

September 19, 2017

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 September 15, 2017 at 5:00 p.m.

ATTENDANCE:

Ralph Ludwig, Board Chair
Walt Baldwin, Vice Chair
Anna Marie Pavlik Rosen, Board Member
John Cubine, Board Member
James Liebman, Board Attorney
Herbbie Bannister, General Manager
David Billings, Water Engineer
Harvey Couch, Marketing Video Content Coordinator
Katrina Cummins, Asst. Finance Director
David Denton, Finance Director
Sharmista Dutta, Water Engineer
Cassie Estill, Customer Service Supervisor
Dana Goodlett, Cable Installation Supervisor
Adam Hellard, Security Broadband Technology Manager
Ryan Henry, Asst. IT Director
John Higginbotham, Asst. GM Cable/Telecommunications
Casey Jones, IT Director
Cathy Jennings, Traffic and Billing Coordinator
Cathy Lindsey, Public Information Officer
Kim Phillips, Safety Director
Hance Price, Staff Attorney/Asst. GM Administration
Mark Redmon, Support Services Director
Julie Roney, WTP Superintendent
Alan Smith, Water Dist. Superintendent
Jeremy Blackburn, Cable 10 Videographer
Alfred Miller, State Journal
Shane Holt, Senior Engineering Tech
Charlie Ballard, Cable Construction Supervisor
Wayne McDonald, Chief Cable Technician
Adam Weber, Strand Associates
Robert Roach, City Commissioner
Aaron Nickerson, GRW Engineering

AGENDA

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

1. **Action Item:** Consider Approving Minutes for the August 15, 2017 Board Meeting.
2. **Action Item:** Accept Minutes of the August 30, 2017 FPB Ethics Committee Meeting.
3. **Action Item:** Accept Electric, Water and Cable Financials & Statistical Data for July and August 2017.
4. **Action Item:** Approve Final Plans and Specifications for Fencing, Landscaping, and Parking lot Demolition at Headend/Reservoir Property on Tanglewood Drive.
5. **Information Item:** Public Comment Period.

6. **Action Item: Approve purchase of HFC Infrastructure amps and amplifiers: (Budgeted in FY18 at approximately \$1,573,000)**
7. **Informational Item: Departmental Reports:**
 - Website Customer Comments
 - Cable Dept.
 - Customer Service
 - Electric Dept.
 - SEPA
 - KyMEA
 - Safety
 - Water Distribution
 - Water Treatment Plant
8. **Action Item: Consider Scheduling Public Hearing Related to a Promotional, One-time \$5.00 Credit for Customers Converting to Paperless, Electronic Billing.**
9. **Action Item: Consider Amendment to the Job Classification and Compensation Plan to Reclassify One Position in Information Technology.**
10. **Action Item: Consider Award of Bid Invitation #1643 for a 2500KVA Pad Mounted Transformer to Cape Electrical in the Amount of \$35,712.**
11. **Action Item: Consider Award of Bid Invitation #1644 for Three 15kV Outdoor Circuit Breakers to Siemens Industry Inc. in the Amount of \$56,190.**
12. **Action Item: Consider Award of Bid Invitation #1645 for four 69kV switches to Royal Switchgear Manufacturing in the Amount of \$20,900.**
13. **Action Item: Consider Award of Bid Invitation #1646 for an Online Transformer Filtration System to Filmax, Inc. in the amount of \$23,987.25**
14. **Informational Item: Review of Corix References for Contract Meter Reading.**
15. **Action Item: Consider Approving PAC12 Renewal.**
16. **Action Item: Consider Cable Advisory Committee Appointment.**
17. **Action Item: Consider Approving Supplemental Documentation Related to a \$161,500 KIA Grant Reallocation for the Millville Waterline Project.**
18. **Action Item: Consider Executing Agreement Between Bluegrass Area Development District (BGADD) and FEWPB to Perform Grant Administration Related to the KIA Grant for the Millville Water Project for \$3,000.**
19. **Action Item: Consider Approving Authorizing Resolution to Apply for a KIA Loan for the Reservoir Replacement Project.**
20. **Action Item: Consider Approval of Amendment #5 Between Strand Associates, Inc. and FEWPB.**
21. **Action Item: Accept E3 Report.**
22. **Action Item: Award Contract Based Upon RFP for Legal Counsel Regarding KyMEA Review.**

