

May 15, 2018

A Board meeting of the Electric and Water Plant Board of the City of Frankfort, Kentucky, was held at the Frankfort Plant Board Administration Building at 151 Flynn Ave. Frankfort, KY on Tuesday, May 15, 2018 at 5:00 p.m.

**ATTENDANCE:**

Anna Marie Pavlik Rosen, Board Chair  
Walt Baldwin, Vice Chair  
Ralph Ludwig, Board Member  
Dawn Hale, Board Member  
Stephen Mason, Board Member  
James Liebman, Board Attorney  
David Billings, Chief Water Engineer  
Harvey Couch, Marketing and Video Content Coordinator  
Katrina Cummins, Interim Finance Director  
David Denton, Interim General Manager  
Sharmista Dutta, Water Engineer II  
Vent Foster, Asst. GM Operations  
Cassie Estill, Customer Service Supervisor  
Adam Hellard, Security Broadband Technology Manager  
Ryan Henry, Asst. IT Director  
Scott Hudson, Electric Superintendent  
Casey Jones, IT Director  
Cathy Jennings, Executive Assistant  
Cathy Lindsey, Public Information Officer  
Kim Phillips, Safety Director  
Kathy Poe, Executive Assistant  
Hance Price, Staff Attorney/Asst. GM Administration  
Mark Redmon, Support Services Director  
Julie Roney, WTP Superintendent  
Dianne Schneider, HR Director  
Alan Smith, Water Dist. Superintendent  
Scott Stafford, Production Manager Media Services  
Jeremy Blackburn, Cable 10 Videographer  
McKenna Horsley, State Journal

**AGENDA**

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

1. **Action Item:** Consider Approving Minutes from the April 17, 2018 FPB Board Meeting.
2. **Action Item:** Accept Electric, Water and Cable Financials for April 2018.
3. **Information Item:** Public Comment Period.
4. **Informational Item:** Departmental Reports:
  - Website Customer Comments
  - Cable Dept.
  - Customer Service
  - Electric Dept.
    - SEPA
  - KyMEA
  - Safety

- Water Distribution
  - Water Treatment Plant
5. **Information Item:** Update on Energy Efficiency Program Development with Vermont Energy Investment Corporation (VEIC).
  6. **Action Item:** Consider Approving Request for a Public Hearing Regarding Retail Electric Rate Increase Effective July 1, 2018 to Offset Kentucky Utilities Wholesale Electric Rate Increase Effective July 1, 2018.
  7. **Action Item:** Consider Approving Request for a Public Hearing to Increase the Kentucky River Authority (KRA) Water Withdraw Fee.
  8. **Action Item:** Consider Approving Request for a Public Hearing Regarding Proposed Water Rate Increase Effective August 1, 2018.
  9. **Action Item:** Consider Approving Request for a Public Meeting Regarding Reservoir Project to Meet Kentucky Division of Water Environmental Review Requirements Related to Kentucky Infrastructure Authority Financing.
  10. **Action Item:** Consider Accepting Kentucky Infrastructure Authority (KIA) Conditional Commitment Letter F18-016 for Water Storage Improvement Project.
  11. **Action Item:** Consider Award of Bid Invitation #1656 for a Tapping Machine and Accessories to Core & Main in the Amount of \$66,186.66.
  12. **Action Item:** Consider Approval of Professional Services Agreement with Patterson Dewar Engineers, Inc. (PDE) and Statements of Work with PDE Not to Exceed \$7,600 for Twilight Trail Substation and \$8,800 for Bendix Substation.
  13. **Action Item:** Consider Award of Bid Invitation #1655 for one 69kV Breaker to Alstom Grid, LLC. in the Amount of \$33,555.
  14. **Action Item:** Consider Approving Sony Movie Channel agreement.
  15. **Action Item:** Consider Approving Proposal with Engineering Associates, LLC for the engineering and design of FPB's Phase One Fiber-to-the-Home (FTTH) Project in an amount not to exceed \$100,000.
  16. **Informational Item:** General Manager's Comments:
  17. **Informational Item:** Old New Business.
  18. **Request Permission to Have Chair Call for a Closed Session:** Move to call a closed session to discuss a cable copyright/license matter pursuant to KRS 61.810(1)(c).
  19. **Closed Door Session:**

## **BOARD ACTION**

Ms. Rosen called the meeting to order and noted five (5) Board members in attendance.

1. **Action Item:** Consider Approving Minutes from the April 17, 2018 FPB Board Meeting.

Ms. Hale moved to approve the minutes for the April 17, 2018 board meeting Mr. Ludwig seconded. The motion passed unanimously.

2. **Action Item: Accept Electric, Water and Cable Financials for March 2018.**

Ms. Cummins stated that the Auditors were in the office this week and could be reaching out to staff and board if necessary.

Ms. Cummins reviewed financials for the month ending April 30, 2018.

Mr. Baldwin moved to accept the financials for the month ending April 30, 2018. Mr. Mason seconded. The motion passed unanimously.

3. **Information Item: Public Comment Period.**

There were no public comments.

4. **Informational Item: Departmental Reports:**

- **Website Customer Comments:** None
- **Public Information:** Ms. Lindsey gave a brief overview of activity involving the branding of FPB's Water, "Frankfort on Tap." Various events took place including a kick-off at the water treatment plant. She also discussed the status of the Scholarship program with Rotary Club.
- **Cable Dept.:** Mr. Hellard reviewed cable department reports.
- **Customer Service:** Ms. Estill reviewed the customer service department reports and noted 389 Customers signed up for the budget for cycle 1 billing. She also stated that the signups for cycle 2 budget billing were still in the process. She also noted that recent changes to the call tier had resulted in reducing wait times when customers call in.
- **Electric Dept.:** Mr. Hudson discussed the electric department reports.
- **SEPA:** Mr. Foster noted a loss of a little over \$8,000 for the month of March.
- **KyMEA:** Mr. Doug Buresh gave an update to the board regarding the KYMEA branding and logo, solar PPA and the solar photovoltaic 80 MW system. Mr. Buresh reviewed a timeline for the process of purchasing solar energy. He stated that the anticipated PPA completion date was July 2018. Following the presentation Mr. Buresh answered questions from the board regarding various other power purchasing procedures and sources. He also answered questions regarding capacity and selling excess capacity in the future.

Mr. Denton stated that the next KyMEA Board Meeting would be Thursday, May 24, 2018 in Bowling Green, KY.

- **Safety:** Ms. Phillips reviewed safety reports and noted one (1) OSHA recordable (poison ivy) and two (2) minor vehicle accidents.
- **Water Distribution:** Mr. Smith discussed water distribution reports and noted three (3) main breaks and zero (0) outages.
- **Water Treatment Plant:** Ms. Roney stated that the water treatment plant treated 223.6 million gallons of potable water with an average daily amount of 7.45 million gallons.

5. **Information Item: Update on Energy Efficiency Program Development with Vermont Energy Investment Corporation (VEIC).**

In March FPB approved the professional service proposal from Vermont Energy Investment Corporation regarding expertise in developing system-wide energy strategies designed to provide:

- A holistic approach to efficiency, providing both the quantitative rigor and the policy-level insights that allow FPB to make investments with confidence.
- Assistance and guidance in developing potential options, arrive at the best solution, and effectively communicate with stakeholders.
- Program design and implementation through integrated services.
- Consumer engagement strategies that effectively manage public expectations, keep customers informed, and help change behaviors.
- Proven financing tools that deliver measurable results.

VEIC has conducted ten stakeholder meetings with representatives from all of our customer classes as one of the first steps in the process and will provide an update on the progress of the project.

Ms. Rosen introduced representatives from Vermont Energy Investment Corporation: Juliette Juillerat and Carrie Hoover.

Ms. Juillerat discussed goals and objectives of working with the Frankfort Plant Board and gave examples of work they have done with other companies. She discussed a projected timeline and presenting the project at the board meeting.

Ms. Juillerat stated that they would be conducting a second round of interviews as needed and would present a progress update at the July board meeting. The final report would be developed and recommendations made at the September board meeting.

Carrie Hoover gave a summary of the May interviews and the information they compiled in order to tailor a program to meet the needs of Frankfort residents and companies.

In closing, Ms. Juillerat informed the board of next steps prior to the July board meeting and stated that if anyone had more information to provide they could do so by emailing William Lynn at [wlynn@fewpb.com](mailto:wlynn@fewpb.com). She also answered questions from the board.

Ms. Rosen thanked them for their report and time spent on the project.

6. **Action Item: Consider Approving Request for a Public Hearing Regarding Retail Electric Rate Increase Effective July 1, 2018 to Offset Kentucky Utilities Wholesale Electric Rate Increase Effective July 1, 2018.**

This item was withdrawn from the Agenda.

7. **Action Item: Consider Approving Request for a Public Hearing to Increase the Kentucky River Authority (KRA) Water Withdraw Fee.**

FPB draws water from the Kentucky River for treatment and sale to its customers. The Kentucky River Authority ("KRA") was created approximately 20 years ago by the General Assembly. The General Assembly authorized the KRA to assume responsibility from the U.S. Army Corps of Engineers for the locks and dams that make it possible to use the river as a source of clean water. Part of the KRA's authority includes the ability to collect water use fees from all facilities using water from the Kentucky River basin.

The KRA charges 2 fees: a Tier 1 fee and a Tier 2 fee. Tier 1 fees are used for general operating expenses. Tier 2 fees are reserved for dam maintenance. Currently, the KRA's Tier 1 fee is 2.2 cents per 1,000 gallons and 13 cents per 1,000 gallons for Tier 2. The KRA, at its April 9, 2018 meeting, passed a resolution to increase the Tier 2 fee to 22 cents per 1,000 gallons. The KY Public Service

Commission permits recovery of these fees using a separate rate to recover costs related to water withdrawal fees.

In addition, FPB must adjust this fee to recover its costs. FPB is charged for every gallon of water that it draws from the Kentucky River. However, some of this water is used in operations to produce the potable water that is ultimately sold to our customers. That is, the amount of water sold is less than the amount drawn from the river. Consequently, the rate must be adjusted to recover the full cost related to the withdrawal fee.

In order to accomplish this increase staff asks the Board to take the following steps:

First, call for a public hearing tonight.

Second, hold the public hearing as soon as the hearing can be properly advertised.

Third, approve the rate. The Board can then begin billing the retail class and Georgetown at the new KRA rate.

Fourth, file a new tariff with the Public Service Commission. If no districts intervene, then FPB may begin billing the new KRA rate to the wholesale class 30 days after it files the new tariff.

The monthly increase for the water districts at 29 cents per 1,000 gallons range from \$0.97 to \$1,205.55. The monthly increase for a residential customer with an average usage of 5,000 gallons at 29 cents per 1,000 gallons is \$1.45.

Mr. Price reviewed the information above regarding the KRA withdraw fee increase and requested the board call a public hearing to discuss these fee increases.

Mr. Mason moved to call a public hearing. Mr. Baldwin seconded the motion. The motion passed unanimously. The public meeting will be held June 5, 2018 at 5:00 p.m.

**8. Action Item: Consider Approving Request for a Public Hearing Regarding Proposed Water Rate Increase Effective August 1, 2018.**

The latest Cost of Service study indicates water revenues fall short of revenue requirements. In an effort to minimize larger future rate increases, staff recommends continuing smaller annual incremental rate increases over the next three years. As a matter of course, Staff recommends the Board approve a Public Notice for the purpose of conducting a public hearing at a special called meeting of the Frankfort Plant Board on 5<sup>th</sup> June 2018 at 5:00 p.m. at the Frankfort Plant Board Administration Building, 151 Flynn Ave, Frankfort, Kentucky 40601.

The current and proposed rates for water services are:

	RATE	Existing Rate	Proposed Rate
	<u>CITY &amp; COUNTY CUSTOMERS</u>		
	Customer Charge Per Month:		
1	5/8 Inch	\$8.30	\$9.00
2	3/4 Inch	\$12.45	\$13.50
3	1 Inch	\$20.75	\$22.50
4	1 ½ Inch	\$41.50	\$45.00
5	2 Inch	\$66.40	\$72.00
6	3 Inch	\$124.50	\$135.00
7	4 Inch	\$207.50	\$225.00
8	6 Inch	\$415.00	\$450.00
9	8 Inch	\$664.00	\$720.00
	<u>CITY CUSTOMERS</u>		

	Consumption Charges, Per Thousand Gallons		
10	Residential	\$5.25	\$5.55
11	Commercial/Public	\$4.65	\$4.80
12	Industrial	\$2.96	\$3.17
	<u>COUNTY CUSTOMERS</u>		
	Consumption Charges, Per Thousand Gallons		
13	Residential	\$6.49	\$6.49
14	Commercial/Public	\$4.65	\$4.80
15	Industrial	\$2.96	\$3.17
	<u>FIRE SERVICES</u>		
16	2 Inch Line	\$11.57	\$12.03
17	3 Inch Line	\$23.12	\$24.06
18	4 Inch Line	\$43.25	\$45.00
19	6 Inch Line	\$86.47	\$89.97
20	8 Inch Line	\$115.27	\$119.93
21	10 Inch Line	\$144.12	\$149.95
22	12 Inch Line	\$180.20	\$187.49
	<u>SALES FOR RESALE – WATER PRODUCERS</u>		
23	Consumption Charges, Per Thousand Gallons	\$3.77	\$3.94
	<u>WATER LOADING STATION AND MISC SALES</u>		
24	Consumption Charges, Per Thousand Gallons	\$7.48	\$7.88
	<u>FPB GRATIS WATER</u>		
25	Consumption Charges, Per Thousand Gallons	\$0.865	\$0.911

The proposed rates (above) will be effective August 1, 2018.

Mr. Billings stated that we would also like to have a public hearing on June 5<sup>th</sup> at 5:00 p.m. to discuss water rate increases. He outlined the information above regarding new water rates. He stated that this is the third of five rate increases for our water.

Mr. Baldwin moved to approve a request for a Public Hearing Regarding Proposed Water Rate Increase Effective August 1, 2018. Ms. Hale seconded. The motion passed unanimously.

**9. Action Item: Consider Approving Request for a Public Meeting Regarding Reservoir Project to Meet Kentucky Division of Water Environmental Review Requirements Related to Kentucky Infrastructure Authority Financing.**

Mr. Billings advised that the December 15, 2016 public meeting did not meet the State Revolving Fund requirements for the Kentucky Infrastructure Authority. Staff requested that the board approve the public meeting to also occur on June 5, 2018.

The board discussed the order of public meetings on the Agenda for June 5. They stated it would be best to do the public meeting for the Reservoir first due to public interest then follow with the two public hearings.

Mr. Baldwin moved to approve a request for a public meeting regarding reservoir project to meet Kentucky Division of Water Environmental review requirements related to Kentucky Infrastructure Authority Financing. Mr. Ludwig seconded. The motion passed unanimously.

10. **Action Item: Consider Accepting Kentucky Infrastructure Authority (KIA) Conditional Commitment Letter F18-016 for Water Storage Improvement Project.**

In September of 2017 the Board passed a resolution to apply for a \$4M low interest loan through the KIA for our Reservoir project. On April 9, 2018 the KIA board approved our loan.

For consideration now is accepting the Conditional Commitment Letter from the KIA which defines particular conditions with respect to the loan. An Assistance Agreement will be executed between KIA and FPB upon satisfactory performance of conditions set forth in this letter.

Staff recommends that the Board accept the Conditional Commitment Letter for loan F18-016. The staff attorney has reviewed and approved the letter.

Mr. Billings outlined the information above and added that this low interest loan could save FPB ratepayers a lot of money over its 20-year term.

Mr. Mason moved to accept the Kentucky Infrastructure Authority (KIA) Conditional Commitment Letter F18-016 for Water Storage Improvement Project. Mr. Baldwin seconded. The motion passed unanimously.

11. **Action Item: Consider Award of Bid Invitation #1656 for a Tapping Machine and Accessories to Core & Main in the amount of \$66,186.66.**

Staff prepared a bid invitation for the purchase of a tapping machine and accessories to replace a machine that is approximately 50 years old. Staff recommends awarding to Core & Main in the amount of \$66,186.66. The apparent low bidder did not meet specifications due to their machine not being one that auto feeds. The invitation was sent to seven vendors with two responses received.

\$100,000 is included for this purchase (and others) in the current budget. This information can be found on page 20, Line Items 590 – Small Tool and Equipment (\$40,000) and 620 – Operations Equipment (\$60,000).

Mr. Smith discussed the information outlined above.

Mr. Ludwig moved to award bid invitation #1656 for a tapping machine and accessories to Core & Main in the amount of \$66,186.66. Mr. Baldwin seconded. The motion passed unanimously.

12. **Action Item: Consider Approval of Professional Services Agreement with Patterson Dewar Engineers, Inc. (PDE) and Statements of Work with PDE Not to Exceed \$7,600 for Twilight Trail Substation and \$8,800 for Bendix Substation.**

The electric department has negotiated a Master Service Agreement (MSA) and two Statements of Work with Patterson Dewar Engineers for planned substation improvement projects at Twilight Trail and Bendix substations. The MSA does not include tasks provided or associated costs specific to any particular project. If approved, the MSA will become the baseline agreement between FPB and Patterson Dewar for future projects. The Statements of Work include drawing preparation, testing and commissioning assistance of new 15kV breakers. Patterson Dewar has provided engineering services to FPB in the past, but there has not been a formal professional service agreement.

The total cost for these services is not to exceed \$7,600 for Twilight Trail and \$8,800 for Bendix.

These projects are included in the 2018 Electric Capital Budget (Line 200, Replace (3) 15kv breakers Bendix, \$84,700 and Line 210, Replace 2 series main twilight trail, \$62,000).

The staff attorney has reviewed the contract documents and they meet his approval.

Mr. Foster discussed the information outlined above.

Ms. Hale moved to approve a professional services agreement with Patterson Dewar Engineers, Inc. (PDE) and statements of work with PDE not to exceed \$7,600 for Twilight Trail Substation and \$8,800 for Bendix Substation. Mr. Ludwig seconded. The motion passed unanimously.

13. **Action Item: Consider Award of Bid Invitation #1655 for one 69kV Breaker to Alstom Grid, LLC. in the Amount of \$33,555.**

Mr. Foster presented this item.

Mr. Baldwin moved to award bid invitation #1655 for one 69kV breaker to Alstom Grid, LLC in the amount of \$33,555. Mr. Mason seconded. The motion passed unanimously.

14. **Action Item: Consider Approving Sony Movie Channel agreement.**

Staff recommends approval of the Sony Movie Channel agreement. This NCTC agreement has a term through December 31, 2022. FPB currently has a direct agreement for carriage of Sony Movie Channel and carries Sony Movie Channel on channel 776 on the optional HD Plus tier. This agreement affords FPB the opportunity to maintain their current Sony Movie Channel 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 Sony Pictures and other major Hollywood studios. 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 presented this item to the board. He outlined the information above.

Ms. Hale moved to accept the Sony Movie Channel agreement. Mr. Ludwig seconded. The motion passed unanimously.

15. **Action Item: Consider Approving Proposal with Engineering Associates, LLC for the engineering and design of FPB's Phase One Fiber-to-the-Home (FTTH) Project in an amount not to exceed \$100,000.**

During the 2016-2017 fiscal year budget process, staff and the board agreed to hire a consultant group to perform a Cable-Telecom Infrastructure Improvements Feasibility Study. A Request for Proposal (RFP) was sent to nine firms on October 3, 2016, with responses due on November 4, 2016. Five of the nine firms submitted a response to the RFP. Eight staff members scored and ranked the submittals based on the factors included in the RFP. The top two companies were Engineering Associates, LLC-Kersey Consulting Services, LLC and Finley Engineering-CCG Consultants. The FPB Board of Directors approved the amended contract with Engineering Associates, LLC-Kersey Consulting Services, LLC at the March 2017 board meeting. The major objectives of the study included:

- An assessment of FPB's existing cable/telecom system and alternatives for improving the infrastructure to meet the current and future wholesale and retail demands by subscribers in the offering of voice, video and data services.



- Capital and operating costs of alternative infrastructure design versus costs associated with improving the existing plant and design.
- A business case and deployment plan that allows FPB to provide services during a transition and/or maintain existing services long term while migrating services to a new infrastructure.
- Development of a strategy for phased deployment of improvements that could be accomplished through internal funding without additional outside financing.

FPB staff worked with the consultant to provide information about our current service offerings, technology, and existing infrastructure. The final study dated August 4, 2017 was presented at the August 15, 2017 FPB board meeting. Recommendations were given to the board for both interim and long-term infrastructure improvements. The interim solution was to replace approximately 2,700 active, end-of-life amplifiers and line extenders in the current Hybrid-Fiber-Coax (HFC) network to increase available spectrum from 750 Megahertz (MHz) to 1 Gigahertz (GHz). The board approved interim steps in September 2017 and staff has been working to get equipment on site and bids in for contract labor for the installation of the equipment. The long-term infrastructure improvement was that FPB should build an Fiber-to-the-Home (FTTH) network. The study provided high level cost estimates representing budgetary composite pricing which combines labor and materials for the various plant components in the FTTH network.

FPB staff believes it is important that we get started in the design of our FTTH network for most of the reasons stated in the study. As stated in the report, a typical household with multiple connected devices can be adequately served with a 30-40 Megabits per second (Mbps) connection. However, it is clear that a Gigabit service will eventually be necessary to keep up with the level of internet traffic in the coming years. There is no question that the current HFC network infrastructure will need to be replaced. Staff is recommending hiring Engineering Associates, LLC to be engineering and design of a Master Plan for the entire network area subdivided for phased deployment. Kersey Consulting Services, LLC would not participate in the project going forward. Engineering Associates, LLC (EA) already has a great start to the design of FPB's next generation FTTH network. FPB staff recommends hiring EA to develop the Master Plan and has a proposal included in this board packet for your review. Initial talks with EA indicate a four to six month timeframe for the Phase One design. EA would be hired for engineering and design of the network solely and is not affiliated with any equipment suppliers or vendors. FPB has \$100,000 budgeted in this fiscal year (2017-2018) for FTTH engineering, which can be found on line 20 of page 19 in the budget.

FPB staff has selected the area of our network that we are proposing to begin Phase One of the FTTH network deployment based on the proximity to the headend facility, diversity of the customer base and density of the customer base. With a vast majority of the existing overhead utilities accessible by bucket trucks in the proposed Phase One area, staff anticipates a more efficient deployment of services when compared to other parts of the service territory. This area, for the most part, includes Nodes 3/4/5, which consist of Capital Avenue, Tanglewood, Holmes Street, and Broadway/W. Main areas. Staff would prepare bids for construction of Phase One of the FTTH network with construction beginning immediately after the engineering scope is complete.

Staff is recommending approval of the attached proposal from Engineering Associates, LLC for the engineering and design of FPB's Phase One Fiber-to-the-Home (FTTH) Project in an amount not to exceed \$100,000. This is the first step in making Frankfort a Gigabit City.

Mr. Denton gave a brief history of the Fiber-to-the-home project. He also reviewed the information outlined above.

Mr. Hellard discussed ideas regarding location of Phase 1 of the FTTH project and stated that this was a very good starting point.

There was some additional discussion about the process of the FTTH project by the board and the cost of the project moving forward. Further discussion brought up points about competition in the market and the speed at which FPB should proceed. Mr. Denton stressed the need to be able to pay for the project without financing as much as possible.

After further discussion, Mr. Ludwig moved to approve the proposal with Engineering Associates, LLC for the engineering and design of FPB's Phase One Fiber-to-the-Home Project in an amount not to exceed \$100,000. Mr. Baldwin Seconded. The vote and the motion passed unanimously.

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

There were no General Manager's Comments.

17. **Informational Item: Old New Business.**

Ms. Hale gave the board an update on the Frankfort Independent Schools Broadband sign up project. She met with Dr. Barber, Rae Jean Wilson, and Cassie Estill to discuss and put a plan into place by the end of the summer to get families to sign up for FPB Broadband service.

Mr. Baldwin brought up a training at MSU in July and encouraged the board to attend. He sent an email with more information.

Ms. Rosen asked to re-arrange the budget meetings to a different schedule than the originally proposed schedule of Tuesday June 5<sup>th</sup> and Wednesday June 6<sup>th</sup> from 1:00 – 5:00. She asked if the board could make the meeting Tuesday June 5<sup>th</sup> and Thursday June 7<sup>th</sup> 1:00 – 5:00 p.m. She stated that she would like a day in between to review the budget rather than have two days back to back. It was decided to reschedule the meetings for Tuesday June 5 and Thursday June 7 – 1:00-5:00 respectively.

Mr. Mason briefly discussed the board retreat and possible expenses and wanted to inform Mr. Denton that there would be a need for money in the budget for this purpose. He stated that he would send more information to the board in writing.

Mr. Ludwig asked for clarification on the timeframe that we would receive final rates from Kentucky Utilities (KU). Mr. Foster discussed the process. He stated that we did not have all the information we need from KU at this time in order to make a final determination on rates, and whether we need to increase or not. He added that the final piece will be made available on Wednesday afternoon May 23<sup>rd</sup> and a public hearing would be scheduled at a later time if one is needed.

Ms. Hale discussed making the Reed-Smith Report public.

After much discussion, Ms. Hale made a motion to make the Reed-Smith Report public. Mr. Ludwig seconded. The motion passed with a 3-2 vote. Mr. Mason, Mr. Ludwig and Ms. Hale voted yes and Mr. Baldwin and Ms. Rosen voted no.

18. **Request Permission to Have Chair Call for a Closed Session:** Move to call a closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding cable/copyright matter and FREC transmission matter.

Ms. Rosen moved to go into closed session pursuant to KRS 61.810(1)(c) to discuss cable/copyright matter and FREC transmission matter. Mr. Baldwin seconded. The motion passed unanimously and the board moved into closed session.

19. **Closed Door Session:**

Mr. Baldwin moved that the board attorney proceed according to the information discussed in closed session. Ms. Hale seconded. The motion passed unanimously.

Mr. Baldwin moved to adjourn the meeting. Mr. Mason seconded. The motion passed unanimously and the meeting adjourned.

  
Board Chair

  
Attest: Board Secretary/Treasurer

