

Kentucky Municipal Energy Agency

April 25, 2018 12:00 PM
Cumberland Falls State Park
DuPont Lodge - Moonbow Meeting Room
7351 Highway 90
Corbin, Ky 40701

Attendance Taken at 12:14 PM:

Present Board Members:

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

Absent Board Members:

Eddie Gooch
Phillip King
Chrissy O'Hara
Carl Shoupe

Updated Attendance:

Ed Fortner was updated to present at: 12:14 PM

A. MEETING OPENING

A.1. Correspondence from Frankfort Plant Board regarding the appointment of a director and alternate director

A.2. Guest Introductions

B. REPORTS

B.1. Executive Committee Report

B.2. Financial Report

Motion Passed: Motion to approve financial statements and treasurer's report as of 3/31/18. passed with a motion by Mike Withrow and a second by Chris Melton.

6 Yeas - 0 Nays.

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

C. Consent Agenda

C.1. Approve Minutes from 3/22/18

Motion Passed: Motion to approve minutes from the KyMEA Board Meeting on 3/22/18 passed with a motion by Josh Callihan and a second by Kevin Frizzell.

6 Yeas - 0 Nays.

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

D. Discussion Agenda

D.1. Update from KyMEA's CEO Regarding Ongoing Activities

Rationale:

This will be an update from Doug on activities during the past month and planned for the coming month.

D.2. Update from KyMEA's Interim CFO Regarding Ongoing Activities

Rationale:

This will be an update from Heather on activities during the past month and planned for the coming month.

D.3. PURPA Update

Rationale:

This will be a brief update regarding the status of receiving motions from each Member delegating responsibility for PURPA compliance to KYMEA and a related filing at FERC.

D.4. 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. A potential filing has been drafted and pre-filing discussions have occurred.

LGE has provided letters to the KU wholesale customers and other parties to the Depancaking Agreement concerning the status of that Agreement.

Due to potential litigation and administrative proceedings, both topics will be addressed in Closed Session.

D.5. Delivery Point Metering Transition Plan

Rationale:

This will be an update regarding delivery point metering and communications plan and schedule for facilities and arrangements needed for KyMEA to begin testing systems in January 2019 and providing and billing for service in May 2019.

D.6. Addition of New KyMEA Members or New AR Project Members

Rationale:

There would be additional economies of scale and other advantages in expanding the membership of KyMEA. Accordingly, we have identified municipal electric utilities in Kentucky that may have an interest in participating in KyMEA. To date, we have identified 4 prospective members who have expressed interest in further discussions.

We would like to discuss the potential approaches to engaging with prospective future new members. In particular, we would like to have an initial discussion around the following potential charges for new or prospective members and initial proposal concepts.

Participation Fee
Planning Fee

E. ITEMS PRESENTED FOR ACTION AT THIS MEETING

E.1. Staffing Benefit Programs

Rationale:

A follow-up presentation will be made to last month's presentation regarding proposed retirement, health and other benefit programs for consideration by the Board. The Board approved the proposed health insurance program last month.

Motion Passed: Motion to approve the KyMEA Employee Benefits Plan dated 5/1/18 subject to an amendment adding a 6 month cap on accrued sick and personal leave as has been presented by the President and authorized implementation thereof retroactive to employment. passed with a motion by Chris Melton and a second by Mike Withrow.

6 Yeas - 0 Nays.

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

Motion Passed: Motion to approve the resolution establishing the KyMEA 401a plan. passed with a motion by Josh Callihan and a second by Chris Melton.

7 Yeas - 0 Nays.

Josh Callihan	Yes
David Denton	Yes
Kevin Howard	Yes
(Proxy for Ed Fortner)	
Kevin Frizzell	Yes
Eddie Gooch	Absent

Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mike Withrow	Yes

Motion Passed: Motion to approve the resolution establishing the KyMEA 457 Plan. passed with a motion by Mike Withrow and a second by Josh Callihan.

