

BY-LAWS

OF

THE KANSAS POWER POOL (“KPP”), A MUNICIPAL ENERGY AGENCY

Revised: February 18, 2016

Preamble: The following By-Laws constitute the by-laws of the Kansas Power Pool (“KPP”), a Municipal Energy Agency, hereinafter referred to throughout as KPP.

ARTICLE I

AGENCY NAME, PRINCIPAL PLACE OF BUSINESS, PURPOSE AND POWERS

Section 1.1. Agency Name. The name of the Agency shall be: The Kansas Power Pool (“KPP”), a Municipal Energy Agency.

Section 1.2. Principal Place of Business. The principal place of business of the Kansas Power Pool (“KPP”), a municipal energy agency, shall be:

100 North Broadway, Suite L110
Wichita, KS 67202
Telephone: 316-264-3166
Fax: 316-264-3434
E-mail: mchesney@kansaspowerpool.org

Mark O. Chesney, Chief Executive Officer (“CEO”) and General Manger of the Kansas Power Pool, shall act as the resident agent of the agency.

Section 1.3. Purpose. The purpose of this Agency is set forth in the Second Amendment to the Agreement Creating the Kansas Power Pool (“KPP”), a Municipal Energy Agency and is for all lawful purposes of Kansas statutes, K.S.A. 12-885 through and including K.S.A. 12-8,111.

Section 1.4. Corporate Seal. The Agency may adopt a corporate seal which shall be in such form and in such type as approved by the Board of Directors of KPP.

Section 1.5. Power and Duties. The Agency shall have the powers and duties enumerated in K.S.A. 12-885 through and including K.S.A. 12-8,111.

Section 1.6. Definitions. Unless the context indicates otherwise, words used in these By-Laws shall have the same meaning as set forth in K.S.A. 12-886.

ARTICLE II

BOARD OF DIRECTORS

Section 2.1. Board of Directors. The Agency shall be governed by a Board of Directors appointed pursuant to K.S.A. 12-891. The Board shall consist of nine members selected by the voting membership of the Kansas Power Pool and shall never be less than nine (9) persons. The Directors shall be selected as specified in the Second Amendment to the Agreement Creating the Kansas Power Pool (“KPP”), a Municipal Energy Agency. However, the method of selection shall require that Board members be directly selected and subject to removal at-will by the members of their cities’ governing bodies, and if so removed as the cities’ representative would no longer be eligible to serve on the KPP Board.

Section 2.2. By-Laws Amendments. These By-Laws may be amended by the affirmative vote of not less than a quorum of the Board of Directors of the Kansas Power Pool.

Section 2.3. Quorum. A quorum of the Board of Directors shall consist of at least five (5) members of the Board to take action. An affirmative vote of the Directors representing at least five (5) of the nine (9) shall be necessary to pass a resolution or to take official action.

Section 2.4. Compensation. The Board of Directors shall not receive any compensation from the Agency for the performance of their duties as board members.

The Board may receive compensation in the form of reimbursement for their reasonable and necessary expenses actually incurred in the discharge of their duties pursuant to K.S.A. 12-894.

Section 2.5. Adjournment. The members of the Board of Directors present may adjourn the annual, semi-annual, regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. A quorum shall not be required to adjourn a meeting to a specific date, time and place.

Section 2.6. Annual Meeting. The annual meeting of the Board of Directors and KPP's Membership Committee shall be fixed by the Board of Directors at the principal place of business of the Agency, or at such other place and time as shall be designated by the Board of Directors. Business to come before the annual meeting shall include the election of officers, consideration of reports and transactions, setting rates for the upcoming year, and such other business as may come before the meeting.

Section 2.7. Regular and Special Meetings. The Board of Directors shall establish the time, date and place of regular meetings of the Board of Directors. Special meetings of the Board of Directors may be called by the President or any two (2) Board members and it shall thereupon be the duty of the General Manager to cause notice of such meeting to be given as hereinafter provided. Special meetings of the Board of Directors shall be held at such time and place as shall be fixed by the President or the Directors calling the meeting.

Section 2.8. Notice of Meeting. Written notice or notice sent via e-mail, of the schedule, time and place of regular meetings, or the annual meeting, or any special meeting, of the Board of Directors shall be delivered to the office of each Board member not less than three (3) days before the date fixed for a scheduled regular meeting and each annual or special meeting. Notice shall be given by or at the direction of the Secretary or upon the Secretary's

default by the CEO/General Manager, at the direction of the President of the Board of Directors.

Section 2.9. Waiver of Notice. Whenever any notice is required to be given to any Board member, a waiver thereof in writing, signed by such Board member whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Board member shall constitute a waiver by such Board member of notice of such meeting except when such Board member attends the meeting for the express purpose of objecting to the transaction of any business because of the claim that the meeting has not been lawfully called or convened.

Section 2.10. Voting. Each Board member shall have one (1) vote which shall be cast by each Board member. Voting may additionally be accomplished by telephone, e-mail approval or via mailed ballot and such voting shall be the same as if the board member were physically present at the meeting(s).

ARTICLE III

OFFICERS

Section 3.1. Officers. The officers of the Agency shall be a President, First Vice President, Second Vice President and a Secretary and Treasurer, which offices may be combined. The Board of Directors shall have the power, in their discretion, to designate and employ a Chief Executive Officer and General Manager, subject to the terms as the Board deems advisable.

Section 3.2. Election and Term of Office. The officers of the agency shall be elected by the Board of Directors at the annual meeting. To ensure continuity in both directors and policy, KPP will elect the President, First Vice President, Second Vice President and Secretary/Treasurer with the intention that those officers shall follow each other over a

designated four (4) year period, moving through each respective office until serving a term as President. Each officer shall hold office until resignation, death, expiration of their term or removal from office by a vote of the membership requiring a two-thirds (2/3) vote of the Membership Committee.

Section 3.3. Vacancies. A vacancy in any office may be filled by the President's recommendation and approval of the Board of Directors for the unexpired portion of the term.

Section 3.4. President. The President shall be the principal elected officer of the Agency and shall, when present, preside at all meetings of the Board of Directors. The President shall perform all duties incident to the office of President and other duties as may be prescribed by the Board of Directors.

Section 3.5 First Vice President. In the absence of the President or in the event of the President's inability to act, the First Vice President shall perform the duties of the President. The First Vice President shall be the President-Elect of the board. The First Vice President shall perform other duties as may be assigned by the President or by the Board of Directors.

Section 3.6 Second Vice President. The Second Vice President shall perform other duties that may be assigned to him by the President or the Board of Directors.

Section 3.7. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose. The Secretary shall promptly distribute copies of minutes of the meetings of the Board of Directors and meetings of all committees to each of the Board members. The Secretary shall have charge of all books and records which shall, at all reasonable times, be open to inspection and examination by the Board of Directors or any member municipality of the Agency. The Secretary shall perform all duties incident to the office of Secretary and other duties as may be prescribed by the Board of Directors. The

secretary's duties may be delegated to members of the KPP staff, as appropriate, at the direction of the secretary or the board of directors.

Section 3.8. Treasurer. The Treasurer shall have responsibility for the funds and securities of the Agency. When necessary or proper, the Treasurer or such other person as designated by the Board of Directors by appropriate resolution shall endorse on behalf of the Agency for collection, checks, notes and other obligations and deposit them to the credit of the Agency in a designated bank or depository. The Treasurer or such other person as properly designated by the Board of Directors by appropriate resolution shall sign all checks, promissory notes and other obligations of the Agency. The Treasurer shall enter regularly in the financial books of the Agency a full and accurate account of all monies received and paid on account of the Agency and shall, at all reasonable times, exhibit the books and accounts to the Board of Directors or any member municipality of the Agency. The Treasurer or such other person as designated by the Board of Directors pursuant to an appropriate resolution shall faithfully discharge their duties. The Treasurer shall be bonded for the faithful discharge of the duties of Treasurer. The bond shall be of such form and amount as the Board of Directors may require. The Treasurer shall perform all duties incident to the office of Treasurer and other duties as may be prescribed by the Board of Directors. The Treasurer's duties may be delegated to members of the KPP staff at the direction of the Treasurer or the Board of Directors.

Section 3.9. Chief Executive Officer/General Manager. The CEO/General Manager shall be the Chief Executive and Operating Officer of the Agency. The CEO/General Manager shall exercise the management of the properties and business of the Agency and its employees. The CEO/General Manager may have authority including the authority to sign checks, deposit funds and perform any of the other duties of the Treasurer if the same are appropriately designated by proper action or resolution approved by the Board of Directors. The

CEO/General Manager shall direct the enforcement of all policies, resolutions, rules and regulations adopted by the Board of Directors and shall enter into contracts, as necessary, under the general control and direction of the Board of Directors. The CEO/General Manager shall serve at the pleasure of the Board of Directors. Subject to the approval of the Board of Directors, the CEO/General Manager may appoint or employ such employees, agents, engineers, attorneys or other persons as are necessary to carry out the functions of the Agency.

Section 3.10. Removal of Officers. Any officer or agent elected or appointed by the Board of Directors may be removed by resolution of the Board of Directors with or without cause whenever, in its judgment, the best interests of the Agency will be served thereby.

ARTICE IV

COMMITTEES

Section 4.1. Committees. The Board of Directors may approve by resolution an Executive Committee or for such other committees or both to carry out certain functions of the Board of Directors; and in such event, such committee or committees shall have those powers specifically set out in the action or resolution of the Board of Directors creating such committee or committees.

Section 4.2. Committee Chairpersons. The Chairperson of a Committee shall be recommended by the President and approved by the Board. The President of the Board of Directors shall appoint one member of the Board, the CEO/General Manager or designated staff to serve as a member of a committee.

Section 4.3. Committee Secretary. Each committee shall select a Secretary who shall promptly furnish minutes of all committee meetings to the Secretary of the Agency.

Section 4.4. Vacancies. Vacancies in the membership of any committee may be filled by the Board of Directors.

Section 4.5. Quorum. Unless otherwise provided in the resolution of the Board of Directors establishing a committee, a majority of the members of a committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 4.6. Rules. All committees appointed and operating pursuant to these By-Laws and consistent with the Agreement Creating shall operating under the By-Laws created herein.

ARTICLE V

MISCELLANEOUS

Section 5.1. Budgets. The President shall cause the CEO/General Manager to prepare a general operating and capital budget for each calendar year, including the non-project related Agency membership dues for such year and submit the same to the members of the Board of Directors for approval.

Section 5.2. Membership in Other Organizations. The Agency upon favorable vote of a majority of the Board of Directors may become a member, an associate member or otherwise hold membership in any organization, corporation or association engaged in generating, transmitting or distributing electric power or promoting the development and utilization of low cost power and for the purchase or use of any materials, equipment or services necessary or incidental to the business of wholesale bulk power supply for the Agency or any of its members.

Section 5.3. Resignation or Withdrawal. Any voting member (municipality) desiring to withdraw shall give KPP immediate notice at least five (5) years in advance of its proposed

withdrawal. KPP and the municipality shall then meet and enter into settlement negotiations to effectuate a withdrawal by the end of the existing term of the Purchase Power Agreement between KPP and that member. However, paramount to this procedure, any municipality withdrawing from the Agency shall be responsible to perform and satisfy all contractual rights acquired and obligations incurred by said municipality to KPP and its other member cities until KPP is either fully satisfied, paid in full, or agrees to release and discharge the withdrawing party by full, complete and final settlement of the City's withdrawal. A non-voting member shall provide KPP with a thirty (30) day notice of their withdrawal.

Section 5.4. New Members. Any municipality described in K.S.A. §12-885 through and including K.S.A. §12-8,111 which did not join in the original or amended Agreements Creating the Kansas Power Pool ("KPP"), a Municipal Energy Agency, may become a member municipality of said Agency pursuant to K.S.A. §12-8,108 and by a resolution of KPP approved by the Board of Directors of the Agency. The governing body of the prospective member and the Board of Directors of the Agency shall approve by adoption of a resolution, and execute, an amendment to the Agreement Creating the Agency, adding a member to the Agreement. All costs related to the admission of a municipality to membership in the KPP shall be paid by the municipality seeking membership in the KPP.

Section 5.5. Miscellaneous. The private property of the Directors, Officers, employees or members shall not be subject to the payment of agency debts to any extent whatsoever. The agency shall indemnify its Officers, Directors and employees to the full extent permitted by law, including, but not limited to, all expenses and losses incurred by its Officers and Directors in connection with unintentional acts of error or omission committed within the scope of their agency duties.

Section 5.6. Severability. In the event that any of the terms, covenants or conditions of these By-Laws or their application shall be held invalid as to any person, corporation or entity by circumstance of a decision of any court of competent jurisdiction, the remainder of these By-Laws shall not be affected thereby.

These Amended By-Laws of the Kansas Power Pool (“KPP”), a Municipal Energy Agency, are hereby approved by unanimous vote of the Board of Directors on this ____ day of February, 2016.

Said adoption is further noted in the minutes of the Board of Directors meeting and are approved by the President of the Board of Directors and attested to by the Secretary.

Signed:

President, Kansas Power Pool Board of Directors

Attested:

Secretary, Kansas Power Pool

I hereby certify to the fact that the attached Amended By-Laws of the Board of Directors of the Kansas Power Pool were approved this ____ day of February, 2016 at an Annual Meeting of the Board of Directors.

MARK CHESNEY
KPP CEO/General Manager



February 18, 2016

To: All City Clerks or Public Utility Commissions:
From: Mark Chesney, KPP CEO/GM
Re: Revised KPP By-laws

Greetings:

On February 18, 2016 the Kansas Power Pool (KPP) Board of Directors gave approval for Staff to send you the attached copy of recently revised By-laws.

Unlike other governing documents, amendments to By-laws do not require formal approval by the KPP member cities (see Section 2.2). However, it is intended that City Clerks have thirty (30) days within which to make comment on the By-laws revisions before it is anticipated that the KPP Board will give final approval.

Recent revisions are as follows:

- Changed the address of KPP (see Section 1.2)
- Eliminated reference to proxy and substituted with "telephone" (see Section 2.10)

Please direct any comment to me within 30 days of the date shown above.

Sincerely,


Mark Chesney
CEO/GM