

April 19, 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, April 19, 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
Angie Hart, HR Specialist
Adam Hellard, Broadband/Security Manager
Ryan Henry, IT Technician
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
Kim Phillips, Safety Director
Zach Hubbard, Cable 10 Videographer
Seth Littrell, State Journal Reporter
Carol Dawson, EEO Guidance
Larry Dukes, Cable Advisory Committee Chairman

AGENDA

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

APRIL 19, 2016 BOARD MEETING AGENDA

1. **Action Item:** Consider Approving Minutes for the March 15, 2016 Board Meeting.
2. **Action Item:** Consider Accepting Minutes of the March 14, 2016 Cable Advisory Committee Meeting.
3. **Action Item:** Consider Updated Affirmative Action Plan, (AAP) for Women and Minorities for 2016 and 2017; and the AAP for Veterans and Individuals with Disabilities for 2016.
4. **Action Item:** Electric, Water and Cable Financial & Statistical Data for March 2016.

5. **Informational Item:** Public Comment Period.
6. **Informational Item:** Departmental Reports:
 - Website Customer Comments
 - Cable Dept.
 - Customer Service
 - Electric Dept.
 - SEPA
 - KyMEA
 - Safety
 - Water Distribution
 - Water Treatment Plant
 - Administration Building
 - Headend
7. **Action Item:** Consider Approval of Extension Agreements for Water and Cable for the Condos at Duckers, LLC.
8. **Action Item:** Consider Award of Bid Invitation #1616 for Butterfly Valves and Accessories to Ferguson Water Works in the Amount of \$14,602.50 and Hayes Pipe in the Amount of \$5,287.50.
9. **Action Item:** Consider Approval of Change Order No. 4 for the Headend Building for a Cost of \$0.00.
10. **Action Item:** Consider Notice of Public Hearing for the Establishment of fees for: (1) Residential Telephone package and (2) Business Telephone package, (3) Acceptable Use Unlimited Long Distance Plans Policy.
11. **Action Item:** Consider Changes to Job Classification and Compensation Plan – Salary Range Adjustments Effective July 1, 2016.
12. **Action Item:** Approve Amendments to the Guidelines Governing Employment, Electric & Water Plant Board of the City of Frankfort, Kentucky - Non-Discrimination Based on Sexual Orientation and Gender Identity Effective April 19, 2016.
13. **Action Item:** Consider Approving World Fishing Network Renewal.
14. **Action Item:** Consider Re-Appointment of Larry Dukes to Cable Advisory Committee.
15. **Action Item:** Consider Approval of Addendum to Windstream Agreement for purchase of additional bandwidth (\$87,600).
16. **Action Item:** Consider Approval of Addendum to Windstream Agreement for 10 Gigabit Transport Circuit Solution in the Annual Amount of \$57,600 and the Equinix Data Center Space, Power, and Interconnects Lease in the Year 1 Amount of \$40,405.
17. **Old & New Business:**
18. **Informational Item:** General Manager's Comments.

19. **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.

20. **Closed Door Session:**

BOARD ACTION

Mr. Ludwig called the meeting to order. Ms. Poe called the roll. She noted five (5) Board members in attendance.

1. **Action Item: Consider Approving Minutes for the March 15, 2016 Board Meeting.**

Dr. Green moved to approve the minutes for the March 15, 2016 Board meeting. Mr. Ludwig seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

2. **Action Item: Consider Accepting Minutes of the March 14, 2016 Cable Advisory Committee Meeting.**

Mr. Pogrotsky moved to accept the minutes of the March 14, 2016 Cable Advisory Committee meeting. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

14. **Action Item: Consider Re-Appointment of Larry Dukes to Cable Advisory Committee.**

Staff recommends approval of the re-appointment of Larry Dukes to a second three-year term on the Cable Advisory Committee, through March 31, 2019. The Committee Bylaws specify members can be reappointed for an additional term. Mr. Dukes has indicated a willingness to continue to serve on the committee. Mr. Dukes has been a key contributor to the committee during his first term. He currently serves as the committee's chairperson. Over the past three years, the Advisory Committee has dealt with multiple major network renewals and Mr. Dukes' experience and knowledge of the subscriber base and programming agreement structure will be valuable as FPB faces upcoming renewals.

Mr. Couch stated that Mr. Dukes was the current Chairman of the Cable Advisory Committee and that he was eligible for re-appointment. He further advised that if Mr. Dukes was re-appointed his term would run through March 31, 2019. Mr. Couch introduced Mr. Dukes to the Board.