7 Yeas - 0 Nays.

Josh Callihan	Yes
David Denton	Yes
Kevin Howard	Yes
(Proxy for Ed Fortner)	
Kevin Frizzell	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mike Withrow	Yes

E.2. Capital and Operating Budgets

Rationale:

At the March meeting, the Board formed a Budget Committee consisting of Chris Melton, Josh Callihan, Mike Withrow, Doug Buresh, and Heather Overby. The Committee was asked to work to develop proposed budgets, review the proposed budgets with the Executive Committee and then present the proposed budgets to the Board for consideration in April and as necessary May.

The Committee has proceeded as directed by the Board and will present the proposed budgets for consideration by the Board.

Motion Passed: Motion to approve the KyMEA Capital and Operating Budget for Fiscal Year 2019. passed with a motion by Mike Withrow and a second by David Denton.

7 Yeas - 0 Nays.

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

E.3. 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, 12:00 PM Eastern Time, Cumberland Falls State Resort Park, "Moonbow" Meeting Room

Thursday, May 24, 2018, 10:00AM Central Time, Bowling Green Municipal Utility

Thursday, June 28, 2018, 10:00AM Central Time, TBD, This meeting location will be up for discussion at the April 25th meeting.

Wednesday, July 25, 2018, 10:00AM Central Time, Lake Barkley

Thursday, August 23, 2018, 10:00AM Central Time, Bowling Green Municipal Utility

Thursday, September 27, 2018, 10:00AM Central Time, Bowling Green Municipal Utility

Wednesday, October 24, 2018, 10:00AM Eastern Time, Lexington

Wednesday, November 14, 2018, 10:00AM Central Time, TBD

Wednesday, December 19, 2018, 10:00AM Central Time, Bowling Green Municipal Utility

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

- (i) discussing proposed, potential or pending litigation relating to the agency;**
- (ii) presenting and discussing the proposals received in response to the RFP for Renewable Resources and updating the negotiation proceedings; and**
- (iii) 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)(c) allows for closed session for the purpose of discussing proposed, potential and pending litigation relating to the agency. 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)(c); 61.810 (1)(k) and 61.878 (1)(c) for the purpose of:

(i) discussing proposed, potential or pending litigation relating to the agency;
(ii) presenting and discussing the proposals received in response to the RFP for Renewable Resources and updating the negotiation proceedings; and
(iii) 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)(c) allows for closed session for the purpose of discussing proposed, potential and pending litigation relating to the agency. 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 61.810 (1)(c); 61.810 (1)(k) and 61.878 (1)(c) for the purpose of:(i) discussing proposed, potential or pending litigation relating to the agency; (ii) presenting and discussing the proposals received in response to the RFP for Renewable Resources and updating the negotiation proceedings; and(iii) 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)(c) allows for closed session for the purpose of discussing proposed, potential and pending litigation relating to the agency. 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 Josh Callihan and a second by Chris Melton.

7 Yeas - 0 Nays.

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

H. RETURN TO OPEN SESSION

Motion Passed: Approval to return to Open Session passed with a motion by Chris Melton and a second by Kevin Frizzell.

7 Yeas - 0 Nays.

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

I. Actions Related to Matters Discussed in Closed Session

Motion Passed: Motion to approve the resolution that the Board of Directors of the Kentucky Municipal Energy Agency (the "Board") having received offers relating to a power source from renewable resources for its Members hereby authorizes the President and CEO to pursue negotiation with any offeror of a power source from renewable resources that appears to be the most susceptible of receiving an award through competitive negotiation and to execute any nonbinding agreement that may be necessary to develop acceptable terms and conditions that would be included in a power purchase agreement consummating an award when approved by the Board. Be it further resolved that the Board having received offers relating to a power source to be derived from a natural gas combined cycle facility for its Members hereby authorizes the President and CEO to pursue negotiation with any offeror of a power source to be derived from a natural gas combined cycle facility that appears to be the most susceptible of receiving an award through competitive negotiation and to execute any nonbinding agreement that may be necessary to develop acceptable terms and conditions that would be included in a power purchase agreement consummating an award when approved by the Board. passed with a motion by David Denton and a second by Chris Melton.

7 Yeas - 0 Nays.

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

J. OTHER BUSINESS

K. ADJOURNMENT

Motion Passed: Motion to Adjourn passed with a motion by David Denton and a second by Josh Callihan.

7 Yeas - 0 Nays.

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

Chairperson

Secretary