



Board Packet

October 23, 2019



KYMEA COMMITTEE CALENDAR

2019

January	July
February	August
March	September
15 th IRC Committee-10am 20 th BROC Committee-8:30am	20 th IRC Committee-10am 26 th BROC Committee-8:30am
April	October
	23 rd Compensation Committee-10am
May	November
	19 th Budget Committee-2pm 20 th Compensation Committee-8:30am
June	December
13 th IRC Committee-10am 27 th BROC Committee-8:30am	13 th IRC Committee-10am 17 th Budget Committee-2pm 18 th BROC Committee-8:30am 18 th AR Rates Workshop-2pm

JANUARY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

MAY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

SEPTEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

FEBRUARY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

JUNE

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

OCTOBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

MARCH

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JULY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

APRIL

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

AUGUST

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

DECEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

DISCOVER THE POWER OF ENERGY OPTIONS



Committee Members	Term Limit Expiration	Next Election	Meeting Frequency
Officers			
Ron Herd (Chairman)	May 23, 2021	May 23, 2021	
Josh Callihan (Vice Chairman)		May 23, 2021	
Chris Melton (Secretary)		May 23, 2021	
Kevin Howard (Treasurer)		May 23, 2021	
Executive Committee			As Needed
Ron Herd (Chairman)		May 23, 2021	
Josh Callihan (Vice Chairman)		May 23, 2021	
Chris Melton (Secretary)		May 23, 2021	
Kevin Howard (Treasurer)		May 23, 2021	
All Requirements Project Committee			December - February
Chris Melton (Chairman)	All AR Directors hold a seat	May 23, 2021	December: Workshop - Staff presents current year proforma
All AR Directors			January: Workshop - Staff present preliminary AR rate design
KYMEA CEO (non-voting)			February: Staff presents preliminary AR rates
KYMEA CFO (non-voting)			March: Committee approval/Board Approval of AR Rates
Board Risk Oversight Committee (BROC)			Quarterly
Gary Zheng (Chairman)		May 23, 2021	March, June, September, & December
Tim Lyons		May 23, 2021	
KYMEA CEO			
KYMEA CFO			
KYMEA Legal Counsel			
Internal Risk Committee (IRC)			Quarterly
KYMEA CEO (Chairman)			March, June, September, & December
KYMEA VP of Market Analytics			
KYMEA CFO			
KYMEA Legal Counsel			
Budget Committee			November - January
Chris Melton (Chairman)		May 23, 2021	November: Staff presents preliminary budget to committee
Josh Callihan		May 23, 2021	December: Complete committee changes/Budget committee approval
Mike Withrow		May 23, 2021	January: No meeting, Budget presented to board
KYMEA CEO (non-voting)			February: Board approval of budget
KYMEA CFO (non-voting)			
Compensation Committee			October - December
Ron Herd (Chairman)		May 23, 2021	October/November: Working group to establish CEO compensation December: Committee presents the CEO's compensation to the board
Josh Callihan		May 23, 2021	
Chris Melton		May 23, 2021	
Kevin Howard		May 23, 2021	
KYMEA Legal Counsel (non-voting)			
FERC Litigation Committee			October - December
Chris Melton			Working group during FERC litigation
Gary Zheng (Chairman)			
Tim Lyons			
KYMEA CEO			
KYMEA CFO			
KYMEA Legal Counsel			

KYMEA COMMITTEE CALENDAR

2020

January 22 nd AR Rates Workshop-3pm	July
February 27 th Budget Committee-10am 27 th AR Committee-10:30am	August
March 13 th IRC Committee-10am 26 th BROC Committee-8:30am 26 th AR Committee-10am	September 11 th IRC Committee-10am 24 th BROC Committee-8:30am
April	October 21 st Compensation Committee-10am
May	November 17 th Budget Committee-2pm 18 th Compensation Committee-8:30am
June 12 th IRC Committee-10am 25 th BROC Committee-8:30am	December 4 th IRC Committee-10am 15 th Budget Committee-2pm 16 th BROC Committee-8:30am 16 th AR Rates Workshop-2pm

JANUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

FEBRUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

MARCH

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

OCTOBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	



Committee Members	Term Limit Expiration	Next Election	Meeting Frequency
Officers			
Ron Herd (Chairman)	May 23, 2021	May 23, 2021	
Josh Callihan (Vice Chairman)		May 23, 2021	
Chris Melton (Secretary)		May 23, 2021	
Kevin Howard (Treasurer)		May 23, 2021	
Executive Committee			As Needed
Ron Herd (Chairman)		May 23, 2021	
Josh Callihan (Vice Chairman)		May 23, 2021	
Chris Melton (Secretary)		May 23, 2021	
Kevin Howard (Treasurer)		May 23, 2021	
All Requirements Project Committee			December - February
Chris Melton (Chairman)	All AR Directors hold a seat	May 23, 2021	December: Workshop - Staff presents current year proforma
All AR Directors			January: Workshop - Staff present preliminary AR rate design
KYMEA CEO (non-voting)			February: Staff presents preliminary AR rates
KYMEA CFO (non-voting)			March: Committee approval/Board Approval of AR Rates
Board Risk Oversight Committee (BROC)			Quarterly
Gary Zheng (Chairman)		May 23, 2021	March, June, September, & December
Tim Lyons		May 23, 2021	
KYMEA CEO			
KYMEA CFO			
KYMEA Legal Counsel			
Internal Risk Committee (IRC)			Quarterly
KYMEA CEO (Chairman)			March, June, September, & December
KYMEA VP of Market Analytics			
KYMEA CFO			
KYMEA Legal Counsel			
Budget Committee			November - January
Chris Melton (Chairman)		May 23, 2021	November: Staff presents preliminary budget to committee December: Complete committee changes/Budget committee approval January: No meeting, Budget presented to board February: Board approval of budget
Josh Callihan		May 23, 2021	
Mike Withrow		May 23, 2021	
KYMEA CEO (non-voting)			
KYMEA CFO (non-voting)			
Compensation Committee			October - December
Ron Herd (Chairman)		May 23, 2021	October/November: Working group to establish CEO compensation December: Committee presents the CEO's compensation to the board
Josh Callihan		May 23, 2021	
Chris Melton		May 23, 2021	
Kevin Howard		May 23, 2021	
KYMEA Legal Counsel (non-voting)			
FERC Litigation Committee			October - December
Chris Melton			Working group during FERC litigation
Gary Zheng (Chairman)			
Tim Lyons			
KYMEA CEO			
KYMEA CFO			
KYMEA Legal Counsel			



