

Kentucky Municipal Energy Agency

October 22, 2015 10:00 AM
Louisville Marriott Downtown
280 W. Jefferson St
Louisville, KY 40202

Attendance Taken at 10:12 AM:

Present Board Members:

Ronald Herd
Josh Callihan
James McCarty, Jr.
Vent Foster
Chris Melton
Terrance Naulty

Absent Board Members:

Terry England
Eddie Gooch
Phillip King
Carl Shoupe

A. MEETING OPENING

B. AGENDA REVIEW AND MODIFICATIONS

Discussion:
No changes requested.

B.1. eMeeting Web Portal Introduction and Training

Rationale:
eMeeting web portal introduction and training conducted by the Kentucky School Board Staff

Discussion:
Lifesize Cloud video software was discussed for remote meeting needs.

C. PERFORMANCE REPORTS AND MODIFICATIONS

Discussion:
Discussion of reports and modifications.

C.1. Executive Committee Report

Discussion:
Executive Committee Report was discussed.

C.2. Power Supply Consultant's Report

Discussion:
Several proposals and supplier responses were received. A closed session will need to be held due to the confidential nature of the information provided by the agreements.

C.2.a. Update to the Previously Provided Project Schedule and a Budget Forecast of Projected Tasks

Discussion:

Requests were heard to provide monthly updates for project schedules, fiscal year budget forecasts, and expenditures at future meetings.

C.2.b. Update on Transmission Service Request Overview and Study

Rationale:

Status update on the transmission service request overview and study.

Discussion:

The forecast for each member in regard to load and strategy was discussed. Each study is approximately \$40K, Terry Naulty suggested to go ahead with study regardless of the cost, due to the importance of the information provided. Stan Conn recommended formal written recommendations from the Consultants within the next couple of meetings. John Painter stated a transmission plan could be available for action in November. The Agenda for the next meeting would be published by close of business on Friday (13th) before the meeting (18th). Therefore Board Members could review all documentation prior to the meeting.

C.2.c. Update on Status of Power Supply Requirements and Opportunities and Strategies

C.3. Manager's Report

Discussion:

None

C.4. Financial Report

Discussion:

None

D. ITEMS PRESENTED FOR ACTION AT THIS MEETING

D.1. Consider having Spiegel & McDiarmid intervene and protest the LG&E/KU filing to amend certain ancillary service provisions of the Open Access Transmission Tariff on behalf of KyMEA

Rationale:

Discussion:

Discussion on how critical this issue is and how it reduces our ability to rely on reserves. Tom Trauger will work to get language adjusted.

Motion Passed: Intervention and protest of the LG&E/KU filing to amend certain ancillary service provisions of the Open Access Transmission Tariff by Spiegel & McDiarmid on behalf of KyMEA passed with a motion by Terrance Naulty and a second by James McCarty, Jr..

6 Yeas - 0 Nays.

Ronald Herd	Yes
Josh Callihan	Yes
James McCarty, Jr.	Yes
Vent Foster	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Carl Shoupe	Absent
Eddie Gooch	Absent
Terry England	Absent
Phillip King	Absent

D.2. Agency Manager

Discussion:

Discussion of why this position needs to be filled.

Motion Passed: Hire a full time manager/CEO for operation of the agency prior to full staffing passed with a motion by Terrance Naulty and a second by Vent Foster.

6 Yeas - 0 Nays.

Ronald Herd	Yes
Josh Callihan	Yes
James McCarty, Jr.	Yes
Vent Foster	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Carl Shoupe	Absent
Eddie Gooch	Absent
Terry England	Absent
Phillip King	Absent

D.3. Interim Agency Administrative Services

Discussion:

Discussion of our need for administrative assistance from KMPA.

Motion Passed: Authorize the chairman to negotiate an agreement with KMPA for administrative services passed with a motion by Terrance Naulty and a second by Josh Callihan.

6 Yeas - 0 Nays.

Ronald Herd	Yes
Josh Callihan	Yes
James McCarty, Jr.	Yes
Vent Foster	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Carl Shoupe	Absent
Eddie Gooch	Absent
Terry England	Absent
Phillip King	Absent

E. DISCUSSION AGENDA

E.1. Solicitation of Banking Relationship and Line of Credit Financing

Discussion:

Jim McCarty will send out RFP to 24 banking entities for everyday banking needs. Bonding and line of credit will be separate articles. Jim McCarty will present item at November meeting.

E.2. Insurance Quotes and Options

Discussion:

Jim McCarty discussed recommendations from the Kentucky League of Cities on General Liability insurance.

