

Kansas Municipal Gas Agency
Executive Committee Meeting Minutes
August 16, 2016

Committee Members Present

J.R. Hatfield, City of Halstead; Gary Emry, City of Hesston; Laura Hill, City of Kechi; Randy Frazer, City of Moundridge; Rod Willis, City of Osage City; Gus Collins, City of Winfield

Committee Members Absent

John Sweet, City of Lyons

Other Attendees

Nathan Law, Pat McQueen, and Marty Southard, City of Louisburg; and staff members Paul Mahlberg, Sam Mills, Dixie Riedel, and Gerry Stephenson

Item No. 1 – Call the Meeting to Order

President Hatfield called the meeting to order at 12:30 p.m., August 16, 2016, at the Louisburg City Hall, Louisburg, Kansas. A quorum was present.

Item No. 2 – Seek Approval of the following items:

Minutes from the July 19, 2016 Executive Committee Meeting

Randy Frazer made a motion to approve the July 19, 2016 Executive Committee minutes; seconded by Rod Willis. Motion carried.

Financials for the month of June, 2016

Gerry Stephenson presented the financials for the month of June, which reflected a net gain of \$533 compared to a budgeted net loss of (\$6,898). June year-to-date net income was \$47,303. Total net equity at the end of June was \$433,755. She also reviewed the KMGA Net Equity and 2016 Delivered vs. Budget Volumes charts.

Laura Hill made a motion to approve the June Financials; seconded by Randy Frazer. Motion carried.

Item No. 3 – General Manager’s Report

Paul Mahlberg provided an update on the recent activities of the Agency:

- Effective October 1st, KMEA will be making the move to a 24/7 operation. The KMEA Executive Committee considered and approved a Resolution creating salary ranges for four Operator positions. The Employee Manual was revised and the term “Essential Employee” was added and defined. Essential employees will have slightly different requirements for scheduling leave time, holiday pay, etc.
- Effective August 1st, the City of Russell began purchasing gas from KMGA. The full Board will take action to accept them as a member city at the November Board of Director’s meeting.

- The City of Beloit decided not to purchase gas from KMGa.
- Gerry Bieker has been hired to fill the Manager of Member Services position. His start date is August 31st. His job description will include the management of distribution assessments, exploring contract labor pooling, visiting cities, researching and evaluating other services KMEA can provide, and improving communications with the EMP groups, Executive Committees and Board members.
- Regarding the KCPL/Wester Merger, KMEA has hired Jennings Strouss to assist in the intervention with the KCC and FERC in an attempt to protect KMEA cities from being harmed from the acquisition.
- The City of Attica is seriously considering the sale of their natural gas system. There are also issues on the electric side. They are currently a KPP city.
- KMEA is looking to refinance the office building, which could save \$40,000-\$50,000.
- Next month's meeting will be held at the Hilton Garden Inn in Olathe, Kansas. A golf tournament will be held at Falcon Ridge Golf Club on September 14th, Committee meetings and a Joint EMP meeting will be held on the 15th at the hotel, followed by a Royals game that evening.

Item No. 4 – Gas Director's Report

Hedging Update

Dixie reviewed the volumes hedged so far for the winter months (November 2016 through March 2017).

Dixie Riedel then presented the Natural Gas Report which included:

- Monthly Gas Purchase Summaries (June & July);
- Monthly Usage Volumes (2014 – 2016);
- Monthly Usage vs. Purchase Volume (January through July 2016);
- Storage Inventory Levels (Week ending August 5, 2016);
- Southern Star (SSC) & Enable Daily Index Pricing (June 15 to August 12, 2016);
- Southern Star (SSC) & Enable Daily Index Pricing (2015 vs. 2016);
- NOAA Forecasted Temperature and Precipitation Maps;
- Natural Gas Review;
- Natural Gas Outlook;
- NYMEX Futures Contract/SSC & EGT Projected Daily Index Pricing (September 2016 – March 2018);
- City/Supplier Updates

Item No. 5 – New Business, Other Reports and Discussion

There was no new business.

Item No. 6 – Announce date and time for the next Executive Committee Meeting

The next Executive Committee meeting will be held at 2:00 p.m., Thursday, September 15, 2016, at the Hilton Garden Inn, Olathe, Kansas.

Item No. 7 – Adjourn Meeting

The meeting adjourned at 1:18 p.m.



Laura Hill
Secretary/Treasurer