



Kansas Municipal Energy Agency
Executive Committee Meeting Minutes
May 23, 2023

Committee Members	City	Present/ Absent	KMEA Staff/Guests
Rob Culley *	Baldwin City	Present	Gerry Bieker
Mike Muirhead	Garden City	Present	Neal Daney*
Dustin Bedore*	Goodland	Present	Paul Mahlberg
Jonathan Mitchell	Hoisington	Present	Tyson McGreer
Bret Glendening	Osawatomie	Absent	Mike Myers*
Dave Hunsaker	Ottawa	Absent	Terri Pemberton
Stacie Eichem *	Wamego	Present	Mike Schmaderer
Jon Quinday	Russell	Present	Chester Moyer*
			Brad Mears

**Attended virtually via Microsoft Teams*

Item No. 1 – Call the Meeting to Order

President Jon Quinday called the meeting to order at 10:35 a.m., in McPherson, Kansas. A quorum was present.

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

- **Minutes from the April 20, 2023, Executive Committee**
Jonathan Mitchell moved to approve the minutes of the April 20, 2023, Executive Committee meeting. The motion was seconded by Mike Muirhead and the motion carried unanimously.
- **Appropriations Report for April 2023**
Mike Meyer presented the April 2023 Appropriations Report as provided in the agenda packet. Mike Muirhead moved to approve the April 2023 Appropriations Report. The motion was seconded by Jonathan Mitchell, and the motion carried unanimously.
- **Candidate for the At-Large Vacancy**
Paul reminded the Executive Committee that with Ira Harrison’s retirement, there is a vacancy to be filled. After considering various candidates, and discussion with President Jon Quinday, the recommendation was to select Chris Lindholm of the City of Lindsborg as Ira’s replacement. Jonathan Mitchell made a motion to affirm President Quinday’s recommendation to appoint Chris Lindholm to fulfill the remainder of Ira Harrison’s unexpired term. The motion was seconded by Mike Muirhead and carried unanimously.

Item No. 3 – RubinBrown 2022 Audit Report Review

Chester Moyer of RubinBrown provided an overview of the 2022 audit for KMEA. Chester noted that the audit resulted in an Unmodified Opinion (a/k/a “clean audit”), which is the highest opinion given. Additional items of discussion were:

- Implementation of a new accounting standard, GASB87 regarding Leases.

- Transitions - when there are transitions within accounting divisions, typically those are seen as an audit risk, but KMEA's transition over the last two years has been very smooth. KMEA's Staff have been extremely helpful, and Chester especially noted the hard work done by Mike Meyer and John Weber.
- Segregation of Duties – there was a footnote that work could be done to improve segregation of duties, but Chester reminded the Executive Committee that this audit was from 2022, and since then, Mike Meyer has instituted additional changes within the division, and the General Manager is involved in cash disbursements, which he doesn't normally see. Chester has no concerns in this regard.
- Bond Letter – Chester noted that the Inflows and Outflows are adequate and in accordance with the bond agreements.

Jonathan Mitchell made a motion to accept the findings of the 2022 Audit Report. The motion was seconded by Mike Muirhead and passed unanimously.

Item No. 4 – Staff Updates

- **Regulatory Update**

Terri Pemberton provided a regulatory update on the following items:

- **Evergy**
KMEA has not yet intervened in the retail rate case pending before the KCC. There is not deadline for intervention, and she is monitoring activities in the docket. The FERC and district court cases on the TFR issue are still pending.
- **Sunflower**
The settlement has been certified and we are just waiting on an Order from FERC.
- **Kansas Gas Service**
KMEA has intervened and is working on a procedural schedule with the parties. Dixie Riedel may file testimony.
- **Cooperative Local Access Dockets**
KMEA is working with the various parties to develop procedural schedules, and Darren Prince will be conducting his analysis with respect to the increases. Terri also noted the increase/decrease each Cooperative is seeking, and which cities are impacted.
- **Attorney General**
The Commodities Exchange Act case that was in Shawnee District Court has been removed to federal court in Topeka. The RFP for a new law firm for the AG is still pending.

