

Kentucky Municipal Energy Agency

May 26, 2016 10:00 AM

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

Attendance Taken at 11:04 AM:

Present Board Members:

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

Absent Board Members:

Eddie Gooch
Phillip King
Chrissy O'Hara
Carl Shoupe

A. MEETING OPENING

B. AGENDA REVIEW AND MODIFICATIONS

C. PERFORMANCE REPORTS AND MODIFICATIONS

C.1. Executive Committee Report

Discussion:
None

C.2. Financial Report

Discussion:
Terry Naulty gave the report.

Motion Passed: Accept financial report passed with a motion by Mike Withrow and a second by Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Phillip King	Absent
Chrissy O'Hara	Absent
Carl Shoupe	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. That Resolution was adopted at the March Board meeting. The Board then asked nFront to prepare a proposed Task Order to accomplish the consideration of renewables contemplated by the Resolution.

Discussion:

John Painter led discussion of the item and proposed a scope of work for nFront to investigate available opportunities for renewable resource options for a total not-to-exceed amount of \$25,000. There was also a discussion of when to do the report and work.

Motion Passed: approval of the proposed nFront Consulting Task Order with a target date of October 15, 2016 passed with a motion by Terrance Naulty and a second by Vent Foster.

6 Yeas - 0 Nays.

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

D.2. Combined Cycle Plant Interest Group Agreement (corrected version)

Rationale:

The HenderSun Interest Group Agreement will need to be reapproved. The version that was approved previously at the 4/28/16 Board meeting was incorrect. The revised version is attached.

From previous meeting:

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.

Motion Passed: Authorize KyMEA Chairman to sign the revised HenderSun Interest Group Participation Agreement and authorize KyMEA's participation in the activities of the Interest Group passed with a motion by Chris Melton and a second by Mike Withrow.

6 Yeas - 0 Nays.

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

E. DISCUSSION AGENDA

E.1. Obtaining a Credit Rating for KyMEA

Rationale:

To address credit requirements in the PPAs and related to transmission service arrangements, it will be very important for KyMEA to obtain a credit rating from at least one rating agency.

At the March meeting, the Board provided direction to the Advisor Group to work toward obtaining a credit rating. Since that meeting, questions have been asked about the process and schedule for doing so.

Discussion:

Mike Mace presented the item and led the discussion.

E.2. Discussion of Agreements between KyMEA and Members

Rationale:

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

1. KyMEA and All Requirements Members for:
 - o All Requirements Service (including power supply and other admin services)
 - o Purchase of capacity and energy from Member resources (Paris diesels, SEPA, other)
2. KyMEA and OMU
 - o Sale of Capacity to OMU
 - o Power supply and other admin services
 - o Energy pooling arrangement

The presentation will focus on changes resulting from comments and input received since the April Board meeting.

Discussion:

Tom Trauger led a discussion of the draft contract and member feedback. The plan of implementation would be that the KyMEA board approve recommending the contract at the June KyMEA meeting and then the individual members governing bodies would then consider approval after that June KyMEA meeting.

F. CONSENT AGENDA

F.1. Approve Minutes of April 28, 2016 Special Meeting

Discussion:

None.

Motion Passed: approval 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
Terrance Naulty	Yes
Mike Withrow	Yes
Phillip King	Absent
Chrissy O'Hara	Absent
Carl Shoupe	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 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.

June 23, 2016 at 10:00AM

July 28, 2016 at 9:00AM (Eastern) in Louisville at Brown Hotel (coincides with KMUA meeting)?

August 25, 2016 at 10:00AM

September 22, 2016 at 10:00AM

October 27, 2016 at 10:00AM

Discussion:

Discussion of timing of upcoming meeting agendas and the KMUA meeting schedule for July.

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

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 Terrance Naulty and a second by Vent Foster.

6 Yeas - 0 Nays.

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

I. RETURN TO OPEN SESSION

Motion Passed: Approval to return to Open Session 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
Terrance Naulty	Yes
Mike Withrow	Yes
Phillip King	Absent
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Eddie Gooch	Absent

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

Discussion:
none.

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

Discussion:
None.

K. ADJOURNMENT

Motion Passed: Adjournment passed with a motion by Vent Foster and a second by Terrance Naulty.

6 Yeas - 0 Nays.

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

Chairperson

Secretary