



ANNUAL REPORT

2019

MISSION

KMEA provides solutions for reliable and cost effective energy for its members.

VISION

KMEA is committed to adding value and helping our members navigate the rapidly evolving and complex energy industry. Our agency will be engaged and responsive to our members' needs with innovative solutions. KMEA will be at the forefront of emerging technology and industry developments that could impact our members and their customers.

KMEA is a member driven agency where every employee's goal is to provide each member with the information, solutions, and services they need. We will maintain a member-centric approach; one of continuous improvement, so that we remain the energy solution provider of choice.

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A MESSAGE FROM THE KMEA PRESIDENT AND GENERAL MANAGER



As we reflect on this past year, 2019 would be classified as a “building block” year for KMEA. In early 2019, the KMEA/KMGA Strategic Plan was finalized providing a road map to the future for the agencies. This comprehensive plan focuses on three areas of focus – strategic growth, communications/identity, and organization. Further details are included in the coming pages of this report, but much emphasis was placed on strategic growth. It was quite evident that the membership placed a high priority on KMEA exploring new and expanded services that could be provided to meet the growing needs of the cities.

Guided by the results of a member survey that was completed in 2019, staff began working on three new service areas, cost-of-service/rate design expertise, expanded project management/engineering services, and line distribution maintenance services.

- **Cost-of-Service/Rate Design:** In June, we filled the new position of Manager of Regulatory & Rates. The agency now has the expertise and resources to provide assistance regarding cost-of-service and rate design work for our members as well as further expanding our regulatory knowledge and capabilities.
- **Expanded Project Management/Engineering Services:** KMEA staff has provided project management services for several large projects over the past couple years and the need keeps increasing. Much work was put in by both the Executive Committee and staff during this past year and some options were identified. A plan was put in place to purchase the assets of Mid-States Energy Works, Inc. and this transaction should close in mid-2020. This new business unit will allow KMEA to provide these types of services at a very low cost to our communities.
- **Line Distribution Services:** Much time and effort has been focused on this need for many of our members. A new committee (KMEA Advisory Committee) was formed for the specific task to work on finding solutions. Through the work of the committee, KMEA will employ its first line crew in the City of Dighton to provide maintenance of the city's system starting in May 2020. This crew will be made available to assist other cities in western Kansas, as well and efforts will continue expand this type of service to other parts of the state.

Although much time was spent on the strategic plan, we didn't want to slight the other successes during the year. A new area of revenue for our Energy Management Project (EMP) cities and transmission service cities was implemented through a transmission hedging optimization effort producing over \$500,000 of “new” revenue for these members. In June, we successfully brought Mankato and Cimarron into our EMP2 group with a seamless transition. Seven other cities made decisions during 2019 to join an EMP in the future. Six cities will join the EMP3 group on June 1, 2020 and another city signed on to join the EMP2 group once their existing power supply arrangement ends in 2021. We were able to secure new power contracts for several of our members insuring a reliable and cost-effective power supply for their communities for years to come.

We are excited about the building blocks that were constructed over this past year and the opportunities that it will create in 2020 and beyond. We would like to thank the entire membership for all the trust and support that you have provided us over the past year!

MIKE MUIRHEAD
KMEA PRESIDENT

PAUL MAHLBERG
KMEA GENERAL MANAGER

STRATEGIC PLAN IMPLEMENTATION UNDERWAY

In 2018 and 2019, the two agencies came together through a joint task force to develop a combined strategic plan which was presented to both boards during our May 2019 meetings. The comprehensive plan resulted in three areas of focus: communications/identity, organization and strategic growth. During 2019, working under the direction of the KMEA and KMGAs Executive Committees, much progress was made on the objectives in these three areas:



COMMUNICATIONS/IDENTITY

- ✓ To increase our presence on the national level, all EMP cities have become members of American Public Power Association (APPA), the group that represents community-owned utilities at the national level. We now have more than 40 members in APPA.
- ✓ To further increase our identity, videos were produced that tell the KMEA story and provide an overview of the benefits of membership. These educational tools are available for cities to share with their governing bodies and staff. Work to produce similar videos geared towards KMGAs members.
- ✓ For the benefit of KMGAs member communities, we began participating at meetings of the American Public Gas Association.
- ✓ We have increased our presence with outside organizations and states legislators through increased participation at meetings and events.

STRATEGIC GROWTH

- ✓ Guided by the results of a member survey that was completed in early 2019, staff began working on three new service areas, cost-of-service/rate design, expanded project management and engineering, and line distribution maintenance.
- ✓ In June, the newly created position of Manager of Regulatory and Rates was filled. We are proud to now include cost-of-service and rate design services to all KMEA member cities.
- ✓ Much time and effort has been focused on a critical need for many KMEA members - electric distribution line maintenance. A new advisory committee was formed with the specific task of finding solutions to fill the void in this area. The committee is currently developing a plan for the western Kansas which we believe will be put into motion during 2020. Similar efforts in other parts of the state are ongoing as well.
- ✓ Another area of focus has been on project management and engineering services. KMEA staff has provided these services for several large projects over the past couple years but the need is ever increasing. Potential options have been identified to address this need and our goal is to implement them in 2020.

ORGANIZATION

- ✓ To provide guidance on future staffing needs, a formal succession plan was completed and presented to the Joint Board for Administration in September.
- ✓ In addition, both executive committees undertook a separate planning session focusing on maintaining a diverse and sustainable leadership group for their respective agencies into the future.

CITIES OF LA HARPE AND MORRILL BECOME THE NEWEST KMEA MEMBERS

In 2019 the KMEA Board of Directors approved the addition of the cities of La Harpe and Morrill to the membership, bringing the total number of KMEA members to 81.



GOLF OUTING

The 2019 KMEA Annual Golf Outing was held at Deer Creek Golf Club in Overland Park on June 4. The StressCrete Group of Atchison, Kansas, was the title sponsor of the event. NextEra Energy also generously lent their support to the event. Golfers from KMEA/KMGA member cities, Mid-States Energy Works, NextEra Energy, Power Engineers, StressCrete, and KMEA staff participated.



JOINT EMP MEETING

The joint EMP meeting was held June 5 in Overland Park, Kansas, where members were provided information from several presenters. Kimberly Svaty kicked off the meeting by providing a legislative update. She was followed by Shauna Johnson, Utility Billing Clerk for the City of Goodland, who demonstrated the smart metering system their city is utilizing. The third presenter of the day was Royce Fawcett, VP and General Manager for StressCrete. He talked about some of their products including spun concrete poles and street lights. DJ Smith gave a presentation on periodic generator testing. The meeting concluded with KMEA updates provided by John Seck and Tom Saitta.

In honor of her many years of service, Paula Campbell was recognized at the meeting. Paula retired on June 28 after over twenty-eight years of dedication to KMEA.

The attendees of the joint EMP meeting were treated to a night of Royals baseball at Kauffman Stadium. Power Engineers Inc. sponsored the event that included access to the Price Chopper Patio and a buffet style meal.



Annual Conference 2019

The 2019 KMEA Annual Conference was held October 3 and 4 at the Drury Plaza Hotel Broadview in Wichita. A large number of utility personnel, administrative staff, and elected officials were in attendance, filling the venue to capacity. Day one began with the KMGa and KMEA board of directors meetings. The general session followed that afternoon with a presentation from comedian [Avish Parashar](#), who engaged the audience while imparting a key lesson: "planning is important, but improvising is essential!" The day two keynote speaker was [Dave Armstrong](#), a college and professional sports announcer who shared his life story and lessons learned from coaches, managers and players.



Keynote Speakers



Avish Parashar



Dave Armstrong



(From left to right)
Paul Mahlberg and KMEA President
Randy Frazer



(From left to right)
KMEA President Mike Muirhead,
Paul Mahlberg, and Greg DuMars

BREAKOUT SPEAKERS



Clifford Swoape
Middle Tennessee Natural
Gas Utility District



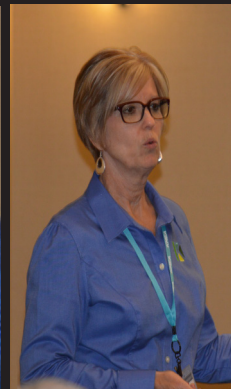
Deb Miller
KU Public Management Center



Rachana Vidhi
NextEra Energy



John Seck
KMEA



Dixie Riedel
KMGA



Rob Janssen
Kelson Energy

Breakout sessions were presented later in the day by individuals from the electric and gas industries. These presentations included: "Gas System Public Awareness" by Clifford Swoape (Middle Tennessee Natural Gas Utility District), "Developing Leaders" by Deb Miller (KU Public Management Center), "Integration of Battery Storage" by Rachana Vidhi (NextEra Energy), "KMEA 101" by John Seck (KMEA Staff), "KMGA 101" by Dixie Riedel (KMGA Staff), and "Future Path of SPP" by Rob Janssen (Kelson Energy).

On Friday morning, municipalization was the topic discussed by Jay Byers and Daron Hall (from the City of Pittsburg, Kansas). The presentation was followed by a Kansas legislative update given by Colin Hansen (KMU).



Jay Byers and Daron Hall
City of Pittsburg



Colin Hansen
KMU

KMEA 2019 AWARDS



GIL HANSON AWARD MERL PAGE

Merl Page, City Manager of the City of Wamego, was selected by past winners to receive the 2019 Gilbert E. Hanson Outstanding Service Award. This award, named in honor of KMEA's First General Manager, recognizes those who have made significant contributions to municipal joint action, their communities, the electric utility industry, and public power.



MAX EMBREE AWARD GARY ROWDEN

Gary Rowden, Electric System Supervisor of the City of Hugoton, was selected as the 2019 Max Embree Award recipient. Max Embree was a long-time resident of the City of Colby and played a leading role in the early years of KMEA. The award honors his memory and is awarded to individuals who have demonstrated exceptional leadership and devoted service to both KMEA and public power.



DEDICATED COMMITMENT TO SERVICE AWARD IRA HARRISON,

Ira Harrison, Electric Production Superintendent for the City of Holton, was selected as the 2019 Dedicated Commitment to Service Award recipient. This award was established to recognize an employee of a KMEA member city who has, over a period of years, demonstrated outstanding performance and made significant contribution to their municipal utility. Kerwin McKee, City Manager received the Award on Ira's behalf.