Mr. Dukes noted his appreciation for the opportunity to serve FPB and the community by serving on the Cable Advisory Committee.

Dr. Green moved to re-appoint Larry Dukes to the Cable Advisory Committee. Mr. Pogrotsky seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

3. **Action Item: Consider Updated Affirmative Action Plan, (AAP) for Women and Minorities for 2016 and 2017; and the AAP for Veterans and Individuals with Disabilities for 2016.**

Staff requests the Board consider approval of FPB's voluntary Affirmative Action Plan, (AAP) for Women and Minorities for 2016 and 2017; and the AAP for Veterans and Individuals with Disabilities for 2016. A copy of the AAPs were provided to the Board Members in advance of the Board meeting; an Executive Summary and Synopsis are included in the detail pages of the Board package.

Carol Dawson of EEO GUIDANCE will present an overview. Ms. Dawson is a former Sr. Compliance Officer and Area Director for the U.S. Dept. of Labor (DOL)/Office of Federal Contract Compliance Programs (OFCCP). In addition to preparing the AAP, Ms. Dawson provides consulting services and training on equal employment opportunity and diversity/inclusion. She has worked with FPB since approximately 2003.

The updated AAP contains quantitative analyses to evaluate the composition of the FPB workforce compared to relevant labor pools. For job groups indicating women and minorities are not being employed at a rate to be expected given their availability, the AAP includes goals and action items to address the underutilization. The AAP audit includes a review of all employment actions (hiring, terminations, & promotions) in 2015. Section 3 of the Executive Summary includes a brief analysis of FPB's compensation system.

Ms. Schneider introduced Ms. Carol Dawson of EEO Guidance and explained Ms. Dawson's background.

Ms. Dawson explained that FPB had voluntarily adopted Affirmative Action Plans (AAP's) in the past but are now required to adopt AAP's with regard to veterans or persons with disabilities. She discussed the analyses of FPB's practices including the impact ratio analysis, overall specifics and red flags. In response to Mr. Ludwig, Ms. Dawson noted that the recommendations are goals and not quotas, and that FPB had made good progress over the last few years in its hiring practices.

Ms. Dawson discussed the recommendation for FPB to amend its policy to include language to specifically prohibit discrimination on the basis of gender identity and sexual orientation. She noted that under new federal laws these were now protected classes. Staff noted that an item for this policy amendment was included on the Agenda as a separate action item.

Dr. Green moved to approve the updated Affirmative Action Plan, (AAP) for Women and Minorities for 2016 and 2017; and the AAP for Veterans and Individuals with Disabilities for 2016. Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

12. **Action Item: Approve Amendments to the Guidelines Governing Employment, Electric & Water Plant Board of the City of Frankfort, Kentucky - Non-Discrimination Based on Sexual Orientation and Gender Identity Effective April 19, 2016.**

Staff recommends the Board consider revisions to 3 sections of the FPB Employee Guidelines: Section VI, Hiring Guidelines; Section XXVII, EEO/Anti-Harassment Policy & Complaint Process; and Section XXXIV, Computer, Information Systems and Electronic Mail Policy, to specifically prohibit discrimination on the basis of gender identity and sexual orientation regarding all aspects of employment, including: hiring, termination of employment, pay, job assignments, promotions, layoffs, training, benefits, or any other privilege, term or condition of employment.

The changes support diversity and inclusion; were recommended by our EEO consultant, Carol Dawson; and are consistent with the City of Frankfort's Fairness Ordinance adopted in 2013.

If approved, Staff will incorporate these changes in future EEO and sensitivity training of all supervisors and employees. The proposed revised sections of the Employee Guidelines are included in the detail pages for this Board item.

Mr. Ludwig noted Ms. Dawson's comments in the previous action item. Mr. Pogrotsky moved to approve Amendments to the Guidelines Governing Employment, Electric & Water Plant Board of the City of Frankfort, Kentucky - Non-Discrimination Based on Sexual Orientation and Gender Identity Effective April 19,

2016. Mr. Ludwig seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

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

Mr. Denton discussed the statement of net position and balance sheet through March 31, 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 with the budget for the period.

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

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

Mr. Ludwig opened the floor for public comment. There was no one in attendance who wanted to speak.

6. **Informational Item: Departmental Reports:**

Website Customer Comments: Mr. Bannister explained that only one comment was received which was forwarded to the Board. He noted that it would require some Board input and that Staff would address that question at the next regular meeting.

