

Kentucky Municipal Energy Agency

Special Meeting

July 26, 2017 11:00 AM

Embassy Suites, 501 South Fourth St, Louisville, KY 40202

Attendance Taken at 11:19 AM:

Present Board Members:

Herbbie Bannister

Josh Callihan

Ed Fortner

Ronald Herd

Chris Melton

Terrance Naulty

Mr. Kevin Crump (Proxy for Mike Withrow)

Absent Board Members:

Eddie Gooch

Phillip King

Chrissy O'Hara

Carl Shoupe

Mike Withrow

Updated Attendance:

Terrance Naulty was updated to present at: 11:19 AM

A. MEETING OPENING

Discussion:

Also in attendance:

Brown Thornton (NewGen Strategies),

Tom Trauger (Spiegel McDiarmid),

Charles Musson (Rubin & Hays),

Pat Pace ,

Fred Haddad (nFront Consulting),

John Painter (nFront Consulting),

Rob Leesman (Owensboro Municipal Utilities),

Annette Dupont-Ewing (KMUA),

Jason Baird (Limestone Group),

Stephanie Bell (Bell Consulting),

Jack Hillard (Limestone Group)

A.1. Election of New Secretary

Rationale:

Due to the resignation from the Board of Vent Foster, the Board should elect a new Secretary of the Board.

Motion Passed: Motion to approve Herbbie Bannister as Secretary of KyMEA Board of Directors. passed with a motion by Ed Fortner and a second by Chris Melton.

6 Yeas - 0 Nays.

Herbbie Bannister

Yes

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

A.2. Joint Action Agency lobbying cost sharing with KMUA

Rationale:

Annette Dupont-Ewing of KMUA, along with Stephanie Bell (Bell Consulting), Jason Baird (Limestone Group), and Jack Hillard (Limestone Group), will discuss cost sharing between KyMEA and KMUA for Joint Action Agency lobbying efforts in Frankfort.

Motion Passed: Motion to provide a commitment letter to KMUA of KyMEA's members' willingness to fund up to \$7,500 of matching funds for lobbying expense incurred in support of Joint Action Agency legislation. passed with a motion by Terrance Naulty and a second by Herbbie Bannister.

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

B. REPORTS

B.1. Executive Committee Report

B.2. Financial Report

Motion Passed: Motion to approve financial report. passed with a motion by Josh Callihan and a second by Chris Melton.

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes

Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

C. Consent Agenda

C.1. Approve Minutes from June 22, 2017 KyMEA Board Meeting

Motion Passed: Motion to approve amended minutes from June 22, 2017 KyMEA Board Meeting passed with a motion by Ed Fortner and a second by Terrance Naulty.

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

D. Discussion Agenda

D.1. CFO Update

Rationale:
Update on CFO Activities

July Statements

D.2. Assessment to Members

Rationale:
Heather will present a proposed assessment for discussion with the Board

D.3. Update on Executive Search

Rationale:
Brief discussion of progress on Executive Search

D.4. Initial AR Budgets and Rate Schedule Planning

Rationale:
During the coming months, the AR Project Committee is scheduled to develop initial operating budgets and the rate schedule to be effective for the AR Project in May 2019.

Chris, as AR Project Committee Chairman, will discuss the establishment of a working group to guide that process and John will provide a brief high level overview of the process and schedule for this activity.

D.5. 6. Seasonal (Winter) Sale to Berea from AR Members

Rationale:

Berea would like to purchase capacity from the AR Project during the winter months for 5 years beginning for the winter of 2019/2020.

Brown will present information regarding the potential arrangements for the requested purchase by Berea.

D.6. FPB Review of AR Contracts and PPAs

Rationale:

E3, a consultant hired by the FPB Board, completed a review of the AR Contract and the AR Project power supply arrangements. The results of that review were summarized in a report provided to FPB that included several recommendations.

At its 6/20 meeting, FPB formally accepting the E3 Report and passed a motion or motions related thereto.

We have drafted an initial response to FPB's motions and will seek input from the Board regarding the response.

Motion Passed: Motion to adopt the attached as KyMEA's response to FPB request for addition information. passed with a motion by Terrance Naulty and a second by Josh Callihan.