- **Operations Update**

Gerry Bieker provided an operations update on the following:

- **Insurance**
Gerry is still working on acquiring insurance for the power plants. Prices may be reasonable for this year but are expected to be very high next year.
- **Caterpillar Generation:**
 - ✓ City of Oberlin – waiting on the air permit but it's expected any time now.
 - ✓ City of Neodesha – the solicitation was sent last week and is due back on June 6th. The plan is for the City is to take action on the 7th, with the Executive Committee to meet on June 8th to approve documents.
 - ✓ City of Herrington – the City has signed the ordinance. We will need to do another email ballot to the full board. This will occur in approximately two weeks.
 - ✓ Cities of Cimarron & Moran – both are interested in projects.

- Garden City Linecrew meeting – the meeting was well attended, and all participants understand the importance of getting other cities to participate. They requested to meet twice a year as a group.
- **Member Services Update**
Tyson McGreer reminded everyone about the upcoming Joint EMP meetings and provided updates on the following topics:
 - Additional grant opportunities
 - The public power leadership program – APPA is not offering the program this year.
 - EV Charging Stations
 - USDA funding sources – trying to work on solar options as well as other opportunities.
- **Mid-States Update**
Mike Schmaderer provided updates on the following:
 - Land acquisition – the Environmental report has been completed and it is clean. Once the attorneys have a chance to review, we can move forward with the purchase.
 - Demonstration Trailer – it is getting close to completion. Discussions are underway on who will operate it.
 - Olsson Engineering – Mid-States is working with them to finalize a specifications document that can be used on various projects. Currently working to finalize one on a project for Augusta.
 - Work continues in various cities on transformer replacements, generator, and substation work.
 - A summer intern has been hired.
 - Maintenance plans – several cities are interested in maintenance plans. Some have already had work done. The City of Chanute is interested in having KMEA Mid-States do all maintenance.

Item No. 5 – General Manager Report

Paul Mahlberg gave his report noting the following:

- Reminder that the strategic planning event is in July.
- Mike Shook resigned and his replacement will need to be determined on the Joint Board.
- Board of Directors meeting – Paul asked if it makes more sense for the Board of Directors meeting that takes place in the spring to be held separately from the KMU conference. Consensus was that virtual is fine, and Staff will look at whether a joint board meeting can be done. We must be mindful of quorum, voting, and confidentiality issues for each organization.
- Paul provided an overview on the TCR/ARR optimization dollars and noted that the annual auction begins June 1. John Seck does not believe we will see such high numbers in the future.

Brad Mears of KMU provided a Legislative Update.

Item No. 6 – Old Business

None.

Item No. 7 – New Business

- President Quinday noted that Russell is involved in the JAGS program to encourage and develop workers for municipalities. Some of the programs discussed included welding certifications, scholarships for student interested in municipal work, journeyman apprenticeships. Gerry Bieker

noted that he and Dan White had been discussing KMEA taking on apprentices. KMU is looking at commerce funding for journeyman programs.

- Executive Committee will meet to discuss Neodesha Financing on June 8th. The meeting will take place during the EMP meetings in Salina, but a virtual option will be available.
- Discussions are underway to have the July Executive Committee meeting in Garden City considering Mike Muirhead's upcoming APPA award. More information to follow.

Item No. 8 – Executive Session to discuss personnel matters

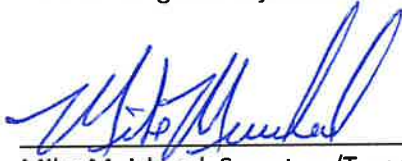
At 12:17, Jonathan Mitchell moved to enter into executive session for 10 minutes to discuss personnel matters, and to include the Executive Committee, and the General Manager and General Counsel. Executive session concluded at 12:27, with no action taken.

Item No. 9 - Discuss and set date, time, and location for the next Executive Committee Meeting

The next meeting will be on June 27th at 10:30 at the KMU offices, if available.

Item No. 10 – Adjourn Meeting

The meeting was adjourned at 12:29 p.m.



Mike Muirhead, Secretary/Treasurer