23. **Old & New Business:**
24. **Informational Item: General Manager's Comments.**
25. **Request Permission to have Chair call for a Closed Session** pursuant to KRS 61.810(1)(c) for the discussion of Marillia and pump station litigation.
26. **Closed Door Session:**

BOARD ACTION

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

1. **Action Item: Consider Approving Minutes for the August 15, 2017 Board Meeting.**

Mr. Cubine Moved to approve the minutes from the August 15, 2017 Board Meeting and the August 30th Special Meeting of the FPB Ethics Committee. Dr. Green seconded. Mr. Ludwig called for a vote and the motion passed unanimously.

2. **Action Item: Accept Minutes of the August 30, 2017 FPB Ethics Committee.**

See item above.

3. **Action Item: Accept Electric, Water and Cable Financials & Statistical Data for July and August 2017. *David Denton will discuss.***

Mr. Denton discussed the July and August financials going over the Cash and Inventory Report, Investments, Debt Summary and Financial Performance. Mr. Denton also informed the board of an error that occurred on the August billing cycle and how FPB will recoup the money over the next four months.

Mr. Ludwig moved to approve the financials and Dr. Green seconded. Mr. Ludwig called for a vote and the motion passed unanimously.

4. **Action Item: Approve Final Plans and Specifications for Fencing, Landscaping, and Parking Lot Demolition at Headend/Reservoir Property on Tanglewood Drive. *John Higginbotham will discuss (See tab 14) (pg.132-135)***

Staff recommends the Board approve the final construction documents and specifications for the fencing, landscaping and parking lot demolition at the Headend/Reservoir property.

As a reminder, the Board approved the schedule for this project at the July 2017 meeting. At the August 2017 meeting, GRW presented the fence, parking lot and demolition and landscape plan. The Board and Staff agreed to meet later with TNAi to receive and consider TNAi's comments and suggestions on the project. Staff and Member Cubine met with TNAi on August 28, 2017 and TNAi's comments and suggestions are incorporated into this final design for the fence, parking lot demolition and landscaping.

If approved, the next scheduled item is to submit this information for consideration to the Frankfort/Franklin County Planning Commission.

Mr. Higginbotham explained the above item, and described the timeline in which this project could be expected to be completed. Mr. Higginbotham also explained

that there were no changes to anything from the prior meeting except the trees and plantings that the TNAi requested be made.

Mr. Ludwig stated that he planned to vote against this item and explained his reasons as they pertained to the money spent on demolition of the parking structure.

Mr. Cubine moved that we approve the plan and the letter that Mr. Bannister sent to the association and move forward with the plan. Mr. Baldwin seconded. Mr. Ludwig called for the vote: Mr. Cubine, Mr. Baldwin, Ms. Rosen and Dr. Green voted yes and Mr. Ludwig voted no, and with the vote of 4-1 the motion carried.

5. **Information Item: Public Comment Period (See Tab 4) (pg.136)**

Kathy Warren (an FPB customer) addressed the board regarding her cable rates and retransmission fees; she commended the Electric Department for sending aid to Florida communities affected by the Hurricanes.

Andy McDonald addressed the board regarding the KyMEA, hiring independent council and the recommendations of E3.

Nathan Van Sickel approached the podium to thank the plant board, Mr. Higginbotham, Mr. Bannister, Mr. Cubine and the board for their efforts to accommodate the TNAi's requests.