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

E. ITEMS PRESENTED FOR ACTION AT THIS MEETING

E.1. Credit Facility

Rationale:

Update on progress of KyMEA Line of Credit

Motion Passed: Motion to approve the Chairman to sign the Commitment Letter to Republic Bank for KyMEA Line of Credit. passed with a motion by Terrance Naulty and a second by Chris Melton.

6 Yeas - 0 Nays - 1 Abstained.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Abstain
Eddie Gooch	Absent

Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

E.2. Transmission Arrangements

Rationale:

MISO has proposed a KyMEA Guaranty. We have reviewed the document and negotiated substantial changes to the proposed document. The document is now ready for the Board's consideration.

Action Requested:

We anticipate that the Board would be asked to take appropriate action pertaining to approval of the proposed Guaranty.
Other topics to include a brief update on the transmission arrangements with:

1. LGE/KU - Arrangements for Falmouth, return of security prepayment
2. MISO - Return of MISO Security payment

Motion Passed: Motion to approve the resolution authorizing and directing its Chairman and Secretary to enter into the Guaranty with MISO for KyMEA to satisfy the requirements of the Service Agreements and to obtain the benefits resulting from MISO's performance pursuant to the Service Agreements. passed with a motion by Terrance Naulty and a second by Mr. Kevin Crump (Proxy for Mike Withrow).

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

E.3. Financial Management Policy

Rationale:

A proposed policy will be uploaded for the Board's consideration

Action Requested:

We anticipate that the Board would be asked to approve the proposed Financial Management Policy.

Motion Passed: Motion to approve the proposed KyMEA Financial Management Policy. passed with a motion by Terrance Naulty and a second by Josh Callihan.

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

E.4. 3. RFP Process to Obtain an Audit (combined FY2016 and 2017)

Rationale:

KyMEA needs to conduct an audit to meet various contractual and other needs. We will present a draft RFP to select an auditor.

Action Requested:

Authorize issuance of the proposed RFP.

Motion Passed: Motion to authorize issuance of proposed Auditor RFP. passed with a motion by Terrance Naulty and a second by Ed Fortner.

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

E.5. Accounting Software Services Contract

Rationale:

Approval of Services contract with Bond Consulting for training, implementation and configuration of KyMEA Microsoft Dynamics GP accounting software.

Contract is NOT a fixed price, but per hour. Ms. Overby is inputting and providing a significant amount of the data: therefore, KyMEA will be charged the least amount of service time possible. Software will be implemented and running by the August Board meeting.

Motion Passed: Motion to approve Service Agreement with Bond Consulting for Accounting Software Configuration and Installation. passed with a motion by Terrance Naulty and a second by Herbbie Bannister.

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

F. 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.

Thursday, August 24, 2017, 10:00AM Central Time, Bowling Green Municipal Utility
Thursday, September 28, 2017, 10:00AM Central Time, Bowling Green Municipal Utility

Wednesday, October 25, 2017, Time and Location TBA

G. CLOSED SESSION PURSUANT TO 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

Rationale:

Motion Passed: Motion to approve the attached resolution for the approval to enter into Closed Session pursuant to 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 Terrance Naulty and a second by Josh Callihan.

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

H. RETURN TO OPEN SESSION

Motion Passed: Approval to return to Open Session passed with a motion by Chris Melton and a second by Herbbie Bannister.

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes
Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

I. Any Actions related to Matters Discussed in Closed Session

Rationale:

Dependent on Closed Session Discussions

Action Requested:

Dependent on Closed Session Discussions, action may or may not be needed.

J. OTHER BUSINESS

K. ADJOURNMENT

Motion Passed: Motion to adjourn passed with a motion by Ed Fortner and a second by Mr. Kevin Crump (Proxy for Mike Withrow).

7 Yeas - 0 Nays.

Herbbie Bannister	Yes
Josh Callihan	Yes
Ed Fortner	Yes

Eddie Gooch	Absent
Ronald Herd	Yes
Phillip King	Absent
Chris Melton	Yes
Terrance Naulty	Yes
Chrissy O'Hara	Absent
Carl Shoupe	Absent
Mr. Kevin Crump	Yes
(Proxy for Mike Withrow)	

Chairperson

Secretary