KENTUCKY MUNICIPAL ENERGY AGENCY

October 23, 2019	Committee Reports	Administration Reports	Discussion Topics	Action Items
	Compensation	CEO	Legislative Update	Strategic Plan
		Finance and Accounting		
		Market Analytics		
		Member Communications		

November 20, 2019	Committee Reports	Administration Reports	Discussion Topics	Action Items
	Budget	CEO		
	Compensation	Finance and Accounting		
		Market Analytics		
		Member Communications		

December 18, 2019	Committee Reports	Administration Reports	Discussion Topics	Action Items
	AR Project	CEO		CEO Compensation
	BROC	Finance and Accounting		
	Budget	Market Analytics		
		Member Communications		

January 22, 2019	Committee Reports	Administration Reports	Discussion Topics	Action Items
	AR Committee	CEO	FY 2021 Budget	
	Budget	Finance and Accounting		
		Market Analytics		



KENTUCKY MUNICIPAL ENERGY AGENCY

		Member Communications		
--	--	-----------------------	--	--

February 27, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
	AR Committee	CEO	FY 2021 AR Rates Presentation	FY 2021 Budget
	Budget	Finance and Accounting		
		Market Analytics		
		Member Communications		

March 26, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
	IRC	CEO		FY 2021 AR Rates
	BROC	Finance and Accounting		
	AR Committee	Market Analytics		
		Member Communications		

April 22, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
	BROC	CEO		
		Finance and Accounting		
		Market Analytics		
		Member Communications		

*** This calendar is intended for planning purposes and may be changed at any time.**



KENTUCKY MUNICIPAL ENERGY AGENCY

Notice of Meeting of the KYMEA Board of Directors

Location: 2601 Richmond Rd, Lexington, KY 40509

Wednesday, October 23, 2019, 1 PM

A. Meeting Opening

- A.1 Attendance
- A.2 Guest Introductions
- A.3 Call to Order

B. Meeting Minutes

C. Financial Reports

D. Committee Reports

None expected

E. Administration Reports

- E.1 CEO
- E.2 Finance & Accounting
- E.3 Member Communications

F. Discussion Topics

- F.1 Legislative Update

G. Action Items

- G.1 Strategic Plan

H. Public Comments

I. Upcoming Meetings & Other Business

J. Closed Session

- J.1 Market Report/Hedging Strategy
- J.2 Other topics

K. Actions Related to Closed Session

L. Adjournment

Meeting Minutes





Meeting Minutes of the KYMEA Board of Directors

Location: 1700 Eastpoint Parkway, Ste 220, Louisville, KY 40223

Thursday, September 26, 2019, 10 AM

A. Meeting Opening

A.1. Attendance: Taken at 10:02 AM

Present Board Members:

Josh Callihan
Ronald Herd
Chris Melton
Mike Withrow
Philip King
Kevin Frizzell
Kevin Howard
Gary Zheng

Absent Board Members:

Carl Shoupe
Doug Hammers
Ramona Williams

Staff Present:

Michelle Hixon
Heather Overby
Doug Buresh
Rob Leesman

Others Present:

Charles Musson
Pat Pace
Tim Lyons
Tim Blodgett
Chris Lindner
David Denton
Hance Price



Anna Marie Pavlik Rosen

A.2. Guest Introductions: The Chairman introduced Tim Blodgett with Hometown Connections and Chris Lindner with BKD as guests at today's meeting.

A.3. Call to Order: Chairman, Ron Herd, called the meeting to order at 10:08 AM. A quorum of board members was present, and the Board was ready to proceed with business.

2. Meeting Minutes

2.1 Approval of the regular minutes of August 22, 2019

Motion Passed: Approval of the August 22, 2019 meeting minutes passed with a motion by Mike Withrow and second by Philip King.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

C. Financial Reports

2.2 Approval of last month's Financial Reports

Motion Passed: Approval of the previous month's financial reports passed with a motion by Josh Callihan and second by Mike Withrow.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes



Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

D. Committee Reports

D.1 BROC Report: Gary Zheng gave a report on the BROC meeting held on 9/26/2019. He asked Doug Buresh to briefly go over the attached report.

E. Administration Reports

E.1 CEO: Doug Buresh presented the CEO report regarding the agency's past and upcoming activities.

E.2 Finance & Accounting: Heather Overby presented to the Board any current and upcoming finance and accounting activities.

E.3 Member Communications: Michelle Hixon communicated to the board any upcoming events and member activities.

F. Discussion Topics

F.1 Legislative Update: Doug Buresh gave an update on legislative activities.

G. Action Items

G.1 Audit Report: Chris Lindner from BKD presented BKD's June 30, 2019 audit report.

Motion Passed: Approval of the June 30, 2019 Audit Report passed with a motion by Mike Withrow and a second by Josh Callihan.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent



Philip King	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

G.2 Strategic Plan: Tim Blodgett and Doug Buresh presented the Strategic Plan to include the goals. The board requested a couple of changes and to vote on the plan next month.

H. Public Comments

This was an opportunity for members of the public to provide input to the KYMEA Board and was limited to 5 minutes per speaker. No comments were made.

I. Upcoming Meetings and Other Business

In October, there will be a special meeting held on October 23 at 1:00 PM. The meeting will be held at the DoubleTree Hotel 2601 Richmond Road, Lexington, KY. The KYMEA Board of Directors shall hold its regular meetings on the fourth Thursday of each month, except for the months of November and December, when the regular meeting shall be held on the third Wednesday. The regular meetings shall convene and commence at 10:00 AM Eastern time on said dates. The regular meetings shall be held at the KYMEA Board Room, 1700 Eastpoint Pkwy, Suite 220, Louisville, Kentucky.

