



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, March 16, 2021

Video-Teleconference

The Frankfort Plant Board met in FPB Board Meeting on Tuesday, March 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
Katrina Cummins, Finance Director
David Denton, Chief Financial Officer
Vent Foster, Chief Operations Officer
Cassie Estill, Customer Service Supervisor
Adam Hellard, Cable/Telecom Superintendent
Ryan Henry, Assistant IT Director
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
Gary Zheng, General Manager
Nichell Brown, Human Resource Director
Shane Holt, Assistant Cable/Telecom Superintendent
Brian Bourne, Water Distribution Superintendent
State Journal

1 NOTICE OF SPECIAL MEETING

1.1 Notice of Special Meeting via Video-Teleconference.

2 **ACTION ITEM: APPROVAL OF MINUTES**

2.1 Consider Approval of the Minutes for the February 16, 2021 Board Meeting.

Kathryn Dutton-Mitchell moved to approve the minutes for the February 16, 2021 Board Meeting. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

3 **ACTION ITEM: AFFIRMATIVE ACTION PLAN**

3.1 **Consider Approval of Updated Affirmative Action Plan, (AAP) for Women and Minorities; and Affirmative Action Plan for Individuals with Disabilities and Protected Veterans for 2020 and 2021. (Nichell Brown and Carol Dawson will discuss)**

Staff requests the Board consider approval of FPB's voluntary Affirmative Action Plan (AAP) for Women and Minorities for 2020 and 2021 and the AAP for Individuals with Disabilities and Protected Veterans for 2020 and 2021. Copies of the AAPs and the Audit Report were provided to Board Members in advance.

The AAP is a management tool designed to ensure equal employment opportunity by analyzing work force and recruitment data. For job groups indicating women and/or minorities are not employed at a rate to be expected given their availability, the AAP includes goals and action items to address the underutilization. The AAP audit includes a review of all employment actions (hiring, terminations, & promotions) in 2019.

In filling job openings on a regular ongoing basis, FPB seeks to hire the best qualified candidate for each position, without regard to sex, race, ethnicity, religion, national origin, or any other protected status. In recruiting for external candidates, FPB consistently advertises with the local newspaper, FPB's Cable channel, the internet (including FPB's website) and notifies the state's department of employment. We also utilize community and other resources to generate a diverse pool of candidates. Since the end of the AAP reporting period, December 2019, FPB has hired 11 new employees including 2 females.

Carol Dawson of EEO GUIDANCE will present an overview of the AAP and Audit Report and her recommendations. Ms. Dawson is a former Sr. Compliance Officer and Area Director for the U.S. Dept. of Labor (DOL)/Office of Federal Contract Compliance Programs (OFCCP). Ms. Dawson provides consulting services and training on equal employment opportunity and diversity/inclusion. She has worked with FPB since approximately 2003.

Ms. Dawson of EEO Guidance discussed the audit report and answered the Board's question. She further advised the board of a typographical error which has been corrected.

It was further noted that FPB would develop updated procedures to attract applicants in the flagged areas and bring that back to the Board in July.

Kathryn Dutton-Mitchell moved to approve the updated Affirmative Action Plan (AAP) for Women and Minorities; and Affirmative Action Plan for Individuals with Disabilities and Protected Veterans for 2020 and 2021. John Snyder seconded the motion.

CARRIED. 5 to 0.

4 CONDUCT PUBLIC HEARINGS

4.1 Conduct Public Hearing covering Tariff revisions related to AMI Deployment and Opt-out.

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 Tariff revisions related to AMI Deployment and Opt-out. This Public Hearing was advertised in accordance with the Regulations for Public Notification and appeared in the Weekend, March 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, April 19, 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. Travis McCullar will provide a summary of the details.

The public hearing was held. There were no public comments.

At the board's request, staff discussed options that could be considered for low income customers. Staff explained the manner in which FPB would need to handle such options administratively.

4.2 **Conduct Public Hearing regarding Establishing Terms of Service for Nextband Stream.**

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 Establishing Terms of Service for Nextband Stream. This Public Hearing was advertised in accordance with the Regulations for Public Notification and appeared in the Weekend, March 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.

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

The public hearing was held. There were no public comments.

In response to Ms. Hale, Mr. Couch stated that staff could put together a bullet point list of the most important points included in the "Terms of Use".

5 ACTION ITEM: ACCEPT FINANCIALS

5.1 Consider Accepting the Financials for the Month ending February 28, 2021.

Mr. Denton reviewed past due accounts and customer cut-off numbers as well as FPB financial information.