CITY OF HUGOTON CELEBRATED POWER CENTENNIAL

The City of Hugoton reached the centennial milestone in 2019 representing 100 years of public power. KMEA recognized the city at the Annual Conference. To celebrate, KMEA presented Hugoton with a plaque commemorating this historic achievement. Gary Rowden, Electric System Supervisor received the award on behalf of the City of Hugoton.

NEW CONTRACTS

KMEA is actively engaged and responsive to our members' short-term, intermediate, and long-term energy needs. In 2019, our agency assisted several member cities with the execution of contracts to secure reliable and effective power supply for their communities for years to come. In addition, KMEA continues to look for ways to optimize the value of members' resources.

EMP1

In May, KMEA's Executive Committee authorized the execution of power supply agreements for the cities of Pomona and Prescott for the period of 2020 through 2029.

EMP2

In April, KMEA's Executive Committee authorized the execution of power supply agreements for the cities of Ashland, Stockton, and Washington for the period of June 2019 through September 2023.

In August, the Executive Committee authorized the execution of capacity and energy agreements for the City of Garden City for the period of 2021 through 2025. Various other agreements were signed between KMEA and the cities of Garden City, Beloit, Hoisington, Lincoln Center, and Russell.

In November, the City of Oberlin joined EMP2. Oberlin currently receives power supply through KMEA's WAPA & SPA projects and will be receiving long term power supply through KMEA from January 2022 through December 2031. Oberlin will meet its SPP capacity requirement with its city owned generation.

EMP3

In April, KMEA welcomed the cities of Blue Mound, La Harpe, and Moran to EMP3. KMEA signed physical transaction confirmations and long term energy agreements for and with those cities. These contracts are effective June 1, 2020 through the end of 2027. In addition, these three cities have agreed to purchase capacity to meet their SPP requirement from excess capacity available within the EMP3 project.

SPA Project

In May the KMEA's Executive Committee adopted Resolution No. 215, approving the extension of a 15-year power sales agreement with the Southwestern Power Administration (SPA) effective

June 1, 2019. Project agreements between KMEA and each of the SPA project participants were also executed.

Resource Management

On January 17, 2019, KMEA and The Energy Authority (TEA) entered into a one-year resource management agreement. Under the agreement, TEA is able to expand the services it can provide to KMEA, especially in the area of congestion hedging.

Sale of Renewable Energy Credits (REC's)

On February 14, 2019, the KMEA Executive Committee authorized KMEA to further expand the purchase and sale of RECs on behalf of members with the assistance of a broker, if needed.



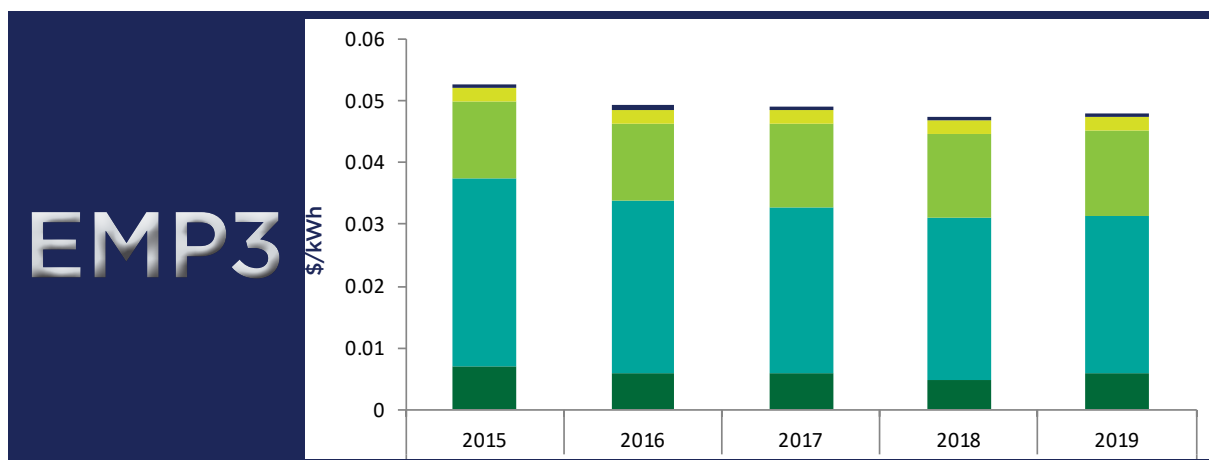
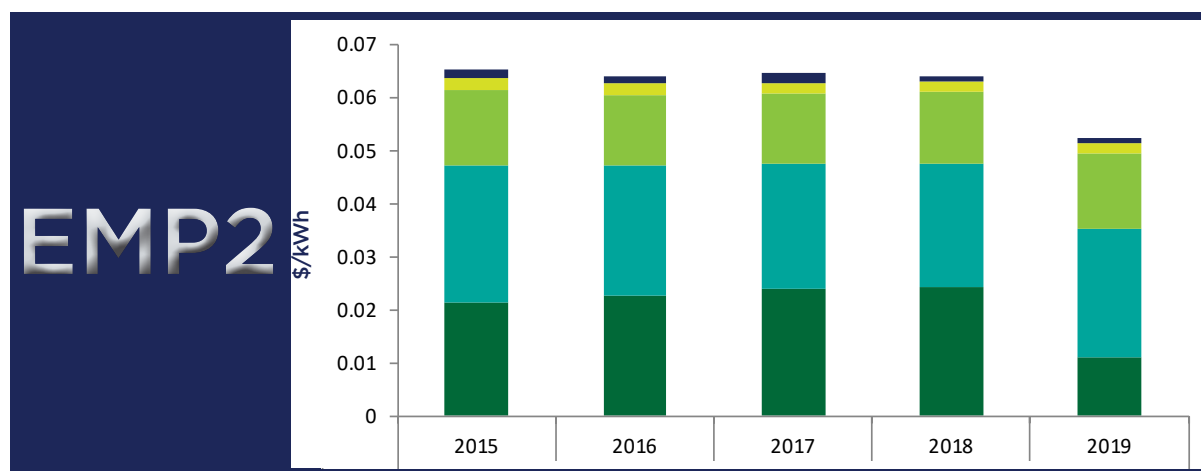
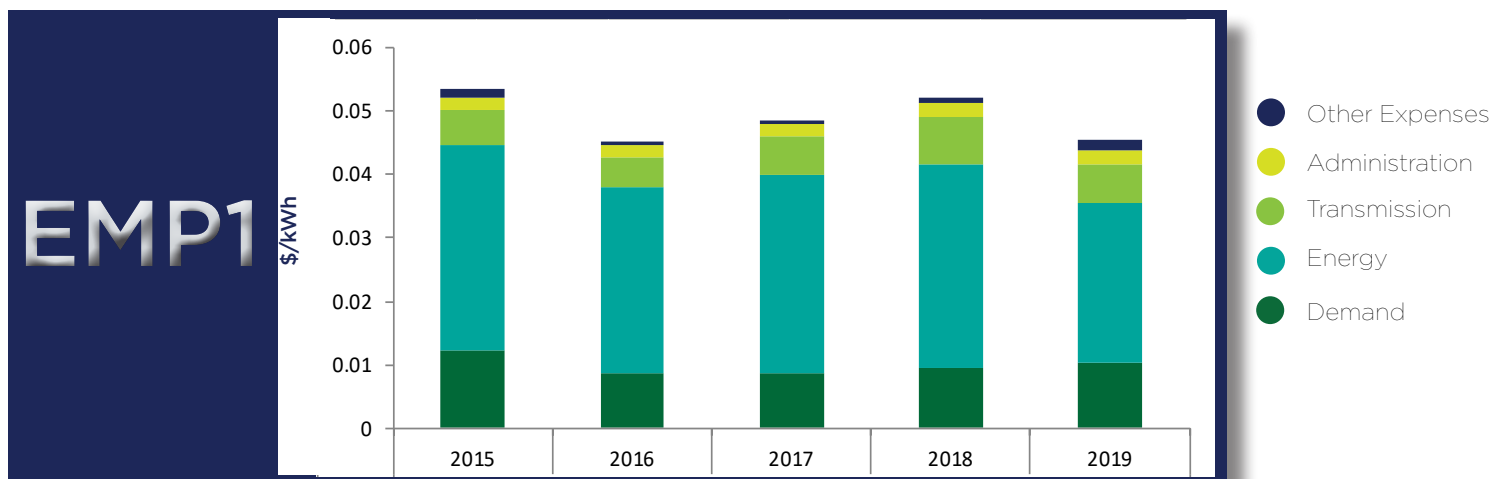
2019 YEAR-END FACTS

- ✓ 35= Number of cities KMEA represents in the SPP Integrated Marketplace
- ✓ \$33,233,714= Total cost of energy for load with ancillary services
- ✓ \$23.23= Average \$/MWh cost of energy for load with ancillary services
- ✓ \$1.344/MWh= Net benefit to cities from day-ahead congestion and congestion hedges
- ✓ 62,595= Miles travelled visiting member cities, attending meetings and conferences
- ✓ 92= Member cities KMEA /KMG staff visited

KMEA MARKET REVIEW

Energy Management Projects, or EMPs, are aggregations of KMEA members and range in size from seven to nineteen electric cities. Each city, with KMEA helping along the way, crafted a unique power supply portfolio that best serves its needs. Generally grouped by transmission zone, the EMPs each observe unique costs for demand (capacity), transmission, and energy. To lower costs and increase reliability, members of EMP1, EMP2, and EMP3 recently made changes to the energy supply products that serve their load. For example, many EMP cities have transitioned from higher priced baseload energy with capacity contracts to energy-only and renewable energy products. Additionally, one city acted to lower their transmission costs by investing in their own distribution infrastructure. By connecting directly to the high voltage transmission grid, they were able to bypass local distribution access charges and increase reliability at the same time. KMEA is helping other Kansas communities evaluate similar projects. On average, in 2019 EMP member power supply costs consisted of capacity (19%), energy (52%), and transmission (23%).

