

LIGHTNING ROUND

April / May 2019

In this issue:

- KPP Member Appreciation Dinner
- Hey Winfield, congrats on your RP3!
- April's Board of Directors Meeting
- Changes to Generation Testing Policy Approved
- Let Me Talk to the Mayor
- New KPP Strategic Plan Emerging

KPP Member Appreciation Dinner Almost Here!

Wichita Assistant City Manager is Featured Speaker

KPP Members are again encouraged to RSVP for this year's annual Member Appreciation Dinner to be held on the evening of May 8, 2019 in connection with the KMU Annual Conference. This year's speaker will be Scot Rigby, Wichita Assistant City Manager.



With much news – and sometimes mild controversy – surrounding the construction of a new ballpark in downtown Wichita, Mr. Rigby's point of view should be especially enlightening to KPP member cities. He reports that new health care initiatives within the City of Wichita may also be instructive for our group. Previously employed by the City of Mesa, Arizona, Scot joined the Wichita administration in 2015.

Departments reporting to him include Planning, Building Plan Review and Inspections, Code Enforcement, Engineering, Fire Inspections, Housing, Real Estate, and Urban and Economic Development.

The Dinner is hosted by KPP and RSVPs are made on the KPP website. Just click on the event banner to register. Preceded by a reception at 6:30, our site for the evening is once again the Birch Room of the Hyatt. Bring your spouse and enjoy great fellowship, great food and win fun door prizes. Dress is business casual. See you there!

MEMBER APPRECIATION DINNER

WED., MAY 8, 2019
 6:30 PM - HYATT
 REGENCY - WICHITA


 Register Here

Hey Winfield, congrats on your RP3!

Reliable Public Power Provider recognition awarded to electric department

The City of Winfield and its electric utility received RP3 status on April 1. The prestigious recognition from the American Public Power Association (APPA) represents an



impressively diligent effort in the care and quality of providing electric service to customers. The award was presented at APPA's Engineering and Operations Technical Conference in Colorado Springs. Commenting on the award, Winfield Director of Utilities, Gus Collins, praised his employees. "This recognition could not have been accomplished without the dedicated service and contribution from each of the staff members in the electric department. Their commitment to excellence is second to none!!"

The RP3 designation, which lasts for three years, recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity. This year, 48 utilities earned the designation and, in total, 275 of the more than 2,000 public power utilities nation-wide hold the RP3 designation

Lengthy Agenda in April Board of Directors Meeting

Acceptance of 2018 Audit among items for consideration

Following the presentation for the 2018, the KPP Board accepted the annual audit presented again by BLD CPAs & Advisors. BKD has performed KPP's required audit for approximately 10 years giving a careful review of the Pool financial picture. James Gripka, Director at BKD, noted no significant changes over the previous year although the Pool's general statement of total assets has improved by more than \$1.5 million. That number will also be reflected in our published Annual Report upcoming in May. Also, Gripka acknowledged the increase in the Pool's Rate Stabilization Fund rising to \$9.34 million – an increase of \$2.4 million over the previous year.



James Gripka, of BKD, presents the 2018 audit.

Other business included discussions intended to advance KPP's transmission plans near Kingman as well as KPP's assistance with intended distribution upgrades inside the Kingman city limits. Both projects are indirectly related. Approval was given for entering into professional services contracts supportive of transformer plans in Kingman. Assistant General Manager, Larry Holloway, reminded that existing import limitations into Kingman are being addressed with the transmission project. In what will be a consequence to that project, the moving of a transformer inside the City will further facilitate serving Kingman's biggest customer. Costs incurred by KPP will be accounted for and passed along to the City.

Director of Administrative Services, Brooke Carroll, reported that she has now presented health charts to 12 KPP Member Cities. Brooke, who is a CPA, reminds that these are trend analysis reports showing the financial status of the utility. Twelve financial ratios important to all utilities are analyzed along with threshold warnings where necessary. Separately, Brooke also noted that more Cities have recently requested distribution adequacy assessments and utility fund balance reviews. She reminds that each of these important services are prepared and reported to Cities without charge. They are Pool services intended to assist Members in improving strength and competitive viability.



The KPP Board of Directors met in Wichita on April 18th.

Other reports were heard from Staff and also from General Counsel, J.T. Klaus. The Board will meet again on May 16th in Wichita. Dates and meeting times of KPP Board meeting are shown on the Pool's website at www.kpp.agency.

Changes to Generation Testing Policy Approved

Clarifications given on operability testing

With new obligations by KPP in submitting information to the Southwest Power Pool (SPP), certain policy changes affected the accuracy of documentation provided by KPP. Consequently, the testing policy of KPP pooled generating resources was a discussion at the April meeting of the KPP Board of Directors.

Effective 2019, KPP, and all generation utilities in SPP, provide a formal Resource Adequacy Workbook (RAW). Implicit to that submission is a declaration concerning operability and capability testing. As per SPP rules, operability tests are done annually. Capability tests are done every 5 years.



In what was intended to be a clarification of the obligations, the SPP is allowing that a successful capability test for a given year may suffice for the operability test for that same year. Accordingly, the KPP Board acknowledged and approved that subtle change in advance of distributing the notice

of the change to KPP Members.

The policy change as approved can now be seen on the KPP website. Questions can be directed to James Ging, KPP Director of Engineering Services.

‘Let Me Talk to the Mayor!’

Editor’s Note: In February KPP introduced this new segment to the Lightning Round. Each month, our intention is to report on a Q&A between CEO/General Manager Mark Chesney and the mayor of a KPP Member City. This edition features Mayor Josh Stoudt of Waterville.

Q: You’re a relatively new Mayor, what made you run for office?



A: Great question. I always viewed Waterville as a community rich in historic structures and values. I think that is great. I would like to do my part in preserving those structures and values while at the same time, expanding our focus on some more modern things for our community members to enjoy. We have started putting forth quite a bit of effort towards updating our parks and ball fields as well as building some hiking and biking trails at Lake Idlewild. I really want this community to be desirable no matter your historic or modern taste!

Q: So, what’s new and exciting in Waterville Kansas?

A: Waterville has lots of exciting news! We have recently completed a large scale renovation of our historic Opera House which turned out fantastic! Along with that, we are seeing the Opera House being utilized for all kinds of exciting events. The city is now working with “The Kansas Trail Council” and other local partners in Marshall County and we have begun designing, mapping and marking several miles of new hiking/biking trails at Waterville’s own “Lake Idlewild”! We even hope to have a few miles completed this year.



Q: KPP was happy to participate in a fund raiser for the Opera House and we commend the City also for its support to the committee in charge. Also, we are aware that the City assisted a few years ago when the restoration (or conversion) of the Weaver Hotel structure was a project. I want to ask you about issues for which there are no immediate solutions. What challenges do you see coming at “small city America” in future years? Also, what puzzle pieces will need to fall into place in order to address those challenges?



A: I see multiple challenges coming to small cities throughout. One particular challenge that “keeps me up at night” per say, is our WE doing enough? Are we doing enough to continually improve our livability? Are we putting enough continued focus on improving our community for today and tomorrow and are we suited to accommodate an influx in potential residents and homeowners.



Mid-range homes available on the market in Waterville will be a contributor to the stunted growth of the community. The city has recently started talks and are currently considering forming a committee to address median housing availability in the community. I say this because I have been addressed by more than one local business owner who has or has had trouble filling positions due to the lack of such housing availability in Waterville.

FOLLOW US ON SOCIAL MEDIA

FACEBOOK: [HTTPS://FACEBOOK.COM/KANSASPOWERPOOL](https://facebook.com/kansaspowerpool)

TWITTER: [@KANSASPOWERPOOL](https://twitter.com/kansaspowerpool)

New KPP Strategic Plan Emerging

Sessions for 12 hours produce focused operating objectives

A stronger emphasis on communications with both Members and Members' customers emerged as one of the principal areas of focus when the KPP Board of Directors and Staff met on April 22 and 23 in downtown Wichita. The strategic planning exercise was the first undertaken since early 2012.



With radical industry changes occurring since the early part of the decade, KPP officers felt that new attention was due to be given. The broad range of discussion topics included the need for stronger and clearer communication of Public Power benefits to constituencies. The promotion of Public Power Week was also a resounding theme.



KPP Board President, Larry Paine, comments during the strategic planning exercise.

Facilitated by Steve VanderMeer of Hometown Connections, attendees methodically and thoroughly stepped through other topics including:

- Broader solar adoption
- New revenues and less carbon through electric vehicle promotion
- New field services by KPP including distribution maintenance assistance
- Enhanced customer service through KPP's hosting of utility billing and funding smart meters
- Stronger promotion of energy efficiency
- Hosting technical workshops to introduce and educate on emerging technologies

Attendees were warned of the increasing damage done to utilities through the subtle but motivated efforts of 3rd parties who insert themselves between the utility and the utility's customer.



The critical need to establish the utility as a trusted energy advisor, and the helpful role KPP should play, had consensus. The future of the strength of Public Power and its ability to compete had recurring reference with each discussion.

KPP intends to soon formalize both a mission statement and vision statement and then to further engage Members.