John Snyder moved to accept the financials for the month ending February 28, 2021. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

6 INFORMATIONAL ITEM: PUBLIC COMMENT

6.1 Email Comment from Commissioner Leesa Unger regarding the Apogee Solar Report was read into the record by Ms. Poe.

7 INFORMATIONAL ITEM: WEBSITE CUSTOMER COMMENTS

7.1 Web Comments.

8 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)

ACTION ITEMS:**9.1 Consider Approval of Changes to Financial Disclosure Form and Accept Minutes. (Hance Price will discuss)**

On February 26, 2021 the FPB Ethics Committee met to accept financial disclosure forms from the Board and Staff. Forms were accepted and Mr. Steve Reeder was elected chair of the FPB Ethics Committee. The Committee made several suggestions to the ethics policy including:

1. Providing a plant board vendor list to the committee so the committee can compare to the disclosures on the forms.
2. Adding a self-disclosure question to the financial disclosure form asking is the submitter is aware of anything (business interest, relationship, etc.) that could create a conflict.
3. Adding in the signature block a certification that it is true and correct to the best of my knowledge and belief. KRS Chapter 65 does not require a statement under penalty of perjury so a certification is the next best option.
4. Correcting editing matters in the financial disclosure form – (change city to FPB in Q. 12 and change \$50 to \$100 in Q.14 so it matches to the policy)
5. Providing training for the staff and board on the “why” behind the form. Perhaps a brief class or a memo.

Staff asks that the Board move to adopt the Committee’s suggestions as listed above and changes to the financial disclosure form and accept the minutes of the 2/26/21 Ethics Committee Meeting.

Dawn Hale moved to accept the minutes of the February 26, 2021 FPB Ethics Committee meeting and approve changes to the Financial Disclosure Form. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

9.2 Consider Approving RFD-TV renewal. (Harvey Couch will discuss)

Staff recommends approving the RFD-TV renewal. This NCTC agreement has a term through March 31, 2025. FPB currently carries RFD-TV on channel 123 and in HD on 623 on the optional Preferred Cable tier. This agreement affords FPB the opportunity to maintain our current RFD-TV subscriber rate throughout 2021. Future year-over-year increases are tied to CPI. RFD-TV is a 24-hour television network featuring programming focused on the agribusiness, equine and the rural lifestyle, as well as traditional country music and entertainment. 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 the RFD-TV renewal. John Snyder seconded the motion.

CARRIED. 5 to 0.

- 9.3 **Consider Approval of: (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. (Harvey Couch will discuss)**

Staff recommends the approval of proposed rate changes effective May 1, 2021. The proposed Retrans Surcharge, Cable Network Pass-through Fee, and Bulk cable rate increases are a direct pass-through of increased programming costs of the local broadcast stations and the cable networks on Classic Cable. If approved, the Retrans Surcharge would increase to \$22.39 per month effective 5/1/21, \$24.78 per month effective 1/1/22, and \$27.25 effective 1/1/23; the Cable Network Pass-Through Fee would increase from \$56.71 per month to \$59.66 per month effective 5/1/21, the Bulk Cable I rate would increase from \$13.96 per outlet per month to \$14.80 per outlet per month, and Bulk Cable II rate would increase from \$24.35 per outlet per month to \$25.81 per outlet per month.

On January 19, 2021, the Board approved the public meeting notice and that hearing was conducted on February 16, 2021. No customer comments were received at that hearing or between January 20 and February 11.

John Snyder moved to approve (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. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

- 9.4 **Consider Award of Bid Invitation #1709 for one Medium Power Transformer to Virginia Transformer Corporation in the Amount of \$581,075. (Travis McCullar will discuss)**

Staff prepared an invitation for one substation class medium power transformer and publicly advertised it along with distributing to potential vendors. In total, nine bid responses were received. After reviewing all bids, staff recommends awarding to Virginia Transformer Corporation in the amount of \$581,075 with a delivery of 175-182 days (25-26weeks).

Bids were evaluated on a total ownership cost formula, which assigns a dollar value for energy losses over the life of the transformer. This cost formula was used to evaluate all vendors and was provided to all potential bidders in the bid

invitation. Based on this evaluated cost, Virginia Transformer submitted the lowest bid and met specifications.

This transformer will be used to replace existing substation equipment that is being retired due to age and ongoing voltage conversions. This purchase is included in the 2020-2021 companywide capital additions budget, Page 16, Line Item 105. The amount included in the budget for this project is \$1,440,000.

Stephen Mason moved to approve Bid #1709 for one medium power transformer to Virginia Transformer Corporation in the Amount of \$581,075. John Snyder seconded the motion.

CARRIED. 5 to 0.

- 9.5 **Consider Amendments to the Job Classification and Compensation Plan: Create IT Security Analyst and IT Network Engineer Positions and Reclassify IT Systems Engineer Position. (Nichell Brown will discuss).**

Staff asks the Board to consider approving the creation of the IT Security Analyst and IT Network Engineer positions, as well as the reclassification of the IT Systems Engineer position. These positions report to the Information Technology Director and are needed to support upcoming department projects and for succession planning.

The IT Security Analyst position will be responsible for the continued expansion and maturity of FPB security programs and provide leadership in security compliance assessments. The IT Network Engineer position will assist in the design, deployment, and maintenance of new and existing FPB corporate and service provider projects. The IT Systems Engineer position is a reclassification and retitle of the existing Senior Systems Analyst position, which now includes supervisor duties.

