



Board of Directors Meeting
Official Minutes from June 20, 2024
Wichita, KS and Virtually

1. Call to Order and Determination of a Quorum

With the determination of a quorum, Jason Newberry called the June 20, 2024, Board of Directors meeting to order at 10:00 AM.

Board Members Present: Chris Komarek, Tim Johnson.

Board Members Present Virtually: Stacy Barnes, Gus Collins, Scott Glaves, Jason Newberry, Alan Schneider, and Lou Thurston.

Board Member Absent: Greg Graffman.

Others Present Virtually: J.T. Klaus (TWG), Marc Cain (Augusta), Heather Bowles (Glasco).

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 May 2024 ECA calculation. Total costs were below budget by \$91,766.07. Energy costs were below budget \$540,951.66; transmission costs were above budget \$79,080.74, and capacity costs were above budget by \$371,836.12. The actual May 2024 ECA was \$0.00410 vs. budgeted of \$0.00084.

3. Consent Agenda

a. Minutes of the May 16, 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 Gus Collins and seconded by Alan Schneider. Motion passed unanimously.

4. Financial Statements – Vickie Matney

Vickie Matney presented written financial statements for the period ending April 30, 2024, showing a net position before DAI of \$1,850,439 and an increase of \$ 14,402 in net position since last month. Vickie Matney also provided information on the collection and disbursement of Walnut Center and PACE ECA funds. Lou Thurston moved and Scott Glaves seconded to approve the financials as presented. Motion passed unanimously.

5. New Business

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:

- There are only a few open items left to submit to USDA, including three system impact studies and an update to the community benefit plan. Carroll hopes to

have something from USDA by July or August to bring back to the Board for action.

- Ging addressed the financial feasibility of the project. He gave credit to Larry Holloway for creation of a dynamic spreadsheet to continue to evaluate the financial feasibility of and rate of return on the project. Plugging in several educated assumptions with assistance from Priority Power and Holloway and basing the annual loan payment at \$1.735 million, the rate of return on the project range is 1.17 to 1.32, illustrating the value of the project.

b. KPP Resource Adequacy – Larry Holloway

Holloway reviewed the GADS data turned in for April 2023 through March 2024 to try to get a preliminary look at resource adequacy. He said there are some problems with the way the calculation works particularly in a season where a unit is not operated. It will be critical, Holloway advised, to keep units operable during the summertime. To fill the void, paper capacity may be necessary until Walnut Energy Center is up and running. Updates on resource adequacy will be ongoing.

c. Walnut Energy Center Update – Larry Holloway

Holloway advised that the projected date for the Generation Interconnection Agreement has not changed since the last update; he remains hopeful to have it by March 2025. The study for the air permit is nearly ready to be submitted to KDHE. Once they have that, it will take nine to twelve months to receive the actual permit. With those two things in mind, Holloway advised the Board may be asked to approve looking at financing in April or May of 2025. Holloway and Ging continue to work with Burns & McDonnell to get equipment specs out to go ahead and order long-term items.

d. KPP Energy Strategic Plan – Colin Hansen

CEO Colin Hansen provided the Board with a verbal and written update on the work staff has done toward the 2024 Work Plan on the 2024 – 2028 Strategic Plan. He specifically outlined progress items under prongs “Evaluate Capacity,” “Add Capacity,” and “Member Engagement & Support.” Thurston thanked Hansen for the update and felt it would help keep tasks focused toward KPP’s strategic goals.

7. Operations Reports – Larry Holloway / James Ging

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

- The Supply Adequacy Working Group (SAWG) continues to work through the difficult issues surrounding demand response resources.
- The Solomon Energy Storage Center has begun running to support local voltage for Minneapolis.
- Monday there was a problem with Dogwood Energy Center’s #2 combustion turbine. The Center is operating in one-by-one mode as Siemens mobilizes to do work.
- Evergy is proposing a monthly fee of \$3,000 to provide metering services to Ellinwood. Other providers are being researched and considered.

Board members were provided with the written Engineering Report. James Ging provided updates on KPP projects in member cities, noting the Waterville substation was cutover on June 13, 2024.

8. Member Services Report – Brooke Carroll

Members were provided with Brooke Carroll’s written report.

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.

11. CEO / General Manager Report – Colin Hansen

Members were provided with Colin Hansen's written report. He highlighted the following items:

- Updated 2025 rate forecast was provided and shows lower than projected in the 2024 budget process. At the time of 2024 budget process, the overall energy cost for 2025 was projected to be \$80.57 / MWH. The updated forecast puts it at \$67.62 / MWH.
- Congratulations to City of Augusta's Marc Cain on receipt of APPA's Rising Star Award.
- The KPP Generation Taskforce discussed KPP covering oil and gas costs to run power plants for training purposes though no formal request is on the table at this time. The next meeting is scheduled for July 9, 2024.
- Generating members were requested to provide a copy of their Commercial Output Policy on their power plants to aid with a pooled insurance research.
- Member messaging on the new building is a work in progress with hopes to have an Open House in the Fall.
- Collins requested an update on the Board's request to start a KPP Scholarship Program. Hansen advised that KPP staff is still in the information-gathering stage. Carroll hopes to have a proposal on this program to the Board at the August meeting.
- At Barnes's request, the Board recognized Colin Hansen on receipt of APPA's Alex Radin Distinguished Service award. It is the highest award granted by APPA and recognizes exceptional leadership and dedication to public power.
- Newberry thanked KPP staff for all the effort and work that went into coordinating getting everyone to the APPA National Conference in San Diego. Collins echoed the praise and extended thanks for the diligence on the other various projects continuing to move forward. Barnes and Thurston agreed.

12. Special Announcements – None.

Thurston announced that the KCC awarded City of Hillsboro a grant to replace their sodium vapor streetlights with LED streetlights. Komarek advised City of Ellinwood has received the same. Newberry noted Wellington has also received a KCC grant.

13. Adjournment

The meeting adjourned at 11:09 AM.

Respectfully submitted by KPP Energy Board Secretary:

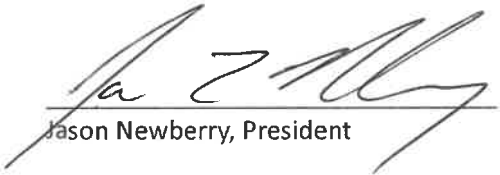


Chris Komarek, Secretary

Date:

7/18/24

Approved by KPP Energy Board President:



Jason Newberry, President

Date:

7/18/24