

Kentucky Municipal Energy Agency

March 22, 2018 10:00 AM

Bowling Green Municipal Utility 801 Center St, Bowling Green, KY 42101

Attendance Taken at 11:23 AM:

Present Board Members:

Josh Callihan
Ronald Herd
Chris Melton
Mike Withrow
Ed Fortner
Kevin Frizzell

Absent Board Members:

Eddie Gooch
Phillip King
Chrissy O'Hara
Carl Shoupe

A. MEETING OPENING

Discussion:

In addition to the Board Members, the following individuals were present at the meeting: Brown Thornto - New Gen Strategies, Heather Overb - KyMEA/KMPA, Tom Trauger - Spiegel McDiarmid, Doug Buresh - KyMEA, Michelle Hixon - KyMEA, Pat Pace - OMU Attorney, John Painter - nFront Consulting.

A.1. Establishment of KyMEA Budget Committee

Motion Passed: Motion to approve attached Resolution establishing KyMEA Budget Committee passed with a motion by Ed Fortner and a second by Chris Melton.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

B. REPORTS

B.1. Executive Committee Report

B.2. Financial Report

Motion Passed: Motion to approve Treasurer's Report dated February 28, 2018 passed with a motion by Mike Withrow and a second by Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

C. Consent Agenda

C.1. Approve Minutes from 2/22/18.

Motion Passed: Motion to approve minutes of the KyMEA Board Meeting on 2/22/18. passed with a motion by Mike Withrow and a second by Kevin Frizzell.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

D. Discussion Agenda

D.1. President and CEO Update

Discussion:

Doug Buresh gave an update on CEO activities. Discussion followed.

D.2. Interim CFO Update

Rationale:

Update on CFO Activities

February 2018 Financial Statements
Next Assessment - April 2018

D.3. Update Re: FPB

Rationale:

This will be an update for the Board regarding FPB. Potential topics include status of FPB's:

1. Review of the AR Contract;
2. Consideration of the proposed KyMEA - FPB Contract for Integration of Member Owned Resource - SEPA; and
3. Appointment of a Director and Alternate Director to the KyMEA Board.

D.4. Delivery Point Metering Transition Plan and Preliminary Budget

Rationale:

Description: This will be an update regarding delivery point metering and communications facilities sand arrangements needed for KyMEA to operate beginning May 2019

- 1. Current Plan and Schedule
- 2. Preliminary Capital Budget

D.5. Updated Implementation Budget

Rationale:

An updated implementation plan and schedule was discussed at the February meeting. One item has been added to that schedule as discussed at the Board meeting, namely the development of a power supply focused risk management policy that would govern short term power sales and purchase transactions that KyMEA may pursue to optimize use of the portfolio.

The draft implementation plan budget for FYE June 2019 has been prepared and will be presented to the Board for its consideration. Our intention is to discuss this first draft at the meeting and then bring a proposed FYE June 2019 budget to the Board in April.

E. ITEMS PRESENTED FOR ACTION AT THIS MEETING

E.1. Office Space Planning

Rationale:

This will be a discussion of a proposed office space Letter of Intent ("LOI") for consideration by the Board.

Action Requested:

The Board will be asked to authorize execution of the LOI. The lease will be developed incorporating the terms of the LOI.

Motion Passed: Motion to authorize acceptance of Letter of Intent and authorize President and CEO to sign lease based upon LOI for KyMEA office space subject to review by Board Legal Counsel. passed with a motion by Ed Fortner and a second by Mike Withrow.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

E.2. Staffing Benefit Programs

Rationale:

Proposed retirement, health and other benefit programs will be presented for consideration by the Board.

Action Requested:

The Board will be asked for approval to establish the proposed benefit programs.

Motion Passed: Motion to approve the KyMEA Employee Benefits Plan relating to health, dental, vision, and basic group life dated 4/1/18 presented by the President and authorize implementation thereof. passed with a motion by Ed Fortner and a second by Chris Melton.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

E.3. Travel Expense Policy

Rationale:

Approval of KyMEA travel expense policy

Motion Passed: Motion to approve the KyMEA Travel Expense Policy dated 4/1/18 presented by the President and authorize implementation thereof. passed with a motion by Josh Callihan and a second by Mike Withrow.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

E.4. KyMEA Retirement Plan

Rationale:

Request approval of attached Resolutions authorizing the creation of KyMEA's 401a and 457b retirement plans.

E.5. Transmission Arrangements

Rationale:

Special arrangements are needed for power to be transmitted from the LGE/KU system, through PJM to Falmouth. We have proposed that the arrangements currently in place for power provided by KU to Falmouth be continued. We plan to a proposed FERC filing that may be needed to facilitate continuing the current wheeling arrangements.

Action Requested:

The Board will be asked for approval to submit a filing to FERC.

Motion Passed: Motion to authorize submission FERC filing to continue current wheeling arrangements over EKPC facilities to Falmouth. passed with a motion by Ed Fortner and a second by Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

E.6. Public Comment Period

Rationale:

This will be an opportunity for members of the public to provide input to the KyMEA Board. Comments will be limited to 5 minutes per speaker.

F. UPCOMING MEETINGS

Rationale:

The KyMEA Board of Directors shall hold its regular meetings on the fourth Thursday of each month, except for the months of November and December when the regular meeting shall be held on the third Thursday.

The regular meetings shall convene and commence at 10:00 AM Central time on said dates.

The regular meetings shall held at the Bowling Green Municipal Utility located at 801 Center St, Bowling Green, KY 42101 in Bowling Green, Kentucky or at such location to be designated by the Board.

Thursday, June 22, 2017, 10:00AM Central Time, Bowling Green Municipal Utility
WEDNESDAY, July 26, 2017, 11:00AM EASTERN Time, Embassy Suites, 201 South Fourth St, Louisville, KY 40202 *Date and Location held in conjunction with KMUA meeting July 27-28 in Louisville. **Heather to confirm date and location

Thursday, August 24, 2017, 10:00AM Central Time, Bowling Green Municipal Utility
Thursday, September 27, 2017, 10:00AM Central Time, Bowling Green Municipal Utility

Wednesday, October 25, 2017, Time and Location TBA

Thursday, November 16, 2017, 10:00AM Central Time, Bowling Green Municipal Utility

Thursday, December 21, 2017, 10:00AM Central Time, Bowling Green Municipal Utility
Thursday, January 25, 2018, 10:00AM Central Time, Bowling Green Municipal Utility
Thursday, February 22, 2018, Time and Location TBA
Thursday, March 22, 2018, 10:00AM Central Time, Bowling Green Municipal Utility
Wednesday, April 25 2018, 12:00PM Eastern Time, Cumberland Falls State Park
Thursday, May 24, 2018, 10:00AM Central Time, Bowling Green Municipal Utility
Thursday, June 28, 2018, 10:00AM Central Time, Bowling Green Municipal Utility

G. CLOSED SESSION PURSUANT TO 61.810 (1) (k) and 61.878 (1) (c) for the purpose of:

- (i) presenting and discussing the proposals received in response to the RFP for Renewable Resources and updating the negotiation proceedings; and**
- (ii) presenting and discussing the proposals received in response to the Natural Gas/Combined Cycle Resource RFP and updating the negotiation proceedings.**

KRS 61.810(1) (k) and 61.878(1) (c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would, if disclosed by the agency, provide an unfair advantage to competitors of the entity disclosing such information.

Rationale:

CLOSED SESSION PURSUANT TO 61.810 (1) (k) and 61.878 (1) (c) for the purpose of:
(i) presenting and discussing the proposals received in response to the RFP for Renewable Resources and updating the negotiation proceedings; and
(ii) presenting and discussing the proposals received in response to the Natural Gas/Combined Cycle Resource RFP and updating the negotiation proceedings.
KRS 61.810(1) (k) and 61.878(1) (c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would, if disclosed by the agency, provide an unfair advantage to competitors of the entity disclosing such information.

Motion Passed: Approval to enter into Closed Session pursuant to KRS 61.810 (1) (k) and 61.878 (1) (c) for the purpose of:(i) presenting and discussing the proposals received in response to the RFP for Renewable Resources and updating the negotiation proceedings; and(ii) presenting and discussing the proposals received in response to the Natural Gas/Combined Cycle Resource RFP and updating the negotiation proceedings. KRS 61.810(1) (k) and 61.878(1) (c) allow for closed session where discussions regarding records or information disclosed to the agency or required to be disclosed to the agency as confidential or proprietary would, if disclosed by the agency, provide an unfair advantage to competitors of the entity disclosing such information. passed with a motion by Mike Withrow and a second by Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent

Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

H. RETURN TO OPEN SESSION

Motion Passed: Approval to return to Open Session passed with a motion by Ed Fortner and a second by Mike Withrow.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

I. Actions related to Matters Discussed in Closed Session

J. OTHER BUSINESS

K. ADJOURNMENT

Motion Passed: Motion to adjourn passed with a motion by Ed Fortner and a second by Mike Withrow.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes
Kevin Frizzell	Yes

Chairperson

Secretary