

March 15, 2016

A Board meeting of the Electric and Water Plant Board of the City of Frankfort, Kentucky, was held at Farmers Bank and Capital Trust, located at 125 W. Main Street, Frankfort, Kentucky, on Tuesday, March 15, 2016 at 5:00 p.m.

ATTENDANCE:

Ralph Ludwig, Board Chair
Rick Pogrosky, Vice Chair
Dr. Scott Green, Secretary/Treasurer
Anna Marie Pavlik Rosen, Board Member
Walt Baldwin, Board Member
James Liebman, Board Attorney
Herbbie Bannister, General Manager
David Billings, Chief Water Engineer
Bill Briscoe, Water Dist. Supt.
Harvey Couch, Marketing and Video Coordinator
David Denton, Finance Director
Sharmista Dutta, Water Engineer
Vent Foster, Chief Electrical Engineer/Asst. GM Operations
Monique Gilliam, Customer Service Director
Dana Goodlett, Cable Installation and Process Manager
Gary Grider, Media Services Manager
Adam Hellard, Broadband/security Manager
John Higginbotham, Asst. GM Cable/Telecommunications
Scott Hudson, Electric Supt.
Casey Jones, Asst. IT Director
Karl Pitzer, IT Director
Kathy Poe, Executive Assistant
Hance Price, Staff Attorney/ Asst. GM Administration
Mark Redmon, Support Services Director
Chris Riddle, WTP Superintendent
Julie Roney, Asst. WTP Superintendent
Dianne Schneider, HR Director
Alan Smith, Asst. Water Superintendent
Glenn Waldrop, Public Information Coordinator
Kim Phillips, Safety Director
Zach Hubbard, Cable 10 Videographer
David Columbia, Cable 10 Videographer
Seth Littrell, State Journal Reporter
Andy McDonald, Earth Tools, Inc.

AGENDA

The Agenda for the Board Meeting was received and entered into the Minute Book as follows:

MARCH 15, 2016 BOARD MEETING AGENDA

1. **Action Item:** Consider Approving Minutes for the February 16, 2016 Board Meeting.
2. **Action Item:** Consider Accepting the Minutes for the February 17, 2016 Credit Card Committee Meeting.
3. **Action Item:** Consider Accepting the Minutes for the March 4, 2016 Cycle Billing Committee Meeting.

4. **Information Item:** Presentation on Solar Energy Opportunities by Andy McDonald, Director of Sustainable Systems Programs for Earth Tools, Inc. of Owen County.
5. **Action Item:** Electric, Water and Cable Financial & Statistical Data for February 2016.
6. **Informational Item:** Public Comment Period.
7. **Informational Item:** Departmental Reports:
 - Website Customer Comments
 - Cable Dept.
 - Customer Service
 - Electric Dept.
 - SEPA
 - KyMEA
 - Safety
 - Water Distribution
 - Water Treatment Plant
 - Administration Building
 - Headend
8. **Action Item:** Consider Adding Work Session Public Meeting to Monthly Meeting Cycle.
9. **Action Item:** Consider Alternate Venue for Work Session and Regular Meeting.
10. **Action Item:** Consider Award of Bid Invitation #1614 for Video Equipment to B&H Photo in the amount of \$24,714.95.
11. **Action Item:** Consider Award of Bid Invitation #1615 for a 2500KVA Pad Mounted Transformer to Cape Electrical in the Amount \$33,499.
12. **Action Item:** Consider Approving (1) CBS Sports Network Affiliation Agreement and (2) CBS Television Network Agreement.
13. **Action Item:** Consider Approving MGM HD Agreement.
14. **Action Item:** Consider executing professional services proposal with GRW Engineers, Inc. to perform surge analysis at the High Service Pump Station (HSPS) for a cost not to exceed \$16,000.
15. **Action Item:** Consider executing professional services proposal with Peyton Technical Services (PTS) to perform an arc flash study and training, for a cost not to exceed \$19,100.
16. **Action Item:** Consider Approval of New Investment Policy to Replace Current Investment Policy Adopted by Board on February 21, 1996.
17. **Action Item:** Consider Executing Contract with Wallace-Hank Incorporated to Provide Field Inspection Services for the new Administration Building.
18. **Action Item:** Consider Approving Turner Network Services Agreement.
19. **Old & New Business:**

