



Kansas Municipal Energy Agency  
 Executive Committee Meeting Minutes  
 April 11, 2019

Committee Members	City	Present/ Absent	KMEA Staff Present	Other Attendees Present
Tyson McGreer *	City of Colby	Present	Gerry Bieker	Sarah Steele, Gilmore & Bell
Mike Muirhead	City of Garden City	Present	Paul Mahlberg	Colin Hansen, KMU
Robert Mills	City of Garnett	Absent	Sam Mills	
Jonathan Mitchell	City of Hoisington	Present	Jennifer Moore	
Ira Harrison	City of Holton	Present	Joni Shadonix	
Greg DuMars	City of Lindsborg	Present		
Dennis Tharp	City of Ottawa	Present		
Jon Quinday	City of Russell	Present		
Matt Rehder	City of Seneca	Present		

\* via conference call

**Item No. 1 – Call the Meeting to Order**

President Mike Muirhead called the meeting to order at 10:30 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 March 21, 2019 Executive Committee Meeting**  
 Jonathan Mitchell made a motion to approve the March 21, 2019, Executive Committee minutes as written. The motion was seconded by Dennis Tharp and the motion carried.
- **Appropriations for March, 2019 and Financials for February, 2019**  
 Jennifer Moore reviewed the appropriations for March, 2019 and Financials for February, 2019. Jon Quinday made a motion to approve the appropriations for March, 2019 and the Financials for February, 2019. The motion was seconded by Ira Harrison and the motion carried.
- **Lines of Credit – EMP1, EMP2, and EMP3**  
 Jennifer Moore reported that each of the EMP groups have a \$1,250,000 line-of-credit that expires in May. The renewal of the lines-of-credit require approval by the KMEA Board of Directors due to the interest rate. Each of the EMPs have formally requested renewal of the one-year line-of-credit, at a cost of \$100/EMP. The Promissory Notes from last year’s lines-of-credit were included in today’s packet and the new notes will be substantially the same and reviewed by legal counsel.

Jonathan Mitchell made a motion to recommend the EMP1, EMP2, and EMP3 lines-of-credit be presented to the KMEA Board of Directors for approval in May. The motion was seconded by Dennis Tharp and the motion carried.

- **SPP Letter of Credit**

Jennifer Moore reviewed the details of the SPP Letter of Credit which renews automatically each year. Ira Harrison made a motion to recommend the SPP Letter of Credit be presented to the KMEA Board of Directors for approval in May. The motion was seconded by Matt Rehder and the motion carried.

- **Power Supply Agreements for certain EMP2 Cities (Ashland, Stockton, Washington)**

Jonathan Mitchell made a motion to authorize the General Manager to execute the following Power Supply Agreements for certain EMP2 Cities (Ashland, Stockton, Washington):

- Master Power Purchase and Sale Agreement Confirmation Letter – Physical, Fixed Price between KMEA and Macquarie Energy, LLC – 3 MW, 5x16, Summer, June 2019 through September 2023
  - Power Purchase Agreement between KMEA and City of Ashland, KS (Macquarie Energy, LLC) – 1 MW, 5x16, Summer, June 2019 through September 2023
  - Power Purchase Agreement between KMEA and City of Stockton, KS (Macquarie Energy, LLC) – 1 MW, 5x16, Summer, June 2019 through September 2023
  - Power Purchase Agreement between KMEA and City of Washington, KS (Macquarie Energy, LLC) – 1 MW, 5x16, Summer, June 2019 through September 2023.

The motion was seconded by Dennis Tharp and the motion carried.

