



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, April 19, 2022

The Frankfort Plant Board met on Tuesday, April 19, 2022 at 5:00 PM in the FPB Community Room.

ATTENDANCE:

John Cubine, Board Chair
John Snyder, Board Vice Chair
Stephen Mason, Board Secretary/Treasurer
Kathryn Dutton-Mitchell, Board Member
Jason Delambre, Board Member
April Rhodes, Customer Service Supervisor
Katrina Cummins, Finance Director
David Denton, Chief Financial Officer
Vent Foster, Chief Operations Officer
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
Jennifer Hellard, Purchasing Agent
Gary Zheng, General Manager
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
Julie Roney, Water Treatment Plant Superintendent
Brandon Powers, Asst. WTP Superintendent
Sharmista Dutta, Water Engineer
State Journal

1 ACTION ITEM: APPROVAL OF MINUTES

- 1.1 Approve the Minutes for the March 15, 2022 Board Meeting.

Kathryn Dutton-Mitchell moved to approve the Minutes of the March 15, 2022 Board Meeting. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

- 1.2 Approve the Minutes for the March 23, 2022 Special Board Meeting.

Stephen Mason moved to approve the Minutes of the March 23, 2022 Special Board Meeting. John Snyder seconded the motion.

CARRIED. 5 to 0.

- 1.3 Approve the Minutes for the April 6, 2022 Special Board Meeting.

John Snyder moved to approve the Minutes of the April 6, 2022 Special Board Meeting. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

2 ACTION ITEM: ACCEPT FINANCIALS

- 2.1 Accept the Financial Statements for Month Ending March 31, 2022.

Jason Delambre moved to accept the Financial Statements for Month Ending March 31, 2022. John Snyder seconded the motion.

CARRIED. 5 to 0.

3 INFORMATIONAL ITEMS:

- 3.1 Information Item- Discussion of 1898&Co. Rate Design Report and Consideration of Public Hearing. (1898 and Staff to discuss)

The consultant with 1898&Co. will be on site to provide feedback and answer questions regarding the rate study presented March 23rd at the Special Meeting. Staff will also provide information regarding suggested next steps including short-term tariff additions and long-term planning strategy. Staff updates will include:

- Value of Solar discussion and options for environmental cost benefits.
- Renewable Energy Certificate program framework.
- EV charging rates including time of use options.

John Snyder moved to hold Public Hearing and review draft tariffs at the May board meeting. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

3.2 **Presentation of the APPA Safety Award (J.C. Lyons will discuss)**

Staff is pleased to announce that the 2021 safety record of Frankfort Plant Board has achieved Honorable Mention (in Group E) from the American Public Power Association's (APPA) 2021 Safety Awards of Excellence.

See the press release below:

WASHINGTON, D.C. — Frankfort Plant Board has earned the American Public Power Association's Safety Award of Excellence for safe operating practices in 2021. The utility earned the Honorable Mention award in the category for utilities with 110,000-249,999 worker-hours of annual worker exposure.

"In our industry, safety is the top priority," said Bob Scudder, Chair of APPA's Safety Committee and Industrial Hygiene and Corporate Risk Manager at Grand River Dam Authority. "This is a commitment that needs to come from the top down and permeate every aspect of operations. These awarded utilities have embraced this priority, and they deserve to be celebrated." 18 utilities from across the country entered the annual Safety Awards. Entrants were placed in categories according to their number of worker-hours and ranked based on the most incident-free records during 2021. The incidence rate, used to judge entries, is based on the number of work-related reportable injuries or illnesses and the number of worker-hours during 2021, as defined by the Occupational Safety and Health Administration (OSHA).

"Frankfort Plant Board values employee safety above all else," said Gary Zheng, General Manager of FPB. "We all recognize the importance of going home to our families each day; this is what drives our dedication to safety."

The Safety Awards have been held annually for more than 65 years. APPA is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities across the nation.

4 **ACTION ITEM:**

4.1 **Consider Acceptance of Draft Community Solar Report from 1898&Co. into the Record. (1898 and Staff to discuss)**

1898&Co. will provide a draft of the community solar study to the Board and be available to answer preliminary questions. Once the report has been accepted by the Board, Staff will be able to proceed with the next steps in the process including planning public engagement activities and budget preparation. The report will include a summary of the extensive site selection process and a pro-forma financial analysis. The report will also include for the Board's consideration options for the solar program framework, including ownership vs. subscription models.

Jason Delambre moved to accept the Draft Community Solar Report from 1898&Co. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

5 INFORMATIONAL ITEM: PUBLIC COMMENT

5.1 None.

6 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)

7 ACTION ITEMS:

- 7.1 Consider Accepting the Minutes of the November 10, 2021 Ethics Committee Meeting and the Minutes of the March 29, 2022 Ethics Committee Meeting. (Hance Price to discuss)

The FPB Ethics Committee met on November 10, 2021 to ratify items and revisions related to FPB's Ethics Policy. These minutes have been reviewed and approved by the Ethics Committee. Staff recommends acceptance of the Ethics Committee Minutes.

The Ethics Committee met on March 29, 2022 and reviewed the financial disclosure forms for 2022. They were found to be in order. Staff recommends acceptance of the ethics committee minutes.

John Snyder moved to accept the Minutes of the November 10, 2021 Ethics Committee Meeting and the Minutes of the March 29, 2022 Ethics Committee Meeting. Jason Delambre seconded the motion.

CARRIED. 5 to 0.

7.2 **Consider Award of Bid Invitation #1746- Underground Cable to Brownstown Electric Supply in the amount of \$63,625.00. (Jennifer Hellard will discuss)**

Staff prepared a bid invitation for #4/0 Underground Cable. This is kept in FPB's inventory and needs to be replenished periodically. Orders for this item depend on new development and the replacement of bad or damaged cable. The quantity on this order will be used for the Tiger Grant project on Second St. The bid invitation was sent directly to ten vendors as well as advertised publicly and four responses were received. The low bidder added a condition that their pricing would be adjusted based on metals escalations which may occur between now and the shipment date. Due to this stipulation and the longer lead time staff recommends awarding to the second lowest bidder, Brownstown Electric Supply.

Stephen Mason moved to Award Bid Invitation #1746 - Underground Cable to Brownstown Electric Supply in the amount of \$63,625.00. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

7.3 **Consider Amendments to the Job Classification and Compensation Plan: Reclassify Safety Field Assistant position and job title change. (Nichell Brown to discuss).**

Staff asks the Board to consider approving the reclassification of the Safety Field Assistant position to create a progression series. This change will result in changing the current Safety Field Assistant to Safety Field Assistant I and create a Safety Field Assistant II.

The Safety Field Assistant I (formerly the Safety Field Assistant position) will perform field audits, consisting of documenting deficits and recommending improvements for compliance. Will serve as resource person for field safety questions that arise during daily work routine. Coordinates hazard communications program, to maintain SDS sheets & chemical inventory. Assists Safety Director with workers compensation program. Investigates and properly documents auto and other liability claim accidents. Develops safety training library for use by employees. Provides instruction, evaluates and designates forklift operators. Troubleshoots, repairs, calibrate and maintain multi-gas meters for all departments. Coordinates electric protectives equipment for all departments (except electric) in accordance with OSHA 1910.137.

The Safety Field Assistant II will perform the same duties as mentioned above, along with coordinating with the Safety Director on planning, organizing, directing, the activities and programs of the department along with other duties assigned.

Based on an evaluation of each job description, the recommended classification of Safety Field Assistant I is a grade 107, with a minimum starting pay of \$42,161.60. The Safety Field Assistant II is a grade 109, with a minimum starting pay of \$47,049.60.

Currently, there is a job opening for the Safety Field Assistant position. If approved Staff will update the current job posting and advertise for a Safety Field Assistant I and II but only hire one candidate. Staff believes the recommended changes will assist in recruitment and the department's development.

The proposed job descriptions, organizational chart, and list of authorized positions for the Safety Field Assistant positions are included in the detail pages for this Board item.

Jason Delambre moved to approve Amendments to the Job Classification and Compensation Plan to Reclassify Safety Field Assistant Position and job title change. John Snyder seconded the motion.

CARRIED. 5 to 0.

7.4 Consider Approval of Restatement of 401(a) Defined Contribution Plan. (Nichell Brown to discuss).

At the January 21, 2020 Board Meeting, Board members approved to adopt a new 401(a) Defined Contribution Plan for employees that participate in the Tier 3 Cash Balance pension plan administered by Kentucky Public Pension Authority (KPPA).

The Internal Revenue Service ("IRS") has regulations that require all pre-approved Plan documents to be completely restated every six years to conform with recent law updates and to comply with the Plan's operation since the last restatement period. This is commonly referred to as a restatement. Nationwide Retirement Solutions, FPB's Plan Administrator, received an Opinion Letter from the IRS related to the pre-approved Plan document and that the Plan documents have now been restated. Beyond rearranging the provisions to be more intuitive and minor updates to the provisions, there are five major distinctions in the provisions of the documents between the Third Cycle documents and the old PPA documents. These include:

1. The IRS will no longer provide a ruling on any trust and/or custodial provisions. Therefore, all of these provisions had to be removed from the Third Cycle documents, which means that some Plans will now have a separate trust agreement, which will be used in conjunction with the Third Cycle documents.
2. The IRS required enhanced clarification in the provisions related to the Discretionary Match.
3. The Computation Period of any Employer contributions now defines if a true-up calculation is needed or not.

4. If your Plan has an automatic escalation of affirmative elections, then any deferral elections under a 401(k) will expire annually.
5. Any Employer contribution provisions can no longer reference outside documents (such as a Collective Bargaining Agreement). Instead, the IRS is requiring the formula be entered into the "Other" section.

Included in the detail pages is a summary of the plan and all required documents needed to execute the restatement of the plan.

Staff recommends execution of restatement documents for FPB's 401(a) plan.

John Snyder moved to approve Restatement of 401(a) Defined Contribution Plan. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

8 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

9 INFORMATIONAL ITEM: OLD & NEW BUSINESS

10 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

- 10.1 Request the Chair to call a closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding a contract matter and OSHA matter; and pursuant to KRS 61.810(1)(g) regarding discussions concerning a specific proposal since open discussion would jeopardize the siting, retention, expansion, or upgrading of a business.

John Snyder moved to go in to closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding a contract matter and OSHA matter; and pursuant to KRS 61.810(1)(g) regarding discussions concerning a specific proposal since open discussion would jeopardize the siting, retention, expansion, or upgrading of a business. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

11 CLOSED DOOR SESSION

- 11.1 Come out of Closed Session.

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

CARRIED. 5 to 0.

Stephen Mason

For

John Cubine For
John Snyder For
Kathryn Dutton-Mitchell For
Jason Delambre For

12 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

12.1 To proceed as discussed in closed session.

John Snyder moved to direct general counsel to proceed as discussed and directed by the board in closed session regarding the contractor litigation matter. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

Stephen Mason For
John Cubine For
John Snyder For
Kathryn Dutton-Mitchell For
Jason Delambre For

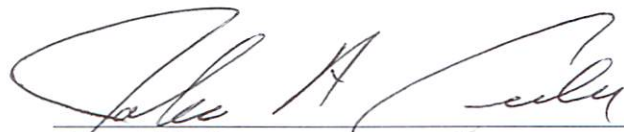
13 ACTION ITEM: ADJOURNMENT

13.1 To Adjourn.

John Snyder moved to Adjourn. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

Stephen Mason For
John Cubine For
John Snyder For
Kathryn Dutton-Mitchell For
Jason Delambre For



Board Chair



Board Secretary/Treasurer