

Kentucky Municipal Energy Agency

February 23, 2017 10:00 AM

Frankfort Plant Board Clubhouse

98 Tanglewood Dr.

Frankfort, KY 40601

Attendance Taken at 10:52 AM:

Present Board Members:

Josh Callihan

Vent Foster

Ronald Herd

Chris Melton

Rob Leesman (Proxy for Terrance Naulty)

Mike Withrow

Ed Fortner

Absent Board Members:

Eddie Gooch

Phillip King

Terrance Naulty

Chrissy O'Hara

Carl Shoupe

A. MEETING OPENING

B. AGENDA REVIEW AND MODIFICATIONS

Discussion:

None.

C. PERFORMANCE REPORTS AND MODIFICATIONS

C.1. Executive Committee Report

C.2. Power Supply Consultant's Report

C.3. Manager's Report

C.4. Financial Report

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

7 Yeas - 0 Nays.

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

D. ITEMS PRESENTED FOR ACTION AT THIS MEETING

D.1. Contracts for Member Resources

Rationale:

A draft of proposed contracts between KyMEA and Paris that provides for KyMEA's use of Paris' diesel units as part of the AR Portfolio has been prepared. The draft is similar to the SEPA contracts approved by the Board in January, with changes pertinent to the diesel project.

We also anticipate a brief discussion of the status of consideration of the SEPA Contracts approved in January.

D.2. Transmission Agreement with Benham and Paris

Rationale:

A draft of proposed contracts between KyMEA and Benham and Paris for transmission service have been prepared. The draft is similar to the contract with Berea approved by the Board in September 2016, with changes pertinent to the diesel project.

Motion Passed: Motion to approve transmission agreements with Benham and Paris, subject to minor revisions approved by the Chainman passed with a motion by Ed Fortner and a second by Vent Foster.

7 Yeas - 0 Nays.

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

D.3. KyMEA Agreement with AMP Regarding Transmission Scheduling

Rationale:

An agreement between KyMEA and AMP authorizing AMP to be KyMEA's scheduling agent for KyMEA transmission services for deliveries to Paris and Benham during the two-year period from May 1, 2017 through April 30, 2019 has been drafted.

We plan to discuss the draft with the Board and ask the Board to consider authorizing its execution.

Motion Passed: Motion to approve the agreement with AMP regarding transmission scheduling, subject to such minor changes as approved by the Chairman passed with a motion by Josh Callihan and a second by Ed Fortner.

7 Yeas - 0 Nays.

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

D.4. Arrangements for Admin Services from KMPA Staff

Rationale:

KyMEA has been working with KMPA to arrange for administrative services from KMPA's employee, Heather Overby. This is a placeholder for any action that may need to be taken to finalize arrangements with KMPA.

We plan a discussion of the responsibilities Heather would assume and the tasks she would undertake in the near term.

Motion Passed: Motion to approve arrangements for admin services from KMPA staff passed with a motion by Ed Fortner and a second by Mike Withrow.

7 Yeas - 0 Nays.

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

Motion Passed: Motion to approve arrangements for admin services from KMPA staff passed with a motion by Ed Fortner and a second by Chris Melton.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Rob Leesman	Yes
(Proxy for Terrance Naulty)	
Mike Withrow	Yes
Eddie Gooch	Absent

Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
Ed Fortner	Yes

D.5. RFP for Renewable Capacity and Energy

Rationale:

As directed in January, we have prepared a proposed RFP for Capacity and Energy from Renewable Resources. We plan to discuss the RFP and for the Board to consider a related resolution.

The Resolutions provide for:

Directing nFront Consulting to:

Publish a request for proposals to provide Renewable Capacity and Energy to KyMEA.

Review responses to the 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 Renewable 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.

Motion Passed: Motion to approve Resolution to publish RFP for renewable capacity and energy passed with a motion by Ed Fortner and a second by Mike Withrow.