E.3. Potential New Membership

Discussion:

Brown Thornton recommended applications for membership be done according to the bylaws.

E.4. Berea Membership

Discussion:

Item will be discussed in another work session.

E.5. Subcontracting agreements with Public Financial Management, Inc. (PFM) and Rubin & Hays Attorneys at Law for legal and consulting relationships

Rationale:

Last month's approval of the "existing" consultant arrangement did not directly address the fact that neither PFM nor Rubin & Hays has any formal agreement authorizing them to send invoices to the group members (and they have not yet done so). That gap could be filled with subcontracting agreements similar to existing agreements with nFront and Speigel & McDiarmid, if desired, to allow back billing and to be in place until the transition to direct contracts with KyMEA.

Discussion:

Terry Naulty suggested all contracts go to KYMEA and bills be sent to each utility. Recommendations on funding the account will be discussed at the November meeting.

E.6. Establishment of a Project Committee Designated as the 2019 Portfolio Project Committee

Rationale:

Continue the discussion of establishment of a Project Committee designated as the 2019 Portfolio Project Committee.

Discussion:

Tom Trauger opened discussion. Deferral of the creation of the committee was recommended by the consultants.

E.7. Budget and Accounts Setup and Implementation

Discussion:

Jim McCarty will use QuickBooks for the interim.

F. CONSENT AGENDA

F.1. Approve Minutes

Discussion:

Minutes were approved.

F.1.a. Approve Minutes of September 24, 2015 Special Meeting

Motion Passed: Minutes of September 24, 2015 special meeting passed with a motion by Terrance Naulty and a second by Chris Melton.

6 Yeas - 0 Nays.

Ronald Herd	Yes
Josh Callihan	Yes
James McCarty, Jr.	Yes
Vent Foster	Yes
Chris Melton	Yes

Terrance Naulty	Yes
Carl Shoupe	Absent
Eddie Gooch	Absent
Terry England	Absent
Phillip King	Absent

F.2. Ratify and Approve Disbursements

Discussion:
None

F.3. Ratify and Approve Bids Accepted by the Chairman

Discussion:
None

F.4. Ratify and Approve Determination and Findings - Including Purchase

Discussion:
None

F.5. Personnel Items

Discussion:
None

G. ITEMS PRESENTED FOR ACTION AT A FUTURE MEETING

Discussion:
None

H. GOVERNANCE ITEMS

H.1. Policy Compliance Reports

Discussion:
None

H.2. Policy Review and Development

Discussion:
None

I. UPCOMING MEETINGS

Rationale:

The future regular meeting dates are on every 4th Thursday of the month except November and December (3rd Wednesday of month).

November 18, 2015 at 10:00AM

December 16, 2015 at 10:00AM

January 28, 2016 at 10:00AM

J. OTHER OLD AND NEW BUSINESS

Discussion:
None

K. CLOSED SESSION 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:

Pursuant to KRS 61.810 (1) (c) for the discussion of proposed or pending litigation against or on behalf of KyMEA; and KRS 61.810 (1) (k) Meetings which federal or state law specifically require to be conducted in privacy.

Motion Passed: Enter into CLOSED SESSION 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 passed with a motion by Terrance Naulty and a second by James McCarty, Jr..

6 Yeas - 0 Nays.

Ronald Herd	Yes
Josh Callihan	Yes
James McCarty, Jr.	Yes
Vent Foster	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Carl Shoupe	Absent
Eddie Gooch	Absent
Terry England	Absent
Phillip King	Absent

L. RETURN TO OPEN SESSION

Motion Passed: Return to open session passed with a motion by James McCarty, Jr. and a second by Josh Callihan.

5 Yeas - 0 Nays.

Ronald Herd	Yes
Josh Callihan	Yes
James McCarty, Jr.	Yes
Vent Foster	Yes
Chris Melton	Yes
Terrance Naulty	Absent
Carl Shoupe	Absent
Eddie Gooch	Absent
Terry England	Absent
Phillip King	Absent

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

Discussion:

No items

N. ADJOURNMENT

Motion Passed: Adjournment passed with a motion by Vent Foster and a second by Chris Melton.

6 Yeas - 0 Nays.

Ronald Herd	Yes
Josh Callihan	Yes
James McCarty, Jr.	Yes
Vent Foster	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Carl Shoupe	Absent
Eddie Gooch	Absent
Terry England	Absent
Phillip King	Absent

Chairperson

Secretary