

Kentucky Municipal Energy Agency

January 25, 2018 11:00 AM

Frankfort Plant Board

151 Flynn Avenue

Frankfort, KY 40601

Attendance Taken at 10:51 AM:

Present Board Members:

Josh Callihan

Ronald Herd

Chris Melton

Rob Leesman (Proxy for Terrance Naulty)

Mike Withrow

Chrissy O'Hara

David Denton

Ed Fortner

Absent Board Members:

Eddie Gooch

Phillip King

Terrance Naulty

Carl Shoupe

Present Staff:

Doug Buresh

Updated Attendance:

David Denton was updated to absent.

Chrissy O'Hara was updated to absent.

A. MEETING OPENING

Discussion:

In addition to the Board Members, the following individuals were present at the meeting:

Brown Thornton, New Gen Strategies

Heather Overby, KyMEA, KMPA

Tom Trauger, Spiegel McDiarmid

Charles Musson, Rubin and Hays

John Painter, nFront Consulting

Dawn Hale, FPB Director

Ralph Ludwig

Kevin Howard, Berea Municipal

B. Board Member Status / Officer Elections

Motion Passed: Motion to elect Rob Leesman as Secretary of the Kentucky Municipal Energy Agency Board of Directors. 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
Rob Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Absent
Ed Fortner	Yes

C. REPORTS

C.1. Executive Committee Report

C.2. Financial Report

Motion Passed: Motion to approve Financial Report dated 1/23/18 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
Rob Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Absent
Ed Fortner	Yes

D. Consent Agenda

Motion Passed: Approval of the Consent Agenda as presented 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
Rob Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Absent
Ed Fortner	Yes

D.1. Approve Minutes from December 20, 2017 KyMEA Board Meeting

Rationale:

Approval of minutes from December 20, 2017 KyMEA Board Meeting

E. Discussion Agenda

E.1. CEO Update

Rationale:

President and CEO Activities

Initial Work Plan Action Items

Review all power supply agreements with nFront (completed)
Prepare KyMEA organizational chart and staffing plan (completed)

Organizational chart
Staff job descriptions

Create KyMEA web domain (completed)
Recommend branding and website development partner (in progress)
Schedule member visits (in progress)

Visit (at least one) with each community by June 30, 2018

Develop and issue Request for Proposal for Energy Management Services (in progress)

Gathering vendor information
Writing RFP

Determine hardware/software needs (in progress)
Define KyMEA policies (in progress)

E.2. Interim CFO Update

Rationale:

Update on CFO Activities

E.3. Review of KyMEA Contracts by FPB

Rationale:

Update for the Board on status of FPB's review of the KyMEA Contracts.

Additionally, some members of the FPB have mentioned an interest in updates regarding the KyMEA power supply arrangement and have expressed the understanding that FPB has not been updated recently about KyMEA progress with respect to NGCC and Renewable resources. A presentation regarding updating the FPB on KyMEA's AR Project power supply portfolio was made to the FPB on October 17, 2017 at the request of Herbbie Bannister. A copy of that presentation has been uploaded to the portal for the KyMEA Board's information

Motion Passed: Motion to notify the Frankfort Plant Board regarding the SEPA contract and notify it of the deadline to communicate its intentions to KyMEA by April 1, 2018. 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
Rob Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Absent
Ed Fortner	Yes

E.4. Transmission Arrangements

Rationale:

Brief update regarding:

1. Delivery point transition plan
2. LGE/KU/PJM/EKPC - Arrangements for Falmouth
3. MISO - Nothing for now

F. ITEMS PRESENTED FOR ACTION AT THIS MEETING

F.1. Purchase of vehicle for use by President & CEO

Rationale:

A vehicle was selected from the Kentucky State Contract list of approved vehicles. A proposal for the purchase of the vehicle has been uploaded.

Action Requested:

The Board will be asked to approve the purchase of the vehicle.

Motion Passed: Motion to approve the purchase of vehicle as presented, passed with a motion by Josh Callihan and a second by Chris Melton.

6 Yeas - 0 Nays.

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

F.2. Branding and Website

Rationale:

One of the action items on KyMEA implementation plan has been to establish branding materials and a website. A proposal has been obtained to accomplish this task.

Action Requested:

The Board will be asked to approve the proposal for development of KyMEA branding materials and website.

