



Strategic Plan



A MESSAGE FROM OUR PRESIDENT/CEO AND CHAIRMAN

When the founding members created the Kentucky Municipal Energy Agency (KYMEDIA) in September of 2015, the communities vowed to achieve the highest standards for the newly formed joint public agency. The goal was to create a best-in-class agency when compared to its competitors by meeting and exceeding the needs of the KYMEDIA communities, small and large alike.

The objective of the 2019 Strategic Plan was to create an inspirational vision and to align the agency's efforts to achieve the vision through its mission, core values, and strategic priorities. The vision enables all stakeholders to understand the agency's destination – "We shall positively impact our communities as a trusted leader of power supply and energy-related services." The agency's mission – "Through collaboration and operational excellence, we provide reliable, affordable, and sustainable energy services to the communities we serve" – is the means by which the agency will reach its destination.

The creation of the strategic plan began with the board of directors and staff surveys, followed by a series of workshops to identify the agency's strengths, weaknesses, opportunities, and threats (SWOT). The SWOT analysis is an important tool that allowed KYMEDIA to examine both its positive and negative attributes within a single analysis.

Today, the pace of change within the utility industry is staggering. It's often said, if there's one hallmark of the power sector, it's uncertainty. The same holds true for energy-related services. Technology continues to rapidly evolve, leading to greater customer expectations.

To keep up with the rapid changes and meet and exceed customer expectations, KYMEDIA established its core values of: 1) Integrity, 2) Respect, 3) Fiscal Responsibility, 4) Member Focused, and 5) Operational Excellence. In the competitive world of power supply and energy-related services, having a set of specific core values that speak to KYMEDIA's communities provides a competitive advantage.

The final step in creating the strategic plan was setting strategic priorities. KYMEDIA identified its strategic priorities as: 1) Financial Stability, 2) Growth, 3) Resource Planning, and 4) Organization. Within each strategic priority are specific goals that are both realistic and measurable. To achieve its objective to be a best-in-class agency, reaching the goals provides a means to measure the agency's success.

KYMEDIA extends a special thank you to Tim Blodgett of Hometown Connections for his guidance and expertise in helping create the 2019 Strategic Plan. We hope this strategic plan fosters a broader common understanding of KYMEDIA's purpose and objectives.

RON HERD

Chairman of the Board

DOUG BURESH

President & CEO

SENIOR MANAGEMENT TEAM



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STRATEGIC PRIORITIES:
ORGANIZATION



Kentucky Municipal Energy Agency is a joint agency constituting a public entity of Kentucky. It is governed by an independent eleven member board of directors that provides local decision making and control.



BOARD OF DIRECTORS



Left to right, Front Row: Ramona Williams - City of Falmouth, Kevin Howard - Berea Utilities, Ron Herd - City Utilities Commission of Corbin, Kevin Frizzell - Owensboro Municipal Utilities
Back Row: Gary Zheng - Frankfort Plant Board, Josh Callihan - Barbourville Utility Commission, Mike Withrow - City of Paris Combined Utility, Chris Melton - Madisonville Electric Department, Mayor Philip King - Bardwell City Commission, Carl Shoupe (not pictured) - Benham Power Board, Mayor Doug Hammers (not pictured) - City of Providence Utilities



OUR VISION



We shall positively impact our communities as a trusted leader of power supply and energy-related services.



OUR MISSION



Through collaboration and operational excellence, we provide reliable, affordable, and sustainable energy services to the communities we serve.

MUNICIPAL ELECTRIC SYSTEMS

11

ELECTRIC CUSTOMERS

80,677

ANNUAL REVENUE

\$100M

PUBLIC POWER FOR KENTUCKY



OUR CORE VALUES



INTEGRITY

To conduct business in an honest, transparent, just, compliant, and environmentally responsible manner by holding ourselves to high ethical and accountability standards.



RESPECT

Encouraging constructive dialogue that promotes a culture of inclusiveness, and recognizes our differences while valuing the perspective, talents, and experiences of others.



FISCAL RESPONSIBILITY

An obligation to be accountable to the fiscal policies of the agency with budgetary discipline and affordable rates while practicing long-term planning and prudent use of debt.



MEMBER FOCUSED

We are committed to listening and responding positively to our members and their customers.



OPERATIONAL EXCELLENCE

We seek to achieve and maintain the highest level of excellence by performing in a productive and proficient manner, and adhering to best practices while providing a quality workforce.

STRATEGIC PRIORITIES



1

FINANCIAL STABILITY

KYMEA will provide stable and competitive rates in a fiduciarily responsible manner.

- 1.1 **Rates:** Annually establish rates that support the agency's financial health metric and cash reserve policy.
- 1.2 **Reserve Fund:** Adopt cash reserve policy by June 30, 2020.
- 1.3 **Financial Health Metrics:** Develop financial health metrics scorecard for the agency by June 30, 2020 and score annually thereafter.



2

GROWTH

KYMEA will promote organic growth within our communities and seek mutually beneficial new membership opportunities.

2.1 **Communication & Education:**

Enhance KYMEA's brand by hosting two training and educational events annually, beginning January 1, 2020.

2.2 **Membership Growth:** Seek to grow membership by visiting three potential members annually over the next three years.

2.3

Member Services: KYMEA will identify and evaluate a minimum of one new member service annually for the next three years that brings value to the agency and the communities we serve.



3

RESOURCE PLANNING

The KYMEA resource planning process applies modern portfolio theory when assembling its power supply portfolio; focusing on long-term, low-cost, reliable, and sustainable supply while minimizing risk.

3.1 Long-Term Planning: KYMEA will investigate, analyze, and report on potential resource, and transmission options as part of its 2020 Integrated Resource Plan with updates thereafter.

3.2 Low-Cost Power Supply: Develop wholesale rate benchmarks for the agency by June 30, 2021 and refresh annually thereafter.

3.3 Risk Mitigation: The Internal Risk Committee (IRC) and Board Risk Oversight Committee (BROC) will, at a minimum, hold quarterly meetings to assess, report on, and develop mitigation measures for the board's consideration regarding identified business, energy, and financial risks.



4

ORGANIZATION

KYMEA will achieve and maintain an organizational structure that supports our vision, mission, and core values.

- 4.1 Operations:** The budget committee and staff will evaluate resource needs, compare operations to industry benchmarks, and recommend necessary solutions for the boards consideration as part of the annual budget process.
- 4.2 Governance:** KYMEA will annually provide Board member orientation and materials containing information needed to fulfill their role in the organization.
- 4.3 Legislation:** Promote and support federal, state, and local legislative initiatives that benefit KYMEA and its communities through lobbying efforts by participating in a minimum of two legislative events annually.
- 4.4 Strategic Retreat:** KYMEA will facilitate an annual strategic retreat with the Board of Directors as a way to review and update the agency's strategic plan.

DISCOVER THE POWER OF ENERGY OPTIONS

