



**Kansas Municipal Energy Agency
Executive Committee Meeting Minutes
February 12, 2020**

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	
Robert Mills	City of Garnett	Absent	Jennifer Moore	
Jonathan Mitchell	City of Hoisington	Present	Sam Mills	
Ira Harrison	City of Holton	Present	Joni Shadonix	
Greg DuMars	City of Lindsborg	Absent		
Dennis Tharp	City of Ottawa	Present		
Jon Quinday	City of Russell	Present		
Matt Rehder	City of Seneca	Present		

Item No. 1 – Call the Meeting to Order

Due to inclement weather, today’s meeting was held via conference call instead of at the KMU Training Center in McPherson, KS. President Mike Muirhead called the meeting to order at 10:33 a.m. A quorum was present.

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

- **Minutes from the January 10, 2020 Executive Committee Meeting**
Jon Quinday made a motion to approve, as written, the January 10, 2020, Executive Committee minutes. The motion was seconded by Jonathan Mitchell and carried unanimously.
- **Appropriations for January 2020 and Financials for December 2019**
Jennifer Moore reviewed the Appropriations for January 2020 and Financials for December 2019.

Ira Harrison made a motion to approve the Appropriations for January 2020 and Financials for December 2019. The motion was seconded by Jon Quinday and carried unanimously.

Jennifer noted that RubinBrown will be wrapping up the 2019 Audit in the next week or so and will present their findings at next month’s Executive Committee meeting.

- **Task Order 2 TEA-KMEA ARR/TCR Optimization Agreement**
Paul Mahlberg reviewed the terms and conditions of the Task Order 2 TEA-KMEA ARR/TCR Optimization Agreement, which will become part of the Master Resource Management Agreement between KMEA and TEA and requested authorization to execute same.

Dennis Tharp made a motion to authorize the General Manager to execute the Task Order 2 ARR/TCR Optimization Agreement between TEA and KMEA. The motion was seconded by Jonathan Mitchell and carried unanimously.

Item No. 3 – General Manager’s Report

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

- **SB 69** – On February 5th, London Economics presented the results of Phase 1 of the Electric Rate Study to the House Energy & Utilities Committee and Senate Utilities Committee. He indicated that not much discussion was held on municipals and we do not anticipate much will take place on this matter during the 2020 Legislative session due to the fact that it is an election year and Phase 2 of the study is not due until July 1st.
- **Sunflower/MKEC Merger** – Paul reported that KMEA along with other intervenors provided a unified settlement proposal to Sunflower on February 3rd. He briefly reviewed our proposal, Sunflower’s response to our proposal, and the timetable for the next steps in the process.
- **ARR/TCR Revenue Sharing Program with TEA** – Paul reviewed the ARR Optimization results by month and by city since its inception in March 2019 through January 2020 and requested permission to share the results with the EMP’s. The Committee concurred. Staff will present the results to the EMP’s and ask each city to let KMEA know what they would like to do with their share of the revenue generated from the program.
- **Municipal Utility Conference** – Paul asked committee members if they had received an invitation to a two-day municipal utility conference (“Spark”) in March hosted by Sunflower Electric.

Item No. 4 – Member Services Update

Gerry Bieker reported that he continues to work on the development of the 2019 Annual Report, Linemen Services Project and Mid-States efforts.

Item No. 5 – Operations Update

Sam Mills provided an update on several topics, including:

- **EMP Membership** – We are still waiting to hear whether or not Hugoton will join the EMP3 group. Staff has provided power supply projections to Norton and Hill City.
- **Solar Project** – Staff continues to work with Solar developers to come up with a large-scale solar project for our members.
- **SPP Settlement System Replacement Project** – Staff along with our software consultants continue to make updates to our internal billing model to make it compatible with SPP’s new Settlement System Replacement Project that went into effect January 1, 2020.
- **MCG Shadow Settlement Program** – Staff continues to work with MCG to correct software glitches that are not allowing the right values to come out of the Shadow Settlement Program.
- **Buckeye Wind RECs** – July 2018 through December 2020 RECs have been sold.
- **TCR Auction** – Staff is preparing for the upcoming auction and gathering information to register six new loads.
- **Phone/Internet Systems** – Staff is looking to upgrade KMEA’s phone and internet systems.
- **EMP3 Metering Communications** – Staff continues to work on EMP3 metering communications.

Item No. 6 – Old Business

- **Advisory Committee Update** – None.
- **Mid-States Efforts** – Paul provided a list of action items key parties are working on towards the sale of assets by Mid-States to KMEA. He indicated that we have hired RubinBrown to do a business/financial review and once 2019 Mid-States financials are complete, RubinBrown will finalize the review and present it to KMEA and the Executive Committee. Mike Muirhead added that he had personally talked to the auditors and shared some of their recommendations. Paul highlighted some of the action items currently underway, which include the Phase 1 environmental assessment, appraisals, surveys, the development of the Purchase/Sale Agreement, and other HR

related items. In addition, staff met with Mike and Sharon Schmaderer to go over accounting and system integration.

Item No. 7 – New Business

- **Discussion on EMP Billing Methodology** – Paul provided an explanation of KMEA’s current EMP billing methodology and recommended that the methodology be reviewed to assure the process is fair with the everchanging energy market. Mike Muirhead recommended that the Finance Committee review the current billing methodology for the EMPs and provide recommendations to the Joint EMP group, and then between the Finance Committee and Joint EMP group, make recommendations to the KMEA Executive Committee. Any recommended changes can then be incorporated during the 2021 budgeting process.
- **APPA Lineworkers Rodeo** – Mike informed the committee that this year’s APPA Lineworkers Rodeo will be held April 17-18, 2020, in Bonner Springs, KS, and that organizers are looking for volunteers to assist/sponsor the event. Contact KMEA staff if you would like to volunteer at this event. The Committee agreed to have KMEA be a sponsor for the APPA event. Paul will work with KMU and KPP and BPU-KC to see what options there are for sponsorship.
- **APPA Light Up Navajo Project** – Mike indicated that several members are sponsoring Light Up Navajo, a rural electrification project, and asked if KMEA would be interested in sponsoring this project. The Committee decided not to sponsor the project at this time.

Item No. 8 – Executive Session, if needed

None.

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

The next KMEA Executive Committee meeting will be held at 1:00 p.m., Wednesday, March 11, 2020, at the City Hall (Community Room), Kechi, KS. RubinBrown will be in attendance to present the 2019 Audit Report.

Item No. 10 – Adjourn Meeting

The meeting was adjourned at 11:25 a.m.



Robert Mills
Secretary/Treasurer