

Kentucky Municipal Energy Agency

December 20, 2017 10:00 AM

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

Attendance Taken at 10:59 AM:

Present Board Members:

Josh Callihan
Ronald Herd
Chris Melton
Terrance Naulty
Mike Withrow
David Denton
Ed Fortner

Absent Board Members:

Eddie Gooch
Phillip King
Terry Joe Martin
Chrissy O'Hara
Carl Shoupe

A. MEETING OPENING

B. REPORTS

B.1. Executive Committee Report

Rationale:

CEO Work Plan discussion

B.2. Manager's Report

B.3. Financial Report

Motion Passed: Motion to approve KyMEA Treasurer's Report dated 12/20/17.
passed with a motion by Mike Withrow and a second by Ed Fortner.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

C. Consent Agenda

Motion Passed: Approval of the Minutes from November 15, 2017 KyMEA Board Meeting as presented passed with a motion by Terrance Naulty and a second by Josh Callihan.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

D. Discussion Agenda

D.1. KyMEA FY 16 and 17 Audit Report Presentation

Rationale:

Chris Lindner, Partner, BKD, will be on hand to present the KyMEA FY 16 and 17 Audit as well as answer any questions.

Motion Passed: Motion to accept the KyMEA FY 16 and 17 Audit Report from BKD. passed with a motion by Ed Fortner and a second by Mike Withrow.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

D.2. Interim CFO Update

Rationale:

Update on CFO Activities

D.3. Review of AR Contract by FPB

Rationale:

This will be an update for the Board on status of FPB's plans to review the AR Contract.

D.4. Transmission Arrangements

Rationale:

This will be a brief update on the transmission arrangements with:

1. Delivery point transition plan
2. LGE/KU/PJM/EKPC - Arrangements for Falmouth
3. MISO - Nothing for now

E. ITEMS PRESENTED FOR ACTION AT THIS MEETING

E.1. KyMEA Payroll Service

Rationale:

Recommendation for KyMEA to contract with ADP for payroll processing on a two-week frequency.

Motion Passed: Motion to authorize the interim CFO to contract with ADP to process KyMEA staff payroll on a two-week interval basis. passed with a motion by Terrance Naulty and a second by Josh Callihan.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

E.2. KyMEA Credit Card

Rationale:

Based on KyMEA moving its banking relationship, it is recommended that it also move its credit card relationship to a American Express, a provider not affiliated with a specific local bank, and to obtain cards for the Chairman, CEO, and Interim CFO.

Motion Passed: Motion to authorize the Interim CFO to cancel the existing credit card relationship with BB&T passed with a motion by Terrance Naulty and a second by Mike Withrow.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

E.3 Paris Member Owned Resource Agreement (for Diesels)

Rationale:

A final draft has been prepared for the Board's consideration.

Motion Passed: Motion to approve Paris Member Owned Resource Agreement and authorization for KyMEA officers to execute the agreement. passed with a motion by Terrance Naulty and a second by Ed Fortner.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

E.4. Election under the SEPA Member Regarding Service Commencement

Rationale:

A resolution has been drafted to provide that the use and crediting for SEPA by KyMEA would begin on May 1, 2019 instead of June 1, 2019. This was an option built into the SEPA-Member Resource Agreements that would be accomplished by revising the Service Term commencement date in the agreements to May 1, 2019.

Having KyMEA use SEPA beginning May 1, 2019 would reduce the costs of the AR Members because otherwise the members would not receive a capacity credit for their SEPA for the month of May 2019.

We also plan to discuss the status of execution of the SEPA Member-Owned Resource Agreements by the AR Members.

E.5. Request to FERC for a Waiver Needed for Falmouth Transmission Services

Rationale:

The request would be for a waiver by FERC needed to continue existing transmission arrangements with EKPC and PJM for deliveries to Falmouth.

Motion Passed: Motion to authorize filing of the request to FERC for waiver to continue existing transmission arrangements with EKPC and PJM for deliveries to Falmouth. passed with a motion by Terrance Naulty and a second by Mike Withrow.

7 Yeas - 0 Nays.

Josh Callihan	Yes
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Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

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 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.

See attached for a calendar of Calendar Year 2018 Meetings.

G. CLOSED SESSION PURSUANT TO KRS 61.810 (1) (f) and (1) (k) and 61.878 (1) (a); (1) (c) and 1(j) for the purpose of:

(i) reviewing discussions with a potential candidate for employment as the President of KyMEA, including discussion of and review of items of a personal nature, records and privacy;

(ii) presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended;

(iii) presenting and discussing the proposals received in response to the RFP for Renewable Resources; and

(iv) presenting and discussing of interest from potential proposers to the Natural Gas/Combined Cycle Resource RFP.

KRS 61.810(1) (f) and 61.878(1) (a) allow for closed session where discussions might lead to the appointment of an individual as an employee and regarding personal records or information disclosed to the agency which if disclosed to the general public could constitute an unwarranted invasion of personal privacy.

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.

KRS 61.810(1) (k) and 61.878(1) (j) allow for closed session where presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended.

Rationale:

KRS 61.810 (1) (f) and (1) (k) and 61.878 (1) (a); (1) (c) and 1(j) for the purpose of:

(i) reviewing discussions with a potential candidate for employment as the President of KyMEA, including discussion of and review of items of a personal nature, records and privacy;

(ii) presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended;

(iii) presenting and discussing the proposals received in response to the RFP for Renewable Resources; and

(iv) presenting and discussing of interest from potential proposers to the Natural Gas/Combined Cycle Resource RFP.

KRS 61.810(1)(f) and 61.878(1)(a) allow for closed session where discussions might lead to the appointment of an individual as an employee and regarding personal records or information disclosed to the agency which if disclosed to the general public could constitute an unwarranted invasion of personal privacy. 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.

KRS 61.810(1)(k) and 61.878(1)(j) allow for closed session where presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended.

Motion Passed: Approval to enter into CLOSED SESSION PURSUANT TO KRS 61.810 (1)(f) and (1)(k) and 61.878 (1)(a); (1)(c) and 1(j) for the purpose of: (i) reviewing discussions with a potential candidate for employment as the President of KyMEA, including discussion of and review of items of a personal nature, records and privacy; (ii) presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended; (iii) presenting and discussing the proposals received in response to the RFP for Renewable Resources; and (iv) presenting and discussing of interest from potential proposers to the Natural Gas/Combined Cycle Resource RFP. KRS 61.810(1)(f) and 61.878(1)(a) allow for closed session where discussions might lead to the appointment of an individual as an employee and regarding personal records or information disclosed to the agency which if disclosed to the general public could constitute an unwarranted invasion of personal privacy. 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. KRS 61.810(1)(k) and 61.878(1)(j) allow for closed session where presentation, discussion and review of preliminary recommendations and preliminary memoranda in which opinions are expressed or policies formulated or recommended. passed with a motion by Terrance Naulty and a second by Josh Callihan.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

H. RETURN TO OPEN SESSION

Motion Passed: Approval to return to Open Session passed with a motion by Ed Fortner and a second by Mike Withrow.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

I. Actions related to Matters Discussed in Closed Session

J. OTHER BUSINESS

Motion Passed: Motion to authorize the Chairman of KyMEA to continue to pursue negotiations to agree upon definitive terms and conditions for a Power Purchase Agreement under the outstanding Request for Proposals for electric capacity and energy and to execute any document that may be necessary to facilitate such negotiations. passed with a motion by Josh Callihan and a second by Mike Withrow.

6 Yeas - 0 Nays - 1 Abstained.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Abstain
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

Motion Passed: Motion to adopt the following RESOLUTION: WHEREAS, the Kentucky Municipal Energy Agency ("KyMEA") in order to meet the needs of its Members has undertaken a search for a President and Chief Executive Officer and desires to enter into an Employment Contract with the candidate; NOW THEREFORE BE IT RESOLVED BY THE KENTUCKY MUNICIPAL ENERGY AGENCY AS FOLLOWS: The KyMEA Board hereby authorizes and directs its Executive Committee to complete the negotiation of an Employment Contract with Doug Buresh for the position of President and Chief Executive Officer provided such Employment Contract will be in substance based upon the form of the Employment Contract submitted to the

KyMEA Board and based upon the offer of the terms of employment agreed to by KyMEA and Doug Buresh. The KyMEA Board hereby further authorizes and directs its Chairman to execute the Employment Contract upon its approval by the Executive Committee. passed with a motion by Terrance Naulty and a second by David Denton.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

K. ADJOURNMENT

Motion Passed: Motion to adjourn. passed with a motion by Terrance Naulty and a second by Josh Callihan.

7 Yeas - 0 Nays.

Josh Callihan	Yes
Ronald Herd	Yes
Chris Melton	Yes
Terrance Naulty	Yes
Mike Withrow	Yes
Eddie Gooch	Absent
Carl Shoupe	Absent
Phillip King	Absent
Chrissy O'Hara	Absent
David Denton	Yes
Ed Fortner	Yes

Chairperson

Secretary