- **EMP3 Agreements for certain EMP3 Cities (Blue Mound, La Harpe, Moran)**

Matt Rehder made a motion to authorize the General Manager to execute the following EMP3 Agreements for certain EMP3 Cities (Blue Mound, La Harpe, Moran):

- Energy Management Project No. 3 Agreement between KMEA and City of Blue Mound, KS
- Amendment 1 to EMP3 Agreement between KMEA and City of Blue Mound, KS
- Energy Management Project No. 3 Agreement between KMEA and City of La Harpe, KS
- Amendment 1 to EMP Agreement between KMEA and City of La Harpe, KS
- Energy Management Project No. 3 Agreement between KMEA and City of Moran, KS
- Amendment 1 to EMP3 Agreement between KMEA and City of Moran, KS.

The motion was seconded by Greg DuMars and the motion carried.

- **Power Supply Agreements for certain EMP3 Cities (Blue Mound, La Harpe, Moran)**

Dennis Tharp made a motion to authorize the General Manager to execute the following Power Supply Agreements for certain EMP3 Cities (Blue Mound, La Harpe, Moran):

- Physical Transaction Confirmation between KMEA and NextEra Energy Marketing, LLC – 0.6 MW, 5x16, Summer, June 2020 through December 2027
  - Power Purchase Agreement between KMEA and City of Blue Mound, KS (NextEra Energy Marketing, LLC) – 0.1 MW, 5x16, Summer, June 2020 through September 2027
  - Power Purchase Agreement between KMEA and City of La Harpe, KS (NextEra Energy Marketing, LLC) – 0.2 MW, 5x16, Summer, June 2020 through September 2027
  - Power Purchase Agreement between KMEA and City of Moran, KS (NextEra Energy Marketing, LLC) – 0.3 MW, 5x16, Summer, June 2020 through September 2027.

The motion was seconded by Jon Quinday and the motion carried.

- Greg DuMars made a motion to authorize the General Manager to execute the following Power Supply Agreements for certain EMP3 Cities (Blue Mound, La Harpe, Moran):
  - Physical Transaction Confirmation between KMEA and NextEra Energy Marketing, LLC – 0.7 MW, 7x24, Annual, June 2020 through December 2027
    - Power Purchase Agreement between KMEA and City of Blue Mound, KS (NextEra Energy Marketing, LLC) – 0.15 MW, 7x24, Annual, June 2020 through December
    - Power Purchase Agreement between KMEA and City of La Harpe, KS (NextEra Energy Marketing, LLC) – 0.2 MW, 7x24, Annual, June 2020 through December 2027
    - Power Purchase Agreement between KMEA and City of Moran, KS (NextEra Energy Marketing, LLC) – 0.350 MW, 7x24, Annual, June 2020 through December 2027.

The motion was seconded by Jonathan Mitchell and the motion carried.

### **Item No. 3 – General Manager’s Report**

Prior to the General Manager’s Report, Colin Hansen provided an update on the 2019 Kansas Legislative Session.

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

- **Strategic Plan Update** – plan to seek KMEA/KMGA Board approval of the KMEA/KMGA Strategic Plan in May. Staff is currently working on the following goals/action items:
  - communication with member cities about the option to have KMEA/KMGA become members in their local chamber;
  - communication with member cities about the option to have KMEA/KMGA sponsor local events;
  - KMEA/KMGA Board Member Handbook;
  - potential growth of general membership;
  - potential growth of energy management services;
  - KMEA/KMGA logo signage for KMEA and city vehicles;
  - development of a “Who is KMEA/Value of KMEA” promotional video
  - KMEA’s proposal to provide lineman services for members – KMEA to hire crew and locate where needed; review of system maintenance cost analysis.

Following discussion on this matter, there was a consensus of the Executive Committee to move forward in exploring the feasibility of providing lineman services for members.
- **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; results of the Annual Auction for the upcoming 12 months will be available May 22<sup>nd</sup>.
- **Sunflower/MKEC Merger** – waiting on KCC approval. There will be a filing with FERC to combine the two transmission zones. KMEA will intervene; don’t yet know level of intervention.

