



Board of Directors Meeting
Official Minutes from July 18, 2024
Wichita, KS and Virtually

1. Call to Order and Determination of a Quorum

With the determination of a quorum, Jason Newberry called the July 18, 2024, Board of Directors meeting to order at 10:00 AM.

Board Members Present: Stacy Barnes, Gus Collins, Scott Glaves, Greg Graffman, Chris Komarek, Tim Johnson, Jason Newberry, Alan Schneider, and Lou Thurston.

Board Members Present Virtually: None.

Board Member Absent: None.

Others Present Virtually: J.T. Klaus (TWG), Marc Cain (Augusta), Dominic Mosier (Augusta), Jacob Coy (Mulvane), Austin St. John (Mulvane).

KPP Staff Present: Leslie Atherton, Brooke Carroll, James Ging, Colin Hansen, Larry Holloway, Vickie Matney, Ivan Seward.

2. June Monthly Member Call – James Ging

James Ging presented the monthly update relating to the June 2024 ECA calculation. Total costs were below budget by \$57,144.83. Energy costs were below budget \$490,643.61; transmission costs were above budget \$75,251.04, and capacity costs were above budget by \$358,461.35. The actual June 2024 ECA was negative \$0.00399 vs. budgeted of negative \$0.00371.

3. Consent Agenda

a. Minutes of the June 20, 2024, Board of Directors Meeting

b. Monthly Invoices & Payment Schedule

Jason Newberry asked for a motion to approve consent agenda items as listed above. Motion was made by Scott Glaves and seconded by Chris Komarek. Motion passed unanimously.

4. Financial Statements – Vickie Matney

Vickie Matney presented written financial statements for the period ending May 31, 2024, showing a net position before DAI of \$1,850,439 and an increase of \$1,054,554 in net position since last month. Vickie Matney also provided information on the collection and disbursement of Walnut Center and PACE ECA funds. Vickie Matney expressed gratitude to exiting employee, Brooke Carroll, on the work she has done for KPP Energy and its members. Lou Thurston moved and Gus Collins seconded to approve the financials as presented. Motion passed unanimously.

5. New Business

a. Reimbursement of Generation Expenses for Training & Exercising Purposes (KPP Generation Task Force Recommendation) – Larry Holloway

Larry Holloway presented KPP Generation Taskforce's proposed policy for compensating member generation. Members were provided with a copy of the same. The proposed

policy states that KPP Energy will compensate members for generation costs: when KPP Energy or SPP directs the member to run its units, when the member is doing annual operability or capability testing, and when there is a transmission outage, though this does not apply if generation is due to a limit on the member's tie or distribution facilities. In some situations, within outlined parameters, KPP Energy will also pay a member's fuel costs for additional operation related to training and exercising units.

The Board discussed the origination of the policy, the parameters of compensation, as well as the positive impact the policy will have on encouraging reliability measures. Ultimately, Lou Thurston moved and Tim Johnson seconded to adopt the policy as presented. Motion passed unanimously.

b. Revision to Generation Testing Procedures -- Larry Holloway

Holloway asked the Board to consider revising KPP Energy's generation testing procedures. This is due to changes in the SPP Planning Criteria (v4.4), the need to reflect KPP's name change, and to change language in Section 1.4 to reflect KPP's current capacity reimbursement policy. Tim Johnson moved and Scott Graves seconded to revise the generation testing procedures as recommended by Holloway. Motion passed unanimously.

c. Luray Service Extension Financing Request – James Ging

James Ging provided the Board with an eight-page presentation on a project in City of Luray. The City of Luray plans to install a service extension to their local COOP as well as a new interconnection sub. On behalf of Luray, Ging asked the Board to consider assisting Luray with the project by financing around \$600,000, either over 20 years at 4.728% annual interest or over 30 years at 5.064% annual interest. Scott Graves voiced support of the assistance. Greg Graffman also voiced support but expressed preference for the 20-year option. General counsel, J.T. Klaus, commented if the assistance were to be put into a bond issue, it would require the adoption of a reimbursement resolution sooner rather than later. No action was taken at this time.

d. Tenaska Meter Agent Agreement – Larry Holloway

Evergy is proposing implementing a monthly charge of \$3,000 for providing the meter agent service for any area outside of the Evergy zone, which includes one KPP member city, Ellinwood. According to Holloway, Tenaska is willing to provide the same service at a reduced cost. However, Holloway has been approached with a few other options, which have not yet been fully explored. He will bring additional information to the Board as it becomes available.

6. Old Business

a. PACE Loan Application Update – James Ging / Brooke Carroll

Ging and Carroll provided the following updates on the PACE Loan Application / Project:

- Everything is to the underwriters, and hopefully, by August 15, items will be ready for action. Carroll noted her Board report provides specifics on items that have been provided to USDA. Weekly calls with USDA continue to occur to keep moving the project forward.

b. KPP Resource Adequacy – Larry Holloway

Holloway advised talks continue about purchasing paper capacity. The latest SPP Market and Oversight Operations Committee passed a fuel assurance requirement, which KPP is protesting, due to the additional difficulty it will place on meeting resource adequacy

requirements. Chris Komarek asked what options, other than paper capacity, KPP Energy has for resource adequacy. Holloway briefly shared other options, noting they would all have to be explored further before they could be considered.

c. Walnut Energy Center Update – Larry Holloway

Holloway referenced the update included in Colin Hansen's latest "Five Bullet Friday" and noted the generation interconnection agreement schedule indicates completion in March 2025, sixty days following the restudy results.

7. Operations Reports – Larry Holloway / James Ging

The written Operations Report was provided to the Board. Holloway highlighted the following:

- A meeting with Evergy will occur next week to discuss proposed changes to their operating agreement related to meter agent services. Holloway advised it is important to ensure make sure we do not lose the ability to have behind the meter generation.
- All units are up and running at Dogwood. Holloway said most of the recent problems that have occurred there are thought to be related to water chemistry.
- FlexGen continues to provide good support pursuant to the LTSA.

The written Engineering Report was also provided to the Board. James Ging highlighted projects wrapping up in Wellington, Mount Hope, and Waterville.

8. Member Services Report – Brooke Carroll

Members were provided with Brooke Carroll's written report. She highlighted the following items:

- Her last day with KPP Energy will be July 31.
- Board members, Tim Johnson, and Lou Thurston, expressed appreciation for the work Carroll accomplished for the member cities during her tenure.

9. Market Update – Ivan Seward

Ivan Seward's written report was provided to the Board.

10. General Counsel Report – J.T. Klaus

Members were provided with J.T. Klaus's written report. Klaus provided Board members with a copy of a questionnaire that must be answered in order to potentially pursue selling bonds for upcoming projects.

11. CEO / General Manager Report – Colin Hansen

Members were provided with Colin Hansen's written report. He recognized exiting Director of Member Services, Brooke Carroll, for elevating Member Services at KPP Energy during her tenure. He thanked her for being an invaluable member of staff and expressed appreciation for the dedication and enthusiasm she brought to KPP.

12. Executive Session (pursuant to KSA 75-4319(b)(2) – Attorney / Client Privileged Matters)

Gus Collins moved to recess the meeting into an Executive Session under the justification of consultation with an attorney under K.S.A.75-4319(b)(2) for the purpose of discussing matters privileged in the attorney-client relationship for a period not to exceed 10 minutes, said regular meeting to reconvene in open session at approximately 11:33 AM, said Executive Session to include

the KPP Energy Board, General Counsel and General Manager / CEO. Scott Glaves seconded, and the motion passed unanimously.

At 11:33 AM, Lou Thurston moved to reconvene the regular meeting of KPP Energy. Motion was seconded by Tim Johnson, and all members voted in favor of the same. No decisions were made during Executive Session.

13. Executive Session (pursuant to KSA 75-4319(b)(1) – Discussion of Non-Elected Personnel)

Scott Glaves moved to recess the meeting into an Executive Session under the justification of discussion of matters involving non-elected personnel under K.S.A. 75-4319(b)(1) for the purpose of discussing personnel matters of non-elected personnel for a period not to exceed 5 minutes including the KPP Energy Board, General Counsel and General Manager / CEO, said regular meeting to reconvene in open session at approximately 11:40 AM. Chris Komarek seconded, and all members voted in favor of the same.

At 11:40 AM, Scott Glaves moved to reconvene the regular meeting of KPP Energy. Motion was seconded by Alan Schneider, and all members voted in favor of the same. No decisions were made during Executive Session.

14. Special Announcements

None.

15. Adjournment

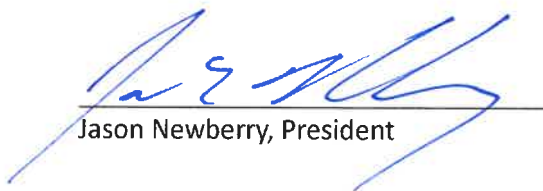
The meeting adjourned at 11:41 AM.

Respectfully submitted by KPP Energy Board Secretary:


Chris Komarek, Secretary

Date: 8-15-24

Approved by KPP Energy Board President:


Jason Newberry, President

Date: 8/15/24