



Kansas Municipal Gas Agency
Executive Committee Meeting Minutes
May 24, 2023

Committee Members	City	Present/ Absent	KMGA Staff/Guests
Mike Shook*	Coffeyville	Present	Paul Mahlberg
Ethan Reimer	Halstead	Present	Dixie Riedel
Nathan Law	Louisburg	Absent	John Weber*
Gus Collins	Winfield	Present	Terry Pemberton
Rod Willis	Osage City	Present	Kay Forsen
Stephanie Ashby	Walton	Absent	Lisa Ferguson*
			Gerry Bieker
			Chester Moyer* - RubinBrown

**Attended virtually via Microsoft Teams*

Item No. 1 – Call the Meeting to Order

President Gus Collins called the meeting to order at 10:36 a.m., which was held at the KMU Training Facility in McPherson, KS. A quorum was present.

Item No. 2 – RubinBrown 2022 Audit Report Review

Chester Moyer of RubinBrown presented a review of the 2022 Audit Report for KMGA. Chester noted that the audit resulted in an Unmodified Opinion (a/k/a “clean audit”), which is the highest opinion given. A motion was made by Rod Willis to accept the findings of the 2022 Audit Report for KMGA, the motion was seconded by Ethan Reimer and carried unanimously.

Item No. 3 – Seek Approval for the following items:

- **April 19, 2023 Executive Committee and May 2, 2023 Special Executive Committee Meeting Minutes**
 Mike Shook made a motion to approve the April 19, 2023 Executive Committee and May 2, 2023 Special Executive Committee meeting minutes. The motion was seconded by Ethan Reimer and carried unanimously.
- **Financials for the month of March 2023**
 John Weber presented the March 2023 financials. He also reviewed the net equity chart, deliveries vs. budget volume chart, and legal fund balance. Ethan Reimer made a motion to approve the financials. The motion was seconded by Rod Willis and carried unanimously.
- **City of Garnett Letter Agreement**
 Paul Mahlberg reviewed the letter agreement with the City of Garnett which allows the City an early termination of the Gas Acquisition Agreement effective September 30, 2023. In lieu of the early termination, the City is obligated to pay KMGA for the lost management fees (\$10,472.36) that would have been collected if the Agreement were to run its full term through April 30, 2024. Paul mentioned that the City of Garnett has already executed the letter agreement and that the City still plans to remain a member of KMGA. Ethan Reimer made a motion to authorize Paul Mahlberg to sign the agreement on behalf of KMGA. The motion was seconded by Mike Shook and carried unanimously.

- **Candidate for the At-Large Member Vacancy**

Due to Chad Buckley's departure and Mike Shook's impending departure, President Gus Collins has the authority to select their replacements (subject to Executive Committee approval) if a vacancy occurs during an active term. As a result, President Gus Collins has recommended Gary Emry from the City of Hesston to replace Chad Buckley as an at-large member for the remainder of Chad's term. In addition, due to Mike Shook's departure as Secretary/Treasurer, President Collins has proposed that Ethan Reimer transition from the role of at-large member to Secretary/Treasurer, and Tony Lawson from the City of Coffeyville is recommended to replace Ethan Reimer's previous role as an at-large member for the remainder of Ethan's term.

Ethan Reimer made a motion to approve Gary Emry becoming an at-large member to replace Chad Buckley for the remainder of Chad's term. The motion was seconded by Rod Willis and carried unanimously.

Rod Willis made a motion to approve Ethan Reimer transitioning from the role of at-large member to Secretary/Treasurer to replace Mike Shook. The motion was seconded by Mike Shook and carried unanimously.

Ethan Reimer made a motion to approve Tony Lawson becoming an-large member to replace Ethan Reimer's former position of at-large member for the remainder of Ethan's term. The motion was seconded by Rod Willis and carried unanimously.

Item No. 4 – General Manager Report

Terri Pemberton provided legislative updates on the following:

- KGS docket – reminder that changes need to be made to KGS tariff
- AG update – the case has been removed to Federal court

Paul Mahlberg provided updates on the following topics:

- The City of Concordia has sold their gas system to KGS, effective 5/1/23. Paul stated this will have little impact on KMGAs financials with the small size of the Concordia's gas system.
- The City of Burlingame has officially submitted their withdrawal as well.
- The withdrawal of the Cities of Burlingame and Concordia from KMGAs would normally be voted on by members at the next BOD meeting. Paul suggested that a mail-in ballot would be preferable so the matter could be settled quickly. The Executive Committee agreed that would be appropriate.
- Paul inquired if there was any interest in conducting next Spring's BOD meeting separately from the annual KMGAs conference, or if committee members preferred to continue having the meeting during the conference. Paul observed that by having the meeting separately, and perhaps only virtually, it would allow more time for the meeting and possibly make it easier to reach quorum. The Committee concurred that KMGAs should explore the virtual option for next Spring.
- KMGAs met with OMAG recently at the KMGAs office. OMAG is an Oklahoma-based company that is interested in procuring gas and providing services locally in a similar manner to KMGAs. OMAG met with KMGAs to learn more about their operations. KMGAs would like to continue discussions with OMAG and trip to Oklahoma might take place at a future date.
- Paul thanked Chester Moyer for his work on the audit report, and thanked John Weber and Mike Meyer for their hard work during the period of transitioning between former and current accountants at KMGAs.

Item No. 5 – Gas Director Report

Dixie Riedel provided the Gas Director Report, which included:

- Purchased Volume (Jan 2021 – Apr 2023)
- Fixed Price Deals (Nov 23 – Mar 24)
- Daily Index Pricing (Apr 1, 2023 – May 22, 2023)
- Daily Index Pricing, Current vs. Prior Year
- NOAA Short-term Outlook, NOAA Outlook (May 2023 – August 2023)
- Industry News – Dixie provided updates on industry trends on production, consumption, and exports
- Projected Pricing (June 2023 – Mar 2026)
- Members Update

Item No. 6 – Old Business

- **Gas Prepay Update** – Paul Mahlberg provided an update on the Gas Prepay program. Discussions are ongoing with many key points yet to be determined following the meeting that took place on May 2.

Item No. 7 – New Business

Paul Mahlberg provided committee members with a preview of the slideshow and talking points that would be presented at that afternoon's gas member meeting and asked committee members to provide feedback or suggestions. Discussion ensued.

Item No. 8 – Executive Session

Gus Collins entertained a motion to go into executive session to include the Executive Committee, Paul Mahlberg and Terri Pemberton for 10 minutes beginning at 12:20 p.m. to discuss personal matters, with the open meeting to resume at 12:30 p.m. The motion was made by Rod Willis and seconded by Ethan Reimer and carried unanimously. The executive session ended at 12:30 p.m. No action was taken.

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

The next KMGGA Executive Committee meeting will be held virtually at 10:00 a.m., Monday, June 12th, 2023.

Item No. 10 – Adjourn Meeting

The meeting was adjourned at 12:40 p.m.



Ethan Reimer