Based on an evaluation of each job description, the recommended classification of IT Security Analyst is 115, with a minimum starting pay of \$ 70,520. The IT Network Engineer and IT Systems Engineer positions each have a recommended classification of 116, with a minimum starting pay of \$ 75,254. All three positions are Exempt.

The proposed job descriptions, organizational chart, and list of authorized positions for the IT Department are included in the detail pages for this Board item. If approved, Staff plans to post the new positions for internal and external candidates simultaneously.

FPB included the positions and reclassification in the current budget.

Kathryn Dutton-Mitchell moved to approve Amendments to the Job Classification and Compensation Plan: Create IT Security Analyst and IT

Network Engineer positions and Reclassify IT Systems Engineer Position.
Dawn Hale seconded the motion.

CARRIED. 5 to 0.

9.6 **Consider Approval of Agreement with Groves Construction and Bowlin companies for Storm response. (Scott Hudson will discuss)**

Staff asks that the board approve agreements with Groves Construction and Bowlin Companies for storm response. In order for FPB to be eligible for FEMA reimbursements we must have on file agreements with contractors that can provide services to FPB in an outage restoration. These two (2) companies have provided pricing and would charge these amounts to FPB for work performed in an outage restoration after an emergency such as a storm. These companies are located in Kentucky and perform quality work. Staff asks that the board approve the agreements and rate sheets with Groves Construction and Bowlin Companies. This has been reviewed and approved by the staff attorney.

Dawn Hale moved to approve Agreement with Groves Construction and Bowlin Companies for storm response. Stephen Mason seconded the motion.

CARRIED.

10 INFORMATIONAL ITEMS

10.1 **Discuss the FPB 2021-2022 Fiscal Year Budget Preparation Timeline and Board of Director Budget Initiatives. (John Cubine will discuss)**

The FPB Board and staff will discuss items related to budget development for the 2021-2022 fiscal year. A proposed budget development timeline is included in this board packet.

Mr. Cubine advised that board members should communicate any questions, concerns, suggestions or ideas regarding the FY 21-22 budget with Staff as soon as possible.

Mr. Denton discussed the proposed budget schedule/timeline presented to the board and requested that board members review their schedules in order to get budget review meeting on the calendar. The suggested date was June 2, 2021 in the afternoon. He reiterated the rules and guidelines for budget approval and reporting for Special Purpose Government entities, and advised that FPB is required to have a budget approved by June 30, 2021.

10.2 Update on Reservoir wheel/piston/marker. (David Billings will Discuss)

Mr. Billings advised that the cost estimate for restoring the wheel and piston located at the reservoir site came in at \$5,000. He further noted that the wheel was significantly deteriorated and damaged. He stated that staff would remove the wheel as carefully as possible, deliver it to the Water Treatment Plant to be inspected. Staff would then notify the board if the wheel was salvageable and options. Mr. Billings stated that the piston and marker would be removed and relocated.

10.3 Signage at U.S. 127 Water Tank. (Cathy Lindsey will discuss)

Ms. Lindsey discussed feedback received from the various City and County entities regarding signage on the US 127 water tank and noted all was favorable. She advised that the cost estimate was \$2,500-\$4,500 depending on which designed was chosen. Ms. Lindsey also stated that no feedback had been received regarding possible cost sharing.

Ms. Lindsey advised that she would initiate a broader survey for public feedback.

10.4 Discuss Apogee Solar Report. (Gary Zheng and Vent Foster will discuss)

Mr. Zheng discussed status of report and analysis to be completed. He advised that he had communicated with the school board, the City manager, and the County Judge Executive receipt of the report, and that FPB would undertake a thorough analysis. He acknowledged that a response to this analysis would be on the agenda for the board's consideration at its April 20, 2021 regular board meeting.

Ms. Dutton Mitchell acknowledged her appreciation for the work on the Apogee report and the foresight of FPB with its net metering policy and its decision to leave Kentucky Utilities. She further stated that the board would give this report its complete analysis and consideration, and requested the public's patience as the board works through the process.

11 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

- 11.1 Move to call a closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding subcontractor lien and subrogation matter.

Stephen Mason moved to call a closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding subcontractor lien and subrogation matter. John Snyder seconded the motion.

CARRIED. 5 to 0.

12 CLOSED DOOR SESSION

12.1 Closed session held.

13 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

13.1 Action Taken.

John Snyder moved to direct FPB attorney to proceed as according to instruction given to him in closed session. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

14 ACTION ITEM: ADJOURNMENT

14.1 Adjourn FPB Board Meeting.

Kathryn Dutton-Mitchell moved to adjourn FPB Board Meeting. John Snyder seconded the motion.

CARRIED. 5 to 0.



Board Chair



Board Secretary/Treasurer