

Kentucky Municipal Energy Agency

June 28, 2018 11:00 AM
Frankfort Plant Board
151 Flynn Avenue, Frankfort, KY 40602

Attendance Taken at 11:02 AM:

Present Board Members:

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

Absent Board Members:

Carl Shoupe
Chrissy O'Hara
Eddie Gooch
Phillip King
Ronald Herd

Others Present:

Doug Buresh
Michelle Hixon
Fred Haddad
Charles Musson
Brown Thornton
Tom Trauger
Vent Foster
David Blank
Kevin Howard
Rob Leesman
Heather Overby
Dawn Hale
Cathy Lindsey
Steve Mason
Cathy Jennings
Hance Price
Andy McDonald

A. MEETING OPENING

A.1. Guest Introductions

Discussion:

David Denton thanked Dawn Hale and Stephen Mason for being in attendance.

B. Election Of Officers

Rationale:

Election Of Officers

Secretary
Treasurer

Discussion:

KyMEA Secretary, Rob Leesman has joined the KyMEA staff and KyMEA Treasurer, Ed Fortner will be retiring his position as Utility Director at Berea Utilities. An election will be held at the July Board Meeting to fill the two vacancies. Ed Fortner also reported that Kevin Howard will step in as Berea's Director on the KyMEA board and Randy Stone has been named the Alternate. Kevin Frizzell also noted that David Blank would be replacing Rob Leesman as Owensboro's Alternate.

C. REPORTS

C.1. Executive Committee Report

C.2. Financial Report

Discussion:

CFO, Heather Overby requested for all consultant billing through 6/30/2018 to be submitted as KyMEA is preparing for the annual external financial audit.

Motion Passed: Motion to approve the treasurer's report passed with a motion by Mike Withrow and a second by David Denton.

6 Yeas - 0 Nays.

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

Motion Passed: Motion to accept the Financial Statement passed with a motion by Ed Fortner and a second by Chris Melton.

6 Yeas - 0 Nays.

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

D. CONSENT AGENDA

D.1. Approve Minutes

Motion Passed: Motion to approve the minutes from May 24, 2018 Board Meeting passed with a motion by David Denton and a second by Chris Melton.

6 Yeas - 0 Nays.

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

E. DISCUSSION AGENDA

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

Rationale:

An update from Doug on activities during the past month and planned for the coming month was presented.

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

Rationale:

An update from Heather on activities during the past month and planned for the coming month was presented.

E.3. Transmission Arrangements

Rationale:

The Board will be provided an update regarding the Delivery Point transition plan.

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

A filing has been made at FERC related to special arrangements for transmitting power from the LGE/KU system through PJM to Falmouth. We expect the filing to be contested.

LGE/KU has proposed to make a filing at FERC to remove provisions of the Depancaking Agreement. KyMEA and other KY Municipals plan to contest LGE/KU's filing.

F. ITEMS PRESENTED FOR ACTION AT THIS MEETING

F.1. Arrangements for a Seasonal Sale to Berea

Rationale:

KyMEA developed a proposal to sell capacity and energy to Berea for the winter months. The proposed arrangement has been uploaded to the portal.

Motion Passed: Motion to pass resolution to authorize and directs its President and CEO, Chairman, Secretary and other officers to enter into such contracts and agreements as may be necessary for KyMEA to sell 10 MW of seasonal capacity to Berea passed with a motion by Mike Withrow and a second by David Denton.

6 Yeas - 0 Nays.

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

F.2. Public Comments

Rationale:

An opportunity for members of the public to provide input to the KyMEA Board was given with no public comments made.

G. Closed Session pursuant to KRS 61.810(1)(c); KRS 61.810(1)(k) and KRS 61.878(1)(c) for the purpose of:

(i) discussing proposed, potential or pending litigation relating to KyMEA and its members;

(ii) presenting and discussing the proposals received in response to the RFP for Renewable Resources solicited under the competitive negotiation provisions of KRS 45A.370 and updating the negotiation proceedings; and

(iii) presenting and discussing the proposals received in response to the Natural Gas/Combined Cycle Resource RFP solicited under the competitive negotiation provisions of KRS 45A.370 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:

This session will involve:

1. Discussion of proposed, potential or pending litigation relating to the Falmouth transmission services to be provided by KyMEA;

2. Discussion of proposed, potential or pending litigation relating to the LGE/KU Merger Mitigation Depancaking Agreement;

3. Discussion of proposals received in response to the RFP for Renewable Resources and results of further discussions with certain proposers; and

4. Presenting and discussing potential provisions of contracts with a proposer that responded to the Natural Gas/Combined Cycle Resource RFP.

KRS 61.810(1)(c) allows for closed session for discussion of proposed or pending litigation against or on behalf of the agency.

Items 3 and 4 above will involve discussion of power supply resources, including proposed and indicative pricing information provided by potential counterparties and other power supply contract provisions being discussed with proposers pursuant to Non-Disclosure Agreements (NDAs). The information to be discussed will include information of a commercially sensitive nature from the perspectives of both KyMEA and multiple potential counterparties.

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)(c); KRS 61.810(1)(k) and KRS 61.878(1)(c) for the purpose of: (i) discussing proposed, potential or pending litigation relating to KyMEA and its members; (ii) presenting and discussing the proposals received in response to the RFP for Renewable Resources solicited under the competitive negotiation provisions of KRS 45A.370 and updating the negotiation proceedings; and (iii) presenting and discussing the proposals received in response to the Natural Gas/Combined Cycle Resource RFP solicited under the competitive negotiation provisions of KRS 45A.370 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 Kevin Frizzell and a second by Chris Melton.

6 Yeas - 0 Nays.

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

H. RETURN TO OPEN SESSION

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

6 Yeas - 0 Nays.

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

I. ACTIONS RELATED TO MATTERS DISCUSSED IN CLOSED SESSION

Rationale:

No actions required from Closed Session Discussions

J. 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.

Next Meeting is scheduled for:

Wednesday, July 25, 2018, 1:00PM Central Time, Lake Barkley State Park

K. OTHER BUSINESS

L. ADJOURNMENT

Motion Passed: Motion to adjourn passed with a motion by Ed Fortner and a second by Chris Melton.

6 Yeas - 0 Nays.

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

Chairperson

Secretary