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 technicians would continue to work to improve data collection regarding trouble calls.

Customer Service: Ms. Gilliam discussed monthly and weekly graphs, and customer service data provided to the Board. She stated that the implementation of new payment devices and procedures have improved customer flow at the downtown office throughout the month. Mr. Pogrotsky noted his gratification for the options available on the FPB portal.

Electric: Mr. Hudson noted 23 electric outages for the month of March and noted that FPB's SAIDI number was 27 which was down from the previous month.

SEPA: Mr. Bannister explained the graphs for SEPA and noted a loss of nearly \$34,000 year to date for 2016. He further noted a loss of \$17,590 for the month of February and explained the cost of SEPA energy versus the current market price.

KyMEA: Mr. Bannister explained that negotiations regarding base energy continue to progress which would be a coal and natural gas mixture. In response to Mr. Baldwin, Mr. Bannister explained the nature of the contracts for power and noted that Staff would request action at the time the contract is presented to the Board.

In discussion, Mr. Bannister advised that the initial contract would be for coal and that the contract term would be for ten (10) years. In response to Ms. Rosen, Mr. Bannister stated that the goal for the portfolio would be 50% coal and 50% gas.

In response to Mr. Baldwin, Mr. Bannister acknowledged that the Board could choose to approve contracts one at a time or elect to review all contracts in perspective to one another. He advised that Staff would want to discuss that option with the consultants before discussing whether that option would be beneficial or detrimental to the negotiations. In response to Ms. Rosen, Mr. Bannister explained that some vendors were requesting ten (10) year contracts.

Safety: Ms. Phillips noted one minor OSHA recordable accidents where an employee was bitten by a spider at a pump station and received a prescription for the bite.

Water Distribution: Mr. Briscoe noted one (1) new service, no (0) main breaks, and four (4) outages. He noted that all outages were scheduled for new main tie-ins.

Water Treatment: Mr. Riddle reviewed the Water Treatment Plant report and stated that FPB produced more than 230 million gallons of potable water for the month of March for an average daily production of 7.43 million gallons per day. He further advised that the production peak was 9.8 million gallons per day. He discussed precipitation and water temperatures.

Administration Building: Ms. Dutta discussed activities at the administration building site. She noted significant progress and discussed photos provided to the Board. She explained the activities and progress with the resident inspector as well as daily and field reports. She provided an updated project schedule to the Board and discussed the recovery schedule. She stated that the expected Certificate of Occupancy was December 13, 2016. At the request of Mr. Baldwin, Mr. Dutta further discussed additional building specifications.

Headend Building: Mr. Hellard reviewed and explained photos presented to the Board. He further noted that Certificate of Occupancy was received and that the punch list process would begin within the week.

7. **Action Item: Consider Approval of Extension Agreements for Water and Cable for the Condos at Duckers, LLC.**

The project was initiated in 2006. Since that time, the developers have altered the initial plans and the project is being built by a new owner. The addendums to the original contracts do not extend the refund terms which will expire on June 21, 2016 and July 3, 2016 for water and cable respectively. The addendums also make clear which developer is entitled to the refund payments. Staff requests that the Board approve the addendums.

Mr. Price explained that the property had been sold and transferred, and that the Addendum would not extend the terms of the current contracts but would just reflect the new owners of the property.

In response to Mr. Baldwin, Mr. Price explained the water and cable refund contracts for residential developments. He further noted that this refund procedure was approved by the Board and was followed for years pursuant to Board policy to encourage growth and development. Mr. Pogrosky noted that FPB would not provide a refund if the lots were not developed. Mr. Liebman noted that these agreements were nearing expiration and reiterated that the Addendum did not extend the contracts terms. Mr. Price stated that the contract goes with the development and that FPB would pay the refunds to the new owner. Mr. Denton explained the budget impact.

Mr. Bannister explained that the Board policy mirrored the PSC requirements for privately owned utility companies. He further explained that the Board had recently reversed the refund policy for electric and water but the refund policy for cable remained in effect since it was a competitive market.

Mr. Baldwin noted that he was not comfortable voting on this action without additional information. Mr. Price noted that the Addendum would serve to get the contract documents in order due to the sale and transfer of the property. Mr. Ludwig stated that FPB should fulfill its contractual agreement.