### **Item No. 4 – Member Services Update**

Gerry Bieker provided the Member Services Update, which included:

- Staff visited 12 cities and traveled 3,845 miles in March;
- Preparation is underway for the May Board of Directors meetings;
- Preparation is underway for the June 4-5, 2019 Joint Meetings.

**Item No. 5 – Operations Update**

Sam Mills provided the Operations Update, which included the following topics:

- Staff is participating in several SPP meetings this month;
- SPA contract is finalized; working on back-to-back agreements with the cities;
- Preparing indicative pricing for prospective members;
- ARR Auction – ends May 22<sup>nd</sup>;
- RECs – approximately 70% sold; 29% retired;
- Moundridge – KMEA and Mid-States meeting with Moundridge regarding a potential transmission project;
- KMEA staff to present “Electric Utility 101” workshop for new city personnel next week;
- Garden City to host “Then and Now” SPP presentation May 2<sup>nd</sup> for The Public Utility Advisory Board – all are welcome to attend;
- Cimarron – starts service with KMEA May 1<sup>st</sup>; working with them on a service territory issue.

**Item No. 6 – Preliminary 2020 Budget Review**

Jennifer Moore reviewed the Preliminary 2020 Budget and explained the variances from 2019 to 2020. She indicated that she would be adding some additional cities and fine-tuning as necessary before the budget is finalized this fall.

Greg DuMars made a motion to approve and recommend the Preliminary 2020 Budget to the full Board for review in May. The motion was seconded by Jonathan Mitchell and the motion carried.

**Item No. 7 – Finance Committee Update**

- **Fund Balance & Reserve Policy** – Paul Mahlberg presented the proposed Fund Balance Policy, which has been reviewed and approved by the Finance Committee. After discussion, Jonathan Mitchell made a motion to approve the Fund Balance Policy as presented. The motion was seconded by Dennis Tharp and the motion carried.

Paul noted that the Finance Committee will meet again on May 15<sup>th</sup> to discuss the Regulatory and Dispute Fund Policy.

**Item No. 8 – Old Business**

- **Nominating Committee for May elections Update** – Greg DuMars, Chair of the Nominating Committee, recapped the proposed slate of candidates for May elections.

**Executive Committee:**

Officers (1-year term)

President – Mike Muirhead  
Vice President – Greg DuMars  
Secretary/Treasurer – Robert Mills

At Large Positions (2-year term)

Jon Quinday  
Tyson McGreer  
Matt Rehder

**Joint Board Representative (2-year term):**

Dennis Tharp

**Item No. 9 – New Business**

- **Proposed KMEA Bylaws Changes** – Paul reported that the following changes are being recommended to amend the eligibility requirements of the Board of Directors:

Current Language

Each Director so selected shall reside within the territory served by the electric utility of the selecting Member and meet all other requirements of the Act and the Agreement.

Proposed Language

Each Director so selected shall (a) reside within the territory served by the electric utility of the selecting Member ***or (b) be an employee of the selecting Member.*** Each Director shall meet all other requirements of the Act and the Agreement.

Changes to the Bylaws require 2/3 affirmative votes of the members.

After discussion, Matt Rehder made a motion to accept the proposed KMEA Bylaws changes and present them to the Board in May. The motion was seconded by Ira Harrison and the motion carried.

Upon approval of the Board, staff will prepare a mail-in ballot to be sent to the Board members in the coming months.

**Item No. 10 – Executive Session, if needed**

There was no Executive Session.

**Item No. 11 – Announce date, time and location for the next Executive Committee Meeting**

The next Executive Committee meeting will be held at 10:30 a.m., via conference call, Thursday, May 16, 2019.

The KMEA Board of Directors meeting will be held at 4:30 p.m., Wednesday, May 8, 2019, at the Hyatt Regency Hotel, Wichita, Kansas.

**Item No. 12 – Adjourn Meeting**

President Muirhead thanked the Nominating and Finance Committee for their efforts and the meeting was adjourned at 1:51 p.m.



Robert Mills  
Secretary/Treasurer