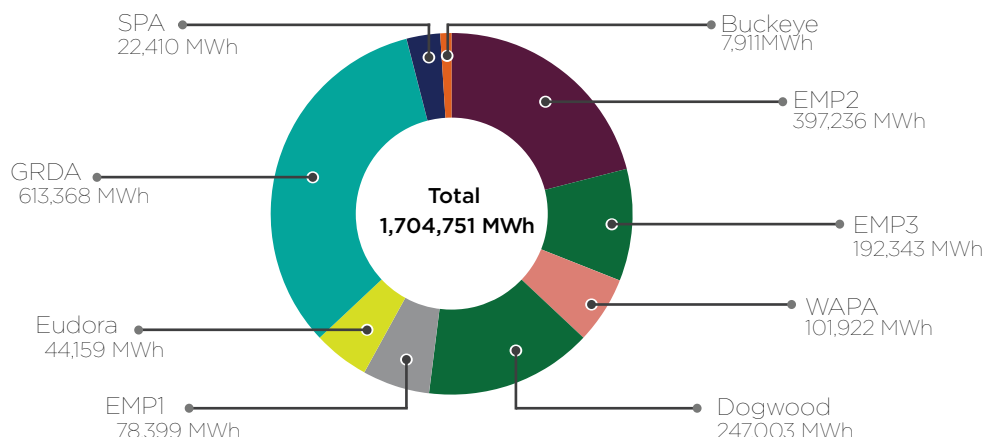
HISTORICAL POWER SUPPLY COST BREAKDOWN BY EMP



KMEA PROJECTS AND RESOURCES

KMEA actively seeks power marketing arrangements that match member cities' short and long-term power supply and capacity needs with power supply alternatives. KMEA member cities benefit from a broad range of supply options and competitive supplier pricing because of the larger market presence that the joint action approach brings. KMEA has championed multiple energy and capacity sales between cities, providing them with opportunities to optimize their resources. Additionally, KMEA has enabling agreements in place with multiple suppliers allowing us to more quickly evaluate and act on proposals. KMEA, along with member cities, have developed strategies to best utilize transmission rights.

2019 PROJECT MEGAWATT-HOURS

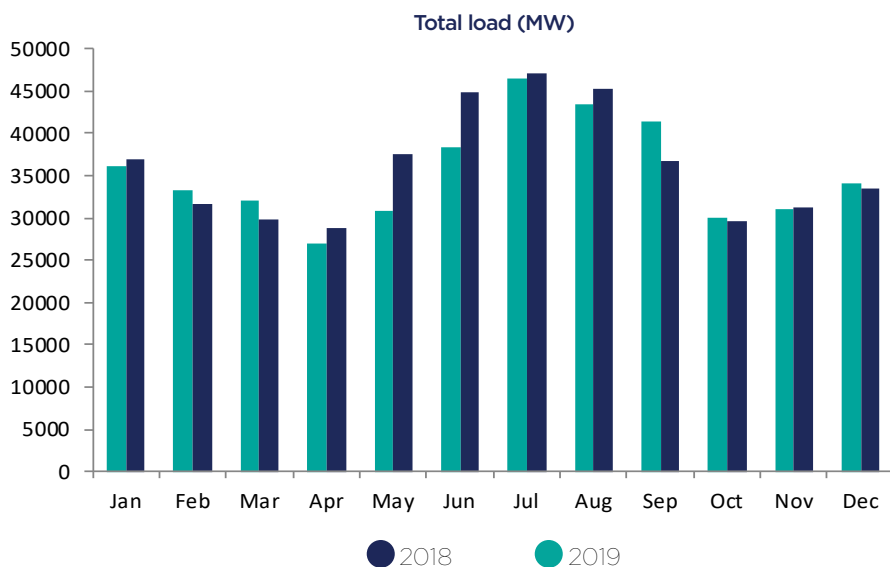


ENERGY MANAGEMENT PROJECTS

Energy Management Projects (EMPs) were created to build governance structures and establish common reliability with metering standards. They share capacity and exchange energy at agreed upon pricing, while jointly planning future electric power supplies. EMPs utilize KMEA operations central dispatch center. Under the EMP agreements, project cities' loads are forecasted and aggregated to a single load which is then submitted to the Southwest Power Pool (SPP) for clearing in the Integrated Marketplace (IM). Additionally, each city's resources, whether contracted or generation, are scheduled or offered in the IM. KMEA also manages transmission congestion hedges as specified by protocols developed by each EMP group.

ENERGY MANAGEMENT PROJECT NO.1 (EMP1)

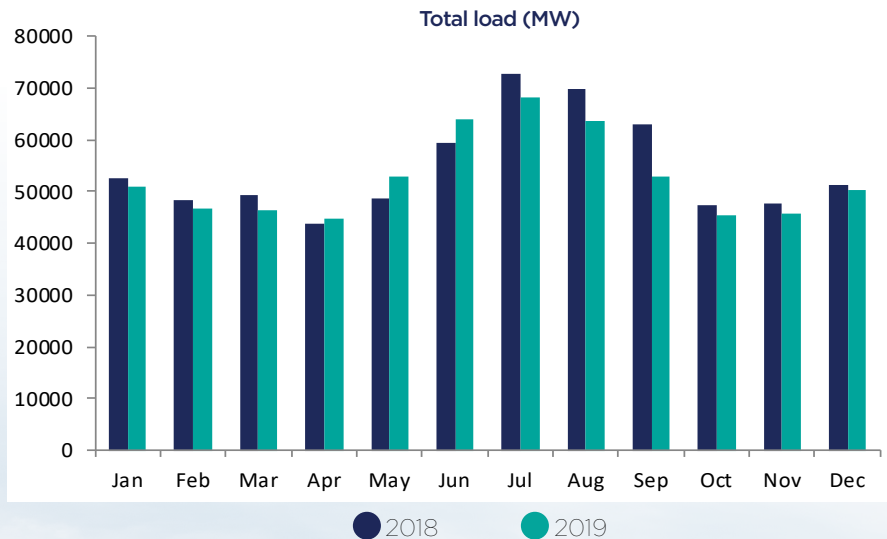
EMP1 began delivering electricity on June 1, 2006. Baldwin City, Gardner, Garnett, Osawatomie, and Ottawa were the founding members. The City of Pomona joined in 2015 and the City of Prescott joined in 2017.



Baldwin City
Gardner
Garnett
Osawatomie
Ottawa
Pomona
Prescott

ENERGY MANAGEMENT PROJECT NO.2 (EMP2)

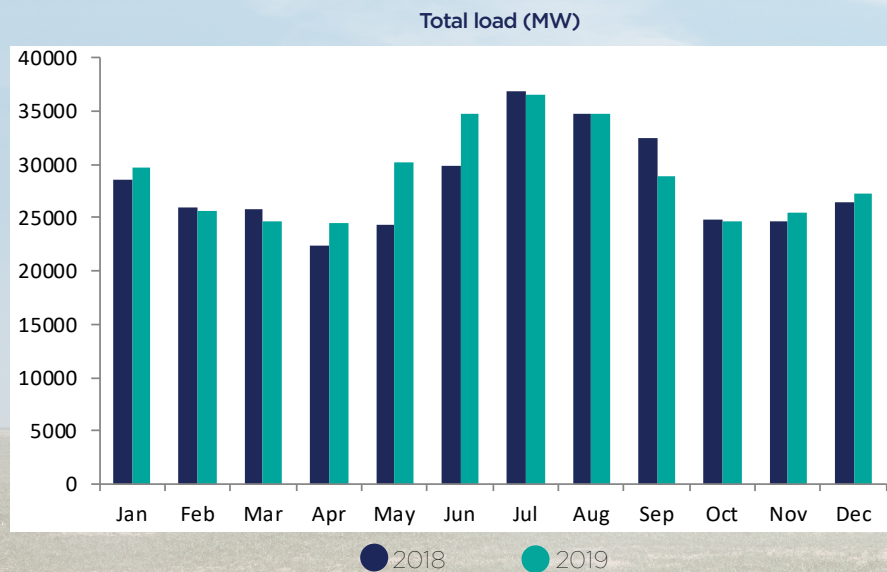
EMP2 began delivering electricity on November 1, 2007. Ashland, Beloit, Hoisington, Lincoln Center, Osborne, Russell, Sharon Springs, Stockton, and Washington were founding members. Additionally, Anthony, Cimarron, Garden City, Mankato, Meade, and Oberlin have joined since EMP2's inception.



Anthony
Ashland
Beloit
Cimarron
Garden City
Hoisington
Lincoln Center
Mankato
Meade
Oberlin
Osborne
Russell
Sharon Springs
Stockton
Washington

ENERGY MANAGEMENT PROJECT NO.3 (EMP3)

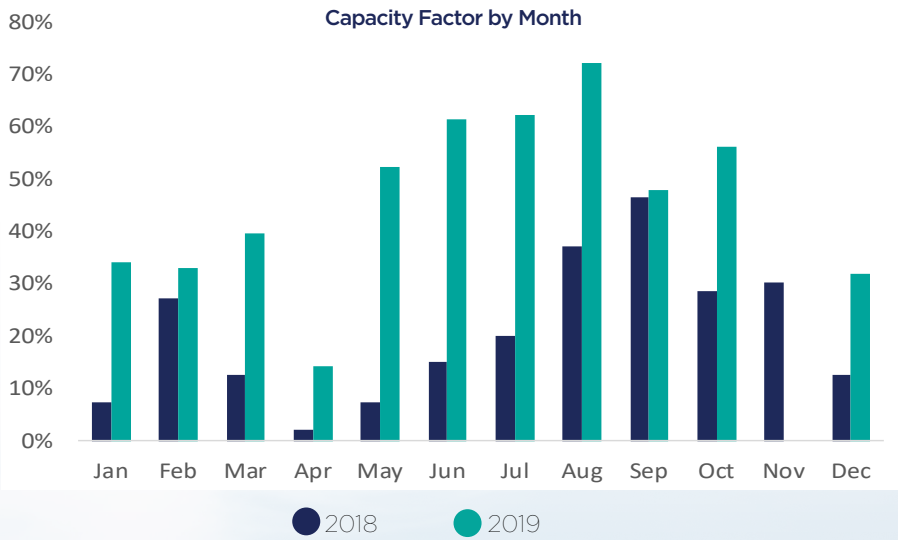
EMP3 began delivering electricity to its first participating city in May 2013. Burlingame, Chapman, Girard, Holton, Horton, Neodesha, Osage City, Seneca, Sterling, and Wamego were founding members. Altamont, Arma, Blue Mound, Chetopa, Jetmore, Kiowa, La Harpe, Lindsborg, and Moran have since joined.



