



# MINUTES

## FPB Board Meeting

5:00 PM - Tuesday, January 17, 2023  
Community Room

The Frankfort Plant Board met in FPB Board Meeting on Tuesday, January 17, 2023 at 5:00 PM in the Community Room.

### ATTENDANCE:

Stephen Mason, Board Secretary/Treasurer  
John Cubine, Board Chair  
John Snyder, Board Vice Chair  
Kathryn Dutton-Mitchell, Board Member  
Jason Delambre, Board Member  
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  
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  
Jennifer Hellard, Purchasing Agent  
Gary Zheng, General Manager  
Nichell Brown, Human Resource Director  
Shane Holt, Asst. Cable/Telecom Superintendent  
Brian Bourne, Water Distribution Superintendent  
JC Lyons, Safety Director  
Brandon Powers, Water Treatment Plant Superintendent  
Sharmista Dutta, Water Engineer  
State Journal

- 1 ACTION ITEM: APPROVAL OF MINUTES
  - 1.1 Consider Approval of the Minutes for the December 16, 2022 Special Board Meeting.

*John Snyder moved to approve the minutes for the December 16th, 2022 Special Board Meeting. Kathryn Dutton-Mitchell seconded the motion.*

**CARRIED. 5 to 0.**

- 1.2 Consider Approval of the Minutes for the January 9, 2023 Special Board Meeting.

*Stephen Mason moved to approve minutes from the January 9, 2023, Special Board Meeting. Kathryn Dutton-Mitchell seconded the motion.*

**CARRIED. 5 to 0.**

**2 ACTION ITEM: ACCEPT FINANCIALS**

- 2.1 Consider Accepting the Financial Statements for month ending December 31, 2022.

*Stephen Mason moved to accept the Financial Statements for month ending December 31, 2022. Jason Delambre seconded the motion.*

**CARRIED. 5 to 0.**

**3 ACTION ITEM: ANNUAL INSURANCE POLICY RENEWALS**

**4 INFORMATIONAL ITEM: PUBLIC COMMENT**

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5 INFORMATIONAL ITEM: WEB COMMENTS

6 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

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

**Action Item: Consider Approving Renewal of FPB's Insurance Policies in the Amount of \$1,203,870.92. (Hance Price and Charlie Hamilton will discuss).**

FPB's current insurance coverages expire February 5, 2023. 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 \$1,203,870.92. Compared to last year's renewal, at \$1,150,917.78, this represents a 4.6% 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, 2023.

The Board had secured a total of 10M in Directors and Officers coverage last year for a total of \$118,656.00. This year, the 10M was secured for \$97,516.00 saving \$18,213.00 or 17%.

The total annual premium increase of 4.6% is driven by several factors:

- Commercial property, equipment and auto policy premium increased from \$444,320.00 to \$481,845.00, an increase of 8.4%.
- Property (building, business personal property and business income) limits increased from \$177,186,531.00 to \$184,519,609.00, an increase of 4.12%.
- Commercial Automobile premium increased from \$154,791.00 to \$168,239.00, an increase of 8.7%.
- Number of Automobiles increased from 126 to 133 an increase of 5.62%.

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- Primary cyber coverage premium increased from \$111,114.40 to \$124,964.40, an increase of 12.46%.
- Excess cyber premium increased from \$94,494.40 to \$98,926.40, an increase of 4.7%.

While rates have increased in several areas, 2023 has not been as challenging a year for renewals. Commercial insurance prices rose an average of 10% as compared to last years 19%. And, some cyber policies have seen increases of 50-100%.

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 \$1,203,870.92.

***John Snyder moved to approve the renewal of FPB's Insurance Policies in the Amount of \$1,203,870.92 Jason Delambre seconded the motion.***

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

- CUSTOMER SERVICE
- TELECOMMUNICATIONS
- ELECTRIC DEPARTMENT
- SEPA

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- KYMEA
- SAFETY
- WATER DISTRIBUTION
- WATER TREATMENT PLANT

7 ACTION ITEMS:

- 7.1 Consider Award of Bid Invitation #1773 –Purchase of Two Remanufactured Pad Mount Transformers to Sunbelt Solomon Services, LLC. in the amount of \$134,624.00 (Jennifer Hellard will discuss)

Due to rising prices and extended lead times; staff began a process of transitioning away from an annual price contract for new transformers. One of the solutions was considering remanufactured transformers in place of new transformers.

Staff prepared two bids to evaluate the purchase of two pad mount transformers (#1774 for new transformers, #1773 for remanufactured transformers). These transformers are kept in FPB's inventory and need to be replenished periodically. The bids were sent directly to fifteen vendors, and advertised on our website as well as in the State Journal. A total of five responses were received.

After comparing pricing and lead times, staff recommends awarding Bid # 1773 for the remanufactured transformers to Sunbelt Solomon. They meet all of the specs and we have purchased from them recently with positive results.

Bid # 1774 for new transformers will not be awarded; tab sheets for both bids are attached for comparison.

***Jason Delambre moved to award Bid Invitation #1773 –Purchase of Two Remanufactured Pad Mount Transformers to Sunbelt Solomon Services, LLC. in the amount of \$134,624.00 Stephen Mason seconded the motion.***

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

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**7.2 Consider Award of Bid Invitation #1775 –Price Contract for Ductile Iron Pipe, and Tapping Sleeves to Core & Main and Fittings, Hydrants, and Valves to Ferguson Waterworks. (Jennifer Hellard will discuss)**

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. Vendors bid with the understanding that they are locking in unit pricing for six months and not for a certain quantity of material. The bid is divided into five categories (Pipe, Valves, Hydrants, Fittings, and Tapping Sleeves) and awarded per category.

The bid also includes 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 states 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 of.

The bid invitation was sent to six vendors and three responses were received. After evaluating all bids, staff recommends awarding the pipe and tapping sleeves to Core & Main, they are the low bidder meeting specifications. Staff recommends awarding the fittings, hydrants, and valves Ferguson Waterworks as they are the low bidder meeting specifications.

This new pricing reflects a 5% increase for pipe, 13% decrease for fittings, 11% increase for valves, 8% decrease for tapping sleeves, and 21% increase for hydrants.

*John Snyder moved to award of Bid Invitation #1775 –Price Contract for Ductile Iron Pipe, and Tapping Sleeves to Core & Main and Fittings, Hydrants, and Valves to Ferguson Waterworks. Kathryn Dutton-Mitchell seconded the motion.*

**CARRIED. 5 to 0.**

**7.3 Consider Change Order RFC1 with E-Z Construction for Capital Plaza Oil Storage Tank Installation in the Amount of \$96,285.00. (Travis McCullar will discuss)**

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Last June, the Board approved a contract with E-Z Construction to perform foundation work for the T54 replacement project at Capital Plaza Substation. At that time, staff and the consulting engineering firm were still finalizing the secondary containment solution, and therefore this portion of the work was not included in the original contract with E-Z. Those plans have since been finalized and reviewed by the electric engineering and operations departments.

Due to the extensive excavation required to install the secondary containment tank, staff requested a change order from E-Z Construction to perform the installation. E-Z has performed underground storage tank installation on other projects and has the equipment necessary to complete the work. The change order amount of \$96,285.00 is a 15% increase to the initial contract with E-Z. \$1,850,000 is included in the electric capital additions budget for the T54 replacement project.

***Stephen Mason moved approve change Order RFC1 with E-Z Construction for Capital Plaza Oil Storage Tank Installation in the Amount of \$96,285.00. Jason Delambre seconded the motion.***

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

- 7.4 **Action Item: Consider Approving Public Hearing Notice covering: (1) Increasing rate for Cable Network Pass-Through Fee, (2) Increasing rate for Bulk cable I and Bulk cable II, (3) Reducing Digital Gateway Fee, (4) Reducing Starz/Encore rate, and (5) Update FPB Local Weather Advertising rates.**

As always, these proposed rate increases are a direct pass-through of increased programming costs of the networks on Classic Cable. Also, this is not a result of a single agreement - each of the 8 major media companies own a piece of this increase.

Staff recommends the Board approve the Public Notice for the purpose of conducting a public hearing at the next meeting of the Frankfort Plant Board.

**1. Increase rate for Cable Network Pass-Through Fee:**

The public notice proposes to increase the Cable Network Pass-Through Fee from \$60.19 per month to \$63.81 per month effective May 1, 2023. This fee is a direct pass-through of the monthly fees paid by

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FPB to cable networks for the right to distribute their programming. This is a 6% increase. The Customer Charge will remain unchanged at \$12.79 per month.

**2. Increase rate for Bulk Cable I and Bulk Cable II:**

The public notice proposes to increase the rate for Bulk Cable I from \$15.25 per outlet per month to \$16.20 per outlet per month effective May 1, 2023. Bulk Cable I, as defined in the FPB Tariff, typically includes hotels and KSU dormitories. Staff proposes to increase the rate for Bulk Cable II from \$26.60 per outlet per month to \$28.14 per outlet per month effective May 1, 2023. Bulk Cable II, as defined in the FPB Tariff, typically includes office complexes with more than 8 outlets. These increases are the same percentage as the Classic Cable increases and are needed to keep pace with increases in the wholesale license fees FPB must pay to programmers.

**3. Reduce rate for Digital Gateway Fee:**

This public notice proposes to decrease the Digital Gateway Fee from \$2.50 per household per month to \$2.40 per household per month effective May 1, 2023. The Digital Gateway Fee applies to all FPB Cable households who have one or more FPB Advanced Set Tops. One small part of the Digital Gateway Fee is paid for the use of Video On Demand content. With the discontinuation of the FPB Video on Demand service, the expense is no longer applicable, and staff recommends the Digital Gateway Fee be reduced by a commensurate amount.

**4. Reduce Starz/Encore rate:**

This public notice proposes to decrease the Starz/Encore rate from \$15.00 per month to \$9.00 per month effective May 1, 2023. The board recently approved a new agreement with Starz/Encore for distribution of those channels to cable subscribers who subscribe to that package. The new agreement allows for a lower license fee when sold at a lower retail rate and staff would recommend reducing the rate charged to customers to allow it to be competitive with Starz's direct-to-consumer offering.

**5. Update FPB Local Weather Advertising Rates:**

This public notice proposes to adjust the Local Weather advertising rates in Section VII of the FPB Tariff effective May 1, 2023.

As you know The Weather Channel ceased distribution of the Weatherscan service and it has been replaced by a new local weather service on Channel 19 and, as such, the new layout contains advertising

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opportunities that differ from the old weather crawl. Staff would like to establish pricing for these products and eliminate language that refers to the old crawl. Proposed pricing for the new products is very much in-line with the aforementioned crawl.

FPB LOCAL WEATHER (CH 19) - Advertising Products  
SIDE BAR AD and TEXT SCROLL  
Maximum price for both products combined - \$150  
Maximum price for single product - \$100

***John Snyder moved to approve Public Hearing Notice covering: (1) Increasing rate for Cable Network Pass-Through Fee, (2) Increasing rate for Bulk cable I and Bulk cable II, (3) Reducing Digital Gateway Fee, (4) Reducing Starz/Encore rate, and (5) Update FPB Local Weather Advertising rates. Stephen Mason seconded the motion.***

**CARRIED. 5 to 0.**

**7.5 Consider Changes to FPB's Health Plan. (Nichell Brown to discuss)**

Frankfort Plant Board health plan utilizes the Cigna network for medical claims pricing. Recently, one of the frequently used providers was unable to reach an agreement with Cigna and is currently no longer participating in the Cigna network. Sherrill Morgan, our health plan broker has recommended a temporary alternative to minimize the disruption this is causing our health plan members.

A memo from Sherrill Morgan detailing their recommendations is in the detail pages. One of the recommendations is for FPB to pay out of network claims for the provider mentioned in the memo at the in-network level until February 28. This recommendation is projected to be an additional cost of \$10,200.

If an agreement isn't reached between Cigna and the provider by February 28, Staff will update the Board Members with new recommendations.

Staff asks the Board to approve recommendations from Sherrill Morgan listed in the detailed pages with effective date of December 19, 2022 until February 28, 2023.

***Stephen Mason moved to approve changes to FPB's health plan. Jason Delambre seconded the motion.***

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*CARRIED. 5 to 0.*

**8 INFORMATIONAL ITEMS:**

**8.1 Water Service Line Customer and Plumbing Inspector Reporting Initiative.  
(David Billings will discuss)**

The EPA overhauled the 1991 Lead and Copper Rule with the Lead and Copper Rule Revisions (LCRR) that became effective on December 16, 2021.

There is a lot new things with the LCRR, but below are 8 major changes that all public water systems across the nation will have to comply with by the October 2024 deadline.

1. Develop an inventory of all service lines, including public-side and private-side materials, and make it publicly available.
2. Verify as many service lines of unknown material as possible because unknown materials will be classified as lead service lines (LSLs) unless evidence proves otherwise. Unfortunately, institutional knowledge is not considered evidence.
3. For those systems that have exceeded trigger or action levels, prepare a lead service line replacement plan.
4. Revise sampling protocols and communications for 5th liter sampling if there are LSLs in your system.
5. Revise sampling pool locations to align with the new sampling tiers.
6. Prepare a sampling plan and communications for lead testing in schools and day care facilities.
7. Review corrosion control treatment effectiveness by evaluating 5th liter LSL samples and re-optimize if needed.
8. Prepare public notifications and sample notifications and have them ready to meet the quick response times.

In August of 2022, EPA released Guidance for Developing and Maintaining a Service Line Inventory and the Kentucky DOW has been working with utilities (FPB included) to develop an inventory template. The inventory template is now available and staff intends to roll out our own Customer/Plumbing Inspector Reporting Initiative, but wanted to the Board to review the materials beforehand.

Video link:

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## FPB Water - Service Line Inspection

This is "FPB Water - Service Line Inspection" by FPB Media Services on Vimeo, the home for high quality videos and the people who love them.  
vimeo.com

Inventory link: <https://fpb.cc/service>

### 9 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

### 10 INFORMATIONAL ITEM: OLD & NEW BUSINESS

### 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 cost recovery, contract matters, property and 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; and KRS 61.810(1)(m) to discuss a vulnerability assessment and a security needs and response assessment that are exempted from disclosure under KRS 61.878(1)(m)1. b. and e.

*John Snyder moved to Call a Closed Session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding cost recovery, contract matters, property and 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; and KRS 61.810(1)(m) to discuss a vulnerability assessment and a security needs and response assessment that are exempted from disclosure under KRS 61.878(1)(m)1. b. and e. Stephen Mason seconded the motion.*

**CARRIED. 5 to 0.**

### 12 CLOSED DOOR SESSION

- 12.1 Come Out of Closed Session.

*John Snyder moved to come out of closed session. Jason Delambre seconded the motion.*

**CARRIED. 5 to 0.**

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13 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

13.1

*John Snyder moved to direct staff to proceed with directives discussed in the closed session. Kathryn Dutton-Mitchell seconded the motion.*

*CARRIED. 5 to 0.*

14 ACTION ITEM: ADJOURNMENT

14.1 Adjournment.

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

*CARRIED. 5 to 0.*

  
Board Chair

  
Board Secretary/Treasurer

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