

Kentucky Municipal Energy Agency

March 24, 2016 10:00 AM

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

Attendance Taken at 11:13 AM:

Present Board Members:

Josh Callihan
Vent Foster
Ronald Herd
Chris Melton
Mike Withrow
Terrance Naulty

Absent Board Members:

Eddie Gooch
Phillip King
Chrissy O'Hara
Carl Shoupe

Updated Attendance:

Terrance Naulty was updated to absent at: 4:15 PM

A. MEETING OPENING

B. AGENDA REVIEW AND MODIFICATIONS

Discussion:

Suggest tabling item D2. Combined Cycle Interest Group

C. PERFORMANCE REPORTS AND MODIFICATIONS

C.1. Executive Committee Report

Discussion:

No report.

C.2. Financial Report

Discussion:

Terry Naulty provided the report.

Motion Passed: accept financial report. passed with a motion by Mike Withrow and a second by Chris Melton.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent

Phillip King Absent
Eddie Gooch Absent

D. ITEMS PRESENTED FOR ACTION AT THIS MEETING

D.1. Consideration of Renewable Options

Rationale:

At the January Meeting, the Board asked the Advisory Team to develop a resolution that would call for KyMEA to, during FY 2016/17, to consider certain renewable options with the aim of identifying initial options that could be implemented by May 1, 2019. One option to be considered would be community solar projects in those Members' communities that have an interest.

Discussion:

John Painter gave a presentation and lead discussion. It was made clear that this resolution is only to budget the money for the project but does not authorize the study at this time. Terry Naulty suggested that a scope of work be provided at the April meeting before any approval be given to authorize the actual study.

Motion Passed: Approve resolution that KyMEA determine during FY 2016/17 how to initially incorporate renewable energy projects into the All Requirements portfolio beginning as early as May 2019 passed with a motion by Terrance Naulty and a second by Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan Yes
Vent Foster Yes
Ronald Herd Yes
Chris Melton Yes
Mike Withrow Yes
Terrance Naulty Yes
Chrissy O'Hara Absent
Carl Shoupe Absent
Phillip King Absent
Eddie Gooch Absent

D.2. Combined Cycle Plant Interest Group Agreement

Rationale:

A proposal has been received for KyMEA to purchase power from a natural gas-fueled combined cycle generation plant to be constructed by the early 2020s.

The proposed Interest Group Agreement would provide for KyMEA to share in the process and costs of developing a power purchase agreement relative to combined cycle plant. The agreement would not commit KyMEA to purchase any amount of power from the plant.

Discussion:

Item was tabled.

D.3. Consider Approval of Recommendation of Award for Public Officials Liability insurance to Roeding Group Companies

Rationale:

KYMEA initiated a competitive bid process commencing on February 1, 2016, with formal bids ultimately received on March 1, 2016. Assigned markets and bid specifications were sent to 6 potential bidders after a Letter of Interest was issued to the 7 broker/agent participants and/or direct insurance writers that had expressed interest in proposing coverage for POL/EPL under OMU's comprehensive P&C Insurance bid already underway. This resulted in the same 15 unique insurance markets requested for this line. Subsequently, 4 sealed bids were received for the opening.

Evaluation of proposals revealed the most competitive (and comprehensive) bid from Roeding Group Companies, as agent for Kentucky League of Cities Insurance Services (KLCIS). Not only did they propose POL coverage with EPL, they did so in conjunction with General Liability (GL) coverage, and at the lowest cost for requested limits. In addition, they offered the most optionality for limits/deductibles, and additional coverages as stated, but also \$1M Data Breach and Privacy Liability (Cyber) coverage for no additional premium, \$1M Non-owned/Hired Business Auto Liability coverage for \$155.00 additional premium, and \$25k/\$50k Crime/Employee Dishonesty for \$627.15.

Therefore, pursuant to KRS 45A.365(2), it is recommended to award the POL Insurance at the limits/deductibles listed below, including proposed coverages, for a total premium of \$7,922.15 (plus any applicable taxes/surcharges), to Roeding/KLCIS, who is evaluated to most adequately meet the needs of KYMEA, now and into the future:

POL/EPUGL(\$7,140.00): \$10M Limit; \$10k Ded. POL/EPL; \$0k Ded. GL
Cyber & Auto Liab. (\$155.00): \$1M Limit Each; \$5k Ded. Cyber; \$0k Ded. Auto Liability
Crime Coverage (\$627.15): \$50k Limit Employee Dishonesty; \$25k Limit Crime; \$100-\$250 Ded.