Altamont
Arma
Blue Mound
Burlingame
Chapman
Chetopa
Girard
Holton
Horton
Jetmore
Kiowa
La Harpe
Lindsborg
Moran
Neodesha
Osage City
Seneca
Sterling
Wamego

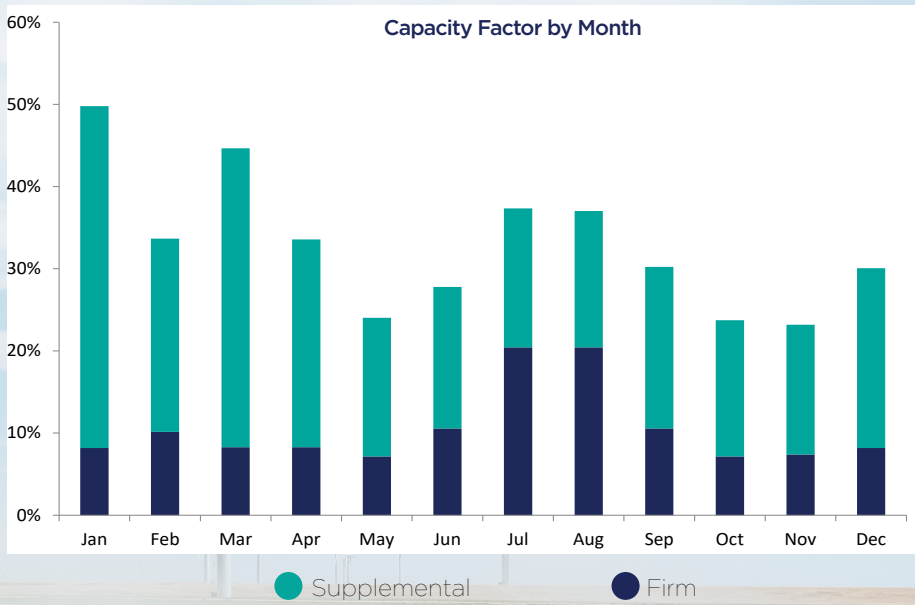
DOGWOOD PROJECT

On July 19, 2017, KMEA entered into an Asset Purchase Agreement with Dogwood Energy LLC for the purchase of a 10.1% ownership interest (approximately 62 megawatts) in the Dogwood Energy Facility on behalf of five member cities. Dogwood is a 650 MW, natural gas fired, combined-cycle facility located in Pleasant Hill, Missouri. Through this arrangement, **Garden City, Gardner, Lindsborg, Ottawa, and Russell** were able to join forces to secure a life-of-unit, reliable and economic power supply resource for each of their communities. The project began providing energy to the five cities on March 30, 2018.



SOUTHWESTERN POWER ADMINISTRATION (SPA)

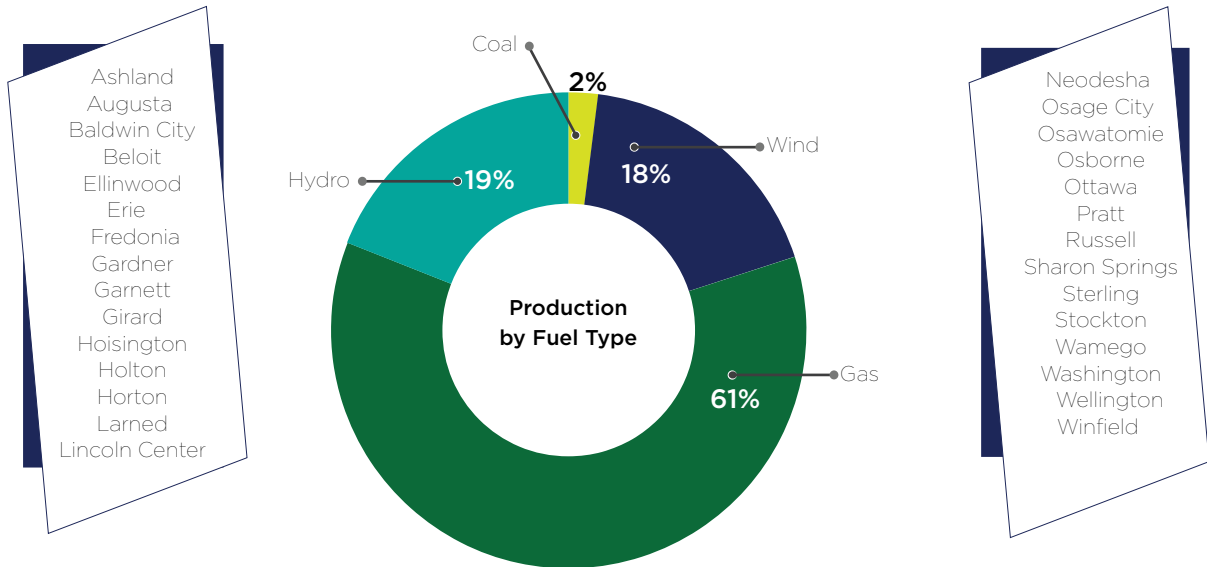
In 1983 KMEA and the Southwestern Power Administration (SPA) entered into a contract where the participant cities would take their individual entitlements to federal hydroelectric power, total 11.2 MW. In 2019 the project participants, KMEA, and SPA extended the contract through 2034. SPA also provides low-cost supplemental energy when favorable water conditions exist at its hydroelectric facilities.



- Anthony
- Baldwin City
- Colby
- Garnett
- Herington
- Holton
- Horton
- LaCrosse
- Lindsborg
- Neodesha
- Norton
- Oberlin
- Osawatomie
- Ottawa
- Sharon Springs
- St. Francis
- Wamego

GRAND RIVER DAM AUTHORITY (GRDA)

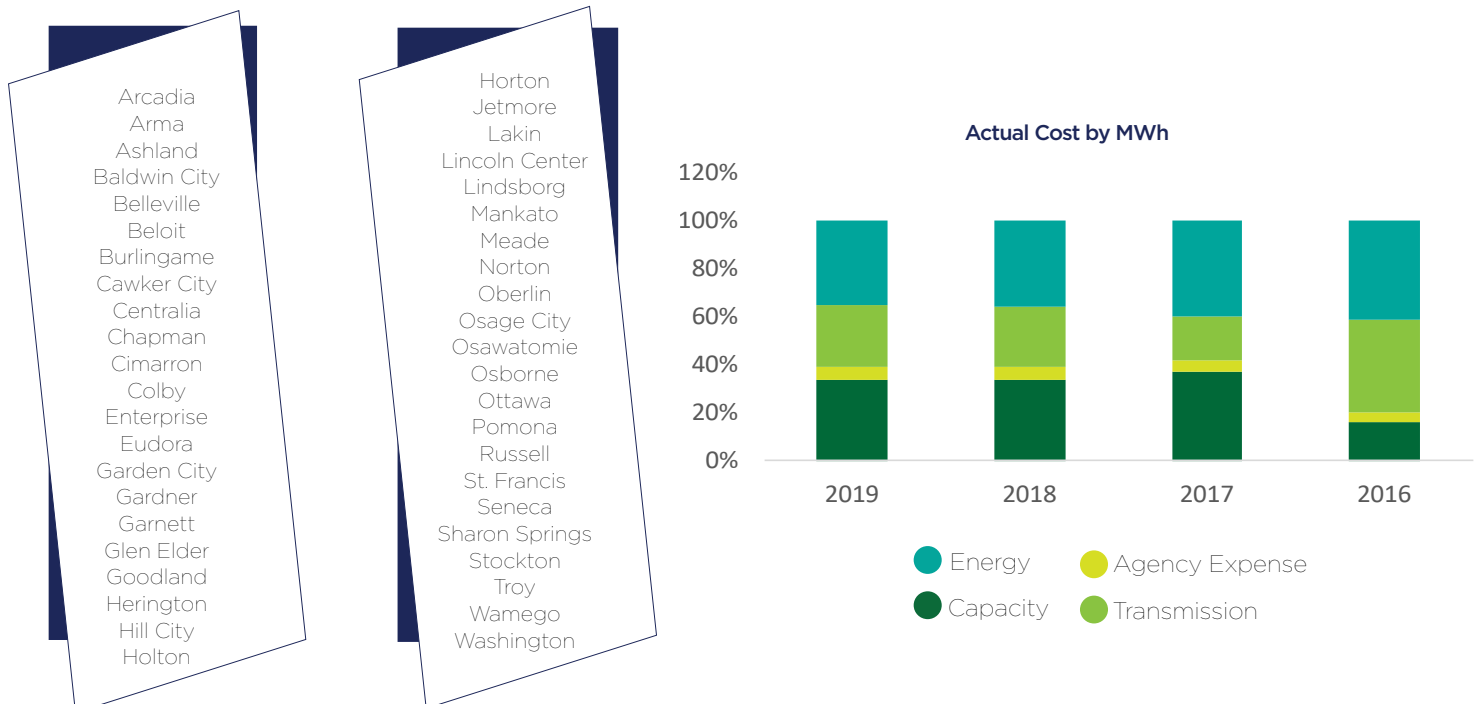
On January 19, 2000, KMEA and the Grand River Dam Authority (GRDA) entered into a 10-year power purchase agreement (PPA) for 39 MWs. The agreement consists of base load capacity and energy, which is delivered on long-term, firm transmission. In 2005 the agreement was extended to April 30, 2026, and the amount increased to 84 MWs in order to facilitate the addition of eight KMEA member cities.



WESTERN AREA POWER ADMINISTRATION (WAPA)

Under contracts with the Western Area Power Administration (WAPA), forty-nine project participants are entitled to firm hydroelectric capacity totaling 33.5 MW in the summer and 28.8 MW in the winter, with associated energy of 103,108 MWh annually. WAPA entitlements of several class "B" cities' were temporarily reassigned to eighteen class "A" cities that were able to arrange for economical transmission across utility systems. In October 1989, KMEA's WAPA cities began receiving hydroelectric power. Over the years, as economical transmission service has become available class "B" cities have started taking their allocation. Beginning on June 1, 2019, all Class "B" cities have been able to procure transmission service and are receiving full delivery of their direct allocation energy.

WAPA energy is scheduled to enable the participating cities to avoid demand charges and replace high-cost, peak-hour energy. In 1997 the WAPA power supply agreement was extended by 20 years through 2024. In 2016 the WAPA agreement was again extended through 2054.



BUCKEYE WIND

On November 22, 2017, KMEA entered into a 15-year power purchase agreement with Buckeye Wind Energy LLC. The wind farm is located in Ellis County, Kansas, and has an installed capacity of 200 MW. Twenty-three of our members are participating in this long-term, economical energy supply ranging from a 0.2 megawatt share to a 15.0 megawatt share for one of the larger member communities. The project began providing wind power to our members on June 1, 2018.