20. **Informational Item: General Manager's Comments.**
21. **Request Permission to have Chair call for a Closed Session** pursuant to KRS 61.810 (1)(c) for the discussion of proposed or pending litigation against or on behalf of FPB; KRS 61.810 (1)(f) for discussions which might lead to the appointment, discipline, or dismissal of an individual employee; and KRS 61.810(1)(b) for the discussion of the future acquisition or sale of real property.
22. **Closed Door Session:**

BOARD ACTION

Mr. Ludwig called the meeting to order. Ms. Walker called the roll. She noted four (4) Board members present and noted Dr. Green absent.

1. **Action Item: Consider Approving Minutes for the February 16, 2016 Board Meeting.**

Dr. Green moved to approve the minutes for the February 16, 2016 board meeting. Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

2. **Action Item: Consider Accepting the Minutes for the February 17, 2016 Credit Card Committee Meeting.**

Mr. Pogrotsky stated that he thought the minutes were notes and not minutes. He discussed information included in the minutes that was not discussed during the meeting and advised that he believed those paragraphs that should be stricken. He further recommended that a member of staff attend the meetings to take notes and prepare minutes in a proper format.

Ms. Rosen explained her perspective regarding the preparation of the minutes. Mr. Price discussed the necessity of the minutes and their approval or acceptance by the Board because the committees are a subset of the Board. He noted that the minutes should include any action taken and some discussion. He advised that the amount of discussion would be up to the committee. He further advised that the minutes should not include any discussion or information that was not discussed with the entire committee during the meeting.

Mr. Pogrotsky moved to accept the minutes of the February 17, 2016 Credit Card Committee with understanding that they are notes and that in the future there would be more a structured understanding of what took place in the meeting. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

3. **Action Item: Consider Accepting the Minutes for the March 4, 2016 Cycle Billing Committee Meeting.**

Mr. Baldwin moved to accept the minutes for the March 4, 2016 with the same notations as to future structure. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

In response to Mr. Baldwin, Mr. Ludwig stated that all committees should provide minutes to the Board which could include the Cable Advisory Committee and the Tanglewood Mediation Committee.

4. **Information Item: Presentation on Solar Energy Opportunities by Andy McDonald, Director of Sustainable Systems Programs for Earth Tools, Inc. of Owen County.**

Mr. Ludwig introduced Andy McDonald of Earth Tools, Inc.

Mr. McDonald discussed his presentation explaining the specifics of a solar photovoltaic (PV) system. He explained that the system was tied to the power grid, that no batteries were needed and further explained specifics of how the system worked to produce energy. He further discussed net metering and interconnection, as well as solar photovoltaic systems in Frankfort and surrounding counties.

Mr. McDonald discussed pricing for the system and noted that costs have been reduced significantly in recent years. He discussed the benefits of energy production via the PV system versus purchasing energy from an electric company. He further discussed avenues by which consumers could reduce their out of pocket costs by utilizing grants and incentives. Mr. McDonald also explained the cost and payback analysis for the PV system. Mr. McDonald further discussed the benefits of community solar projects and explained specifics of the solar farm at Berea, Kentucky.

5. **Action Item: Electric, Water and Cable Financial & Statistical Data for February 2016.**

Mr. Denton explained that FPB is a not for profit organization and explained how funds are utilized by FPB as a non-profit organization. He further discussed the statement of net position and balance sheet through February 29, 2016. He discussed the cash investment schedule as well as the summary of bonds, leases and loans payable. He further discussed assets, liabilities, revenues and expenses for the company as a whole and separately for each line of business. He advised that financial numbers were on track for the period.

Mr. Pogrotsky moved to accept the Electric, Water and Cable Financial & Statistical Data for February 2016. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

6. **Informational Item: Public Comment Period**

Commissioner John Sower spoke briefly regarding the desire to attract more businesses and attract more people to call Frankfort their home. He noted the stagnant population growth in Frankfort and requested that FPB could perform some marketing research to reach out to those who work in Frankfort daily to promote Frankfort for both business development and relocation in an effort to grow Frankfort.

