



MINUTES

FPB Board Meeting - Zoom

5:00 PM - Tuesday, February 16, 2021

Video-Teleconference

The Frankfort Plant Board met in FPB Board Meeting - Zoom on Tuesday, February 16, 2021 at 5:00 PM in the Video-Teleconference.

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
Brian Bourne, Water Distribution Superintendent
David Denton, Chief Financial Officer
Vent Foster, Chief Operations Officer
Cassie Estill, Customer Service Supervisor
Adam Hellard, Cable/Telecom Superintendent
Scott Hudson, Electric Superintendent
Casey Jones, IT Director
Cathy Lindsey, Communications & Marketing Director
Kathy Poe, Executive Assistant to GM
Hance Price, Assistant GM Administration/Staff Attorney
Kim Phillips, Safety Director
Leigh Ann Phillips, Support Services Director
Julie Roney, Water Treatment Superintendent
Travis McCullar, Chief Electric Engineer
Jennifer Hellard, Purchasing Agent
Gary Zheng, General Manager
Nichell Brown, Human Resource Director
David Columbia, Community Television Coordinator
State Journal

- 1 NOTICE OF SPECIAL MEETING
 - 1.1 Special Meeting Notice
- 2 CONDUCT PUBLIC HEARING

2.1 **Conduct a Public Hearing covering: (1) Increasing rate for Retrans Surcharge, (2) Increasing rate for Cable Network Pass-Through Fee, (3) Increasing rate for Bulk cable I and Bulk cable II, and (4) Reducing rate for HBO Max.**

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) Increasing rate for Retrans Surcharge, (2) Increasing rate for Cable Network Pass-Through Fee, (3) Increasing rate for Bulk cable I and Bulk cable II, and (4) Reducing rate for HBO Max. This Public Hearing was advertised in accordance with the Regulations for Public Notification and appeared in the Weekend, February 6-7, 2021 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 or Cathy Lindsey.

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, March 15, 2021. 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.

Public Hearing was held. There were no public comments.

3 **ACTION ITEM: APPROVAL OF MINUTES**

- 3.1 Consider Approval of the Minutes of the January 19, 2021 Special Board Meeting.

Kathryn Dutton-Mitchell moved to approve the Minutes of the January 19, 2021 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 January 31, 2021.

Mr. Denton discussed budget numbers as well as status on bad debt and service disconnections.

John Snyder moved to accept financials for month ending January 31, 2021. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

5 INFORMATIONAL ITEM: PUBLIC COMMENT

- 5.1 None

6 INFORMATIONAL ITEM: WEBSITE CUSTOMER COMMENTS

- 6.1 Customer Comments

7 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

- TELECOMMUNICATIONS
- POTENTIAL OR AGREED UPON RELATED PARTY TRANSACTIONS
None
- CUSTOMER SERVICE
- ELECTRIC DEPARTMENT
- SEPA
- KYMEA
- SAFETY
- WATER DISTRIBUTION
- WATER TREATMENT PLANT
- NETWORK OPERATIONS CENTER (NOC)
- ADMINISTRATION/OPERATIONS (GENERAL MANAGER)

8 ACTION ITEMS:

8.1 Consideration of increased limits for Directors and Officers and EPLI coverages. (Hance Price and Charlie Hamilton to discuss)

At the January Board meeting, the Board asked whether coverage could be increased incrementally above the current 5M limits for the D&O and EPLI coverages.

Charlie Hamilton, the Board's agent, provided the following information regarding the additional annual premium for increasing the limits for Employment Practices Liability and Directors & Officers Liability limits from \$5M in \$1M increments:

Directors & Officers Liability

\$1M in excess of \$5M is an additional premium of \$10,261.44
\$2M in excess of \$5M is an additional premium of \$15,519.41
\$3M in excess of \$5M is an additional premium of \$22,430.61
\$4M in excess of \$5M is an additional premium of \$28,871.50
\$5M in excess of \$5M is an additional premium of \$34,989.68

Employment Practices Liability

\$1M in excess of \$5M is an additional premium of \$ 5,134.79
\$2M in excess of \$5M is an additional premium of \$ 7,637.04
\$3M in excess of \$5M is an additional premium of \$ 9,135.53
\$4M in excess of \$5M is an additional premium of \$11,758.92
\$5M in excess of \$5M is an additional premium of \$14,250.98

The Board also asked what sources of revenue might be available to fund the increase. Currently, surplus property sales total \$108,665.57. However, this amount fluctuates from year-to-year. For instance, FPB had sales of \$37k in FY 19-20 and \$66k in FY 18-19. Whether to renew, and in what amounts, is at the Board's discretion.

Stephen Mason moved to approve the purchase of additional \$5 million each in liability coverage for both the Directors and Officers and Employment Practices Liability policies. John Snyder seconded the motion.

CARRIED. 5-0

Mr. Mason Amended the motion to add the effective date of February 16, 2021 to expiration of February 5, 2022. Ms. Hale seconded the amended motion.

CARRIED. 5-0.

8.2 Legislative Tracking (Gary Zheng to discuss)

Recently, the Board indicated that it would like to explore ways to enhance legislative tracking. Currently, Staff and the Board receive information from several different sources. Some of the questions, among others, to consider include: what types of reports the Board would like to receive, what topics would the Board like reviewed, and what frequency would the Board like to receive the reports.

Board members and Staff discussed potential issues and strategies. Mr. Zheng and management will research options and proceed through FPB's procurement policy and bring options back to the Board in the November 2021 board meeting. Additionally, staff and board will reach out to KMUA to discuss coordinating efforts to obtain some advanced notice on bills of potential interest to FPB and for KMUA to possibly enhance tracking of legislation that may impact FPB's Telecommunications Department.

8.3 Consider Approving Public Hearing Notice covering Tariff revisions related to AMI Deployment and Opt-out. (Travis McCullar will discuss)

The electric and water AMI full system deployment is expected to begin in July of this year. In preparation of those installation activities, a uniform policy will need to be established to address customers that refuse an AMI meter due to privacy or other concerns. The general utility practice has been to adopt an opt-out policy to address those customer concerns, but at the same time will directly recover the increased cost to provide those customers service.

A draft policy has been provided for the Board's consideration. The terms included follow general industry standards and have been adjusted to match our customer base. Included in the recommended policy is a one-time \$100 fee to recover cost associated with the installation of a non-standard meter and a recurring fee of \$21 to recover ongoing costs associated with manual reading. These proposed fees assume approximately 1-2% of the customers will elect to opt-out.

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.

Board and Staff discussed specifics of opt-out policy and fees. The Board requested that Staff research the possibility of reducing the monthly fee for economically challenged households. Additionally, the Board requested that Staff provide avenues for customer education regarding the AMI deployment and benefits for customers.

Mr. McCullar advised that a website dedicated to AMI and educating customers was being developed and was nearly complete. He further noted that information regarding AMI will be presented on Cable 10 as well as discussed on Around 10.

Kathryn Dutton-Mitchell moved to schedule the Public Hearing on AMI Deployment and Opt-out for the March Board meeting, and for Staff to do the proper public notices with emphasis on providing the public information so that people understand exactly what the program is about prior to the March meeting. John Snyder seconded the motion.

CARRIED. 5 to 0.

- 8.4 **Consider Approving Professional Services Contract for FTTP Network Design with Rainbow Design Services in the amount of not to exceed \$650,000.00. (Adam Hellard will discuss)**

Staff recommends the award of the Professional Services Contract for FTTH Network Design to Rainbow Design Services, Inc. Staff sent out an RFP on November 11th, 2020, and had four companies respond. A team of 6 staff members scored each of the company's proposals based on the RFP criteria. Upon review, staff recommends Rainbow Network Design to provide FPB with FTTH design assistance. Rainbow is based out of Louisville, KY, and has been in the infrastructure design business for over 25 years. Rainbow has been involved with many FTTH projects comparable to ours and has worked with several similarly sized cable companies, including Bardstown Cable. This approval will allow staff to speed up the NextBand build schedule. The Asst GM for Administration has reviewed the agreement, and it meets with his approval.

Stephen Mason moved to approve Professional Services Contract for FTTH Network Design with Rainbow Design Services in the amount not to exceed \$650,000. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

- 8.5 **Consider Award of Bid Invitation #1708– Electric Metering Materials to Power Line Supply in the amount of \$45,141.30. (Jennifer Hellard will discuss)**

Staff prepared bid invitation #1708 for various electric metering materials. Seals, sealing rings, enclosures, and barrel locks are used currently with our existing meters, however those will have to be replaced when the meters are pulled and changed to AMI meters. The adapters are a new item that is needed to switch from our current meters to the AMI meters. After this initial bulk order, these items will be ordered only as needed to replenish stock. The bid was publicly advertised and issued directly to seven vendors. Four responses were received.

Staff has reviewed the bid submissions and recommends award to Power Line Supply, who was the low bidder meeting specifications. The cost for this equipment is included in the FY21 Capital Budget for AMI.

John Snyder moved to award Bid Invitation #1708 - Electric Metering Materials to Power Line Supply in the amount of \$45,141.30. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

8.6 Consider Approving Tennis Channel Agreement. (Harvey Couch will discuss)

Staff recommends approval of the Tennis Channel agreement. This National Cable Television Cooperative (NCTC) agreement has a term through December 31, 2023.

FPB originally launched Tennis Channel in the summer of 2013 on Preferred Cable channel 151. It was later purchased by Sinclair Media Group. When FPB executed a retransmission consent agreement with Sinclair for carriage of WDRB-Fox 56-Lexington in December 2017, we were required to migrate Tennis Channel to Classic Cable. In the summer of 2020, WDRB was transferred from Sinclair to Nexstar. When it came time to execute a renewal for WDRB (this time with Nexstar), FPB was required to launch WGNA on Classic Cable. Because of the added cost and space used to launch WGNA, staff has been working with NCTC and Sinclair to re-launch Tennis Channel on Preferred Cable. In early February, Sinclair agreed to allow FPB to re-launch Tennis Channel on Preferred Cable.

Tennis Channel will re-launch 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. There are no additional carriage requirements or obligations included in this agreement. The Staff Attorney has reviewed the agreement and it meets with his approval.

Stephen Mason moved to approve Tennis Channel Agreement. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

8.7 Consider approving (1) Amendment to Smithsonian Service Agreement, (2) Amendment to CBS Sports Network Agreement, and (3) Amendment to CBS Television Network Video on Demand. (Harvey Couch to discuss)

Staff recommends Approving the Amendments to the Smithsonian, CBS Sports Network (CBSSN), and CBS Televisions VOD Agreements. These amendments all have terms through December 15, 2024.

In early 2016, FPR launched CBS Video on Demand at the same time we launched CBS Sports Network. We were able to negotiate a deal that we feel is a very positive one for FPB Cable customers. In exchange for launching CBSSN

on Preferred Cable, CBS provided CBS VOD content to FPB for no additional cost.

Our current agreements were set to expire at the end of 2021. When FPB approached CBS to acquire MobiTV rights for their networks, CBS asked to extend our existing agreements for an additional three years. These amendments maintain our existing no-cost arrangement for CBS VOD. Our rates will remain flat throughout 2021 on CBSSN and Smithsonian, with annual increases of less than 5% - this is lower than the budgeted amount. No additional carriage or distribution requirements are included in these amendments.

The Assistant GM for Administration has reviewed these agreements and they meet with his approval.

John Snyder moved to approve (1) Amendment to Smithsonian Service Agreement, (2) Amendment to CBS Sports Network Agreement, and (3) Amendment to CBS Television Network Video on Demand. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

8.8 Approve Cable Advisory Committee Appointment. (Harvey Couch will discuss)

Consider appointing Ms. Christine Bryan to the Cable Advisory Committee with a term beginning February 17, 2021 through February 16, 2024. The appointment is needed to fill the vacancy created by the expiration of Ms. Alisha Morris' term. Staff advertised the opening of the volunteer position in the State-Journal, on the FPB website, Facebook, and Twitter pages. It was also advertised on the Cable 10 bulletin board and on Around 10.

A copy of Ms. Bryan's resume and letter of interest is included for your review.

Staff would like to recognize Alisha Morris' service to the Cable Advisory Committee. She served from 2014 to 2020. We appreciate her service and her contribution to the FPB and this community.

Dawn Hale moved to approve the Cable Advisory Committee Appointment of Ms. Christine Bryan with a term beginning February 17, 2021 through February 16, 2024. John Snyder seconded the motion.

CARRIED. 5 to 0.

