



MINUTES

FPB Board Meeting

1:00 PM - Friday, December 16, 2022 - Community Room

The Frankfort Plant Board met on Friday, December 16, 2022 at 1:00 PM.

ATTENDANCE:

Stephen Mason, Board Secretary/Treasurer
John Cubine, Board Chair
John Snyder, Board Vice Chair
Kathryn Dutton-Mitchell, Board Member
Jason Delambre, Board Member
Gary Zheng, General Manager
David Billings, Director of Water Operations
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, Cable/Telecom Superintendent
Scott Hudson, Electric Superintendent
Cathy Lindsey, Communications & Marketing Director
Kathy Poe, Executive Assistant to GM
Hance Price, Assistant GM Administration/Staff Attorney
Leigh Ann Phillips, Support Services Director
Deron Rambo, Network Operations Center Director
Travis McCullar, Chief Electric Engineer
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

1 ACTION ITEM: APPROVAL OF MINUTES

- 1.1 Consider Approving the Minutes for the November 15, 2022 Board Meeting.

Stephen Mason moved to approve the Minutes for the November 15, 2022 Board Meeting. Kathryn Dutton-Mitchell seconded. CARRIED. 5 to 0.

2 **INFOMATIONAL ITEM: UTILITY SALES TAX**

2.1 **Discuss Utility Residential Sales Tax Exemption.**

Ms. Cassie Estill, Customer Service Supervisor, and David Denton, CFO, discussed the Utility Residential Sales Tax Exemption.

3 **ACTION ITEM: ACCEPT FINANCIALS**

3.1 **Consider Accepting Financial Statements for Month Ending November 30, 2022.**

John Snyder moved to Accept the Financial Statements for Month Ending November 30, 2022. Kathryn Dutton-Mitchell seconded. CARRIED. 5 to 0.

4 **INFORMATIONAL ITEM: PUBLIC COMMENT**

4.1 None.

5 **INFORMATIONAL ITEM: DESTINY AWARD**

5.1 **Presentation of the Destiny Award by KEMI. (Charlie Hamilton & Stanley Marcinek, and JC Lyons will discuss)**

Staff is pleased to announce that FPB has again been selected for its 11th Kentucky Employers Mutual Insurance's (KEMI) Destiny Award for Workplace Safety.

See the press release below:

At a time in which most businesses are struggling to hire and retain employees, keeping available workers healthy and on the job is imperative. Yet, the Bureau of Labor Statistics cited 2.7 million nonfatal workplace injuries and illnesses in 2020, within the private industry alone. Many of these injuries, and the personal and professional difficulties that they caused, could have been prevented.

That's why Kentucky Employers' Mutual Insurance (KEMI), the state's leading provider of workers' compensation insurance, recognizes employers for their commitment to workplace safety annually.

This year, KEMI will present 28 Kentucky organizations with the 2022 KEMI Destiny Award.

The Destiny Awards are presented to policyholders that best exemplify KEMI's motto, "Control your own destiny." The awards symbolize what can be accomplished when organizations work together to improve workplace safety.

Policyholders that earn the KEMI Destiny Award effectively demonstrate their ability to manage a formal safety program, provide on-site training and regular

safety meetings for employees, and display an ongoing commitment to safety from all levels throughout their organizations.

The following businesses were selected as winners after meeting a stringent set of criteria set forth by KEMI:

- Adair County Board of Education
- Asbury University
- Asbury Theological Seminary
- Barren County Board of Education
- Bell County Board of Education
- Big Rivers Electric Corporation
- Brandenburg Telephone Company
- Corbin Independent Schools
- Eastern Kentucky University
- Edmonson County Board of Education
- Elizabethtown Board of Education
- Frankfort Plant Board
- Glenwood Electric
- Hancock County Board of Education
- Hibbs Electromechanical
- Hilton Kennedy Company Louisville
- Hinkle Holding Company
- Independence Fire District
- Industrial Field Maintenance
- KI USA Corporation
- Merkle Lawn Care Company
- Metcalfe County Board of Education
- Northern Kentucky Water District
- Ray St Clair Roofing
- Storm Security
- The Corken Steel Products Company
- Union County Board of Education
- Warren County Board of Education

“Destiny Award winners are part of an elite group of organizations that have emphasized safety each day and demonstrated an ongoing commitment to the health and well-being of Kentucky’s workforce,” remarked Jon Stewart, President and CEO of KEMI. “Some have received the Destiny Award multiple years, and we appreciate the opportunity to work shoulder-to-shoulder with them and all policyholders to elevate safety programs throughout the commonwealth.”

6 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

- **PUBLIC INFORMATION**
- **POTENTIAL OR AGREED UPON RELATED PARTY TRANSACTIONS**

- None
- NETWORK OPERATIONS CENTER (NOC)
- CUSTOMER SERVICE
- TELECOMMUNICATIONS
- ELECTRIC DEPARTMENT
- SEPA
- KYMEA
- SAFETY
- WATER DISTRIBUTION
- WATER TREATMENT PLANT

7 ACTION ITEMS:

- 7.1 Discussion and Potential Action regarding General Manager's Employment Contract. (John Cubine to discuss)

John Snyder moved to approve renewal of Gary Zheng's Employment Contract with retention incentive bonus if he fulfills his contract term ending June 30, 2024; and allows for ten (10) days of vacation to accumulate twice a year. If the vacation is not taken Mr. Zheng will get paid for the time off not utilized. Jason Delambre seconded. CARRIED. 5 to 0.

- 7.2 FPB Facilities Review. (John Cubine to discuss)

Jason Delambre moved to authorize the General Manager to spend up to the dollar amount allowed under FPB's Procurement Policy in the next 30 days to hire professional to perform facility safety assessment. John Snyder seconded. CARRIED. 5 to 0.

- 7.3 Consider Revisions to Community Solar Project. (Travis McCullar to discuss)

At the regular November meeting, the Board awarded the Phase 1 construction of the Community Solar project to Solar Energy Solutions. During the vendor award discussion, the Board requested options to consider for alternate fencing and vegetation planting. Staff will present potential options for the Board to consider and discuss potential cost and budget implications. Staff will also provide an update on the project schedule and expected system startup.

John Snyder moved to approve Change to the Community Solar project to include, 1) the black chain link fence in accordance with all safety and code guidelines; 2) direct staff to compare pricing on the larger 1,000 AMP load center/disconnect with four (4) smaller units for each of the four (4) phases. If the price of the larger load center/disconnect is no greater than 20% higher than the four (4) smaller units, and will not affect a delay in the project, staff is directed to approve that change; and 3) defer action on the

pollinator garden until the January meeting. Jason Delambre seconded. CARRIED. 5 to 0.

7.4 Consider Award of Bid invitation #1771 – Semi-Annual Price Contract for Water Treatment Chemicals (FY 2023) January – June. (Brandon powers to discuss)

Staff prepared a semi-annual bid for the chemicals used in water treatment. The bid includes estimated quantities and explains that orders could exceed or fall short of the estimates. Vendors bid with the understanding that the bid’s purpose is to hold unit price throughout FPB’s fiscal year.

This bid received 15 reverse auction bids. After reviewing each bid, staff recommends awarding to the lowest bidder meeting specifications with the exception of Powered Activated Carbon which is based on quality testing (explanation below).

Chemical	FY 23 Company	FY 23 Bid	Difference % from FY 22 and FY 23
Liquid Ferric Chloride	PVS Technologies	\$0.2420	+35.96%
Liquid Sodium Hydroxide	Univar USA	\$0.29	+0.66%
Polyaluminum Chloride	USALCO	\$0.40	+29.03%
Powdered Activated Carbon	Carbon Activated	\$1.050	+14.13%
Hydrofluorosilicic Acid	Univar USA	\$0.3189	+6.19%
Liquid Ammonium Sulfate Bulk	Brenntag	\$0.2950	+22.92%
Potassium Permanganate	Unlimited	\$4.70	+84.39%
Sulfuric Acid	Chemical Resources	\$0.1890	+2.16%
Zinc Orthophosphate	Shannon Chemical	\$1.2680	+2.84%
Liquid Ammonium	Water Solutions		
Sulfate Tote	Unlimited	\$0.375	-10.50%

**Based on highest removal of geosmin and MIB (taste/odor compounds)*

Jason Delambre moved to Award Bid Invitation #1771 - Semi-Annual Price Contract for Water Treatment Chemicals (FY 23) January - June. Stephen Mason seconded. CARRIED. 5 to 0.

- 7.5 Consider Award of Bid Invitation #1772 Semi-Annual Price Contract for Water Treatment Chemicals (FY 2023). (*Brandon Powers to discuss.*)

Staff prepares a semi-annual bid for the chemicals used in water treatment. The bid includes estimated quantities and explains that orders could exceed or fall short of the estimates. Vendors bid with the understanding that the bid's purpose is to hold unit price throughout FPB's fiscal year.

This bid received 1 sealed auction bid. After reviewing each bid, staff recommends awarding to Morton Salt.

Chemical	FY 23 Company	FY 23	Difference (%) from FY 22 to FY 23
Bulk Sodium Chloride	Morton Salt	\$0.1523 304.60 ton	25.2%

Jason Delambre moved to Award Bid Invitation #1772 - Semi-Annual Price Contract for Water Treatment Chemicals (FY 2023). Kathryn Dutton-Mitchell seconded. CARRIED. 5 to 0.

- 7.6 Consider Accepting the Minutes for the September 13, 2022 Cable Advisory Committee Meeting. (*Harvey Couch to discuss*)

John Snyder moved to accept the minutes for the September 13, 2022 Cable Advisory Committee Meeting. Stephen Mason seconded. CARRIED. 5 to 0.

- 7.7 Consider Approving Sony Movie Channel Amendment. (*Harvey Couch to discuss*)

Staff recommends approval of the Sony Movie Channel amendment. This NCTC amendment extends the term of our current agreement through September 30, 2025. FPB currently carries Sony Movie Channel on channel 776 on the optional HD Plus tier. This agreement affords FPB the opportunity to maintain the same rate structure for Sony Movie Channel as exists in the current agreement. Future year-over-year increases are based on CPI and are capped at 5%. The network is programmed 24/7 with titles from Sony Pictures and other major Hollywood studios. 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.

Stephen Mason moved to Approve Sony Movie Channel Amendment. John Snyder seconded. CARRIED. 5 to 0.

7.8 Consider Approving MeTV Agreement. (Harvey Couch will discuss)

The Cable Advisory Committee and Staff recommend the Board approve the MeTV Agreement. This NCTC agreement has a term through September 30, 2025.

FPB previously carried MeTV as part of our retransmission consent agreement with Scripps for distribution of WLEX, the NBC affiliate out of Lexington. Scripps made the decision to drop MeTV from their multicasts back in September. At the time, FPB engaged with Weigel Broadcasting, the owner of MeTV, to receive a direct feed of the MeTV channel. FPB has carried MeTV directly from Weigel since then. During that time, Weigel has been negotiating with NCTC to execute an agreement for carriage of MeTV. That agreement was recently finalized.

MeTV is on Classic Cable channel 27. There is no license fee for carriage of the channel. The Staff Attorney has reviewed the agreement and it meets with his approval.

John Snyder moved to Approve MeTV Agreement. Kathryn Dutton-Mitchell seconded. CARRIED. 5 to 0.

7.9 Consider Approving Fox Broadcasting Network License Agreement and Fox Cable Network Services Agreement. (Harvey Couch to discuss)

The Cable Advisory Committee and Staff recommend the Board approve these agreements. These direct agreements both have a term through August 31, 2024.

The Fox Broadcasting Network License Agreement covers VOD and authenticated access to Fox Broadcasting content. The license fee increase in year 1 is 6.25% and just under 6% in year 2. These increases were anticipated and budgeted.

FPB is required to maintain a valid retransmission consent agreement with a FOX broadcaster in order to keep these rights. Currently FPB has a retransmission consent agreement with Nexstar for carriage of WDKY out of Lexington through the end of 2023.

The Fox Cable Network Services agreement covers Big Ten Network. The license fee increases are just under 4% annually. These increases were anticipated and budgeted.

There are no additional launch or repositioning requirements in these agreements.

The Asst. GM of Administration has reviewed the agreements and they meet with his approval.

Stephen Mason moved to Approve Fox Broadcasting Network License Agreement and Fox Cable Network Service Agreement. Kathryn Dutton-Mitchell seconded. CARRIED. 5 to 0.

7.10 Consider Approving CARES Act and SECURE Act for Amendments for FPB's 401 Defined Contribution Plan. (Nichell Brown to discuss)

On August 3, 2022, the Internal Revenue Service ("IRS") announced in Notice 2022-33 that it was extending the deadline for amending certain provisions of the Coronavirus Aid, Relief and Economic Security ("CARES") Act and the Setting Every Community Up for Retirement Enhancement ("SECURE") Act.

The CARES Act, was an interim amendment that could allow a plan to provide for COVID distributions to qualified individuals, increased loan limits, and required minimum distributions (RMD) waivers for 2020.

The SECURE Act was an interim amendment that could allow a plan to provide Qualified Birth and Adoptions, extended RMDs to age 72, decrease in-service age requirements for governmental plans, and many other provisions.

For a calendar Plan year-end, that means that certain provisions within these amendments must be adopted by December 31, 2022. Nationwide recommends the plan sponsor (Frankfort Plant Board) adopt these amendments to be in compliance with the IRS. The SECURE and CARES amendments are located in the detail pages.

Staff asks the Board to approve SECURE and CARES amendments.

John Snyder moved to Approve CARES Act and SECURES Act for Amendments to FPB's 401 Defined Contribution Plan. Stephen Mason seconded. CARRIED. 5 to 0.

8 INFORMATIONAL ITEMS:

8.1 Discussion regarding NREL and Solar Power.

Board members discussed putting together an informal work group regarding renewable energy options and cost impact. Mr. Zheng was authorized to move forward with this work group consisting of board member(s) and staff to review options and collecting information regarding potential issues and hard numbers for cost impact.

8.2 United Way Campaign Update.

Cathy Jennings discussed FPB's United Way campaign and the funds pledged by FPB employees.

8.3 Consider approving the conditional commitment letter authorizing a \$782,711 grant from the Cleaner Water Program for the Reservoir replacement project. (David Billings will discuss)

A month or so ago, the FPB was made aware of a grant available to the FPB for a water project. Staff recommended the Reservoir project be named the recipient, since it met all the requirements necessary for the grant.

For consideration now is approving the Conditional Commitment Letter dated 11/21/22 from the KIA which defines particular conditions with respect to the grant which will lead to a Grant Assistance Agreement in the near future.

Staff recommends that the Board approve the Conditional Commitment Letter for KIA Grant Number 22CWW023. The staff attorney have reviewed and approved the letter.

Mr. Cubine will sign the Conditional Commitment Letter accepting these funds. Mr. Denton stated that staff would put these funds toward the internal loan for water improvements.

9 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

9.1 Request Permission to Call a Closed Session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding PSC, contract matters, and an employment matter; and 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 to call a Closed Session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding PSC, contract matters, and an employment matter; and 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. Stephen Mason seconded. CARRIED. 5 to 0.

10 CLOSED DOOR SESSION

10.1 Come Out of Closed Session.

John Snyder moved to come out of closed session. Stephen Mason seconded. CARRIED. 5 to 0.

11 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

11.1 No action was taken.

12 ACTION ITEM: ADJOURNMENT

12.1 **Adjournment.**

John Snyder moved to Adjourn. Stephen Mason seconded. CARRIED. 5 to 0.



Board Chair



Board Secretary/Treasurer