7. **Informational Item: Departmental Reports:**

Website Customer Comments: Mr. Higginbotham discussed comments made in the first few days which the comment site was open. He further discussed the answers to those questions and requested guidance from the Board regarding follow up with the customers.

Mr. Ludwig stated his appreciation for the thoroughness of the answers. Mr. Baldwin stated that it was appropriate for Staff to respond in a timely manner. Mr. Baldwin further noted that if any questions were directed for a Board response that Staff would forward those on to the Board as soon as possible. He further noted that the current format was good at this time.

Cable: Mr. Higginbotham reviewed graphs and discussed the trouble call report, outage report, and penetration numbers for Cable/Telecom. In response to Mr. Baldwin, Mr. Higginbotham stated that FPB did track trouble calls if the customer's issue had already been corrected when the service tech arrived and that FPB had a report with that data.

Mr. Grider explained the special project on which Media Services was preparing for playback on FPB TV in connection with the FCHS girls basketball team's run through the State Basketball Tournament. He noted that the special would air on 3/21 at 8:00 p.m. and again at various times on 3/27-3/29.

Customer Service: Ms. Gilliam discussed monthly and weekly graphs and customer service data provided to the Board. She further noted that Staff was encouraging customers to complete the payment option survey.

Electric: Mr. Hudson noted 16 electric outages for the month of February. He advised that FPB was recognized by the APPA for excellence in reliability. He noted that the award was due to staff's ability to think forward and manage potential problems. Mr. Foster added that FPB was about 3-9 times more reliable than surrounding power suppliers.

In response to Mr. Ludwig, Mr. Hudson stated that the East Main Substation was online and that work continued to complete the project.

SEPA: Mr. Bannister explained the graphs for SEPA and discussed profit/loss statistics for 2015 as well as for the month of January 2016. He explained that the current losses on the market were due a reduction in the amount which the energy was bringing on the market. He discussed the status of the current projects on the Cumberland River and stated that there is hope that SEPA will begin to be more profitable in 2018 when the Center Hill Dam project is complete.

KyMEA: Mr. Bannister explained that negotiations regarding base energy continue to progress which would be a coal and natural gas mixture. He further noted that discussions are also continuing with regard to renewables and some decisions on renewables are projected for 2017.

Safety: Ms. Phillips noted no OSHA recordable accidents and no vehicle accidents for the month of February.

Water Distribution: Mr. Briscoe noted two (2) new services, no (0) main breaks, and two (2) outages. He noted that both outages were scheduled for maintenance.

Water Treatment: Mr. Riddle reviewed the Water Treatment Plant report and stated that FPB produced more than 225 million gallons of potable water for the month of February for an average daily production of 7.8 million gallons per day. He further discussed the water temperature and potential issues if the water maintains the warmer temperatures.

Administration Building: Ms. Dutta discussed activities at the administration building site. She noted significant progress with back filling of soil, the patio area, the retaining walls and stated that the framers were completing framing on the first floor. She explained that Gate Pre-Cast was scheduled to be onsite March 28 to begin installing the concrete exterior and that substantial completion was still set for December 2016. In response to Mr. Baldwin, Ms. Dutta discussed the time recovery schedule and noted that the final cost of the project was expected to be around \$17.5 million.

Headend Building: Mr. Hellard stated that the Headend building was about 95% complete and reviewed photos of the building's progress. He reviewed and explained photos presented to the Board. He advised that substantial completion was still scheduled for April 1, 2016. He further noted that the contractor would be requesting a 12-17-day extension and that some of that extension would be granted due to weather delays. In response to Mr. Baldwin, Mr. Hellard noted that staff anticipated the time extension and that there would be no significant impact on switch over.

8. **Action Item: Consider Adding Work Session Public Meeting to Monthly Meeting Cycle.**

We often have too little time to absorb and seek additional information on the items presented in the regular meeting. In an effort to address this I would suggest we discuss the addition of a work session to our monthly meeting schedule. This would provide a less formal venue for discussion and allow an appropriate venue for consensus.

Mr. Baldwin stated that the main goal was to ensure that everyone was well informed. He further stated that in lieu of adding another regular Board meeting, that Staff could provide the Board with information disseminated from the weekly management/staff meetings so that the Board could be informed of what was in progress and what could be coming to the Board for a decision at future Board meetings. Mr. Bannister stated that staff and management could accommodate the Board with a weekly report.

Mr. Baldwin moved that staff begin preparing a summary of the weekly management meeting to circulate to the Board to represent projects in flight and information discussed in Staff meetings. Ms. Rosen added that the information should serve as an indication as to what will be discussed in future Board meetings. Mr. Pogrotsky seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

9. **Action Item: Consider Alternate Venue for Work Session and Regular Meeting.**

At the January 27, 2016 Special Board meeting the Board approved a motion for the compilation of alternate venues for future Board meetings and work sessions and to place the item on the Agenda for consideration this month. Pursuant to that decision, Staff has included information regarding alternate venues considered in 2015 and contacted the City Clerk, Chermie Maxwell regarding availability of Council Chambers at City Hall. The results are listed in the detail pages at tab 9 for your review.

Mr. Baldwin stated that he was pleased with the changes that had been made to better inform and engage the public. Ms. Rosen agreed and noted her appreciation for the new set-up. Mr. Baldwin stated that he was willing to table this item and let the current structure move forward. With no objections, the action item was tabled.

10. **Action Item: Consider Award of Bid Invitation #1614 for Video Equipment to B&H Photo in the amount of \$24,714.95**

Staff prepared a bid invitation for the purchase of video equipment to upgrade City Hall's equipment from standard to high definition. This will allow for higher quality productions. The invitation was sent to six vendors with three responses received. B&H Photo is the lowest overall bid.

\$80,000 is included for this purchase (and others) in the current budget. This can be found on page 17, line 25 titled "Repair/Replace Cablecast Equipment."

Staff recommends awarding the bid to B&H Photo in the amount of \$24,714.95.

Mr. Grider explained the need for the new equipment and noted that this purchase represented the final pieces of equipment for the HDTV upgrades. He further noted that this equipment would be used to replace the aging equipment at City Hall. He stated that this was the lowest overall bid and that the purchase was budgeted in the current fiscal year budget.

In response to Mr. Baldwin, Mr. Grider stated that FPB provided the video services at City Hall for no charge as a benefit to the community. In response to Mr. Pogrotsky, Mr. Grider advised that the entire system at City Hall would be replaced

with this purchase. He further noted that the older equipment could be sold to recover some of the expense.

Dr. Green moved to award bid invitation #1614 for video equipment to B&H Photo in the amount of \$24,714.95. Mr. Pogrotsky seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

11. **Action Item: Consider Award of Bid Invitation #1615 for a 2500KVA Pad Mounted Transformer to Cape Electrical in the Amount \$33,499.**

Staff prepared a bid invitation for a 2500kva pad mounted transformer. The invitation was sent to eight vendors with six responses received. After reviewing all bids, staff recommends awarding to Cape Electrical as they are the lowest bid meeting specifications.

This transformer will be used to replenish depleting inventory levels.

Mr. Redmon explained the bid invitation and responses received. He noted that this was the lowest bidder meeting specifications and that the purchase would be utilized to replenish depleting inventories. He advised that funds for this purchase were included in the current fiscal year budget.

Mr. Pogrotsky moved to award bid invitation #1615 for a 2500KVA pad mounted transformer to Cape Electrical in the amount of \$33,499. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

12. **Action Item: Consider Approving (1) CBS Sports Network Affiliation Agreement and (2) CBS Television Network Agreement.**

Staff recommends approving (1) CBS Sports Network (CBSSN) Affiliation Agreement and (2) CBS Television Network VOD Agreement. These direct agreements have terms through January 1st and March 31st, 2019 respectively.

In 2011, FPB launched Video on Demand service. At the time of launch, FPB carried Video on Demand content from two of the four major broadcast networks: ABC and NBC. In January 2015, FPB added Fox broadcast VOD. We have tried several times (unsuccessfully) to execute a reasonable agreement with CBS Network for broadcast VOD. FPB cable customers have been requesting CBS VOD since we launched Video on Demand in 2011. Content from the other broadcast networks rank as some of the most watched VOD titles.

