

Kentucky Municipal Energy Agency

November 18, 2015 10:00 AM

Seelbach Hilton

500 S 4th St,

Louisville, KY 40202

Attendance Taken at 10:17 AM:

Present Board Members:

Josh Callihan

Vent Foster

Ronald Herd

Mr. Mike Withrow (Proxy for James McCarty, Jr.)

Chris Melton

Terrance Naulty

Absent Board Members:

Terry England

Eddie Gooch

Phillip King

James McCarty, Jr.

Chrissy O'Hara

Carl Shoupe

A. MEETING OPENING

Discussion:

Others in attendance: Tom Trauger, Brown Thornton, John Painter, Fred Haddad, Rob Leesman, Pat Pace, Stan Conn, Hance Price, Ed Fortner, Herbbie Bannister

A.1. Notice of a new member director and alternate

Rationale:

City of Falmouth has given notice of its new director, Chrissy O'Hara and the alternate Susan Bishop.

The KyMEA by-laws state in Section 2. "The governing body of a Member may replace its Director or Alternate at any time by written notice filed with the Secretary of the Agency. The notice shall be given by the person or entity authorized to give such notice in the ordinance or resolution of the Member on file with the Agency authorizing execution of the Agency Agreement. In the absence of an appropriate designation in such ordinance or resolution, the notice must be signed by the presiding officer or clerk/secretary of the Member. the Agency shall be entitled to rely upon any notice which appears valid on its face. The replacement Director or Alternate named in such notice shall be entitled to vote on behalf of the Member from the time of receipt of the notice by the Secretary until receipt of further notice from the Member."

Discussion:

While a notice was given, the proper notice has not been provided to the secretary. We are attempting to collect the proper notice from Falmouth.

A.2. Approve Minutes of October 22, 2015 Regular Meeting

Motion Passed: passed with a motion by Terrance Naulty and a second by Chris Melton.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Terry England	Absent
Vent Foster	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Mr. Mike Withrow (Proxy for James McCarty, Jr.)	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent

A.3. Call for Nominations and Special Election for the Office of Treasurer

Rationale:

Due to the vacancy of the resignation of the current Treasurer, accept nominations and conduct a special election for Treasurer.

By-Laws Article 3, Section 2. The initial elected officers of the Agency shall serve until the 2017 annual meeting. Thereafter, the elected officers shall serve for two (2) year terms. No individual shall serve as the Chairman or as the Vice Chairman for more than three (3) consecutive terms. If any elected office becomes vacant, it shall be filled by a special election at the next meeting of the Board convened for that purpose. The Chairman may appoint a person to hold the vacant office until the special election. An officer elected at a special election shall serve for the unexpired term of the person who has vacated the office.

Discussion:

Terry Naulty was nominated by Vent Foster. As no other nominations were made, Terry Naulty was determined to be the Treasurer.

B. PERFORMANCE REPORTS AND MODIFICATIONS

B.1. Executive Committee Report

Discussion:

Terry Naulty led a general discussion on an interim CEO position. Terry indicated that OMU has received approximately fifty applications to date. December 18th is the last day to accept applications. Terry Naulty gave a motion for creation of a committee to review the resumes. Motion died as there was no second. General discussion then ensued on how to handle the selection, position, salary and the timing of hiring someone. No salary, benefits or hire date have been determined for the position. Only applications/resumes are being taken at this time. Stan Conn suggested the executive committee could screen the applicants. Chris Melton suggested the resumes go to the whole Board for review. The published job description was then read aloud by Tom Trauger. Vent Foster suggested the item be tabled until next months meeting as the application deadline is not until two days after the next regular Board meeting. Chairman asked Terry Naulty to email all resumes to the executive committee for review.

Motion Passed: The executive committee will review and narrow the applications and present the ten best to the full Board for consideration passed with a motion by Chris Melton and a second by Terrance Naulty.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Terry England	Absent
Vent Foster	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Mr. Mike Withrow	Yes
(Proxy for James McCarty, Jr.)	
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent

B.2. Financial Report

Discussion:

No report was provided to the Board as Jim McCarty (previous treasurer) was no longer on the Board.

C. ITEMS PRESENTED FOR ACTION AT THIS MEETING

C.1. Confidentiality of Responses to the RFP

Rationale:

Members of boards that govern a KyMEA Member and citizens have inquired about obtaining access to the responses to the RFP. It is very important to KyMEA and all of its members that the responses to KyMEA's RFP remain confidential. The next step is to enter negotiations with certain proposers. Release of information about the proposals can be expected to compromise the interests of KyMEA in those negotiations, which can be expected to result in higher costs for all KyMEA members for many years.

Any failure to protect the confidentiality of proposals during the competitive negotiation process will disqualify the process from treatment under KRS 45A.370 and convert the procurement to sealed bidding under KRS 45A.365. As a sealed bidding procurement, the proposals are subject to public inspection as soon as they are opened and can be obtained through an open records request. Proposals obtained through competitive negotiation are not subject to disclosure or public inspection until the agency has awarded contracts to the successful offerors.

Discussion:

Tom Trauger led a discussion on the importance of maintaining the confidentiality of RFP responses and the statutes on competitive negotiations.

Terry Naulty suggested that the concept in the attached document "Confidentiality of Responses to the RFP 2015 11 12" be made into a draft policy that the executive committee could review and then bring to the Board for approval.

No motion was made so the item was tabled until the next meeting when a draft policy will be provided.

C.2. Proposed Professional Services Agreements

Rationale:

At the November meeting Terry Naulty suggested all contracts go to KYMEA and bills be sent to each utility.

As requested during the last meeting, the Consulting and Legal Team has provided proposed professional services agreements that are substantially the same as the agreements under which the consultants and attorney have been working with the members.

Discussion:

Tom Trauger lead a discussion on the consultants and legal team providing professional services agreements to KyMEA. Terry Naulty clarified that while the new agreements would be with KyMEA, the individual members would continue to be billed directly by the consultants and legal team until KyMEA has funding. Stan Conn brought up some general concerns with some of the language in the contracts pertaining to insurance, scope of the work and questions on who was negotiating the contracts. Terry Naulty suggested having the executive committee review the contracts and make a recommendation to the Board.

Motion Passed: Approve the Spiegel contract subject to legal review and have the executive committee review and recommend action to the full Board on the other contracts passed with a motion by Terrance Naulty and a second by Ronald Herd.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Terry England	Absent
Vent Foster	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Mr. Mike Withrow (Proxy for James McCarty, Jr.)	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent

D. DISCUSSION AGENDA

D.1. Implementation Plan and Budget

Rationale:

Review of proposed implementation plans, schedules and budgets. The consulting team is working to prepare an overall plan that will identify major tasks and milestones and provide projections focusing primarily on consulting costs. The consulting team plans to make assumptions concerning the monthly level of effort to make projections of costs for the remaining portion of FY 2016 and annual levels of effort thereafter.

Discussion:

John Painter lead a discussion on the proposed implementation plans, schedules and budgets as provided in the attached "Project Schedule and Approach 2" power point document. The consultants will bring more detailed costs to the board at the December meeting.

D.2. Solicitation of Banking Relationship and Line of Credit Financing

Rationale:

At the October meeting the Treasurer indicated that he would send out an RFP to 24 banking entities for everyday banking needs. Bonding and line of credit will be separate articles. Treasurers to present the results at November meeting.

Discussion:

No discussion as Jim McCarty (previous treasurer) was no longer on the Board. Terry Naulty indicated he would take these items on as the new treasurer.

D.3. Insurance Quotes and Options

Rationale:

At the October meeting the Treasurer discussed recommendations from the Kentucky League of Cities on General Liability insurance and would present items at November meeting.

Discussion:

No discussion as Jim McCarty (previous treasurer) was no longer on the Board. Terry Naulty indicated he would take these items on as the new treasurer.

D.4. Member Funding of KyMEA

Rationale:

At the October meeting it was suggested that recommendations on funding KyMEA be discussed at the November meeting.

Discussion:

None.

D.5. Interim Agency Administrative Services

Rationale:

At the October meeting the chairman was authorized to negotiate an agreement with KMPA for administrative services.
Progress update.

Discussion:

Rod Herd lead a brief discussion on the status and that we had provided information to KEMPA. We have not heard back at this point.

E. UPCOMING MEETINGS

Rationale:

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

December 16, 2015 at 10:00AM

January 28, 2016 at 10:00AM

February 25, 2016 at 10:00AM

March 24, 2016 at 10:00AM

April 28, 2016 at 10:00AM

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
November 16, 2016 at 10:00AM
December 21, 2016 at 10:00AM

Discussion:

General information on the upcoming meeting dates. Terry Naulty provided an update on the efforts to find a facility with video conferencing capabilities to hold future KyMEA meetings. Terry and the OMU staff has had a difficult time finding a location. Terry suggested an interim solution would be to use the Owensboro Municipal Utilities (OMU) facilities. Longer term solution would need to be some rented office space. Ron Herd suggested looking into space with Bowling Green Municipal Utility. Terry will check on it. The December meeting will be at the regular Louisville Marriott location.

F. REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION pursuant to KRS 61.810(1)(k) and 61.878(1)(c) for the 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:

Motion Passed: Approval to enter into Closed Session pursuant to KRS 61.810(1)(k) and 61.878(1)(c) for the 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 Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Terry England	Absent
Vent Foster	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Mr. Mike Withrow	Yes
(Proxy for James McCarty, Jr.)	
Chris Melton	Yes

Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent

G. RETURN TO OPEN SESSION

Motion Passed: Approval to return to Open Session passed with a motion by Terrance Naulty and a second by Mr. Mike Withrow (Proxy for James McCarty, Jr.).

6 Yeas - 0 Nays.

Josh Callihan	Yes
Terry England	Absent
Vent Foster	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Mr. Mike Withrow	Yes
(Proxy for James McCarty, Jr.)	
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent

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

H.1. Consider Authorizing the Consulting Team to Proceed with Discussions and Negotiations with Specified Proposers.

Discussion:
No motion made.

H.2. Consider Authorizing the Consulting Team to Develop an Application for Transmission Service.

Motion Passed: Authorize the consulting team to develop an application for any necessary transmission service passed with a motion by Vent Foster and a second by Josh Callihan.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Terry England	Absent
Vent Foster	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Mr. Mike Withrow	Yes
(Proxy for James McCarty, Jr.)	
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent

H.3. Consider Approval of Actions Necessary to Carry Out Closed Session Directives.

Discussion:
No motion was made.

I. ADJOURNMENT

Motion Passed: Approval to adjourn passed with a motion by Terrance Naulty and a second by Chris Melton.

6 Yeas - 0 Nays.

Josh Callihan	Yes
Terry England	Absent
Vent Foster	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Mr. Mike Withrow	Yes
(Proxy for James McCarty, Jr.)	
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent

Chairperson

Secretary