



**Kansas Municipal Gas Agency
Board of Directors Meeting Minutes
May 26, 2021**

Lifesize Virtual Meeting

Attendees:

| Director | City |
|-------------------|--------------|
| Michael Slobodnik | Alma |
| Audree Aguilera | Altamont |
| Tim Johnson | Augusta |
| Jim Sutton | Augusta |
| Rob Culley | Baldwin City |
| Manny Milbers | Beloit |
| Wes Colson | Burlingame |
| Jerry Peitz | Cheney |
| Mike Shook | Coffeyville |
| Chris Komarek | Ellinwood |
| Kent Pottorf | Garden City |
| Matt Ponzer | Gardner |
| Chris Weiner | Garnett |
| Ethan Reimer | Halstead |
| Gary Emry | Hesston |
| Theresa Morlan | Kechi |

| Director | City |
|-----------------|------------|
| Jodi Wade | LaCygne |
| Nathan Law | Louisburg |
| Chad Buckley | Lyons |
| Murray McGee | Moundridge |
| Rod Willis | Osage City |
| Dennis Tharp | Ottawa |
| Jeff Oleson | Ottawa |
| Jon Quinday | Russell |
| Duane Banks | Russell |
| John Wagerle | Sterling |
| Stephanie Ashby | Walton |
| Stacie Eiche | Wamego |
| Casey Frisbie | Wamego |
| Gus Collins | Winfield |
| Taggart Wall | Winfield |

| Staff |
|------------------|
| Gerry Bieker |
| Paul Mahlberg |
| Katia Mitchell |
| Jennifer Moore |
| Dixie Riedel |
| Joni Shadonix |
| Gerry Stephenson |

| Other |
|------------------------------|
| Sarah Steele, Gilmore & Bell |
| Colin Hansen, KMU |

Item No. 1 – Call to Order

President Collins called the KMGA Lifesize Virtual Board of Directors meeting to order at 10:14 a.m. A quorum was present.

Item No. 2 – Approve the Minutes of the October 29, 2020 Board of Directors meeting

Manny Milbers made a motion to approve, as presented, the minutes of the October 29, 2020, Board of Directors meeting. The motion was seconded by Nathan Law and carried unanimously.

Item No. 3 – Take action to adopt Resolution No. 66, accepting application of an additional member city (Girard); and authorizing and providing for an Amendment to the Interlocal Cooperation Agreement creating the KMGA (22nd) reflecting the addition of said member city to the Agency; and authorizing other actions related thereto

President Collins entertained a motion to accept the City of Girard as an additional member of KMGA.

Wes Colson made a motion to adopt Resolution No. 66. The motion was seconded by Audree Aguilera and carried unanimously.

Item No. 4 – Present Preliminary 2022 Annual Budget

Paul Mahlberg presented the preliminary 2022 Annual Budget, highlighting the variances to the 2021 Annual Budget. He noted that the preliminary budget does not yet include expenses related to the impact of the February storm. Discussion was held on the management fee, surcharge, and the need to collect for expected legal costs related to the February storm event. Staff will work with the Executive Committee over the next few months to finalize the budget for consideration at the fall Board of Directors meeting.

Item No. 5 – Gas Director Report

Dixie Riedel provided the Gas Director Report, which included:

- 2020 Statistics (Purchased Volumes/Average Price);
- Purchased Volumes (2018-2020);
- 2020 Daily Index Prices (SSC and Enable);
- 2020 vs 2019 Daily Pricing (SSC and Enable);
- U.S. Natural Gas Production (2016-2020);
- Storage Levels (2010-2020);
- NYMEX Futures, SSC and Enable Projected Index Pricing (June 2021-December 2022);
- KMGGA Equipment Loan Program;
- Public Awareness;
- Fillable Leak Report Form; and
- Call Before Digging Decals.

Item No. 6 – General Manager Report

- **Recap of Winter Storm Uri** – Paul provided a recap of Winter Storm Uri, which resulted in record gas usage, supply constraints, and unprecedented natural gas prices. He discussed actions taken during and immediately after the storm event and reviewed four key action items that KMGGA will review going forward – 1) current practices, 2) operational needs, 3) financial considerations, and 4) the Gas Acquisition Agreement. Staff is currently working with the Executive Committee to review KMGGA's purchasing strategy and operations, reviewing legal matters, developing a funding mechanism for expected legal costs, and planning a road tour to visit all LDC cities.

Item No. 7 – Old Business

None.

Item No. 8 – New Business

- **Prepay Program** – Paul provided an update on the status of the Prepay Program. He indicated that the financial market is moving in the right direction and a couple of prepay deals have recently closed. The Minnesota group/RBC are gearing up, confirming volumes, and getting documents ready. KMGGA will reach out to the cities that originally signed up to participate in the Prepay Program to see how they would like to proceed.
- **Southern Star Rate Case** – Paul reported that Southern Star recently filed a rate case with FERC requesting a rate increase that would nearly double their current rates. Earlier this year, KMGGA, along with other shippers, participated in presettlement discussions with Southern Star, but were unable to reach a settlement. KMGGA will continue to monitor and keep the Board informed as the case progresses.

- **Rate Plans for Recovery of Costs related to the February event** – In response to Wes Colson's question on whether or not any gas companies/IOU's had submitted any rate plans for recovery of costs related to the February storm event, Paul indicated that he recently had a conversation with the KCC and that at that point, no entities had filed a rate plan to recover costs.

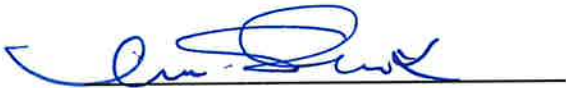
Item No. 9 – Announce date, time, and location for the next meeting of the KMGGA Board of Directors Meeting

The next meeting of the KMGGA Board of Directors will be held on September 30, 2021, at the Wichita Drury Plaza Hotel Broadview, in conjunction with the KMEA/KMGGA Annual Conference. The time of the meeting will be determined at a later date.

Item No. 10 – Adjourn Meeting

President Collins and Paul thanked the Board for their patience and cooperation during the February storm event and assured the Board that KMGGA will continue to do all we can to help our members as we move forward.

The meeting adjourned at 10:55 a.m.



Mike Shook
Secretary/Treasurer