



**Kansas Municipal Energy Agency  
Executive Committee Meeting Minutes  
May 12, 2021**

<b>Committee Members</b>	<b>City</b>	<b>Present/ Absent</b>	<b>KMEA Staff Present</b>	<b>Other Attendees Present</b>
Tyson McGreer *	City of Colby	Present	Gerry Bieker	Sarah Steele, Gilmore & Bell
Mike Muirhead	Garden City	Present	Neal Daney *	Chester Moyer, RubinBrown *
Robert Mills	City of Garnett	Present	Paul Mahlberg	Murray McGee, City of Moundridge
Jonathan Mitchell	City of Hoisington	Present	Sam Mills	
Ira Harrison	City of Holton	Present	Jennifer Moore *	
Matt Rehder	City of Iola	Present	Mike Schmaderer	
Greg DuMars	City of Lindsborg	Present	Joni Shadonix *	
Dennis Tharp *	City of Ottawa	Present		
Jon Quinday	City of Russell	Present		

\* present via Lifesize

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

President Greg DuMars called the meeting to order at 10:32 a.m. at the Opera Block Venue, Moundridge, KS. A quorum was present.

President DuMars thanked Murray McGee, city administrator for Moundridge, for hosting today's meeting. Murray provided a brief history of the Opera Block Venue, which recently opened in Moundridge.

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

- **Minutes from April 14, 2021 Executive Committee Meeting**  
Jonathan Mitchell made a motion to approve, as written, the minutes of the April 14, 2021 Executive Committee meeting. The motion was seconded by Robert Mills and carried unanimously.
- **Appropriations for April 2021 and Financials for March 2021**  
Jennifer Moore reviewed the appropriations for April 2021 and financials for March 2021.

Robert Mills made a motion to approve the appropriations for April 2021 and financials for March 2021. The motion was seconded by Ira Harrison and carried unanimously.

- **Power Supply Agreements for the City of Anthony**  
Paul Mahlberg reviewed the power supply agreements that have been put together to replace Anthony's summer peaking contract that expired last summer. He noted that the agreements have been approved by the City of Anthony and requested approval to sign the following agreements:
  - Confirmation of Power Purchase and Sale Transaction between KMEA and NextEra – 5x16, Summer, 2 MW, June 1, 2021-September 30, 2024

- Power Purchase Agreement between KMEA and City of Anthony (NextEra), 5x16, Summer, 2 MW, June 1, 2021-September 30, 2024

Jon Quinday made a motion to authorize Paul Mahlberg to sign the above referenced power supply agreements for the City of Anthony. The motion was seconded by Mike Muirhead and carried unanimously.

- **Power Supply Agreements for the City of Moundridge**

Paul reviewed the power supply agreements that have been approved by the City of Moundridge. He noted that the EMP3 group has taken action to accept the City of Moundridge into the group, and requested approval to sign the following agreements:

- EMP3 Agreement between KMEA and City of Moundridge
- Amendment 1 to EMP Agreement between KMEA and City of Moundridge
- Physical Transaction Confirmation between NextEra and KMEA
  - Transaction 1: 7x24, Annual, 2.0 MW, May 26, 2021-December 31, 2029
  - Transaction 2: 5x16, Annual, 1.5 MW, May 26, 2021-December 31, 2024
  - Transaction 3: 5x16, Summer, 1.5 MW, June 1, 2021-September 30, 2029
- Power Purchase Agreement between KMEA and Moundridge (NextEra), 7x24, Annual, 2.0 MW, May 26, 2021-December 31, 2029
- Power Purchase Agreement between KMEA and Moundridge (NextEra), 5x16, Annual, 1.5 MW, May 26, 2021-December 31, 2024
- Power Purchase Agreement between KMEA and Moundridge (NextEra), 5x16, Summer, 1.5 MW, June 1, 2021-September 30, 2029

Robert Mills made a motion to authorize Paul Mahlberg to sign the above referenced power supply agreements for the City of Moundridge. The motion was seconded by Matt Rehder and carried unanimously.

Paul thanked Neal Daney for his efforts in putting the Anthony and Moundridge agreements together.

### **Item No. 3 – RubinBrown 2020 Audit Report Review**

President DuMars welcomed Chester Moyer of RubinBrown. Chester thanked KMEA for allowing RubinBrown to conduct the audit and indicated that the scope of the 2020 audit was expanded to include the new Mid-States and Dighton Projects. Chester reviewed the Required Auditor Communication and other Considerations from the KMEA Financial Audit for the year ended December 31, 2020. A copy of the complete Audit Report was distributed to each Committee member.

Jonathan Mitchell made a motion to accept the 2020 Audit Report, as presented. The motion was seconded by Mike Muirhead and carried unanimously.

### **Item No. 4 – Review Preliminary 2022 Budget**

Jennifer Moore reviewed the Preliminary 2022 Budget, which now includes Mid-States and Dighton. The budget will be fine-tuned as necessary before being finalized and presented to the full Board for consideration in the fall.

Paul thanked Jennifer for her efforts with the budget and audit preparation.

**Item No. 5 – General Manager Report**

Paul provided an update on the following topics:

- **ARR Optimization Results** – Paul provided ARR optimization results for May and YTD.
- **Renewable Energy Credits (REC's)** – Application to qualify Buckeye and Marshall Windfarms in Ohio has been made; one entity intervened; it has been proven wind energy is deliverable from Kansas to Ohio; REC prices trending upwards; KMEA will continue to monitor.
- **City of Kiowa** – Discussion was held on KMEA's efforts and next steps to collect on two invoices that Kiowa has decided not to pay dating back to the February storm event. The Committee encouraged Paul to continue to move forward with efforts to collect the unpaid invoices. Paul indicated that he would keep the Committee informed. President DuMars thanked Paul for his diligence in his communications with Kiowa to collect.
- **KMEA Board of Directors Meeting** – to be held at 2:00 p.m., Thursday, May 27, 2021, via Lifesize.

**Item No. 6 – Member Services Update**

Gerry Bieker provided an update on the following:

- **Lineman Services** – efforts continue to expand lineman services in Western and Eastern Kansas.
- **City of Goodland** – Staff met with Goodland's new City Manager on Monday to discuss future contract options with KMEA.
- **City of Oberlin** – Gerry and Sam met with the City of Oberlin to discuss possible diesel generation to replace their old power plant.

**Item No. 7 – Mid-States Update**

Mike Schmaderer provided the following Mid-States update:

- **Dighton Project** – Dighton staff helping out more and more in other cities.
- **Moundridge** – tour of substation and transmission project after today's meeting.
- **Upcoming Substation Projects** – Sterling, Colby, Arma; plan to use contractor in Arma
- **Upcoming Generation Projects** Hoisington, Stockton, St. John
- **Bruce Marihugh** – to spend most of the summer changing out breakers.
- **Dave Klepper** – currently working in Garden City; then metering projects in Garnett and Meade.
- **EMP3 Metering** – assisting with switch to new metering system.
- **Jeff Leger & Dan White** – two new employees now onboard, knowledgeable, and working out well.
- **Maintenance Program** – Dan to travel to Russell next week to work with the City to develop a maintenance program; hope to assist other cities down the road with maintenance programs.

Paul informed the Committee that last year KMEA hired Charles Smith as a part-time Mid-States employee. Charles will soon complete his Associate Degree and Paul requested and the Committee concurred that Charles be moved to a full-time employee to help out with the Mid-States workload. Paul indicated that he will provide an update organizational chart to the Committee next month.

**Item No. 8 – Old Business**

Sam Mills provided an update on KMEA's efforts to switch EMP3's metering communications system to Evergy. The new system will save the cities a significant amount of money. Once the EMP3 switchover is complete, we will begin work to switch the EMP1 cities to the new system.

The Committee took a lunch break from 12:00 p.m. until 12:30 p.m. At 12:30 p.m., the regular meeting resumed.

**Item No. 9 – New Business**

**Review of EMP Structure and Agreement** – Outlines and talking points for the EMP Structure and Agreement were provided to each Committee member. A lengthy discussion was held on the differences between the EMP's, the pros and cons of combining the EMP's into one group, creating a full requirements pool, and other factors/questions for consideration. Following discussion, there was a consensus of the group to maintain three separate EMP's. Staff will look at available historical data and provide a "best guess" on what the impact would be for each of the EMP's if they were to combine.

Those present then reviewed in detail the existing provisions of the EMP Agreement and possible new provisions and topics for discussion. Sarah Steele will work with staff to update the Agreement and will present recommended changes at a future meeting.

- **Farewell to Bob Mills** – On behalf of the Executive Committee and staff, President DuMars thanked Bob Mills for his long-time dedication and support to KMEA. He provided best wishes to Bob for his well-deserved retirement.

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


None.

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

The next KMEA Executive Committee meeting will be held Wednesday, June 9, 2021 at 10:30 a.m. at the KMU Training Facility in McPherson, KS.

**Item No. 12 – Adjourn Meeting**

President DuMars invited Committee members to tour Moundridge's new substation and transmission project immediately following today's meeting and the meeting was adjourned at 2:14 p.m.



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Jonathan Mitchell, Secretary/Treasurer