Staff re-engaged with CBS in late 2015. We were able to negotiate a deal that we feel is a very positive one for FPB Cable customers. In exchange for launching CBSSN on Preferred Cable, CBS will provide CBS VOD content to FPB for no cost. We currently already pay or are committed to pay for the other three broadcast networks VOD content. Staff feels that CBSSN alone provides excellent value for our Preferred Cable customers. Sports is a major driver for Preferred Cable subscriptions and CBSSN will help bolster that offering. CBS VOD will include prime time titles such as: Big Bang Theory, NCIs, Criminal Minds, The Late Show, 48 Hours, and 60 Minutes.

There will be no associated rate increase required for this launch as staff budgeted funds for new channel additions on Preferred Cable this fiscal year and those funds have yet to be used.

The Assistant GM for Administration has reviewed these agreements and they meet with his approval.

Mr. Couch discussed the direct agreements with CBS Sports Network. He explained the term of the agreements as well as the rankings of this network on FPB's lineup. He noted that Staff recommended approval of the agreements as the content would add value to the lineup.

Mr. Pogrotsky moved to approve (1) CBS Sports Network Affiliation Agreement and (2) CBS Television Network Agreement. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

13. **Action Item: Consider Approving MGM HD Agreement.**

Staff recommends approval of the MGM HD agreement. This NCTC agreement has a term through December 31, 2019. FPB currently has a direct agreement for carriage of MGM HD and carries MGM HD on channel 771 on the optional HD Plus tier. This agreement affords FPB the opportunity to maintain their current MGM subscriber rate while moving from a direct agreement to an NCTC agreement. Future year-over-year increases are based on CPI (same as current direct agreement). The network is programmed 24/7 with titles from the legendary MGM library and all of the films are shown in true 1080i high definition with limited commercial interruption. VOD rights are included in this new agreement. No additional carriage requirements obligations are included in this agreement. This agreement has been reviewed by the Assistant GM for Administration and it meets with his approval.

Mr. Couch explained the terms of the agreement. He advised that FPB currently had a direct agreement with MGM and that the terms of the NCTC were the same. He noted that the approval of this agreement would improve the administrative process internally for this network and would not add any additional cost.

Mr. Pogrotsky moved to approve MGM HD Agreement. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

14. **Action Item: Consider executing professional services proposal with GRW Engineers, Inc. to perform surge analysis at the High Service Pump Station (HSPS) for a cost not to exceed \$16,000.**

Over the last couple of years the water treatment plant has been experiencing maintenance issues with the existing pump control valves in the HSPS. The existing pump control valves serves two functions: First, they minimize surge by opening and closing at a slow and controlled rate. Second, they prevent water from returning back from the distribution system into the pump station.

In 2012, the water treatment plant upgraded the HSPS motor control system and installed new switch gear along with variable frequency drives (VFD's). Since then, the VFD's control how fast or slow the pumps cycle, minimizing surge at startup and shutdown. As such, staff is optimistic that more economical check valves may be utilized to prevent water from returning back from the distribution system. In order to make an informed decision on which check valve to install, staff believes a surge analysis is prudent to model the system.

As a matter of course, GRW has provided a proposal for a study not to exceed \$16,000. The proposal has been included in the detail and has been forwarded to the Staff Attorney for his review.

The water treatment department budgeted \$43,500 in the FY15-16 budget for engineering. Staff recommends the Board approve the proposal with GRW for a cost not to exceed \$16,000.

Mr. Billings explained maintenance issues with the current control valves in the high service pump station and the need for surge analysis. He further explained the current system and the need for new check valves and advised that the surge analysis would allow Staff to make an informed decision to select the best valve for this system. Mr. Billings advised that all three valves were currently causing reliability issues and should be replaced.

Mr. Riddle explained other issues caused by the current valves and other maintenance completed to obtain the maximum amount of life from the valves. He advised that it was time to replace the valves to ensure the motors and turbines were not damaged. Mr. Billings reiterated that this analysis would allow staff to make a decision on which type of valve will work best with the distribution system.

Mr. Ludwig moved to approve executing professional services proposal with GRW Engineers, Inc. to perform surge analysis at the High Service Pump Station (HSPS) for a cost not to exceed \$16,000. Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

15. **Action Item: Consider executing professional services proposal with Peyton Technical Services (PTS) to perform an arc flash study and training, for a cost not to exceed \$19,100.**

The last arc flash study was performed by PTS in 2011. The goal is to conduct updates if major changes occur or every five years. Since 2011, the water department has made a few changes in the distribution system, and the water plant has installed the generator and upgraded the switch gear at various locations within the plant. As a result, an arc flash study update in 2016 is prudent.