Motion Passed: Motion to approve the attached proposal from KSD for development of KyMEA branding materials and website 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
Rob Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Absent
Ed Fortner	Yes

F.3. Staffing Plan

Rationale:

Discussion regarding potential approaches to staffing for KyMEA.

Action Requested:

The Board will be asked to approve a position description for an office manager position so that recruitment can begin.

Motion Passed: Motion to approve a position description for an office manager position as amended with a salary range of \$30,000 - \$50,000. 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
Rob Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Absent
Ed Fortner	Yes

F.4. Implementation of PURPA Plan

Rationale:

This item pertains to the steps necessary to implement the Joint PURPA Implementation Plan approved by the KyMEA Board at its January 2017 meeting. A copy of the Plan the Board approved has been uploaded for this agenda item for the Board's ease of reference.

Under the Plan, KyMEA takes on the PURPA purchase obligations of the authorizing Members, and Members commit to sell retail power to PURPA projects ("Qualifying Facilities" or QFs) under specified conditions (principally to avoid duplicate or discriminatory charges).

Implementation of the Plan requires that FERC (1) waive the obligations of the individual Authorizing Members to purchase from QFs, and (2) waive the obligation of KyMEA to sell retail power to QFs.

The governing body of each AR Member that wishes to be included should adopt the Joint PURPA Implementation Plan by resolution, thereby becoming an "Authorizing Member" for purposes of the Plan. Although each AR Member authorized the filing at FERC of the waiver request in Section 3(b) of its AR Contract, explicit approval of the later-adopted Plan will demonstrate, among other things, each Authorizing Member's commitment to sell retail power to the QFs, which will support the request to waive KyMEA's obligation to do so. Also, as approved by the KyMEA Board, the Plan anticipated subsequent authorization by Members (see Plan Appendix I).

Members wishing to participate are encouraged to provide their authorizing resolutions to Charlie Musson within sixty days. This will enable the Agency to publish the required public notice and proceed with the filing of the waiver request at FERC.

Action Requested:

We expect to ask the Board for approval to work with AR Members to obtain approval of the necessary resolutions.

Motion Passed: Motion to approve attached resolution requesting resolutions from Authorizing Members for the PURPA Plan 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
Rob Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Absent
Ed Fortner	Yes

F.5. Brief Overview of KyMEA

Rationale:

Based on anticipated general public's attendance at this KyMEA Board meeting, it has been requested that a brief overview of the formation, operation, and purpose of KyMEA be presented.

F.6. Preliminary AR Rates and Budget

Rationale:

be a discussion of the AR Project Committee's recommendation regarding preliminary AR Rates and Budget information to be distributed to the Members for planning purposes.

Subject to approval by the KyMEA Board and the AR Project Committee's recommendation, the presentation would be provided to AR Members for planning purposes.

This item will NOT involve formally adopting an AR rate level or rate schedule to be effective May 2019. The initial AR rate schedule is scheduled to be adopted in late 2018 or very early 2019.

Action Requested:

The Board will be asked to approve the recommendation of the AR Project Committee.

Motion Passed: Motion to approve attached Resolution approving KyMEA All Requirements Project Indicative Rate Proposal passed with a motion by Chris Melton and a second by Mike Withrow.

6 Yeas - 0 Nays.

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

F.7. 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.

G. 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 be 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, February 22, 2018, 10:00AM Central Time, Bowling Green Municipal Utility

Thursday, March 22, 2018, 10:00AM Central Time, Bowling Green Municipal Utility

Wednesday, April 25, 2018, KMUA, Cumberland Falls

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

Thursday, June 28, 2018, 10:00AM Central Time, TBA

H. 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.

Rationale:

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.

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 Ed Fortner.

6 Yeas - 0 Nays.

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

I. 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
Rob Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Absent
Ed Fortner	Yes

J. Actions related to Matters Discussed in Closed Session

Rationale:
Dependent on Closed Session Discussions

Action Requested:
Dependent on Closed Session Discussions, action may or may not be needed.

K. OTHER BUSINESS

L. ADJOURNMENT

Motion Passed: motion to adjourn passed with a motion by Josh Callihan and a second by Ed Fortner.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Rob Leesman	Yes

(Proxy for Terrance Naulty)

Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Absent
Ed Fortner	Yes

Chairperson

Secretary