Mr. Baldwin moved to table this item to the May meeting in order to provide financial data to the Board. Ms. Rosen seconded. Ms. Poe called the vote by member and

the motion failed with a 2-3 vote. Mr. Ludwig, Dr. Green and Mr. Pogrotsky voted "No", and Mr. Baldwin and Ms. Rosen voted "Yes".

Dr. Green moved to approve the extension agreements for water and cable for the Condos at Duckers, LLC. Mr. Pogrotsky seconded. Ms. Poe call the vote by member and the motion passed with a 3-2 vote. Mr. Ludwig, Dr. Green and Mr. Pogrotsky voted "Yes", and Mr. Baldwin and Ms. Rosen voted "No".

8. **Action Item: Consider Award of Bid Invitation #1616 for Butterfly Valves and Accessories to Ferguson Water Works in the Amount of \$14,602.50 and Hayes Pipe in the Amount of \$5,287.50.**

Staff prepared a bid invitation for butterfly valves and accessories. The invitation was sent to eight vendors with five responses received. After reviewing all bids, staff recommends awarding the valves to Ferguson Water Works for \$14,602.57 and the accessories to Hayes Pipe for \$5,827.50 as they are the lowest bids meeting specifications. J.T. Guthrie Sales was the apparent low bidder for the valves but did not sign their bid or execute required certificates.

These valves will be used to replace some of the old valves at the water plant. This purchase is included in the current budget (Page 18, Line 664, Replace Process Basin Control Valves, \$131,200).

Mr. Billings discussed water treatment plant infrastructure and the need to replace some of the valves. He further discussed budgeted funds for the project. He explained that these valves would be replaced in house by FPB Staff.

Mr. Pogrotsky moved to approve Bid Invitation #1616 for butterfly valves and accessories to Ferguson Water Works in the amount of \$14,602.50 and Hayes Pipe in the amount of \$5,287.50. Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

9. **Action Item: Consider Approval of Change Order No. 4 for the Headend Building for a Cost of \$0.00.**

In March 2015, the Board awarded the construction contract, including Change Order No. 1, for the new Headend Building to Woodbine Construction for \$5,322,618. Change Order's #2 and #3 lowered the Contract Amount to \$5,264,034.05. On March 21, 2016, Woodbine sought a time extension on the Headend project due weather delays during the term of the project. Fourteen additional days were agreed upon by GRW and FPB Staff. This decision extended the original substantial completion date from April 1 to April 15, 2016. This change order does not change the Contract Sum, Contract Time or Guaranteed Price for the project.

Summary:

Construction Contract with Change Order #1	\$ 5,322,618.00
Change Order #2	\$ -4,157.00
Change Order #3	\$ -54,426.05
Change Order #4	\$ 0.00
New Contract Amount	\$5,264,034.95

Staff recommends the Board approve Change Order #4 with Woodbine Construction.

Mr. Higginbotham explained the change order to extend time for weather delays with no additional cost to FPB. He further explained the status of the project.

Dr. Green moved to approve Change Order #4 for the headend building for a cost of \$0.00. Mr. Pogrotsky seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

10. **Action Item: Consider Notice of Public Hearing for the Establishment of fees for: (1) Residential Telephone package and (2) Business Telephone package, (3) Acceptable Use Unlimited Long Distance Plans Policy.**

Staff recommends the Board approve the Notice of Public Hearing in order to establish the services, fees and policies for these products. The Public Hearing would be held at Farmers Bank 4th Floor Community Room on Tuesday, May 17, 2016 at 5pm. As FPB transitions from local switching to Big River Telephone in June 2016, existing customers will have a choice to upgrade their a la carte services to a telephone package that includes long distance minutes. New customers subscribing to FPB Telephone service after transition to Big River Telephone will be required to subscribe to one of these packages. FPB does not currently offer an unlimited long distance calling plan so an Acceptable Use Unlimited Long Distance Plan Policy needs to be established in order to offer the plan. Detail regarding the tariff additions is included in the detail section of the board package. Staff recommends approval of the public hearing notice.

Mr. Higginbotham explained the need for a public hearing for new telephone pricing and packages as well as an acceptable use policy for unlimited long distance plans. He noted that FPB currently does not have package plans or a policy on unlimited long distance. Mr. Higginbotham further explained filing requirements with the PSC.

In response to Mr. Baldwin, Mr. Couch advised that Staff felt that the package pricing was fair and competitive. He further noted that current customers would not be required to change plans. Mr. Higginbotham advised that customers with fewer features would not see an increase since they would keep their current pricing via a la carte however, customers with more features would benefit by switching to a new package at a lower cost. He further advised that new customers would be required to take features based on the new pricing/packages.

In discussion, Mr. Higginbotham stated that the new package pricing was in line with industry pricing in the area. Mr. Higginbotham reiterated that current customers could continue with their current plan if they choose. Mr. Denton explained the financial impact.

After discussion of the potential date, time and place to hold the public hearing, Mr. Ludwig moved to approve holding a public hearing for the establishment of fees for: (1) Residential Telephone package and (2) Business Telephone package, (3) Acceptable Use Unlimited Long Distance Plans Policy on Tuesday, May 17, 2016 at 5:00 p.m. or as soon thereafter as it can be heard at Farmers Bank Community Room as the first agenda item. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

11. **Action Item: Consider Changes to Job Classification and Compensation Plan – Salary Range Adjustments Effective July 1, 2016.**

In 2014 the Board approved a new Job Classification and Compensation Plan developed by the Johanson Group. The plan includes the provision that salary range (pay scale) adjustments be considered every other year. Pay scale adjustments are necessary to maintain the plan, delaying the need for future studies; and to offer competitive wages to attract and retain employees.

Blair Johanson, our compensation consultant with the Johanson Group, recommends that FPB utilize the Projected 2016 Adjustments from the WorldatWork Compensation Survey. WorldatWork (www.worldatwork.org) is a nonprofit human resources association for professionals and organizations focused on compensation, benefits, work-life effectiveness and total rewards.

Based on the results of the most recent WorldatWork survey and after consulting with Mr. Johanson, Staff asks the Board to consider an **adjustment of 2.2% to the**

pay scale for all points (minimum, mid-point, and maximum) effective July 1, 2016. The recommendation is based on the following information:

Projected 2016 Adjustments

All Industries: (U.S. and Kentucky)	2.1% and 2.1%
Utilities: (U.S. and Kentucky)	2.1% and 2.1%
Telecom: (U.S. and Kentucky)	2.3% and 2.4%

Copies of the national, regional, and state of Kentucky WorldatWork survey results for all industries, the utility industry and the telecommunications industry have been provided to Board members.

Staff also contacted Bowling Green Municipal Utilities (BGMU) and the City of Frankfort regarding their most recent or planned changes to their salary ranges. BGMU adjusts their structure every year by the CPI-U (December – December). Last year, it was increased by .8%. In September 2015, the City of Frankfort adjusted their salary ranges by 1.5%.

A copy of the section of the Employee Guidelines which includes the compensation plan provisions as well as the e-mail correspondence with Mr. Johanson, BGMU and the City of Frankfort are provided in the detail pages of the Board package.

Ms. Schneider explained the current Board policy approved in 2014 and the pay scaled adjustments bi-annually in order to remain competitive. She noted that based on the results of the most recent survey, conversations with FPB's compensation consultants as well as other municipals and the City of Frankfort, Staff recommended a 2.2% salary range increase which was the average adjustment for Kentucky utilities and telecom.

Ms. Schneider indicated that this adjustment would only impact 9 employees which are currently at the minimum of their paygrade and potentially 27 employees currently above the midpoint which could also be affected. She further noted that the potential total budget impact could be \$36,500.

Mr. Pogrotsky moved to adopt the changes to Job Classification and Compensation Plan – Salary Range Adjustments Effective July 1, 2016. Dr. Green seconded. Mr. Baldwin stated that FPB could become more fine grained within the groups of FPB with regard to its compensation plan. Ms. Poe called the vote by member and the motion passed 3-2. Mr. Ludwig, Dr. Green, and Mr. Pogrotsky voted "Yes", and Mr. Baldwin and Ms. Rosen voted "No".

13. **Action Item: Consider Approving World Fishing Network Renewal.**

Staff recommends approval of the World Fishing Network renewal. This NCTC agreement has a term through December 31, 2020. The first year's rate reset is just under 5%. Year-over-year increases are just over 2% annually. The increases were anticipated and no increase to the Sports Plus rate will be required. World Fishing Network is available on FPB's optional Sports Plus tier and is dedicated exclusively to fishing and outdoor enthusiasts with programming that covers instruction, tips, tournaments, travel, food, boating, outdoor lifestyle and more. VOD and TVE 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 discussed the renewal agreement and its terms. He noted that all increases were anticipated and that no new rate increases would be required. In response to Ms. Rosen, Mr. Couch stated that this channel was the third most watched channel on the Sports Tier.

Mr. Pogrotsky moved to approve the World Fishing Network renewal. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

15. **Action Item: Consider Approval of Addendum to Windstream Agreement for purchase of additional bandwidth (\$87,600).**

Staff recommends the approval of the Addendum to the June 2013 Windstream Customer Service Agreement for Broadband Services in order to purchase an additional 5 Gigabit of bandwidth. This will provide FPB with a redundant failover path for our other Windstream link and will also provide additional Internet bandwidth to assist with increasing demand. Monthly Recurring Charge \$7,300

The Assistant GM-Administration has reviewed the amendment and it meets with his approval.

Mr. Jones discussed the necessity for additional bandwidth. In response to Mr. Baldwin, Mr. Jones stated that all indications were that KyWired progress had stalled at this time and that there was no discussion of progress at this time.

Mr. Pogrotsky moved to approve the addendum to the Windstream Agreement for purchase of additional bandwidth in the amount of \$87,600. Mr. Ludwig seconded.

In response to Ms. Rosen, Mr. Jones stated that the rate was cheaper than in past agreements and that the price for bandwidth continues to decrease over time. He further discussed terms of past agreements as well as the term of this contract. Mr. Jones further noted that the bandwidth costs more if the term of the contract is shortened.

After additional discussion, Ms. Poe polled the Board and the motion failed 2-3. Mr. Pogrotsky and Dr. Green voted "Yes", and Mr. Ludwig, Mr. Baldwin and Ms. Rosen voted "No".

Mr. Baldwin moved to table this item until the May meeting with the request for additional information from Staff. Ms. Rosen seconded. Ms. Poe polled the Board and the motion passed unanimously.

The Board requested additional information regarding pricing for a 1-year term, 3-year term, and 5-year term as well as definitive information regarding what is progressing with KyWired and Level 3.

16. **Action Item: Consider Approval of Addendum to Windstream Agreement for 10 Gigabit Transport Circuit Solution in the Annual Amount of \$57,600 and the Equinix Data Center Space, Power, and Interconnects Lease in the Year 1 Amount of \$40,405.**

Staff recommends the approval of the Addendum to the June 2013 Windstream Customer Service Agreement for Broadband Services in order to lease a 10 Gigabit Transport Circuit. The circuit is needed to move streaming video traffic from long-haul Internet links to a point-to-point fiber circuit. Moving the traffic from the Internet to this point-to-point peering connection with streaming video providers (i.e. Netflix, iTunes, Facebook, Amazon and Hulu) will improve the FPB Internet customer experience and is less expensive than Internet bandwidth. FPB is working with other providers to eventually lease a redundant point-to-point circuit. Monthly Recurring Charge \$4,800.

This solution requires us to lease network cabinet space and 10 Gigabit cross connection in an Equinix IDX Data Center. It is in this data center where we can peer with additional content providers like those mentioned above. Monthly Recurring Charge \$3,015 and Non-Recurring Charge \$4,225.

These items should be considered mutually dependent, as approval of one without the other will keep the project from moving forward.

Mr. Jones explained that the transport would provide a peering exchange for content providers to offload large content to keep it off the general internet to alleviate congestion. He further noted that the purpose would be to attempt to balance performance to improve customer experience. He further explained terms and cost related to these agreements.

Mr. Baldwin moved to approve the Addendum to the Windstream Agreement for the 10 Gigabit Transport Circuit and the Co-Location at the Equinix Data Center. Mr. Ludwig seconded. Ms. Poe polled the Board and the motion passed unanimously.

17. **Old & New Business:**

Report on Credit Card Committee: Anna Marie Pavlik Rosen

Ms. Rosen presented a report on the credit card committee survey. She discussed advertising and availability of the survey, and reviewed the data and explained results. She further discussed written customer comments from the survey.

Ms. Rosen discussed RFP's being drafted to get a more definitive quote for the cost of utilizing credit cards for payments.

Budget meetings scheduled for Farmer's Bank Community Room: Rick Pogrotsky

Mr. Pogrotsky requested clarification regarding the utilization of the community room at Farmers Bank for Budget meetings and the potential of using the smaller room to reduce traffic and distractions. Mr. Bannister acknowledged that the budget meetings were scheduled for May 23rd, 24th, and 25th. The consensus among the members was to hold the special budget meetings in the community room and reconfigure the tables and seating if necessary, and that the meetings would be recorded.

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

None

19. **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.

20. **Closed Door Session:**

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





ATTEST: