

KPP LIGHTNING ROUND

October 2024

Hillsboro Claims KPP Public Power Week Trophy

Each year, KPP members celebrate Public Power Week to recognize the importance of community-owned, not-for-profit electric utilities. The event provides the perfect opportunity to showcase the value public power brings to more than 2,000 cities across the country and to highlight the close connection between public power utilities and the communities they serve.

Public Power Week is also a great time to honor the dedicated employees who work tirelessly to keep the lights on, even in the face of challenges like evolving electric needs, tight budgets and natural disasters.

KPP Energy celebrated Public Power Week with an annual competition, where passion and creativity took center stage. Many of our member communities joined in through proclamation adoptions, staff statements, food drives, school events, and appreciation dinners.

This year's KPP Public Power Week Champion was the City of Hillsboro, who surpassed the competition - going above and beyond - hosting all of these activities plus an additional 14 creative events celebrating public power.

One standout moment was Hillsboro's Olympic-torch-themed video, a heartfelt and entertaining production that emphasized the power of teamwork and the message that "together, we'll light the way." The impressive and fun video is posted on Hillsboro's Facebook page.

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Hillsboro Claims Public Power Week Trophy

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Hillsboro also engaged the community through a “Public Power Rocks” initiative, where five painted rocks were hidden around town. Residents who found and returned a rock to City Hall were rewarded with \$10 in Chamber Bucks, sparking great public involvement with a simple, yet effective idea.



Local business Level Up Nutrition got in on the fun too, creating a Public Power Week-themed drink menu. Their high-energy drinks sported creative names like ‘Lightning Arrestor,’ ‘Zip Zap,’ ‘Jolt Juice,’ and ‘Blown Fuse,’ adding extra excitement to the week.

Thanks to their incredible efforts, Hillsboro surged ahead with a whopping 105 points—more than triple the score of any other competitor. On October 15th, during the Hillsboro City Council meeting, KPP Energy had the honor of presenting Hillsboro with the prestigious PPW traveling trophy - created by the City of Augusta - and a \$500 check, officially crowning them the 2024 PPW Champion. Hillsboro’s commitment and creativity truly set them apart, and their efforts made this year’s Public Power Week one to remember.



Above: KPP Director of Member Services Leslie Atherton presents the KPP Public Power Champion award to Hillsboro Mayor Lou Thurston.

Thanks to all the KPP members that celebrated Public Power Week this year!



Above: City of Mulvane



Above: City of Glasco



Above: City of St. Marys



Andrew Ferris Joins KPP Energy

KPP Energy is pleased to announce that Andrew Ferris has joined the agency as Chief Strategy Officer. Andrew began his tenure with the agency on October 28th.

Andrew previously served as the Director of Financial Planning for the Kansas City Board of Public Utilities (BPU). In this role, he managed all of the resource adequacy requirements for the largest public power utility in Kansas.

Ferris first joined BPU in 2013 as Settlement Analyst. He served in that position for two years, performing all aspects of settlements from reconciliation to analysis.

In 2015, Andrew was promoted to BPU's Director of Electric Supply Planning where he managed the utility's resource adequacy requirements. In this position,

in addition to managing all settlement activities, he coordinated the Energy Rate Component and Purchase Power forecasting. He also conducted long term load and supply planning, including demand strategies. His responsibilities also included development of the utility's Integrated Resource Plan (IRP) and serving as the subject matter expert on rate design.

Andrew was again promoted in 2021 to become BPU's Director of Financial Planning. In this role, he maintained his former responsibilities while also incorporating more corporate and finance functions and projects. He also was responsible for all grant initiatives and led many of BPU's economic development initiatives.

Prior to joining BPU, served as the Senior Financial Analyst for Technology Solutions for the Federal Reserve Bank of

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Mike Shook Joins KPP Energy

KPP Energy is pleased to announce that Mike Shook has joined the agency as Director of Energy Services. Mike began his work with KPP in early October and was introduced to the membership at the KPP 2024 Conference on October 3rd.

Mike brings nearly 40 years of experience in the electric utility industry, including 37 years with the City of Coffeyville, Kansas. Mike assumed numerous roles and responsibilities for Coffeyville, including Director of Electric Services, Assistant City Manager and Interim City Manager.

Most recently, Mike served the Grand River Dam Authority (GRDA) as their Manager of Wholesale Customer Relations, working in partnership with GRDA's 22 municipal and off-system wholesale customers. Mike

also served with Pennsylvania Power & Light (PPL) as an Operations & Maintenance Supervisor at their 2,100 MW Coal Fired Complex located in Colstrip, Montana.

Mike brings experience in the areas of utility direction, utility planning, municipal & utility budgeting, project management, electric rate analysis & design, environmental compliance & reporting, NERC compliance & reporting, and customer & community support. In addition, Shook managed Coffeyville Municipal Light & Power's daily generation, distribution, and transmission operational activities in conjunction with SPP & NERC.

He has been active in both Kansas and Oklahoma Public Power communities, serving Kansas Municipal Utilities (KMU) as their 2022-2023 President. In addition, Mike served on the Boards of Directors and Executive Committees for

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Andrew Ferris Joins KPP Energy

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Kansas City. A prior position was also Senior Project Analyst for Financial Operations for U.S. Central, the wholesale financial center for the nation's corporate credit unions.

Ferris holds a Bachelor of Arts (BA) in Finance from Truman State University and a Master of Business Administration (MBA) from Webster University.

Andrew and his wife, Kristie, and have three kids. Their two oldest children live in the Kansas City area while their youngest daughter is a senior in high school.

KPP Energy is extremely excited to welcome Andrew to the KPP team.

Mike Shook Joins KPP Energy

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Kansas Municipal Energy Agency (KMEA), Kansas Municipal Gas Agency (KMGA), and Municipal Electric Systems of Oklahoma (MESO).

Mike has been honored with awards from both KMU & KMEA for his commitment and support of Public Power and their communities.

- **KMU** – Daryle Nielson Distinguished Service Award for Contributions and Support of Mutual Aid
- **KMEA** – Gil Hanson, Jr. Distinguished Service Award for Outstanding Service for Vision and Leadership

On the personal side, Mike and his wife, Dalena, recently celebrated 40 years of marriage. They have raised two children, a daughter Megan, and son, Kyle. Megan resides in Ozark, Missouri with her husband Ron, and their four children. Kyle and his wife Kelsey reside in Tecumseh, Kansas with their three children (including a new granddaughter Karsyn).

KPP Energy is extremely excited to welcome Mike to the KPP team.

REGISTER NOW!

FRIDAY, **NOV. 1ST, 2024** FRIDAY, **DEC. 13TH, 2024**

KPP RATE FORUM & **ANNUAL MEMBERS MEETING**

10 AM **11 AM**

KMU TRAINING CENTER | McPherson, Kansas
Lunch provided for both meetings



KPP Energy Moves to New Office



KPP Energy has moved its home to a new location. As of October 8th, KPP is now located at 2229 South West Street in southwest Wichita. We can still be reached at our existing phone numbers and email addresses, but the physical location is new.

The KPP Board of Directors approved the purchase of this new facility earlier this year at their May 16th Board meeting.

The building was formerly the headquarters of Hutton Construction who designed and constructed the building for their own use until outgrowing the space several years ago.

“We’re excited about KPP’s new home and look forward to welcoming the members to come visit us,” said KPP CEO and General Manager Colin Hansen. “I’m confident that this investment in KPP and its members will pay dividends in the years ahead.”

The cost of purchasing the building was \$2.1 million. KPP’s previous office space in the Ruffin Building in downtown Wichita was being rented. The purchase is in line with KPP’s philosophy of owning assets instead of leasing them and avoids what was likely to be a large rent increase in 2025. The purchase was completed utilizing reserve funds and, as such, will not have an impact on KPP electric rates.

In addition to housing the KPP office, the new facility also features extensive meeting and collaboration space. “We anticipate holding the KPP rate forum, member meeting and conference at this space in 2025,” said Hansen. “This will offer additional cost savings for the KPP membership.”

In 2025 and beyond, KPP would have faced a nearly \$40,000 annual increase to continue leasing office space in the Ruffin Building, where KPP has resided since 2015. At the same time, the building’s condition had deteriorated significantly. The KPP Board saw this as an excellent opportunity to search for permanent headquarters, and the search began in earnest early in 2024.

KPP Vice President and Hillsboro Mayor Lou Thurston noted that, “as a board member, I felt that continuing to spend members’ money on leased space that was deteriorating and having nothing to show for it made purchasing 2229 S. West Street more than a wise decision.”

In 2015, when bonds were issued for additional Dogwood, KPP committed to both Fitch and Moody’s to maintain a

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KPP Energy Moves to New Office

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1.3 debt service coverage each year. This commitment helped KPP build reserves, which were utilized during Winter Storm Uri to spread out the impact of the storm on members. Once reserves were restored, funds were



utilized to purchase a building for KPP offices, keeping the cost of purchasing the building out of member rates. Going forward, we expect monthly building costs to be slightly less than the lease we have paid for the past nine years, and owning the building will protect us from ever-increasing lease costs

KPP Past President and Clay Center Public Utilities Superintendent Scott Glaves said of the move, “by purchasing the office space for KPP Energy, we’ve transformed a history of renting into a strategic investment. Owning assets rather than renting wisely utilizes KPP rate payers’ funds, ensuring resourceful stewardship for the future.”

This strategic move not only saved costs but also demonstrated KPP’s commitment to financial prudence and forward-thinking. The new headquarters are expected to provide a more stable and efficient

environment for KPP’s operations, fostering better productivity and morale among staff. Additionally, the ownership of a permanent building offers KPP the flexibility to customize the space to their specific needs, ensuring it can support their growing operations for years to come.

“KPP Energy isn’t going away, we need to continue to be proactive and save future dollars in doing so,” said Chris Komarek, KPP Secretary and Ellinwood City Administrator. “This building purchase is just another example of the proactive attitude needed to help future generations financially in each KPP member city.”

Looking ahead, KPP is optimistic about the potential benefits that the new headquarters will bring. With improved facilities and the elimination of annual lease increases, the organization can focus more resources on expanding the assistance and support to KPP members. The decision to purchase the building reflects KPP’s long-term vision and its dedication to providing reliable and cost-effective service to its community.

KPP plans to hold a ribbon cutting in early 2025 once modest renovations are complete to welcome the membership to our new home.

New KPP Mailing Address:

KPP Energy
2229 S. West Street
Wichita, Kansas 67213

(Phone numbers and email addresses remain the same)



KPP 2024 Conference Showcases Industry Trends

The KPP 2024 Conference was held on October 3 & 4 at the Hyatt Regency in Wichita and provided conference attendees with a day and a half of educational, informative, and entertaining sessions with local and leading experts.

Nationally known speaker and published author Erick Rheam energetically kicked off Day One with an engaging session on non-verbal communication. He explored various forms of body language, from the subtleties of a handshake to postures that can hinder connection. Through this, Rheam emphasized how non-verbal cues play a critical role in conveying confidence, trust, and openness in personal and professional interactions, offering practical tips to better communicate without words.

Kansas communities that has shown the will and spirit to help itself thrive by shining a light on its unique art offerings. KPP attendees were provided with a copy of Penner's latest book, *Kansas Guidebook 2*, revealing the "hidden gem" communities of Kansas.



The afternoon of Day One was topped off with presentations from KPP staff, including a report from CEO Colin Hansen, announcing KPP Energy's new home as well as upcoming promotions and changes in KPP staffing. Larry Holloway, James Ging, Vickie Matney, and Leslie Atherton also addressed attendees with tidbits from their respective departments relating to a review of 2024 so far.



Marci Penner, Co-Director of Kansas Sampler, followed with a session entitled, "*Insights from the Road: The Future of Rural Communities.*" Penner focused on the importance of investment in rural communities, much in-line with Kansas Sampler's mission to preserve and sustain rural culture by educating Kansans about Kansas and networking and supporting rural communities. She mentioned KPP member, City of Lucas, as one of the



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KPP 2024 Conference

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Day Two started with a presentation by Rick Borry of Priority Power and James Ging, KPP Energy's Director of Engineering Services, entitled, "Harnessing the Sun: From Utility-Scale Solar to Preparing for Customer-Owned Distributed Generation." Borry provided information from his experience leading a large solar project near Beloit, KS, and the background of KPP Energy's PACE solar project, which he has been heavily involved in.

KPP Energy's solar project will develop 18 megawatts (MW) of solar arrays in seven KPP communities across Kansas, including Clay Center, Ellinwood, Greensburg, Hillsboro, Marion, Wellington, and Winfield. This \$48 million initiative will generate sufficient electricity to meet the needs of 4,000 homes and businesses throughout all 24 KPP member cities of KPP Energy and also add to increasing renewable energy resources within the KPP Energy Portfolio.



James Ging's portion of the presentation was geared more towards helping members prepare for customer-owned distributed generation, such as rooftop solar arrays. He covered the difference between net metering and parallel generation, including billing examples, and went over the items included in the Distributed Generation toolkit.

A significant part of Day Two was dedicated to KPP Member Spotlights:

Lou Thurston, Mayor of Hillsboro, outlined both the future vision and heritage of Hillsboro in his presentation. He focused on key developments such as the Hillsboro Community Child Care Center and the Orchard Ridge Project. Additionally, he highlighted Hillsboro's involvement as one of KPP Energy's PACE solar sites and its recent acquisition of a bowling alley. Thurston wrapped up with a well-produced video emphasizing the ongoing importance of public power to Hillsboro's history, present needs, and future growth.



City of Lucas Mayor Trent Leach provided photos and information about recent city projects, including a large water project that provided Lucas a new water tower and nitrate removal plant. Much of Leach's presentation, however, focused on Lucas's well-deserved reputation as the Grassroots Art Capital of Kansas, due to its many artistic attractions including Garden of Eden, Miller's Park, Deeble Sculpture Garden, Lucas Area Community Theater, Standing Dog Studio, Switchgrass Art Coop, and Bowl Plaza Public

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KPP 2024 Conference

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Restroom. These attractions bring over 15,000 visitors to Lucas per year. Despite its small population of 340, there are multiple lodging options in Lucas for these visitors. Leach's presentation left all attendees impressed by the



richness of Lucas.

The final member spotlight was delivered by Austin St. John, City Administrator for City of Mulvane. St. John provided photos and updates of the numerous ongoing and completed projects within the City of Mulvane, including a \$5 million substation, Nessly Auto Park, two housing developments, downtown improvements, and a \$720,000 generator repair.

Erick Rheam returned on Day Two to deliver a presentation that touched the hearts of everyone in attendance, entitled "*The World Belongs to the Encourager.*" Through an engaging story, which attendees eventually learn is about his mother, he emphasized the transformative power of positivity and support. The impactful story demonstrated that encouragers help others believe in themselves, fostering confidence and resilience, proving that encouragement is more than a feel-good gesture. In fact, it's a powerful tool that builds trust, strengthens relationships, and unlocks potential. Rheam's message was clear – that in a world where negativity can overwhelm, those who lift others

up not only help them succeed but also gain influence and leave a lasting impact. In Rheam's eyes, the true leaders are those who empower others through encouragement. As a gift, KPP Energy provided attendees with a copy of Erick Rheam's book, "*Rise Above Chaos: The Five Principles to Discover Significance and Live in Peace.*"

The final presentation of the day was delivered by Jason Newberry, President of KPP Energy's Board of Directors and Assistant City Manager for Wellington. Speaking from the heart, Newberry reminded attendees of the strong sense of community within KPP Energy, emphasizing the support he and the City of Wellington recently received. He urged everyone to prioritize involvement in KPP and other professional groups, highlighting KPP Energy as a community of reliable, knowledgeable individuals who can be counted on during challenging times.



Final KPP Cybersecurity Summit Series Focuses on Preparing for Cyber Disasters

LESLIE ATHERTON, ADMINISTRATIVE MANAGER



We are excited to share highlights and key takeaways from the 4th and final session of the KPP Energy Cybersecurity Summit Series. Held on October 15th, this event was the fourth in a four-part series aimed at strengthening cybersecurity infrastructure and awareness

across KPP member communities. Participants from Augusta, Ellinwood, Haven, Hillsboro, Kingman, Mount Hope, Wellington, and Winfield received vital training during this summit.

The session was led by Travis Cleek, Partner and Chief Revenue Officer for Sky Helm, who focused on Preparing for Cyber Disasters. Cleek outlined the history of ransomware, defined ransomware actors, and provided real-life examples of ransomware attacks on the utilities sector. From those examples, Cleek provided analytics on the size and scope of the attacks as well as the hackers themselves and the forensic investigation into the attacks. More importantly, he provided attendees with information as to what actions were taken by the victim organizations after the attacks to prevent another subsequent attack from occurring. Cleek noted that previously Chief Financial Officers and Chief Executive Officers were top targets for cyber-attacks, but current statistics show targets are now aimed at Engineering and Operations.

Incident Response Plan and Playbook / Runbooks were also explained. Cleek identified the important roles in a cyber incident response team as well as direction

on when to contact local vs. state vs. federal law enforcement. A list of questions to have answers for before contacting law enforcement was also provided. Other helpful materials provided include a Cyber Incident Resource Activation Tree, a diagram of the “NIST” process to declare a cyber incident, a gauge for measuring criteria such as functional impact, data compromised, and recovery objectives.

Mid-session, attendees were divided into two groups and asked to participate in a tabletop exercise where cyber response team roles were assigned and teams were asked to respond to a cyber incident. Each group’s responses to a progressing incident were analyzed and revealed to the group at large, which yielded insightful discussion and a few laughs.

The end of the session focused primarily on processes involved in creation of an Incident Response Plan. Cleek listed Preparation, Detection and Reporting, Response, Eradication and Recovery, and Post Incident Review as the five necessary phases of plan creation. Of course, each phase consisted of three to five specific steps to work through. Attendees were also provided with an Incident Response Plan template to work through as an aid to create their entity’s own IRP.

As noted above, this was the final session of the Cybersecurity Summit Series. We hope you found their sessions insightful enough to take actionable steps to improve your entity’s cybersecurity posture.

Have ideas for training KPP Energy should offer in 2025? Please reach out to Leslie Atherton at latherton@kpp.agency with your suggestions.



October Board Meeting Review

COLIN HANSEN, CEO / GENERAL MANAGER



The KPP Energy Board of Directors met in Wichita - and virtually - on October 3, 2024. A summary of meeting highlights is provided here.

August ECA

James Ging, KPP Director of Engineering Services, presented a written report

showing the August ECA as negative \$0.593 cents per kilowatt-hour (kWh) vs. budgeted negative \$0.174 cents per kWh. Total costs were below budget by \$993,931. Energy costs were below budget \$1,237,551; transmission costs were above budget \$97,791, and capacity costs were above budget by \$149,737.

Financial Statements

Controller Vickie Matney presented written financial statements for the period ending August 31, 2024, showing a net position before DAI of \$7,293,455 for the year, and an increase of \$808,471 in net position since last month. She also provided information on the collection and disbursement of Walnut Center and PACE ECA funds.

KPP Office Update

CEO and General Manager Colin Hansen gave a presentation to the Board on progress being made at 2229 S. West, detailing completed and still-to-come improvements. Current plans are to move KPP headquarters to the West building the week of October 7 – 11 with a potential ribbon cutting to occur at a later date.

PACE Project

A presentation was provided to the Board regarding the prospective Letter of Conditions (LOC) expected from USDA Rural Development. Ging advised KPP will have three days to accept the LOC once it has been received. Rick Borry with Priority Power was present and noted he has reviewed the terms and finds the conditions to be attainable, though it will require extensive documentation and communication with USDA. Terms and Community Benefit Plan were also discussed.

Additionally, members were provided with a proposed resolution to provide notice of the intent to issue approximately \$48 million in subordinated taxable electric utility revenue bonds, to acquire, construct, equip, and install solar generating facilities, and to pay certain costs of issuance. J.T. Klaus noted that the Board had already adopted a reimbursement resolution on this project. The Board unanimously adopted Resolution 2024-10-03



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October Board Meeting Review

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KPP Assistant General Manager Larry Holloway discussed maximizing the value of PACE capacity by comparing the value of it as a designated network resource and its value as a load modifier. Ultimately, Holloway advised the capacity has greater value as a load modifier. The benefits of this approach will be highlighted at the upcoming KPP Rate Forum on November 1st.

Modification to KPP 457 Plan

For consideration, members were provided with a proposed resolution and adoption agreement regarding KPP Energy's 457 Plan administered by KPERS. CEO & General Manager, Colin Hansen, noted that adoption would require KPP to match the employee's pre-tax and Roth contributions to the 457 plan up to 4% of compensation. The Board unanimously approved the resolution and agreement as presented.

Delivery Point Facilities Agreement – KPP Energy & City of Mulvane

Members were provided with a draft of a 13-page Delivery Point Facilities Agreement between KPP Energy, City of Mulvane, and Evergy Kansas Central, Inc. Holloway provided background information on the agreement, noting the changes made by General Counsel J.T. Klaus. At Holloway's request, the Board unanimously approved signing of the agreement.

City of Luray Financing Request

James Ging delivered a presentation to the Board regarding the Midway Coop Elevator Electric Line Extension and Interconnection Substation project being pursued by City of Luray. He noted the estimated cost to the City of Luray for materials, labor, and equipment for the line extension is \$152,804 and \$660,000 for the interconnection substation, meaning Luray's request for financing via KPP would be approximately \$800,000.

A reimbursement resolution will be brought forth at the next meeting for Board consideration. The Board approved the financing request from Luray at \$800,000 with a twenty-year repayment plan.

Generation Repair Fund

The Generation Task Force (GTF) is discussing setting up a reserve fund to assist members in making expensive generation repairs. The member would have to apply for a grant and loan to cover the repair costs. The program would be restricted to a minimum and maximum repair cost. Loan payments would be made by withholding the generation capacity payment for the unit under repair until the loan is recovered. Hansen and Holloway commented there are many details still to be hammered out. Holloway guided the Board through an example situation. It is hoped that the GTF will bring a formal recommendation for the program to the November Board meeting for consideration.

Executive Sessions

Two executive sessions were held with no action taken.



Event Calender

DATES TO REMEMBER

NOVEMBER 1, 2024

KPP Rate Forum
KMU Training Center
McPherson, Kansas

NOVEMBER 21, 2024

KPP Board Meeting

DECEMBER 13, 2024

KPP Annual Member Meeting
KMU Training Center
McPherson, Kansas

DECEMBER 13, 2024

KPP Board Meeting

JANUARY 16, 2025

KPP Board Meeting

FEBRUARY 20, 2025

KPP Board Meeting

MARCH 20, 2025

KPP Board Meeting

KPP Resources by Fuel Source

SEPTEMBER 2024