J. Closed Session

Closed Session Authorization for September 26, 2019, KYMEA Board Meeting

Approval to enter into Closed Session pursuant to KRS 61.810(1)(c); KRS 61.810(1)(k); and KRS 61.878(1)(j) for the purpose of:

- (i) discussing proposed, potential or pending litigation relating to KYMEA and its members relating to transmission issues; and
- (ii) discussing the market report and KYMEA's future and potential hedging strategy

KRS 61.810(1)(c) allows for closed session for the purpose of discussing proposed, potential and pending litigation relating to the agency.



KRS 61.810(1)(k) and 61.878(1)(j) allow for closed session where presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended.

Motion Passed: Motion to enter into closed session passed with a motion by Kevin Frizzell and a second by Mike Withrow.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

Motion Passed: Motion to return to open session passed with a motion by Josh Callihan and a second by Kevin Frizzell.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

K. Actions Related to Closed Session



No action was needed.

L. Adjournment

Motion Passed: Motion to adjourn the KYMEA board meeting passed with a motion by Chris Melton and a second by Mike Withrow.

8 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Carl Shoupe	Absent
Philip King	Yes
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Absent
Gary Zheng	Yes

X

Chairperson

X

Secretary

Financial Reports





Financial Presentation

October 23, 2019

Statement of Net Position – Sept 2019

1. Checking account cash

2. Billing to AR &
Transmission service
members and ancillary
services



KENTUCKY MUNICIPAL ENERGY AGENCY

Statements of Net Position Sep-19

HRO

	Sept 2019
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 5,382,157
Other receivables	8,178,765
Prepayments	8,202
Total Current Assets	13,569,124

1

2

Statement of Net Position – Sept 2019

3. Collateral represents \$1.2M at MISO and \$800k at PJM

4. Fixed asset clearing represents project to date costs to install additional meter equipment at Paducah and Accounting System computer equipment.

NON-CURRENT ASSETS

Restricted Assets

Pledged collateral

1,978,471

3

Interest receivable

-

Total Restricted Assets

1,978,471

Capital Assets

Fixed Asset Clearing Account

58,734

4

Office Buildout

253,638

Meters - AR Project

193,817

Meter Comm Equipment

330,672

General Plant

667,768

Construction work in progress

-

Less Accumulated Depreciation

(122,883)

Net Capital Assets

1,381,746

Total Non-Current Assets

3,360,217

Total Assets

16,929,341

Statement of Net Position – Sept 2019

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$	10,304,558	5
Accrued Employee Benefits		99,503	
Accrued interest payable		40,451	
Total Current Liabilities		10,444,513	

NON-CURRENT LIABILITIES

Deferred Lease Liability		34,396	6
Line of Credit		-	7
Total Non-Current Liabilities		34,396	

Total Liabilities		10,478,908	
--------------------------	--	-------------------	--

Net Position

Invested in capital assets, net of related debt		1,323,012	
Restricted		-	
Unrestricted		5,127,421	
TOTAL NET POSITION		6,450,433	8

5. AP represents purchase power

6. Deferred Lease Liability represents the difference in average monthly rent for term of office lease and actual lease payments

7. Line of Credit paid off in August

8. Positive net position

Revenue, Expenses, and Changes in Net Position – Sept 2019

CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	September 2019	YTD FY20
OPERATING REVENUES		
Sales to members	\$ 7,562,281	\$ 23,429,668
Other revenues	125,482	294,446
TOTAL OPERATING REVENUE	7,687,763	23,724,114
OPERATING EXPENSES		
Transmission	716,605	2,113,554
Production	5,443,749	16,889,231
Other operating	147,821	393,639
Maintenance	220	906
Depreciation	14,335	41,625
Future recoverable costs	-	-
TOTAL PURCHASE POWER AND OPERATING EXPENSES	6,326,997	19,443,223
OPERATING INCOME	1,360,766	4,280,892
NON-OPERATING REVENUES (EXPENSES)		
Interest expense on debt	(2,588)	(21,320)
Interest income	-	2,776
Other non-operating expenses (income)	(2,674)	(16,434)
TOTAL NONOPERATING REVENUES (EXPENSES)	(5,262)	(34,978)
CHANGE IN NET POSITION	1,355,504	4,245,914
NET POSITION AT BEGINNING OF PERIOD	\$ 5,094,929	2,204,519
NET POSITION AT END OF PERIOD	\$ 6,450,433	6,450,433

9. Sales to AR Members

10. Sales of transmission and ancillary services

11. Transmission from MISO, PJM, and KU net of depancaking credit

12. All purchase power including PPA, ITO, and SEPA

13. Positive net income

Indirect Cash Flow– Sept 2019

14. Net Income

15. Timing of Accounts Payable has largest effect of operational items on cash.

16. Cash balance in checking account

CONSOLIDATED STATEMENT OF CASH FLOWS		CY Month Ended 9/30/2019	CY YTD FY 2020
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
NET INCOME	\$	1,355,504	\$ 4,245,914
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:			
DEPRECIATION	\$	14,335	\$ 41,625
AMORTIZATION OF:			
ACQUISITION ADJUSTMENT			\$ -
			\$ -
CHANGES IN CURRENT & DEFERRED ITEMS:			
ACCOUNTS RECEIVABLE	\$	421,118	\$ (203,653)
MATERIALS & SUPPLIES			\$ -
PREPAYMENTS & OTHER CURRENT ASSETS			\$ 1,196
DEFERRED DEBITS	\$	1,367	\$ 3,727
OTHER REG ASSETS AND DEFERRED OUTFLOW OF RESOURCES			\$ -
ACCOUNTS PAYABLE	\$	(412,969)	\$ 2,296,025
COLLATERAL DEPOSITS			\$ -
TAXES & INTEREST ACCRUED	\$	3,277	\$ 24,240
OTHER CURRENT LIABILITIES	\$	6,627	\$ 10,989
DEFERRED CREDITS	\$	647	\$ 1,940
OTHER			\$ -
NET CASH PROVIDED BY (USED IN) OPERATION	\$	1,389,905	\$ 6,422,004
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
ADDITIONS TO PLANT	\$	(52,288)	\$ (59,914)
NET CHANGE IN OTHER PROP & INVEST	\$	-	\$ 297,640
PLANT SOLD (PURCHASED) - NONINSTALLMENT METHOD	\$	-	\$ -
OTHER - ASSET RETIREMENT OBLIGATIONS	\$	-	\$ -
NET CASH PROVIDED BY (USED IN) INVESTING	\$	(52,288)	\$ 237,726
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES			
LONG TERM BORROWINGS	\$	-	\$ -
PAYMENT ON LONG TERM DEBT	\$	-	\$ (9,032,768)
OTHER	\$	-	\$ -
NET CASH PROVIDED BY (USED IN) FINANCING	\$	-	\$ (9,032,768)
NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS	\$	1,337,617	\$ (2,373,037)
CASH & TEMP INVESTMENTS BEGINNING PERIOD	\$	4,044,540	\$ 7,755,194
CASH & TEMP INVESTMENTS END OF PERIOD	\$	5,382,157	\$ 5,382,157

14

15

16



KENTUCKY MUNICIPAL ENERGY AGENCY

**Statements of Net Position
Sep-19**

HRO

	Sept 2019
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 5,382,157
Other receivables	8,178,765
Prepayments	8,202
Total Current Assets	13,569,124
NON-CURRENT ASSETS	
Restricted Assets	
Pledged collateral	1,978,471
Interest receivable	-
Total Restricted Assets	1,978,471
Capital Assets	
Fixed Asset Clearing Account	58,734
Office Buildout	253,638
Meters - AR Project	193,817
Meter Comm Equipment	330,672
General Plant	667,768
Construction work in progress	-
Less Accumulated Depreciation	(122,883)
Net Capital Assets	1,381,746
Total Non-Current Assets	3,360,217
Total Assets	16,929,341



KENTUCKY MUNICIPAL ENERGY AGENCY

**Statements of Net Position
Sep-19**

HRO

Sept
2019

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$	10,304,558
Accrued Employee Benefits		99,503
Accrued interest payable		40,451
Total Current Liabilities		10,444,513

NON-CURRENT LIABILITIES

Deferred Lease Liability	34,396
Line of Credit	-
Total Non-Current Liabilities	34,396

Total Liabilities	10,478,908
--------------------------	-------------------

Net Position

Invested in capital assets, net of related debt	1,323,012
Restricted	-
Unrestricted	5,127,421
TOTAL NET POSITION	6,450,433



KENTUCKY MUNICIPAL ENERGY AGENCY

HRO

**CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION**

	September 2019	YTD FY20
OPERATING REVENUES		
Sales to members	\$ 7,562,281	\$ 23,429,668
Other revenues	125,482	294,446
TOTAL OPERATING REVENUE	7,687,763	23,724,114
OPERATING EXPENSES		
Transmission	716,605	2,113,554
Production	5,443,749	16,889,231
Other operating	147,821	393,639
Maintenance	220	906
Depreciation	14,335	41,625
Future recoverable costs	-	-
TOTAL PURCHASE POWER AND OPERATING EXPENSES	6,326,997	19,443,223
OPERATING INCOME	1,360,766	4,280,892
NON-OPERATING REVENUES (EXPENSES)		
Interest expense on debt	(2,588)	(21,320)
Interest income	-	2,776
Other non-operating expenses (income)	(2,674)	(16,434)
TOTAL NONOPERATING REVENUES (EXPENSES)	(5,262)	(34,978)
CHANGE IN NET POSITION	1,355,504	4,245,914
NET POSITION AT BEGINNING OF PERIOD	\$ 5,094,929	2,204,519
NET POSITION AT END OF PERIOD	\$ 6,450,433	6,450,433



KENTUCKY MUNICIPAL ENERGY AGENCY

HRO

10/14/2019

CONSOLIDATED STATEMENT OF CASH FLOWS

CY
Month Ended
9/30/2019

CY
YTD
FY 2020

CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

NET INCOME	\$	1,355,504	\$	4,245,914
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:				
DEPRECIATION	\$	14,335	\$	41,625
AMORTIZATION OF:				
ACQUISITION ADJUSTMENT			\$	-
			\$	-
CHANGES IN CURRENT & DEFERRED ITEMS:				
ACCOUNTS RECEIVABLE	\$	421,118	\$	(203,653)
MATERIALS & SUPPLIES			\$	-
PREPAYMENTS & OTHER CURRENT ASSETS			\$	1,196
DEFERRED DEBITS	\$	1,367	\$	3,727
OTHER REG ASSETS AND DEFERRED OUTFLOW OF RESOURCES			\$	-
ACCOUNTS PAYABLE	\$	(412,969)	\$	2,296,025
COLLATERAL DEPOSITS			\$	-
TAXES & INTEREST ACCRUED	\$	3,277	\$	24,240
OTHER CURRENT LIABILITIES	\$	6,627	\$	10,989
DEFERRED CREDITS	\$	647	\$	1,940
OTHER			\$	-
NET CASH PROVIDED BY (USED IN) OPERATION	\$	1,389,905	\$	6,422,004

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

ADDITIONS TO PLANT	\$	(52,288)	\$	(59,914)
NET CHANGE IN OTHER PROP & INVEST	\$	-	\$	297,640
PLANT SOLD (PURCHASED) - NONINSTALLMENT METHOD	\$	-	\$	-
OTHER - ASSET RETIREMENT OBLIGATIONS	\$	-	\$	-
NET CASH PROVIDED BY (USED IN) INVESTING	\$	(52,288)	\$	237,726

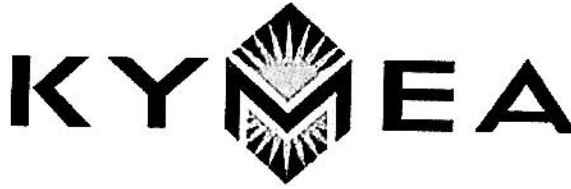
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES

LONG TERM BORROWINGS	\$	-	\$	-
PAYMENT ON LONG TERM DEBT	\$	-	\$	(9,032,768)
OTHER	\$	-	\$	-
NET CASH PROVIDED BY (USED IN) FINANCING	\$	-	\$	(9,032,768)

NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS \$ 1,337,617 \$ (2,373,037)

CASH & TEMP INVESTMENTS BEGINNING PERIOD \$ 4,044,540 \$ 7,755,194

CASH & TEMP INVESTMENTS END OF PERIOD \$ 5,382,157 \$ 5,382,157



KENTUCKY MUNICIPAL ENERGY AGENCY

Bank Reconciliation

9/30/2019

BY

Bank Balance	5,366,818.83
Outstanding checks	(900.00)
Bank Fee	
Adjusted Bal	<u>5,365,918.83</u>

Book Balance	5,382,156.66
Bank fee	(137.81)
pjm	(16,848.07)
Outstanding deposit	629.39
adp tax	233.59
adp fee	(114.93)
Adj Bank Bal	<u>5,365,918.83</u>

Variance	-
----------	---

Committee Reports

D. Committee Reports

D.1 Compensation Committee



Administration Reports

E. Administration Reports

- E.1 CEO
- E.2 Finance & Accounting
- E.3 Member Communications





President & CEO Update

Doug Buresh

October 23, 2019

KYMEA New Website is now Live

<https://www.kymea.org/board-member>

Board Meeting Calendar and Agendas

[2019 MEETING CALENDAR](#)[2020 MEETING CALENDAR](#)[2019 COMMITTEE CALENDAR](#)[2020 COMMITTEE CALENDAR](#)

Prior meetings

Meeting date	Agenda	Packet	Minutes
September 26, 2019	View agenda	View packet	
August 22, 2019	View agenda	View packet	View minutes
July 24, 2019	View agenda	View packet	View minutes
June 27, 2019	View agenda	View packet	View minutes
May 23, 2019	View agenda	View packet	View minutes
April 24, 2019	View agenda		View minutes
March 28, 2019			View minutes
February 28, 2019			View minutes
January 24, 2019			View minutes
December 19, 2018			View minutes
November 15, 2018			View minutes

Board and Committee Meetings Calendar Available on Website

2020 BOARD MEETING



MONTH	DATE	LOCATION	MONTH	DATE	LOCATION
JANUARY - SPECIAL MEETING	1/22 1 PM EST	KMUA - Frankfort	JULY - SPECIAL MEETING	7/22 1 PM	KMUA - Louisville
FEBRUARY	2/27 10 AM EST	KYMEA Board Room	AUGUST	8/27 10 AM EST	KYMEA Board Room
MARCH	3/26 10 AM EST	KYMEA Board Room	SEPTEMBER	9/24 10 AM EST	KYMEA Board Room
APRIL - SPECIAL MEETING	4/22 1 PM EST	KMUA - Bowling Green	OCTOBER - SPECIAL MEETING	10/21 1 PM	KMUA - Lexington
MAY - ANNUAL MEETING	5/29 10 AM EST	KYMEA Board Room	NOVEMBER	11/18	
JUNE	6/25 10 AM EST	KYMEA Board Room	DECEMBER	12/10	



JANUARY	FEBRUARY	MARCH	APRIL	MAY
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

The KYMEA Board of Directors shall hold its regular meetings on the fourth Thursday of each month, except for the months of November and December when the regular meetings shall convene and commence at 10:00 AM Eastern time on said dates. The regular meetings shall be held at the KYMEA Board Room, 1000 N. Third Street, Louisville, Kentucky.

KYMEA COMMITTEE CALENDAR

2020

January	July
22 nd AR Rates Workshop-3pm	
February	August
27 th Budget Committee-10am 27 th AR Committee-10:30am	
March	September
13 th IRC Committee-10am 26 th BROC Committee-8:30am 26 th AR Committee-10am	11 th IRC Committee-10am 24 th BROC Committee-8:30am
April	October
	21 st Compensation Committee-10am
May	November
	17 th Budget Committee-2pm 18 th Compensation Committee-8:30am
June	December
12 th IRC Committee-10am 25 th BROC Committee-8:30am	4 th IRC Committee-10am 15 th Budget Committee-2pm 16 th BROC Committee-8:30am 16 th AR Rates Workshop-2pm

JANUARY	MAY	SEPTEMBER
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
FEBRUARY	JUNE	OCTOBER
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
MARCH	JULY	NOVEMBER
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
APRIL	AUGUST	DECEMBER
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31



Winner of the 2019 APPA Excellence in Public Power Communications Award for Print and Digital Class C

COMMUNITIES WE SERVE

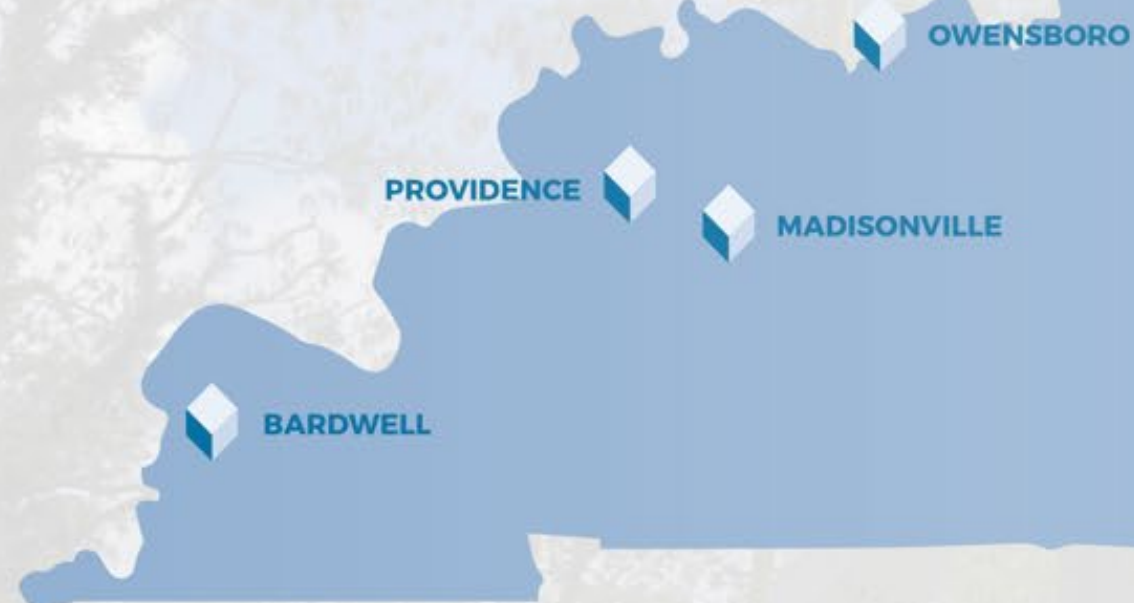
THE POWER OF WORKING TOGETHER

Eleven Kentucky communities — large and small — have formed the Kentucky Municipal Energy Agency to control decisions about their communities' energy costs and ensure reliable sources of power.

The Kentucky Municipal Energy Agency was established under a Kentucky Interlocal Cooperation Agreement to provide wholesale electric power generation and transmission to the municipal utilities of its owner communities — Barbourville, Bardwell, Benham, Berea, Corbin, Falmouth, Frankfort, Madisonville, Owensboro, Paris, and Providence.

"We are truly building a diverse portfolio to provide more affordable power for our customers."

- Chris Melton, Electric Superintendent of Madisonville Utilities Department & Chairman of the KYMEA AR Project Committee



Winner of the 2019 APPA Excellence in Public Power Communications Award for Video Class C

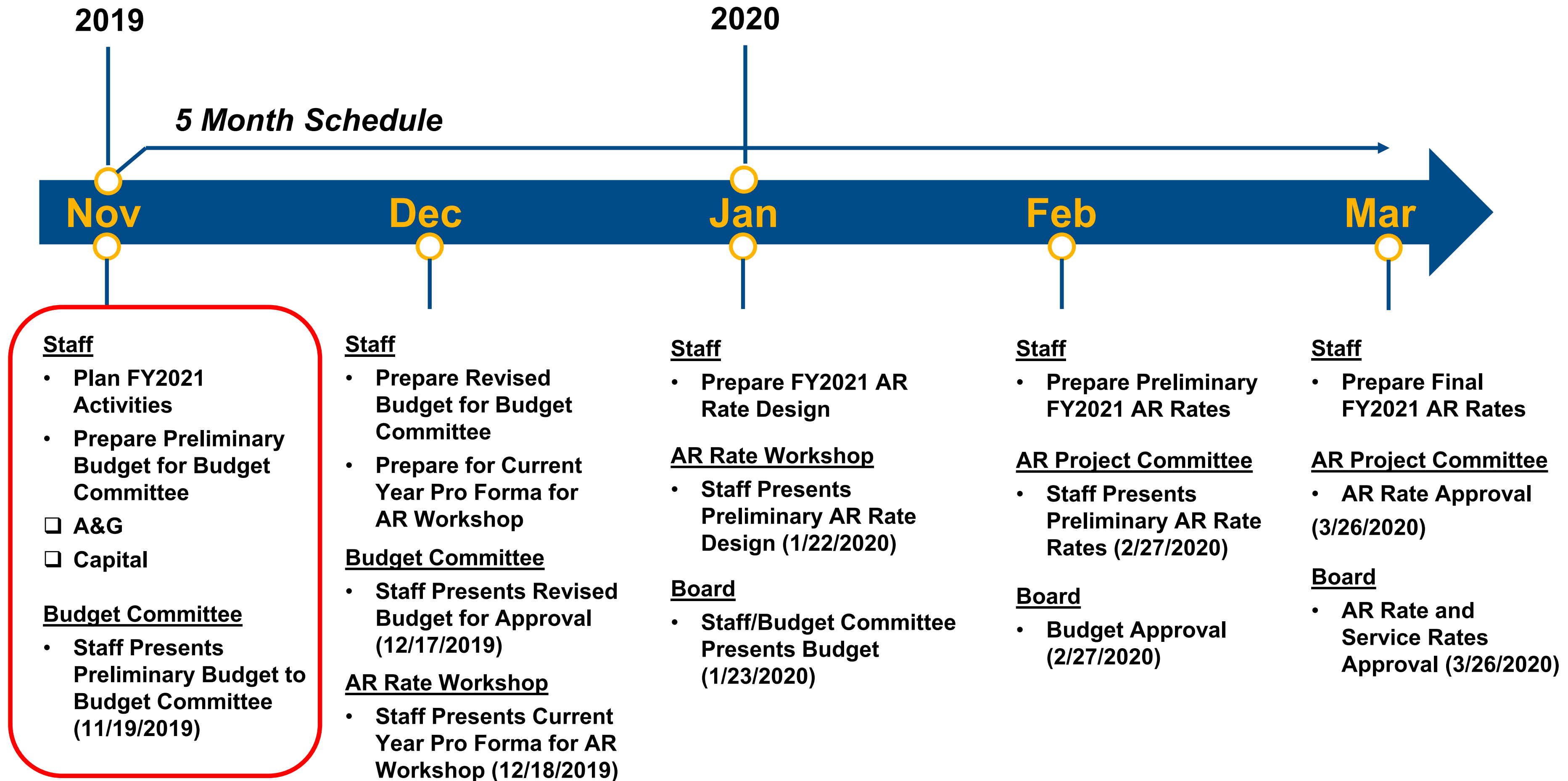
[ABOUT ▼](#)[POWER RESOURCES](#)[COMMUNITY](#)[NEWS](#)[INFORMATION ▼](#)

Our Communities

Eleven Kentucky communities - large and small - have formed KYMEA to control decisions about their communities' energy costs and ensure reliable sources of power. KYMEA was established under a Kentucky Interlocal Cooperation Agreement to provide wholesale electric power generation and transmission to the municipal utilities of its owner communities - Barbourville, Bardwell, Benham, Berea, Corbin, Falmouth, Frankfort, Madisonville, Owensboro, Paris, and Providence.

[SHARE VIDEO](#)

FY2021 Budget and AR Rate Process



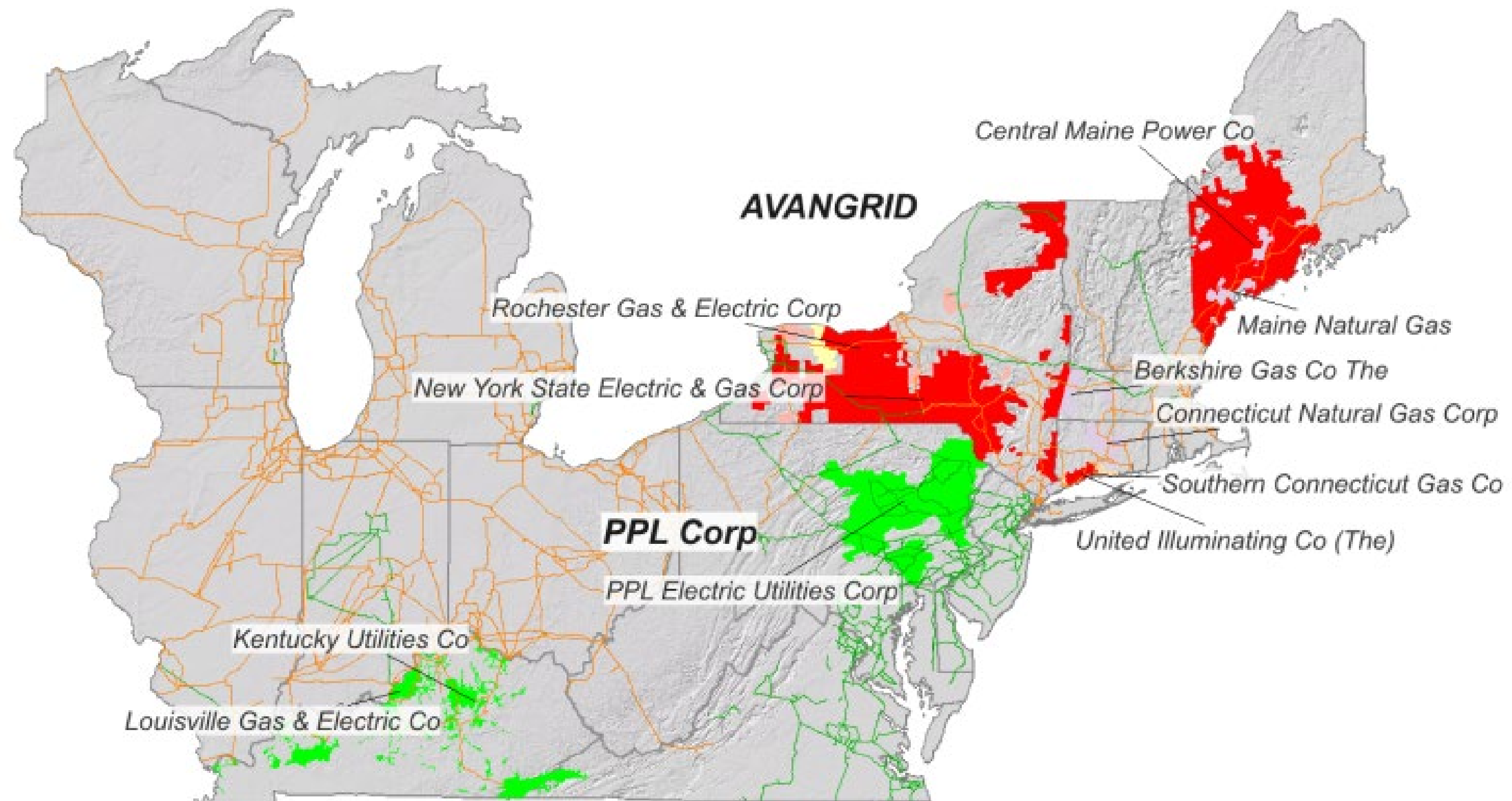
Industry News – A Growing Trend Towards Municipalization

Recent Activity

- **Boulder, CO – Working on municipalization since October 2011. Courts, followed by Colorado PUC, are allowing Boulder to acquire XCEL assets through condemnation. Now up to the voters to decide.**
- **Others Floating the Idea**
 - **Pueblo, CO**
 - **San Francisco, CA (PG&E rejected \$2.5 billion offer)**
 - **New York City, NY (driven by power outages)**
 - **Chicago**

Industry News – PPL (LG&E/KU Parent) and Avangrid Exploring Merger

On Friday, October 11, 2019, the Financial Times (FT) reported that PPL Corp. (NYSE: PPL) and Avangrid Inc. (NYSE: AGR) are exploring a merger worth an estimated \$67 billion. The potential merger, if approved and moved forward, will create one of the largest investor-owned utility companies in the United States.



Source: ABB Ability Velocity Suite

EnVision Forum

- **Attended EnVision Forum in Lexington on 10/21/2019.**
- **Hosted by FERC Chairman Neil Chatterjee**
- **Purpose: Gathering of thought leaders with new voices in the energy world to find solutions to the challenges posed by the market and fuel transitions that are changing the face of the energy industry.**



EnVision Forum

Ten years ago, no one would have ever thought that the United States would be the number one oil producer in the world.

Ten years from now, America will be the leader in all types of energy.

It is with this in mind, that we would like to invite leaders like yourself, to bring your personal input so we can achieve this vital goal in the future.

Please Join the Federal Energy Regulatory Commission and University of Kentucky as we host the inaugural **EnVision Forum**.

Date: October 21st 2019
Time: 8:00am – 5:00pm
Location: Kroger Field
Lexington, Kentucky



KYMEA AND MEMBER FINANCIAL METRICS

October 23, 2019
Heather Overby

Financial Metrics Purpose

- ◆ To incorporate publicly available metrics utilized by the major credit rating agencies to achieve and maintain the highest possible bond ratings for KYMEA projects
- ◆ Higher bond ratings result in lower borrowing costs and subsequently lower cost of power for all project participants.

Financial Metrics Purpose – Why is Member Data Necessary?

- ◆ Ultimately, investors in KYMEA debt, as well as power supply counterparties and financial institutions, look to the Members' credit when they evaluate the creditworthiness of KYMEA
- ◆ The following slides represent a high level overview of the proposed analysis. A document with detailed descriptions will follow.

Financial Metrics Purpose – What Ratios are Used to Assess KYMEA and Member Financial Health?

Covenant Compliance Ratios

- Debt Service Coverage – Key ratio in all bond covenants
- Fixed Obligation Charge Coverage – Includes debt service embedded in KYMEA projects

Financial Metrics Purpose – What Ratios are Used to Assess KYMEA and Member Financial Health?

◆ Income and Expense Ratios

- Operating Ratio – $\text{Current Assets} / \text{Current Liabilities}$
- Net Income per Revenue Dollar
- Total O&M Expense per KWh Sold
- Uncollectible Accounts per Revenue Dollar

◆ These Ratios compare the member ratio to the industry median based on municipal size (APPA Financial and Operating Ratio Survey)

Financial Metrics Purpose – What Ratios are Used to Assess KYMEA and Member Financial Health?

◆ Cash and Reserves

- Months of O&M in Unrestricted Cash
- Formal Cash Reserve Policy
- Days Liquidity on Hand
- Funding of Depreciation
- Power Cost Recovery Adjustment
- General Fund Health of Member City (if applicable)
- Electric Fund Transfers

Financial Metrics – What Happens to the Data?

- ◆ KYMEA will maintain an internally calculated Credit Analysis for each member utility and for KYMEA.
- ◆ KYMEA's Credit Analysis will be communicated to Board.
- ◆ Member Analyses will be classified as working documents, shared with the member utility, and remain confidential.
- ◆ The CFO and/or CEO will offer to schedule a visit with each member to discuss the Agency's Credit Analysis of the utility and provide suggestions and assistance.

Financial Metrics – Strategic Plan Timeline

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.

Financial Metrics

 QUESTIONS?



Member Communications

October 23, 2019

Tell us how you celebrated Public Power Week

We want to highlight your
community in our
newsletter.



<https://www.publicpower.org/event/public-power-week#event-1>

November Dates to Remember:

2:00 PM **November 19th**
Budget Committee Meeting

8:30 AM **November 20th**
Compensation Committee Meeting
10:00 AM **KYMEA Board Meeting**

November 28-29th
Office Closed for Thanksgiving

Discussion Topics and Miscellaneous Materials

F. Discussion Topics

F.1 Legislative Update





Legislative Update

Doug Buresh

October 23, 2019

Legislative Activities

Amending certain provisions of Kentucky Revised Statutes Chapter 65.

- **Coordinating with management contracts with organizations of governmental entities which have specific expertise in their respective municipal areas such as the Kentucky League of Cities, Kentucky Association of Counties, the Kentucky School Boards Association, the Kentucky Rural Water Association and the Kentucky Municipal Utility Association.**
- **Representative Mark Hart (District 78) is sponsoring the bill.**
- **In the upcoming months, KYMEA/KMUA will provide talking point materials for the Board's use when you contact your local representatives asking for support.**

Amending KRS Chapter 65

Amending certain provisions of Kentucky Revised Statutes Chapter 65 (the Interlocal Governmental Cooperation Act) will provide greater flexibility for governmental entities to act jointly in undertaking joint public projects and conducting joint operations.

- 1. Streamline the governing body of the joint agency. Especially helpful for large groups.**
- 2. Provide the agency to issue revenue bonds with terms of up to 40 years similar to its members.**
- 3. Provide for regionalization, joint projects, economic development opportunities, etc. without the need for returning to the Kentucky General Assembly for enabling legislation. For example, joint sanitary sewer operations, joint jail authorities, joint power projects, regional water treatment and distribution systems, joint purchasing services, joint emergency services, etc.**

Action Items

G. Action Items

G.1 Strategic Plan





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



STRATEGIC PLANNING OVERVIEW

05

BOARD OF
DIRECTORS

06

VISION & MISSION

07

CORE VALUES

08

STRATEGIC PRIORITIES:
FINANCIAL STABILITY

09

STRATEGIC PRIORITIES:
GROWTH

10

STRATEGIC PRIORITIES:
RESOURCE PLANNING

11

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



Public Comments

This is an opportunity for members of the public to provide input to the KYMEA Board and is limited to 5 minutes per speaker.



Upcoming Meetings and Other Business

The KYMEA Board of Directors shall hold its regular meetings on the fourth Thursday of each month, except for the months of November and December when the regular meeting shall be held on the third Wednesday. The regular meetings shall convene and commence at 10:00 AM Eastern time on said dates. The regular meetings shall be held at the KYMEA Board Room, 1700 Eastpoint Pkwy, Suite 220, Louisville, Kentucky.



Closed Session



Closed Session Authorization for October 23, 2019 KYMEA Board Meeting

Approval to enter into Closed Session pursuant to KRS 61.810(1)(c); KRS 61.810(1)(k); KRS 61.878(1)(c) and KRS 61.878(1)(j) for the purpose of:

- (i) discussing proposed, potential or pending litigation relating to KYMEA and its members relating to transmission issues;
- (ii) discussing the market report and KYMEA's future and potential hedging strategy;
- (iii) discussing responses made in confidence relating to potential KYMEA members; and
- (iv) discussing the Integrated Resource Plan and strategies for existing, proposed or potential power purchases or sales which have been disclosed in confidentiality to KYMEA.

KRS 61.810(1)(c) allows for closed session for the purpose of discussing proposed, potential and pending litigation relating to the agency.

KRS 61.810(1)(k) and 61.878(1)(c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would, if disclosed by the agency, provide an unfair advantage to competitors of the entity disclosing such information.

KRS 61.810(1)(k) and 61.878(1)(j) allow for closed session where presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended.

Actions Related to Matters Discussed in Closed Session

None Expected



Adjournment

