



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, October 20, 2020

Community Room

The Frankfort Plant Board met in FPB Board Meeting on Tuesday, October 20, 2020 at 5:00 PM in the Community Room.

ATTENDANCE:

Dawn Hale, Board Secretary/Treasurer
Stephen Mason, Board Vice Chair
John Cubine, Board Chair
John Snyder, Board Member
Kathryn Dutton-Mitchell, Board Member
David Billings, Director of Water Operations
Harvey Couch, Marketing Video Content Coordinator
David Denton, Chief Financial Officer
Vent Foster, Chief Operations Officer
Cassie Estill, Customer Service Supervisor
Adam Hellard, Cable Superintendent
Casey Jones, IT Director
Cathy Lindsey, Communications & Marketing Director
Kathy Poe, Executive Assistant to GM
Hance Price, Assistant GM Administration/Staff Attorney
Julie Roney, Water Treatment Superintendent
Jennifer Hellard, Purchasing Agent
Gary Zheng, General Manager
Nichell Brown, HR Specialist
David Columbia, Media Services
State Journal

1 NOTICE OF SPECIAL MEETING

1.1 Notice of Special Meeting held In Person and Via Audio Conference.

In person attendance limited to 10 people pursuant to Executive Order of the Governor.

2 PUBLIC HEARING

2.1 Conduct a Public Hearing covering: (1) Establishing rates for Fiber service, (2) Establishing rate for Advanced Video Application Service, and (3) Updating Section X of Tariff.

This Hearing will come to order. My name is Steve Mason; 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 (1) Establishing rates for Fiber service, (2)

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, November 16, 2020. To submit a comment, please contact FPB at 352-4372, or on our website www.fpb.cc.

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

Mr. Mason called to order the public hearing. Mr. Couch summarized the details of the items. There were no members of the public in attendance to comment.

Mr. Mason called the public hearing to a close.

3 ACTION ITEM: APPROVAL OF MINUTES

- 3.1 **Consider Approval of Minutes of the September 15, 2020 Board Meeting and the September 29, 2020 Special Board Meeting.**

John Snyder moved to approve the Minutes of the September 15, 2020 Board Meeting and the September 29, 2020 Special Board Meeting. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

4 ACTION ITEM: ACCEPT FINANCIALS

- 4.1 **Consider Accepting Financials for Month Ending September 30, 2020.**

Stephen Mason moved to accept Financials for Month Ending September 30, 2020. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

5 INFORMATIONAL ITEM: PUBLIC COMMENT

None

6 WEBSITE CUSTOMER COMMENTS

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

8 ACTION ITEMS:

- 8.1 Consider Award of Bid Invitation #1700 – Distribution Reclosers to Brownstown Electric Supply in the amount of \$55,500.00.**

Staff prepared a bid invitation for Distribution Reclosers. These items are kept in FPB's inventory and need to be replenished periodically. Orders for reclosers depend on new development and the replacement of bad reclosers. The bid invitation was sent to ten vendors and six responses were received. After evaluating all bids, staff recommends awarding to Brownstown Electric Supply as they are the low bidder meeting specifications.

Stephen Mason moved to Award Bid Invitation #1700 - Distribution Reclosers to Brownstown Electric Supply in the amount of \$55,500.00. John Snyder seconded the motion.

CARRIED. 5 to 0.

- 8.3 Consider Award of Bid Invitation #1703 – Price Contract for Commscope Multiport Service Terminals (MST's) to Power & telephone Supply in the amount of \$291,950.35.**

MSTs (Multiport Service Terminals) are used for Telecom's FTTH deployment. They provide a hardened connector interface for the installers to connect the service drops to the distribution fiber, therefore, reducing the amount of fiber splicing labor. Covid-19 along with high demand for these items have created backorders ranging from 6-8 months and lead times are expected to reach one year by the end of December. This bid gives FPB the ability to place the order for next year's MSTs through a distributor who will stock and warehouse our supply. This will eliminate lead times in the future by allowing us to place a larger order up front, then pull from that stock throughout the year as needed. It also allows FPB to take advantage of bulk pricing.

The bid invitation was sent to seven vendors and four responses were received. After evaluating all bids, staff recommends awarding to Power & Telephone Supply as they are the low bidder meeting specifications.

Dawn Hale moved to Award Bid Invitation #1703 - Annual Price Contract for Commscope Multiport Service Terminals (MST's) to Power & Telephone Supply in the amount of \$291,950.35. Kathryn Dutton-Mitchell seconded

Thanks to the hard work of ACA Connects and other independent cable operators, we were able to get a provision in the TV Viewer Protection Act of 2019 requiring the largest media companies that own broadcast stations negotiate retransmission consent agreements in good faith with buying cooperatives such as the NCTC. The NCTC communicated to its membership that it intends to negotiate retransmission consent agreements with the 12 largest broadcast station groups. In FPB's case, that would apply to 5 of the 8 local broadcast stations. Two of the five stations are owned by the same company, so we're talking about possibly 4 total NCTC retransmission consent agreements. While there are no guarantees the NCTC will come to an agreement with all of the companies, we are confident the NCTC will negotiate better terms than FPB could on its own. The first of those agreements is with Scripps Media Inc., for carriage of WLEX in Lexington. We had originally anticipated bringing all of these agreements to the board at the same time (likely in the December meeting) for approval. However, the deadline for participating in this NCTC/Scripps agreement is 10/31/20.

The rates in the first year equate to a total reduction of 6.5% for WLEX and MeTV. Annual increases after that are 4.5%. These new rates would go into effect 1/1/21. Currently, WLEX is the only NBC affiliate carried by FPB as we were unable to come to terms with WAVE-3 from Louisville last round in 2017.

The agreement requires FPB to carry three multicast stations from WLEX. Currently, we carry one multicast station from WLEX, MeTV (channel 29). The two new multicast stations that would be required to launch are Bounce TV and Court TV. We are working directly with Scripps to see if we can get a side letter allowing us additional time to launch these channels. There are some technical hurdles we face to launch these additional channels and we would like additional time to overcome them. If we are unable to get a side letter, technical staff believes we can meet the requirements of the agreement as they are today.

Once all of the future retransmission consent agreements are executed (or not), staff anticipates a rate adjustment to the retransmission surcharge will be necessary. We will begin that process as soon as all of the agreements have been considered. Three years ago, we began that process in December.

The staff attorney has reviewed this agreement and it meets with his approval.

Stephen Mason moved to approve NCTC/Scripps Retransmission Consent Agreement for Carriage of WLEX 18 (NBC Lexington). Dawn Hale seconded the motion.

CARRIED. 5 to 0.

8.5 Consider Approving Outdoor Channel Renewal.

Staff and the Cable Advisory Committee recommend approval of the Outdoor Channel renewal. This NCTC agreement has a term through September 30, 2025. The first year's rate reset is just under a tenth of a penny. Year-over-year increases are the same. The increases were anticipated and no increase to the Classic Cable rate will be required. Outdoor Channel is available on FPB Classic Cable and is the home of outdoor action and adventure. VOD, TVE, and start-over/look back rights are included in this new agreement. No additional carriage

8.6 Consider Approving World Fishing Network Renewal.

Staff recommends approval of the World Fishing Network renewal. This NCTC agreement has a term through November 30, 2025. The first year's rate reset is a reduction of approximately 60%. 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, TVE, and Start-Over/Look Back 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.

Kathryn Dutton-Mitchell moved to approve World Fishing Network Renewal, John Snyder seconded the motion.

CARRIED.

8.7 Consider Approval of Ventegra as Pharmacy Benefit Manager for FPB's Health Plan.

Staff recommends a change to FPB's current pharmacy benefit manager. The pharmacy benefit manager processes and pays claims for prescription drugs for FPB's health plan. Sherrill-Morgan has evaluated proposals from three alternative pharmacy benefit managers. This analysis is included in the detail section. Based on this evaluation, Staff recommends Ventegra because the firm is the only pharmacy benefit manager that uses acquisition cost pricing. Under this pricing model, the price the plan pays for drugs is the same as the price the pharmacy pays. The pharmacies receive higher dispensing fees. However, the savings offset the increase in dispensing fees. Consequently, Staff asks that the Board move to authorize Staff to take any necessary actions to retain Ventegra as the pharmacy benefit manager for FPB's health plan effective 1/1/21.

John Snyder moved to approve Ventegra as Pharmacy Benefit Manager for FPB's Health Plan. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

8.8 Consider Approving Third Addendum to the Georgetown Contract.

The city of Georgetown has been a wholesale water purchaser since 1990. The original contract has been extended by addendum in the past and the term of the Second (current) Addendum is set to expire on October 23, 2020.

As a matter of course, staff reached out to Georgetown and developed a third addendum that would further extend the agreement until October 23, 2030.

Staff recommends that the Board approve the Third Addendum to the Georgetown Contract.

Kathryn Dutton-Mitchell moved to approve the Third Addendum to the Georgetown Contract. Dawn Hale seconded the motion.

Stephen Mason moved to approve a contract extension for the General Manager until June 30, 2024. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

8.10 Potential Action regarding FPB Cutoff Processes in connection with the Covid Crisis.

Staff and Board members discussed reinstatement of utility service disconnections. Staff advised that generous payment arrangements would be offered and CSR's would make customers in need of the options and agencies available to assist with financial need due to the pandemic.

There was no Board Action taken.

9 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

10 INFORMATIONAL ITEM: OLD & NEW BUSINESS

None

11 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

11.1 Chair calls for a motion to enter closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation regarding depancking matter and subcontractor lien claim.

John Snyder moved to enter closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation regarding depancking matter and subcontractor lien claim. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

12 CLOSED DOOR SESSION

12.1 Closed Session Held

Stephen Mason moved to come out of closed session. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

13 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

13.1 Action from Closed Session

John Snyder moved to authorize Staff to proceed as discussed in closed session. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

14 ACTION ITEM: ADJOURNMENT

14.1 Adjourn Board Meeting.

John Snyder moved to adjourn. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

A handwritten signature in blue ink, appearing to read "John Snyder", written over a horizontal line.

Board Chair

A handwritten signature in black ink, appearing to read "Stephen Mason", written over a horizontal line.

Board Secretary/Treasurer