



Kansas Municipal Energy Agency
Executive Committee Meeting Minutes
March 14, 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 (via conference call), City of Ottawa; Jon Quinday, City of Russell

Committee Members Absent

Matt Rehder, City of Seneca

Other Attendees Present

Sarah Steele, Gilmore & Bell; Chad Buckley, City of Lyons; Chester Moyer, RubinBrown; Gerry Bieker, Paul Mahlberg, Sam Mills, Jennifer Moore, Dixie Riedel, Joni Shadonix, Gerry Stephenson, KMEA staff

Item No. 1 – Call the Meeting to Order

President Mike Muirhead called the meeting to order at 10:00 a.m. at KME's Training Facility in McPherson, KS. A quorum was present.

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

- **Minutes from the February 14, 2019 Executive Committee Meeting**
Jonathan Mitchell made a motion to approve the February 14, 2019, Executive Committee minutes as written. The motion was seconded by Jon Quinday and the motion carried.
- **Appropriations for February, 2019 and Financials for January, 2019**
Jennifer Moore reviewed the appropriations for February, 2019 and Financials for January, 2019. Robert Mills made a motion to approve the appropriations for February, 2019 and the Financials for January, 2019. The motion was seconded by Tyson McGreer and the motion carried.
- **Termination Agreement Relating to Hydro Power Pooling Contract between KMEA and City of Dighton, KS and other related documents**
Jonathan Mitchell made a motion to authorize the General Manager to execute the Termination Agreement Relating to Hydro Power Pooling Contract between KMEA and

City of Dighton, KS and other related documents. The motion was seconded by Tyson McGreer and the motion carried.

Item No. 3 – Rubin Brown 2018 Audit Report Review

Jennifer Moore introduced Chester Moyer of RubinBrown. Chester reviewed the Required Auditor Communication and other Considerations from KMEA's Financial Audit for the year ended December 31, 2018. Copies of the complete Audit Report were distributed to each Committee member.

Robert Mills made a motion to accept the 2018 KMEA Audit Report from RubinBrown. The motion was seconded by Ira Harrison and the motion carried.

Item No. 4 – General Manager's Report

Paul Mahlberg presented the General Manager's report, which included the following topics:

- ARR/TCR Revenue Sharing Program with TEA – Paul reviewed the results of the ARR's that have been awarded since the program started in March;
- SPP Z2 Obligations – discussion was held on FERCs reversal of waiver on SPP's Z2 obligations;
- APPA Legislative Rally – February 25-27, 2019 in Washington, D.C.;
- 2019 Kansas Legislative Session – highlights of HB69, which addresses high electric rates in Kansas and requires an electric rate study of certain utilities, including the three largest municipally owned or operated utilities; HB 2294, which requires a motion and notice when municipalities transfer funds from a utility fund to the general fund; KMEA will continue to monitor all bills that could impact our members;
- Sunflower/MKEC Merger – KPP, KEPCO and Sunflower have agreed on a Settlement Agreement;
- City of Pratt – EMS services to be transferred out of the EMP2 group, effective May 1st;
- City of Russell – staff met in Russell to continue discussions regarding one of their industrials that wants to put in generation behind the meter to sell to utility and other customers near the plant;
- City of Pittsburg – continues to move towards municipalization. We have reached out to the City of Pittsburg to offer our services.

Item No. 5 – Member Services Update

Gerry Bieker provided a member services update, which included:

- Staff visited city 30 member/prospective member cities in February;
- Cities of Blue Mound, La Harpe, and Moran are in the process of completing paperwork to join the EMP3 group;
- City of Morrill to join as a new KMEA member in May;
- May Board meetings – to be held May 8th in conjunction with 2019 KMU Annual Conference in Wichita, KS;
- Joint EMP meeting to be held in KC June 4-5.

Item No. 6 – Operations Update

Sam Mills provided the operations update, which included the following topics:

- SPA Agreement – KMEA received a redline of the SPA Agreement about a week ago and will have a call with their legal team next Monday;
- GRDA – approached KMEA wanting to do more business;
- City of Cimarron – we hope to receive metering estimates this week;
- City of Mankato – metering estimates received; waiting on interconnect agreement;
- Energy cost studies – staff continues to work on energy cost studies for several cities;
- Working on application for AR request for Seneca;
- Working on AQ request for Moundridge;
- SPP's Annual TCR/ARR auction coming up;
- EMP group memberships increasing – discussed quorum issues;
- Board of Directors meetings – discussed quorum issues;
- EMP Agreements – review to bring all EMP Agreements up to date – discuss at Joint EMP meeting in June;
- SPP – coming to talk to Public Utilities Board in Garden City on May 2nd;
- Generation – many units were dispatched or RUC'd during the last cold spell;
- System Operator Position – Staff continues to interview for the open System Operator position;
- RECs – Most RECs have been sold for back half of 2017 and front half of 2018;
- Moundridge/Westar – meeting was held March 6th; Moundridge moving forward with project cost estimate.

Item No. 7 – Old Business

- **Strategic Plan Update** – The 2018 KMEA/KMGA Strategic Plan includes three strategic areas of focus – Strategic Growth, Communications/Identity, and Organization.

Paul reviewed a proposed APPA Membership – JAA Dues Structure, which is included in the Communications/Identity area of focus as a goal to increase the Agencies' identity and involvement with outside entities. After discussion, staff was asked to take the proposed JAA Dues Structure to the EMP groups to explore their interest.

Paul also reviewed the results of the KMEA Survey of Potential New Services, which is included in the Strategic Growth area of focus as a goal to investigate opportunities for new/expanded services.

Item No. 8 – New Business

- **Nominating Committee for May elections** – President Muirhead asked Greg DuMars to chair the Nominating Committee for May elections. Ira Harrison, Dennis Tharp, and Jonathan Mitchell also agreed to participate. Staff will assist the Committee in setting up a conference call to discuss nominations for May elections.

Item No. 9 – Executive Session, if needed

There was no executive session.

Item No. 10 – 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, April 11, 2019, at KMU's Training Facility in McPherson, KS.

Item No. 11 – Adjourn Meeting
The meeting was adjourned at 12:02 p.m.



Robert Mills
Secretary/Treasurer