Discussion:

Terry Naulty led a discussion of item.

Motion Passed: Approval of Recommendation of Award for Public Officials

Liability insurance to Roeding Group Companies for a total premium of \$7,922.15 (plus any applicable taxes/surcharges) and authorizing the Chairman to execute the Resolution approving the execution of the Inter-local Cooperation Agreement to establish the Kentucky League of Cities Insurance Services, the Inter-local Cooperation Agreement and the Trust Participation Agreement. passed with a motion by Mike Withrow and a second by Chris Melton.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Phillip King	Absent
Eddie Gooch	Absent

E. Discussion Agenda

E.1. Agreements between KyMEA and Members

Rationale:

Agreements that need to be put in place are as follows:

KyMEA and All Requirements Members for:

All Requirements Service (including power supply and other admin services)

Purchase of capacity and energy from Member resources (Paris diesels, SEPA, other)

KyMEA and OMU

Sale of Capacity to OMU

Power supply and other admin services

Energy pooling arrangement

Discussion:

Tom Trauger and John Painter led significant discussions on the topic.

E.2. Paducah and Princeton Membership

Rationale:

Paducah and Princeton have expressed an interest in considering membership in KyMEA.

At the December meeting, the Board decided to have Terry and Chris have discussions with Paducah and Princeton concerning membership.

The Board will receive a status report regarding any further discussions that have occurred.

Discussion:

Will be meeting on 1st of Aril.

E.3. Project Schedule Review and Update

Rationale:

Late last year, a schedule was presented on ongoing activities. That schedule has been updated and needs to be reviewed with the Board.

The Board will be asked to provide input and direction, but no formal action is needed.

Discussion:

John Painter led the discussion.

F. Consent Agenda

F.1. Approve Minutes of February 25, 2016 Regular Meeting

Motion Passed: passed with a motion by Terrance Naulty and a second by Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Phillip King	Absent
Eddie Gooch	Absent

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.

April 28, 2016 at 10:00AM Eastern in Lexington, KY Special Meeting

May 26, 2016 at 10:00AM

June 23, 2016 at 10:00AM

July 28, 2016 at 10:00AM

August 25, 2016 at 10:00AM

September 22, 2016 at 10:00AM

October 27, 2016 at 10:00AM

G.1. April KyMEA Meeting Schedule and Location

Rationale:

The KMUA Spring Meeting is scheduled for April 28 and 29 in Lexington at the Double Tree hotel with activities at Keeneland on Thursday the 28th, the normal date of the KyMEA Board meeting.

The Board needs to establish a schedule and place for the April Board meeting.

Discussion:

Plans will be investigated to move the April meeting to Lexington to facilitate directors who are also involved with the Spring KMUA meeting also in Lexington on the same date. Suggestion is that the meeting be at 8:00AM. This would be a special meeting.

H. CLOSED SESSION PURSUANT TO KRS 61.810 (1) (k) and 61.878 (1) (c) for Discussion of proposals to provide Power Supply Resources to KyMEA submitted in response to KyMEA's RFP and related options for submitting applications for transmission service. The RFP included a commitment to not disclose proposal terms and provisions to competitors. 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 would provide an unfair advantage to competitors of the entity disclosing such information.

Rationale:

Discussion of proposals to provide Power Supply Resources to KyMEA submitted in response to KyMEA's RFP and related options for submitting applications for transmission service.

The RFP included a commitment to not disclose proposal terms and provisions to competitors.

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 would 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 discussion of proposals to provide Power Supply Resources to KyMEA submitted in response to KyMEA's RFP and related options for submitting applications for transmission service. The RFP included a commitment to not disclose proposal terms and provisions to competitors. 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 would provide an unfair advantage to competitors of the entity disclosing such information passed with a motion by Terrance Naulty and a second by Mike Withrow.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Phillip King	Absent
Eddie Gooch	Absent

I. RETURN TO OPEN SESSION

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

5 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Terrance Naulty	Absent
Chrissy O'Hara	Absent
Carl Shoupe	Absent

Phillip King Absent
Eddie Gooch Absent

J. ITEMS PRESENTED FOR ACTION AS A RESULT OF CLOSED SESSION

J.1. Consider Approval of Actions Necessary to Carry Out Closed Session Directives.

Discussion:
None.

K. ADJOURNMENT

Motion Passed: passed with a motion by Vent Foster and a second by Josh Callihan.

5 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Mike Withrow	Yes
Terrance Naulty	Absent
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Phillip King	Absent
Eddie Gooch	Absent

Chairperson

Secretary