Anthony
Ashland
Baldwin City
Beloit
Cimarron
Colby
Garden City
Hoisington
Holton
Jetmore
Lincoln Center

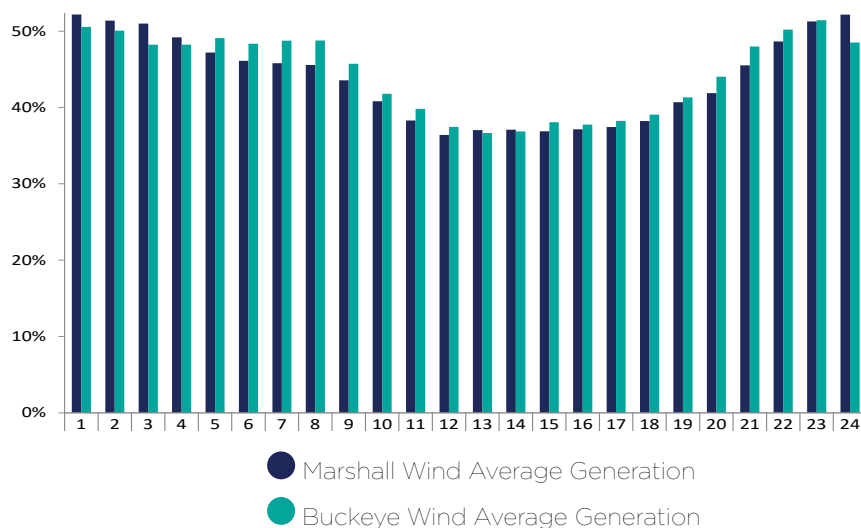
Lindsborg
Mankato
Meade
Osage City
Osborne
Ottawa
Pomona
Russell
Sharon Springs
Stockton
Wamego
Washington

MARSHALL WIND

KMEA entered into a 20-year power purchase agreement with Marshall Wind Energy LLC on February 2, 2016. The wind farm is located in Marshall County, Kansas, and has an installed capacity of 72 MW. KMEA's first renewable wind energy resource, Marshall Wind provides renewable energy to four EMP1 Cities. The facility began providing power to KMEA members on March 22, 2016. In 2019 total energy delivered to the participating cities was 29,336 MWh.

Baldwin City
Gardner
Garnett
Ottawa

Buckeye and Marshall Capacity Factor by Hour



KMEA BOARD OF DIRECTORS



Alma

1. Michael Slobodnik
2. Jeff Clark
3. Sharon White

Altamont

1. Peggy Ybarra
2. Brad Myers
3. Christina Schlatter

Anthony

1. Larry Berry
2. Steve Wilkinson
3. Cyndra Kastens

Arcadia

- 1.
- 2.
- 3.

Arma

1. Scott Popejoy
2. Dick Cleland
3. Ray Vail

Ashland

1. Brandon Bates
2. Doug Roberts
3. Rock Hill

Attica

1. Lyle Redgate
2. Angela Alexander
3. Chuck Berry

Augusta

1. Jim Sutton
2. Mike Rawlings
3. Josh Shaw

Baldwin City

1. Tony Brown
2. Glenn Rodden
3. Rob Culley

Belleville

1. Adam Anderson
2. Russ Piroutek
3. Brian Phillips

Beloit

1. Jason Rabe
2. Manny Milbers
3. Steven Krier

Blue Mound

1. Max Krull
2. Don Rhynerson
3. Byron Coates

Burlingame

1. Wesley Colson
2. David Punches
3. Patty Atchison

Burlington

1. Alan Schneider
2. R. Standley Luke
- 3.

Cawker City

1. Lisha Wiese
2. Cole Eberle
3. Doug Bader

Centralia

1. Jay Gibbs
2. Kelli Holthaus
3. Dustin Walters

Chanute

- 1.
2. Jeff Cantrell
3. Rick Willis

Chapman

1. John Dudte
2. Jacob Oppenheimer
3. Tim Jury

Chetopa

1. Gary Bryant
2. Debra Darnell
3. Toni Crumrine

Cimarron

1. Jeff Acton
2. Shannon Hoskinson
3. Darrell Dupree

Coffeyville

1. Mark Hall
2. Mike Shook
3. Tony Lawson

Colby

1. Patt Mallory
2. Tyson McGreer
3. Gary Adrian

Dighton

1. Craig Collins
2. Matthew McClure
3. Christine Birney-Carter

Enterprise

1. Paul Froelich
2. Deana Payne
- 3.

Erie

1. Darrell Bauer
2. Jason Thompson
- 3.

Eudora

1. Branden Boyd
2. James Eldon Brown
3. Mark Landry

Fredonia

1. Bill Jones
2. Carolyn Anderson
- 3.

Garden City

1. Mike Muirhead
2. Cliff Sonnenberg
3. Kent Pottorf

Gardner

- 1.
2. Gonzalo Garcia
3. Clint Barney

Garnett

1. Christopher Weiner
2. Robert Mills
3. Troy Hart

Girard

1. Brandon Foraker
2. Clifford Scales
3. Johanna Winter

Glasco

1. Edward Bellows
2. Mike Dove
- 3.

Glen Elder

1. Jerri Senger
2. Eldon Behymer
3. Ryan Duskie

Goodland

1. Dustin Bedore
2. Andrew Finzen
3. Chris Douglass

Herington

1. David Kahle
2. Jason Alt
3. Dave Jones

Hill City

1. Scott Roberts
2. Dennis Mersch
3. Greg Deines

Hoisington

1. Jonathan Mitchell
2. Donita Crutcher
3. Ray Byers

Holton

1. Kerwin McKee
2. Ira Harrison
3. Scott Fredrickson

Horton

1. Wade Edwards
2. Bryan Stirton
3. Rex West

Hugoton

1. Gary Rowden
2. Charlie Wagner
3. Logan Frederick

Iola

1. Mike Phillips
2. Charles Heffern
3. Sid Fleming

Jetmore

1. Michael Ort
2. Derek Olson
3. Brian Beil

Johnson City

1. Tyce McMillan
2. Seth Nelson
3. Bret Kendrick

Kansas City BPU

1. Dong Quach
2. Jerry Ohmes
3. Jerin Purtee

Kiowa

- 1.
2. Trish Brewer
3. Bill Watson

La Crosse

1. Duane Moeder
2. Bruce Jones
3. Rollie Holopirek

La Harpe

1. Sharlyn Thompson
2. Ron Knavel
- 3.

Lakin

1. Robbie McCombs
2. Nicolas Hansen
3. Amanda Riedl

Larned

1. Bradley Eilts
2. Ralph Streit
3. Harry Zielke

Lincoln Center

1. Jack Crispin, Jr.
2. Jeff Ahring
3. Melodee Larsen

Lindsborg

1. Gregory DuMars
2. Blaine Heble
3. Becky Anderson

Mankato

1. Don Koester
- 2.
3. Steven Porter

Meade

1. Brian Kroth
2. J.D. Hegwood
3. Dean Cordes

Montezuma

1. Dwight Watson
2. Staci Gibson
3. Matthew Axtell

Moran

1. William Bigelow
2. Kristofor Smith
3. Corliss Lynes

Morrill

1. Roger Price
2. Todd Gruber
3. Kevin Wikle

Moundridge

1. Kevin Schmidt
2. Jeremy Moore
3. Randy Frazer

Neodesha

1. Brandon Hearn
2. Ed Truelove
- 3.

Norton

1. James Moreau
2. James Miller
3. Dan Sisk

Oberlin

1. Halley Roberson
2. Garret McDougal
3. David Sporn

Osage City

1. Rod Willis
2. Joey Lamond
3. Eric Heiserman

Osawatomie

1. Terry Upshaw
2. William Butcher
3. Mark Govea

Osborne

1. Scott Nuzum
2. Ronald Lynn, Jr.
3. Eric Standley

Ottawa

1. Sara Caylor
2. Dennis Tharp
3. Jeff Oleson

Pomona

1. Dean Wineinger
- 2.
- 3.

Pratt

- 1.
2. Jamie Huber
3. Evan Hance

Prescott

1. Rolland Grigsby
2. Kevin Wood
3. Kathy Wood

Robinson

1. Mark Lieneman
2. Steve Brown
3. David Taylor

Russell

1. Jon Quinday
2. Duane Banks
3. Jim Cross

St. Francis

1. Scott Schultz
2. JR Landenberger
3. Kale Dankenbring

St. John

1. Jeff Williamson
2. Marshal Sanders
3. Ryan Christie

Seneca

1. Jim Mitchell
2. Matt Rehder
3. Bruce Deters

Sharon Springs

1. Brad Hatfield
2. Will Walker
3. Dennis Sharp

Stafford

- 1.
- 2.
3. Dennis Dye

Sterling

1. John Wagerle
- 2.
3. David Fankhauser

Stockton

1. Kim Thomas
2. Jeff Scott
3. Keith Schlaegel

Troy

1. William Ruhnke
2. Gary Clary
3. Robert Jenkins

Wamego

1. Thomas Beem
2. Stacie Eichem
- 3.

Washington

1. Richard Applegarth
2. Don Imhoff
3. Carl Chalfant

Wellington

1. Jason Newberry
2. Roger Estes
3. Shane Shields

Winfield

1. Gus Collins
2. Taggart Wall
3. Gregory Thompson

KMEA MEMBER CITIES SUMMARY

City	Population	kWhs Sold	Peak kW
Alma	895	12,035,662	3,197
Altamont	1,134	7,513,985	2,394
Anthony	2,300	32,437,055	8,567
Arcadia	310	1,200,000	300
Arma	1,487	10,848,745	3,062
Ashland	807	13,060,225	4,136
Attica	622	5,399,827	1,838
Augusta	9,389	68,259,052	21,963
Baldwin City	4,691	32,856,503	9,700
Belleville	1,991	21,816,144	6,350
Beloit	3,800	42,776,567	12,645
Blue Mound	270	1,868,068	429
Burlingame	934	8,098,341	2,444
Burlington	2,553	31,250,357	8,864
Cawker City	456	5,779,217	1,403
Centralia	300	3,756,110	1,057
Chanute	9,054	273,379,530	53,850
Chapman	1,400	11,696,533	3,654
Chetopa	1,035	8,228,053	2,444
Cimarron	2,242	15,591,888	5,310
Coffeyville	9,800	722,893,436	110,616
Colby	5,387	62,032,968	17,100
Dighton	1,050	8,768,527	2,155
Enterprise	950	4,681,490	1,520
Erie	1,150	9,461,046	3,360
Eudora	6,300	40,194,000	12,145
Fredonia	2,270	31,384,404	8,143
Garden City	26,895	285,680,574	73,585
Gardner	23,500	147,685,890	40,400
Garnett	3,253	26,569,799	8,700
Girard	2,748	28,237,692	8,899
Glasco	498	3,299,269	1,136
Glen Elder	431	3,923,492	1,288
Goodland	4,411	46,772,377	12,600
Herington	2,526	20,024,003	5,760
Hill City	1,575	13,231,900	4,631
Hoisington	2,706	22,081,199	6,386
Holton	3,329	46,948,425	11,788
Horton	1,780	13,749,713	3,780
Hugoton	3,831	34,005,806	10,860

