



# MINUTES

## FPB Board Meeting

5:00 PM - Tuesday, September 17, 2019

Community Room

The Frankfort Plant Board met on Tuesday, September 17, 2019 at 5:00 PM in the Community Room.

### ATTENDANCE:

Anna Marie Pavlik-Rosen, Board Chair  
Walt Baldwin, Board Vice-Chair  
Dawn Hale, Board Secretary/Treasurer  
Stephen Mason, Board Member  
Jeff Bradshaw, Board Member – via video-teleconference  
Casey Jones, IT Director  
James Liebman, Board Attorney  
Gary Zheng, General Manager  
David Billings, Chief Water Engineer  
Harvey Couch, Marketing Video Content Coordinator  
Katrina Cummins, Finance Director  
David Denton, Chief Financial Officer  
Vent Foster, Chief Operations Officer  
Cassie Estill, Customer Service Supervisor  
Adam Hellard, Interim Cable Superintendent  
Jennifer Hellard, Purchasing Agent  
Ryan Henry, Assistant IT Director  
Cathy Lindsey, Public Information Coordinator  
Kathy Poe, Executive Assistant to GM  
Kim Phillips, Safety Director  
Leigh Ann Phillips, Support Services Director  
Julie Roney, Water Treatment Superintendent  
Dianne Schneider, HR Director  
Alan Smith, Water Distribution Superintendent  
Scott Stafford, Media Services Manager  
Mark Harrod, Assistant Electric Superintendent  
Travis McCullar, Chief Electric Engineer  
Deron Rambo, Network Operations Center Director  
State Journal

#### 1 ACTION ITEM: APPROVAL OF MINUTES

- 1.1 Consider approving the minutes of the August 20, 2019 board meeting.

*Dawn Hale moved to approve the minutes of the August 20, 2019 board meeting. Jeff Bradshaw seconded the motion.*

*CARRIED. 5 to 0.*

#### 2 CONDUCT PUBLIC HEARING

- 2.1 Conduct a Public Hearing Regarding: Adjustments to the Cable Advertising Rate Card.

This Hearing will come to order. My name is Walt Baldwin; I have been requested by the Board to conduct this Hearing. With me today are Board Members and Staff of the Frankfort Electric and Water Plant Board. We are here to receive comments regarding Adjustments to the Cable Advertising Rate Card.



This Public Hearing was advertised in accordance with the Regulations for Public Notification and appeared in the Weekend, September 7-8, 2019 edition of The State Journal newspaper.

To conduct this hearing in an organized fashion, we ask that you register with the Secretary if you wish to speak.

This Hearing will be conducted informally and voluntarily by the Frankfort Electric & Water Plant Board in order to accept comments on the above item. Both oral and written comments will be accepted. Any and all persons present who wish to make a statement will be afforded an opportunity to do so. If you have a written statement to accompany your oral presentation, a copy of the written statement should be provided to the Board prior to your presentation. Oral presentations should be limited to no more than 3 minutes. If necessary, I will interrupt and request the presentation to be completed due to this time limit. I may ask questions of any person presenting oral comments where it is necessary to clarify the nature or substance of the comments.

The Board reserves the right to answer questions at a later date. It is the job of the Board to fairly consider various points of view and information. We want public input and involvement and I hope you do not find our standard procedures restrictive.

Additional oral comments and written comments will be accepted and considered if they are submitted no later than the end of normal business hours on Monday, October 14, 2019. To submit a comment, please contact FPB at 352-4372, or on our website [www.fpb.cc](http://www.fpb.cc).

Before we open the floor for comments, Mr. Scott Stafford will provide a summary of the details.

Mr. Baldwin opened the public hearing. Mr. Stafford reiterated the specifics of changes suggested.

There were no members of the public present to comment. Mr. Baldwin closed the public hearing.

**3 ACTION ITEM: ACCEPT CLEAN, UNMODIFIED AUDIT REPORT PREPARED BY CROWE LLP FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AS REQUIRED BY KRS 96.185.**

- 3.1 Accept clean, unmodified audit report prepared by Crowe, LLP for the fiscal year ended June 30, 2019 as required by KRS 96.185.

*Stephen Mason moved to accept clean, unmodified audit report prepared by Crowe, LLP for the Fiscal Year ending June 30, 2018 as required by KRS 96.185. Walt Baldwin seconded the motion.*

**CARRIED. 5 to 0.**

**4 ACTION ITEM: ACCEPT FINANCIALS**

- 4.1 Accept the financials for the month ending August 31, 2019.

*Dawn Hale moved to accept financials for the month ending August 31, 2019. Stephen Mason seconded the motion.*

**CARRIED. 5 to 0.**

**5 INFORMATIONAL ITEM: PUBLIC COMMENT**

- 5.1 Mr. John Sower and Ms. Kathy Warren spoke briefly during public comment.



6 INFORMATIONAL ITEM: WEBSITE CUSTOMER COMMENTS

6.1 Website Customer Comments.

7 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

- CABLE
- MEDIA SERVICES
- CUSTOMER SERVICE
- ELECTRIC DEPARTMENT
- SEPA
- KYMEA
- SAFETY
- WATER DISTRIBUTION
- WATER TREATMENT PLANT
- NETWORK OPERATIONS CENTER (NOC)

8 ACTION ITEMS:

8.1 Consider Approval of the Viacom Networks Renewal.

In 2014, FPB executed a renewal for the Viacom Networks. The networks covered by the agreement include: Nickelodeon, TV Land, Paramount, Comedy Central, CMT, MTV, VH1, and BET on Classic Cable; TeenNick, Nick Jr., Nicktoons, MTV2, CMT Music, MTV Classic, BET Soul, and Nick Music on Preferred Cable; and MTV Live on HD Plus.

Over the term of the agreement, the programming fees increased by nearly 100% for these networks across the board. After an initial 30% reset in year 1, annual increases averaged 12% through the term of the agreement. These increases were a major driver in Classic Cable rate increases during the term.

At the same time, ratings have fallen significantly for 18 of the 19 Viacom networks. At the time of the 2014 renewal, Viacom had 3 networks in the top 30 rated networks in Frankfort and 6 in the top 50. Currently, they have 1 in the top 30 and 3 in the top 50.

The 2019 renewal proposed by Viacom includes an initial reduction in the fees paid. In 2020 and 2021, the fees would drop by 11% each year. In the three years following, fees would start increasing again, at approximately 6% annually. By the fifth year, the rates would be nearly back to where they are today.

In the FY19-20 budget, the proposed Viacom network fee decreases were included.

Staff requests the Board either approve this agreement with its 5 year term or decline to approve this agreement and these networks would be removed from FPB Cable on 9/30/19. If the Board were to decline to approve this agreement, Staff would recommend replacing these networks with similar genre networks.

***Dawn Hale moved to approve the Viacom Network Renewal. Walt Baldwin seconded the motion.***

***CARRIED. 5 to 0.***



8.2 **Consider Approving NBA-TV Amendment.**

Staff recommends approval of the NBA-TV amendment. This amendment extends our current direct agreement to a term through September 30, 2024. There is no rate reset and annual increases are below budgeted parameters. NBA-TV is a Preferred Cable channel, which is on channel 150 and in HD on 650 and programs live NBA/WNBA/Euro league regular season and playoff games, summer leagues, daily highlight shows, player drafts, and all-star competitions. No additional carriage requirements obligations are included in this agreement. The Assistant GM for Administration has reviewed the agreement and it meets with his approval.

*Walt Baldwin moved to approve NBA-TV Amendment. Jeff Bradshaw seconded the motion.*

**CARRIED. 5 to 0.**

8.3 **Consider Accepting the Minutes from the Cable Advisory Committee Meeting of August 6, 2019.**

*Dawn Hale moved to accept the minutes from the Cable Advisory Committee meeting of August 6, 2019. Stephen Mason seconded the motion.*

**CARRIED. 5 to 0.**

8.4 **Consider Approval of FPB's General Manager, Gary Zheng to submit a formal claim to FPB's Insurance Carrier under its Directors and Officers Liability Policy.**

Last March, two members of FPB's Board, the Chair and Vice-Chair, provided notice to FPB's insurance carrier of a potential claim under FPB's Directors and Officers Liability Insurance coverage. In some circumstances, this coverage provides protection for all members of the Board from potential claims brought against them in their service as Board members. The insurance company requires FPB's Board to submit a claim before considering it.

The Chair and Vice Chair were required to defend themselves as a result of a city commission investigation. They incurred legal expenses to defend themselves as a result of this investigation. At the conclusion of the investigation, the city commission did not remove them from the Board. Hence, there is a basis for the carrier to consider the claim.

Staff asks that the Board move to approve allowing the General Manager submit a formal claim to FPB's insurance carrier.

*Anna Marie Pavlik-Rosen moved to direct FPB to indemnify its directors for expenses incurred in the performance of their official duties per KRS 96.173 which states compensation of expenses and any and all liabilities of whatever kind or character incurred by the board or any officer or employee thereof, shall be payable solely and only out of the revenues obtained by said board. I thereby move to direct FPB to pay the invoice received from Strobo Barkley, PLLC per stated indemnification and submit a claim to our D & O Insurance provider for reimbursement. Walt Baldwin seconded the motion.*

**CARRIED. 3 to 2.**

<i>Anna Marie Pavlik-Rosen</i>	<b>Yes</b>
<i>Walt Baldwin</i>	<b>Yes</b>
<i>Dawn Hale</i>	<b>No</b>
<i>Stephen Mason</i>	<b>No</b>
<i>Jeff Bradshaw</i>	<b>Yes</b>



8.5 **Consider Approval of Bid Invitation #1683 - Annual Price Contract for Ductile Iron Pipe, Valves, Hydrants, Ductile Iron Fittings, and Tapping Sleeves to Core & Main and Ferguson Waterworks.**

Most of FPB's ductile iron pipe, valves, hydrants, ductile iron fittings, and tapping sleeves are purchased from an annual price contract. The material is kept in FPB's inventory and needs to be replenished periodically. Orders for this material depends on new development and the maintenance and repair of old material. Vendors bid with the understanding that they are locking in unit pricing for the year and not for a certain quantity of material. The bid is divided into five categories (Pipe, Valves, Hydrants, Fittings, and Tapping Sleeves). The bid states that each category will be awarded on an "all or none" basis.

This year's bid also included alternate pricing for materials that meet the "Buy America" and "Buy American" requirements. These items are needed from time to time for certain grant funded projects. However, the bid stated that the award would be heavily weighted on the price of the material that does NOT meet these requirements as this is what we purchase most.

This year's bid invitation was sent to six vendors with four responses received. After evaluating all bids, staff recommends awarding the pipe and fittings to Core & Main, they are the low bidder meeting specifications. Staff recommends awarding the valves, hydrants, and tapping sleeves to Ferguson Waterworks as they are the low bidder meeting specifications. Pipe prices are down 1.53%, fittings are up 28.61%, valves are up 5.21%, hydrants are up 3.57%, and tapping sleeves are up 5.10%.

As of September 6, 2019, FPB has purchased approximately \$162,823.00 from the current contract.

***Walt Baldwin moved to approve bid invitation #1683 - Annual price contract for Ductile Iron Pipe, Valves, Hydrants, Ductile Iron Fittings, and Tapping Sleeves. Stephen Mason seconded the motion.***

***CARRIED. 5 to 0.***

8.6 **Consider MaxWell EAP to Provide Employee Assistance Program Services.**

Staff asked Sherrill Morgan to solicit proposals from companies to provide employee assistance program, EAP, services effective January 1, 2020. FPB received responses from two of 15 companies contacted. Our current vendor, New Vista (formerly Bluegrass), did not submit a proposal.

Staff recommends the Board approve MaxWell EAP as the new provider effective January 1, 2020.

MaxWell offers five confidential counseling sessions each year to employees and dependents through a network of eight local counselors. Employees or dependents can contact MaxWell direct for help with emotional & behavioral problems such as addiction, family issues, relationship issues, depression, anxiety, trauma/PTSD, abuse, and work related difficulties. At intake, trained counselors provide in the moment telephone support, referral to a local in-network affiliate counselor, or will arrange structured telephonic counseling services.

Fees are \$3,960 annually. The budget includes \$6,000 for EAP services.

MaxWell reports that 85% of cases reach problem resolution without the necessity of a referral beyond the EAP.



***Walt Baldwin moved to approve MaxWell EAP to provide employee assistance program services. Dawn Hale seconded the motion.***

***CARRIED. 5 to 0.***

**8.7 Consider Award of Invitation #1684 for Home Energy Audits to Weatherization Plus LLC. For \$450 per audit.**

Staff publicly advertised Invitation #1684 for Home Energy Audits and sent it directly to two vendors. One response was received. After reviewing the response, staff recommends awarding to Weatherization Plus LLC, contingent upon a final contract that excludes the Contractor from providing home improvement services to customers who participate in audits provided by FPB. Audits will be \$450 per house up to 4,000sq ft. and \$525 for houses over 4,000sq. ft.

Audits will include visiting customer's homes and evaluating its main energy features (living spaces, attics, appliances, etc.). Diagnostic testing will also be performed to determine areas where insulation may be inadequate. Following the audit, a written report will be provided to the customer highlighting potential areas of improvement for their consideration.

*\$50,000 has been included in the current Electric department budget for Energy Efficiency on page 23, line 565.*

***Walt Baldwin moved to award Bid invitation #1684 for home energy audits to Weatherization Plus, LLC for \$450 per audit with the exclusion that senior management and board members cannot not utilize these audits; and contingent upon a final contract that excludes the contractor from providing home improvement services to customers who participate in audits provided by FPB. Jeff Bradshaw seconded the motion.***

***CARRIED. 5 to 0.***

**9 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS**

9.1 Ms. Lindsey discussed the success of this year's customer appreciation day.

**10 INFORMATIONAL ITEM: OLD & NEW BUSINESS**

10.1 Mr. Baldwin read a prepared statement and motion as follows:

The importance of transparency in the processes of KyMEA in the years going forward cannot be understated. FPB is now locked into a multiple decade commitment to the agency and it is imperative that as majority stakeholder, FPB imparts its ideals of transparency and best practices on KyMEA, so that the organization will become more responsive to its members, and to its members' ratepayers.

***Walt Baldwin moved that we direct staff to lobby to implement several directives before the KyMEA board in it's next meeting and to pursue these directives in the future until successful.***

***KyMEA to post all regular, special, and committee meeting notices and minutes with reasonable clear descriptions of actions being taken and discussion items online and prior to the meeting date so that the public is aware of the business taking place at the meetings.***

***KyMEA to video record all regular, special and committee meetings which are subject to Open Meetings Laws and provide public access to those recordings online.***

*Additionally, I move that staff to continue recording all KyMEA meetings where our staff participate and make those recordings available on our website as well as all recordings of previous meetings.*

*Anna Marie Pavlik-Rosen seconded the motion.*

**CARRIED. 5 to 0.**

**11 ACTION ITEM: ADJOURNMENT**

11.1 Adjourn

*Walt Baldwin moved to adjourn. Dawn Hale seconded the motion.*

**CARRIED. 5 to 0.**



Board Chair



Board Secretary/Treasurer