7 Yeas - 0 Nays.

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

Motion Passed: Motion to accept Resolution pursuant to KRS 45A.370(1)(a) for renewable capacity and energy RFP passed with a motion by Ed Fortner and a second by Chris Melton.

7 Yeas - 0 Nays.

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

D.6. Approve Agency Insurance Renewal

Motion Passed: Motion to approve renewal of KyMEA insurance policies with the Kentucky League of Cities Insurance Services passed with a motion by Vent Foster and a second by Mike Withrow.

7 Yeas - 0 Nays.

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

D.7. General Manager/CEO Executive Search

Motion Passed: Motion to approve D&F and to authorize Heather Overby of KMPA to seek proposals from qualified executive search firms to identify potential candidates passed with a motion by Chris Melton and a second by Ed Fortner.

7 Yeas - 0 Nays.

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

E. Discussion Agenda

E.1. Initial Credit Rating Application Process Update

Rationale:

The PPAs require KyMEA to post a LOC in the event that KyMEA does not have an investment grade credit rating. Deadlines to provide proof of that rating in March 2017.

Mike Mace will be available by phone to provide an update and answer any questions that the Board may have about the ongoing process.

E.2. Transmission Arrangements Update

Rationale:

We anticipate providing a status report regarding the ongoing transmission service applications

LGE/KU transmission system
MISO transmission system
EKPC (or PJM) transmission system (for Falmouth)

Presenter: Brown Thornton

E.3. Update on Dynegy Credit Facility

F. Consent Agenda

F.1. Approve Minutes

Motion Passed: Motion to approve the minutes from January 26, 2017 passed with a motion by Ed Fortner and a second by Mike Withrow.

7 Yeas - 0 Nays.

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

F.2. Ratify and Approve Disbursements

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

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

F.5. Personnel Items

G. ITEMS PRESENTED FOR ACTION AT A FUTURE MEETING

H. GOVERNANCE ITEMS

H.1. Policy Compliance Reports
H.2. Policy Review and Development

I. 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.

March 23, 2017 Thursday 10:00AM Central Time, Bowling Green Municipal Utility

April 27, 2017 Thursday 10:00AM Central Time, Bowling Green Municipal Utility

May 25, 2017 Thursday 10:00AM Central Time, Bowling Green Municipal Utility

J. Approval to enter into Closed Session pursuant to KRS 61.810 (1)(k) and 61.878 (1)(c) for the purpose of discussion of (i) updated negotiations to the proposed power supply agreement submitted in response to KyMEA's RFP for natural gas-fueled power supply resources issued in September 2015 and potential alternatives and (ii) indicative proposals and alternatives for providing 30 day short term power supply agreements for the month of May, 2019 to All Requirements Members. The receipt of indicative proposals for natural gas-fueled power supply resources and indicative proposals and alternatives for a one month short term supply included commitments 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, 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 (i) updated negotiations to the proposed power supply agreement submitted in response to KyMEA's RFP for natural gas-fueled power supply resources issued in September 2015 and potential alternatives and (ii) indicative proposals and alternatives for providing 30 day short term power supply agreements for the month of May, 2019 to All Requirements Members. The receipt of indicative proposals for natural gas-fueled power supply resources and indicative proposals and alternatives for a one month short term supply included commitments 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, provide an unfair advantage to competitors of the entity disclosing such information passed with a motion by Ed Fortner and a second by Rob Leesman (Proxy for Terrance Naulty).

7 Yeas - 0 Nays.

Josh Callihan	Yes
Vent Foster	Yes
Ronald Herd	Yes
Chris Melton	Yes
Rob Leesman	Yes
(Proxy for Terrance Naulty)	

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

J.1. Task List

K. RETURN TO OPEN SESSION

Motion Passed: Approval to return to Open Session passed with a motion by Mike Withrow and a second by Rob Leesman (Proxy for Terrance Naulty).

7 Yeas - 0 Nays.

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

L. ADJOURNMENT

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

7 Yeas - 0 Nays.

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

Chairperson

Secretary