6. **Action Item: Approve purchase of HFC Infrastructure amps and amplifiers: (Budgeted in FY18 at approximately \$1,573,000) John Higginbotham and David Denton will discuss (See Tab 5) (pg.137-138)**

Staff recommends the Board approve the purchase of the HFC Infrastructure improvements for amplifiers and line extenders (LE's). Staff had tentatively budgeted \$1,573,000 for the purchase of this equipment in the FY18 budget located on Page 19 – Line 40, for this portion of plant improvements. In a subsequent Board meeting, Staff plans to bring the award of a bid for the contract labor for the installation of this equipment.

Staff has planned and budgeted for the replacement of the amps and LE's since FY15. This budgeted cost was included in the \$9 million borrowing to fund the headend construction and equipment improvements, approved by the Board in November 2014. As part of the Engineering Associates (EA) infrastructure improvements presentation last month, EA also recommended the amp and LE improvements should be made immediately.

The improvements are needed to :

1. To replace end-of-life and obsolete amps and LE's that can no longer provide reliable service to FPB's 17,500 cable TV, broadband and telephone customers. Many of the existing components were placed in-service between 1999-2003 with a design life expectancy of 10 years. The initial manufacturer of equipment has gone out of business and spare parts are non-existent.
2. To improve the signal quality of the cable TV, broadband and telephone to the household or business. The replacement amps and LE's have a higher signal capability making the quality better to the subscriber.
3. The replacement amps and LE's operate at 1 GHz whereas the existing amps and LE's operate at 750 MHz. This additional 250 MHz of spectrum allows FPB to utilize the spectrum to provide more Internet capacity and faster Internet speeds to the customer. (ex. Prior to October 2016, a neighborhood shared about 150 Mbps. With recent upgrades, a neighborhood will share more than 900 Mbps). After new amps and LE's are installed and new spectrum activated, the outside plant will have the capability of delivering more than 1200 Mbps per neighborhood without sacrificing video programming.

4. The upgrades to the amps and LE's provides FPB with more time to develop plans for a fiber-to-the-premise design.

Mr. Higginbotham went over the above information with the board and explained staff's plans to upgrade our current infrastructure so that it may carry us through the coming years until we move forward with the Fiber to the home project. David Denton discussed the financial aspect of the plan and making these upgrades for the current system, he stated that this gives us time to move as fast as we can generate cash.

After much discussion Dr. Green moved to approve, the purchase and Mr. Cubine seconded. Mr. Ludwig called for a vote by member. Mr. Cubine, Dr. Green and Mr. Ludwig all voted yes and Ms. Rosen and Mr. Baldwin voted no. With a vote of 3-2 the motion carried.

7. **Informational Item: Departmental Reports. (See Tab 6)**

- Website Customer Comments (pg.139)
- Cable Dept. (pg.140-144)
- Customer Service (pg.145-147)
- Electric Dept. (pg.148-151)
 - SEPA (pg.152-165)
- KyMEA (pg.166)
- Safety (pg.167-168)
- Water Distribution (pg.169)
- Water Treatment Plant (pg.170)

8. **Action Item: Consider Scheduling Public Hearing Related to a Promotional, One-time \$5.00 Credit for Customers Converting to Paperless, Electronic Billing. David Denton will discuss (See Tab 7) (pg.171)**

For the fiscal year ended June 30, 2017 the Frankfort Plant Board produced and mailed an average of 31,079 paper bills per month (26,212 regular/4,867 second notice bills). FPB spent approximately \$246,000 on paper, envelopes, and postage related to paper billing in fiscal year 2016-2017, which equates to approximately \$0.66 per paper bill produced and mailed. Each customer bill is usually multiple pages due to the amount of services we provide and bill to each customer. In order to reduce the cost of customer billing staff would like to offer a one-time, promotional credit of \$5.00 to customers converting from paper to paperless, electronic billing.

Below staff has listed suggestions for implementing this promotional credit:

1. The one-time \$5.00 credit would be available to customers who move from paper to paperless billing as of the effective date of the promotion. Current paperless billing customers as of September 19, 2017 would not be eligible for the credit.
2. FPB customers must sign up for the FPB customer portal to request paperless billing in order to receive the credit. Current portal customers currently not subscribing to paperless billing would be eligible for the \$5.00 credit by signing up for paperless billing through their current portal account.
3. The credit would be applied on a per customer basis and not on a per account basis. For example, a customer that has five rental properties will be eligible for only one \$5.00 credit, not one credit per account.
4. Staff will monitor the progress of this promotion and will extend or terminate the program based on its success.

The goal of this promotion is to reduce the cost of customer billing, but will also reduce the amount of paper used for bills and will encourage customers to use features included in the FPB customer portal encouraging more operating efficiencies.

David Denton discussed the above item and the \$5 one-time credit for customers moving their account to paperless billing. He stated that we are asking for a public hearing to discuss this further next month at the board meeting. Mr. Denton added anyone we can have come to the portal is a great thing; you can see all your past bills and this could also be used to communicate outages in the future.

Mr. Ludwig moved that we set a public hearing on this subject concurrent with our next regular board meeting on October 17, 2017. Mr. Baldwin seconded, Mr. Ludwig called for the vote and the motion carried unanimously.

9. **Action Item: Consider Amendment to the Job Classification and Compensation Plan to Reclassify One Position in Information Technology. Dianne Schneider will discuss (See Tab 8) (pg.172-176)**

We currently have a vacancy in the [Geographic Information Systems \(GIS\) Administrator](#) position due to a retirement. The department has reviewed and updated the position description. Based on the job evaluation of the updated position description, Staff recommends a reclassification from grade 109 (pay range of \$21.53 to \$32.29 per hour) to 113 (pay range of \$28.78 to \$43.17 per hour). The new grade reflects the position's increased responsibilities related to GIS and the required technical knowledge, skills, and abilities required to perform the job.

A copy of the list of authorized positions and updated job description is included in the detail pages for this Board item.

Dianne Schneider discussed the above item and outlined the staff's recommendation to reclassify the GIS position. Ms. Schneider stated that we would like to hire someone with an education and work background in GIS to compensate for the loss of the experience of the recently retired employee Amy Dearing. She added, there are quite a few changes in the assigned duties and the requirements for the education and experience, which is why we are raising the starting salary and grade level.

After some discussion Mr. Cubine moved to reclassify the position, Mr. Baldwin seconded, Mr. Ludwig asked that the vote be called my member and the motion passed unanimously.

10. **Action Item: Consider Award of Bid Invitation #1643 for a 2500KVA Pad Mounted Transformer to Cape Electrical in the Amount of \$35,712. Mark Redmon will discuss (See Tab 9) (pg.177)**

Staff prepared a bid invitation for a 2500kva pad mounted transformer. The invitation was sent to eight vendors with seven 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.

Mark Redmon discussed the above item.

11. **Action Item: Consider Award of Bid Invitation #1644 for three 15kV Outdoor Circuit Breakers to Siemens Industry in the Amount of \$56,190. Travis McCullar will discuss (See Tab 10) (pg.178)**

Staff prepared an invitation for three new 15kV circuit breakers for Bendix substation. The invitation was publicly advertised and sent to eight vendors. Three responses were received including one no bid. After reviewing all the bids, staff

recommends awarding to Siemens Industry, Inc. in the amount of \$56,190. Siemens submitted the lowest bid and met the specifications. The low number of responses was anticipated by staff for this bid. Currently Siemens and ABB are the only manufacturers that offer a breaker with a magnetic actuator, which is included in the specification. It is the opinion of the electric department that magnetically actuated breakers are a necessary restriction as they require far less maintenance than their alternative.

This equipment purchase is necessary to replace existing breakers that have exceeded their expected useful life. This purchase is included in the 2017-2018 Capital Budget, line 200. The amount included in the budget for this project is \$84,700.

Travis McCullar discussed the above information.

12. **Action Item: Consider Award of Bid Invitation #1645 for four 69kV switches to Royal Switchgear Manufacturing in the Amount of \$20,900. Travis McCullar will discuss (See Tab 11) (pg.179)**

Staff prepared an invitation for four new 69kV switches for Capital Plaza, Bendix and State Farm substations. The invitation was publicly advertised and sent to eight vendors. Eight responses were received. After reviewing all the bids, staff recommends awarding to Royal Switchgear Manufacturing Company in the amount of \$20,900. Royal submitted the lowest bid and met the specifications.

This equipment purchase is necessary to replace switches that have exceeded their expected useful life. This purchase is included in the 2017-2018 Capital Budget, line 215. The amount included in the budget for this project is \$46,200.

Travis McCullar discussed the above item.

13. **Action Item: Consider Award of Bid Invitation #1646 for an Online Transformer Filtration System to Filmax, Inc. in the amount of \$23,987.25 Scott Hudson will discuss (See Tab 12) (pg.180)**

Staff prepared a bid invitation for the purchase of an online transformer filtration system. This item would be used in the electric department on substation transformers. It is a portable device that filters out moisture in a transformer while the transformer is still energized. Leaving a transformer online while filtering saves time and expense. Staff recommends awarding to Filmax, Inc. in the amount of \$23,987.25. The invitation was sent to five vendors with two responses received.

\$125,000 is included for this purchase (and others) in the current budget. This information can be found on page 20, line 335 titled "Equipment".

Travis McCullar discussed the above item.

Dr. Green moved to accept bids items 10, 11, 12 & 13, Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion carried.

14. **Information Item: Review of Corix References for Contract Meter Reading. Travis McCullar will discuss (See tab 13) (pg.181-200)**

As a follow up to the meter reading agreement between Corix Utility Services and FPB, staff has contacted additional references and collected customer interaction training information from the vendor. The reference checks include questionnaire responses from three Corix clients, as well as notes from a conversation with our AMI consultant VASS Solutions regarding their experiences with Corix. The feedback received indicated that Corix's existing customers seem generally pleased with the service provided, with two of the three utilities stating they would rehire them for future services.

Travis McCullar discussed the references associated with the Corix Meter Reading contract. In response to Mr. Baldwin Mr. McCullar stated that the one reference that gave negative feedback was due to communication issues. Mr. Bannister added that Corix read Austin Energy's meters for 16 years. Mr. McCullar gave an overview of the positive references and how the contract would be set up, should the contract be awarded and FPB moves forward. In response to Mr. Cubine Mr. Denton clarified that normal course of business would not require FPB meter readers to be out in a customer's yard after normal business hours unless there is a problem.

Ms. Rosen asked whether we are discussing going with the contract or hiring employees into the department. Mr. Bannister responded that we brought this back to the board to provide the board with more information and also the staff would like a little clear direction from the board to either go with the contractor or rehire our existing staff.

Ms. Rosen asked if we should revote on whether or not we should go with Corix. Mr. Bannister said the board needs to vote on whether or not to go with a third party.

After much discussion Mr. Baldwin made the motion that we direct staff to not go with the Corix contract and to begin the hiring process to rehire staff to the meter reading department. Ms. Rosen seconded. After discussion Mr. Ludwig called for a vote by member and the motion passed unanimously.

15. Action Item: Consider Approving PAC12 Renewal. Harvey Couch will discuss (See Tab 15) (pg.201-210)

Staff recommends approval of the PAC12 renewal. This NCTC agreement has a term through June 30, 2024. FPB currently carries PAC12 on channel 794 on the optional Sports Plus tier. This agreement affords FPB the opportunity to maintain their current PAC12 carriage level with no additional launch obligations. Year-over-year rate increases are consistent with historical increases. The length of the agreement coincides with the period of time PAC12 owns the rights to the sports content that it shows. In addition, there are rate reductions available for increases in the number of subscribers to the networks. This agreement has been reviewed by the Assistant GM for Administration and it meets with his approval.

Harvey Couch discussed the above item.

Mr. Cubine moved to approve the agreement, Mr. Baldwin seconded. Mr. Ludwig called for a vote and the motion passed unanimously.

16. Action Item: Consider Cable Advisory Committee Appointment. Harvey Couch will discuss (See Tab 16) (pg.211)

Staff recommends the Board appoint Madeline Crescitelli to the Cable Advisory Committee with a term beginning September 20, 2019 through August 30, 2021. The appointment is needed to fill the vacancy left by Mr. Tim Smith, student representative from Franklin County High School, whose term ended. Ms. Crescitelli is an 11th grader at Frankfort High School. As a reminder to the Board, Staff endeavors to rotate the student representative on the Committee between the three public high schools while seeking input from school leaders for potential student representatives.

A copy of the nominee's letter of interest is included in the detail section.

Harvey Couch discussed the item. Mr. Cubine moved to approve the appointment and Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion carried.

17. **Action Item: Consider Approving Supplemental Documentation Related to a \$161,500 KIA Grant Reallocation for the Millville Waterline Project. David Billings will discuss. (See tab 17) (pg.212-236)**

Project Background

Staff has been working with Castle & Key (a distillery that has re-opened the old Taylor Distillery on McCracken Pike) for several years to improve fire protection in the Millville area. In December of 2016, staff had a meeting with the elected leadership of Woodford and Franklin counties, BGADD, KIA, and Castle and Key Distillery. Staff was informed that grant monies had been secured in the amount of \$161,500 for the benefit of installing a larger water line in the Millville area. Staff informed those in attendance that the amount secured wasn't enough to install new 12 inch line all the way to the distillery, but that we could utilize the monies to get the new line closer. Prior to today, the following activities have occurred to make the funding available:

- 2016 General Assembly House Bill 303 Reauthorization Reallocation
- Resolution No. 8, 2017 Series of the City of Frankfort (attached)
- Grant MOA between State, DLG, and City of Frankfort with FPB designated as the Assignee (attached).
- Project Profile (attached).

Current Business

Staff requests the Board consider approval of the supplemental documentation related to the grant. The documentation includes but is not limited to:

- Resolution of the Frankfort Plant Board accepting the assignment, authorizing amendment of the budget, and authorizing a representative to sign all related documents
- Recording Certificate
- Assignment Contract between City of Frankfort and FPB

Staff and Board Attorneys have reviewed the agreement and associated documentation and found them acceptable.

David Billings discussed the item and gave the above information to the board.

After some discussion Mr. Cubine moved to approve the contract and Dr. Green seconded. Mr. Ludwig called for the vote and the motion carried.

18. **Action Item: Consider Executing Agreement Between Bluegrass Area Development District (BGADD) and FEWPB to Perform Grant Administration Related to the KIA Grant for the Millville Water Project for \$3,000. David Billings will discuss. (See tab 18) (pg.237-238)**

In light of the Board approving the KIA grant reallocation from the City of Frankfort, staff recommends utilizing third party for grant administration of the project.

As a matter of course, BGADD was requested to provide a scope of work for providing grant administration the following design and construction related activities:

- Serving as designated project administrator
- Completion/submission of project profile and mapping
- Preparation of all required KIA documentation
- Attending progress meetings
- Preparation/Submission of all
 - Requests for payments
 - Project status reports
 - Certificate of Completion

- o Electronic expense ledger

Staff will be preparing a budget amendment as requires for the project showing receipt of the grant monies along with other required unforeseen expenditures related to the Reservoir project.

Staff recommends that the Board approve the agreement with BGADD contingent upon receipt of insurance requirements and approval by the Staff Attorney.

David Billings discussed the above item and asked the board to approve the agreement with BGADD. Mr. Ludwig moved to approve the agreement and Dr. Green seconded. Mr. Ludwig called for a vote and the motion carried.

19. **Action Item: Consider Approving Authorizing Resolution to Apply for a KIA Loan for the Reservoir Replacement Project. *David Billings will discuss (See tab 19) (pg.239-241)***

Last month, we received notice that the Reservoir project ranked high enough to be invited to apply for a low interest loan through the KIA. On or about August 23rd, the Board Chair accepted the invitation which sets forth the process of providing additional information required along with the application itself. The application deadline is September the 18th.

For consideration now is a resolution for filing of loan application and appointing Board Chair as Official Project Representative. The resolution authorizes the Board Chair to submit the application and supporting data as is necessary.

Staff recommends that the Board approve the resolution. The staff attorney has reviewed and approved the Agreement

David Billings discussed the above item.

After some discussion Mr. Cubine moved to approve the resolution and Mr. Baldwin seconded. Mr. Ludwig called for a vote and the motion carried.

20. **Action Item: Consider Approval of Amendment #5 Between Strand Associates, Inc. and FEWPB for Additional Services Already Occurred, Submitting to Planning and Zoning, KIA SRF Loan Administration, and Phase 2 Boundary Fence and Remaining site Landscaping Related to Reservoir Replacement Project in the Amount of an Additional \$122,493.07. *David Billings will discuss (See Tab 20) (pg.242-245)***

Beginning in 2007 FPB issued an RFQ and selected Strand Associates for engineering related services. The original contract provided a preliminary condition assessment. Addendum #1 (Phase II) detailed liner options and costs for updating the existing Reservoir. At the end of Phase II, it was ultimately decided that replacing the Reservoir with new prestressed concrete tanks was the most cost effective long term option. Addendum #2 (Phase III) entailed design and delivery of the new tanks, which was started, then ultimately put on hold due to the replacement of the cable department's head end project. Addendum #3 (Phase IV) included design of interim repairs and a monitoring program necessary to temporarily extend the service life during construction of the new head end. Addendum #4 (Phase V) included updated topographical survey and revised drawings/renderings for public meeting together with limited landscape design.

Since then, additional work outside previous scope has been requested and performed (Reservoir Site Alternatives Report, six 3D interactive models, roof options presentation, preliminary design/costing of retaining wall, etc.). Additionally, new developments in the project has necessitated a contract amendment. As a matter of course, Strand was requested to provide a Phase VI scope of work to provide submittal to planning & zoning, KIA loan administration, and design/bidding services/contract administration of remaining boundary fence and site landscaping.

Phase V services:	Current fee	Proposed Fee
• Design Services	\$ 82,612.00	\$ 83,300.00
• Bidding-Related Services	\$ 13,400.00	\$ 13,900.00
• Construction-Related Services	\$124,600.00	\$129,000.00
• Additional Services	\$ 39,514.51	\$ 78,419.58
• Landscape Services	\$ 5,000.00	\$ 5,000.00

Phase VI Services

• Planning & Zoning submittal	N/A	\$ 10,000.00
• KIA loan administration	N/A	\$ 18,000.00
• Remaining boundary fence and site landscaping	<u>N/A</u>	<u>\$ 50,000.00</u>

Contract Total	\$265,126.51	\$387,619.58
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The FY 17-18 budget includes \$165,000 for engineering \$4,000,000 for construction of the project. The addendum has been reviewed by the Staff Attorney and Staff recommends that the Board approve Addendum No. 5 with Strand Associates in the amount of an additional \$122,493.07 and amend the engineering budget accordingly.

David Billings discussed the information above. After some discussion, Mr. Cubine moved to approve the amendment Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

21. Action Item: Accept E3 Report (See Tab 21) (pg.246-252)

Ms. Rosen moved to accept the E3 Report, Mr. Baldwin read some of the report into the record E3 gave us three options in the report: One is remain in the KyMEA, two is withdraw and pursue our own power procurement program and number three is to do nothing and move forward.

Mr. Baldwin moved to accept the entire report into the record. Ms. Rosen seconded. Mr. Ludwig called for the vote by member, and the motion passed with a 4-1 vote. With Mr. Ludwig being the only no vote.

22. Action Item: Award Contract Based Upon RFP for Legal Counsel Regarding KyMEA Review. (See Tab 22) (pg.253)

Mr. Liebman discussed that the board sent out an RFP to 13 law firms, some in Kentucky and some nationally to look at the KyMEA contracts. He stated that we got seven positive responses of firms that wish to be considered, three did not respond one declined to participate two responded positively but were deemed to have a conflict of interest. He went on to say that the seven positive responses were reviewed. A scoring system was used, the board has received the detailed proposals submitted by the firms that responded positively the group that worked on this is recommending that the contract be awarded to Reed Smith as they were found to have the top scoring proposal. Mr. Liebman added that it was further recommended that the contract be for a total amount not to exceed \$50,000.00.

In response to Mr. Ludwig Mr. Liebman stated that if awarded the contracts that this agreement would provide us legal analysis of the KyMEA all requirements contract and the power purchase agreements it would basically coincide with what's already been received from E3 but this is from a purely legal standpoint.

Mr. Baldwin added that is would assist us in the contract changes recommended by the E3 report.

Mr. Baldwin made a motion to award the contract to Reed Smith to review the KyMEA all requirements contract, power purchase agreements and provide guidance on implementation of the contract changes recommended in the E3 report. Like to direct staff to work with the boards attorney, under the boards attorney's direction to implement the necessary engagement, contract and documentation

legal review to be conducted at the boards attorney direction, total amount not to exceed \$50,000.00. Ms. Rosen seconded the motion.

After much discussion, Mr. Ludwig called for the vote by member. Mr. Cubine, Dr. Green and Mr. Ludwig voted no, Ms. Rosen and Mr. Baldwin voted yes. The motion failed.

23. Old & New Business:

David Billings discussed the current Colorado Lining contract, Colorado lining was bought out and the contract was reassigned. Mr. Price indicated that he had reviewed the contract. Mr. Ludwig moved to accept the contract, Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

Ms. Rosen asked if a work plan needs to be put together since Item #22 failed. Mr. Cubine stated that we should wait till KyMEA has a CEO. Mr. Bannister stated that the CEO would be chosen and most likely take the position by late November. Mr. Baldwin stated that it seems that now is the time to get legal counsel in place. And after more discussion Mr. Baldwin amended his previous motion in Item #22 to award the contract to Reed Smith to review the KyMEA all requirements contract, power purchase agreements and provide guidance on implementation of the contract changes recommended in the E3 report. Like to direct staff to work with the boards attorney, under the boards attorney's direction to implement the necessary engagement, contract and documentation legal review to be conducted at the boards attorney direction, total amount not to exceed \$50,000.00. With the addendum of the scope of work is to familiarize themselves with the AR contract and to provide paths of remedy forward. Mr. Rosen seconded. Mr. Ludwig called for the vote. Mr. Cubine, Dr. Green and Mr. Ludwig all voted No, Mr. Rosen and Mr. Baldwin voted yes, the motion failed.

Mr. Ludwig thanked Mr. Higginbotham for his service after Mr. Higginbotham approached the podium and said his final goodbyes to the board and the employees.

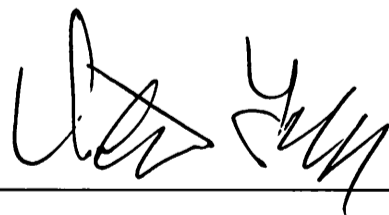
Dr. Green also approached to podium and thanked the board and staff for last 7 years of his service on FPB's board. Mr. Ludwig thanked him for his time on FPB's board.

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

24. Informational Item: General Manager's Comments.

25. Request Permission to Have Chair Call for a Closed Session pursuant to KRS 61.810(1)(c) for the discussion of Marillia and pump station litigation.

26. Closed Door Session:



CHAIRMAN



ATTEST: