



KENTUCKY MUNICIPAL ENERGY AGENCY

Board Packet

May 28, 2020



NOTICE

May 28, 2020 KYMEA BOARD MEETING VIA VIDEO TELECONFERENCE

As a result of the state of emergency declared by the President of the United States, Governor of Kentucky, and Mayor of the City of Louisville due to the global COVID-19 pandemic, and in accordance with recommended and mandated precautions related thereto and Kentucky Opinion of the Attorney General 20-05, the following Meeting Notice is issued:

The Regular Meeting of the Board of Directors of the Kentucky Municipal Energy Agency for Thursday, May 28, 2020, at 10:00 a.m. ET, in the KYMEA Board Room, 1700 Eastpoint Parkway, Suite 220, Louisville, Kentucky will be held per KRS 61.826, a video teleconference meeting. One or more members of the Board of Directors will participate via Webex or a similar video conferencing system. The primary location will be in the KYMEA Board Room, 1700 Eastpoint Parkway, Suite 220, Louisville, Kentucky.

Per Kentucky Attorney General Opinion 20-05, public attendance may be limited at this meeting due to the highly contagious nature of COVID-19, and it is not feasible for KYMEA to provide a large central physical location for public viewing with adequate spacing for a large public gathering. Physical attendance at the meeting will be limited to a small group to comply with social distancing declarations of government officials. Public comments on agenda items will be accepted for the meeting, by emailing comments to mhixon@kymea.org by Wednesday, May 27, 2020 at 4:00 p.m. ET.

If you would like to attend the May 28th Board of Directors video meeting please contact mhixon@kymea.org.

GUIDANCE FOR ATTENDING VIRUTAL BOARD/COMMITTEE MEETINGS

Invitation to the Meeting: KYMEA Board Members will receive a calendar invitation to each committee or Board meeting. Interested members of the general public are encouraged to attend and should send an email request to mhixon@kymea.org indicating the meeting they would like to attend. Access will then be provided for the requested meeting.

Accessing WebEx: KYMEA committee and Board meetings may be held on occasion as video meetings via WebEx. It is free for attendees to join the WebEx meetings and participants do not need a WebEx account. The WebEx meetings can be accessed from computers, tablets, and smart phones.

Joining the Meeting: Attendees can join the meeting 10 minutes before the start of the meeting and should not join the meeting using more than one computer in the same room as it will create feedback.

Please test your video and audio connection by clicking the WebEx link the day prior to the meeting. You will always use the "Call In" audio connection. You will:

1. Dial the phone number given when selecting "Call In" for your audio connection.
2. Enter the access code and attendee ID that pops up on your screen.
3. Please mute your computer during the meeting. This will reduce the possibility of feedback.

We recommend that virtual meeting attendee uses a headset/earbuds with a microphone during the meeting to prevent feedback. If such headset/earbuds are not available, the volume on your phone should be turned up just enough to be able to hear those speaking, otherwise, there may be feedback.

Microphone: We ask that all virtual meeting attendees keep their microphones muted until you are speaking during a portion of the meeting. All virtual meeting attendees should control their own microphones via the WebEx application.

Disruption of Feed for Virtual Attendees:

If a presenter/speaker experiences a disruption in his/her video feed, it will be up to the Chair to determine if the meeting should be suspended taking into consideration the circumstances at the time. If we experience any technical difficulties that affect the Board and public's ability to see the meeting as a whole, the meeting will be suspended while we attempt to resolve the issue. If the issue cannot be resolved, the Chairperson will have the option of recessing the meeting until a designated time or adjourning the meeting. If the meeting is adjourned, any unfinished or pending business at that time will be addressed at the next meeting of the Board or Committee.

If you encounter problems while attending the meeting, please send a text to (502) 693-5179. Please also send a text message if you leave the meeting for any reason or are unable to return.



KENTUCKY MUNICIPAL ENERGY AGENCY

May 28, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
		CEO	Summer Preparation	Committee Member Appointments
		Finance and Accounting	Financial Metrics	Document Retention Policy
		Market Analytics (Closed Session)	IRP Schedule	CEO Performance Review
		Member Communications	Open Records Items	
			Legislative Summary	

June 25, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
	BROC	CEO	IRP Schedule	
		Finance and Accounting	Strategic Retreat	
		Market Analytics (Closed Session)		
		Member Communications		

July 22, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
		CEO		
		Finance and Accounting		
		Market Analytics (Closed Session)		
		Member Communications		

August 27, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
		CEO		
		Finance and Accounting		



KENTUCKY MUNICIPAL ENERGY AGENCY

		Market Analytics (Closed Session)		
		Member Communications		

September 24, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
		CEO		
		Finance and Accounting		
		Market Analytics (Closed Session)		
		Member Communications		

October 21, 2020	Committee Reports	Administration Reports	Discussion Topics	Action Items
		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 the Annual Meeting of the KYMEA Board of Directors

Location: Webex Video Meeting (if you would like to attend please contact mhixon@kymea.org)

1700 Eastpoint Pkwy Ste. 220, Louisville, KY 40223

Thursday, May 28, 2020, 10 AM

A. Meeting Opening

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

B. Meeting Minutes of the Combined Meeting of the AR Project Committee and the KYMEA Board of Directors

C. Financial Reports

D. Committee Reports

- D.1 BROOC
- D.2 AR Project Committee (This report was Combined with the April Board Meeting minutes)

E. Administration Reports

- E.1 CEO
- E.2 Member Communications
- E.3 Market Report

F. Discussion Topics

- F.1 Summer Preparation
- F.2 Financial Metrics
- F.3 IRP Schedule
- F.4 Open Records Items
- F.5 Legislative Summary

G. Committee Member Appointments

H. Action Items

- H.1 Document Retention Policy
- H.2 CEO Performance Review

I. Public Comments

J. Upcoming Meetings & Other Business

K. Closed Session

L. Actions Related to Closed Session



M. Adjournment

Meeting Minutes





KENTUCKY MUNICIPAL ENERGY AGENCY

Notice of a Combined Meeting of the AR Project Committee and the KYMEA Board of Directors (Video Meeting)

Location: 1700 Eastpoint Pkwy Ste. 220, Louisville, KY 40223

Thursday, April 23, 2020, 10 AM

A. Meeting Opening

A.1. Attendance: Taken at 10:08 AM

Present Board Members:

Josh Callihan
Ronald Herd
Chris Melton
Mike Withrow
Kevin Frizzell
Kevin Howard
Ramona Williams
Gary Zheng

Absent Board Members:

Carl Shoupe
Doug Hammers
Philip King

Staff Present:

Michelle Hixon
Heather Overby
Doug Buresh
Rob Leesman

Others Present:

Charles Musson
Hance Price
Vent Foster
David Denton
Adrian Isaac
Kevin Crump
Aaron Sparkman
Tom Marshall



Anna Marie Pavlik Rosen
Unknown member of the public

A.2. 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.

B. Meeting Minutes

B.1 Approval of the minutes of the Combined AR Project Committee and Board of Directors on February 27, 2020.

Motion Passed: Approval of the February 27th meeting minutes of the Combined AR Project Committee and Board of Directors 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	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Yes
Gary Zheng	Yes

C. Financial Reports

B.2 Approval of February and March 2020 Financial Reports

Motion Passed: Approval of the February and March 2020 financial reports passed with a motion by Chris Melton and second by Ramona Williams.

8 Yeas - 0 Nays

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes



KENTUCKY MUNICIPAL ENERGY AGENCY

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

D. Committee Reports

D.1 BROCC Committee: Chairman, Gary Zheng reported that there was a meeting earlier this morning and the BROCC took action on H.3. which will be presented to the Board for action today.

D.2 AR Project Committee: The combined minutes of February 27, 2020 AR Project Committee and the Board of Directors was presented in item "B".

E. Administration Reports

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

E.2 Member Communications: Michelle Hixon updated the Board on upcoming events and member activities.

E.3 Market Report: Rob Leesman discussed the previous month's markets in relation to KYMEA.

F. Discussion Topics

F.1 Document Retention Policy: Heather Overby presented a draft of the Document Retention Policy for the Board's review. Action will be requested at the May meeting.

F.2 IRP Schedule: Doug Buresh presented a tentative IRP schedule and information that will be considered during the IRP process.

F.3 Open Records Items: Charlie Musson gave an update on pending and new Open Records/Open Meeting requests.

F.4 Legislative Update: Charlie gave an update on legislative activities during the 2020 Kentucky legislative session.

G. AR Project Committee Meeting



Motion Passed: Motion to recess the KYMEA Board meeting in order to allow the KYMEA All Requirements Project Committee to meet to consider the establishment of the AR Rate Schedule passed with a motion by Mike Withrow and second by Ramona Williams.

8 Yeas - 0 Nays

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

G.1 FY 2021 AR Rates: Doug Buresh presented the FY2021 AR Rates that the AR Project Committee recommended along with the COVID-19 relief Plan.

Motion Passed: Motion to adopt the presented FY 2021 AR Rates resolution passed with a motion by Gary Zheng and second by Mike Withrow.

6 Yeas - 0 Nays

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Philip King	Absent
Doug Hammers	Absent
Ramona Williams	Yes
Gary Zheng	Yes

Motion Passed: Motion to adjourn the AR Project Committee passed with a motion by Mike Withrow and a second by Josh Callihan.

6 Yeas - 0 Nays



Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Philip King	Absent
Doug Hammers	Absent
Ramona Williams	Yes
Gary Zheng	Yes

H. Action Items

H.1 FY 2021 AR & Service Rates

Motion Passed: Motion to adopt the resolution establishing the FY 2021 AR & Service Rate Schedule passed with a motion by Chris Melton and second by Gary Zheng.

8 Yeas - 0 Nays

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

H.2 Open Records Request Policy

Motion Passed: Motion to approve the Open Records Request Policy 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	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Yes
Gary Zheng	Yes

H.3 Hedg Plan/Trading Matrix & Hedge Approval

Motion Passed: Motion to approve the Annual Joppa fixed price passed with a motion by Gary Zheng 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	Absent
Kevin Frizzell	Yes
Doug Hammers	Absent
Kevin Howard	Yes
Ramona Williams	Yes
Gary Zheng	Yes

Motion Passed: Motion to amend Appendix A of the Enterprise Risk Management Policy to allow for the CEO to enter into agreements for less than or equal to a year and additional approval of the presented Hedge Plan and Trading Matrix additions passed with a motion by Gary Zheng and second by Chris Melton.

8 Yeas - 0 Nays

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes



KENTUCKY MUNICIPAL ENERGY AGENCY

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

H.4 CEO Performance Review: This item was tabled until the next meeting.

I. 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.

J. Upcoming Meetings and Other Business

The next meeting is Thursday, May 28th at 10 AM at the Louisville office.

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.

2020 Board Meetings

Thursday, January 23, 2020, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, February 27, 2020, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, March 26, 2020, CANCELLED
Thursday, April 23, 2020, 10:00 AM Eastern Time, WEBEX VIDEO CALL
Thursday, May 28, 2020, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, June 25, 2020, 10:00 AM Eastern Time, KYMEA Board Room
Wednesday, July 22, 2020, 1:00 PM Eastern Time, KYMEA Board Room



Thursday, August 27, 2020, 10:00 AM Eastern Time, KYMEA Board Room
Thursday, September 24, 2020, 10:00 AM Eastern Time, KYMEA Board Room
Wednesday, October 21, 2020, 10:00 AM Eastern Time, KYMEA Board Room
Wednesday, November 18, 2020, 10:00 AM Eastern Time, KYMEA Board Room
Wednesday, December 16, 2020, 10:00 AM Eastern Time, KYMEA Board Room

K. Adjournment

Motion Passed: Motion to adjourn the KYMEA board meeting passed with a motion by Ramona Williams and a second by Gary Zheng.

8 Yeas - 0 Nays

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

X

Chairperson

X

Secretary

Financial Reports





Financial Presentation

May 28, 2020

Statement of Net Position – April 2020

1. Checking account cash

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



KENTUCKY MUNICIPAL ENERGY AGENCY

Statements of Net Position Apr-20

HRO

	April 2020
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 8,404,395 ¹
Other receivables	5,664,926 ²
Interest receivable	-
Prepayments	13,594
Total Current Assets	14,082,915

Statement of Net Position – April 2020



Statements of Net Position Apr-20

HRO

3. Collateral represents \$1.9M at MISO and \$800k at PJM.

	April 2020
Restricted Assets	
Pledged collateral	2,678,471
Total Restricted Assets	2,678,471
Unrestricted Assets	
Investment in SEDC	757
Total Unrestricted Assets	757
Capital Assets	
Fixed Asset Clearing Account	-
Office Buildout	253,638
Meters - AR Project	225,359
Meter Comm Equipment	330,672
General Plant	748,700
Construction work in progress	-
Less Accumulated Depreciation	(226,560)
Net Capital Assets	1,331,809
Total Non-Current Assets	4,011,037
Total Assets	18,093,952

Statement of Net Position – April 2020



KENTUCKY MUNICIPAL ENERGY AGENCY

Statements of Net Position Apr-20

HRO

	April 2020
CURRENT LIABILITIES	
Accounts Payable	\$ 7,572,302
Accrued Employee Benefits	99,583
Accrued interest payable	426
Total Current Liabilities	7,672,311
NON-CURRENT LIABILITIES	
Deferred Lease Liability	36,674
Line of Credit	-
Total Non-Current Liabilities	36,674
Total Liabilities	7,708,985
Net Position	
Invested in capital assets, net of related debt	1,331,809
Restricted	-
Unrestricted	9,053,158
TOTAL NET POSITION	10,384,967

4. AP represents purchase power.

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

6. Line of Credit paid off in August 2019.

7. Positive net position - LTD

Revenue, Expenses, and Changes in Net Position – April 2020



KENTUCKY MUNICIPAL ENERGY AGENCY

HRO

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

	April 2020	YTD FY20
OPERATING REVENUES		
Sales to members	\$ 4,726,240	\$ 65,849,964
RTO Market Revenue	\$ 22,359	\$ 179,619
Transmission Services	79,457	\$ 1,035,942
Miscellaneous Revenue	(5,000)	-
TOTAL OPERATING REVENUE	4,823,057	67,065,525
OPERATING EXPENSES		
Transmission	448,528	6,168,398
Fuel	-	-
Production	4,315,231	50,582,421
Administrative and General	243,888	1,940,635
Depreciation	15,223	145,303
Future recoverable costs	-	-
TOTAL PURCHASE POWER AND OPERATING EXPENSES	5,022,869	58,836,757
OPERATING INCOME	(199,812)	8,228,769
NON-OPERATING REVENUES (EXPENSES)		
Interest expense on debt	-	(26,170)
Interest income	5,808	19,722
Other non-operating expenses (income)	(4,833)	(41,872)
TOTAL NONOPERATING REVENUES (EXPENSES)	975	(48,320)
CHANGE IN NET POSITION	(198,837)	8,180,449
NET POSITION AT BEGINNING OF PERIOD	\$ 10,583,805	2,204,519
NET POSITION AT END OF PERIOD	\$ 10,384,968	10,384,968

8

9

10

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12

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8. Sales to AR Members

9. RTO Auction Revenue Rights, and Resource Adequacy Auction in MISO and PJM

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



KENTUCKY MUNICIPAL ENERGY AGENCY

CONSOLIDATED STATEMENT OF CASH FLOWS

HRO
5/14/2020

CY
Month Ended
4/30/2020

CY
YTD
FY 2020

	CY Month Ended 4/30/2020	CY YTD FY 2020
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
NET INCOME	\$ (198,837)	\$ 8,180,449
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:		
DEPRECIATION	\$ 15,223	\$ 145,303
CHANGES IN CURRENT & DEFERRED ITEMS:		
ACCOUNTS RECEIVABLE	\$ 534,713	\$ 2,310,186
MATERIALS & SUPPLIES	\$ -	\$ -
PREPAYMENTS & OTHER CURRENT ASSETS	\$ (13,594)	\$ (12,398)
DEFERRED DEBITS	\$ -	\$ 11,928
OTHER REG ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -
ACCOUNTS PAYABLE	\$ (623,341)	\$ (438,331)
COLLATERAL DEPOSITS	\$ -	\$ -
TAXES & INTEREST ACCRUED	\$ 532	\$ (13,684)
OTHER CURRENT LIABILITIES	\$ 2,189	\$ 11,069
DEFERRED CREDITS	\$ 326	\$ 4,219
OTHER	\$ -	\$ -
NET CASH PROVIDED BY (USED IN) OPERATION	\$ (282,790)	\$ 10,198,740
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
ADDITIONS TO PLANT	\$ (15,183)	\$ (113,654)
NET CHANGE IN OTHER PROP & INVEST	\$ (757)	\$ (403,117)
PLANT SOLD (PURCHASED) - NONINSTALLMENT METHOD	\$ -	\$ -
OTHER - ASSET RETIREMENT OBLIGATIONS	\$ -	\$ -
NET CASH PROVIDED BY (USED IN) INVESTING	\$ (15,940)	\$ (516,771)
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	\$ (298,730)	\$ 649,201
CASH & TEMP INVESTMENTS BEGINNING PERIOD	\$ 8,703,126	\$ 7,755,194
CASH & TEMP INVESTMENTS END OF PERIOD	\$ 8,404,395	\$ 8,404,395

14

15

16

17

Indirect Cash Flow— April 2020

14. Net Income

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

16. Annual Dividend From SEDC held as Co-Op Ownership Interest

17. Cash balance in checking account



KENTUCKY MUNICIPAL ENERGY AGENCY

**Statements of Net Position
Apr-20**

HRO

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Total Assets	18,093,952



KENTUCKY MUNICIPAL ENERGY AGENCY

Statements of Net Position
Apr-20

HRO

April
2020

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$	7,572,302
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Accrued interest payable		426
Total Current Liabilities		7,672,311

NON-CURRENT LIABILITIES

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Line of Credit		-
Total Non-Current Liabilities		36,674

Total Liabilities 7,708,985

Net Position

Invested in capital assets, net of related debt		1,331,809
Restricted		-
Unrestricted		9,053,158
TOTAL NET POSITION		10,384,967



KENTUCKY MUNICIPAL ENERGY AGENCY

HRO

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

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NET POSITION AT END OF PERIOD	\$ 10,384,968	10,384,968



KENTUCKY MUNICIPAL ENERGY AGENCY

HRO

5/14/2020

CONSOLIDATED STATEMENT OF CASH FLOWS

CY
Month Ended
4/30/2020

CY
YTD
FY 2020

CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

NET INCOME	\$	(198,837)	\$	8,180,449
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:				
DEPRECIATION	\$	15,223	\$	145,303
CHANGES IN CURRENT & DEFERRED ITEMS:				
ACCOUNTS RECEIVABLE	\$	534,713	\$	2,310,186
MATERIALS & SUPPLIES	\$	-	\$	-
PREPAYMENTS & OTHER CURRENT ASSETS	\$	(13,594)	\$	(12,398)
DEFERRED DEBITS	\$	-	\$	11,928
OTHER REG ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$	-	\$	-
ACCOUNTS PAYABLE	\$	(623,341)	\$	(438,331)
COLLATERAL DEPOSITS	\$	-	\$	-
TAXES & INTEREST ACCRUED	\$	532	\$	(13,684)
OTHER CURRENT LIABILITIES	\$	2,189	\$	11,069
DEFERRED CREDITS	\$	326	\$	4,219
OTHER			\$	-
NET CASH PROVIDED BY (USED IN) OPERATION	\$	(282,790)	\$	10,198,740

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

ADDITIONS TO PLANT	\$	(15,183)	\$	(113,654)
NET CHANGE IN OTHER PROP & INVEST	\$	(757)	\$	(403,117)
PLANT SOLD (PURCHASED) - NONINSTALLMENT METHOD	\$	-	\$	-
OTHER - ASSET RETIREMENT OBLIGATIONS	\$	-	\$	-
NET CASH PROVIDED BY (USED IN) INVESTING	\$	(15,940)	\$	(516,771)

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

\$ (298,730) \$ 649,201

CASH & TEMP INVESTMENTS BEGINNING PERIOD

\$ 8,703,126 \$ 7,755,194

CASH & TEMP INVESTMENTS END OF PERIOD

\$ 8,404,395 \$ 8,404,395

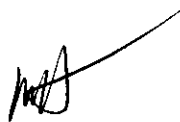
Reconciliation Transactions Report

05/15/20 11:57:52 AM

04/01/20-04/30/20 131.00 CASH

User Id: 2011

Statement Ending Balance :	8,404,911.03
Outstanding Payments(-) :	515.78
Adjustments in Transit(+) :	.00
Deposits in Transit(+) :	.00
Adjusted Bank Balance :	<u>8,404,395.25</u>
Book Balance :	8,404,395.25
Pending Adjustments :	.00
Adjusted Book Balance :	<u>8,404,395.25</u>
Difference :	.00



Committee Reports

D. Committee Reports

D.1 BROC

D.2 AR Project Committee Report (This report was Combined with the April Board Meeting Minutes)





KENTUCKY MUNICIPAL ENERGY AGENCY

To: KYMEA Board of Directors

From: Board Risk Oversight Committee (BROC)

Date: April 23, 2020

Re: BROC Meeting on 04/23/2020

A meeting of the Board Risk Oversight Committee was held on 04/23/2020. Gary Zheng (Chairman), Tim Lyons, Doug Buresh, Heather Overby, Charlie Musson, Rob Leesman, Michelle Hixon, Anna Marie Pavlik Rosen, and another member of the public were present.

The Chairman, Gary Zheng, called the meeting to order at 8:30 AM, and Doug Buresh began with an update from the IRC. The Committee reviewed the following key responsibilities of the BROC:

- a. **Monitors the activities of the IRC to ensure compliance with the Enterprise Risk Management Policy;** the BROC notes that the IRC is in compliance.
- b. **Receives and reviews from the Internal Risk Committee quarterly Risk Management reports on Business Operations, Energy, and Financial activities;** The BROC reviewed the quarterly report from the 03/13/2020 IRC meeting. To follow the guidance of the President of the United States and the Governor of Kentucky, the KYMEA staff began working from home on March 16th to reduce the spread of COVID-19. The Agency has all of the necessary technology to sustain a remote workforce during such emergencies.
Rob discussed the work he is doing to help members identify circuits for LG&E's Capacity Curtailment Plan.
- c. **Reports annually on the Risk Management activities and results to the KYMEA Board;**
- d. **Reviews and recommends changes of the Risk Management Policies to the KYMEA Board as it deems appropriate.** The Board previously approved the ERM in April 2019. The staff has prepared a Trading Matrix and Hedge Plan that aligns with the already approved ERM & Trading Authority Policy. Staff plans to ask the Board for approval at the March 26th Board Meeting.



Action Items

1. Approval of the Trading Matrix and Hedge Plan additions to the ERM and to change the ERM language to give the President and CEO authority for sales and purchases less than or equal to a year- Charlie Musson gave a motion, and Tim Lyons gave a second motion. The motion was unanimously approved by the Committee.
2. Approval of the IPMC Firm Price for the next Planning Year- Tim Lyons gave a motion, and Doug Buresh gave the second motion. The motion was unanimously approved by the Committee.

Next Meeting

The next BROC meeting will be held on June 25, 2020, at 8:30 AM in Louisville.

Attachments

IRC Report – 03/13/2020

Trading Matrix and Hedge Plan

Administration Reports

E. Administration Reports

E.1 CEO

E.2 Member Communications

E.3 Market Report





President & CEO Update

Doug Buresh

May 28, 2020

KYMEA – APPA Press Release

Press Release

- May 4, 2020
- KYMEA FY2021 Rate Reduction
- COVID-19 Rate Relief Plan (RRP)
- Member Late Payment Protection Plan (LPPP)

BILLS AND RATES

KYMEA board OKs COVID-19 rate relief, member late payment protection plans

May 4, 2020 Paul Ciampoli

Home / Periodical / Article / KYMEA board OKs COVID-19 rate relief, member late payment protection plans SHARE THIS

In response to the COVID-19 pandemic and its associated economic hardships and uncertainties, the Kentucky Municipal Energy Agency (KYMEA) board in late April approved a COVID-19 Rate Relief Plan (RRP) and a Member Late Payment Protection Plan (LPPP).

KYMEA offers wholesale electric power supply and transmission services to the municipal utilities of Barbourville, Bardwell, Corbin, Falmouth, Frankfort, Madisonville, Paris, and Providence.

For its upcoming fiscal year beginning July 1, KYMEA approved a 4.19% reduction in member power supply and transmission bills.

In order to provide additional relief beyond the power bill reduction to address uncertainty tied to the pandemic, the KYMEA board approved the RRP and the LPPP.

The RRP shifts power costs and member usage risks, which are typically borne by the members, to KYMEA.

“The shifting of these risks provides certainty to the member communities that their monthly power bill rates will remain stable as the members’ customers hard hit by the pandemic move to reopen their businesses and begin to recover economically,” KYMEA noted.

The LPPP permits the agency to negotiate payment terms and suspend late payment fees for its members who may have difficulty paying their KYMEA power bills due to the pandemic.

The programs will stay in effect through June 2021.



Enterprise Software Solutions

Streamline your utility business.
Reduce operational costs.
Increase efficiency.

UPCOMING EVENTS

Public Power X | Working Against Unknowns: Forecasting Covid-19 Power Demand Destruction

May 21, 2020

Financial Planning Amid Uncertainty

May 26, 2020

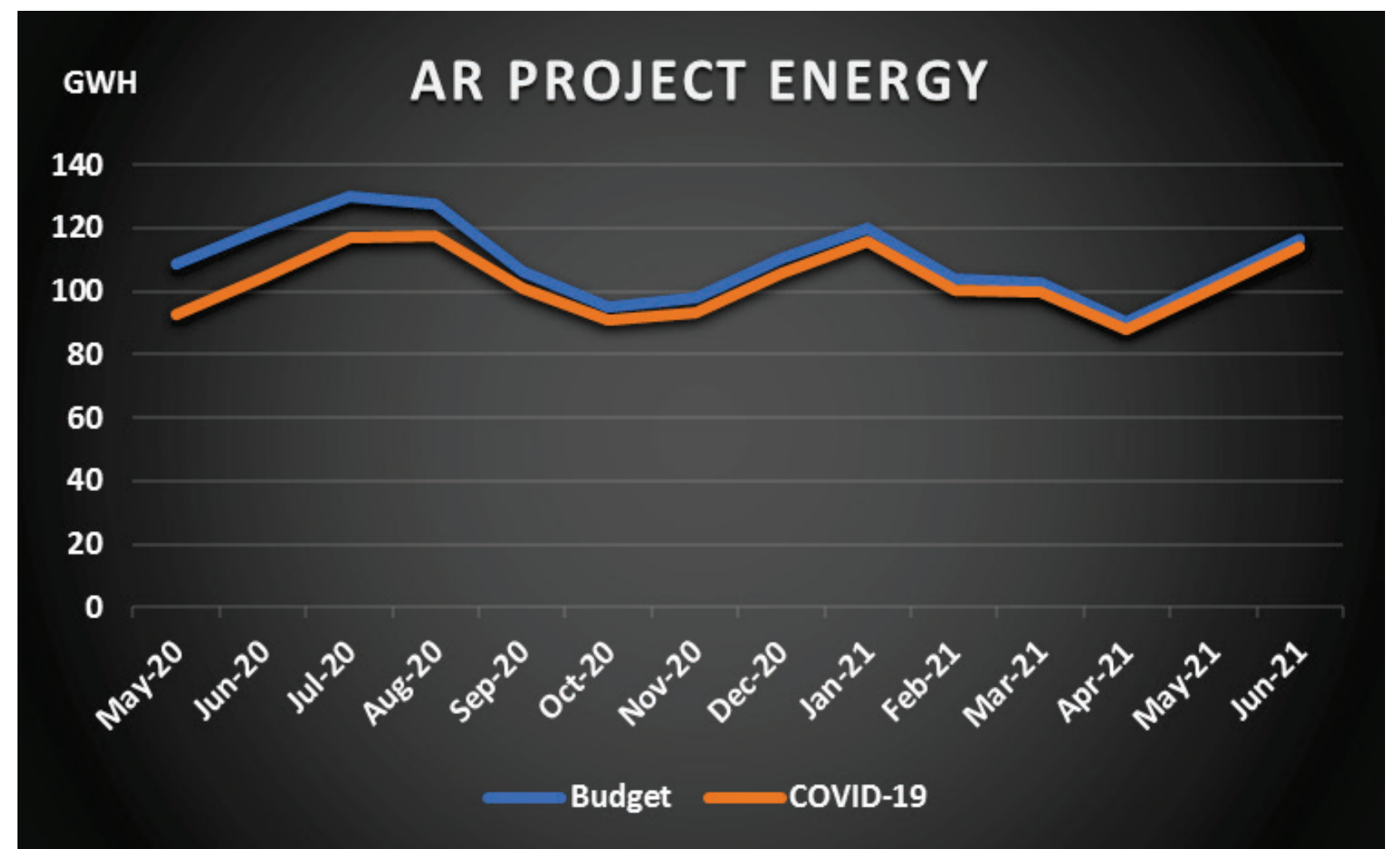
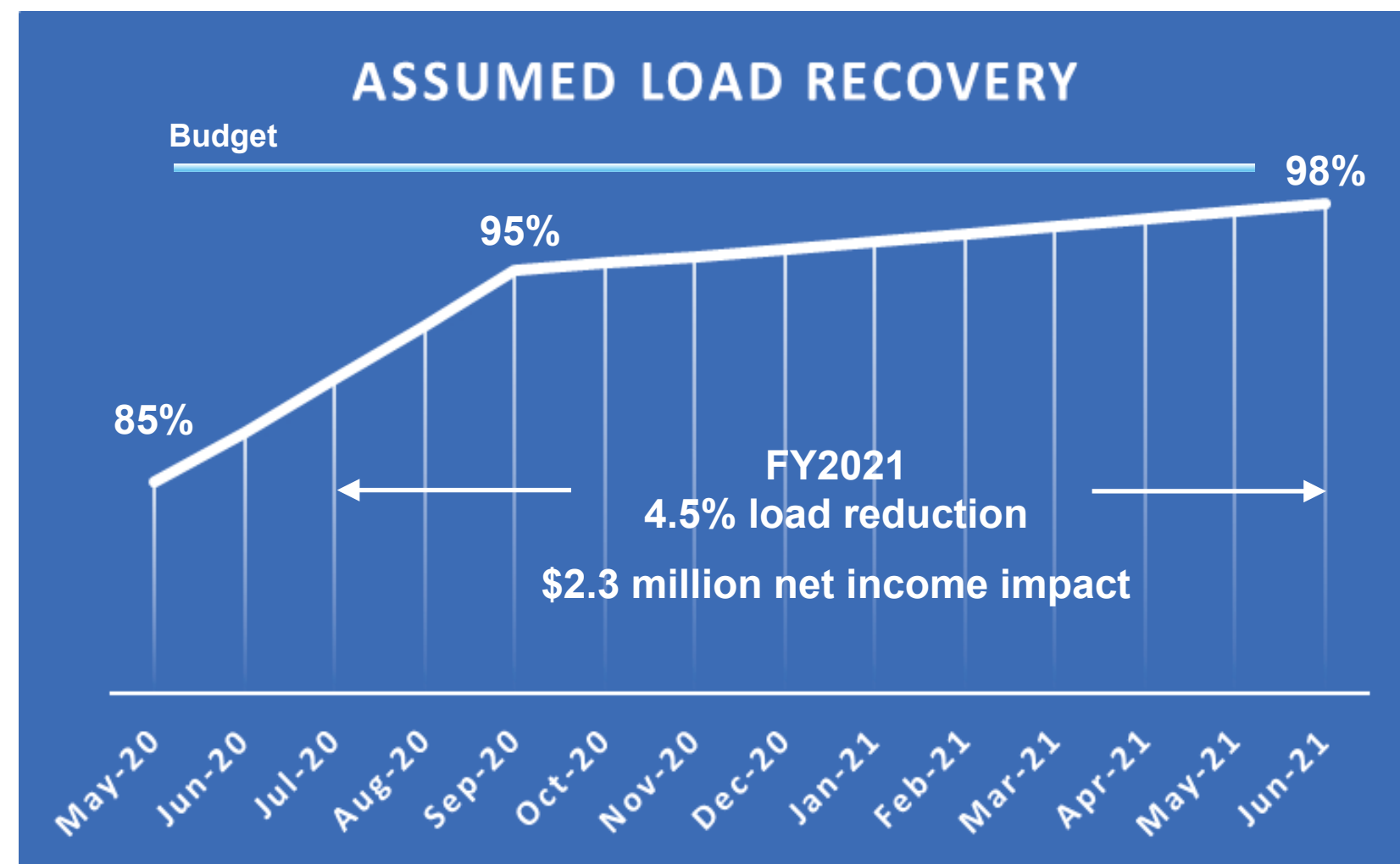
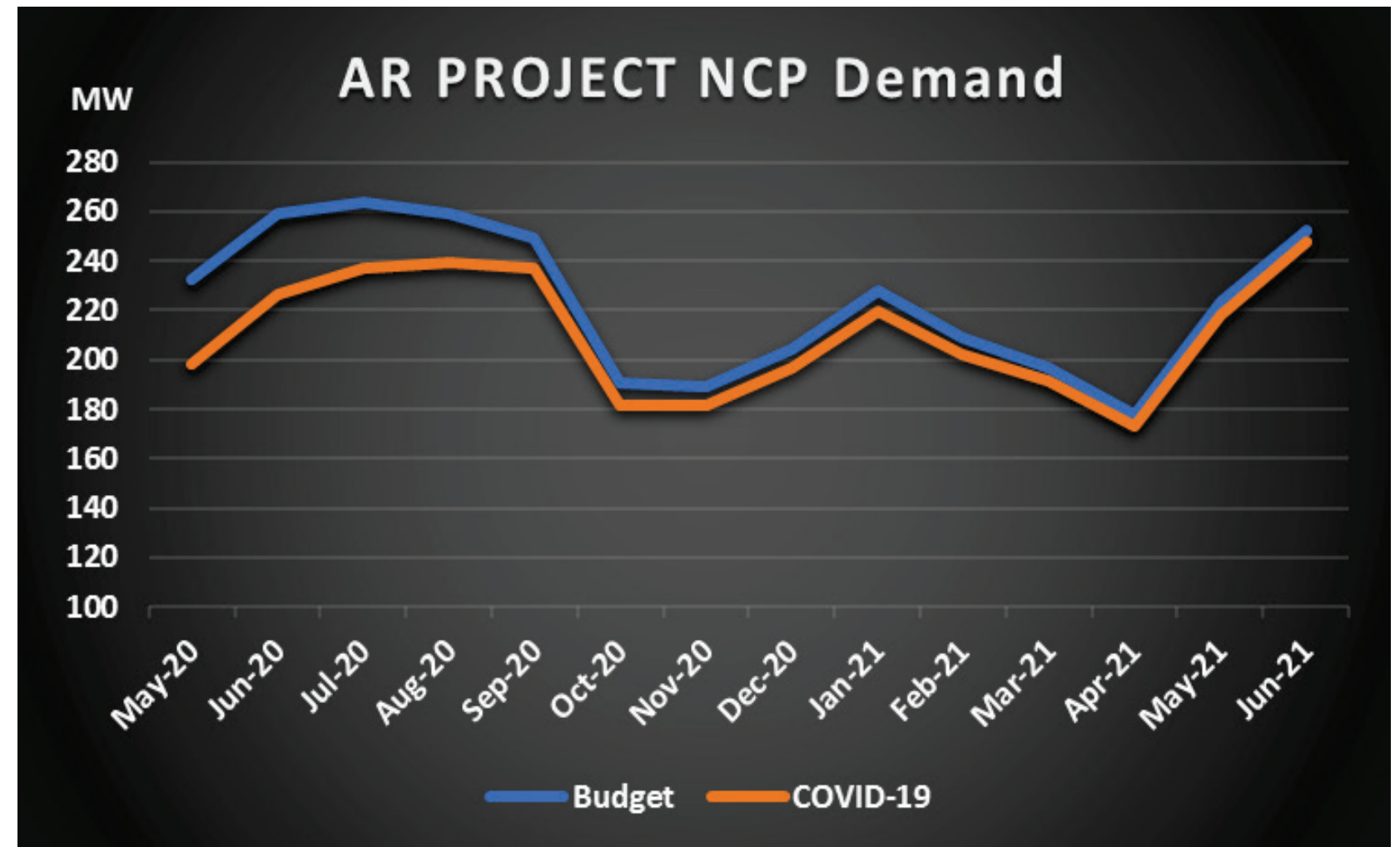
<https://www.publicpower.org/periodical/article/kymea-board-oks-covid-19-rate-relief-member-late-payment-protection-plans>

KYMEA COVID-19 Load Forecast Adjustment

Kentucky COVID-19 Re-openings

- May 11: Office Businesses (50%)
- May 20: Retail (33%)
- May 22: Restaurants (33%)
- June 1: Movie Theaters
- June 8: Outdoor Attractions
- June 15: Youth Sports
- June 29: Bars, groups of 50 or less

<https://govstatus.egov.com/ky-healthy-at-work>



COVID-19 Industry News

Discussion

□ Article regarding lost COVID-19 Revenues

Headline - Indiana utilities seeking permission to charge customers to recover revenue lost due to pandemic

- **A group of 10 Indiana utility companies is seeking permission to charge customers in an attempt to recover revenue lost during the COVID-19 pandemic.**
- **Pandemic has resulted in significantly reduced load and revenues for some utilities.**

https://energycentral.com/news/indiana-utilities-seeking-permission-charge-customers-recover-revenue-lost-due-pandemic?utm_medium=eNL&utm_campaign=DAILY_NEWS&utm_content=501143&utm_source=2020_05_18

Opposite approach of KYMEA. KYMEA is supporting its members and their customers by assuming the impact of lost revenue. The IOUs are seeking permission to recover the lost revenue.

Industry News – PJM Capacity Market

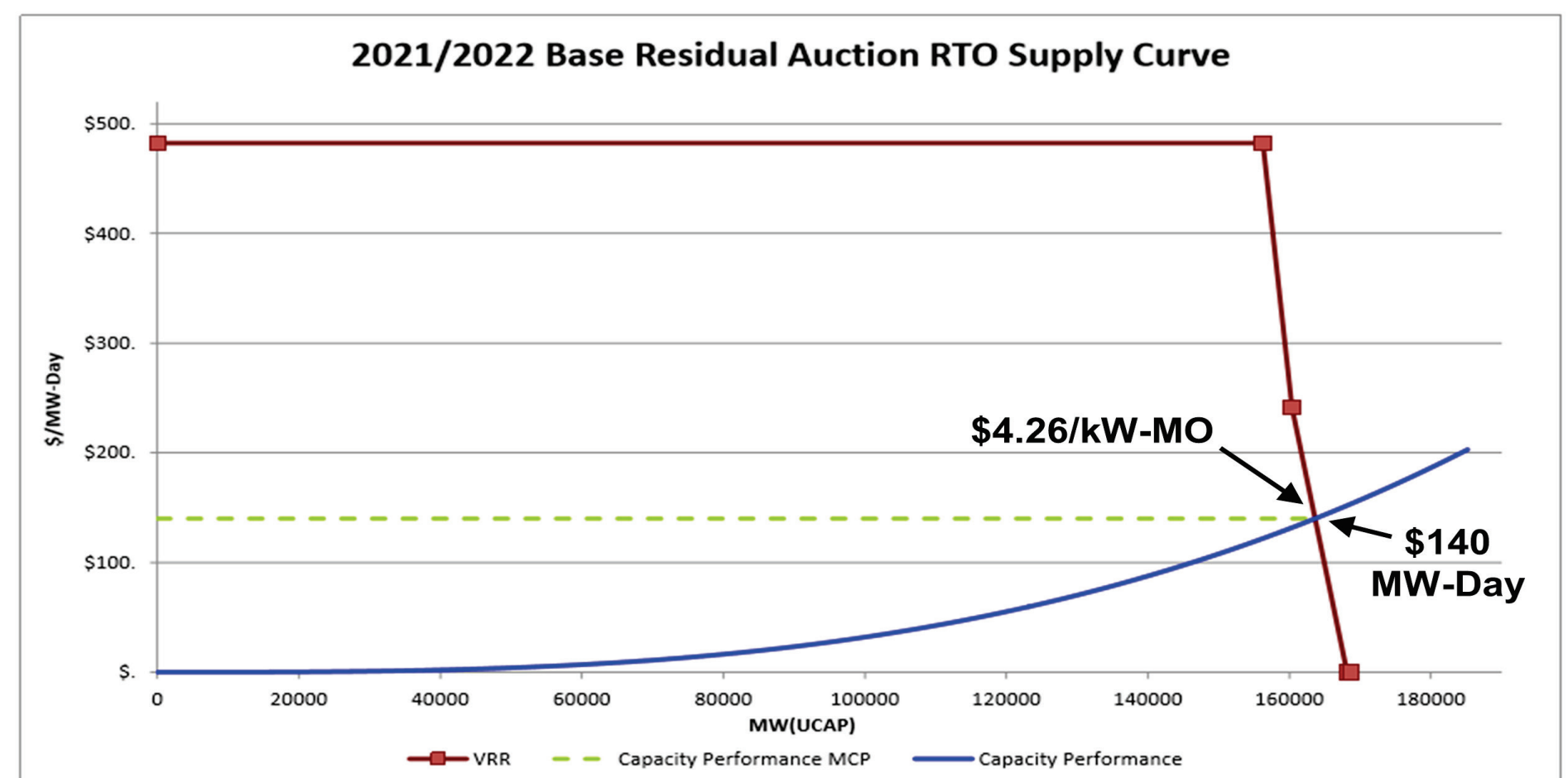
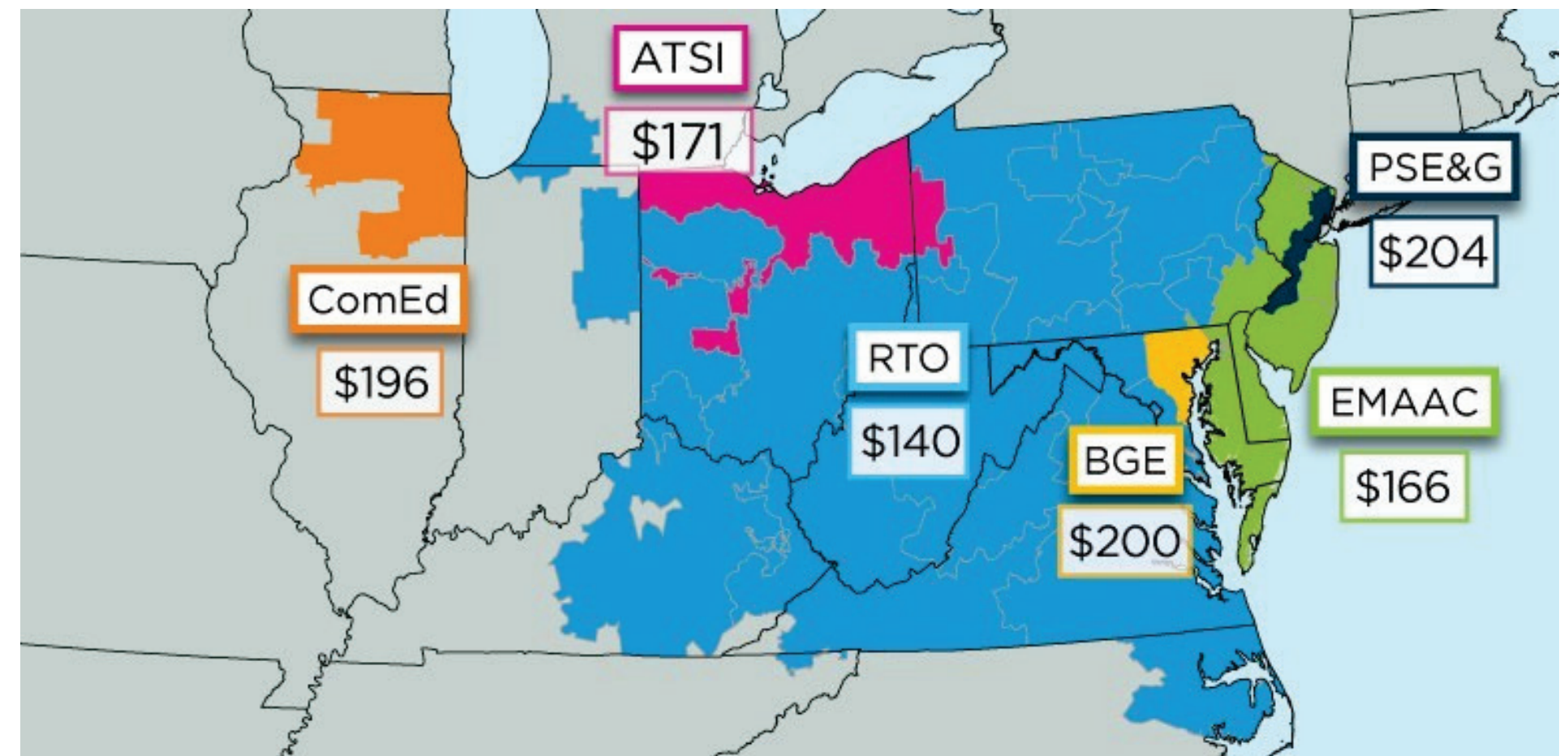
Minimum Offer Price Rule (MOPR)

- ❑ **Issue: Certain PJM States are offering subsidies for nuclear, wind, and solar.**
- **Providing subsidies lowers the PJM resource planning auction (PRA) clearing prices.**
 - **The generators who receive the subsidies have two capacity revenue streams (state subsidy + PJM capacity market).**
 - **This enables subsidized generators to bid lower than cost recovery since they receive a subsidy.**

To address this issue, FERC issued a minimum offer price rule (MOPR) December 19, 2019

How the PJM Reliability Pricing Model (RPM) Works

- Generators offer their generation into the auction at an offer price.
- This creates an offer curve.
- The intersection of the demand with the offer curve sets the market clearing price.
- The prices can vary by capacity region due to capacity import/export constraints.



Capacity Market Opt Out: PJM allows utilities to opt out via Fixed Resource Requirement (FRR) if they can serve power demand with their own generation resources.

What are the Subsidies?

Subsidies (aka Out-Of-Market Solutions)

➤ Nuclear Power

- Zero Emission Credits (ZECs)
- Preserve nuclear industry jobs
- Political influence (Illinois lobbying scandal)

<https://energynews.us/2019/11/06/midwest/illinois-lobbying-scandal-rattles-alliance-backing-state-clean-energy-legislation>

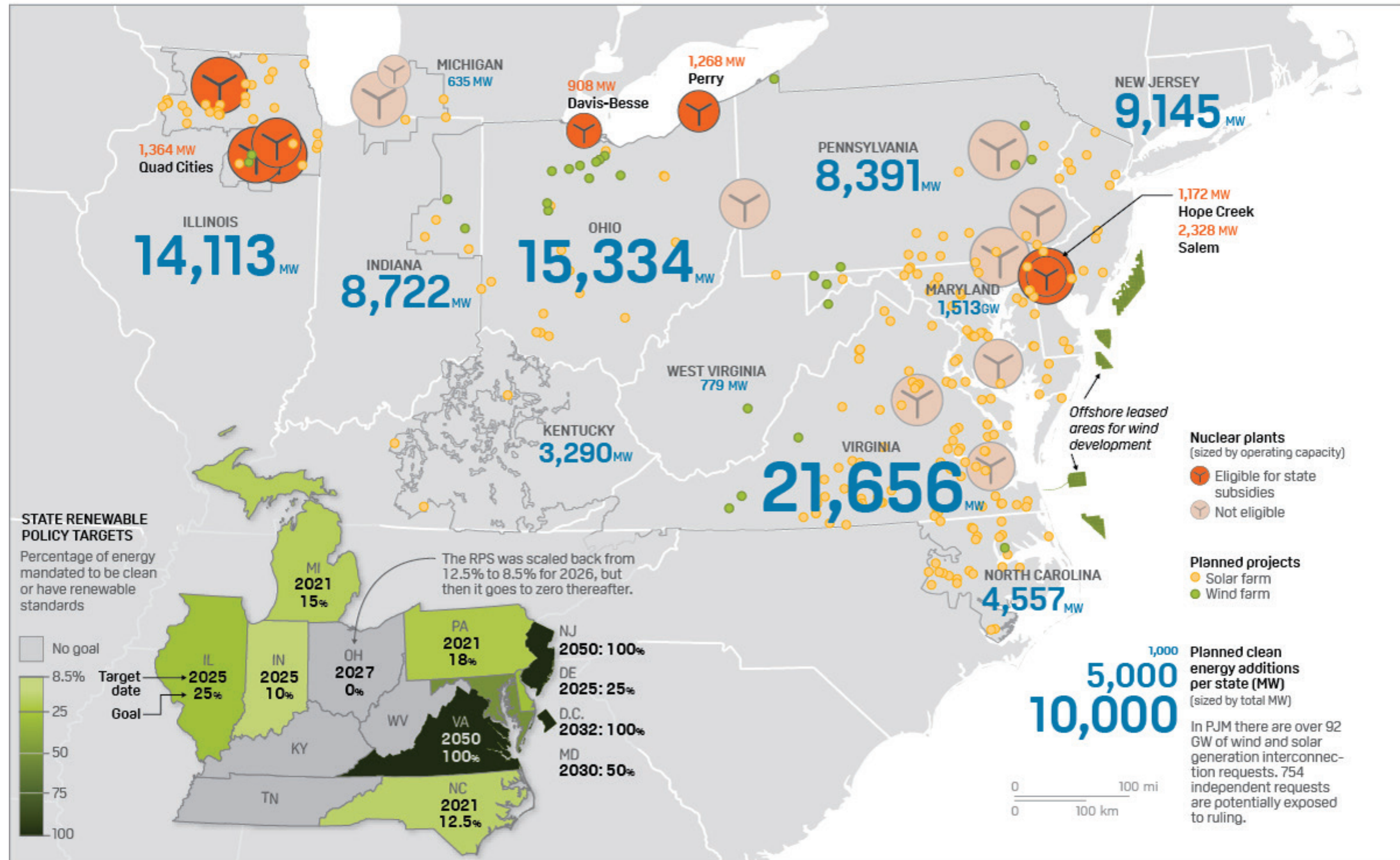
➤ Wind and Solar

- Renewable Energy Certificates (RECs)
- Political influence

PJM Generators with Out-Of-Market Payments

PJM MARKETPLACE FACES WIDESPREAD IMPACTS FROM FERC'S MOPR ORDER

The Federal Energy Regulatory Commission issued an order December 19 (EL 16-49, EL 18-178) designed to combat the potential price-suppressing effects of subsidized resource participation in PJM Interconnection's capacity market by expanding application of the minimum offer price rule (MOPR) to all new and existing resources in PJM that are eligible to receive state subsidies. Renewable projects close to interconnection are exempt from the MOPR and could clear in the next auction, but there is uncertainty regarding renewable energy project competitiveness longer-term for non-exempt projects. The proceeding continues to unfold and the ultimate impact on state-subsidized resources is still being determined.



Sources: PJM, S&P Global Market Intelligence, S&P Global Platts; PJM Interconnection Queue

Minimum Offer Price Rule (MOPR) Floor Table

***** FERC has not yet approved the MOPR Floor Table**

TABLE 1. Changing proposed default bid levels for relevant resources

RESOURCE TYPE	PRELIMINARY IMM-RECOMMENDED DEFAULT BID LEVEL \$/MW-DAY ¹⁵	PJM 2018 FILING DEFAULT BID LEVEL \$/MW-DAY ¹⁶	PJM MARCH 2020 COMPLIANCE FILING DEFAULT BID LEVEL \$/MW-DAY ¹⁷
Existing Nuclear - Single Unit	\$179.79	\$631	\$210
Existing Nuclear - Dual Unit	\$0	\$593	\$0
New Hydro	NA	\$1,066	NA
New Pumped Hydro	NA	NA	NA
New Solar PV (Tracking)	\$532.07	\$387	\$175
New Solar PV (Fixed)			\$367
New Onshore Wind	443.89	\$2,489	\$1,023
New Offshore Wind	\$1,741.83	\$4,327	\$3,146

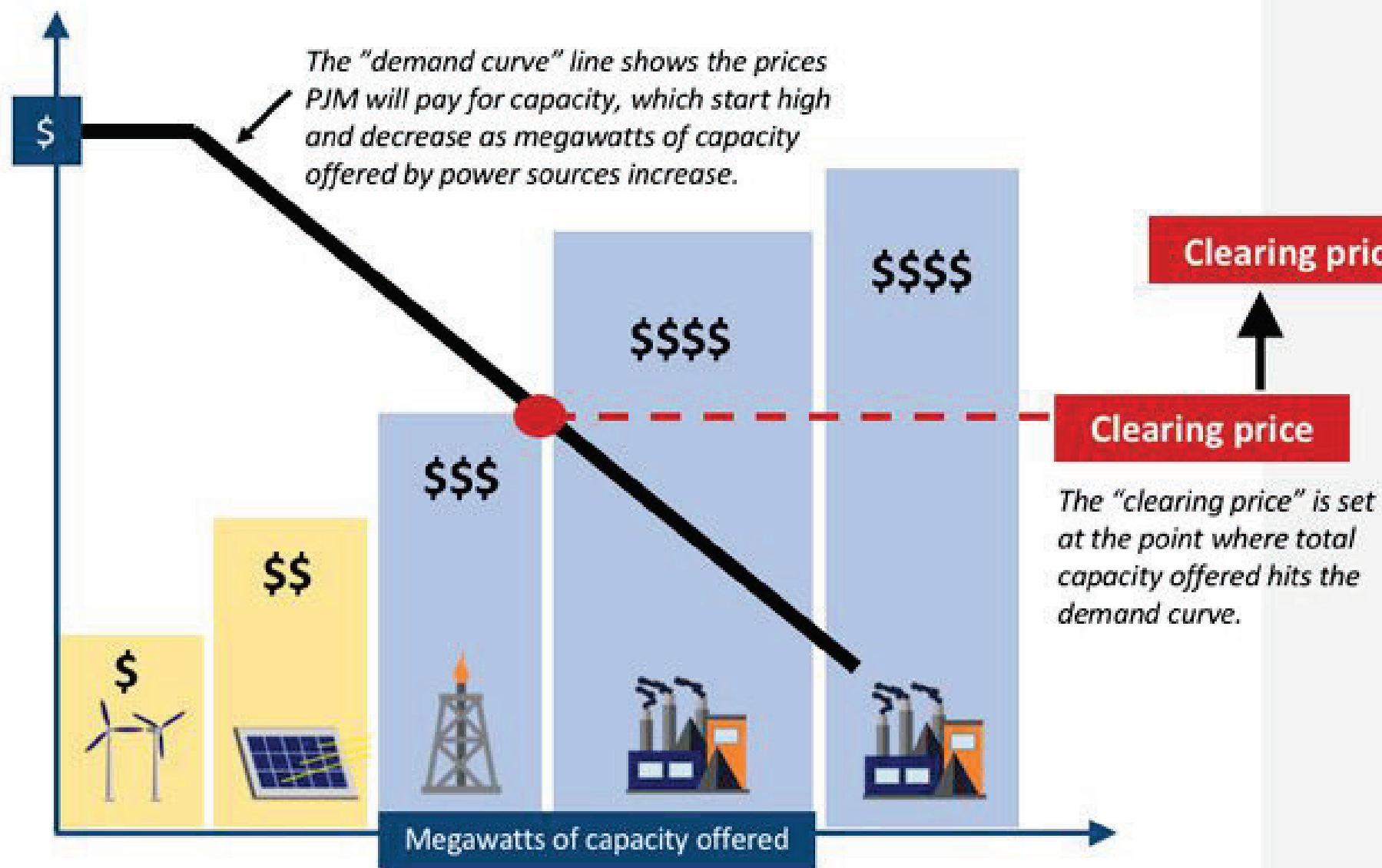
For reference, the capacity market clearing price for the most recent PJM auction was \$140/MW-day, with some zones within PJM clearing at higher prices between \$165.73/MW-day and \$204.29/MW-day.¹⁸ With very few exceptions, the allowed renewable bids are above these clearing prices.

Source: Grid Strategies | May 2020

MOPR Floor Impact on Capacity Markets

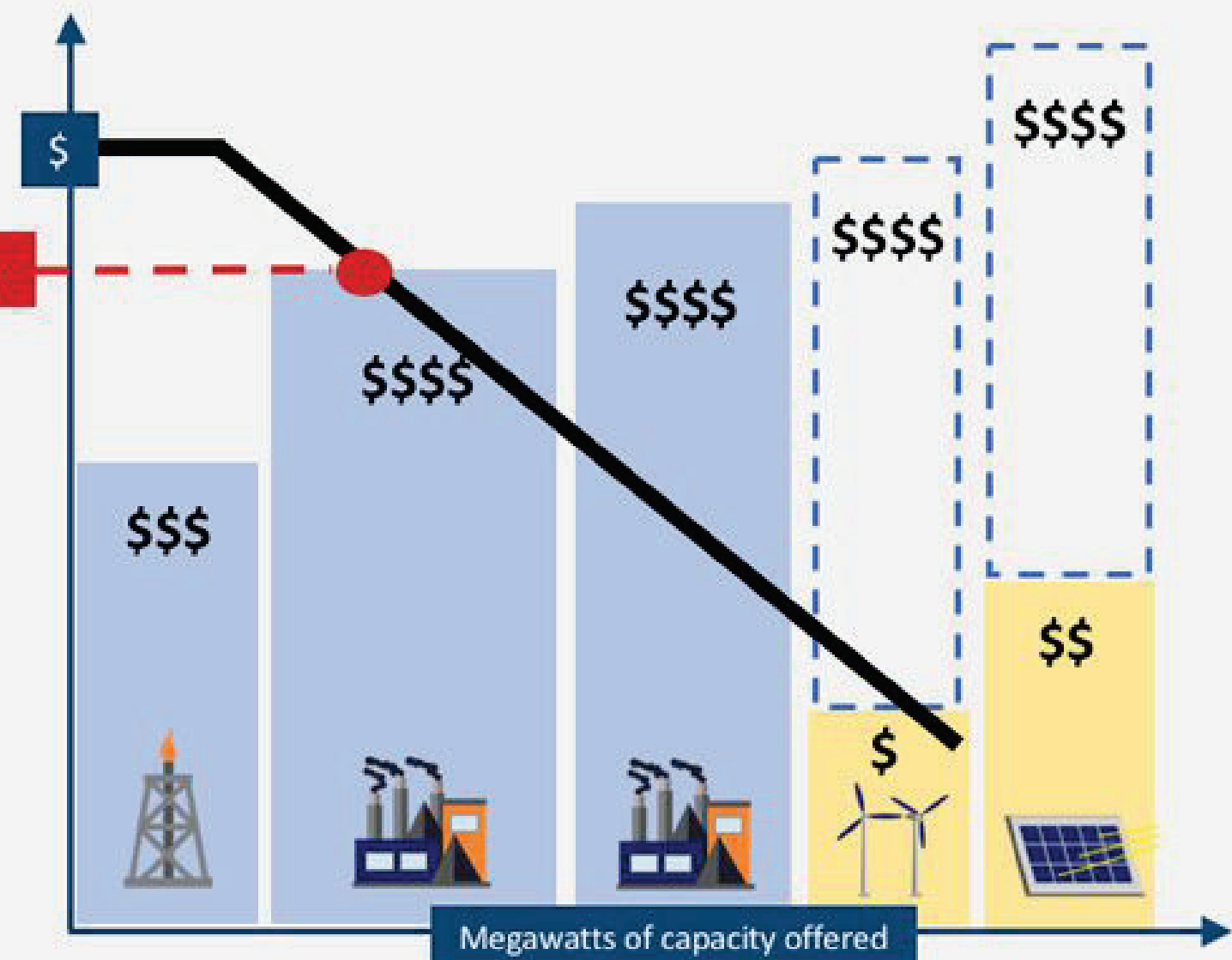
PJM Electricity Capacity Market: Before and after changes to the Minimum Offer Price Rule (MOPR)

Before changes to MOPR



With state-supported sources like solar and wind offering low-cost electricity generation capability in PJM's capacity market, the clearing price that all sources get paid for capacity is set lower, which helps keep capacity costs down.

After changes to MOPR



Capacity costs from state-supported resources are artificially inflated by a requirement that they offer at or above a high "minimum price." This restricts market competition and raises the clearing price, increasing costs for consumers.

APPA's Response

APPA: The MOPR Floor means that every new resource built in the future—whether it is a renewable, storage, or energy efficiency resource—will run the risk of not clearing the capacity auction (even after they have initially cleared an auction), causing public power utilities and their customers to face the risk of paying twice for that resource every year.

The screenshot shows the homepage of the American Public Power Association. At the top left is the logo for the American Public Power Association, with the tagline "80 Years of Powering Strong Communities". To the right of the logo are navigation links: "Log In | Join | Shop | Subscribe | Jobs | Contact" and social media icons for Facebook, Twitter, LinkedIn, YouTube, and Instagram. Below these are two red buttons labeled "TOPICS" and "MEMBERS". A dark blue navigation bar contains the following menu items: "ASSOCIATION", "PUBLIC POWER", "ISSUES & POLICY", "EDUCATION & EVENTS", and "NEWS", along with a search icon. The main content area features a large article headline: "ELECTRICITY MARKETS" in small orange text, followed by "FERC order could hike PJM capacity costs by billions of dollars: report" in large white text. Below the headline, it says "May 21, 2020" and "Peter Maloney". The background of the article header is a dark blue image of a power transmission tower on a grassy hill.

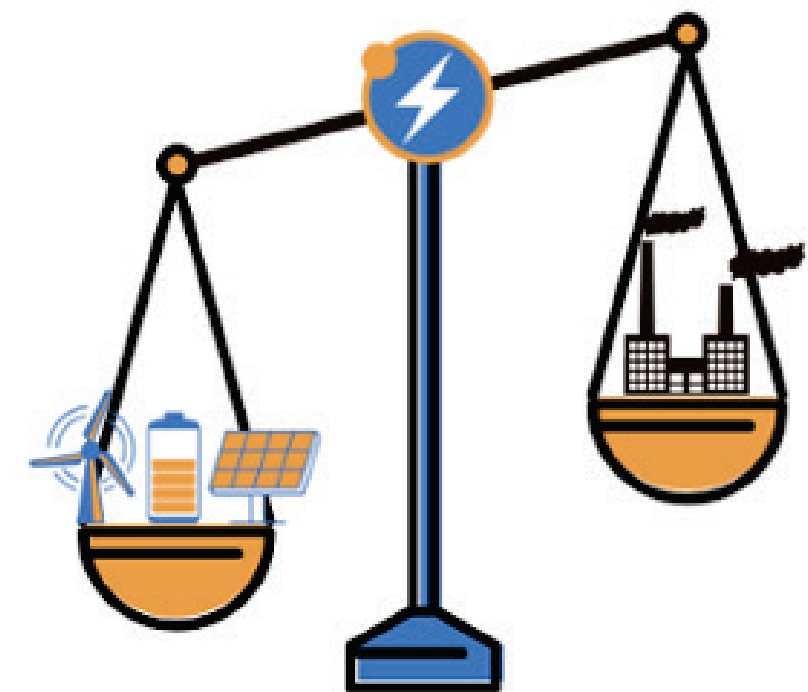
https://www.publicpower.org/node/18325?MessageRunDetailID=1861557592&PostID=15235474&utm_medium=email&utm_source=rasa_io

Why This Matters to KYMEA

- **The Falmouth load is in PJM**
- **In the future, it is possible KYMEA's load could be in PJM if LG&E/KU joins PJM.**
- **The FERC ruling for PJM sets precedent for other RTO's such as MISO.**

-
- **Further, as the baseload retirements continue to mount, ensuring resource adequacy coupled with intermittent resources (wind and solar) will need to be addressed by FERC.**

**ENSURING
RESOURCE
ADEQUACY
ON A
CHANGING
GRID**





Member Communications

May 28, 2020

Dates to Remember

**June 24th Community IRP Focus Group
Session (10 AM-12 PM, 1 PM-3 PM)**

June 25th BROC Committee (8:30 AM)

**Board Meeting (10 AM) at KYMEA
Board Room**



*Mark your
calendar!*

COVID-19 Resources

[ABOUT](#) ▾[KY COVID-19 RESOURCES](#)[POWER RESOURCES](#)[COMMUNITY](#)[NEWS](#)[INFORMATION](#) ▾[CONTACT US](#)

KENTUCKY COVID-19 RESOURCES

General Resources:

- [Official Team Kentucky COVID-19 Website](#)
- [Kentucky's Responses to COVID-19](#)
- [Kentucky Cabinet for Health and Family Services](#)
- [State by State Policy Tracker](#)
- [Call Kentucky's COVID-19 Hotline: 1-800-722-5725](#)

Business/Employer Resources

- [KY Chamber Resources for Small Businesses](#)
- [Kentucky SBA District Office](#)
- [Disaster Loan Assistance - Choose "economic injury disaster loan" for COVID-19 related information](#)
- [How to apply for disaster assistance](#)
- [Kentucky Small business Development Center](#)
- [US Chamber of Commerce Guidance for Employers](#)
- [Purdue University Manufacturing Extension Partnership- Free Consultation](#)
- [Identifying Critical Infrastructure During COVID-19](#)
- [CDC Resources for Business/Employers](#)
- [Build Your Own COVID-19 Prevention Flyer](#)
- [U.S. Chamber of Commerce Resources for Businesses](#)
- [CARES Act - Restaurant Impacts](#)

Job/Employee Resources

- [Kentucky Labor Cabinet](#)
- [File for Unemployment Benefits](#)

Public Power Resources

- [American Public Power COVID-19 Resources](#)
- [Electricity Subsector Coordinating Council Resources](#)
- [Cybersecurity & Infrastructure Security Agency \(CISA\) Resources](#)
- [U.S. Environmental Protection Agency Memorandum](#)
- [Federal Energy Regulatory Commission \(FERC\) Policy Statement](#)
- [Press Releases regarding FERC's actions are here and here](#)

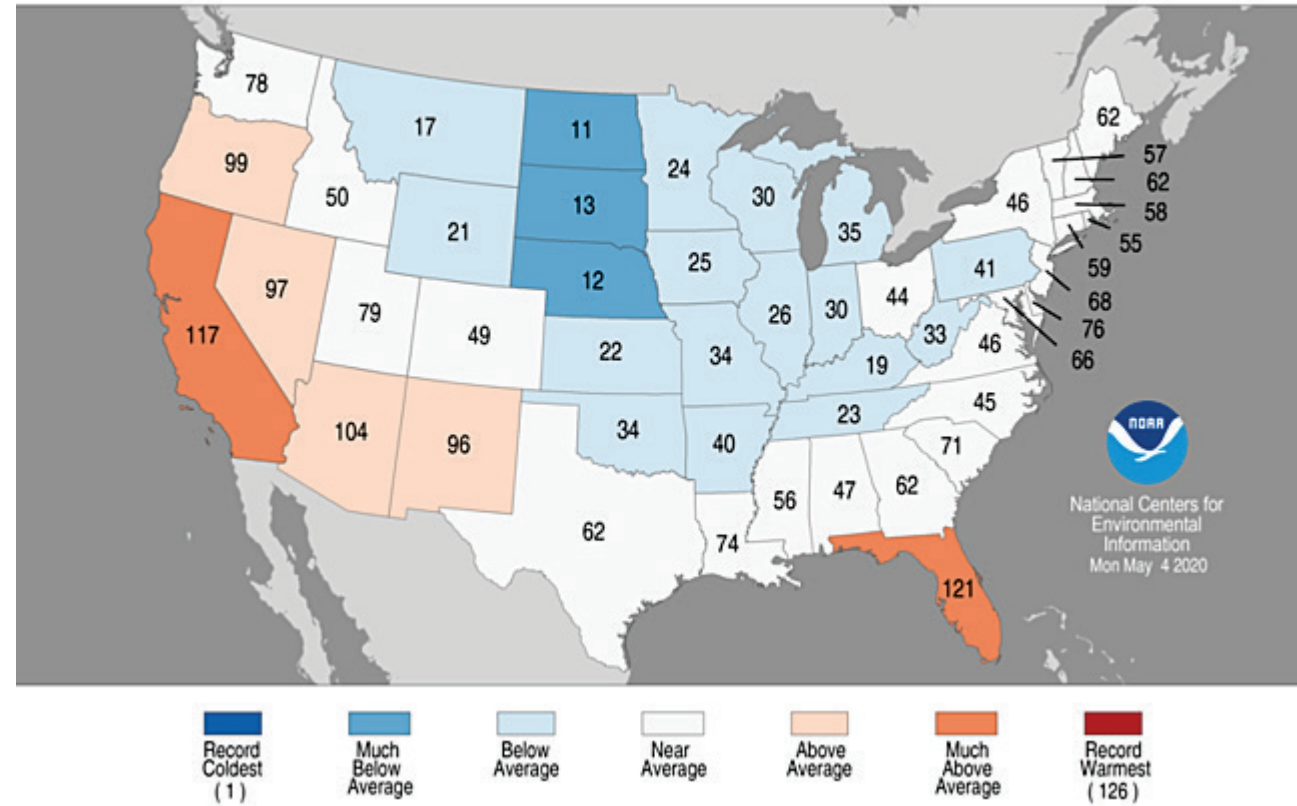


April 2020 in Review

May 28, 2020

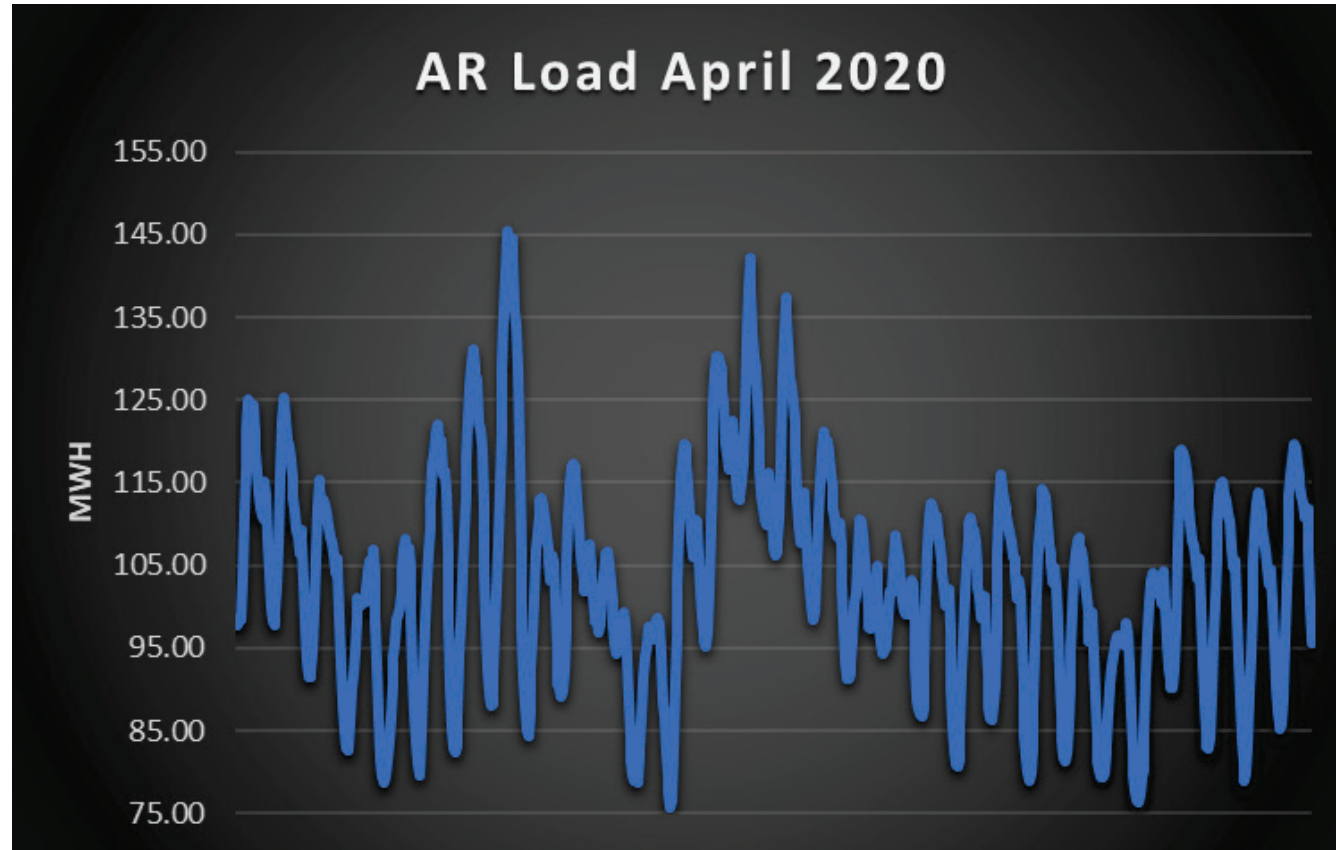
April 2020 Temperature Ranks

Statewide Minimum Temperature Ranks
April 2020
Period: 1895–2020

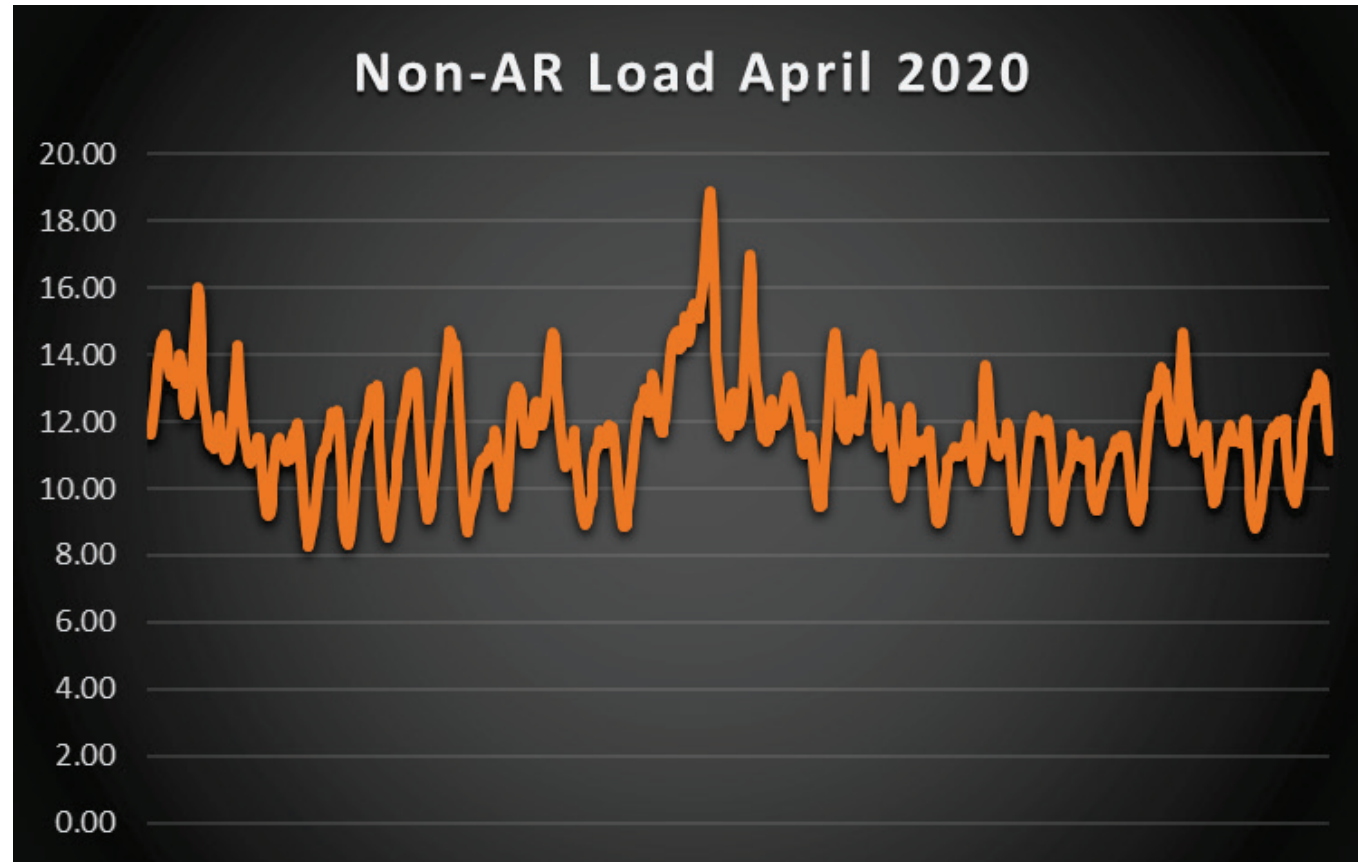


<https://www.ncdc.noaa.gov/temp-and-precip/us-maps/>

April 2020 AR Load



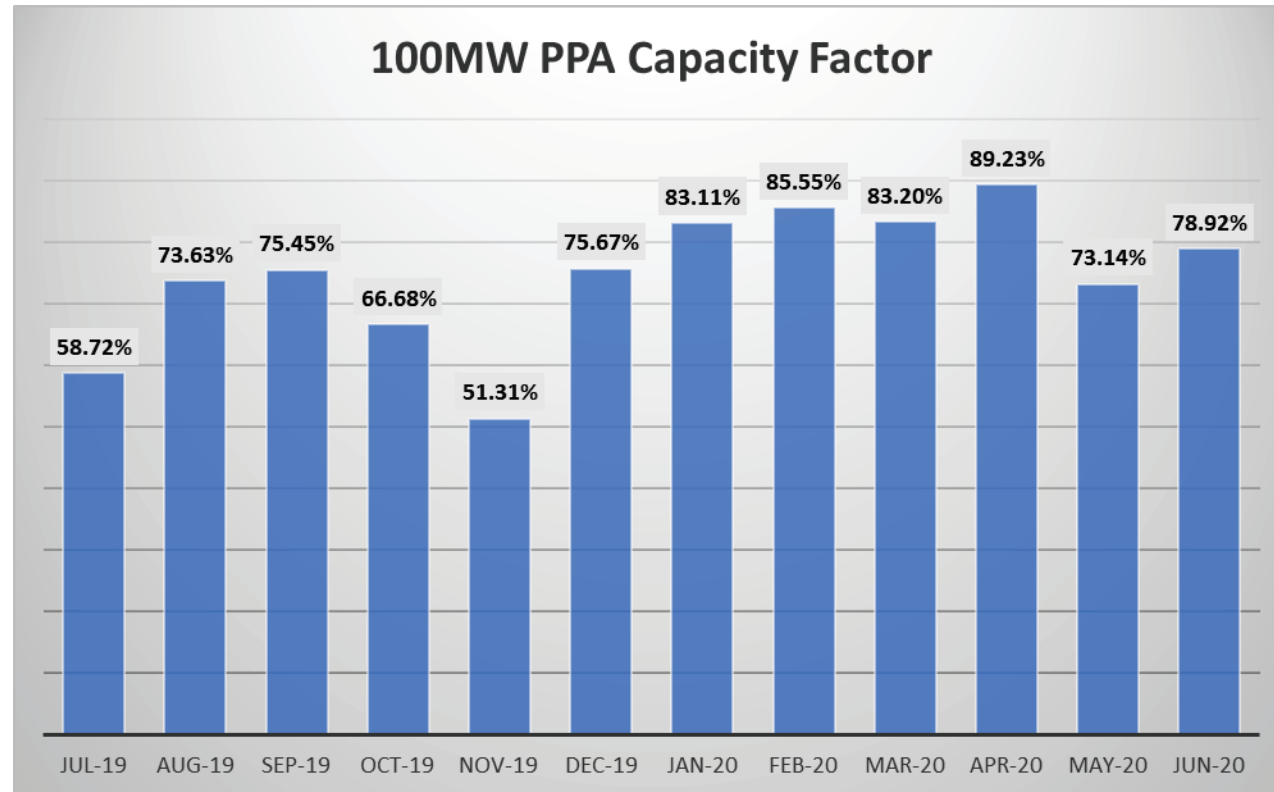
April 2020 Non-AR Load



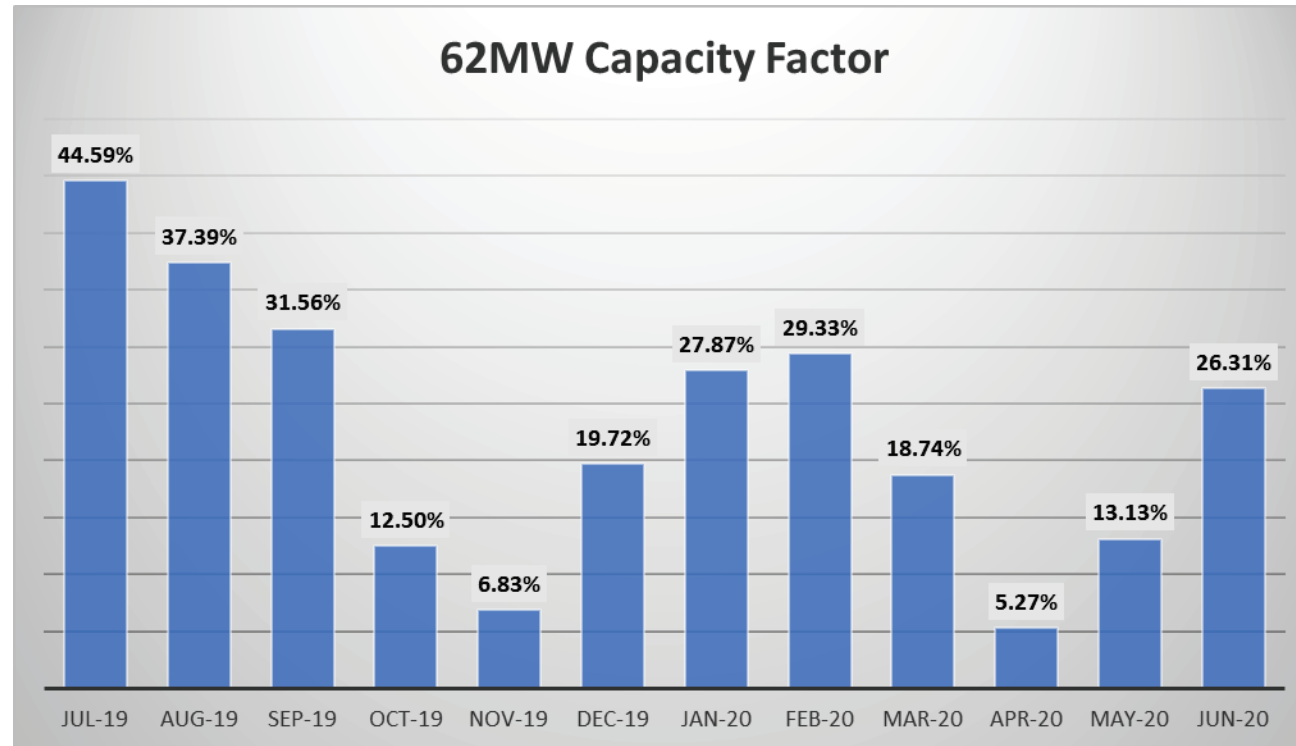
April 2020 Snapshot

Apr-20							
Member	Budget Energy (MWh)	Actual Energy (MWh)	Actual vs. Budget Energy	Budget NCP (MW)	Actual NCP (MW)	Actual vs. Budget NCP	Timestamp (HE EST)
Barbourville	6,594	5,567	84%	13.63	10.54	77%	4/15/2020 8:00 AM
Bardwell	570	528	93%	1.24	1.19	96%	4/8/2020 5:00 PM
Benham	386	409	106%	1.19	1.11	93%	4/15/2020 6:00 AM
Berea	8,472	7,973	94%	17.68	17.77	101%	4/15/2020 7:00 AM
Corbin	6,240	5,183	83%	13.48	10.21	76%	4/15/2020 8:00 AM
Falmouth	1,341	1,210	90%	2.60	2.28	88%	4/8/2020 4:00 PM
Frankfort	52,722	39,226	74%	101.37	78.23	77%	4/15/2020 8:00 AM
Madisonville	23,261	16,994	73%	46.47	36.81	79%	4/8/2020 4:00 PM
Owensboro	58,708	50,638	86%	117.00	109.00	93%	
Paris	3,973	3,887	98%	8.39	9.17	109%	4/15/2020 8:00 AM
Providence	2,080	1,821	88%	4.36	4.07	93%	4/8/2020 5:00 PM

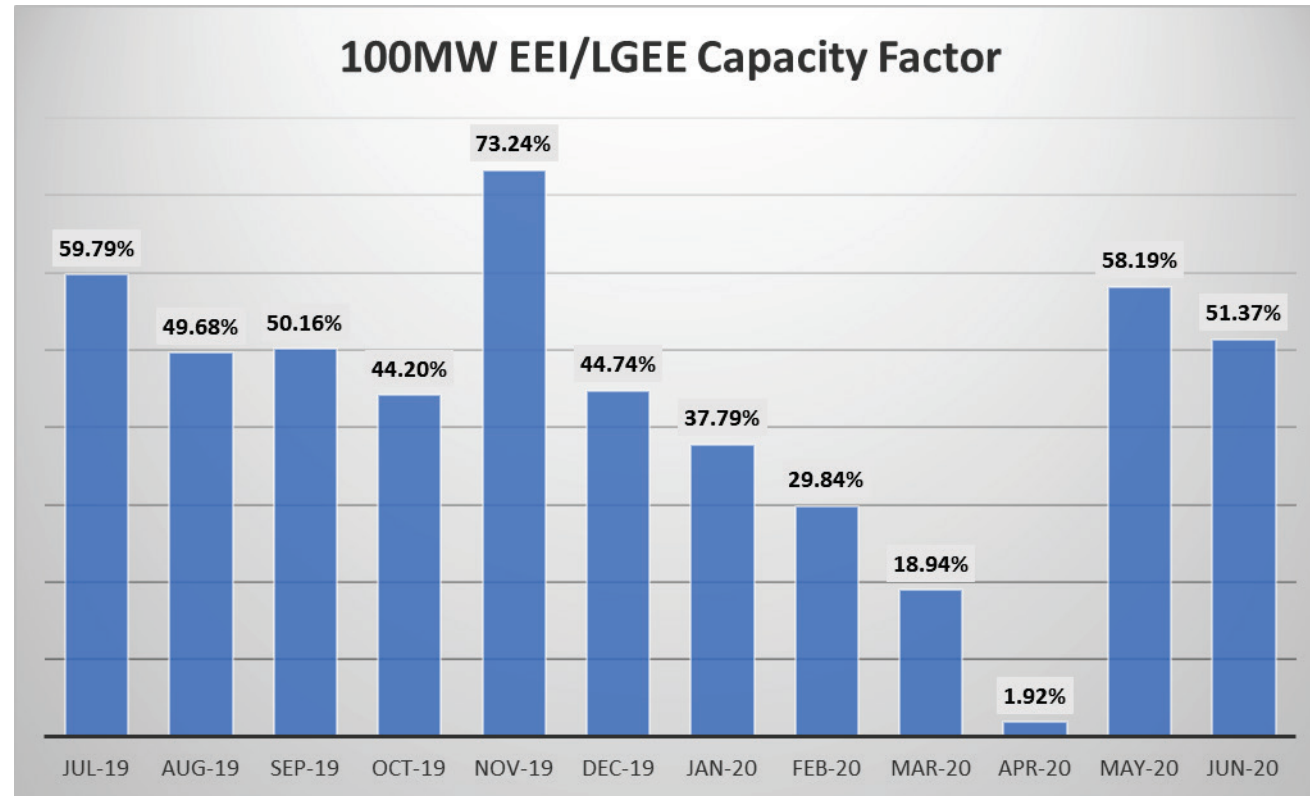
BREC PPA Capacity Factor



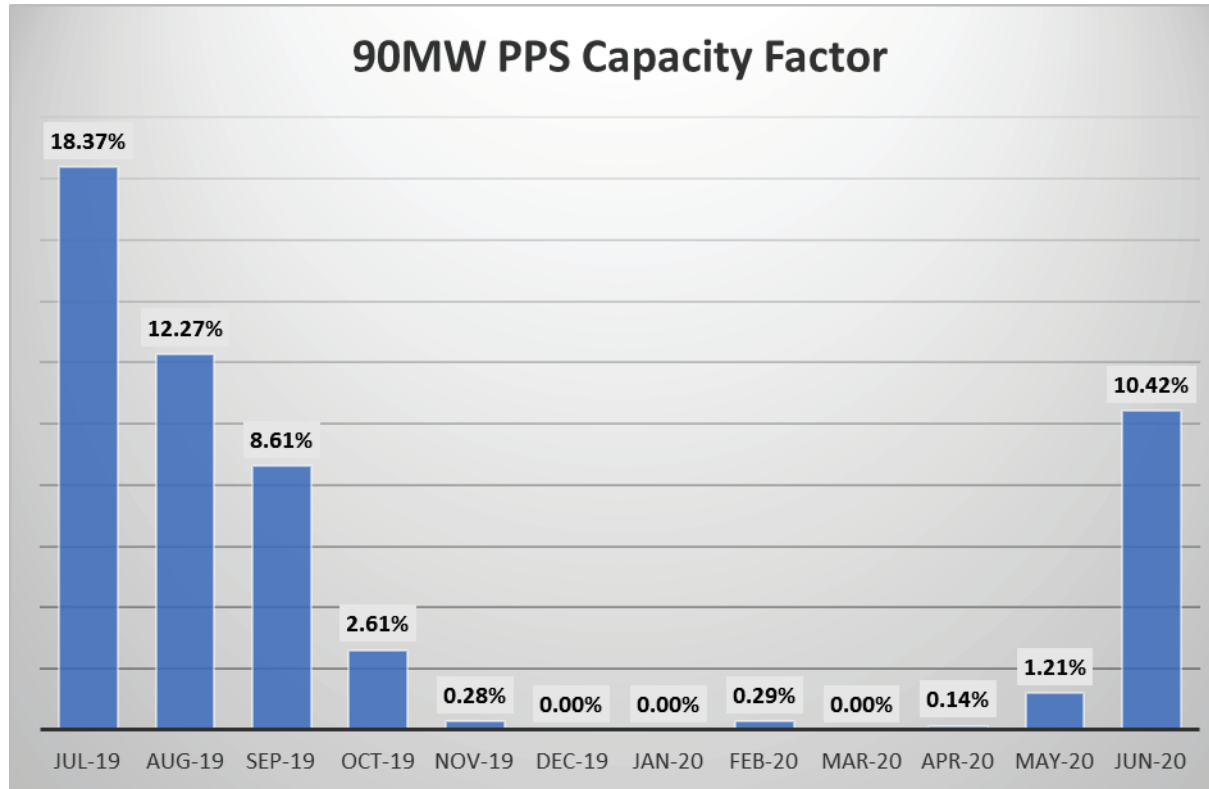
BREC Option Capacity Factor



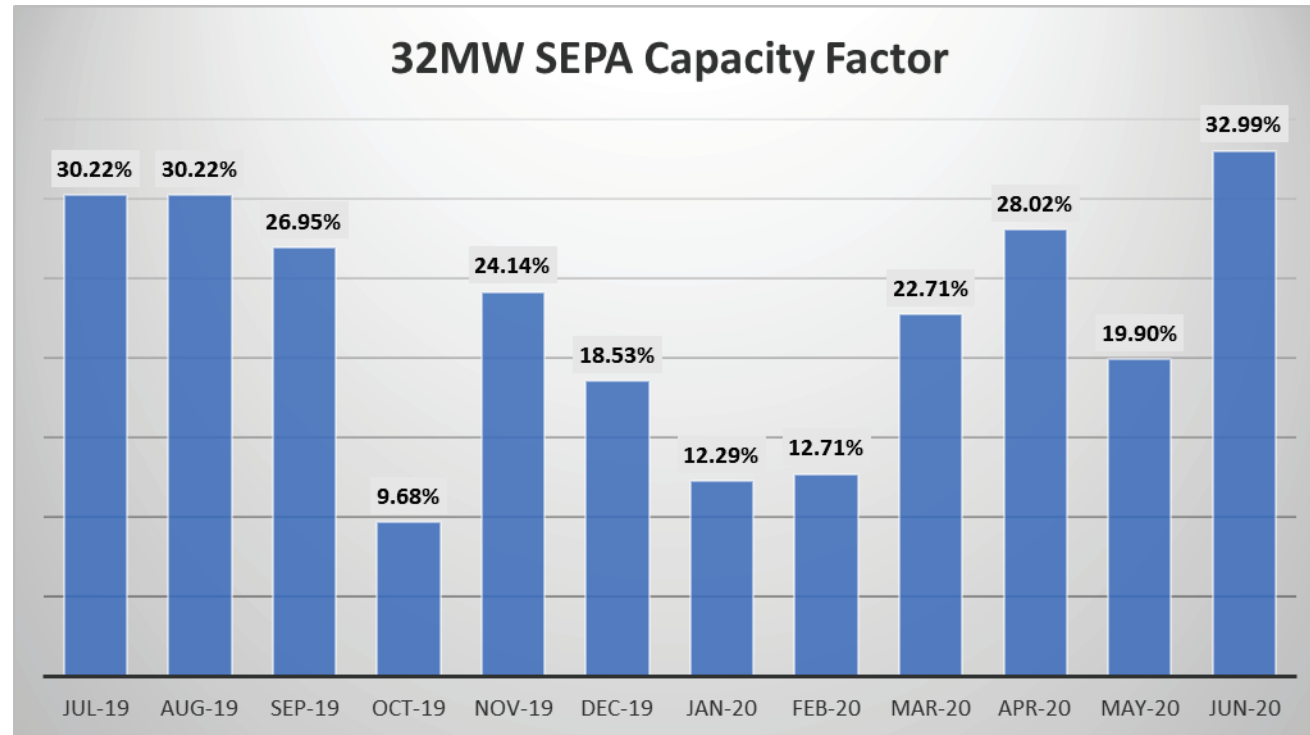
EEI/LGEE Capacity Factor



PPS PPA Capacity Factor

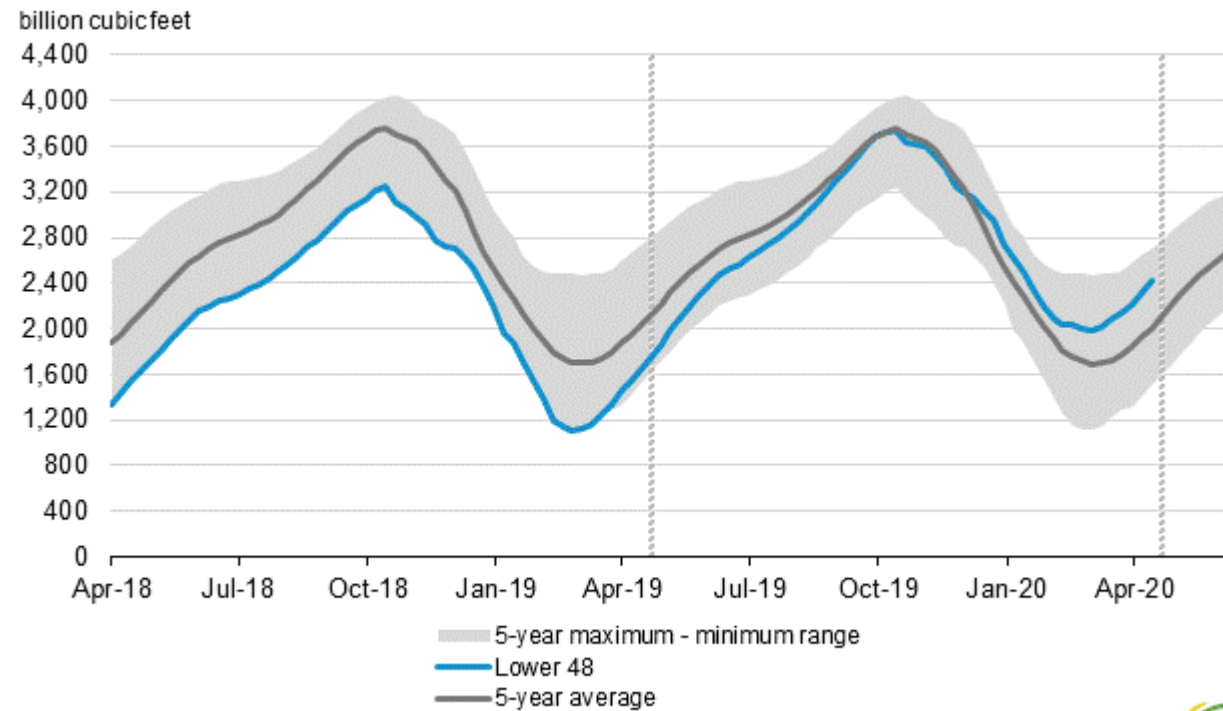


SEPA Capacity Factor



Working Gas in Storage

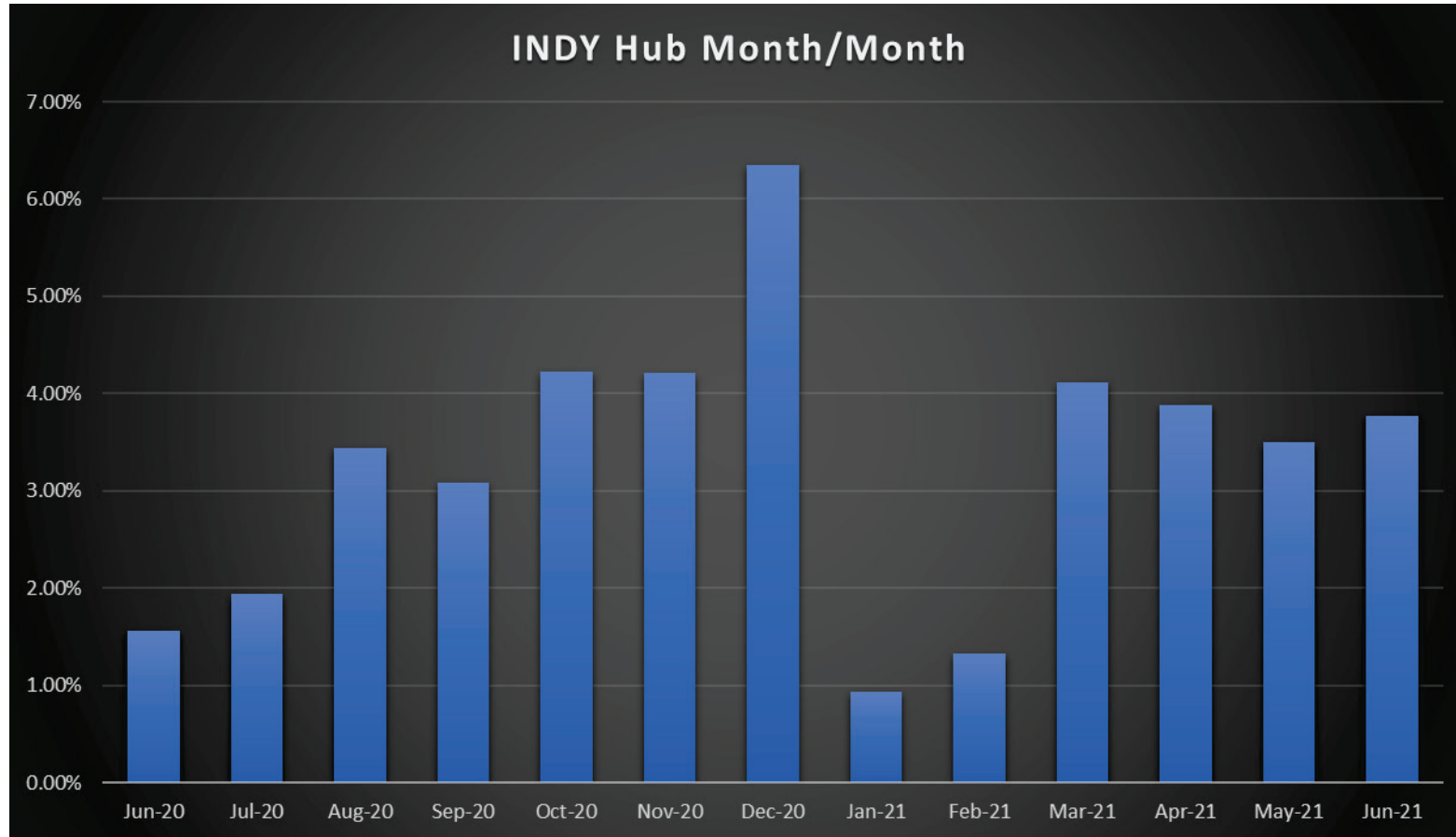
Working gas in underground storage compared with the 5-year maximum and minimum



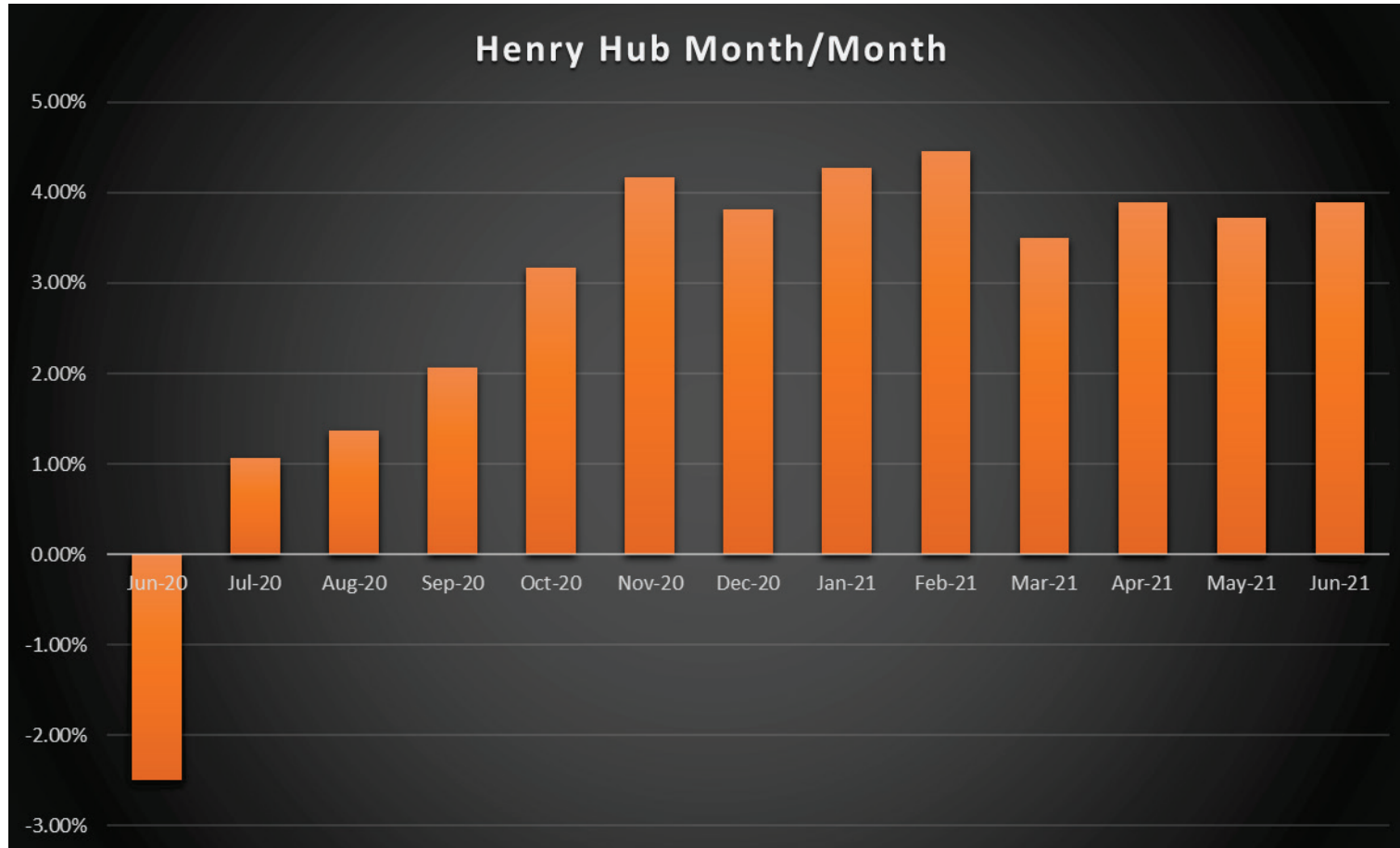
Source: U.S. Energy Information Administration



Indiana Hub



Henry Hub



Discussion Topics and Miscellaneous Materials

F. Discussion Topics

- F.1 Summer Preparedness
- F.2 Financial Metrics
- F.3 IRP Schedule
- F.4 Open Records Items
- F.5 Legislation





Summer Preparedness

May 28, 2020

Summer 2020 Preparedness

Purpose: To procure enough capacity/reserves and firm transmission to cover load during summer peaking events

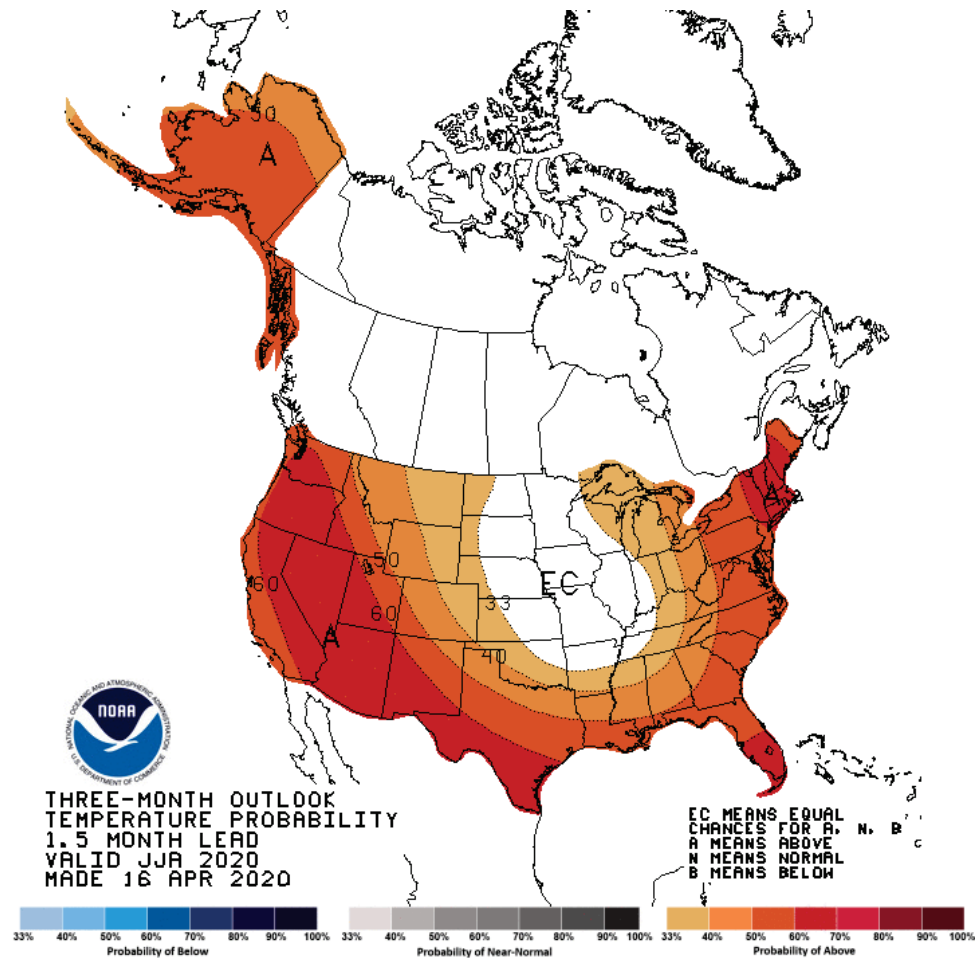
What/Ifs: In the event that loads were unable to be adequately supplied then Energy Emergency Alerts (EEA) would be enacted

EEA 1 – All available generation resources in use

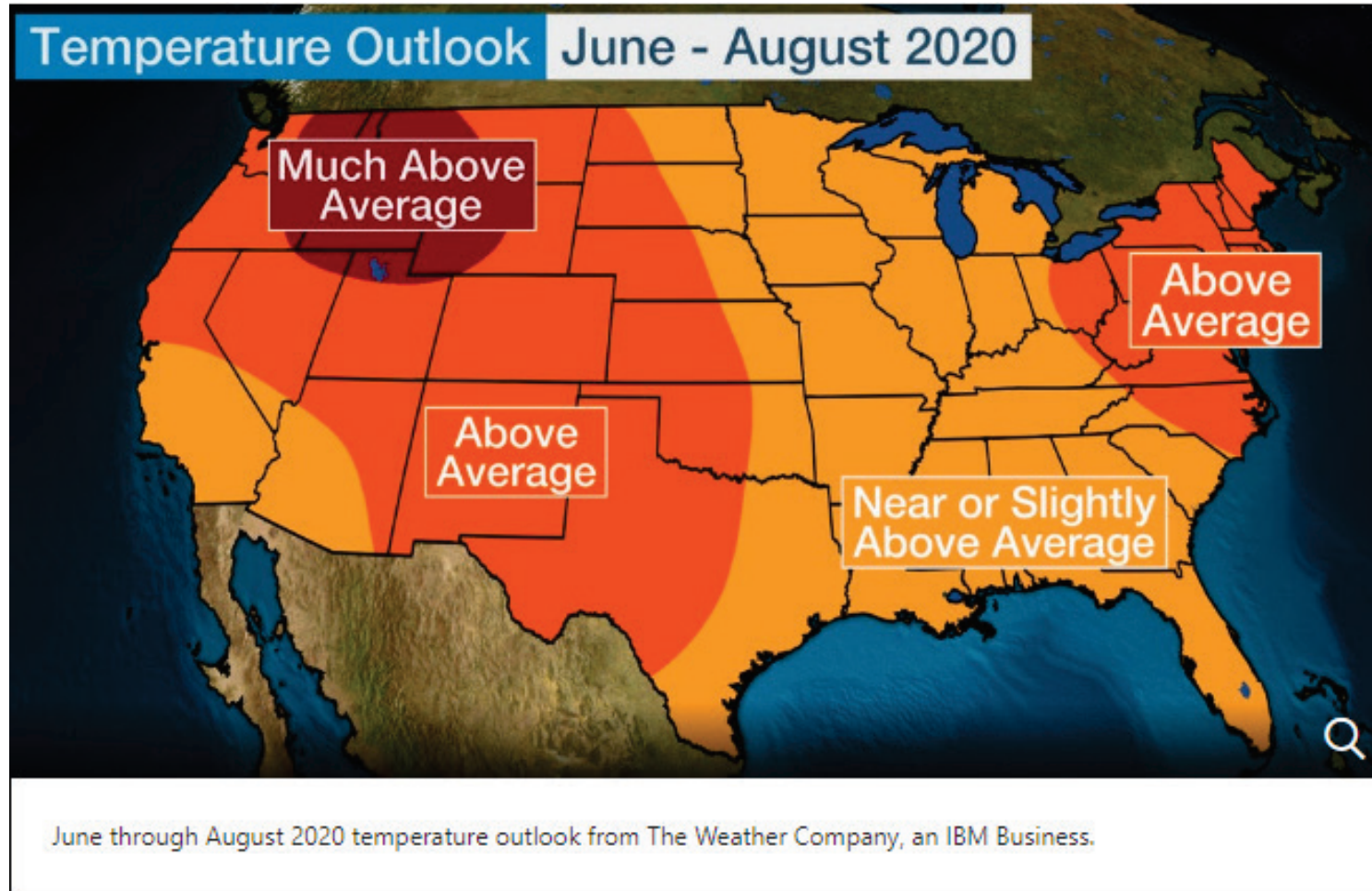
EEA 2 – Load management procedures in effect, Capacity Benefit Margin (CBM) can be called upon (requests due Mar. 1)

EEA 3 – Firm load interruption is imminent or in progress

Summer 2020 Outlook



Summer 2020 Outlook

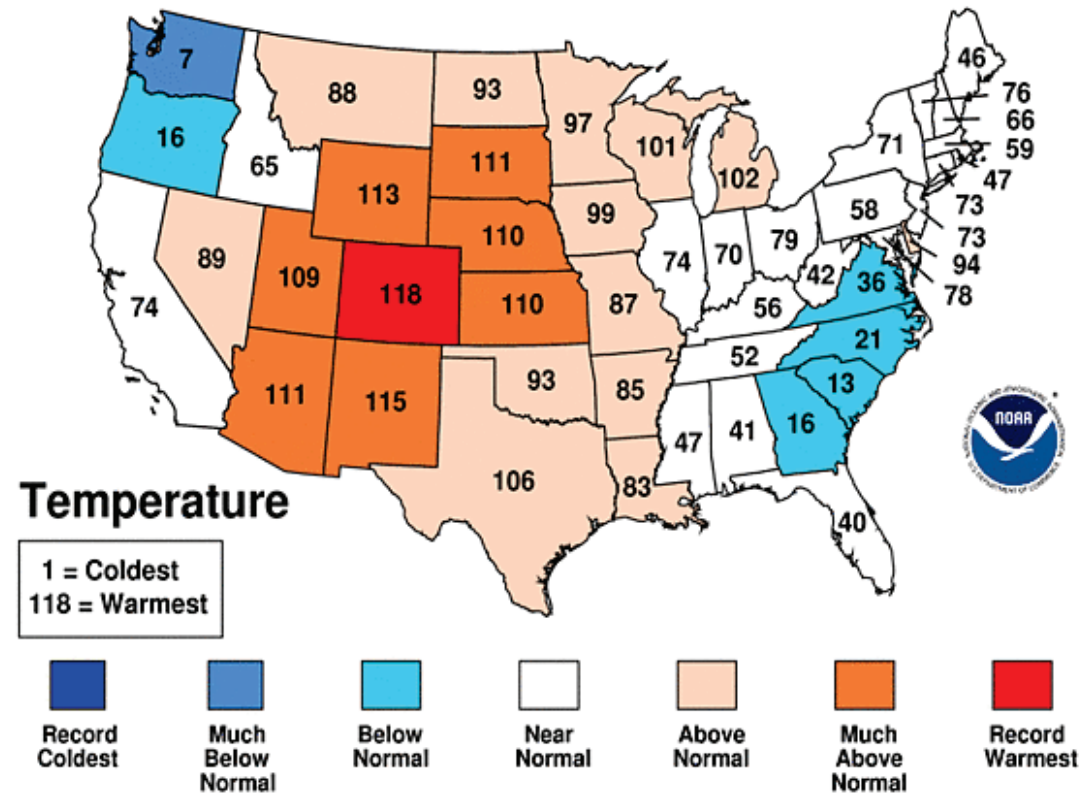


Budget and Historical AR Summer Peaks

Month	Budget Peak Load (MW)	All-Time Peak Load (MW)	Firm Supply Capacity (MW)	Year
Jun-20	242	278	395	2012
Jul-20	262	287	395	2011
Aug-20	240	296	395	2010

June 2012 Weather Actuals

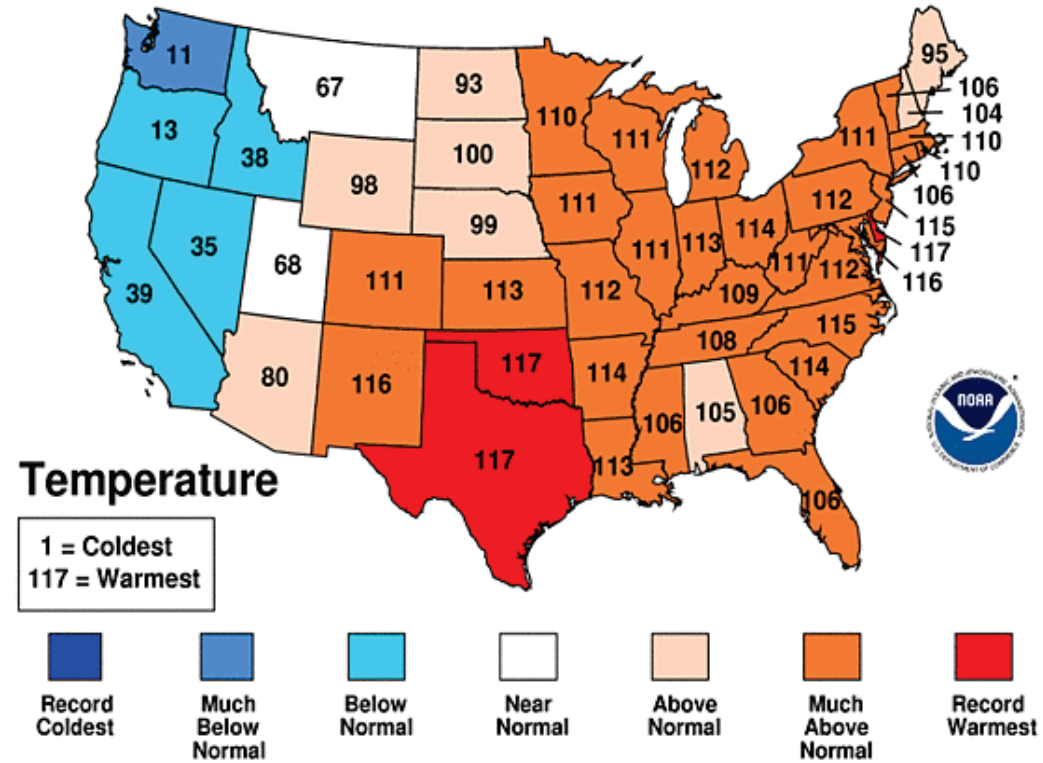
June 2012 Statewide Ranks National Climatic Data Center/NESDIS/NOAA



July 2011 Weather Actuals

July 2011 Statewide Ranks

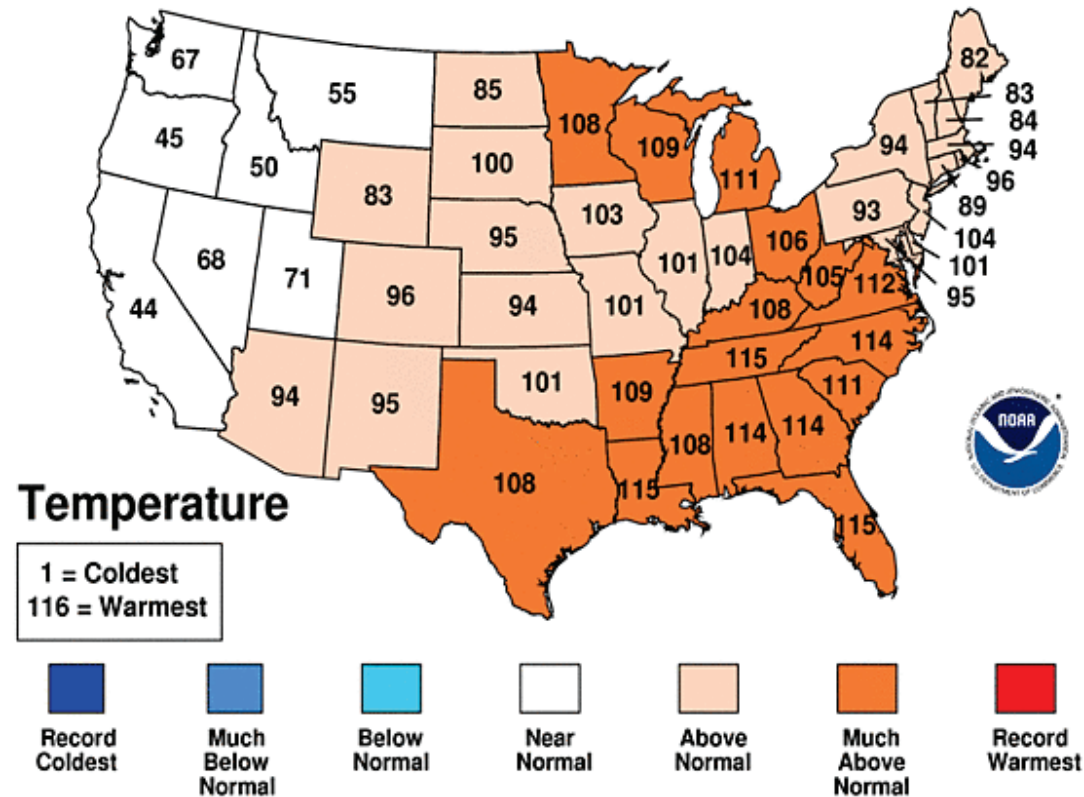
National Climatic Data Center/NESDIS/NOAA



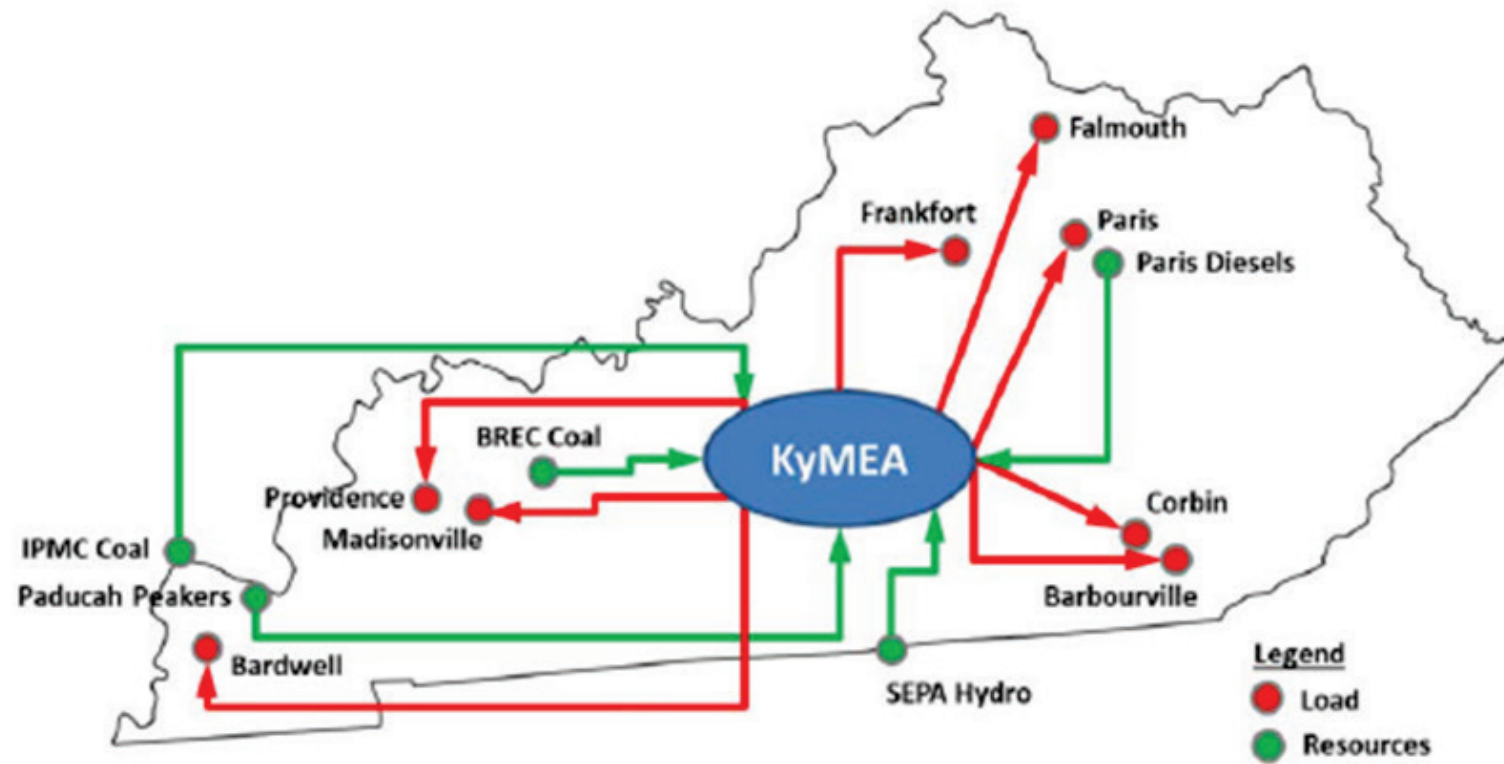
August 2010 Weather Actuals

August 2010 Statewide Ranks

National Climatic Data Center/NESDIS/NOAA



FY 2021 Capacity and Transmission Portfolio



Summer Capacity and Transmission Portfolio

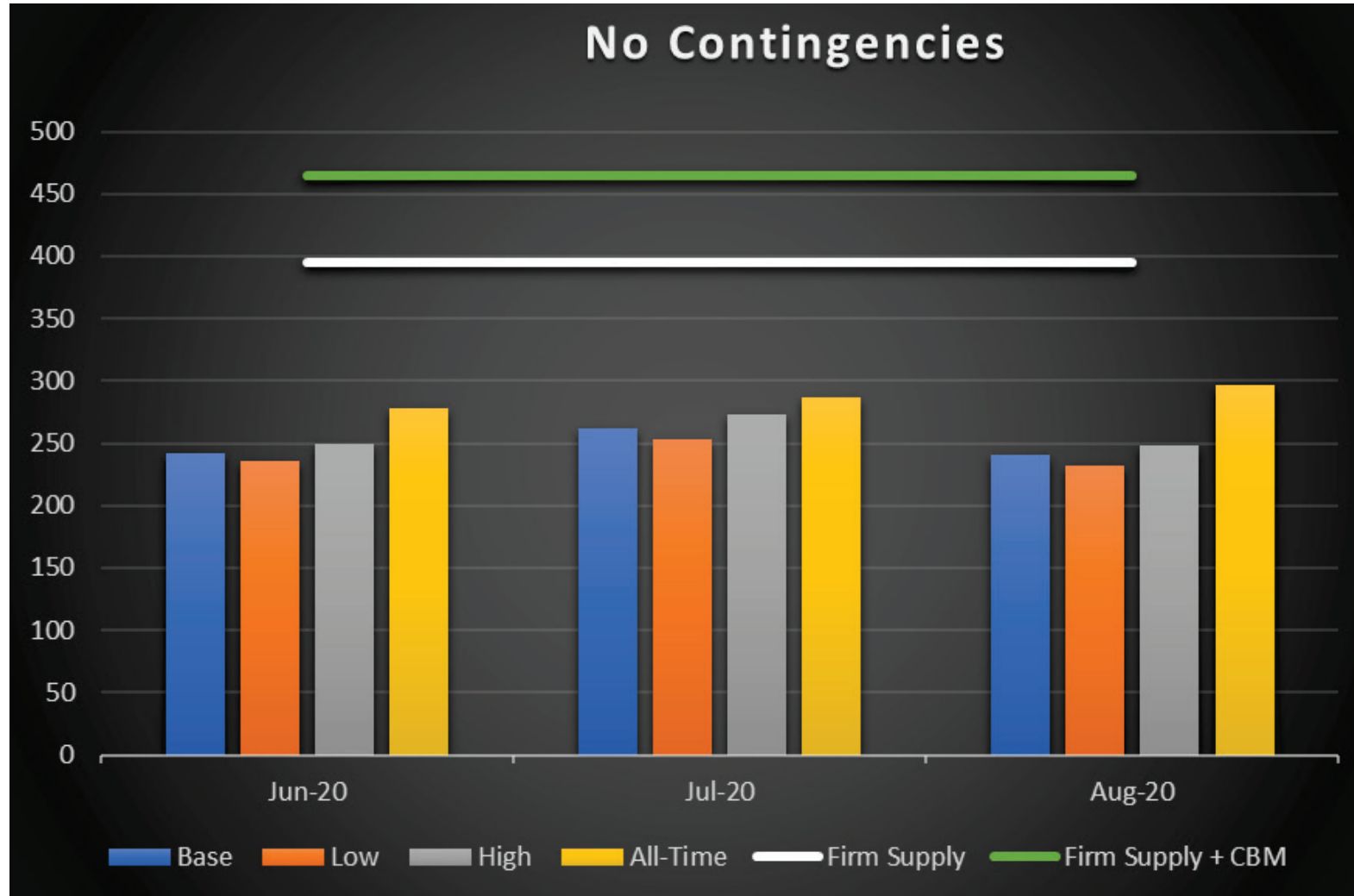
Resource	Availability	Volume (MW)	Firm Transmission (MW)
BREC PPA	100%	100	100
IPMC	96%	100	100
PPS	95%	90	90
BREC Option	N/A	100	62
Paris		10.088	11
SEPA		32	32
CBM		70	0

Summer Capacity and Transmission Portfolio

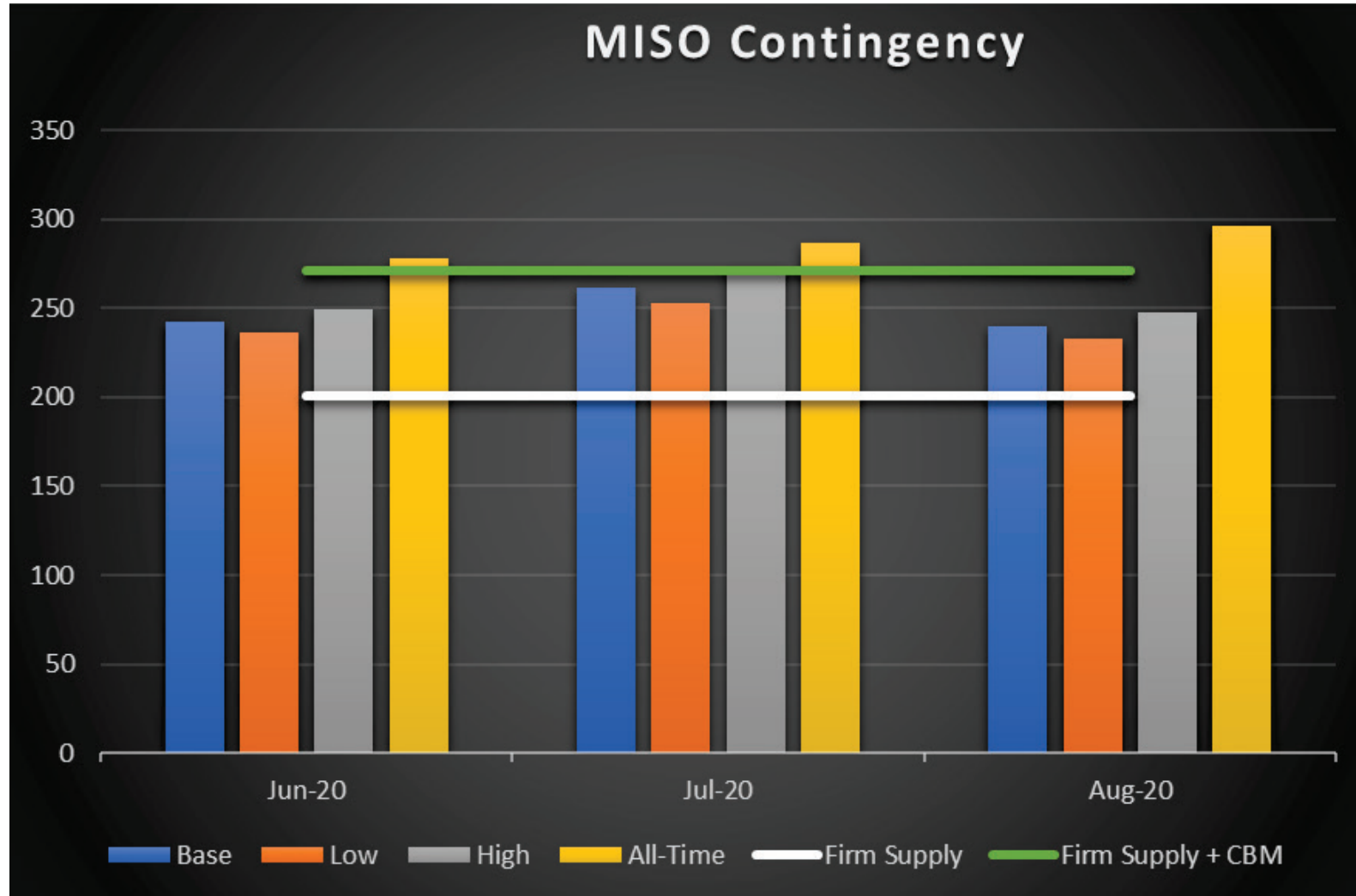
Potential Deliverable Resources

- LG&E
 - Cost-based tariff
 - Requires network transmission (706MW ATC)
- IMEA
 - Enabling agreement
 - Requires network transmission (200MW ATC)
- PJM
 - Requires point to point transmission
 - Requires network transmission (0MW ATC)
- TVA
 - Requires delivery to the LGE/TVA Interface
 - Requires network transmission (0MW ATC)

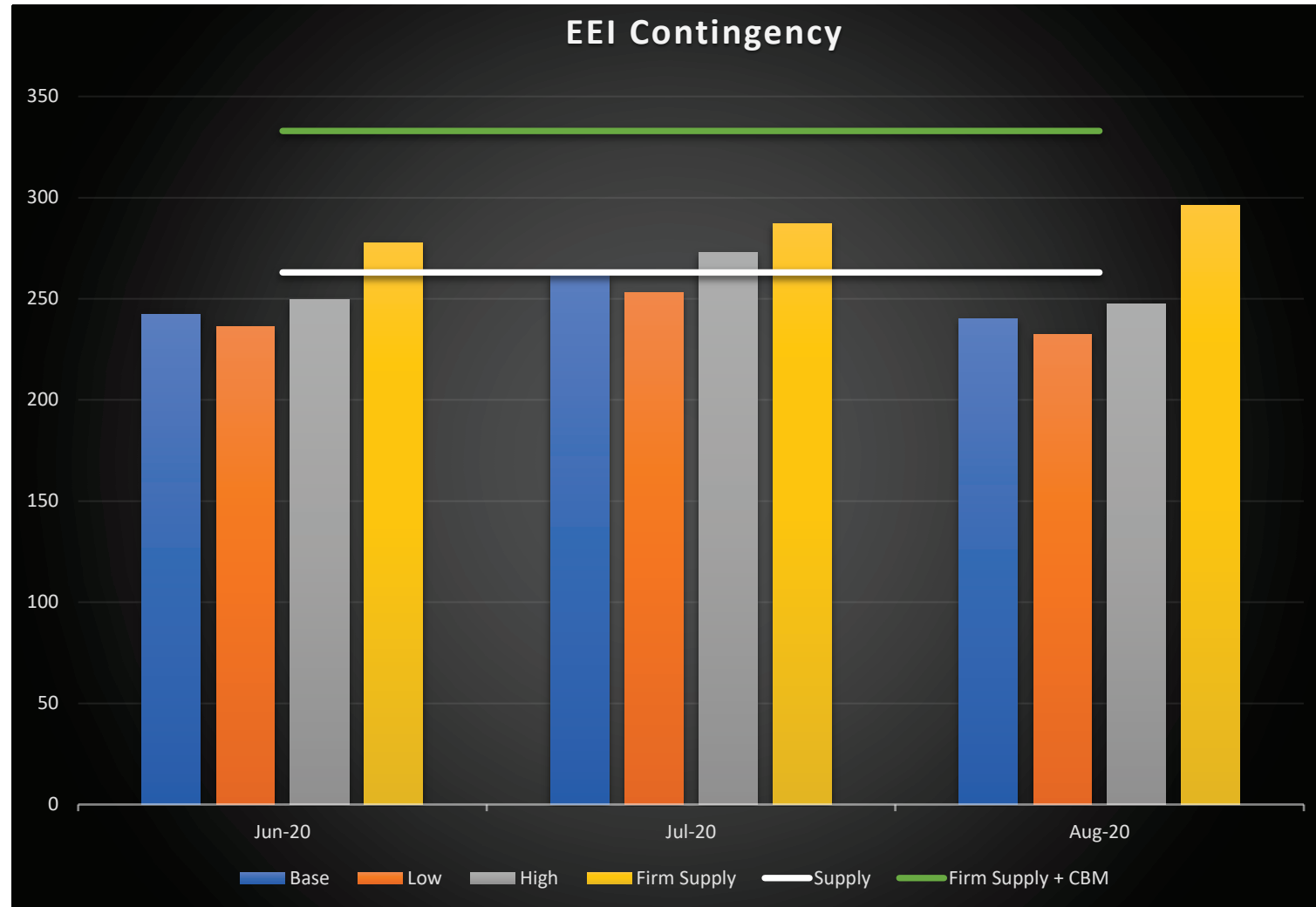
No Contingency



MISO Contingency



No Contingency





KENTUCKY MUNICIPAL ENERGY AGENCY

Financial Metrics 2020





Financial Targets

Objectives

Kentucky Municipal Energy Agency's (KYMEA) overall financial objective and annual targets for selected important financial performance measures are set out in the following pages. The overall financial objective of providing stable and competitive rates in a fiduciarily responsible manner was adopted as part of KYMEA's 2019 Strategic Plan as its first Strategic Priority category. The three Strategic Priorities under Financial Stability represent specific and ongoing short-term goals that support the overall financial objective. This document focuses on Strategic Priority 1.3: Financial Health Metrics. These metrics represent checkpoints in the achievement of KYMEA's overall financial objective and significantly contribute to the financial health of the Agency and its members.



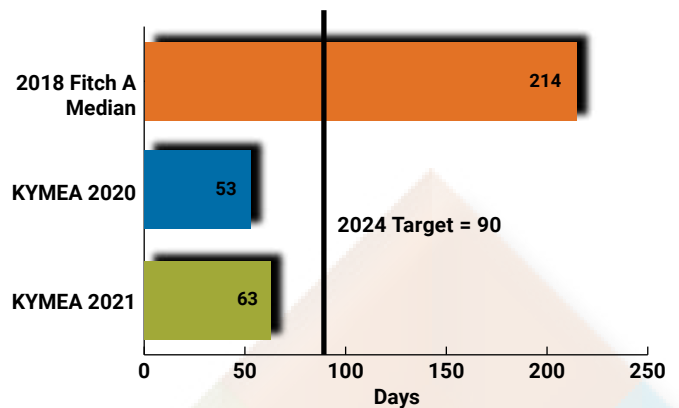
Metrics

Targets and Projections

The adjacent charts show metrics supporting KYMEA's Financial Stability Strategic Priority. KYMEA's Fiscal Year-End 2020 and 2021 performance is compared with the median score of public power wholesalers rated "A" or better by Fitch Ratings¹ and to KYMEA's annual targets.

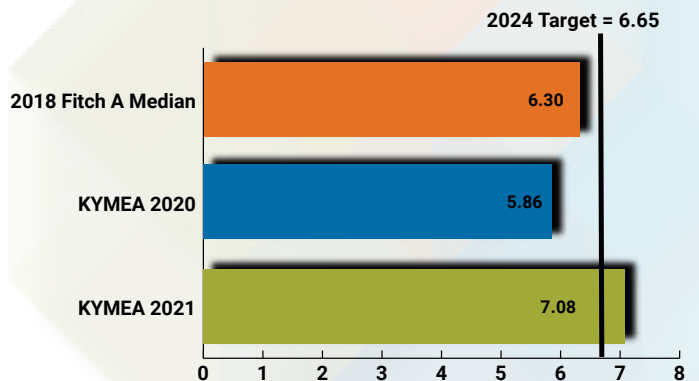
DAYS CASH ON HAND

Financial Flexibility



NET ADJUSTED DEBT/ADJUSTED FUNDS AVAILABLE FOR DEBT SERVICE

Debt (real and imputed) compared to margin available for debt service

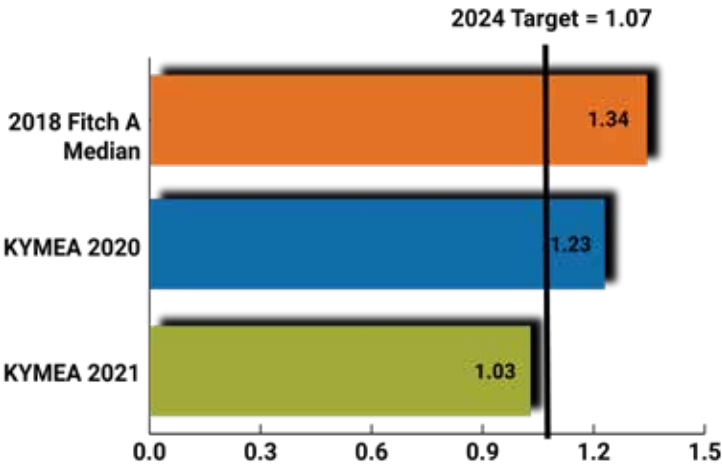


¹ "US Public Power: Peer Review." Fitch Ratings, Fitch Group, July 15, 2019

Metrics

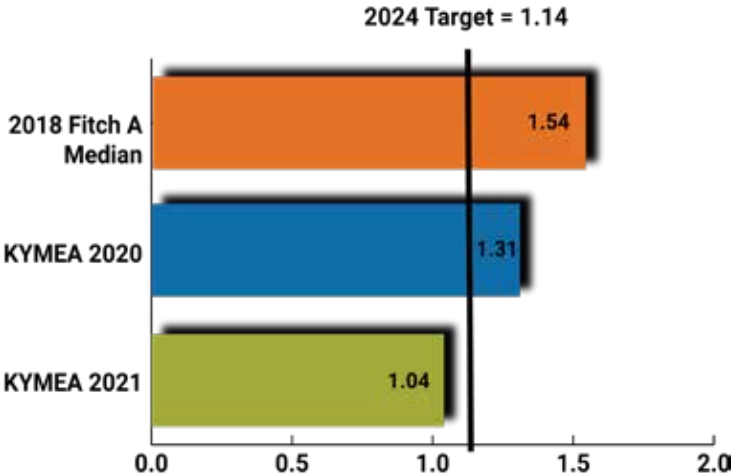
COVERAGE OF FULL OBLIGATIONS

Margin available to meet current fixed obligations



DEBT SERVICE COVERAGE

Margin available to meet current debt service



At-a-Glance Performance

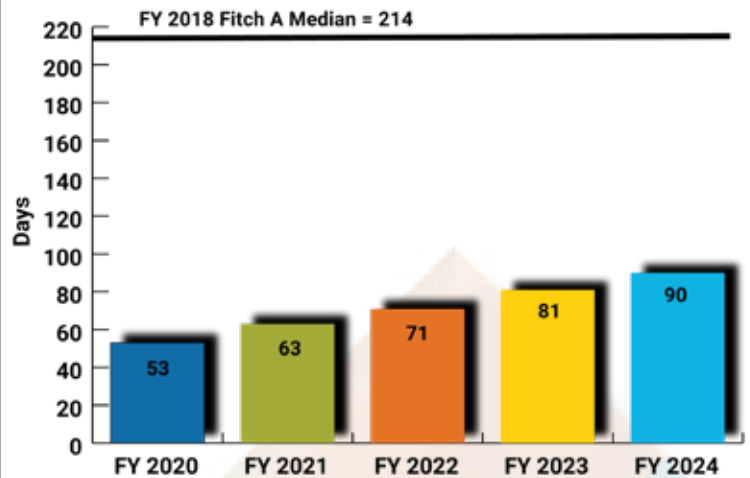
Projected Financial Performance and Condition

The final charts discuss each of the financial health metrics and provides KYMEA's FY 2020 performance along with projected performance over the next 4-year period.

DAYS CASH ON HAND

- Represents financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.
- Unrestricted Cash/(Operating Expenses- Depreciation- Amortization)

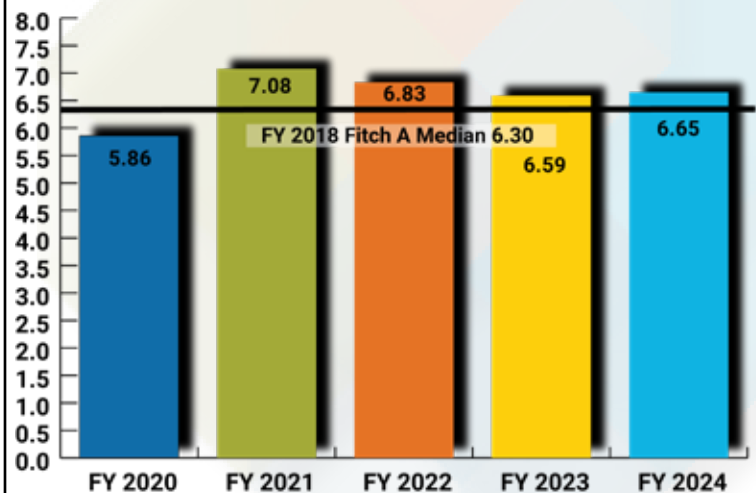
KYMEA has the goal of systematically moving toward a target Dash Cash on Hand of 90 days by the end of FY 2024.



NET ADJUSTED DEBT/ADJUSTED FUNDS AVAILABLE FOR DEBT SERVICE

- Represents the size of the debt to the margin available to cover all debt service and fixed charges
- Net Adjusted Debt/Adjusted Funds Available for Debt Service

KYMEA has not issued debt at this time; therefore, it uses an imputed number equal to 8x the fixed portion of its purchase power cost to impute a debt equivalent.

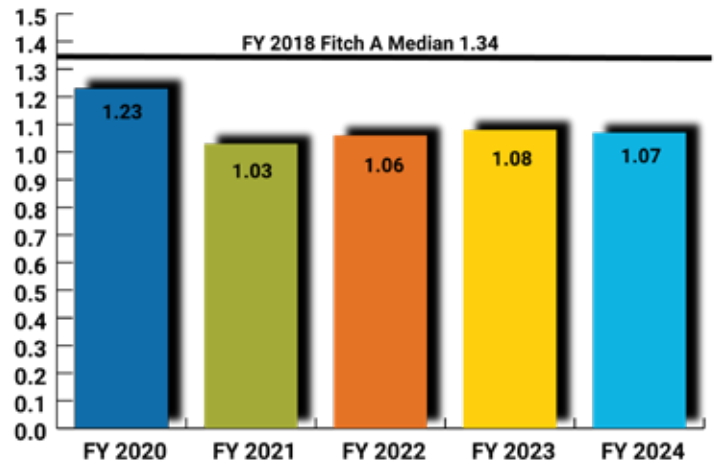


At-a-Glance Performance

COVERAGE OF FULL OBLIGATIONS

- Represents the funds available from operations to cover current debt service and fixed charges requirements
- Funds Available for Debt Service/(Total Annual Debt Service + Fixed Charges)

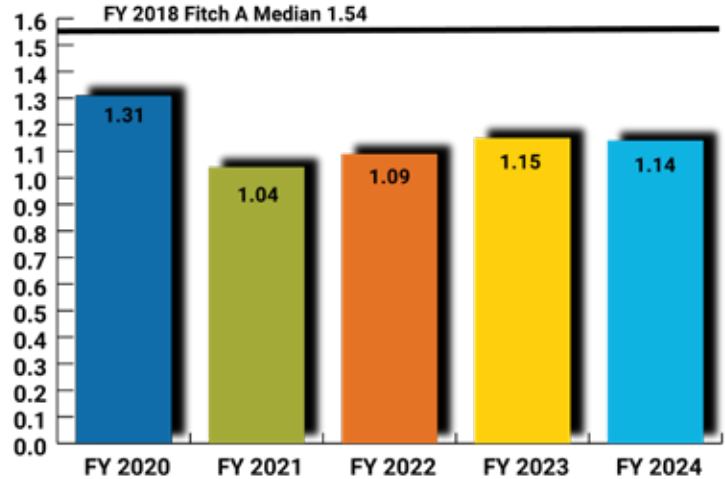
Funds Available for Debt Service represent Earnings Before Interest, Taxes, Depreciation, and Amortization plus Interest Income.



DEBT SERVICE COVERAGE

- Represents the funds available from operations to cover current debt service
- Funds Available for Debt Service/Total Annual Debt Service

This is a similar metric to Coverage of Full Obligations. Debt Service Coverage does not include KYMEA Fixed Operations Charges.



Conclusion

Commitment to Transparency

At KYMEA, we consider disclosure to be an essential component of effective Agency governance. We place a high value on the ability of our public power stakeholders to understand our operations, goals, and values, as well as our financial performance. The financial metrics herein are measurements that quantify KYMEA's objectives and enable effective analysis of the Agency's performance. Taken as a whole, the metrics provide insight to KYMEA's ability to pay its operating expenses, its ongoing ability to meet expenses that do not change as member loads fluctuate, and its overall reliance on debt to achieve its goals. We hope the following information aids in achieving that transparency, and we look forward to serving our members and their customers.

DISCOVER THE POWER



OF ENERGY OPTIONS



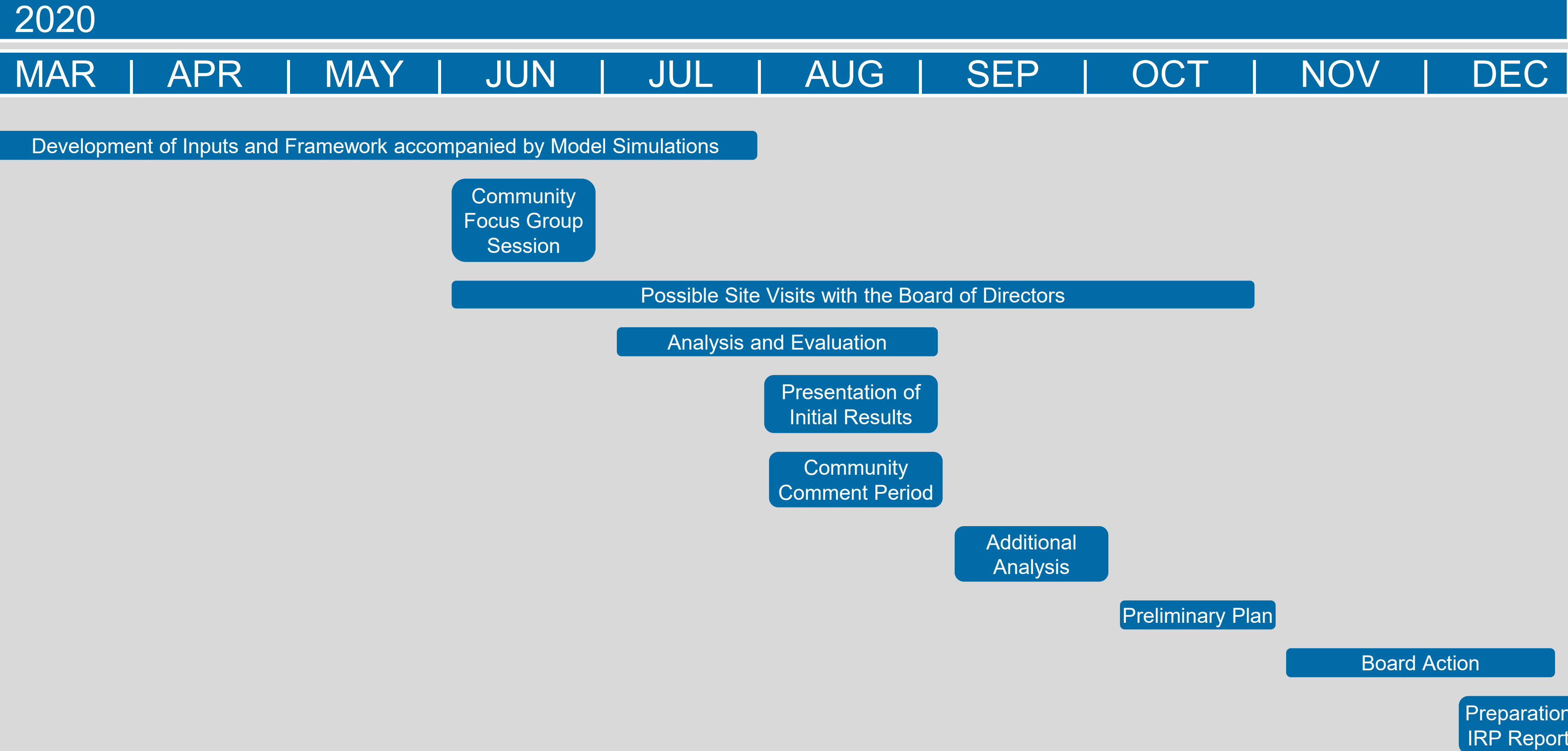


Integrated Resource Planning Update

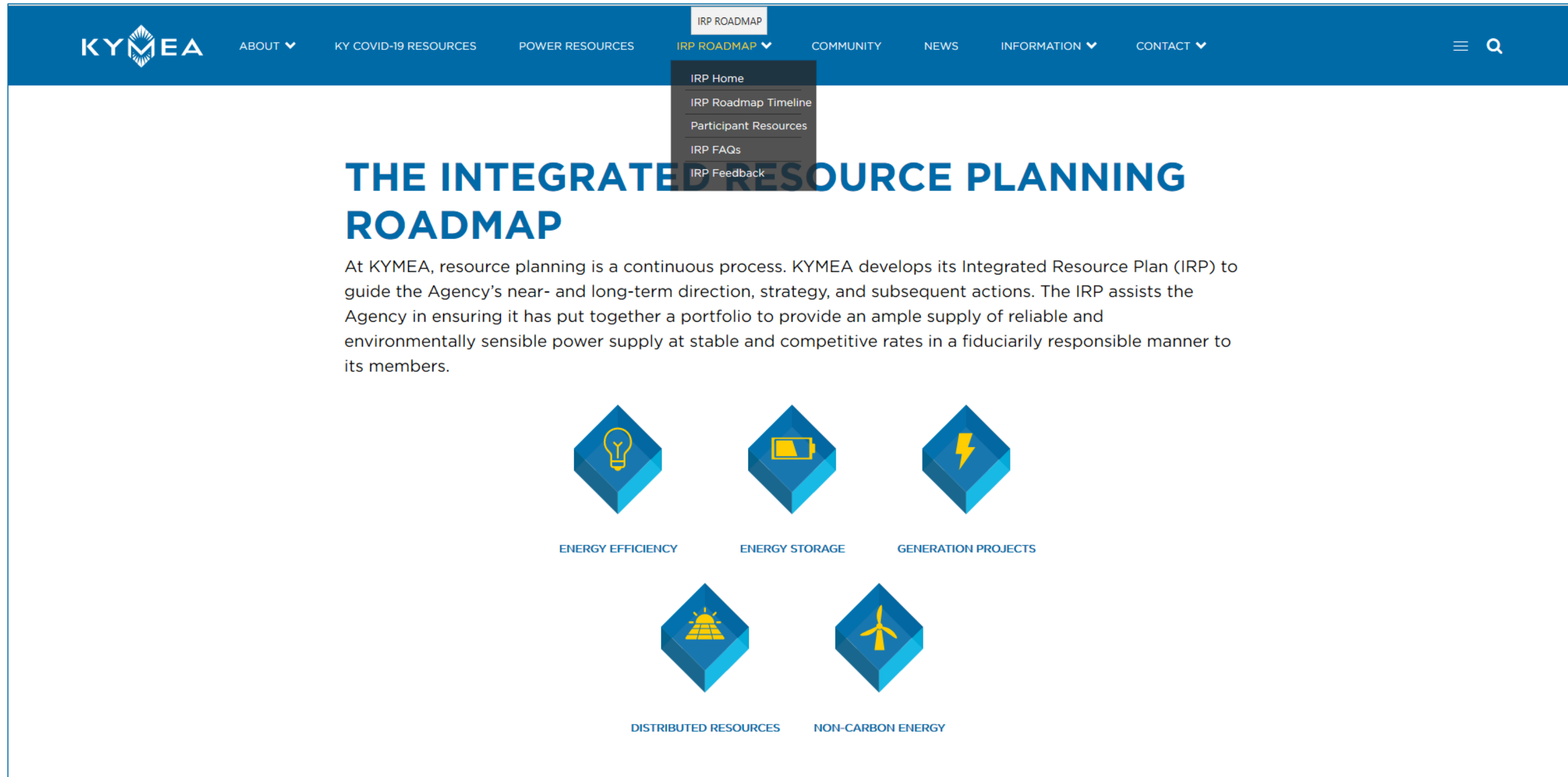
Doug Buresh

May 28, 2020

Key Tasks Timeline - 2020



KYMEA Website - IRP ROADMAP



Agency Transparency: KYMEA has added an IRP ROADMAP Section to its Website. This Area adds full transparency to the IRP Process.

EnCompass Modeling Update

Integrated Resource Planning

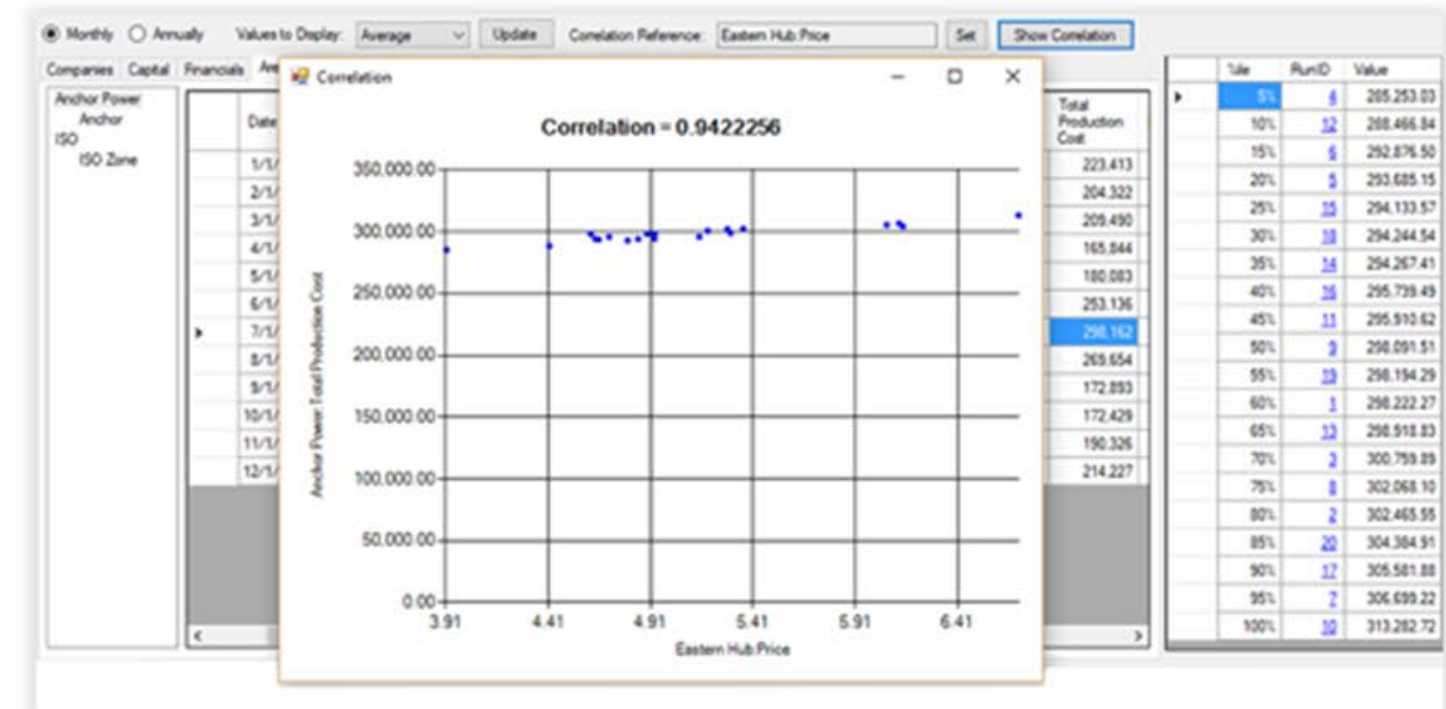
We help electric utilities face the complexity in power supply planning, as well as balancing requirements for reliability and environmental compliance in the most cost-effective manner. EnCompass determines not only the best way to utilize resources, but also which technologies should be added in the future, or existing resources that should be converted or retired.



Integrated Resource Planning

Valuation and Risk Assessment

Projecting future operations and cash flows of either a single power project or a portfolio of energy assets requires a detailed commitment and dispatch optimization model to capture all operating constraints. Valuations produced by Anchor Power can be used for project finance, tax assessments, budgeting, rate cases, and developing hedging strategies.

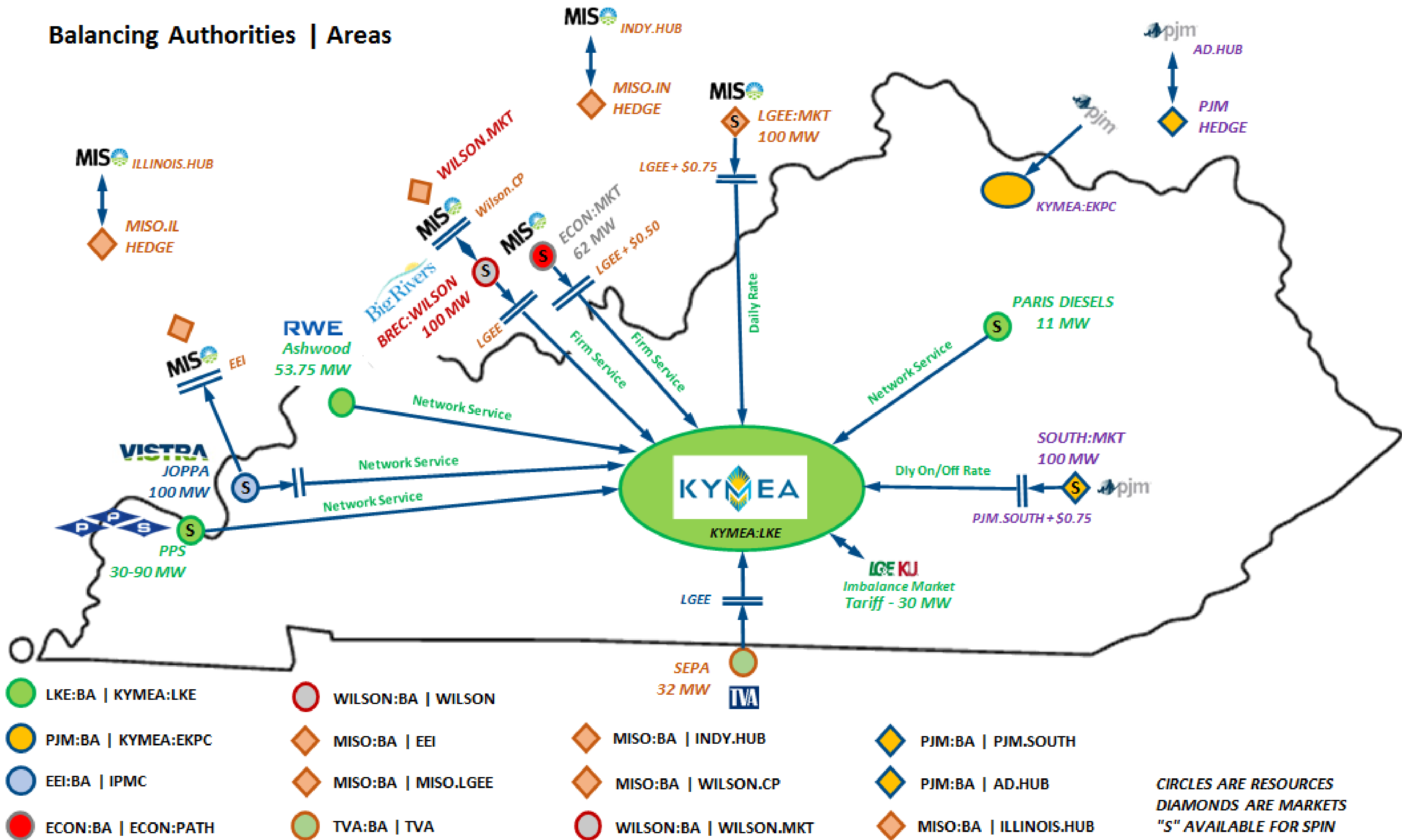


Valuation & Risk Assessment

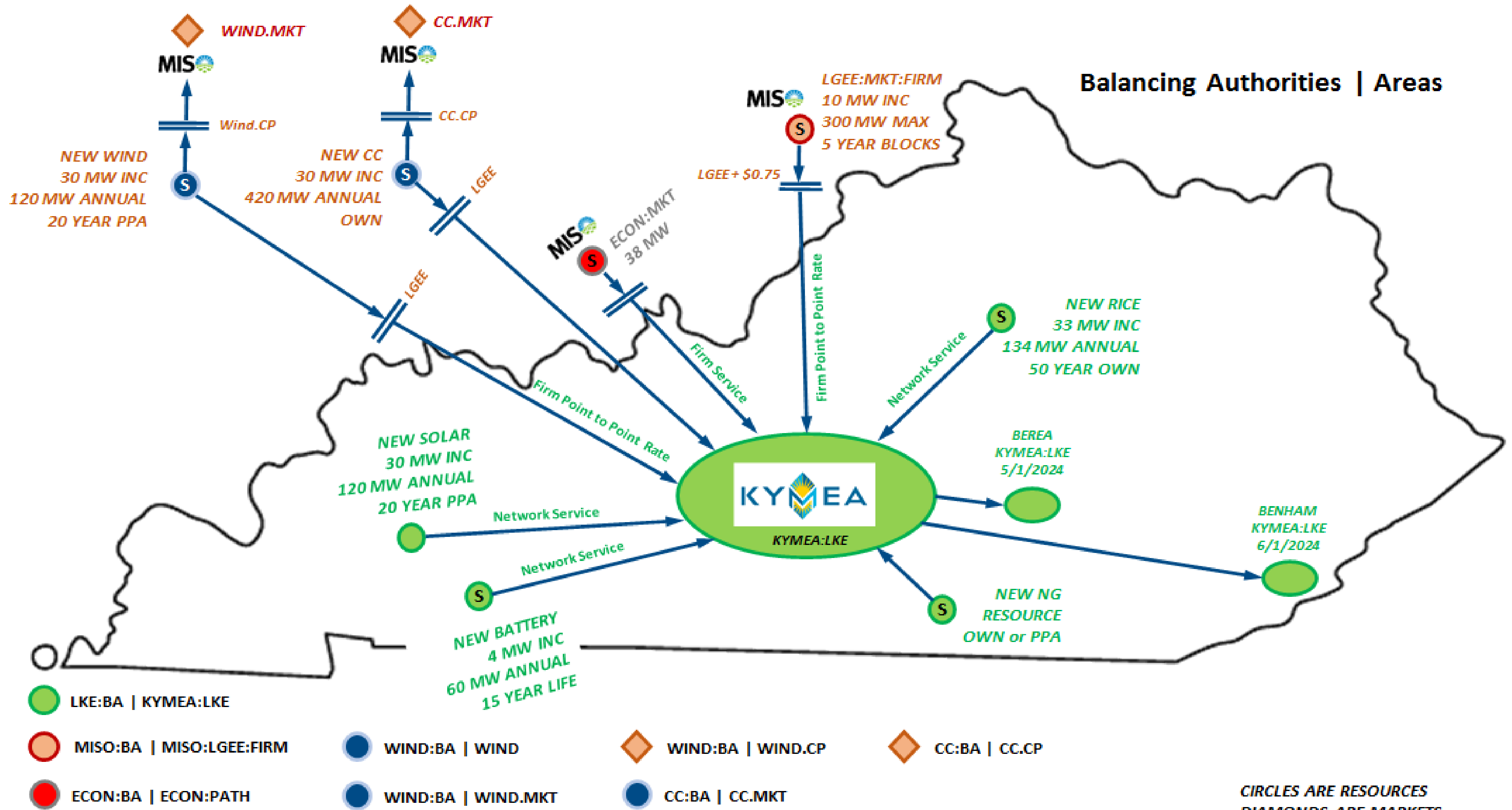
Progress to date: The EnCompass database has been built and staff is currently running simulations and analyzing preliminary results.

Existing Resources

Balancing Authorities | Areas



Supply-Side Options / Load Additions



CIRCLES ARE RESOURCES
DIAMONDS ARE MARKETS
"S" AVAILABLE FOR SPIN

Demand-Side Options

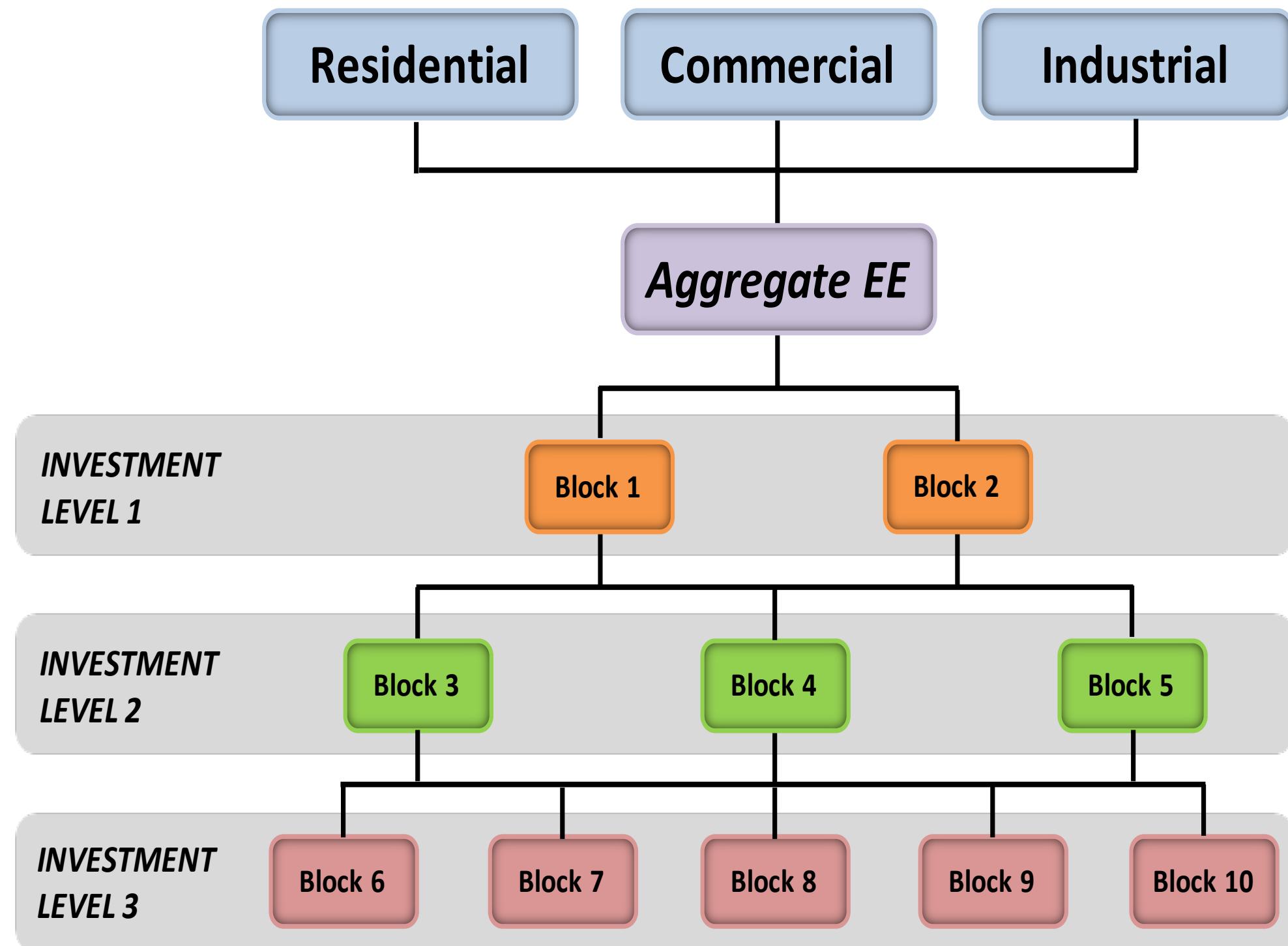
Evaluating Demand-Side Options

As a Generation and Transmission (G&T) Agency, KYMEA does not have customer load (only member load). As such, the cost effectiveness of energy efficiency programs are evaluated based on aggregate load impacts of programs that could be implemented by the all-requirements members.

Energy Efficiency Investment Hierarchy

An Aggregate EE hourly pattern is created from a variety of residential, commercial, and industrial measures. The Aggregate EE represents the types of known energy efficiency measures and serves as a proxy for new measures which will undoubtedly be developed in the future.

KYMEA feels it is important to make available large amounts of energy efficiency, at increasing investment levels, to provide a DSM choice in carbon scenarios where avoided costs could be very high.



EnCompass Modeling

EnCompass Results

1. **Projected Market Prices (Energy, Capacity, Ancillary Services)**
2. **Capital Projects / PPA / DSM / Market - Optimization**
3. **Detailed Hourly Unit Commitment and Dispatch**
4. **Incremental Production/Transmission Expense**
5. **Average Production Rates**
6. **Emissions**

EnCompass Results are passed to the Corporate Finance Model to calculate Rates and Financial Metrics

Corporate Finance Modeling

Corporate Finance



VENTYX 
AN ABB COMPANY

Corporate Finance is a financial component that produces detailed financial results (e.g. income statements, balance sheets, and cash flow reports) for all levels of the organization - regulated or unregulated - from the parent to subsidiaries to power plants to individual customers. *Corporate Finance* is the ideal tool for identifying, measuring, and tracking market-based asset value within an organization. Applications include asset valuation, portfolio management, stranded investment analysis, financial forecasting, and transfer pricing.

Corporate Finance Results

1. Average System Rates
2. Member Rates (Demand, Energy, Transmission)
3. Pro Forma Financials
4. Financial Metrics

Community Focus Group Agenda

- 1. Video Meeting on June 24, 2020**
- 2. Morning Session (10am – noon)**
 - **IRP Process Overview**
 - **Modeling Flow**
- 3. Afternoon Session (1pm – 3pm)**
 - **Scenarios**
 - **Uncertainties**

Community Focus Group will be recorded and available on KYMEA website.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL

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ATTORNEY GENERAL

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(502) 696-5300
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20-ORD-070

May 4, 2020

In re: Ann Marie Pavlik Rosen/Kentucky Municipal Energy Agency

Summary: The Kentucky Municipal Energy Agency ("KYMEA") failed to meet its burden under the Open Records Act of establishing that complying with a request for public records was unreasonably burdensome. However, KYMEA met its burden of establishing that certain records did not exist.

Open Records Decision

On January 6, 2020, Ann Maria Pavlik Rosen ("Appellant") requested from KYMEA the following records for the period of January 1, 2018, through December 31, 2019:¹

1. Invitations or emails, coordinating conference calls or in person meetings with committee or board members[;]
2. Public notices, agendas, minutes and notes from conference calls and meetings noted in #1[;]
3. Invitations or emails coordinating committee meetings whether conference calls or in person meetings[; and]
4. Public notices, agendas, minutes and notes from any committee meetings noted in #3.

¹ Appellant also filed an Open Meetings Complaint alleging other violations. This Office resolved that appeal in 20-OMD-040. Although this appeal implicates provisions of the Open Meetings Act, this Office's discussion of the Open Meetings Act is to provide context for its finding that KYMEA did not violate the Open Records Act by denying the request for nonexistent records.

More specifically, Appellant stated that she was requesting a "notice, agenda, notes, and minutes from the Executive Committee Meeting that took place on [January 8, 2018] at the Louisville office of Rubin and Hayes."

First, in its response to the open records request, KYMEA relied on KRS 61.872(6) to partially deny Appellant's request and claimed that complying with her request would be unreasonably burdensome. However, to support its assertion, KYMEA was required to produce clear and convincing evidence that Appellant's request was unreasonably burdensome. KRS 61.872(6). The Kentucky Supreme Court has recognized that a public agency "faces a high proof threshold" when attempting to invoke this exception successfully, and that it cannot rely on "inefficiency in its own internal recordkeeping system to thwart an otherwise proper open records request." *Commonwealth v. Chestnut*, 250 S.W.3d 655, 664-665 (Ky. 2008). Further, the "obvious fact that complying with an open records request will consume both time and manpower is, standing alone, not sufficiently clear and convincing evidence of an unreasonable burden." *Id.* Here, KYMEA simply asserted that Appellant's requests were too broad, but did not explain how the requests were too broad or what burdensome measures would be required to produce the requested records. Because KYMEA concluded its response without demonstrating that responding to Items 1 and 2 would be "burdensome," it failed to meet its burden under KRS 61.872(6).

Second, Appellant alleges that KYMEA failed to produce some records that should exist because of statutory obligations under the Open Meetings Act. On the other hand, a public agency cannot provide a requester access to a record that does not exist. See *Bowling v. Lexington-Fayette Urban County Government*, 172 S.W.3d 333, 341 (Ky. 2005). Here, Appellant has made a *prima facie* showing that some of the requested records should exist because the Open Meetings Act required KYMEA to create them. However, that is not the end of the analysis. Because the agency misunderstood its obligations under the Open Meetings Act, it does not have records responsive to Appellant's related requests.

With regard to Appellant's request for notices and agendas, whether these records should have been created depends on whether the specified committee

meetings² were regular meetings or special meetings. For regular meetings, “[a]ll public agencies shall provide for a schedule of regular meetings by ordinance, order, resolution, bylaws, or by whatever other means may be required for the conduct of business of that public agency.” KRS 61.820. No provision of the Open Meetings Act requires a public agency to publish an agenda for its regular meetings. However, any meeting that is not on the “schedule of regular meetings” is a special meeting and subject to the notice and agenda requirements of KRS 61.823. That provision requires the public agency to deliver, at least twenty-four (24) hours in advance, written notice that consists of the date, time, and place of the meeting, and the agenda, to members of the public agency and media organizations that have requested notification. The notice and agenda may be “delivered personally, transmitted by facsimile machine, or mailed,” or sent via electronic mail under KRS 61.823(4)(b). KRS 61.823(4)(c) requires a public agency to post the written notice and agenda in a conspicuous place in the building where the meeting will take place, and in the building which houses the headquarters of the agency, at least 24 hours before the meeting.

Regarding the January 8, 2018, Executive Committee meeting in particular, the record on appeal establishes that counsel for KYMEA notified members of the committee meeting via e-mail, but does not indicate that *public* notice was provided. It is also unclear from the record whether any of the committees had a “schedule of regular meetings.” KYMEA argued on appeal that it would announce the time and location of the next committee meeting during its regular meeting. This indicates there was no actual schedule provided, but each committee meeting was scheduled individually at each regular KYMEA meeting. Although it is required to provide an agenda for special meetings under the Open Meetings Act, the agency has demonstrated that it did not meet its statutory obligation. Thus, no responsive records are available.

Regarding Appellant’s request for committee meeting minutes, KRS 61.835 requires the public agency to record “[t]he minutes of action taken at every meeting of any such public agency, setting forth an accurate record of votes and actions at such meetings[.]” KRS 61.835 applies to every meeting, including both regular and special meetings. KYMEA provided Appellant some “committee reports” for committee meetings when action was taken. Because KRS 61.835 does not require any certain format in which a public agency must record its actions

² KYMEA’s committees are subject to all provisions of the Act to the same extent as KYMEA. KRS 61.805(1)(g) (defining “public agency” to include any “committee, subcommittee, ad hoc committee, advisory committee . . . established, created, and controlled by a ‘public agency’”).

and votes, the “committee reports” qualify as “minutes” under KRS 61.835. For those minutes KYMEA did not provide, KYMEA argued that many of its committee meetings were “informational” and no action was taken. However, it is official action to call a meeting to order and adjourn the meeting. If nothing else, a public agency must record those minimal actions in minutes. *See, e.g.*, 95-OMD-64. KYMEA did not meet its statutory obligation to record these minimal actions in meeting minutes. Nevertheless, it has explained why not all the requested minutes exist.

On appeal, Appellant established a *prima facie* showing that KYMEA should have possessed additional responsive records, but KYMEA argued on appeal that provisions of the Open Meeting Act did not apply to its committee meetings. Although KYMEA’s assertion is not correct, its error explains why KYMEA did not create the records and therefore had limited records responsive to Appellant’s request under the Open Records Act. For this reason, KYMEA complied because it provided a written explanation that it did not create the records Appellant sought. *See Eplion v. Burchett*, 354 S.W.3d 598, 603 (Ky. App. 2011) (finding that when it is clear records do not exist the requester is entitled to a written explanation for their nonexistence.). Thus, KYMEA did not violate the Open Records Act in failing to produce nonexistent records.

Either party may appeal this decision by initiating action in the appropriate circuit court per KRS 61.880(5) and KRS 61.882. Pursuant to KRS 61.880(3), the Attorney General shall be notified of any action in circuit court, but shall not be named as a party in that action or in any subsequent proceeding.

Daniel Cameron
Attorney General

/s/ Michelle D. Harrison

Michelle D. Harrison
Assistant Attorney General

#067

Distributed to:

20-ORD-070

Page 5

Anne Marie Pavlik Rosen

Ron Herd

Doug Buresh

Charles S. Musson

Kentucky General Assembly Legislative Summary - Regular Session 2020

The Kentucky General Assembly adjourned the 2020 legislative session on April 15. Because of the unknowns associated with the Coronavirus pandemic, a one-year budget was approved (for the first time). A grand total of 932 bills were filed during the session (647 in the House and 285 in the Senate) and 127 of these bills are currently eligible to become law.

Overview:

1 bill has become law without the Governor's signature;

111 bills have been signed into law by the Governor;

12 bills have been delivered to the Secretary of State (2 Constitutional Amendments, 5 bills that were vetoed by the governor and were overridden by the House and Senate, and 5 budget bills that received line item vetoes (four were overridden, one was not); and

3 bills were vetoed by the Governor and not overridden due to the adjournment of the House and the Senate.

Summary of Various Bills for which KYMEA Members may have an interest:

HB 44 - amends KRS Section 511.100 to add "natural gas and petroleum" pipelines and related facilities and "cable television headends" to the definition of key infrastructure assets making it a crime if an individual defaces, destroys or damages a key infrastructure asset or tampers with a key infrastructure asset so that its operations become harmful or dangerous. In addition HB 44 provides for a civil action for actual damages as well as punitive damages.

HB 195 - provides for an alternative posting of legal notices on a "Notice Web site" in lieu of newspaper publication requirements set forth in KRS Chapter 424. HB 195 also removes the requirement that counties publish notices of "intended enactment" of ordinances prior to such ordinances being considered by a County Fiscal Court.

HB 362 - amends the Kentucky Infrastructure Authority Act to provide for broadband deployment and sets up a segregated revolving fund for providing local governments with assistance in establishing broadband in their communities.

HB 484 - restructures the County Employees Retirement System and the Kentucky Employees Retirement System separating the two systems and establishing separate boards to oversee the systems.

HB 570 - amends various sections of the Interlocal Cooperation Act, providing for a streamlined approach for amending Interlocal Agreements, provide for the addition or removal of members to an interlocal agreement in accordance with terms of the agreement, allows for the establishment of a governing body for the interlocal agency created and designates an interlocal agency as a public agency.

SB 150 - provides for certain temporary modifications and changes to statutory law relating to the state of emergency declared by the Governor in response to the COVID-19 virus pandemic. Modifications and changes include the closure of businesses, the operation of governmental functions through video conferencing, extended response time for complying with open records requests, temporary suspension of certain filing deadlines. Law was effective immediately upon passage and approval by Governor and remains in effect until Governor removes the declaration of the state of emergency or until the first day of the next regular session of the legislature.

Committee Member Appointments

G. Committee Member Appointments





KYMEA Committees

KYMEA Board Chairman – Ron Herd

KYMEA General Counsel – Charlie Musson

May 28, 2020

KYMEA Committees

- 1. Executive Committee**
- 2. AR Project Committee**
- 3. Board Risk Oversight Committee**
- 4. Budget Committee**
- 5. CEO Compensation Committee**
- 6. FERC Litigation Committee**

KYMEA Committee Appointments

- **Committee Appointments: At Annual Meeting (Odd Years)**
- **Last Committee Appointments (May 2019 Annual Meeting)**
 - **Term: June 2019 – May 2021**
- **Review Appointments: At Annual Meeting (Even Years)**
 - **Additions, Resignations, Change of Chair**

Executive Committee

KYMEA BYLAWS - ARTICLE IV Section 1 – September 24, 2015.

- **Chairman, Vice Chairman and at least one Director elected by the Board**
 - **President & CEO is non-voting ex officio member**
 - **Presently, Ron Herd (Chairman), Josh Callahan (Vice Chairman), Chris Melton (Secretary), Kevin Howard (Treasurer) serve on Executive Committee**
-

BOARD ACTION

Adding an at Large Member (5th Committee Member out of 11 KYMEA Members)

- **Nomination – Gary Zheng**
- **Other Nominations**

AR Project Committee

KYMEA BYLAWS - ARTICLE V Section 1 – September 24, 2015.

- **All members participating in Project serve on Committee (Voting Members)**
 - **Staff (2): President & CEO and Vice President Finance/Accounting & CFO (non-Voting Members)**
 - **Chris Melton: Current Chairman of AR Project Committee**
-

BOARD ACTION

No Action Required

Board Risk Oversight Committee (BROC)

KYMEA Enterprise Risk Management Policy – SECTION 1.5 – March 28, 2019.

Board Risk Oversight Committee (the “BROC”)

- **Comprised of five voting members as follows:**
- **Staff (3): President & CEO, Vice President - Finance/Accounting & CFO, Legal Counsel**
- **Board Members (2)**
 - **AR Project Committee Member – Gary Zheng (Chairman)**
 - **Board Member (Director or Alternate Director) – Tim Lyons**

BOARD ACTION

Chairman

- **Nomination – Gary Zheng**
- **Other Nominations**

Budget Committee

Board Resolution Establishing KYMEA Budget Committee – March 22, 2018

- **Comprised of three voting KYMEA Board members as follows:**
 - **Chris Melton (Chairman), Josh Callahan, Mike Withrow**
 - **Staff (2): President & CEO, Vice President - Finance/Accounting & CFO**
-

BOARD ACTION

Adding an Additional Member (4th AR Project Member out of 8 Members)

- **Nomination – Gary Zheng**
- **Other Nominations**

Budget Committee Chair

- **Nomination – Chris Melton**
- **Other Nominations**

CEO Compensation Committee

KYMEA Board Motion – May 23, 2019

- **Motion: CEO Compensation Committee shall consist of members of the Executive Committee**
-

BOARD ACTION

No Action Required

FERC Litigation Committee

KYMEA Board Motion – July 24, 2019

- **Motion: FERC Litigation Committee shall consist of members of the Board Risk Oversight Committee, the Chairman of the AR Project, and KYMEA's FERC Counsel**
-

BOARD ACTION

No Action Required

Action Items

G. Action Items

- G.1 Document Retention Policy
- G.2 CEO Performance Review





Document Retention and Periodic Destruction Policy

May 28, 2020
Heather Overby

Document Retention and Periodic Destruction Policy

KENTUCKY MUNICIPAL ENERGY AGENCY
1700 EASTPOINT PKWY, SUITE 220
LOUISVILLE, KY 40223



PHONE: (502) 242-5635
FAX: (502) 242-5640
EMAIL: CONTACT@KYMEA.ORG

DOCUMENT RETENTION AND PERIODIC DESTRUCTION POLICY

Policy Purpose

Kentucky Municipal Energy Agency (KYMEA) recognizes that certain federal and Kentucky laws prohibit the destruction of certain documents. As such, KYMEA desires to have a written, mandatory document retention and periodic destruction policy. This policy will eliminate accidental or innocent destruction and inform personnel as to the length of time records should be retained.

Document Destruction

This Document Retention and Destruction Policy identifies the record retention responsibilities of KYMEA staff, members of the board of directors, and committee members for maintaining and documenting the storage and destruction of the organization's documents and records.

KYMEA staff, members of the board of directors, and committee members are required to honor the following rules:

- a. Paper or electronic documents indicated under the terms for retention in the following section will be transferred and maintained under the direction of the President and CEO;
- b. All other paper documents will be destroyed after three years;
- c. All other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year;
- d. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation and
- e. No paper or electronic documents will be destroyed or deleted as required to comply with government auditing standards (Single Audit Act).

Document Retention and Periodic Destruction Policy

Record Retention

The following table indicates the requirement for each stated record type.

Type of Document	Minimum Requirement
Accounts Payable Ledgers and Schedules	7 years
Accounts Receivable Ledgers and Schedules	7 years
Accounting Journals	3 years
Annual Report	Permanently
Audit Reports	Permanently
Bank Statements and Reconciliations	3 years
Benefits File	7 years after termination
Bidder List	2 years
Bid Files – Successful	3 years after completion of contract
Bid Files – Unsuccessful	1 year
Billing Journal / Register	3 years
Board Resolutions	Permanently
Bond Record File	Permanently
Budget	Permanently
Contracts, Notes, and Leases (Expired)	15 years
Contracts (Still in Effect)	Contract period
Correspondence (General)	2 years
Correspondence (Official, Legal, and Important Matters)	Permanently
Correspondence (With Customers and Vendors)	2 years
Deeds, Mortgages, and Bills of Sale	Permanently
Depreciation Schedules	Permanently
Disability Leave Files	7 years
Direct Deposit Transmittal Register (Payroll)	3 years
Employee Direct Deposit Authorization	Until Superseded or Employee Terminated
Employee Grievance File	3 years
Employment Applications – Unsuccessful	2 years
Expense Analyses/Expense Distribution Schedules	7 years
Family Medical Leave Record File	7 years
Fixed Asset Ledger	3 years
Form 1099-MISC	7 years
Grant Administration File	3 years
Insurance Records, Current Accident Reports, Claims, Policies (Active and Expired)	5 years
Internal Audit Reports	3 years

Document Retention and Periodic Destruction Policy

Type of Document	Minimum Requirement
Inventory Records for Products, Materials, and Supplies	3 years
Invoices (To Customers, From Vendors)	7 years
Litigation File	10 years after litigation ceases
Meeting Notices and Agendas	1 year
Meter Reading Data	7 years
Minute Books, Bylaws, and Interlocal Cooperation Agreement	Permanently
New Hire Report	7 years
Open Records Register	5 years
Open Records Request Form	1 year
Open Records Appeal	5 years
Organizational Charts	1 copy of each revision, permanently
Real Estate Appraisals	1 year
Payroll Records and Summaries (Pay Period, Monthly, Quarterly)	7 years
Payroll Records and Summaries (Annual)	70 years
Payroll Tax Statements and Returns	7 years
Periodic Financial Statements (Monthly)	3 years
Personnel Files (Application, Name, Last Known Address, Social Security Number, Letters of Recommendation, Employment Beginning and Ending Dates, Retirement Information, Positions Held, Disciplinary Actions, Job Descriptions)	60 years
Personnel Files (All Other Information Not Included Above)	7 years
Personal Medical File	30 years
Policy Guidelines	Permanently
Press Releases	1 year
Publication of Legal Notices	Permanently
Publications Created	Permanently
Retirement Plan Records	Permanently

Type of Document	Minimum Requirement
Surveillance Video/Audio Recording	30 days
Tax Payment Report	7 years
Timesheets	7 years
Trial Balance	1 year
Trademark Registrations and Copyrights	Permanently
Vehicle Information	Destroy after vehicle is no longer owned
Unemployment Insurance Claim File	3 years
W-2 Wage and Tax Statements	7 years
Write-Off of Uncollected Debt	3 Years
Workers' Compensation File	7 years
Year-End Financial Statements	Permanently

Document Retention and Periodic Destruction Policy Timeline

April 2020

Staff presents Policy for Board comment and review



June 2020

Submission to Kentucky Libraries, Archives, and Records Commission for approval



May 2020

Board Approval of Policy



July 2020

Implementation of Policy and Upload to KYMEA Website



Document Retention and Periodic Destruction Policy

Action:

KYMEA Staff recommends that the KYMEA Board make a motion to approve the attached Document Retention and Periodic Destruction Policy and submit said policy to the Kentucky Libraries, Archives and Records Commission

DOCUMENT RETENTION AND PERIODIC DESTRUCTION POLICY

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Annual Report	Permanently
Audit Reports	Permanently
Bank Statements and Reconciliations	3 years
Benefits File	7 years after termination



Type of Document	Minimum Requirement
Bidder List	2 years
Bid Files – Successful	3 years after completion of contract
Bid Files – Unsuccessful	1 year
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Board Resolutions	Permanently
Bond Record File	Permanently
Budget	Permanently
Contracts, Notes, and Leases (Expired)	15 years
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Depreciation Schedules	Permanently
Disability Leave Files	7 years
Direct Deposit Transmittal Register (Payroll)	3 years
Employee Direct Deposit Authorization	Until Superseded or Employee Terminated
Employee Grievance File	3 years
Employment Applications – Unsuccessful	2 years
Expense Analyses/Expense Distribution Schedules	7 years
Family Medical Leave Record File	7 years
Fixed Asset Ledger	3 years
Form 1099-MISC	7 years
Grant Administration File	3 years
Insurance Records, Current Accident Reports, Claims, Policies (Active and Expired)	5 years
Internal Audit Reports	3 years

Type of Document	Minimum Requirement
Inventory Records for Products, Materials, and Supplies	3 years
Invoices (To Customers, From Vendors)	7 years
Litigation File	10 years after litigation ceases
Meeting Notices and Agendas	1 year
Meter Reading Data	7 years
Minute Books, Bylaws, and Interlocal Cooperation Agreement	Permanently
New Hire Report	7 years
Open Records Register	5 years
Open Records Request Form	1 year
Open Records Appeal	5 years
Organizational Charts	1 copy of each revision, permanently
Real Estate Appraisals	1 year
Payroll Records and Summaries (Pay Period, Monthly, Quarterly)	7 years
Payroll Records and Summaries (Annual)	70 years
Payroll Tax Statements and Returns	7 years
Periodic Financial Statements (Monthly)	3 years
Personnel Files (Application, Name, Last Known Address, Social Security Number, Letters of Recommendation, Employment Beginning and Ending Dates, Retirement Information, Positions Held, Disciplinary Actions, Job Descriptions)	60 years
Personnel Files (All Other Information Not Included Above)	7 years
Personal Medical File	30 years
Policy Guidelines	Permanently
Press Releases	1 year
Publication of Legal Notices	Permanently
Publications Created	Permanently
Retirement Plan Records	Permanently

Type of Document	Minimum Requirement
Surveillance Video/Audio Recording	30 days
Tax Payment Report	7 years
Timesheets	7 years
Trial Balance	1 year
Trademark Registrations and Copyrights	Permanently
Vehicle Information	Destroy after vehicle is no longer owned
Unemployment Insurance Claim File	3 years
W-2 Wage and Tax Statements	7 years
Write-Off of Uncollected Debt	3 Years
Workers' Compensation File	7 years
Year-End Financial Statements	Permanently



Doug Buresh
KYMEA President & CEO Performance Evaluation
2019 Self-Review and Accomplishments
November 20, 2019

Dear KYMEA Board of Directors,

As the agency's President & CEO, I am responsible for creating, planning, and implementing the strategic direction of the agency. This includes responsibility for all components and departments of KYMEA. It is also my responsibility to ensure that the agency maintains constant awareness of both the external and internal competitive landscape, investigate opportunities for expansion and growth, maintain the agency's member base, evaluate power markets and opportunities, and keep abreast of industry developments. It is my obligation and desire to build a strong relationship with the KYMEA Board of Directors, providing constant communication, transparency, guidance, and recommendations on matters which require board action.

Performance Review Process

Buresh Employment Agreement – section 3, paragraph 3

KYMEA's Board shall review and evaluate the performance of Buresh at least once annually. The Board and Buresh shall jointly develop the performance evaluation process and criteria to be utilized. Buresh will be evaluated on or about December of each year. The Chairman of KYMEA shall provide Buresh with a summary statement of the findings of the Board and provide an adequate opportunity for Buresh to discuss his evaluation with the Board.

CEO Accomplishments

Agency Go Live

The primary focus for the first half of 2019 was to prepare and execute the operational plan for the May 1st "Go Live" date to ensure KYMEA reliably and economically delivers power to its members. Many tasks were undertaken to ensure that: the delivery of power, the execution of the PPA's, the coordination with outside entities, and the member billing went flawlessly.



1. Dispatching and Settlements Preparation

From January through March, KYMEA and ACES worked to develop the processes necessary to balance supply and demand for the AR Project members.

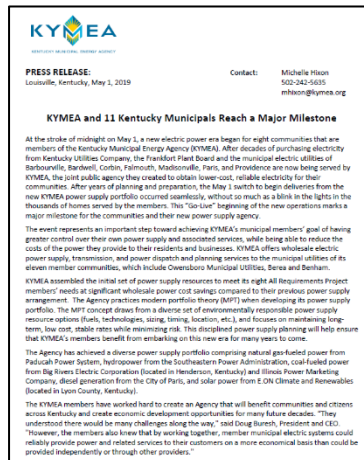
- Task 1: On-site visit and follow-up phone conversations with LG&E/KU Transmission to work through the communication and notification processes for scheduling, metering, and delivering power. KYMEA staff participated in the on-site meeting and follow up coordination and implementation with ACES, LG&E/KU, AMP, KYMEA, P&D Engineering, NewGen, Schneider, and Strategic Communications.
- Task 2: On-site visits with Vistra, BREC, Paducah, and Paris to work through resource commitment, dispatching, scheduling, and billing processes for each of the PPAs. ACES, nFront, and KYMEA staff participated in the on-site meetings. Phone conference calls with SEPA and NewGen addressed the SEPA hydro scheduling processes.
- Task 3: Phone conversations with ACES, MISO, PJM, SEPA, AMP, and LG&E/KU to coordinate processes for transmission access, tagging, billing, and settlements.
- Task 4: Selected ITRON's hourly load forecasting service. KYMEA provided ITRON with 10 years of historical hourly data so the system could "learn". Prior to the implementation of the ITRON solution, the agency created a spreadsheet program which searched for historical weather and corresponding load as an interim load forecasting tool.

2. In April, ACES and KYMEA performed shadow dispatching and settlements.

- Task 5: Coordinated with ACES, KYMEA, AMP, Schneider, Strategic Communications, P&D Engineering, and LG&E/KU on the processes and protocols to communicate and pass data between all parties.
- Task 6: Developed the Member Invoice spreadsheet which produces an invoice for each member. The spreadsheet contains historical data and accommodates a roll-up by month, by year, by member, and by AR Project. The roll-up capability is useful for tracking member sales and comparing past invoices.
- Task 7: KYMEA and ACES produced dummy tags to test the scheduling and delivery of power in anticipation of the May 1st go-live date.

3. In May, KYMEA went live.

- Task 8: KYMEA issued a “Go-Live” press release announcing the event locally and nationally.



- Task 9: KYMEA monitored ACES to ensure supply and demand balanced each hour. This effort was followed by an assessment that each PPA was being optimally scheduled and delivered. KYMEA suggested changes that were immediately implemented by the ACES hourly desk.
- Task 10: KYMEA provides transmission service to AR Project members as well as non-AR Project members. As such, the agency created a method to properly allocate the hourly energy imbalance on the KU system and bill each non-AR member appropriately based on their contribution towards the imbalance.

4. In June, KYMEA issued its first set of member invoices.

- Task 11: KYMEA utilized its newly created Member Invoice spreadsheet to accurately track each member’s usage and create a correct invoice.
- Task 12: On June 1 KYMEA began receiving power from IPMC. The agency worked with ACES to properly dispatch the Joppa resource to either MISO or the KU System, depending on market prices and AR Project load needs.
- Task 13: KYMEA reviewed the PPAs with BREC, IPMC, Paducah, and Paris and recommended PPA Amendments for the Board’s approval. The Amendments clarified contract language and dispatch parameters.



- Task 14: KYMEA, ACES, Schneider Electric, and Strategic Communications worked through the data exchange process and structure, which allows the member loads to be fed to ACES. The data is then combined with dispatch and market data and fed back to KYMEA after each completed hour and populated in the PME database.

5. Ongoing activities

- Task 15: KYMEA is working with P&D Engineering to install natural gas metering and power metering for the Paducah peakers to provide real-time information for KYMEA as well as ACES.
- Task 16: KYMEA is working with ACES, Schneider Electric, and Strategic Communications to install a redundant/back-up PME system at ACES headquarters. The system will be installed after the primary PME configuration is complete.
- Task 17: Ongoing training of the PME system to increase KYMEA's PME proficiency. The agency has granted access to members who wish to monitor their real-time usage.

Policies

In 2019, the agency completed several policies for Board approval.

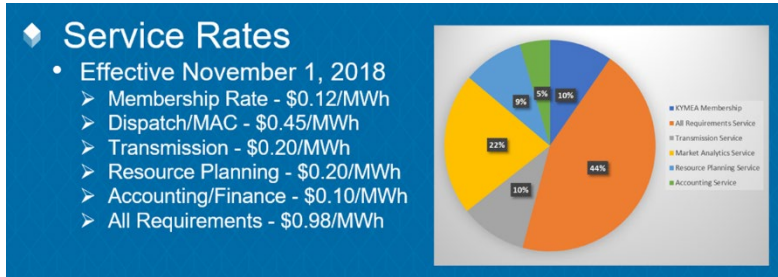
- Enterprise Risk Management Policy. Approved by KYMEA Board in March 2019. The policy included the creation of the Internal Risk Committee (IRC) and the Board Risk Oversight Committee (BROC).
- Trading Authority Procedures. Approved by KYMEA Board in April 2019. Trading authority procedures fell in line with the Enterprise Risk Management Policy and introduced the monthly position report that is reported to the BROC to track the agency's power market exposure.
- Credit Policy. Approved by KYMEA Board in May 2019. The credit policy fell in line with the Enterprise Risk Management Policy.

Rates

- a. AR wholesale rate structure. Approved by KYMEA Board in February 2019. Rates were set to provide 8% savings when compared with KU's 2018 rates. Plus, an additional 8% was set aside in a rate stabilization and de-pancaking fund.



- b. Non-AR Project Members’ rates. Rates were established for Membership Services, Dispatch / MAC Service, Transmission Service, Resource Planning Service, Accounting and Finance Service. The service rates allow non-AR Project members such as Benham, Berea, Owensboro, Bardstown, and Nicholasville to receive KYMEA Services.

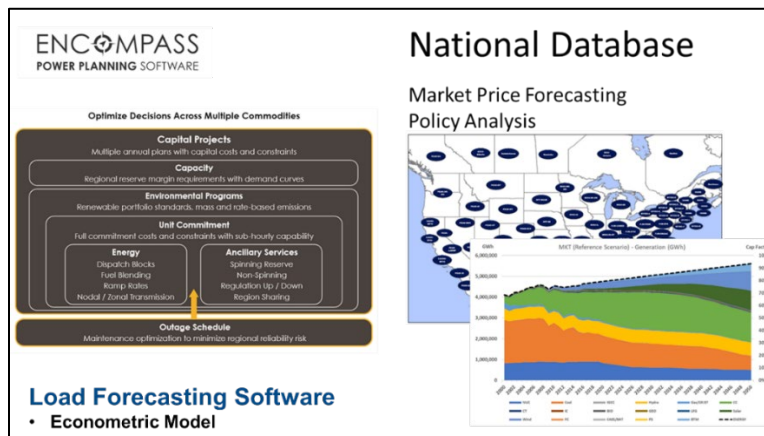


- c. Business Unit and Transfer Pricing Structure. A business unit and transfer pricing structure was developed where the AR Project was established as the parent company, providing services to non-AR Project members. This streamlined structure provides a fair and equitable sharing of services providing economies of scale.
- d. AR Project Projected Net Income and ECA Workshop. In August, staff recommended, and the AR Project members concurred, with the suspension of collecting ECA1 for FY2020.

Integrated Resource Planning

In July, the KYMEA Board passed a resolution authorizing KYMEA officers to develop an IRP and undertake and exercise strategies to communicate with Potential Participants in future mutually beneficial power supply and transmission options.

The EnCompass modeling process is now underway with test simulations of the market and the KYMEA portfolio under a variety of market conditions including potential participants.



De-pancaking

Significant time was spent reviewing and commenting on the de-pancaking protests, responses, and answers submitted by counsel on behalf of the Kentucky Municipals, LG&E/KU, and FERC. De-pancaking is an extremely important issue for KYMEA and its members, both financially and strategically, and the agency continues to monitor the situation and search for legal arguments and planning solutions with our Advisory team and Directors.

Strategic Planning

In October, KYMEA's Board of Directors approved the agency's first strategic plan. 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 KYMEA to examine both its positive and negative attributes within a single analysis.

KYMEA established its core values of: 1) Integrity, 2) Respect, 3) Fiscal Responsibility, 4) Member Focused, and 5) Operational Excellence. KYMEA 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.



Administration/Human Resources

In April, the agency switched medical insurance carriers to KLC saving the agency \$8K per year.



Member Communications

- In 2019, the agency implemented remote board meeting access for members who are unable to attend in person. Remote access allows the members to participate and vote in board meetings.
- In March, KYMEA released its first quarterly newsletter (KYMEA Power Post). The newsletters highlight the agency's success stories, provide industry news, discuss opportunities and challenges, spotlight our member communities and their customers, and announce upcoming events. Subsequent Power Posts were released in June and September.



- In May, KYMEA held its annual meeting with an impressive panel of speakers and topics. Participants at the training sessions earned state and professional organization approved CEUs / PDHs / CPEs for their professional development requirements.
- In May, KYMEA redesigned the Board packet and set a schedule to distribute the packet to the Directors eight (8) days prior to each upcoming Board meeting. The schedule is to e-mail the packet on the Wednesday a week prior to the Board meeting including announcements of any upcoming Board action items to be considered. The Board materials are uploaded to the Board portal on the Friday prior to the Board meeting. The goal is to give the Directors a week to read through the materials and ask any questions prior to the upcoming Board meeting.
- In October, KYMEA received two APPA Excellence in Public Power Communications awards.
 - The first award (Video Category) was for the Member Communities Video.
 - The second award (Print/Digital Category) was for the 2018 Annual Report.



- In October, KYMEA launched its redesigned new website, which posts KYMEA Board meeting agendas and calendars.



Finance and Accounting

- **Line of Credit.** In February, KYMEA switched from Republic Bank to PNC and increased its line of credit from \$5 million to \$30 million at a very favorable rate. KYMEA achieved the LOC through diligent interaction with potential lenders at KYMEA's headquarters, touting the virtues of the agency and playing the videos which provided a professional aura for the agency. The increase was necessary to ensure the agency had adequate access to working capital and sufficient funds for cash flow in its first few months of operation. In October, the agency paid-off the line of credit and is debt-free.
- **Accounting software.** In July, KYMEA switched accounting software systems from Great Plains (GP) to Southeastern Data Cooperative (SEDC). The switch stream-lined the agency's accounting activities and workflows and greatly enhanced reporting and analysis capabilities.
- **Pro Forma.** In August, a process was put in place to run PPA dispatch, market price, and load scenarios to project rates (ECA) and net income. The dispatch portion of the process considers market projections (power and natural gas prices) and the dispatch price of the PPAs. The result is the creation of pro forma(s) providing the agency with a forward view of net income and cash flow.
- **Audit.** In September, KYMEA received a clean audit from BKD with no material findings or non-compliance.
- **Credit Rating.** In November, Fitch Ratings reaffirmed the agency's "A" credit rating.

Legislation and Government Affairs

- **Interlocal Governmental Cooperation Act (Kentucky Revised Statutes Chapter 65).** Amending certain provisions of the Interlocal Governmental Cooperation Act will provide greater flexibility for governmental entities to act jointly in undertaking joint public projects and conducting joint operations. A bill will be offered in the 2020 legislative session. Engagement is underway with KMUA, KLC, KRW, and others to add sponsorship and support.
- **Outreach Efforts.** To build support for the agency and inform and educate policy makers, the agency undertook a concerted outreach effort. Attended conferences and meetings with the Kentucky Chamber of Commerce (KYMEA is a member), the Kentucky Public Service Commission, Kentucky League of Cities, and the Kentucky Energy and Environmental Department. Also met privately with Kentucky legislators, including the Speaker of the House. Attended the EnVision leadership workshop hosted by FERC Commission Chair Neil Chatterjee.



- **Media.** In November, hosted a reporter from the Frankfort State Journal to provide agency information.

Agency Growth

New Member Opportunities. KYMEA’s strategy, as per the directive from the KYMEA Board, is to investigate new member growth opportunities to further take advantage of economies of scale so long as it is mutually beneficial for KYMEA and the new member. Informal discussions have been made with Paducah, Princeton, KMPA, Bardstown, Nicholasville, Vanceburg, Olive Hill, Henderson, and the TVA distributors. KYMEA will continue to develop relationships with potential new members should they choose to join the agency.

Culture and Core Values

A critical aspect in creating an agency that will last for decades to come is to create a culture that empowers employees, promotes teamwork, and rewards performance. The culture extends to the relationship between the agency and its governing body. The agency’s core values drive our decision-making, culture, and actions.

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 differences while valuing the perspective, talents, and experience 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.



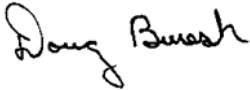
OPERATIONAL EXCELLENCE: We seek to achieve and maintain the highest level of excellence by performing in a productive and proficient manner, and adhering to best practices while providing a quality workforce.



Closing Remarks

2019 has been an incredibly busy and productive year. The agency members are achieving the savings they envisioned when the agency was formed, and we have quickly gained the attention and respect of entities inside and outside the Commonwealth. I am honored to serve as KYMEA's President and CEO. It is a responsibility I take very seriously. I appreciate the board's support and guidance and look forward to discussing this performance evaluation with the Board.

Sincerely,



Doug Buresh
President & CEO
Kentucky Municipal Energy Agency

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. KYMEA welcomes your questions and requests that you submit them in writing so that we can provide an accurate response at a later date.



Upcoming Meetings and Other Business

Next Meeting is Thursday, June 25nd at 10 AM at the KYMEA offices

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.



2020 Board Meetings (updated 04/14/20)

Thursday, January 23, 2020, 10:00 AM Eastern Time, KYMEA Board Room

Thursday, February 27, 2020, 10:00 AM Eastern Time, KYMEA Board Room

Thursday, March 26, 2020, CANCELLED

Thursday, April 23, 2020, 10:00 AM Eastern Time, WEBEX VIDEO CALL

Thursday, May 28, 2020, 10:00 AM Eastern Time, WEBEX VIDEO CALL

Thursday, June 25, 2020, 10:00 AM Eastern Time, KYMEA Board Room

Wednesday, July 22, 2020, 1:00 PM Eastern Time, KYMEA Board Room

Thursday, August 27, 2020, 10:00 AM Eastern Time, KYMEA Board Room

Thursday, September 24, 2020, 10:00 AM Eastern Time, KYMEA Board Room

Wednesday, October 21, 2020, 10:00 AM Eastern Time, KYMEA Board Room

Wednesday, November 18, 2020, 10:00 AM Eastern Time, KYMEA Board Room

Wednesday, December 16, 2020, 10:00 AM Eastern Time, KYMEA Board Room

Closed Session

K. Closed Session



Actions Related to Matters Discussed in Closed Session

L. Actions Related to Matters Discussed in Closed Session

None expected



Adjournment