City	Population	kWhs Sold	Peak kW
Iola	5,704	96,670,027	24,061
Jetmore	831	7,975,716	2,700
Johnson City	1,377	17,612,968	4,631
Kansas City	165,313	2,243,787,244	483,000
Kiowa	965	10,349,463	3,462
LaCrosse	1,300	11,695,671	4,400
LaHarpe	528	3,089,037	674
Lakin	2,181	15,954,180	4,536
Larned	4,236	38,206,315	11,578
Lincoln Center	1,209	11,788,904	3,951
Lindsborg	3,288	26,754,791	8,963
Mankato	850	7,673,110	2,482
Meade	1,565	14,236,316	4,823
Montezuma	988	10,336,000	2,728
Moran	514	4,281,209	1,298
Morrill	225	1,080,758	400
Moundridge	1,850	29,466,077	7,334
Neodesha	2,486	36,830,494	10,963
Norton	2,768	24,620,036	8,215
Oberlin	1,766	13,915,507	4,504
Osage City	2,796	32,408,403	8,395
Osawatomie	4,483	31,983,367	8,300
Osborne	1,407	13,840,105	4,302
Ottawa	13,000	154,748,580	36,800
Pomona	900	6,385,634	2,000
Pratt	6,630	79,334,677	23,584
Prescott	262	1,127,192	500
Robinson	229	1,017,590	335
Russell	4,506	111,059,602	23,203
Seneca	2,000	32,142,887	8,708
Sharon Springs	764	7,302,169	2,312
St. Francis	1,294	10,917,178	3,729
St. John	1,200	10,409,010	3,425
Stafford	1,002	8,183,431	2,739
Sterling	2,342	20,141,767	6,774
Stockton	1,200	13,800,000	4,001
Troy	1,010	6,964,894	2,073
Wamego	4,875	47,405,177	13,236
Washington	1,087	11,064,682	3,508
Wellington	8,172	103,826,944	30,000
Winfield	12,104	270,988,370	60,086

Combined City Data	421,267	5,780,853,355	1,341,172
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KMEA FINANCIALS

CONDENSED STATEMENTS OF NET POSITION (IN THOUSANDS)

DECEMBER 31	2019	2018	2017
Assets And Deferred Outflows			
Utility Plant, net	\$805	\$816	\$878
Restricted funds	11,138	10,943	6,665
Current assets	14,283	14,603	12,579
Noncurrent assets	67,215	69,249	38,176
Deferred outflows of resources	295	361	379
Total Assets And Deferred Outflows	93,736	95,972	58,677
Liabilities And Deferred Inflows			
Long-term obligations, less current portion	73,977	76,051	41,175
Current liabilities	17,681	17,867	15,016
Deferred inflows of resources	79	81	84
Total Liabilities And Deferred Inflows	91,737	93,999	56,275
Ending Net Position	\$1,999	\$1,973	\$2,402

*Information taken from Table 1, page 7 of KMEA Audited Financial Statements December 31, 2019.
You can find the complete Audit Report at www.kmea.com.

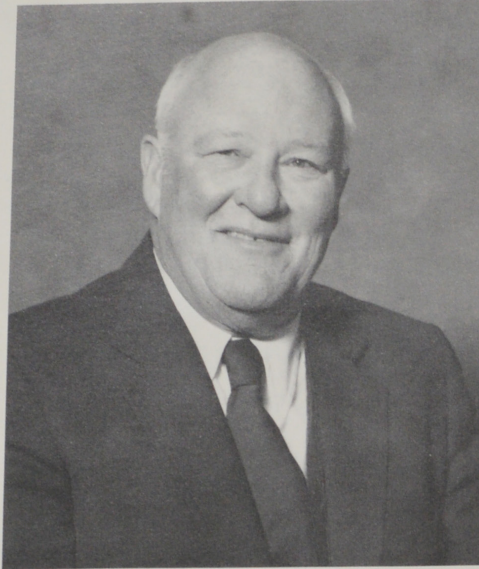
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (IN THOUSANDS)

DECEMBER 31	2019	2018	2017
Revenues			
Operating revenues	\$75,374	\$91,284	\$86,706
Interest on investments	3,706	3,384	2,196
Other revenues	-	626	-
Total Revenues	79,080	95,294	88,902
Expenses			
Purchased power	63,990	83,676	81,029
Other expenses	15,064	11,421	7,937
Other expenses	-	626	-
Total Expenses	79,054	95,723	88,966
Return of Member Retained Interest And Earnings	-	-	-
Change In Net Position	26	(429)	(64)
Net Position - Beginning Of Year, As Previously Reported	-	-	2,693
Prior Period Restatements	-	-	(227)
Net Position - Beginning Of Year, As Restated	1,973	2,402	2,466
Net Position- End Of Year	\$1,999	\$1,973	\$2,402

*Information taken from Table 2, page 8 of KMEA Audited Financial Statements December 31, 2019.
You can find the complete Audit Report at www.kmea.com.

MESSAGE FROM 30 YEARS AGO...

THE PRESIDENT'S REPORT



As the decade of the 80s ends, KMEA begins its ninth year of service to its thirty-two member municipalities. During these years, much has been accomplished.

The Agency's initial mission was to develop power supplies not reliant on oil and natural gas, which had escalated in cost at alarming rates during the 70s and early 80s. This challenge led to a series of comprehensive studies to seek out the most economically feasible power supply options available.

Ultimately, the Nearman Project and the Northwest Cities Project were consummated and are today providing a reliable firm power supply to ten of our members. Additional-

ly, the Agency's initial Interconnection Project put into place the necessary transmission facilities for five members so that newly developed power purchase agreements could become operational.

In 1984 twenty-four Kansas municipalities received, for the first time, allocations of federal hydropower from the Southwestern Power Administration. Additional federal hydropower resources became available in 1989, when thirty-nine Kansas cities received allocations for power from the Western Area Power Administration.

Throughout these formative years, the success we have had has not come easy. It has required the constant determination by the membership, numerous individuals, and the work of committed staff to overcome the resistance and adversities we met. Most certainly, new challenges lie ahead. Many authorities foretell of many dramatic changes expected to affront the electric utility industry in the 1990s. Some are already showing themselves in the form of new regulations to clean up the air. These proposals will affect the cost and perhaps even the availability of surplus capacity, which supports many of our cities' economy purchases.

As the large investor owned utilities contemplate the future and attempt to understand the business climate in which they will be required to operate, mergers and power purchases from separate generating entities are routinely discussed. The ramifications of such changes, which will be thrust upon us all, are difficult to contemplate. One thing is certain, however. If the small municipal systems are to continue to provide their citizens with a reliable and competitively priced source of electric energy, they must continue to work together in search of common goals that will successfully perpetuate them into the 21st century.

Max H. Embree

Max H. Embree, President
Businessman/Rancher, Colby



A MESSAGE FROM THE KMGGA PRESIDENT AND GENERAL MANAGER

As we reflect on this past year for the agency, several key items come to mind. Most importantly, the natural gas market continued to see very attractive prices providing our members with very competitively priced natural gas. But many other activities occurred during the year, all to the benefit of our members.

Our agency continues to grow in membership with the addition of two new members – the cities of Garden City and Jamestown. This brings our total membership to 49 including our affiliate member cities.

Annual sales volumes for our members continued to increase. Sales for 2019 were just under 4.0 million MMBtu versus 3.4 million MMBtu for 2018. Much of this increase was due to increased output from member's electric generating plants.

We continue to provide a stable, low priced supply of natural gas to our member communities. Agency members' average natural gas commodity price was \$2.22/MMBtu – the fifth year in row for prices below \$3.00/MMBtu and considerably less than the 2018 average price of \$2.70/MMBtu. In addition, over 20 members are moving forward on a natural gas prepaid program. This effort is still ongoing but is expected to close in 2020 providing further savings on gas purchases for these cities.

This past year, we were able to realize the fruits of our labor regarding the Operator Qualification (OQ) efforts that staff and many of our members worked on for many, many months. In May, the state-wide OQ plan was finalized and made available to all municipals across Kansas. Now, cities can reap the benefits of this plan including no-cost regional training.

Most notably, due to the strength of the agency's financials, we were able to provide a reduction in membership fees. The board of directors approved the new fee structure during our October Annual Conference providing a 5% savings to our members starting January 2020.

Finally, in conjunction with Kansas Municipal Energy Agency, A Strategic Plan was finalized providing future direction for both agencies. The comprehensive plan highlights three areas of focus – strategic growth, communications/identity, and organization. Additional details are included in this annual report. Both of us are excited about the possibilities that are encompassed in the strategic plan and believe it will move our agency in the direction of our vision statement.

We both thank the entire membership for all the trust and support that you have provided us over the past year!



RANDY FRAZER
KMGGA PRESIDENT

PAUL MAHLBERG
KMGGA GENERAL MANAGER

KMGA 2019 HIGHLIGHTS



RON HUXMAN "DISTINGUISHED SERVICE AWARD" ROD WILLIS

Rod Willis, City Manager of the City of Osage City, was selected as the 2019 recipient of the Ron Huxman "Distinguished Service Award". The award was established in 2016 in honor of Ron. He played a leading role in the day-to-day activities of the agency, as well as serving as president, executive committee member and joint board member. The award honors his contributions to KMGA and is presented to individuals who have demonstrated exceptional leadership and devoted service to both KMGA and to the municipal natural gas industry. On his father's behalf, Rod's son Nick graciously accepted the award.



MIKE GILLILAND "HONOR AWARD" GLEN MCFANN,

Glen McFann, City of Rozel, was selected as the 2019 recipient of the Mike Gilliland "Honor Award". The award was established in 2016 to recognize Mike's efforts, which include playing a leading role in the Agency and serving multiple terms as president, vice president, and executive committee member. The award honors his contributions to KMGA and is to recognize an employee of a KMGA member city who has, over a period of years, demonstrated similar outstanding performance and made significant contributions to their municipal utility.



