

Kentucky Municipal Energy Agency

April 28, 2016 8:00 AM
SpringHill Suites
863 South Broadway
Lexington, Kentucky 40504

Attendance Taken at 8:20 AM:

Present Board Members:

Josh Callihan
Vent Foster
Ronald Herd
Chris Melton
Robert Leesman (Proxy for Terrance Naulty)
Mike Withrow

Absent Board Members:

Eddie Gooch
Phillip King
Terrance Naulty
Chrissy O'Hara
Carl Shoupe

A. MEETING OPENING

B. AGENDA REVIEW AND MODIFICATIONS

Discussion:
None as this is a special meeting.

C. PERFORMANCE REPORTS AND MODIFICATIONS

C.1. Executive Committee Report

Discussion:
Ron Heard gave a brief summary of general discussions the committee had on a conference call on 4-27-16.

C.2. Financial Report

Discussion:
The report was read.

Motion Passed: Acceptance by 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
Robert Leesman	Yes
(Proxy for Terrance Naulty)	

Mike Withrow	Yes
Carl Shoupe	Absent
Chrissy O'Hara	Absent
Phillip King	Absent
Eddie Gooch	Absent

D. ITEMS PRESENTED FOR ACTION AT THIS MEETING

D.1. Consideration of Issuing a new RFP to Provide Peaking Capacity and Energy

Rationale:

In October 2015, KyMEA received several Proposals to provide peaking capacity and energy in response to its September 2015 Power Supply Procurement RFP # 2015-1. Based on discussions regarding those proposals, the Board will be asked to consider: (i) rejecting only the proposals to supply Peaking Capacity and Energy provided in response to the Sept 2015 RFP and (ii) issuing a new RFP to supply Peaking Capacity and Energy.

Other proposals (e.g., for coal-fired resources) provided in response to the Sept 2015 RFP will not be impacted by this action.

The Resolutions provide the following:

Directing nFront Consulting to:

Provide notice to all applicable Proposers that KyMEA has decided to reject any and all proposals to provide peaking capacity and energy provided in response to the Sept 2015 RFP; and

Publish a new request for proposals to provide peaking capacity and energy to KyMEA.

Review responses to the new RFP and develop recommendations to the Board concerning which are reasonably susceptible of being selected for award.

Finding that the specifications cannot be made sufficiently specific to permit award on the basis of either the lowest bid price or the lowest evaluated bid price due to the Agency's need for nonstandard services.

Finding that one or more contracts for peaking capacity and energy should be procured through competitive negotiation pursuant to KRS 45A.370.

Approving the form of said notice, RFP, and related advertisement.

Authorizing the KyMEA Chairman to take such action on behalf of KyMEA as he deems appropriate to facilitate and expedite the procurement process, subject to subsequent ratification by the KyMEA Board.

Discussion:

John Painter led the discussion. It was decided the item should be split into two motions.

Motion Passed: Approval of resolutions Rejecting Peaking Capacity proposals under the September 2015 RFP and Making Determinations passed with a motion by Mike Withrow and a second by Vent Foster.

6 Yeas - 0 Nays.

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

Motion Passed: Authorizing issuance of the new RFP for peaking capacity under competitive NPC and the KyMEA Chairman to take such action on behalf of KyMEA as he deems appropriate to facilitate and expedite the procurement process, subject to subsequent ratification by the KyMEA Board passed with a motion by Chris Melton and a second by Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Robert Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Carl Shoupe	Absent
Chrissy O'Hara	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:

Terry Naulty led the discussion via phone as he was not present.

Motion Passed: Authorize KyMEA Chairman to sign the HenderSun Interest Group Participation Agreement and authorize KyMEA's participation in the activities of the Interest Group 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
Robert Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Carl Shoupe	Absent
Chrissy O'Hara	Absent
Phillip King	Absent
Eddie Gooch	Absent

D.3. Approval of the license agreement with Microsoft GP.

Rationale:

At the January 28, 2016 KyMEA meeting, KyMEA approved the use OMU's accounting system and accounts payable functions for administration of the back accounts and all AP/AR functions for a monthly service fee. This is the approval of the software license associated with that action.

Discussion:

Charlie Musson spoke on the matter and suggested that the items have onerous contract provisions. Charlie suggested that the item be tabled until next month after more discussions have occurred with Microsoft. Item was tabled.

D.4. Kentucky Municipal Power Agency (KMPA) Memorandum of Understanding

Rationale:

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

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

I concept is that the groups explore potential mutual benefits from collaborative power supply planning and cost sharing opportunities for the purpose of achieving the lowest cost of reliable and environmentally responsible electricity for public power providers in Kentucky.

The MOU is a direct response to those directives and goals.

Discussion:

Terry Naulty and Chris Melton lead the discussion. Heather Overby with KMPA spoke on behalf of the agreement and concept. Tom Trauger suggested some clarifications on termination and confidentiality provisions. A discussion ensued over who specifically would sign the agreement. Final wording would correct the mentioned items.

Motion Passed: Authorize KyMEA to enter into an MOU with KMPA and its members subject to final approval of the wording of the MOU by KyMEA passed with a motion by Josh Callihan and a second by Chris Melton.

6 Yeas - 0 Nays.

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

E. Discussion Agenda

E.1. Discussion of 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

A Presentation has been prepared and uploaded summarizing and explaining key provisions of the draft Agreement.

The Presentation is intended to make it much easier and more effective for Board Members to consider and provide input on this draft of the Agreement, as compared to reading the Agreement itself. The Presentation provides specific page and section cross-references to the Agreement to facilitate a more detailed review of sections of most interest to each reviewer.

The Presentation will be reviewed with the Board and each Board member make note of questions and discussion areas as the Presentation proceeds. Then, we can more effectively discuss the key concepts of most interest to all Board Members.

Discussion:

John Painter led the discussion and power point presentation. Tom Trauger contributed. The point was made that the key is finding a balanced contract for both KyMEA and the individual cities. It was suggested that a conference call be conducted with members and their councils to look at additional concerns and questions.

F. Consent Agenda

F.1. Approve Minutes of March 24, 2016 Regular Meeting

Motion Passed: passed with a motion by Josh Callihan and a second by Chris Melton.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Robert Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Carl Shoupe	Absent
Chrissy O'Hara	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.

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

Discussion:

Charlie Musson suggested that we make provisions in the schedule for future KMUA meetings.

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:

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.

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 Vent Foster and a second by Mike Withrow.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Robert Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Carl Shoupe	Absent
Chrissy O'Hara	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 Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Robert Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Carl Shoupe	Absent
Chrissy O'Hara	Absent
Phillip King	Absent

Eddie Gooch Absent

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

Discussion:
No items presented.

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

Discussion:
No items presented for action.

K. ADJOURNMENT

Motion Passed: 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
Robert Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Carl Shoupe	Absent
Chrissy O'Hara	Absent
Phillip King	Absent
Eddie Gooch	Absent