As a matter of course, PTS has provided a proposal for a study and training not to exceed \$19,100. The proposal has been included in the detail and has been forwarded to the Staff Attorney for his review.

The water department budgeted \$20,000 in the FY15-16 budget for the work. Staff recommends the Board approve the proposal with PTS for a cost not to exceed \$19,100.

Mr. Billings explained that the study is required to be completed in 2016 in order to maintain compliance with NFPA-70E. He noted that the funds were included for this study in the current fiscal year budget.

Mr. Pogrotsky moved to approve executing a professional services proposal with Peyton Technical Services (PTS) to perform an arc flash study and training for a cost not to exceed \$19,100. Mr. Ludwig seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

16. **Action Item: Consider Approval of New Investment Policy to Replace Current Investment Policy Adopted by Board on February 21, 1996.**

Included in this board packet is a proposed, new investment policy that staff is providing to you for your review. Staff would like this proposed, new investment policy to replace the existing 20-year-old investment policy that was approved by the Board on February 21, 1996. Below are a few ways this proposed, new policy differs from the current policy:

- Would allow FPB to place funds into interest earning investments faster by allowing Finance Director to move funds under direct supervision of the GM and Assistant GM of Administration. The current policy delegates management responsibility to the GM, which can delegate it to the Finance Director. The new policy provides the same supervision for the investment purchasing process, but gives FPB the ability to invest in a timely manner. This improved flexibility will allow FPB to achieve higher return on investment, which is a fundamental objective of any investment policy as stated in Section IV of the proposed policy.
- Proposed policy add an "Ethics and Conflicts of Interest" section that does not exist in the current policy.
- Proposed policy clearly states documents required by authorized financial institutions and broker/dealers to evaluate financial soundness and requires written acknowledgement of having read the investment policy of FPB.

- Proposed policy would expand the options of financial institutions that FPB could do business with allowing FPB to better meet the return on investment objective. The policy would allow FPB to invest with local, regional, and national entities.
- Proposed policy would expand the types of financial instruments FPB could invest in while still being in compliance with KRS 66.480 related to investment of public funds by counties, cities, and other local units.
- Proposed policy changes the maximum maturity on investments from three to five years and even allows for longer term if investment is matched to specific obligation of FPB (ex. revenue bond reserves) or if reserves are designated for certain purpose that is beyond five years.

Staff is requesting the Board approve this new investment policy to be effective March 15, 2016.

Mr. Denton explained the current policy versus the new proposed policy and noted that the current policy was 20 years old. He explained the benefits that FPB could realize by approving the new policy. He further noted that the new policy was in compliance with Kentucky Revised Statutes and was a policy update.

After discussion of the ethics and conflicts of interest section of the new policy, Ms. Rosen moved to accept the proposal of the new investment policy. Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

17. **Action Item: Consider Executing Contract with Wallace-Hank Incorporated to Provide Field Inspection Services for the new Administration Building**

During the past month, construction at the administration building has been transitioning from primarily exterior site work and concrete placement to steel erection and increased activity within the interior of the building. The interior work includes framing and installing electrical conduit, plumbing pipes, and ductwork.

The concrete and steel have been regularly inspected throughout the project duration by a third party to ensure compliance with the contract documents. Those special inspections are also a code requirement through the State. However, the interior work does not require the same regular inspections, therefore, Staff is requesting approval to retain a field inspector with experience in general construction, electrical, and mechanical systems to assist with the remainder of construction.

Mark Herrick with Wallace-Hank Incorporated has experience in all three fields. Mr. Herrick's resume is included in the board package, along with a copy of the contract which includes a detailed scope of work.

The contract amount is estimated at \$54,000, taking into consideration the hourly rate, travel time, mileage reimbursement, and expected duration of 40 weeks.

The proposed schedule for work is as follows:

Notice to Proceed: March 16, 2016

Work to begin with seven days from Notice to Proceed

Work to last through project completion

The 2015-2016 Budget includes \$10,529,516 for Engineering and Construction for the Administration Building (Page 17 Line 20). Payment for the inspection services will come from the budgeted funds. As the Board is aware, additional funding will be retained during FY 2016-2017 to cover additional expenses necessary for project completion.

The Staff Attorney has reviewed the contract and it meets with his approval. Staff recommends the Board execute the contract with Wallace-Hank Incorporated.

Ms. Dutta explained the transition from the exterior site work to increased activity inside the building. She further explained current inspections on the structural integrity of the building as well as the necessity of a daily field inspector to assist with compliance with all aspects of the contract. Ms. Dutta explained the experience of Mark Herrick and stated that Staff was comfortable that he had all the background necessary for the field inspection work at the administration building.

Ms. Dutta discussed funding and stated that this would be paid for with funds available in the current fiscal year budget. She discussed the number of hours per week, the hourly rate, and mileage costs.

In response to Mr. Ludwig, Ms. Dutta stated that the inspector would report directly to her but would also have an open line of communication with the architect and GRW. She further noted that the contract for these services would be directly with FPB.

In response to Mr. Ludwig, Mr. Price discussed insurance and indemnity requirements. Mr. Price stated that liability insurance was not legally required for this type of work, and that FPB did not require it due to expense and lack of legal liability of the scope of work. In response to Mr. Baldwin, Mr. Price further noted that the contractor and the inspector could still be held liable for any mistakes. Ms. Dutta stated that the inspector will not be providing official approval of any work but would make FPB aware of any potential issues. She explained that the inspector would only ensure compliance with the contract documents and further explained Mr. Herrick's qualifications.

Dr. Green moved to approve executing the contract with Wallace-Hank Incorporated to provide field inspection services for the new administration building at a rate of \$45 per hour and mileage at \$0.54 per mile. Mr. Baldwin seconded. Ms. Poe called the vote by member and the motion passed unanimously.

18. **Action Item: Consider Approving Turner Network Services Agreement**

The Cable Advisory Committee and Staff recommend the Board approve the standard National Cable Television Cooperative (NCTC) agreement for Turner Network Services (TNS). This NCTC agreement has a term from March 1, 2016 through April 30, 2020. The networks covered include: CNN, HLN, TBS, TNT, Cartoon Network, truTV, and TCM on Classic Cable. This agreement also covers TVE and VOD rights.

The agreement represents programming license fee increases of 14.4% in 2017, and 6% in the three years after that. The increases were budgeted and anticipated. Five of the top 25 rated networks on FPB Cable are included in this agreement. Additionally, TNS shares the broadcast rights to the NCAA Basketball Tournament with CBS. Those games are consistently among the highest rated programs every year.

There are no additional carriage or migration requirements in this agreement.

Please consider the networks as a take all or have none scenario as this agreement does not allow a la carte purchasing. The deadline for participation in this agreement is March 25, 2016. The Assistant GM-Administration has reviewed the agreement and it meets with his approval.

Mr. Couch explained the standard NCTC agreement, its terms, and the channels included in the agreement. He noted that increases were anticipated and included in the current fiscal year budget, and that five (5) of the top twenty-five (25) of FPB's networks were included in this agreement. He further advised that Turner holds rights to the NCAA tournament for 2016. He further advised that this was an all or nothing agreement.

Mr. Pogrotsky moved to approve Turner Network Services Agreement. Mr. Ludwig seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

19. **Old & New Business:**

None

20. **Informational Item: General Manager's Comments.**

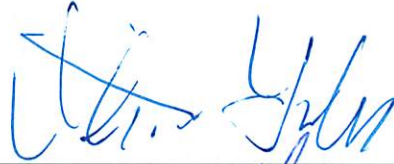
None

21. **Request Permission to have Chair call for a Closed Session** pursuant to KRS 61.810 (1)(c) for the discussion of proposed or pending litigation against or on behalf of FPB; KRS 61.810 (1)(f) for discussions which might lead to the appointment, discipline, or dismissal of an individual employee; and KRS 61.810(1)(b) for the discussion of the future acquisition or sale of real property.

No Closed Session necessary.

22. **Closed Door Session:**

Dr. Green moved to adjourn. Mr. Pogrotsky seconded. Mr. Ludwig called for the vote and the meeting adjourned.





ATTEST: