



Kansas Municipal Energy Agency
Executive Committee Meeting Minutes
January 16, 2019

Committee Members Present

Tyson McGreer, City of Colby*; Mike Muirhead, City of Garden City; Robert Mills, City of Garnett; Jonathan Mitchell, City of Hoisington; Ira Harrison, City of Holton; Greg DuMars, City of Lindsborg; Dennis Tharp, City of Ottawa; Matt Rehder, City of Seneca*

Committee Members Absent

Jon Quinday, City of Russell

Other Attendees Present

Mitch Walter, Gilmore & Bell*; Colin Hansen, KMU; Gerry Bieker, Paul Mahlberg, Sam Mills, Jennifer Moore, Joni Shadonix, John Seck*, KMEA staff

* via conference call

Item No. 1 – Call the Meeting to Order

President Mike Muirhead called the meeting to order at 10:32 a.m. at KMU's Training Facility in McPherson, KS. A quorum was present.

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

- **Minutes from the December 19, 2018 Executive Committee Meeting**
Dennis Tharp made a motion to approve the December 19, 2018, Executive Committee minutes as written. The motion was seconded by Jonathan Mitchell and the motion carried.
- **Appropriations for December, 2018 and Financials for November, 2018**
Jennifer Moore reviewed the appropriations for December, 2018 and Financials for November, 2018. Robert Mills made a motion to approve the appropriations for December, 2018 and the Financials for November, 2018. The motion was seconded by Greg DuMars and the motion carried.
- **Contract for ARR/TCR Revenue Sharing Program with The Energy Authority**
Paul Mahlberg requested authorization to execute the Resource Management Agreement between The Energy Authority (TEA) and KMEA. Paul and John Seck

explained the details of the one year ARR/TCR revenue sharing program whereby TEA will assist KMEA in the management of excess ARR capacity to derive value for its cities.

Following discussion, Greg DuMars made a motion to authorize the General Manager to execute the ARR/TCR revenue sharing program contract with TEA for a period of one year. The motion was seconded by Ira Harrison and the motion carried.

Item No. 3 – General Manager’s Report

Prior to the General Manager’s report, Paul Mahlberg invited Colin Hansen to provide the Committee with an update on the issues and concerns of municipal utilities in the 2019 Kansas Legislature. He also discussed Justin Grady’s Overview of Kansas Electric Rate Study (Westar Energy and KCP&L from 2008-Current) and encouraged cities to attend KMU Day at the Capitol, which will be held on February 6th.

Paul Mahlberg then presented the General Manager’s report, which included:

- REC sale update – John Seck is coordinating the sale of RECs for the cities that want to sell and recently sold approximately 25% of July 2017 through December 2018 RECs. He will continue to monitor the market for opportunities to sell the balance;
- KEPCO complaint against Westar – waiting on FERC ruling regarding KEPCO’s complaint against Westar’s handling of new tax reform rate under the GFR that went into effect January 1, 2018;
- Russell industrial wants to put in generation behind the meter to sell to utility and other customers near the plant. Polsinelli is reviewing the legalities of such a project;
- Mankato – KMEA began the management of Mankato’s energy supply January 1st;
- Pittsburg – Pittsburg’s consultant recently completed a study on the feasibility of municipalization; Pittsburg will be moving forward with the next step(s) to municipalization;
- Mail Ballot – discussed the potential need for a mail ballot to accept La Harpe as a new member so we can begin working on power supply contracts on their behalf; La Harpe will begin taking power from KMEA June 1st;
- KMEA Board Appointments – KMEA is in the process of recertifying Directors to serve on the Board of Directors. Currently, there is a requirement in KMEA’s Bylaws that Directors “shall reside within the territory served by the electric utility of the selecting Member...” Some Members have expressed concern that their employees with the greatest knowledge of their electric utility are not eligible to serve on the Board because they do not meet this requirement. Staff will work with legal counsel on this matter.

Item No. 4 – Member Services Update

Gerry Bieker provided the Member Services update, which included:

- Member/prospective city visits – recently visited Arcadia, Arma, Blue Mound, Bronson, Holton, La Harpe, Moran;
- Joint EMP meetings – possibly June 6th or June 20th;
- Annual Questionnaire – Gerry will be emailing the Annual Questionnaire out this week requesting 2018 population, total sales, and peak load data for each city;

- 2018 Annual Report – staff is in the process of putting together the 2018 Annual Report.

Item No. 5 – Project Update

Sam Mills provided the following update on KMEA Projects:

- Prospective members – we continue to prepare power supply estimates and proposals for prospective new members;
- SPP Representation – staff continues to represent KMEA at various SPP working groups;
- Mankato metering issues;
- Cimarron is working through service territory issues with Victory Electric;
- Moundridge – staff met with Moundridge to discuss potential of building and owning own substation and 115 line; Mid-States Energy to study feasibility of this project;
- GRDA – pilot program ended November 30th; GRDA restructured rates – will save cities approximately 2% going forward.

Item No. 6 – Old Business

Paul provided an update on the Sunflower/MKEC Merger and reviewed testimony filed by KPP and KEPCO. The KCC staff supports the merger. KMEA intervened, but did not file testimony. The Commission has until the end of May to make a final ruling.

Item No. 7 – New Business

Paul suggested that both the KMEA and KMGA Executive Committee meetings be held on the same day in March so the auditors can present the 2018 Audit Reports. It was determined that the meetings will be held Thursday, March 14th at KMU's Training Facility in McPherson, KS. KMEA's meeting will begin at 10:00 a.m. and KMGA's meeting will begin at 12:30 p.m., with a combined luncheon at approximately 11:30 a.m. Annual report photos will be taken on March 14th as well.

Item No. 8 – Executive Session, if needed

There was no executive session.

Item No. 9 – Announce date, time and location for the next Executive Committee Meeting

The next Executive Committee meeting will be held at 10:30 a.m., Thursday, February 14, 2019, at KMU's Training Facility in McPherson, KS.

Item No. 10 – Adjourn Meeting

The meeting was adjourned at 12:05 p.m.



Robert Mills
Secretary/Treasurer