



# MINUTES

## FPB Board Meeting

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5:00 PM - Tuesday, January 16, 2024  
Community Room

The Frankfort Plant Board met in FPB Board Meeting on Tuesday, January 16, 2024 at 5:00 PM in the Community Room.

### ATTENDANCE:

John Cubine, Board Chair  
John Snyder, Board Vice Chair  
Stephen Mason, Board Secretary/Treasurer  
Kathryn Dutton-Mitchell, Board Member  
Gary Zheng, General Manager  
Harvey Couch, Marketing Video Content Coordinator  
Katrina Cummins, Finance Director  
David Denton, Chief Financial Officer  
Adam Hellard, Cable/Telecom Superintendent  
Cathy Lindsey, Communications & Marketing Director  
Kathy Poe, Executive Assistant to GM  
Hance Price, Assistant GM Administration/Staff Attorney  
Travis McCullar, Director of Electric  
Jennifer Hellard, Purchasing Agent  
Nichell Brown, Human Resource Director  
Shane Holt, Asst. Cable/Telecom Superintendent  
David Columbia, Community Television Coordinator  
Brian Bourne, Water Distribution Superintendent  
JC Lyons, Safety Director  
Brandon Powers, Water Treatment Plant Superintendent  
Sharmista Dutta, Director of Water  
Mike Harrod, Telecom Engineering Manager  
April Rhodes, Customer Service Supervisor  
Ryan Henry, IT Director  
Russ Carter, Asst. Electric Superintendent

### 1 INFORMATIONAL ITEM: PUBLIC COMMENT

#### 1.1 Senator Gex Williams.

Mr. Williams arrived at approximately 5:45 p.m. and discussed his proposed bill.

## 2 CONDUCT PUBLIC HEARING

### 2.1 Conduct Public Hearing regarding Tariff Revisions related to Electric Refunds for Multi-lot Developments.

This Hearing will come to order. My name is John Snyder; 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 **Tariff revisions related to electric refunds for multi-lot developments**. This Public Hearing was advertised in accordance with the Regulations for Public Notification and appeared in the January 6, 2024 edition of The State Journal newspaper.

To conduct this hearing in an organized fashion, we have asked that anyone wishing to comment register via email with Kathy Poe (kpoe@fewpb.com) or Cathy Lindsey (clindsey@fewpb.com).

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, February 19, 2024. 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, Travis McCullar will provide a summary of the details.**

**John Snyder convened the public hearing. Travis McCullar provided a brief summary of the details of the tariff changes.**

**There were no members of the public who wanted to speak and John Snyder concluded the public hearing.**



3 ACTION ITEM: APPROVAL OF MINUTES

- 3.1 Consider Approval of Minutes for the December 11, 2023 Special Board Meeting.

*Stephen Mason moved to approve the Minutes for the December 11, 2023 Special Board Meeting. John Snyder seconded the motion. CARRIED. 4 to 0.*

- 3.2 Consider Approving the Minutes for the December 18, 2023 Special Meeting.

*Stephen Mason moved to approve the Minutes for the December 18, 2023 Special Board meeting. Kathryn Dutton-Mitchell seconded. Prior to vote John Snyder noted that he was not in attendance at the December 18, 2023. Stephen Mason moved to withdraw his motion to approve. John Snyder seconded. The motion was withdrawn. John Snyder moved to amend the Minutes for the December 18, 2023 Special Board Meeting to reflect that he was not in attendance at that meeting. Kathryn Dutton-Mitchell seconded. The motion Carried 4-0. Stephen Mason moved to approve the Minutes for the December 18, 2023 Special Board Meeting as amended. Kathryn Dutton-Mitchell seconded the motion. CARRIED 4-0.*

4 ACTION ITEM: ACCEPT FINANCIALS

- 4.1 Consider Accepting the Financial Statements for Month Ending December 31, 2023.

*John Snyder moved to accept the Financial Statements for Month Ending December 31, 2023. Stephen Mason seconded the motion. CARRIED. 4 to 0.*

5 ACTION ITEM: APPROVAL OF INSURANCE POLICIES

- 5.1 Consider Approving Renewal of FPB's Insurance Policies in the Amount of \$1,316,279.93. (Hance Price and Charlie Hamilton will discuss)

FPB's current insurance coverages expire February 5, 2024. Staff has completed renewal forms and worked with Charlie Hamilton at Powell Walton Milward to obtain the best coverage and prices available. Our account was submitted to 49 different companies to obtain pricing. Staff is prepared to renew the coverages shown in the detail section upon the Board's approval.

FPB has several different types of policies that cover a variety of risks. These policies are with several different companies. The overall premium to renew is \$1,316,279.93. Compared to last year's renewal, at \$1,203,870.92, this represents a 9.3% increase. This price does not include our pollution policy, which was renewed in 2022 for a three (3) year term at \$38,667.00. This price



also does not include the Workers' Compensation policy which renews on July 1, 2024.

The Board had secured a total of 10M in Directors and Officers coverage in 2022 for a total of \$97,495.00. This year, the 10M was secured for \$100,908.00. Also noteworthy is primary cyber coverage increased from 124,964.40 to 128,339.40 or 2.7% compared to last years 12.4% increase. And, excess cyber increased to 101,596 from 98,926 or 2.7% as well compared to 4.7% last year.

But other areas increased. The total annual premium increase of 9.3% is driven by several factors:

- Commercial property, equipment and auto policy premium increased from \$481,845.00 to \$550,006.00 an increase of 14.2%.
- Property (building, business personal property and business income) limits increased from \$184,519,609.00 to \$196,149,303.00 an increase of 6.3%.
- Commercial Automobile premium increased from \$168,239.00 to \$181,823.00, an increase of 8.1% due to higher auto rates. (number of autos remained roughly the same decreasing from 138 to 135).
- Number of Automobiles increased from 126 to 133 an increase of 5.62%.

The insurance information as well as the ten (10) year policy premium comparison is included in the detail section of your board package. The coverages are reasonably priced compared to the increases that have been seen. More importantly, the companies pay our claims. Unlike some carriers in the past that have denied our claims, FPB currently receives payment for most claims.

Powell Walton Milward has surveyed the marketplace (49 companies) and found that these policies offer the broadest coverages at the most competitive prices. Staff recommends renewal of FPB's insurance policies in the amount of \$1,316,279.93.

***Kathryn Dutton-Mitchell moved to approve Renewal of FPB's Insurance Policies in the Amount of \$1,316,279.93. Stephen Mason seconded the motion. CARRIED. 4 to 0.***

## 6 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

- PUBLIC INFORMATION
- POTENTIAL OR AGREED UPON RELATED PARTY TRANSACTIONS  
None Reported.
- NETWORK OPERATIONS CENTER (NOC)
- CUSTOMER SERVICE



- TELECOMMUNICATIONS
- ELECTRIC DEPARTMENT
- SEPA
- KYMEA
- SAFETY
- WATER DISTRIBUTION
- WATER TREATMENT PLANT

## 7 ACTION ITEMS:

### 7.1 Consider Approving Reelz Renewal. (Harvey Couch will discuss)

Staff recommends approval of the Reelz renewal. This National Cable Television Cooperative (NCTC) agreement has a term through December 31, 2026. Reelz is on channel 100 on the optional Preferred Cable package and contains programming related or connected to true crime, investigation, and celebrities. Reelz is the 10th most watched Preferred Cable network. FPB has carried Reelz since 2012. The rate reset and annual increases are below budgeted numbers. TVE rights are included in this agreement. No additional carriage requirements or obligations are included in this agreement. The Asst. GM for Administration has reviewed the agreement and it meets with his approval.

*John Snyder moved to approve the Reelz Renewal. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 4 to 0.*

### 7.2 Consider Approving Tennis Channel Amendment. (Harvey Couch will discuss)

Staff recommends approval of the Tennis Channel amendment. This National Cable Television Cooperative (NCTC) agreement has a term through December 31, 2026.

FPB carries Tennis Channel on Preferred Cable channel 151 and in HD on 651 and is the only 24-hour, television-based multimedia destination dedicated to both the professional sport and the tennis lifestyle. TVE rights are included in this agreement. Rate increases are below budgeted amounts. There are no additional carriage requirements or obligations are included in this agreement. The Staff Attorney has reviewed the agreement and it meets with his approval.

*Kathryn Dutton-Mitchell moved to approve the Tennis Channel Amendment. Stephen Mason seconded the motion. CARRIED. 4 to 0.*

### 7.3 Consider Retransmission Consent Agreements with: Gray Television Group (WKYT and WAVE); Morris Network (WTVQ); and Hearst Properties, Inc. (WLKY). (Harvey Couch will discuss)



Every three years, FPB must renegotiate Retransmission Consent Agreements with all the local broadcasters in Lexington and Louisville. During the budget process, staff discussed the possibility of removing duplicate broadcasters.

As the December meeting, the Board approved agreements with Scripps (WLEX-NBC-Lexington), Nexstar (WDKY-FOX-Lexington), and Tegna (WHAS-ABC-Louisville).

Over the past 30 days, staff has continued to negotiate Retransmission Consent Agreements with the remaining four local broadcasters.

The NCTC executed an extension with Gray that runs through January 12, 2024. While rates and terms have been agreed upon, the long form agreement is still being finalized.

All of the agreements are as follows:

1. NCTC/Gray Television Group agreement for carriage of WKYT (CBS Lexington) on cable channel 6/506 and CWKYT (CW Lexington) on cable channel 13/513 through December 31, 2026.
2. NCTC/Gray Television Group for carriage of WAVE (NBC Louisville) on cable channel 3/503 through December 31, 2026.
3. Morris Network for carriage of WTVQ (ABC Lexington) on cable channel 8/508 and MyTVQ (MyNetwork Lexington) on cable channel 18/518 through December 31, 2026.
4. Hearst Properties, Inc. for carriage of WLKY (CBS Louisville) on cable channel 12/512 through December 31, 2026.

Staff and the Cable Advisory Committee recommend approving the agreements for: WKYT, WTVQ, and WLKY and not approving the agreement for WAVE. We feel as though this was the option that provides the best value to FPB's customers.

If the Gray/NCTC long form agreement is not completed by the time of this meeting, staff would ask the board to approve the agreement contingent upon NCTC and Gray completing a long form agreement.

Staff believes that carrying newscasts out of Louisville is of utmost importance to our customers. However, as the costs to our customers continue to rise, all options must be considered. WAVE is the most expensive of the three Louisville networks and their viewership is the lowest. Staff will continue to engage with Gray (WAVE) and also Block Communications (WDRB) in the case that a mutually beneficial agreement can be reached.

The staff attorney has reviewed the agreements and they meet with his approval.



***John Snyder moved to Approve Retransmission Agreement with Morris Network (WTVQ) and (MyTVQ), and with Hearst Properties, Inc. (WLKY) for the terms stated. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 4 to 0.***

- 7.4 **Consider Award of RFP 2023-5 FTTP Network Design to Finley Engineering in the amount of not to exceed \$493,725.00. (Adam Hellard to discuss)**

Staff recommends award of the Professional Services Contract for FTTP Network Design to Finley Engineering. Staff sent out an RFP on November 16th, 2023, and had three companies respond. A team of 7 staff members scored each of the companies proposals based on the RFP scoring criteria. Upon review, staff recommends Finley Engineering to provide FPB with the FTTH design assistance. Finley Engineering is a multi-discipline Consulting/Engineering firm specializing in both broadband and electrical systems with 70 years of telecom and electric plant engineering. Finley has five physical locations with the closest being located in Lexington, KY. As you may recall, the previous engineering/design firm was purchased in the spring of 2023 and was unable to complete the project. The walkout was completed for the entire service area and Franklin County expansion areas, but 30% of the current service area and 20% of the Franklin County expansion remained to be designed. If approved, staff intends to utilize Finley Engineering to complete the design over the next 12 months for both projects.

***Stephen Mason moved to approve RFP-5 FTTP Network Design to Finley Engineering in the amount not to exceed \$493,725.00. John Snyder seconded the motion. CARRIED. 4 to 0.***

- 7.5 **Consider Award of Bid Invitation #1797 – Metal Poles to Gresco Utility Supply in the amount of \$59,430.00. (Jennifer Hellard will discuss)**

Staff prepared a bid invitation for 65' metal poles. These items are kept in FPB's inventory and replenished as needed for new construction and replacement. The bid invitation was sent to twelve vendors and four responses were received. After evaluating all bids, staff recommends awarding to Gresco Utility Supply as they were the lowest bid and meet specifications.

***Kathryn Dutton-Mitchell moved to award Bid Invitation #1797 - Metal Poles to Gresco Utility Supply in the amount of \$59,430.00. John Snyder seconded the motion. CARRIED. 4 to 0.***



7.6 Consider Appointment of an Interim Safety Director. (Nichell Brown and Hance Price to discuss)

FPB's current safety director has accepted a new position and his last day of employment will be 1/22/24. Staff asks that the Board move to appoint Tyler Fitch as interim safety director.

As there are only two full time staff in the department, Staff plans to post the position as soon as possible.

***Kathryn Dutton-Mitchell moved to approve appointment of Tyler Firch as Interim Safety Director. Stephen Mason seconded the motion. CARRIED. 4 to 0.***

7.7 Consider Retaining Blue & Co., LLC to Conduct the 2023-2024 Financial Statement Audit for a Fee of \$39,850 as Required by KRS 96.185. (David Denton will discuss)

In November 2020 FPB issued an RFP for external financial audit services for five consecutive years beginning with the fiscal year ended June 30, 2021, and concluding with fiscal year ending June 30, 2025. The five-year request for audit services did not commit the FPB Board to using the selected firm for five years but rather the option. The Board selected Blue & Co. as our auditor based on this process. FPB has used Blue & Co. for three fiscal years starting with the FY 2021 audit through the most recent FY 2023 audit. The audit fee for the FY 2023 audit was \$36,350.

Due to increased costs to perform FPB's audit Blue & Co. is requesting the audit fee for the FY 2024 audit be increased to \$39,850. The demand for audit services has increased significantly since the pandemic for governmental and non-profit organizations due to the federal funding flowing from the many COVID relief programs. The salary and benefit costs for audit staff have increased proportionally for firms as they work to retain audit staff, especially experienced staff, at the levels needed to adequately service the increased audit workload.

Audit Fee per FY23 Engagement Letter	\$ 36,350
Proposed FY24 CPI Adjustmnt Based on 2/3 of November 2023 CPI for Accounting Services (8.3% x 2/3)	5.5%
Base Fee for FY24	\$ 38,350
Plus Recurring Annual Compliance with GASBS No. 96 (estimated at 25% of FY23 implementation)	\$ 1,500
Proposed Audit Fee for FY24	\$ 39,850
Proposed FY25 CPI Adjustment	5.5%
Proposed Audit Fee for FY25	\$ 42,040



*John Snyder moved to Retain Blue & Co., LLC to Conduct the 2023-2024 Financial Audit for a Fee of \$39,850 as required by KRS 96.185. Stephen Mason seconded the motion. CARRIED. 4 to 0.*

- 7.8 Consider USDA Grant Application. (Jason Delambre will discuss)

*John Snyder moved to move forward with confirmation USDA grant matching funds amount and eligibility for REAP Grant. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 4 to 0.*

- 7.9 Consider Proceeding with the Easement Preparation for the Franklin County Broadband Expansion. (Adam Hellard will discuss)

The board awarded RFP 2023-3 Easement Preparation to Team Fishel at the May 31, 2023, board meeting, contingent upon the final approval of the Franklin County Broadband Deployment grants. To date, FPB has received verbal approval from the State but has not received the official documents. Staff recommends board approval for Team Fishel to proceed with easement preparation due to the grant project's shrinking timeline. The original RFP estimated 800 easements were required at a cost of \$77,560. After project scope reductions and additional walk-out data reviews, it is estimated that around 450 easements will be required.

*John Snyder moved to Proceed with Easement Preparation for the Franklin County Broadband Expansion. Stephen Mason seconded the motion. CARRIED. 4 to 0.*

## 8 INFORMATIONAL ITEMS:

- 8.1 Power Supply RFP Discussion. (Travis McCullar will discuss)

Travis McCullar updated the Board on status of power supply discussions.

- 8.2 Steele Street Property Discussion.

## 9 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

- 9.1 Action Item: Open meetings response update. (Gary Zheng and Hance Price to discuss)

At its 12/11 closed session the Board discussed various litigation matters and directed its staff attorney to take certain actions regarding those matters. No other action was taken other than to direct the staff attorney regarding the litigation. That is what was meant by the "proceed as directed" motion.

Going forward, to the extent that it can without waiving privileges, the Board will make any motions in open session as descriptive as possible.



***John Snyder moved that Going forward, to the extent that it can without waiving privileges, the Board will make any motions in open session as descriptive as possible. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 4 to 0.***

**9.2 Update regarding Status of Grant for FTTH Expansion.**

David Denton updated the board on the status of grants for broadband deployment.

**9.3 Status of NREL Analysis. (Travis McCullar and Gary Zheng will discuss)**

The board and staff discussed NREL reports and analysis.

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

10.1 None.

**11 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION**

**11.1 *Request permission to call a Closed Session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding collection matter, advertising matter, breach of contract matter, employment matter, cost recovery matter, and a regulatory matter; pursuant to KRS 61.810(1)(g) to discuss a specific proposal that if openly discussed would jeopardize the siting, retention, expansion or upgrading of a business.***

***John Snyder moved Request permission to call a Closed Session pursuant to KRS 61.810(1)(g) to discuss a specific proposal that if openly discussed would jeopardize the siting, retention, expansion or upgrading of a business; pursuant to KRS 61.810(1)(b) regarding future acquisition of real property where an open discussion would likely effect the value of a specific piece of property; and pursuant to KRS 61.810 (1)(c) proposed litigation regarding a declaratory judgment on a territorial matter and the depancaking matter. Stephen Mason seconded the motion. CARRIED. 4 to 0.***

**12 CLOSED DOOR SESSION**

12.1 Come Out of Closed Session.

***John Snyder moved to Come Out of Closed Session. Stephen Mason seconded the motion. CARRIED. 4 to 0.***

**13 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION**

13.1 No Action was Taken.



14 ACTION ITEM: ADJOURNMENT

14.1 Adjournment.

*John Snyder moved to Adjourn. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 4 to 0.*



Board Chair



Board Secretary/Treasurer