8.9 Consider Approval of Public Hearing Notice to Establish Terms of Service for Nextband Stream powered by MobiTV. (Harvey Couch will discuss)

As FPB gets closer to rolling out our app-based video service powered by MobiTV, Terms of Service for this must be established. These terms of service

are required by MobiTV, and customers who subscribe to the service, which is called Nextband Stream, must accept the Terms of Service in the application in order to access the service.

Kathryn Dutton-Mitchell moved to approve Public Hearing Notice to Establish Terms of Service for Nextband Stream. John Snyder seconded the motion.

CARRIED. 5 to 0.

8.10 Ashwood Solar Commitment (Gary Zheng to discuss)

KyMEA is considering increasing its share of the Ashwood Solar Project from 54 to 86 MWs. Currently, KYMEA has a 20-year PPA for 54 MW of solar generation which begins operation in late 2022. By 2023, assuming KYMEA does not exercise its option for additional solar, 14% of KYMEA's energy will be from renewable resources. Staff asks that the Board provide direction as to whether it would like to increase its share in Ashwood.

The Board passed this item.

8.11 Determine relocation site of the old steam pump wheel, piston, and marker currently located at the Reservoir. (David Billings to discuss)

The old steam pump wheel, piston, and American Water Works Association (AWWA) marker, designating the Reservoir as a landmark significant in the history of public water supply, need to be relocated due to the upcoming construction project. The pump wheel and piston are from the original plant that was located on Old Lawrenceburg Rd. The marker was presented to the FPB in 1986 to commemorate 100 years of service to the community.

Originally it was thought the treatment plant might be a good location, but visitation by the public is not encouraged. To date, three sites have been identified as possible locations: the new Administration Building, Cove Spring Park, or elsewhere at the Reservoir site.

At the January Board meeting, directors discussed the options and there was a general consensus that the AWWA marker should remain at the Reservoir site, and the wheel and piston be relocated to the roundabout near the front door of the new administration building. Staff was asked to reach out to the State Historic Preservation Office, who informally suggested that the items be properly interpreted (usually a sign that provides historical background and helps place them in their historic context) to help people understand why they are in their current location.

Would the Board like to consider a decision to relocate the wheel and piston to the administration building and have the AWWA marker remain elsewhere at the Reservoir site?

John Snyder moved to direct Mr. Zheng to formally contact the City of Frankfort, Parks and Recreations Department, and Historical Society to gauge their interest in the wheel and piston with the understanding that FPB will bear the cost of removal and restoration. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

9 INFORMATIONAL ITEMS:

9.1 Information & Discussion - Ethics Committee Update (Hance Price to discuss)

Staff is continuing to collect financial disclosure forms. Also, we have contacted the ethics committee members regarding possible dates for a meeting to review the forms. The goal is to have the Committee review the forms by the end of the month.

Mr. Price stated that contact had been made with some of the Ethics Committee members, that meeting dates were being considered, and Financial Forms were being collected for review.

9.2 Information & Discussion - Signage at U.S. 127 Water Tank.

Ms. Lindsey explained and demonstrated options for different logos on the U.S. 127 water tank. She will reach out to the City and related entities, and solicit public comments, and bring this back to the Board at the March board meeting. Mr. Price will follow up with the City Solicitor regarding any potential issues.

9.3 Information & Discussion - Lawn Mower/Water Heater Rebate Program.

After discussion among the Board members it was suggested that FPB to provide some educational material and information to the public regarding energy efficiency and pollution.

10 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

10.1 Chair moves to call a closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation regarding subcontractor lien claim and KRS 61.810(1)(m) to discuss specific records exempted from disclosure by KRS 61.878(1)(m).

John Snyder moved to convene closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation regarding subcontractor lien claim and KRS 61.810(1)(m) to discuss specific records exempted from disclosure by KRS 61.878(1)(m). Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

11 CLOSED DOOR SESSION

11.1 Closed Session held.

John Snyder moved to adjourn closed session and come back to open session. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

12 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

12.1 No Action Taken.

13 ACTION ITEM: ADJOURNMENT

13.1 Adjournment

Stephen Mason moved to Adjourn Board meeting. John Snyder seconded the motion.

CARRIED. 5 to 0.



Board Chair



Board Secretary/Treasurer