group Name NRECA - Region 7&9 Meeting

Date	Description		Charges	Credits
10-04-26	Deposit Transferred at C/I			342.97
10-04-26	Accommodation		289.00	
10-04-26	County Fee		2.89	
10-04-26	Sales Tax		24.66	
10-04-26	Transient Room Tax		20.64	
10-04-26	SLCo Tourism Assessment		5.78	
10-05-26	Valet Parking		45.00	
10-05-26	Accommodation		289.00	
10-05-26	County Fee		2.89	
10-05-26	Sales Tax		24.66	
10-05-26	Transient Room Tax		20.64	
10-05-26	SLCo Tourism Assessment		5.78	
10-06-26	Accommodation		289.00	
10-06-26	County Fee		2.89	
10-06-26	Sales Tax		24.66	
10-06-26	Transient Room Tax		20.64	
10-06-26	SLCo Tourism Assessment		5.78	
10-07-26	Visa	XXXXXXXXXXXX5708 XX/XX		730.94
	Total		1,073.91	1,073.91
	Balance		0.00	

Guest Signature

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

World of Hyatt Summary

Membership: XXXXXX197C
Bonus Codes:
Qualifying Nights: 3
Eligible Spend: 867.00
Redemption Eligible: 0.00

Summary Invoice, please see front desk for eligibility details.

WE HOPE YOU ENJOYED YOUR STAY WITH US!

GALEANO'S
RISTORANTE ITALIANO
(801) 989-2375

10/5/26, 8:07 PM Ticket: D8-1
Server: Jazmine R
MAIN DINING ROOM Table W9
Invoice: 261005-07-8

Credit Sale	
Status:	00 - APPROVAL
Card Type:	VISA
Card Number:	XXXXXXXXXXXX4793
Card Owner:	MCLEON/RICHARD A
Auth Code:	125070
Merchant ID:	*********875
Currency:	USD
Entry Method:	INSERT
APPLAB:	VISA CREDIT
AID:	A0000000031010
TVR:	8080008000
TSI:	6800
Total	53.63
Surcharge fee	1.61

AMOUNT 55.24

TIP 10.00

TOTAL 65.24

Sign X _____

I agree to pay the total amount above according to the card issuer agreement.

Suggested Tips
20%=9.80 25%=12.25 30%=14.70

Duplicate Copy $52.62

GRAZIE MILLE!!!
Make Your Next Reservations Today!

© 2026 Heartland Payment Systems, LLC, a Global Payments company

Hyatt Regency Salt Lake City
The Salt Republic
170 S W Temple St.
Salt Lake City, UT 84101
801-596-1234
10/4/2026 6:37 PM

TABLE	121
Server	1482338/Joe
Check Number	5883

Customer Copy

Terminal ID: 31456
Card Number: XXXXXXXXXXXX4793(C)
Expiry Date: **/**
Card Type: VISA
Trans Type: Auth
Check Number: 5883
Trans Time: 10/4/2026 6:37:23 PM
Name On Card: CARDHOLDER/VISA
Entry Mode: VISA CONTACTLESS
Auth Code: 914073
Mode: Issuer
AID: a0000000031010
TVR: 0000000000
TSI:
IAD: 06011203a00000
ARC: 00
CVM Result: 1f0301
App Label: VISA CREDIT

Subtotal $ 84.01

Tip 16.00

Total 100.01

Approved

$50.00 = 1/2

Hyatt Regency Salt Lake City
Market
170 S W Temple St.
Salt Lake City, UT 84101
801-596-1234
10/5/2026 12:40 PM

Server 1507551/Arianna
Check Number 8295
Customer Copy

Terminal ID: 31399
Card Number: XXXXXXXXXXXX4793(C)
Expiry Date: **/**
Card Type: VISA
Trans Type: Auth
Check Number: 8295
Trans Time: 10/5/2026 12:40:31 PM
Name On Card: CARDHOLDER/VISA
Entry Mode: VISA CONTACTLESS
Auth Code: 315004
Mode: Issuer
AID: a0000000031010
TVR: 0000000000
TSI:
IAD: 06011203a00000
ARC: 00
CVM Result:
App Label: VISA CREDIT

Subtotal $ 15.48

Tip 2.00

Total 17.48

Approved

X _____

The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee: Richard McLeon

Purpose of Trip: NC Rotary Club

Section 1

DATE		Sun ___ / ___	Mon ___ / ___	Tues 13-Oct	Wed ___ / ___	Thurs ___ / ___	Fri ___ / ___	Sat ___ / ___	TOTAL
Mile./Personal Veh.				97					
Mileage Rate		0.725	0.725	0.725	0.725	0.725	0.725	0.725	
Total Mileage Exp.		$0.00	$0.00	$70.33	$0.00	$0.00	$0.00	$0.00	$70.33
									0
Gas/Oil	Co.								0.00
	Emp.								0.00
Car Rental	Co.								0.00
	Emp.								0.00
Taxi/Limo	Co.								0.00
	Emp.								0.00
Tolls/Parking	Co.								0.00
	Emp.								0.00
Airfare	Co.								0.00
	Emp.								0.00
Lodging	Co.								0.00
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.								0.00
	Emp.								0.00
Dinner	Co.								0.00
	Emp.								0.00
Phone	Co.								0.00
	Emp.								0.00
Misc.	Co.								0.00
	Emp.								0.00
TOTAL EXPENSES		$0.00	$0.00	$70.33	$0.00	$0.00	$0.00	$0.00	**$70.33**

Section 2

Reimbursement Summary

Total Expense from Section 1	$ 70.33
Less: Company Credit Card	0.00
Less: Other	0.00
Less:Other	0.00
Net due to Employee	$ 70.33

Section 3

Expense Allocation

Acct. #	Amount
Total	

note: Unit 105 was being used by Staff at training

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

Presented to LSEC Board of Trustees: 10/26/2026

GM / CEO

Board President

The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee: Richard McLeon
Purpose of Trip: SEPC Board - Hays, KS

Section 1

DATE		Sun ___ / ___	Mon ___ / ___	Tues 20-Oct	Wed 21-Oct	Thurs ___ / ___	Fri ___ / ___	Sat ___ / ___	TOTAL
Mile./Personal Veh.				92	95				
Mileage Rate		0.725	0.725	0.725	0.725	0.725	0.725	0.725	
Total Mileage Exp.		$0.00	$0.00	$66.70	$68.88	$0.00	$0.00	$0.00	$135.58
									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.				197.54				197.54
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.								0.00
	Emp.			8.73					8.73
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	$75.43	$266.42	$0.00	$0.00	$0.00	$341.85

Section 2

Reimbursement Summary

Total Expense from Section 1	$ 341.85
Less: Company Credit Card	197.54
Less: Other	0.00
Less:Other	0.00
Net due to Employee	$ 144.31

Section 3

Expense Allocation

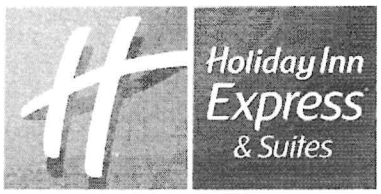
Acct. #	Amount
Total	

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

Presented to LSEC Board of Trustees: 10/26/2026

GM / CEO

Board President



10 10-21-26

Richard Mcleon	Folio No.	: **297636**		Room No.	: **304**
Po Box 670	A/R Number	:		Arrival	: **10-20-26**
Dighton KS 67839	Group Code	:		Departure	: **10-21-26**
United States	Company	: **LEISURE**		Conf. No.	: **24902321**
	Membership No.	: **PC 500127961**		Rate Code	: **IDME0**
	Invoice No.	:		Page No.	: **1 of 1**

Date	Description	Charges	Credits
10-20-26	*Accommodation	165.30	
10-20-26	State Tax	11.57	
10-20-26	City Tax	3.72	
10-20-26	C.I.D.(Community Improvemen	3.31	
10-20-26	Occupancy Tax	13.64	
10-21-26	Visa XXXXXXXXXXXX5708		197.54
	Total	**197.54**	**197.54**
	Balance	**0.00**	

Thank you for staying with us! Qualifying points for this stay will automatically be credited to your account. Please tell us about your stay by writing a review here - www.ihg.com/reviews. We look forward to welcoming you back soon.

Guest Signature: _____

I have received the goods and / or services in the amount shown heron. I agree that my liablity for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

Holiday Inn Express & Suites
4650 Roth Ave
Hays, Kansas 67601
Telephone: 785.625.8000 Fax: 785.625.8001

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: September 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			THIS MONTH
	LAST YEAR (*a*)	THIS YEAR (*b*)	BUDGET (*c*)	(*d*)
1. Operating Revenue and Patronage Capital	15,035,239	16,053,544	17,255,955	2,041,318
2. Power Production Expense				
3. Cost of Purchased Power	7,832,714	8,736,222	8,720,314	1,081,886
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	797,667	910,126	1,006,518	94,940
7. Distribution Expense - Maintenance	876,354	1,152,985	1,027,857	146,607
8. Customer Accounts Expense	187,197	182,216	230,221	13,481
9. Customer Service and Informational Expense	65,354	58,247	74,520	6,908
10. Sales Expense	70,561	113,050	93,033	18,660
11. Administrative and General Expense	1,556,165	1,420,947	1,639,316	157,337
12. Total Operation & Maintenance Expense (*2 thru 11*)	11,386,012	12,573,793	12,791,779	1,519,819
13. Depreciation and Amortization Expense	1,550,785	1,584,045	1,788,735	177,768
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	839,395	803,836	814,989	88,521
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	5,891	4,970	4,154	573
19. Other Deductions	12,472	54,416	15,859	3,319
20. Total Cost of Electric Service (*12 thru 19*)	13,794,555	15,021,060	15,415,516	1,790,000
21. Patronage Capital & Operating Margins (*1 minus 20*)	1,240,684	1,032,484	1,840,439	251,318
22. Non Operating Margins - Interest	191,982	122,155	193,551	15,258
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	1,134	102,138	71,964	(6,260)
26. Generation and Transmission Capital Credits	232,170			
27. Other Capital Credits and Patronage Dividends	25,696	26,220	25,000	7,392
28. Extraordinary Items				
29. Patronage Capital or Margins (*21 thru 28*)	1,691,666	1,282,997	2,130,954	267,708

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: September 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	38	27	5. Miles Transmission		
2. Services Retired	0	30	6. Miles Distribution – Overhead	2,030.02	2,031.40
3. Total Services in Place	6,098	6,094	7. Miles Distribution - Underground	9.17	9.61
4. Idle Services (*Exclude Seasonals*)	382	417	**8. Total Miles Energized** ***(5 + 6 + 7)***	2,039.19	2,041.01

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	67,392,132	30. Memberships	0
2. Construction Work in Progress	1,125,677	31. Patronage Capital	25,954,967
3. Total Utility Plant ***(1 + 2)***	68,517,809	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	26,299,964	33. Operating Margins - Current Year	1,032,484
5. Net Utility Plant ***(3 - 4)***	42,217,845	34. Non-Operating Margins	2,951,844
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	286,847
7. Investments in Subsidiary Companies	258,527	**36. Total Margins & Equities** ***(30 thru 35)***	30,226,142
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	27,981,471
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)	3,141,892
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)***	13,660,150	**43. Total Long-Term Debt** ***(37 thru 41 - 42)***	31,123,363
15. Cash - General Funds	(15,247)	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	6,515,442	47. Notes Payable	0
19. Notes Receivable (Net)	0	48. Accounts Payable	1,200,012
20. Accounts Receivable - Sales of Energy (Net)	1,893,994	49. Consumers Deposits	193,558
21. Accounts Receivable - Other (Net)	53,946		
22. Renewable Energy Credits	0	50. Current Maturities Long-Term Debt	1,686,173
23. Materials and Supplies - Electric & Other	681,624	51. Current Maturities Long-Term Debt - Economic Development	0
24. Prepayments	37,519	52. Current Maturities Capital Leases	0
25. Other Current and Accrued Assets	22,216	53. Other Current and Accrued Liabilities	783,185
26. Total Current and Accrued Assets ***(15 thru 25)***	9,189,619	**54. Total Current & Accrued Liabilities** ***(47 thru 53)***	3,862,928
27. Regulatory Assets	0	55. Regulatory Liabilities	0
28. Other Deferred Debits	144,819	56. Other Deferred Credits	0
29. Total Assets and Other Debits ***(5+14+26 thru 28)***	65,212,433	**57. Total Liabilities and Other Credits** ***(36 + 43 + 46 + 54 thru 56)***	65,212,433

Formulas - 12-month rolling average

Sep-26 RUS = 7 CFR § 1710.114

Equity - % of Assets	**45.16%**
Margin + Equities - C36	29,503,423
Total Assets - C29	65,331,507

Distribution Equity	**31.83%**
Margin + Equities - C36	29,503,423
Total Assets - C29	65,331,507
Patronage Capital - C8	12,772,515

Equity - % of Capitalization	**47.97%**
Current Equity - C36	29,503,423
Current LT Debt - C43	32,002,548

Current Ratio	**2.44**
Tl. C & A Assets - C26	9,301,682
Tl C & A Liabilities - C54	3,810,740

General Funds Level	**10.46%**
Non Utility Property - C6	-
Invest in Assoc, Other GF - C9	445,669
Other Invest. - C12	5,501
Special Funds - C13	-
Cash Gen. Funds - C15	184,305
Temporary Investments - C18	6,436,744
Prepayments Unapplied - C42	-
Total Utility Plant - C3	67,643,644

Cash to Debt	**21.38%**
Cash Gen. Funds - C15	184,305
Temporary Investments - C18	6,436,744
CFC CTC's - Stat Report	221,958
Current LT Debt - C43	32,002,548

Financial Reporting Ratios

TIER RUS = 1.25	**2.59**
Net Income - A29	142,907
Interest on LT Debt- A16	90,007

DSC RUS = 1.25	**2.46**
Depreciation - A13	175,177
Interest on LT Debt- A16	90,007
Pat. Cap. or Margins - A29	142,907
Prin. & Int. Pymts - N, d Total	166,091

MDSC CFC - 1.35	**2.37**
Depreciation - A13	175,177
Interest on LT Debt- A16	90,007
Operating Income - A21	111,731
Non-Op Margins - Int - A22*	14,644
Patronage Capital - C8	12,772,515
Pat Cap Cash Calc	2,397
Prin. & Int. Pymts - N, d Total	166,091

Operating TIER RUS - 1.1	**2.24**
Operating Income - A21	111,731
Interest on LT Debt- A16	90,007

Operating DSC RUS = 1.1	**2.28**
Operating Income - A21	111,731
Depreciation - A13	175,177
Interest on LT Debt- A16	90,007
Patron. Refund from G&T, other - A26+A27	- 2,397
Prin. & Int. Pymts - N, d Total	166,091
Interest on LT Debt- A16	90,007
LT Debt - other - C40	3,562,623
sum A16+C40	3,652,629

Operations Report September 2026

- Maintenance
  Refused transformers and side taps.
  Worked locate tickets system wide.
  Repaired lights system wide.
  Changed out bad meters.
  Monthly substation inspections.
  Changed out bad transformers for Tim Joyce, Pickrell Drilling and HG Holding Oil.
  Retired connects for H&B Petroleum, Mull Drilling, Brad Hoss and Brad Dinges.
  Trimmed trees in Grigston and for Mamie Yost.
  Replaced meter loops for Dean Funk, Shakespeare Oil, and American Warrior.
  Replaced two surge arresters in the Scott Park substation.
  Changed out an insulator on the east Norton circuit.
  Repaired 2, phase floaters on the Hineman 3-phase.
  Repaired a broken jumper on Kevin Brook's irrigation connect.
  Checked on a high bill complaint for Dennis Atwell.
  Repaired loose connections at Adam Walker's.
  Assembled new OCR stands for the McCracken and Ransom substations.
  Patrolled line and tightened hardware.
  Serviced and cleaned trucks.

- Pole Change Outs
  Changed out meter poles for Lex Bush, Larry Horacek and Sunrise Oil Supply.
  Changed out 2, 3-phase poles for clearance improvements in Finney Co.
  Changed out 1, 3-phase pole for clearance improvements on the east Norton circuit.
  Change out 3, 3-phase poles on the Mennonite Road.
  Changed out 8, single-phase poles on the south Dighton tap.
  Changed out 7, 3-phase poles on the Mennonite Road.
  Changed out 1, single-phase pole on the Kendall tap.
  Changed out 2, V-phase poles on the Pawnee circuit.

- New Construction
  Built a new single-phase connect for Richard Duff's water well.
  Built a new single-phase connect for Darren Roberts shed.
  Built a new 3-phase connect for Sterling Farms irrigation well.
  Built a new single-phase connect for Mary Lou Borell's fence charger.

- Engineering
  Worked on meters and collectors in Command Center.
  Made several projects as-built in the mapping system.
  Staked in two new oil well connects.
  Staked in a new water well and fence charger connects.
  Staked in a new connect for lights at the Sacred Heart Cemetery in Ness City.
  Met with several member about new connects.
  Met with landowners along the line route for the Shallow Water substation project.
  Filed easements in Lane County.

Updated locates on red tagged poles.
Met with Landis & Gyr about new security files for routers.
Met with an electrician about a new water treatment plant in Ness City.
Continued work on the LRP.
Finalized the quote for Lane County Feeders.

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	9,675	9,435				34.6%
Dighton 14400	SF02 DIGH14400	28000	5,229	5,133	7,901	5,065	5,229	5,606	6,620	6,066	5,724				28.2%
Dighton 7200	SF02 DIGH7200	22400	2,620	2,290	2,521	2,804	2,732	3,454	4,435	5,178	4,140				23.1%
Manning	SF02 MANNING	25000	5,561	4,706	5,128	5,734	5,221	4,620	4,002	3,784	3,242				22.9%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-	-	-	-				0.0%
Scott Park	SF02ONEOKSC	11300			5	2	1,392	2,702	5,215	5,119	3,991				46.2%
LS Seaboard	SF02 SEABOARD	billing	340	336	548	671	612	697	604	565	523				
Twin Springs 14000	SF02 TSPRGS14	11300	337	256	238	233	290	376	391	399	383				3.5%
Twin Springs 7200	SF02 TSPRGS72	11300	166	133	281	282	349	387	420	421	385				3.7%
Dighton WAPA	SFWP DIGHTON	billing	154	137	135	153	152	183	216	174	135				
Dighton - West	SF02 DIGHTCTYW	1500	469	400	417	420	631	862	981	921	931				65.4%
Dighton - North	SF02 DIGHTCTYN	1500	446	423	397	403	506	628	854	803	864				57.6%
Dighton - South	SF02 DIGHTCTYS	1500	622	429	507	511	763	1,038	1,262	1,205	1,138				84.1%
City of Dighton	SFS2 DIGHCTY	billing	1,332	1,110	1,151	1,136	1,723	2,378	2,943	2,728	2,773				
Alexander 115 Sub	MK02 ALEXAN	20000	1,601	1,265	-	2,776	1,549	2,037	2,165	2,112	2,141				13.9%
Ness City 115 Sub	MK02 NESS115	20000	3,384	3,544	3,748	3,728	4,090	6,694	7,545	7,142	4,841				37.7%
LSEC Billing NCP	time		12:00	14:00	11:00	16:00	14:00	16:00	17:00	16:00	17:00				
	date		1/17	2/20	3/26	4/13	5/15	6/17	7/20	8/3	9/3				
Non-Coincidential Peak		178000	29,438	28,006	30,458	31,946	32,526	39,185	45,193	46,292	40,646	0	0	0	26.0%
last year:			29,012	29,081	27,803	27,278	27,611	38,230	46,111	38,369	39,878	31,952	24,004	25,216	

CP KW

Substation	Recorder ID	Substation capacity (kVa)	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	6,187	8,958				32.0%
Dighton 14400	SF02 DIGH14400	28000	4,660	3,962	4,707	4,770	4,689	5,450	4,922	5,283	5,689				20.3%
Dighton 7200	SF02 DIGH7200	22400	2,284	2,071	2,345	2,532	2,383	2,974	4,435	4,359	3,617				19.8%
Manning	SF02 MANNING	25000	4,561	4,121	4,268	5,542	3,903	2,540	3,810	3,715	2,924				22.2%
Manning B	SF02 MANNINGB	7500	-	-	-	-	-	-	-	-	-				0.0%
Scott Park	SF02ONEOKSC				1	1	830	2,583	3,014	3,318	2,415				
LS Seaboard	SF02 SEABOARD	billing	285	261	189	201	524	547	243	241	477				
Twin Springs 14000	SF02 TSPRGS14	11300	310	223	226	220	232	340	385	372	355				3.4%
Twin Springs 7200	SF02 TSPRGS72	11300	149	97	215	259	298	334	390	399	365				3.5%
Alexander 115 Sub	MK02 ALEXAN	20000	1,480	1,208	-	1,046	1,311	1,847	2,135	2,023	2,017				10.7%
Ness City 115 Sub	MK02 NESS115	20000	2,913	2,153	3,748	2,513	3,128	6,694	7,545	7,142	4,841				37.7%
Sunflower System CP	time		13:00	8:00	18:00	16:00	16:00	16:00	16:00	16:00	16:00				
	date		1/23	2/5	3/25	4/21	5/15	6/29	7/27	8/11	9/3				
Sum of CP		173500	21,858	20,090	22,207	22,462	24,527	28,756	32,842	33,039	31,658	0	0	0	19.0%
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	174	135	-	152	-	
Dighton - West	SF02 DIGHTCTYW	1500	469	400	417	420	631	862	981	921	931	-	-	-	65.4%
Dighton - North	SF02 DIGHTCTYN	1500	446	423	397	403	506	628	854	803	864	-	-	-	57.6%
Dighton - South	SF02 DIGHTCTYS	1500	622	429	507	511	763	1,038	1,262	1,205	1,138	-	-	-	84.1%
City of Dighton	SFS2 DIGHCTY	billing	1,332	1,110	1,151	1,136	1,723	2,378	2,943	2,728	2,773	-	-	-	
Non-Coincidential Peak		4500	1,537	1,252	1,321	1,334	1,900	2,528	3,097	2,929	2,933	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	2,902	2,779				
Demand 1	CPKW	178000	20,372	19,107	20,922	21,197	22,977	26,196	29,683	30,137	28,879	0	0	0	16.9%
Demand 2	NCP	178000	21,801	21,785	24,413	23,927	23,492	27,464	31,170	31,806	28,965				17.9%
Energy purchased			13,693,641	12,234,954	13,626,904	14,194,107	14,013,537	14,243,008	17,367,425	17,486,765	14,754,583				

CYBERSECURITY & INFORMATION TECHNOLOGY

EXECUTIVE SUMMARY

Cybersecurity Attack Awareness Reports

- Microsoft Teams IT Support Impersonation – Trusted collaboration workflows are becoming the attack surface. A convincing voice call can bypass the phishing defenses. This is why technical issues are routed through the IT department to manage user issues instead of the users that are unfamiliar with the software process, networks, or technical platforms handling them through software vendors.
- Wrench Attacks are up approximately 33%. Attackers coerce victims to cooperate often at gunpoint or through physical force or threats against victims to gain access to their cryptocurrency through home invasions, kidnapping, street robberies, or other violent attacks physically. Attackers research victims online and use this knowledge to bypass digital security measures. Exploiting human vulnerabilities instead of targeting digital security measures. Physical security is critical in addition to digital security. Instead of breaking encryption technically, an attacker bypasses digital security to pressure/force a person into initiating or providing the attacker with information to compromise the system. As a critical infrastructure we have taken proactive initiatives in securing our physical environment.

Cybersecurity

- AI Policy and AI Procedures
  - AI Policy board approval
  - AI Operating Policy
  - Microsoft AI Software and NISC AI Assistant Software Training
  - AI Governance and Security Training
- Nex-Tech Camera and Access Control Upgrade
- KEC Cyber & IT Group Meeting

Information Technology

- Hyper-V Print Server programming for printer centralization.
  - Automatic installation reduces manual installation on each device.
  - Centralized Printer Management for easier configuration, monitoring, and maintenance of multiple printers. Real time monitoring and data protection.
  - Reduced downtime and computer/printer update compatibility issues.
  - Scalability and improved efficiency.
  - Enhances security features and audit logging.
- Mapping Work Management Workflow Review
  - IT and Engineering Training
  - Establish Workflow Procedures for line crew and billing training.
- Networking and Server Room Upgrades and Updates
- Disaster Recovery Planning
- Cybersecurity Incident Response Planning
- Business Continuity Planning
- Miscellaneous User Technical Assistance

October Communications & Member Service Board Report:

1. Proposed Annual Meeting Date: July 20, 2026
2. Lane-Scott Electric Cooperative Month Scavenger Hunt Promotion in October.
3. Production of Lane-Scott Promotional Video. Shoot Dates 10/2 & 10/13
4. Military Care Packages – Deadline of Oct. 30 for addresses.
5. Thanksgiving Giveaway



6. Holiday Light Contest



7. Safety Demonstration for First Responders, 11/6 at 6pm at the Dighton Office.

8. Working on my 2027 budget, communications plan, and continuity plan.

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.

September Warehouse Report

Total Inventory Dollars on Hand for September:

Line Material--$369,987	Inventory Turns—1.449
Resale Material--$165,960	Inventory Turns—1.176

Generac Update:

Multiple estimates continued to be requested in September, with a total of 6 being quoted. Of the estimates out in August & September, seven have confirmed they want to go ahead with purchase. We are hoping they will arrive in early October so installations can get started and finished before weather changes.

Electrician Update:

Michael was busy with an unusual number of estimates given in September for various jobs to be done. He also got caught up with several of the smaller jobs that had called in and were on the list. Business will remain busy for the rest of the year with Generac installations and the other jobs we have coming up.

Line Material:

We are still working on getting BABA certified material quoted for the Bazine Bridge job. This process is slow but once completed, we will have a master list for any future jobs that will require this. Our inventory levels look good and we will continue to keep communication open with our vendors on lead times as winter approaches.

confidential

2027 Staffing, Wage, and Benefit Plan Proposal

presented to the Board of Trustees October 26, 2026

prepared by: *Richard McLeon, MBA, MSc.*
General Manger / CEO

data assist by: *Diana Kuhlman*
HR Administrator

Methodology

Putting together the annual Salary and Benefit Plan each year requires balancing three items:

1 **Projected Inflation Rate**. I use several sources to estimate what the projected inflation rate will be for the coming year. Adjusting wages to cover inflationary increases preserves employee purchasing power. I try to be about 1.0% above the minimum inflation rate to move employees horizontially along their scale.

2 **Projected Aggregate Salary increases.** We survey multiple sources to get an average of projected salary increases for the coming year.

3 **Projected Cost of Benefits**. Our benefit package includes all insurance, other, and retirement benefits. This typically accounts for about 1/3rd of our total package. The Blue Cross Blue Shield / KECHIT coming years increases are published in September. Retirement benefit changes are estimated based on enrollment, but we will not know the NRECA RS contribution amount until December.

First: Determine inputs.

Projected Inflation rate

US Inflation Rate - 2027 Forecasted (Congressional Budget Office)	4/1/2026	2.30%
The Economy Forecast Agency - 2027 average		2.75%
Morningstar: "What's ahead in 2027 and Beyond…."	9/17/2026	2.50%
The Cleveland Fed's Inflation Expectations Model	8/12/2026	2.49%
	avg.	2.51%

2027 Salary-only budget projections

Conference Board	US Salary Budgets 2026-2027	Sep-26	3.50%
Sunflower	2026 Payroll Budget presentation to SEPC Board	Aug-26	3.50%
KEC	2027 Budget: Salary increases	Jun-26	3.50%
PayScale	2026-2027 Salary Budget Survey	Jul-25	3.50%
	sectors: cooperative	1/14/3417	3.70%
	midwest		3.50%
Willis Towers Watson	Employers shift from bigger pay budgets to smarter strategies	15-Jul	3.40%
World at Work	2026-2027 Salary Budget Survey	16-Jul	3.60%
		avg.	3.53%

Projected Cost of Benefits

	2026	*2027 est*	
KECHIT	518,726	558,775	7.72%
Other	874,523	940,011	7.49%
	1,393,249	1,498,787	7.57%

Ratio of Wages to Benefits	*2026*	
Salary + overtime:	2,536,301	61.5%
Total Benefits:	1,393,249	33.8%
Taxes:	194,027	4.7%
2026 Total Compensation Package:	4,123,577	

Second: Determine the Range.

Range Projection

					Inflation Rate plus 1.0%:	3.51%	*bottom*
	proj. change		weight				
Salary + taxes:	3.53%	x	66.21%	=	2.33%	4.89%	
Benefits Projection:	7.57%	x	33.79%	=	2.56%		
					Inflation Rate plus projected increases:	7.40%	*top*

Midpoint Goal: 5.46%

Third: Estimate 2027 COLA.

I start by matching what KEC and Sunflower are budgeting: 3.50%

2026-27 Summary of Employee Compensation

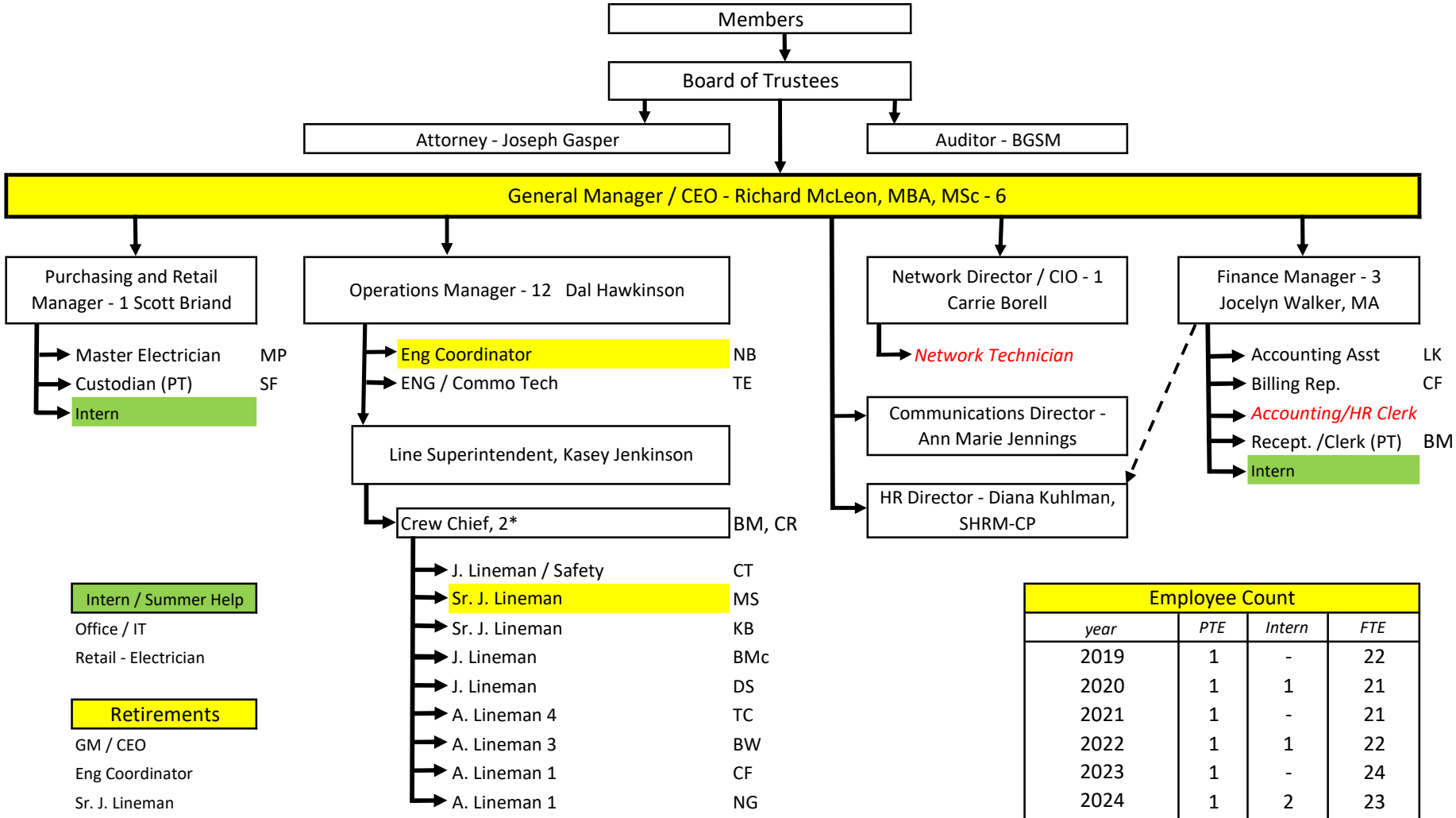
Group Insurance

Coverage / Plan	number in plan		Total / Projected costs per month				Change	
	2026	2027 est	2026 Unit ($)	2026 Total	2027 Unit ($)	2027 Total	dollars	percent
Major Medical (KECHIT)								
Option 5 - 500/1000								
Employee	4	4	836.18	3,344.72	902.89	3,611.56	266.84	7.98%
EE/Child	1	1	1,641.17	1,641.17	1,769.03	1,769.03	127.86	7.79%
EE/Spouse	2	2	1,729.24	3,458.48	1,864.56	3,729.12	270.64	7.83%
Family	13	13	2,534.73	32,951.49	2,730.72	35,499.36	2,547.87	7.73%
Employee Contribution - 10%								
Employee	4	4	83.62	334.48	90.29	361.16	26.68	7.98%
EE/Child	1	1	164.12	164.12	176.90	176.90	12.78	7.79%
EE/Spouse	2	2	172.92	345.84	186.46	372.91	27.07	7.83%
Family	13	13	253.47	3,295.11	273.07	3,549.94	254.83	7.73%
Option 8 - 2800/5600								
Employee	-	-	-	-	-	-	-	0.00%
EE/Child	-	-	-	-	-	-	-	0.00%
EE/Spouse	1	1	1,499.66	1,499.66	1624.34	1,624.34	124.68	8.31%
Family	-	-	-	-	-	-	-	0.00%
HSA Payment	-	-	-	-	-	-	-	0.00%
NRECA								
AD&D (per $1,000)	8	8	0.0214	1.71	0.211	1.69	(0.02)	-1.40%
Business Travel Accident			27.00	324.00	27.00	324.00	-	0.00%
Life Insurance Plan								
Basic Life (per $1,000)	22	21	0.214	4.71	0.211	4.43	(0.28)	-5.88%
LT Disability (per $100)	22	21	0.0548	1.21	0.0521	1.09	(0.11)	-9.25%
Total Benefits/mo.				$ 43,227.15		$ 46,564.62	3,337.48	7.72%
Total Annual Cost				**$ 518,725.75**		**$ 558,775.48**	**40,049.73**	**7.72%**

Other Compensation

	number of employees		2026 Annualized cost	2027 Projected	Change	
	2026	2027			dollars	percent
NRECA R&S Contribution	22	20	$ 748,728.71	$ 739,433.00	$ (9,295.71)	-1.24%
NRECA 401(k)	22	20	$ 102,640.54	$ 96,894.00	$ (5,746.54)	-5.60%
Retirement Vacation Payments	0	3		$ 77,461.75	$ 77,461.75	0.00%
Clothing Allowance						
Operations	$ 1,534.31	$ 1,917.89				
# employees	13	12	19,946.03	23,014.65	$ 3,068.62	15.38%
Warehouse	$ 729.00	$ 729.00				
# of employees	2	2	1,458.00	1,458.00	$ -	0.00%
Office - BP 513	$ 250.00	$ 250.00				
# employees	7	7	1,750.00	1,750.00	$ -	0.00%
Total Annual Cost			**$ 874,523.28**	**$ 940,011.40**	**$ 65,488.12**	**7.49%**
Benefits per employee			$ 39,751.06	$ 42,727.79	$ 2,976.73	7.49%

notes: *1. These figures came from the KECHIT and NRECA projections for LSEC 2027.*



Intern / Summer Help
Office / IT
Retail - Electrician

Retirements
GM / CEO
Eng Coordinator
Sr. J. Lineman

*additional duties:
CR Fleet Manager
BM Substation Technician

Employee Count			
year	*PTE*	*Intern*	*FTE*
2019	1	-	22
2020	1	1	21
2021	1	-	21
2022	1	1	22
2023	1	-	24
2024	1	2	23
2025	1	1	23
2026	2	2	23
2027	2	2	24

Staffing / Succession Planning - GM Discretionary Funds

Retirements	*employee*	*milestone*	*department*	*notes*
2027	Richard McLeon	past age 62 & 31 yrs svc	General Manager / CEO	13-Jul
	Nate Burns	31 years service	Engineering Coordinator	6-Jan
	Myron Seib	age 62	Sr. Lineman Ness City	6-Jan
2028	Kasey Jenkins	31 years service	Line Superintendent	neither is expected to reire in 2028.
	Diana Kuhlman	age 62	Human Resources	
2029-30				
2031	Ben Mann	31 years service	Crew Foreman / Substations	
2032-33				

Potential FT Hires/Promotions - 2027 (wages only)

				expected wage savings		
retirements						
	Sr. Journeyman Linemen retirement		110,696.98	11 months:		(106,084.60)
	Engineering Coordinator retirement		102,322.58	11 months:		(98,059.14)
	General Manager / CEO retirement		289,798.40	6 months:		(144,899.20)
						(349,042.95)

				expected wage increases	
Cost of Living Adjustment					86,714.14
promotions					
	Journeyman Lineman to Sr. Journeyman Lineman - 10 years			12 months:	4,737.79
	Apprentice Lineman 4 to Journeyman Lineman			6 months:	7,970.04
	Apprentice Lineman 3 to AL4			7 months:	6,198.92
	Apprentice Lineman 1 to AL2			8 months:	7,084.48
	Apprentice Lineman 1 to AL2			6 months:	5,313.36
merit adjustments					28,946.47
new hires	General Manager / CEO		300,000.00	6 months:	150,000.00
	Network Technician	*($0.00 if internal)*	110,000.00	9 months	82,500.00
					379,465.20

2027 net Staffing changes: 30,422

GM Discretionary hires

Accounting /HR Clerk	50,000.00	6 months	25,000.00
Intern - Office	$20.00 per hour	3 months:	10,400.00
Intern - Electrician	$20.00 per hour	4 months:	13,866.67
		GM Discretionary funds:	**$ 49,266.67**

Overtime: data from RUS Form 7, Part H.

	Payroll				Hours			Overtime as a % of payroll
	Expensed *H.4.*	Capitalized *H.5.*	Other *H.6.*	Total	Regular *H.2.*	overtime *H.3.*	%	
2009	967,751	340,530	364,303	1,672,584	57,493	2,568	4.47%	74,708.15
2010	996,035	248,064	424,071	1,668,170	54,547	1,779	3.26%	54,405.82
2011	1,088,368	275,838	376,897	1,741,103	53,492	1,941	3.63%	63,177.31
2012	951,303	315,624	421,501	1,688,428	49,940	1,804	3.61%	60,991.67
2013	985,111	377,429	454,016	1,816,556	51,462	1,496	2.91%	52,807.27
2014	949,564	410,568	469,910	1,830,042	50,057	1,783	3.56%	65,184.99
2015	966,124	422,086	474,878	1,863,088	49,610	1,888	3.81%	70,903.25
2016	918,017	514,810	497,656	1,930,483	48,406	2,413	4.98%	96,233.02
2017	968,735	420,907	512,200	1,901,842	47,438	1,867	3.94%	74,850.10
2018	970,929	407,711	509,660	1,888,300	45,003	1,772	3.94%	74,352.10
2019	979,328	426,681	497,658	1,903,667	45,745	1,776	3.88%	73,907.81
2020	1,087,093	439,102	454,028	1,980,223	46,474	1,874	4.03%	79,849.76
2021	1,196,069	367,378	507,066	2,070,513	46,373	2,236	4.82%	99,835.40
2022	1,182,651	411,489	509,854	2,103,994	44,920	2,663	5.93%	124,731.43
2023	1,400,615	391,102	472,549	2,264,266	41,662	2,038	4.89%	110,762.18
2024	1,557,435	448,650	383,823	2,389,908	40,827	3,364	8.24%	196,919.94
2025	1,582,736	505,004	438,693	2,526,433	42,405	2,279	5.37%	135,779.76
last 5 yrs:	1,383,901	424,725	462,397	2,271,023	43,237	2,516	5.85%	133,606

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THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Lineman Apprenticeship Program

prresented to the Board of Trustees 10/26/2026

This information in representative and does not constitute a contract for employment, guaranty of promotion, or job offer. [3]

Position	pay grade	estimated starting Hourly Wage[1]	% of Journeyman pay	estimated total compensation package[2]
Part-Time Help - No Line School Program	3	$ 17.00		straight wages
Summer Intern - Student @ Certified Line School	4	$ 20.29		straight wages
Starting Apprentice (6 month probation) (when employee begins work)[4]	5	$ 25.55	50%	$ 76,416
First Year Apprentice - 55-6455 (after 6 mo. if good employee review; at discretion of foreman & management)[4]	6	$ 28.10	55%	$ 105,012
Second Year Apprentice - 55-6456 (after they pass 1st year test & complete 1 year employment)[4]	7	$ 33.21	65%	$ 158,366
Third Year Apprentice - 55-6457 (after they pass 2nd year test & complete 2 years employment)[4]	8	$ 38.32	75%	$ 168,993
Fourth Year Apprentice - 55-6458 (after they pass 3rd year test & complete 3 years employment)[4]	9	$ 43.43	85%	$ 179,620
Journeyman Lineman - 55-6433 (after they pass 4th year test & complete 4 years employment)[4]	12	$ 51.09		$ 195,560
2027 Benefits (estimated)				
Health Insurance				$ 46,564.62
Retirement				$ 42,727.79

notes:

1 Hourly wages shown represent a percentage of estimated starting Journeyman wages for the current year. They are applicable in the year the employee begins the Apprenticeship program.

2 The Compensation package is subject to annual Board approval and is not guaranteed.

3 All hires and promotions are subject to the approval of the General Manager / CEO.

4 If a prospective employee has relevant post-secondary education or relevant work experience the General Manager /CEO may apply that experience towards advancement in starting Apprenticeship Program (i.e., If they start as a 2nd year apprentice in 2027, they would be a 3rd year apprentice in 2028, even though they have one year of actual LSEC employment).

The Lane-Scott Electric Cooperative is an equal opportunity employer.

2027 Lane-Scott Electric Cooperative Wages and Salary Plan Proposal

2026 Wages and Benfits:

2026 Projected Year End Base Payroll:				**2,396,101**
plus: overtime:		5.85%		140,200
plus: taxes:	Social Security Taxes	6.20%		157,251
	Medicare	1.45%		36,776
Projected YE Total Wages:				2,730,328
2026 Benefits	Group Insurance			518,726
	Retirement, etc.			874,523
			benefits subtotal:	1,393,249
	2026 Projected Total Wages and Benefits*:			$ 4,123,577

2027 Wages and Benefits:

2027 Projected Base Payroll (with COLA, promotions, and merit increases):				**$ 2,417,980**
plus: overtime:		5.85%		141,480
plus: taxes:	Social Security Taxes	6.20%		158,687
	Medicare	1.45%		37,112
Projected YE Total Wages:			0.91%	2,755,259
2027 Benefits	Group Insurance			558,775
	Reirement, etc.			940,011
			benefits subtotal:	1,498,787
2027 GM/CEO Discretionary:				50,000
	2027 Projected Total Wages and Benefits:			**$ 4,304,046**
	Proposed total Change:		4.38%	$ 180,469

0

notes:

1. *Payroll typically represents about 13.5% of total revenue.*
2. *The Base payroll increase is $24,931 or 0.91%.*
3. *Benefits costs increases add $105,538 to total and represent 58.48% of the total increase.*
4. *We are able to keep overall base payroll costs at a minimum by re-allocating funds from the retirements of the Engineering Coordinator and the Sr. Journeyman Lineman. This represents a savings of about $204,000 in payroll alone.*
5. *The proposed increase of 4.38% is about $45,000 below the calculated midpoint of 5.46%.*

The GM/CEO requests that the Board approve the 2027 Wage and Benefit package of approx. $4,304,15,046.

10. b. 2026 General Retirement of Allocated Capital Credits

Board Policy 113. Capital Credits states the general policy of the cooperative regarding Capital Credit allocations and retirements. Section III. Procedure, §F. General Capital Credit Retirements. States:

F. General Capital Credits Retirements. The Cooperative will generally retire capital credits with the goals of:
   1. maintaining an adequate equity level as determined by the Board;
   2. retiring some capital credits each year, provided the financial condition will not be impaired thereby with the goal of working toward and maintaining an equity level of 40%;
   3. retiring capital credits on a first-in, first-out full payment method of rotation;
   4. retiring capital credits on a regular rotation;
   5. communicating and promoting the cooperative principles;
   6. fostering loyalty and support among patrons and former patrons; and
   7. maximizing public relations and political goodwill. Notwithstanding the foregoing, affiliated G&T cooperative capital credit allocations will not be retired and paid in whole or in part until retired and paid by the G&T cooperative.

The Cooperative schedules estate retirements for June and December and has usually coordinated the general retirement to coincide with the December estate retirement.

General Distribution Capital Credits

The Lane-Scott Electric Cooperative currently has $10,204,380.41 in allocated but unretired LSEC and MKEC Distribution Capital Credits. These unretired Capital Credits date from 2001 (LSEC) and 2016 (MKEC). Most people agree that the overall goal of a Capital Credit retirement program is to return equity (capital) to existing members on a timely basis as well as inactive members who are no longer benefiting from Cooperative membership.

The Cooperative uses an average retirement method based on the overall depreciation cycle. We would calculate this number annually using the audited, year-end Form 7 and the total capital credit allocation amount after the spring special estate retirement.

The 2026 calculation is:

$$\frac{\text{Total allocated Capital Credit balance remaining}}{\text{(Year-end Net Utility Plant (YEF7, C5) ÷ Year end Depreciation and Amortization Expense (YEF7, A13))}}$$

Or:

$$\frac{\$10,204,380.41}{(41,845,344 \div 2,068,860)}$$

Calculating a 2026 General Capital Credit retirement of $504,418.22 on an average 20.23-year depreciation cycle ($10,204,380.41 ÷ $504,418.22).

Generation and Transmission Capital Credits

Sunflower made a capital credit retirement of $470,858.19 last year. Neither the Bylaws not Board Policy defines G&T retirement distribution so; to preserve capital, Staff recommends a 2026 retirement of $295,581.78. The balance of $175,276.41 will be recommended for retirement distribution according to Board Policy 113.

Staff Opinion

A General Distribution retirement of $504,418.22 will not compromise the Cooperatives' financial position. This amount may vary slightly as the retirement is applied and spread over LSEC years 2001 and 2002.

A General G&T retirement of 295,581.78 is recommended for concurrent distribution and spread over years 2011 and 2012.

This retirement, if approved, brings the total amount of LSEC capital credits retired to $5,542,377.22 which is 40.95% of the total $13,534,167 of LSEC allocations. Over $2.5 million of capital credits have been returned to LSEC members since 2020.

Unclaimed balances will be escheated to the appropriate states' unclaimed funds according to state law.

Staff recommends that the Board approve a 2026 General Capital Credit retirement of approximately $504,418.22 and a G&T retirement of $295,581.78 (approximately $800,000 total) to be paid on a FIFO basis. Staff further proposes that the retirement be mailed to inactive members and applied to current balance for active members unless member opts to receive a check and the total amount is over $20.00.

10. c. Board Policy 512 Employee Insurance

A KECHIT review was presented at the September 2026 Board Meeting which identified NRECA benefits as per Board Policies. These are:

- Board Policy 512 Employee Insurance (07/02/2018)
- Board Policy 514 Employee Retirement Plan (12/05/2022
- Board Policy 515 NRECA SelectRE Pension Plan (01/27/2025)
- Board Policy 519 Employee Group Term Life Insurance (06/04/2018)
- Board Policy 539 Employee Insurance (01/19/2026)

Policies 512, 519, and 539 relate to employee Insurance while 514 identifies the 401(k) program and 515 identifies the employee pension plan.

This has created confusion for staff and Trustees over the years. The Board requested a consolidated Employee Insurance policy merging Board Polices 512, 519, and 539. To accomplish this, staff merged 512 and 519 into 539, then renumbered the merged policy as a new Board Policy 512.

The new Board Policy 512 Employee Insurance is presented in red-line and "clean" versions for Board consideration.

Staff proposes the Board approve the new, consolidated Board Policy 512 and rescinds Board Polices 519 and 539.

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: ~~January 19, 2026~~ October 26, 2026 **Policy No.:** ~~539~~ 512

SUBJECT: Employee Insurance

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

I. **Health Insurance.** Employees have the option to enroll in the Cooperatives major medical health insurance program. Basic vision, dental, mental health, and substance abuse will be included in the plan.
   A. A standard major medical program will be offered in which the employee will contribute 10% of the insurance premium. The Cooperative will pay the remaining 90%.
   B. A high-deductible major medical program (HDHP) will be offered (if available) in which the cooperative will pay 100% of the insurance premium.
   C. Employees may elect to enroll in various saving programs (such as Health Savings accounts, Flexible Savings accounts, 125 Plans) as available and as permitted under current tax law.

II. **Life Insurance.** The Cooperative will provide ~~a basic life insurance benefit through NRECA benefits~~ all full-time, permanent employees with the basic NRECA Group Term Life Insurance coverage with no waiting period at no cost to the employee. The coverage amount will be equal to two (2) times the employees' annual base wage. Employees will have the option to increase the amount of life insurance, at their expense, upon approval of NRECA.

III. **Other insurance.**
   A. The following will be provided to all full-time, permanent employees with no waiting period at no cost to the employee:
      1. NRECA Accidental Death and Dismemberment. The coverage amount will be equal to two (2) times the employees' annual base wage.
      2. NRECA $100,000 Business Travel Accident Insurance Coverage.
      3. NRECA Long-Term Disability Coverage.
   B. The following will be available for participation but will not be funded by the Cooperative:
      1. NRECA Child Life Insurance and Spouse Life Insurance will also be available to all full-time, permanent employees but the Cooperative will not participate in the cost of these programs.
      2. Supplemental Insurance may be available through NRECA or third-party insurers (such as AFLAC, Medical Transport Solutions, etc.) and may be eligible for payroll deduction, however, the Cooperative will not participate in the cost of these programs.
   C. Ancillary insurance offerings (such as ~~Accidental Death and Dismemberment~~, ~~Business Travel~~, Key Employee Life, etc.) may be offered and funded at the discretion of the Board of Trustees.

IV. **Employee termination**. In the event an employee quits, retires, or is otherwise discharged, their insurance premium shall be prorated as to the actual days employed that month. The

balance of the month shall be the responsibility of the employee and will be deducted from their final paycheck. Employees may continue coverage according to all applicable federal laws and regulations regarding employer provided health insurance coverage of employees.

~~V.~~ **Retirement.** Retired employees, and covered spouses, may be eligible to continue health Insurance coverage through, and according to the provisions of, the cooperative's group plan at their own personal expense. ~~In the event of the retired employee's death, his or her spouse will be able to continue coverage at their personal expense.~~

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

_____
Board Secretary

(seal)

Revisions:	Board Policy 512	September 24, 1990
		August 23, 1993
		April 29, 1996
		November 22, 2004
		July 2, 2018
Consolidation with:		
	Board Policy 519	Previously included in Board Policy 514 August 1983
		August 23, 1993
		June 4, 2018
	Board Policy 539	January 19, 2026

THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.
POLICY

Dated: October 26, 2026 **Policy No.:** 512

SUBJECT: Employee Insurance

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

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

D. A standard major medical program will be offered in which the employee will contribute 10% of the insurance premium. The Cooperative will pay the remaining 90%.

E. A high-deductible major medical program (HDHP) will be offered (if available) in which the cooperative will pay 100% of the insurance premium.

F. Employees may elect to enroll in various saving programs (such as Health Savings accounts, Flexible Savings accounts, 125 Plans) as available and as permitted under current tax law.

II. Life Insurance. The Cooperative will provide all full-time, permanent employees with the basic NRECA Group Term Life Insurance coverage with no waiting period at no cost to the employee. The coverage amount will be equal to two (2) times the employees' annual base wage. Employees will have the option to increase the amount of life insurance, at their expense, upon approval of NRECA.

III. Other insurance.

D. The following will be provided to all full-time, permanent employees with no waiting period at no cost to the employee:

1. NRECA Accidental Death and Dismemberment. The coverage amount will be equal to two (2) times the employees' annual base wage.
2. NRECA $100,000 Business Travel Accident Insurance Coverage.
3. NRECA Long-Term Disability Coverage.

E. The following will be available for participation but will not be funded by the Cooperative:

1. NRECA Child Life Insurance and Spouse Life Insurance will also be available to all full-time, permanent employees but the Cooperative will not participate in the cost of these programs.
2. Supplemental Insurance may be available through NRECA or third-party insurers (such as AFLAC, Medical Transport Solutions, etc.) and may be eligible for payroll deduction, however, the Cooperative will not participate in the cost of these programs.

F. Ancillary insurance offerings (such as Key Employee Life, etc.) may be offered and funded at the discretion of the Board of Trustees.

IV. Employee termination. In the event an employee quits, retires, or is otherwise discharged, their insurance premium shall be prorated as to the actual days employed that month. The balance of the month shall be the responsibility of the employee and will be deducted from their

final paycheck. Employees may continue coverage according to all applicable federal laws and regulations regarding employer provided health insurance coverage of employees.

V. Retirement. Retired employees, and covered spouses, may be eligible to continue health Insurance coverage through, and according to the provisions of, the cooperative's group plan at their own personal expense.

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

_____
Board Secretary

(seal)

Revisions:	Board Policy 512	September 24, 1990
		August 23, 1993
		April 29, 1996
		November 22, 2004
		July 2, 2018
Consolidation (10/26/26) with:		
	Board Policy 519	Previously included in Board Policy 514 August 1983
		August 23, 1993
		June 4, 2018
	Board Policy 539	January 19, 2026

10. d. 2027 Annual Meeting Date

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

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

It has been the longstanding tradition of the Cooperative to hold the Annual Meeting on the day before the opening of the Lane County Fair. It has been recently announced that the 2027 Lane County Fair is scheduled to begin on Wednesday, July 21, 2027.

We have had issues with the Lane County Commissioners and Fair Board, but Staff is confident that these issues are behind us and we can proceed as usual.

Therefore:

Staff requests that the Board of Trustees select Tuesday, July 20 as the date of the 2027 Lane-Scott Electric Cooperative Annual Meeting, at the Lane County Fairgrounds.

SAFETY PROGRAM

- **Safety Monthly Summary:** Working with Carrie on Emergency Response Plan, 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. Changing out rubber gloves.

*SAFETY PROJECTS **COMPLETED** AS OF October 2026*

1. Rubber gloves changed out.
2. KEC Safety Meeting: Transformer connections were demonstrated.
3. KEC Safety Meeting: Admin: Safety Attitudes.

Ann Jennings's submitted report:

- Cybersecurity Month Manager's Article & Graphic. "This Fall, Refresh Your Cybersecurity Habits"- Magazine, E-Newsletter, social media, Web banners, and bill print message.
- Medical Devices Safety- Your Backup Power Options: Magazine & Social Media.
- Smoke & CO Detectors: Did You Know Some & CO Detectors Expire? -Social Media.
- First Responder: When electrical lines are involved, call the utility immediately. -Social Media.
- Solar Safety: Solar Panels Generate Electricity so it's important to keep safety in mind. -Social Media.
- Video- A Few Reminders for the spookiest of Seasons: Electric cord/decoration safety & unplug or turn off Halloween decorations when you leave or go to bed. – Social Media.

Diana Kuhlman submitted reports:

- Attended Monthly Safety Meeting.
- Coordinate Monthly Drug Testing.
- Submitted No- Time Loss Report.
- Schedule Medical Certification for CDL Drivers.
- Prepare job description for Safety Coordinator.

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

1. FCC radios: Looking into location near McCracken for new tower.
2. KEC annual observation things to be repaired 50 percent.
3. RESAP Onsite Observation.
    - URD cables being identified and labeled. 98 percent completed.
    - Pad mount and switch cabinet signage. 98 percent completed.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.
SAFETY MEETING
September 17th, 2026

Chris Terhune called the meeting to order at 9:03 a.m.
Minutes were read: Minutes were reviewed. Kevin Bradstreet made a motion to approve August 6th, 2026, minutes. Dellon Shelton seconded the motion.
Present: Kasey Jenkinson, Ben Mann, Dal Hawkinson, Chris Terhune, Myron Seib, Kevin Bradstreet, Dellon Shelton, Taylor Cable, Bailey Wells, Tad Eubanks, Scott Briand, Ann Jennings, Diana Kuhlman, Jocelyn Shull, Cindy Fuentes-Ummel, and Lillie Koehn.
Absent: Richard McLeon, Chad Rupp, Blake McVicker, Nate Burns, Michael Pollock, Carrie Borell, Diana Kuhlman, and Isabella McNey.
Guest:
Truck report of inspections:

105	Bailey Wells	OK
110	Dellon Shelton	OK
112	Taylor Cable	OK
123	Michael Pollock	OK
136	Kevin Bradstreet	OK
143	Micheal Pollock	OK
145	Dal Hawkinson	OK
150	Kasey Jenkinson	Motor is being examined
191	Michael Pollock	OK
200	Ben Mann	OK
201	Dellon Shelton	OK
305	Dellon Shelton	OK
2401	Myron Seib	OK
2402	Chris Terhune	Transmission issues
2501	Tad Eubanks	OK
2502	Chad Rupp	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	Needs lights repaired
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	Cindy Fuentes-Ummel	OK

Personal Tools: All Passed
Gloves Monthly Test Results: One pair was rejected due to ozone #135.
Line Hoses Annual Test Results: N/A
Blankets Annual Test Results: N/A
Sleeves Quarterly Test Results: N/A
Substation and Regulator Report: New batteries in Alexander Substation. Replaced bad regulator in Ransom Substation. Surge Arresters in Scott Park Substation have been replaced. Speer switch batteries are replaced.
PCB Report: None to Report
Line Clearance: City of McCracken, Jan Ryder's residence. Solida cut trees at Trevor Brandt's rental house, and Bazine bridge.
Accident and Near Misses: In Ness City in the Bondurant Grain Elevator, a truck was dumping grain and noticed a strange smell from the truck. Upon getting out of the truck, the cab and the engine bay were engulfed in flames. LSE's Ness Line crew were close by and tried to extinguish it, four fire extinguishers would not put out the flames, the truck's hoist was quickly lowered, and the truck was pushed outside by a skid steer. The truck rolled away from the elevator across Highway 283 and struck Healzers Tire Center Sign. The engine compart was found to be the root cause. Combine auger wrapped phases and the neutral together on Ike Rd by Highway 4. A taller pole will be installed for greater clearances. Riemann Farms caught neutral on a-1 structure with drills. Wire was repaired, and a taller pole was installed for greater clearance. Truck #2402 hit a deer with grill guard. No damage to the truck was obtained. Truck #150 was traveling on a muddy road after a storm in the evening hours, truck started to slide towards the north ditch, driver tried to stop the truck. The truck caught a ridge of material in the ditch and caused the truck to roll onto its driver's side. There were no injuries to the driver or passenger.
Good Catch Report: Employee was leaving LSE after hours. Upon leaving, he took a second glance to his left and saw a young child riding their bike along the edge of the street behind other parked vehicles. It was discussed using caution with young children on bikes and electric scooters. Defensive driving was discussed.
Old Business: Dal Hawkinson: D.V.Douglas has finished the roof on the main facility in Dighton. They will be back soon to complete the flashing on the roof edge of the building.
New Business:

- Dal Hawkinson: Bridger Pipeline: SPP conducted a study and found there was no capacity on the Scott City to Dighton 115 line. A parallel line from Scott City to Jagger substation may have to be built; cost was estimated at 50 million. Eldridge quote is $6,355.36 to put a fence around the generator. Truck #150 will go to Freightliner in Dodge City for further inspection of the drivetrain components before rehabilitation begins. The Shallowater Sub project is under review, met with landowners on easements. Sunflower will be looking at line routes. If it is favorable, LSE will purchase land and begin the sub build.
- Ann Jennings: Several messages have gone out to the consumers about contacting LSE on lines that need to be raised for additional clearances. LSE will be working on an exclusive video project. A member satisfaction survey was sent to consumers. LSE's ACSI score is 89. LSE was also recognized by touchstone energy partners for a top score in the state. Customer satisfaction was scored at 91 percent. Reliability was 90 percent. LSE's Cap score was 92 percent for the cooperative attitude.
- Kevin Bradstreet: Thunderstorm broke 17 total poles on the system.
- Dellon Shelton: URD inspections are 98 percent completed.
- Chris Terhune: Discussed KEC Safety Summary, KEC Annual Walk thru. Section 2 of the Safety Manual was read and discussed.

Meeting adjourned.

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Chris Terhune
Safety Coordinator

Carrie Borell
Safety Administrator