CITY OF GARNETT CELEBRATED CENTENNIAL IN 2019

The City of Garnett reached the centennial milestone in 2019 representing 100 years of public gas. KMGA recognized the city at the Annual Conference. To celebrate, KMGA presented Garnett with a plaque commemorating this historic achievement. Chris Weiner, City Manager received the award on behalf of the city.

CITIES OF GARDEN CITY AND JAMESTOWN BECOME THE NEWEST KMGA MEMBERS

In 2019 the KMGA Board of Directors approved the addition of the cities of Garden City and Jamestown to the membership, bringing the total number of full members to 44.





KMGA RATES REDUCED

Strong financial results at KMGA over the past couple of years provided an opportunity to examine the current membership dues and fees. In October, the board of directors approved a new fee structure to be effective in 2020. The new member rates were developed based on three key goals established by the Executive Committee: (i) simplify the fee structure; (ii) provide a balanced budget, and (iii) encourage and support higher natural gas use. These goals were met and overall fees were reduced by nearly 5%, providing savings to our members.

STATE-WIDE OQ PLAN LAUNCHED



The Pipeline and Hazardous Materials Safety Administration (PHMSA) requires all gas operators to adhere to regulations of the Operator Qualification (OQ) Rule. Through the OQ Rule operators must develop an operator qualification program, establish a covered task list applicable to their gas system, define the training and qualification requirements of personnel performing covered tasks on their pipeline system, and ensure contractors, excavators and vendors comply with their OQ program. The Kansas Corporation Commission

(KCC) performs an annual audit of every municipal gas system's OQ plan, program, procedures and training.

In 2018, personnel from 19 municipals and KMGA staff began the effort of creating a state-wide OQ plan and program that would meet the requirements of PHMSA and the KCC, as well as bring municipals together to share knowledge, experience, and build relationships.

After many meetings and countless hours of review, discussion, revisions and tweaks of information and procedures, a state-wide OQ Plan was developed. In May 2019, the final OQ plan was made available to all municipals across Kansas who own their natural gas distribution system.

Regional training sessions, which include both classroom work and hands-on training, are led by personnel from municipals across the state. The OQ Plan, along with regional training within the OQ groups, is free to all municipal personnel. Municipals helping municipals!



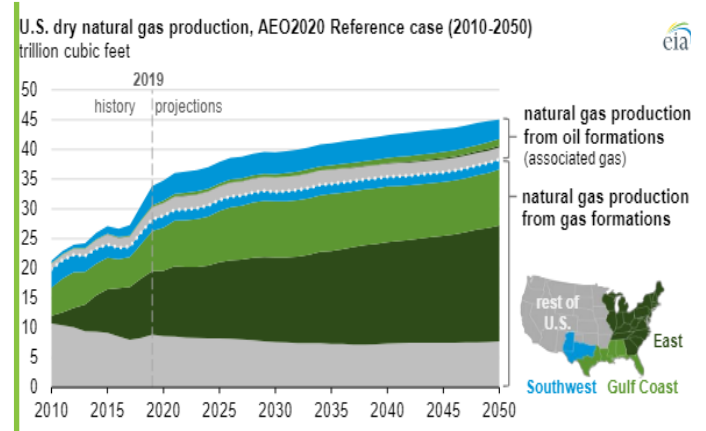
KMGA MARKET REVIEW

NATURAL GAS PRODUCTION

Like in 2018, U.S. natural gas production in 2019 reached new highs. Most of the increase in dry natural gas production was from the Marcellus and Utica Basins in the east region and the Haynesville Basin in the Gulf Coast region. A smaller portion of the growth is from natural gas production in oil formations (also known as associated gas), especially in the Permian Basin in the southwest region.

Production averaged 92 billion cubic feet (Bcf) per day in 2019. This is an increase of 8.2 Bcf/day above the 2018 average of 83.8 Bcf/day.

The U.S. Energy Information Administration (EIA) projects natural gas production will continue to increase through 2050.

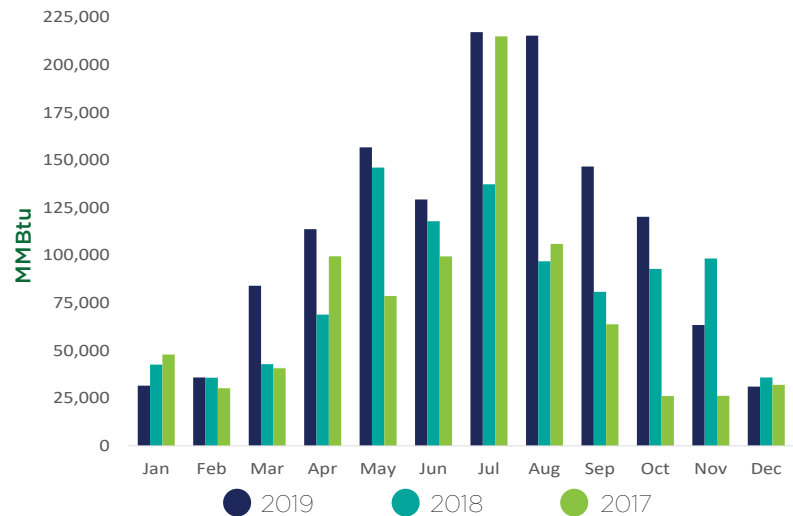


NATURAL GAS CONSUMPTION-ELECTRIC GENERATION

Natural gas consumption for U.S. gas-fired electric generation (power sector) grew by 2.0 Bcf/day to 31.0 Bcf/day in 2019. The electric power sector accounted for 36% of total natural gas consumed in 2019.

KMGA members burned 1.35 Bcf of natural gas during 2019 for electric generation an increase of 35% over 2018.

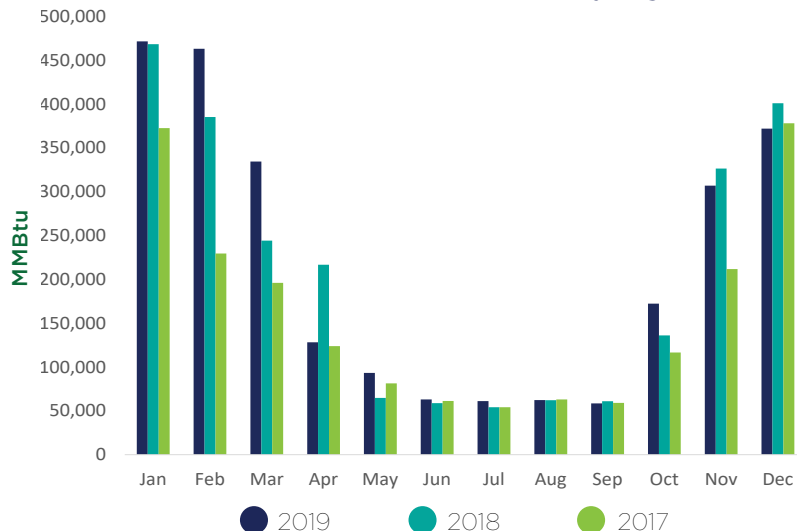
Gas-Fired Electric Generation Consumption- KMGA Members



NATURAL GAS CONSUMPTION-COMMERCIAL, RESIDENTIAL, & INDUSTRIAL SECTORS

Consumption remained relatively flat in the commercial, residential, and industrial sectors across the U.S. In 2019 consumption averaged 46.22 Bcf/day, as compared to 46.27 Bcf/day in 2018. For members owning their natural gas distribution system, KMGA saw an increase in amount of gas purchased in 2019 over 2018. Total volume was almost 2.6 Bcf for the year.

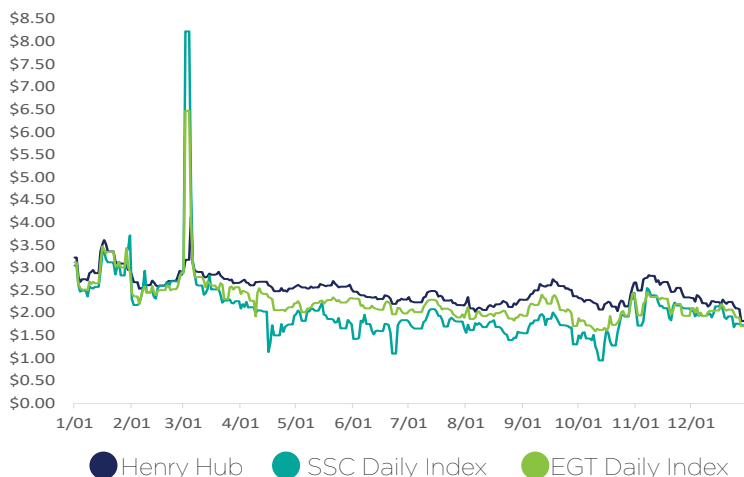
Local Distribution Members Monthly Usage



NATURAL GAS PRICING

Natural gas spot prices in 2019 were at the lowest levels in three years according to the Energy Information Administration (EIA). Henry Hub spot prices averaged \$2.57/MMBtu in 2019, down approximately 60 cents from 2018. That marks the lowest annual average price since 2016. Mid-continent spot prices were lower in 2019 as well. The Southern Star (SSC) daily index averaged \$2.06/MMBtu in 2019, down 54 cents from 2018's average. The Enable Gas Transmission (EGT) daily index averaged \$2.27/MMBtu, down from 2018's average of \$2.94/MMBtu.

2019 Daily Index Prices



PURCHASING NATURAL GAS SUPPLY

KMGA purchases and manages natural gas supply on seven different pipelines and four distribution systems to meet member needs. KMGA uses a blended method for procuring gas supply for our LDC members. That blended strategy consists of purchasing volumes based on first of month index, daily index, and fixed pricing. For power plant members, KMGA purchases required supply based on daily index and same day pricing. The average price for gas supply purchased in 2019 for all KMGA members was \$2.22/MMBtu, down from \$2.70/MMBtu in 2018.

KMGA Monthly Average Price for Gas Supply Purchases



KMGA BOARD OF DIRECTORS



Alma

1. Michael Slobodnik
2. Jeff Clark

Cassoday

1. Joy Nelson
- 2.

Halstead

1. Ethan Reimer
2. Jamie Eberly

Louisburg

1. Nathan Law
2. Patrick McQueen

Altamont

1. Peggy Ybarra
2. LeaAnn Myers
2. Christina Schlatter

Cheney

1. Brad Ewy
2. Jerry Peitz

Harveyville

1. Roy Rickel
2. Gary Dixon

Lyons

1. Chad Buckley
2. Ron Blanton

Anthony

1. Larry Berry
2. Steve Wilkinson

Coffeyville

1. Mike Shook
2. Mark Hall

Hesston

1. Gary Emry
2. Scott Robertson

McLouth

1. Kim Everley
2. Wil Rodriguez

Argonia

1. Rick Dolley
2. Tara Pierce

Concordia

- 1.
2. Gary Strait

Hoisington

1. Jonathan Mitchell
2. Darren Delzeit

Moundridge

1. Randy Frazer
2. Kirk Stucky

Augusta

1. Bill Webster
2. Jim Sutton

Ellinwood

1. Chris Komarek
2. James McMullen

Howard

1. Joanna Hunter
2. Ernest Tousley

Osage City

1. Joey Lamond
2. Rod Willis

Baldwin City

1. Glenn Rodden
2. Rob Culley

Eskridge

1. Mike Bohn
2. Justin Rush

Humboldt

1. Cole Herder
2. Jeremy Bulk

Ottawa

1. Dennis Tharp
2. Jeff Oleson

Beloit

1. Manny Milbers
2. Steven Krier

Garden City

1. Mike Muirhead
2. Kent Pottorf

Jamestown

1. Jacob Thoman
2. Royce Bruntzel

Partridge

1. Debbie Baughman
2. Dustin Covert

Burlingame

1. Wesley Colson
2. David Punches

Gardner

1. Gonzalo Garcia
2. Matt Ponzer

Kechi

1. Larry Kallenberger
2. Laura Hill

Rozel

1. Terry Ryan
2. Derek Spreier

Burrton

1. Jon Roberts
2. Kim Ryan

Garnett

1. Christopher Weiner
2. Robert Mills

LaCygne

1. Jodi Wade
2. Gerald McCarty

Russell

1. Jon Quinday
2. Duane Banks

Spearville

1. Jeremy Luthi
2. Tammy Konrade

Sterling

1. John Wagerle
- 2.

Uniontown

1. Dave Wehry
2. Danea Esslinger

Walton

1. Merlyn Johnson
2. Stephanie Ashby

Wamego

1. Staci Eichem
- 2.

Washington

1. Richard Applegarth
2. Carl Chalfant

Wellington

1. Roger Estes
2. Ryan Hain

Winfield

1. Gus Collins
2. Taggart Wall

AFFILIATE MEMBERS

Abbyville
Chanute
Denison
Little River
Sylvia

1. Director
2. Alternate

KMGA MEMBER CITIES SUMMARY

City	Population	MMBtu Purchased
Abbyville	89	4,252
Altamont	1,134	30,590
Anthony	2,300	1,564
Argonia	501	20,433
Augusta	9,389	20,553
Augusta Water	NA	954
Baldwin City	4,691	666
Beloit	3,800	2,410
Burlingame	934	50,774
Burrton	901	28,394
Cassoday	129	8,313
Cheney	2,170	89,080
Coffeyville	9,800	1,134,172
Concordia	5,395	2,590
Denison	187	10,422
Ellinwood	2,131	133
Eskridge	534	59,790
Garden City	26,895	13,861
Gardner	23,500	2,073
Garnett	3,253	165,427
Halstead	2,085	214,218
Hesston	3,709	341,843
Hoisington	2,706	288
Howard	687	29,955
Humboldt	1,953	93,569

City	Population	MMBtu Purchased
Jamestown	268	5,989
Kechi	1,909	58,085
LaCygne	1,149	68,835
Little River	527	6,122
Lyons	3,739	174,756
Louisburg	4,322	149,670
Manhattan	N/A	19,095
McLouth	880	33,698
Moundridge	1,850	110,389
Osage City	2,796	123,861
Ottawa	13,000	23,111
Partridge	248	8,228
Rozel	146	9,707
Russell	4,506	15,607
Spearville	773	37,005
Sterling	2,342	338
Sylvia	218	9,155
Uniontown	272	9,669
Walton	235	11,086
Wamego	4,875	3,577
Washington	1,087	630
Wellington	8,172	25,302
Wellington FD	NA	1,855
Winfield	12,104	743,446

Combined City Data	174,291	3,975,540
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KMGA FINANCIALS

CONDENSED STATEMENTS OF NET POSITION

	DECEMBER 31	2019	2018	2017
Assets				
Cash		\$1,272,994	\$1,267,303	\$1,988,184
Accounts receivable		2,085,002	4,220,747	2,507,356
Total Assets		3,357,996	5,488,050	4,495,540
Liabilities				
Accounts payable and accrued expenses		2,762,365	4,956,345	4,007,100
Net Position		\$595,631	\$531,705	\$488,440

*Information taken from Table 1, page 4 of KMGA Audited Financial Statements December 31, 2019.
You can find the complete Audit Report at www.kmea.com.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	DECEMBER 31	2019	2018	2017
Gas Supply Project Margin				
Project revenues		\$11,010,493	\$11,597,963	\$9,605,966
Gas and gas transportation		(10,691,809)	(11,302,508)	(9,317,811)
Total Gas Supply Project Margin		318,684	295,455	288,155
Other operating revenues		31,239	28,357	26,609
Administrative expenses		(285,997)	(280,547)	(264,529)
Changes in Net Position		63,926	43,265	50,235
Total Revenues		\$11,041,732	\$11,626,320	\$9,632,575
Total Expenses		\$(10,977,806)	\$(11,583,055)	\$(9,582,340)

*Information taken from Table 2, page 5 of KMGA Audited Financial Statements December 31, 2019.
You can find the complete Audit Report at www.kmea.com.

HISTORIC FACT FROM 30 YEARS AGO

On November 22, 1989, KMEA General Manager Gil Hanson sent correspondence to the cities interested in pursuing the formation of a natural gas joint action agency that would in 1990 become Kansas Municipal Gas Agency (KMGA).



Kansas Municipal Energy Agency
6950 Squibb Rd., Suite 414, P.O. Box 2179, Mission, KS 66202 • 913-677-2885

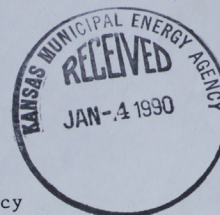
Memorandum:

DATE: November 22, 1989

TO: Kansas Municipal Gas Agency Participants

FROM: Gil Hanson

RE: Formation of the Kansas Municipal Gas Agency



As you are aware, on September 21, 1989, a number of cities met in McPherson to discuss forming a natural gas joint action agency. This agency would be organized under the State's Interlocal Cooperation Agreement Act of 1987. Most of the cities at the meeting expressed an interest in forming such an agency.

On November 16, 1989 the Board of Directors of the Kansas Municipal Energy Agency met and approved management and the Executive Committee, of KMEA, working with the cities to create the Kansas Municipal Gas Agency (KMGA) and enter into the management agreement between KMGA and the KMEA. It was further understood by the Board of Directors that the gas agency organizing cities would pay all costs. In this regard, we have developed a budget (see Exhibit A attached) of \$12,500 for creating the KMGA. Each city's share is shown on Exhibit A.

If your city is interested in further pursuing this organization, please sign below and return this letter. We will bill the cities after sufficient responses are received. In addition to the billing, we will also be sending copies of the KMEA Agreement and Bylaws to use as a guideline for creating the gas agency and will be scheduling a meeting to further study organization and create a steering committee.

GEH:db
Enclosure

Please be advised the City of Garnett, Kansas will pay its share of the organizational costs as set out in Exhibit A attached hereto.

Mayor

(Seal)

City Clerk



Left to right:
 ROD WILLIS, City of Osage City
 LAURA HILL, KMGA Secretary/Treasurer, City of Kechi
 RANDY FRAZER, KMGA President, City of Moundridge
 WES COLSON, City of Burlingame
 GUS COLLINS, KMGA Vice-President, City of Winfield
 CHAD BUCKLEY, City of Lyons (not pictured)
 MIKE SHOOK, City of Coffeyville (not pictured)



Left to right:
 GREG DUMARS, KMEA Vice-President, City of Lindsborg
 MIKE MUIRHEAD, KMEA President, City of Garden City
 ROBERT MILLS, KMEA Secretary/Treasurer, City of Garnett
 IRA HARRISON, City of Holton
 MATT REHDER, City of Seneca
 DENNIS THARP, City of Ottawa
 JONATHAN MITCHELL, City of Hoisington
 JON QUINDAY, City of Russell
 TYSON MCGREER, City of Colby (not pictured)



Left to right:
 MIKE SHOOK, City of Coffeyville
 MIKE MUIRHEAD, Secretary, City of Garden City
 ROBERT MILLS, City of Garnett
 ROD WILLIS, City of Osage City
 RANDY FRAZER, Chairman, City of Moundridge
 DENNIS THARP, City of Ottawa
 GUS COLLINS, City of Winfield (not pictured)



Left to right:

GERRY BIEKER- Manager, Member Services
 DJ SMITH- System Operator
 JONI SHADONIX- Administrative Assistant
 NEAL DANNEY- Director, Projects & Asset Management
 KATIA MITCHELL- Office Manager
 KENT BALKENBUSCH- System Operator
 GERRY STEPHENSON- Manager, Finance & Accounting
 WILLIE WILKERSON- System Operator
 DIXIE RIEDEL-Director, Natural Gas
 PAUL MAHLBERG- General Manager
 SAM MILLS- Managing Director, Electric Operations
 JENNIFER MOORE- Director, Finance & Accounting
 TOM SAITTA- Director, Electric Operations
 NEIL ROWLAND- Director, Transmission & Security
 CHAD WHITE- System Operator
 DARREN PRINCE- Manager, Regulatory & Rates
 MATT POWELL- System Operator (not pictured)
 JOHN SECK- Director, Resource Planning & Development (not pictured)

BUSINESS ASSOCIATES

AEP Renewables (Semptra)
 Columbia Capital
 Conrade Insurance Group/Chubb
 Dogwood Energy
 Duncan and Allen
 Evergy
 Finley
 Foley Power Solutions
 Gilmore & Bell, P.C.
 GRDA
 Gridliance
 Healy Law Offices, LLC
 Jennings, Strouss & Salmon
 juwi Inc.
 Kiewit
 MCG Energy Solutions
 Midland GIS
 Mid-States Energy Works
 Midwest Energy
 NextEra Energy Transmission
 Piper Jaffray
 Polsinelli PC
 Power Engineers
 Sawvel Associates, Inc
 Siemens (Dresser-Rand)
 Sol Systems
 Spiegel & McDiarmid
 Techline
 Toth & Associates



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