



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, May 16, 2023

Community Room

The Frankfort Plant Board met on Tuesday, May 16, 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
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
April Rhodes, Customer Service Supervisor
Adam Hellard, Cable/Telecom Superintendent
Scott Hudson, Electric Superintendent
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
Danny Harring, Asst. Water Distribution Superintendent
Brandon Powers, Water Treatment Plant Superintendent
Craig Brown, 1898 & Co.

1 ACTION ITEM: APPROVAL OF MINUTES

1.1 Consider Approval of the Minutes for the April 18, 2023 Board Meeting.

Jason Delambre moved to approve the Minutes for the April 18, 2023 Board Meeting. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

- 1.2 **Consider Approval of the Minutes for the April 28, 2023 Special Board Meeting.**

John Snyder moved to approve the Minutes for the April 28, 2023 Special Board Meeting. Stephen Mason seconded the motion. CARRIED. 5 to 0.

2 ACTION ITEM: ACCEPT FINANCIALS

- 2.1 **Consider Accepting the Financial Statements for Month Ending April 30, 2023.**

Kathryn Dutton-Mitchell moved to Accept the Financial Statements for Month Ending April 30, 2023. Jason Delambre seconded the motion. CARRIED. 5 to 0.

3 INFORMATIONAL ITEM: PUBLIC COMMENT

4 INFORMATIONAL ITEMS:

- 4.1 **APPA Honorable Mention. (JC Lyons to Discuss)**

5 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

- **PUBLIC INFORMATION**
- **POTENTIAL OR AGREED UPON RELATED PARTY TRANSACTIONS**
None Reported.
- **NETWORK OPERATIONS CENTER (NOC)**
- **CUSTOMER SERVICE**
- **TELECOMMUNICATIONS**
- **ELECTRIC DEPARTMENT**
- **SEPA**
- **KYMEA**
- **SAFETY**
- **WATER DISTRIBUTION**
- **WATER TREATMENT PLANT**

6 ACTION ITEMS:

- 6.1 Consider approving a Resolution of the FPB to accept the grant, approve the grant assistance agreement, authorizing amendment of FPB's budget, and naming an Authorized Representative to sign documents associated with the \$782,711 Cleaner Water Program grant for the Reservoir project. (Hance Price will discuss).

In December of last year, the Board approved a Conditional Commitment Letter for a \$782,711 Cleaner Water Program grant for the Reservoir.

For consideration now is approving Exhibit #4, a Resolution of the FPB to accept the grant, approve the grant assistance agreement, authorize amendment to FPB's budget, and naming an Authorized Official to sign associated documents.

Exhibit 4, together with other required materials will be returned to the KIA for further processing to facilitate reception of the funds.

Staff recommends that the Board approve Exhibit #4, the Resolution, for KIA Grant Number 22CWW023. The staff attorney has reviewed and approved the materials.

John Snyder moved to approve a Resolution to accept the grant, approve the Grant Assistance Agreement, Authorizing Amendment of FPB's Budget, and name John Cubine as Authorized Representative to sign documents associated with the \$782,711 Cleaner Water Program grant for the Reservoir Project. Stephen Mason seconded the motion. CARRIED. 5 to 0.

- 6.2 Consider Draft Community Solar Tariff and Discuss Public Hearing. (Travis McCullar will Discuss)

Staff has drafted a community solar tariff for the Board to review and discuss. The terms of the agreement are intended to follow common utility policies related to community solar programs. The draft terms allow customers to subscribe to a portion of the solar facility output by either paying a monthly fee or one lump sum for future phases.

Under the proposed terms, customers would be required to enter into a minimum twelve month agreement if paying for monthly subscription capacity. Those who pay a one time capacity charge would be eligible for energy credit for up to 25 years. Credit applied to customer bills would be based on the size of the subscription, their regular retail electric rate and the actual output of the solar facility.

Because this policy would require a change to FPB's tariff, a public hearing will be required to officially adopt the policy. Staff recommends the Board call for a public hearing related to the Community Solar Tariff.

Jason Delambre moved to schedule a Public Hearing regarding the Community Solar Tariff for May 31, 2023 at 1:00 and to publish proposed Tariff on the FPB website. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

6.3 Consider Acceptance of 1898&Co. Cost of Service and Rate Report and Discuss Dates for a Public Hearing. (Staff and 1898&Co. to discuss)

In November the Board approved an agreement with 1898&Co. to conduct a comprehensive Cost of Service and Rate Design study. The study consisted of modeling costs and allocations to customer classes, reviewing rate structures and recommending updated customer rates based on the electric department's revenue requirements. 1898&Co. also reviewed existing customer classifications and recommended adjustments based upon common utility standards.

1898&Co. will present the findings of the study as well as recommendations for electric rate changes. The summary findings include the following changes to electric tariff:

- The cost-of-service study conducted by 1898 & Co. has identified a need for a 7.8% rate increase to meet the overall cost of service. This increase is proposed to be implemented over a two-year period, commencing on July 1, 2023, and July 1, 2024. This would entail an annual rate increase of 3.9% for each of the next two years. The increase for each rate class will vary based upon how much they are under or over collecting relative to the revenue requirements.
- 1898 & Co. recommends the creation of a new General Service Demand rate class for medium sized customers with peak demands between 50 and 500 kilowatts (kW).
- 1898 & Co. recommends the elimination of the Municipal and Gratis rate classes and suggests they be moved to the applicable commercial or industrial rate class based on their load profile. Should the Board decide to keep the current Municipal and Gratis classes, we recommend the creation of a Municipal Demand rate class.

1898 & Co. recommends a number of rate restructuring actions to make improvements in aligning fixed and variable cost recovery with fixed and variable rate charges, as well as improving intra- and inter-class equity, and modernize its rate design to be more in line with current and future customer needs.

John Snyder moved to accept 1898&Co. Cost of Service and Rate Report, schedule a Public Hearing regarding Electric Rate and Tariff changes for May 31, 2023 at 1:00 p.m., and to post pertinent information on the FPB's website. Jason Delambre seconded the motion. CARRIED. 5 to 0.

6.4 Consider Approving FanDuel TV & FanDuel Racing Renewal. (Harvey Couch to discuss)

Staff and the Cable Advisory Committee recommends approval of the FanDuel TV & FanDuel Racing renewal. This National Cable Television Cooperative (NCTC) agreement has a term through March 31, 2023. FanDuelTV (formerly known as TVG) is on FPB Classic Cable channel 41 and FanDuel Racing (formerly known as TVG2) is on FPB Preferred Cable channel 145. These networks have not previously had an associated license fee and this renewal affords FPB the opportunity to maintain that arrangement. The networks contain live coverage and analysis of horse racing events, international basketball, MMA, and other live sports. No additional carriage requirements obligations are included in this agreement.

Jason Delambre moved to approve FanDuel TV & FanDuel Racing Renewal. John Snyder seconded the motion. CARRIED. 5 to 0.

6.5 Consider Approving CBS TV Everywhere Agreement. (Harvey Couch will discuss)

Staff and the Cable Advisory Committee recommend approving the CBS TV Everywhere (TVE) Agreement. This direct agreement has a term through December 15th, 2024.

FPB has carried CBS Video on Demand since early 2016. This allowed FPB Cable customers with an Advanced Set Top to watch CBS broadcast content on demand. As FPB sunset its Video-on-Demand service earlier this year, customers were encouraged to find the same (and oftentimes more) content through each network's associated TVE app. At the time, CBS only allowed a handful of larger operators to authenticate to its TVE platform. Since then, staff worked with the CBS to get this agreement, which allows FPB to offer CBS TVE content to FPB customers for no additional cost. PB has existing TVE rights for the other three major broadcast networks.

There is no associated license fee required for these renewals. The only carriage requirement is that we have a valid in-market retransmission consent agreement in place for the local CBS broadcast affiliate (in FPB's case, that's WKYT out of Lexington).

The Assistant GM for Administration has reviewed this agreement and it meets with his approval.

Stephen Mason moved to approve CBS TV Everywhere Agreement. Jason Delambre seconded the motion. CARRIED. 5 to 0.

6.6 Consider Approving Turner Affiliate Agreement.

The Cable Advisory Committee and Staff recommend the Board approve the National Content and Technology Cooperative (NCTC) agreement with WarnerMedia Network Sales, Inc for the Turner Network Services (TNS). This agreement has a term through May 31, 2025. The networks covered include: CNN, HLN, TBS, TNT, Cartoon Network, truTV, and TCM on Classic Cable. This extension also covers TVE and VOD rights.

The extension contains no retail rate increase in 2023. Annual increases beginning in 2024 averages 6% across the whole group. The increases were budgeted and anticipated. TNS shares the broadcast rights to the NCAA Basketball Tournament with CBS. Those games are consistently among the highest rated programs every year. The agreement contains protection against the loss of certain sports content.

There are no additional carriage or migration requirements in this extension.

Jason Delambre moved to Approve Turner Affiliate Agreement. Stephen Mason seconded the motion. CARRIED. 5 to 0.

6.7 Consider Accepting the Minutes of the February 15, 2023 Cable Advisory Committee Meeting.

John Snyder moved to accept the Minutes for the February 15, 2023 Cable Advisory Committee Meeting. Jason Delambre seconded the motion. CARRIED. 5 to 0.

6.8 Consider Amendments to the Job Classification and Compensation Plan: Reclassify Customer Service Supervisor position. (Nichell Brown to discuss)

Staff asks the Board to consider the elimination of the Customer Service Director position and reclassify the Customer Service Supervisor position due to the proposed Director position elimination. With the proposed reclassification the Customer Service Supervisor position will absorb some additional duties of the director and report directly to the Chief Financial Officer who will provide higher level guidance for the Customer Service Department.

Based on an evaluation of the Customer Service Supervisor job description to include the additional job duties, the recommended classification for this position will move to a grade 114 from a grade 112. There is money in the current budget for this change.

The proposed job description is included in the detail pages for this Board item.

FPB staff is requesting the Board to approve the elimination of the Customer Service Director position, the revised Customer Service Supervisor position job description and associated salary grade change to 114 effective April 17, 2023.

John Snyder moved to approve Amendments to the Job Classification and Compensation Plan: Reclassify Customer Service Supervisor position. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

7 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

None.

8 INFORMATIONAL ITEM: OLD & NEW BUSINESS

8.1 None.

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)(b) for deliberations on the future acquisition of real property since publicity would be likely to affect the value of a specific piece of property to be acquired for public use; KRS 61.810(1)(c) to discuss pending or proposed litigation regarding property, cost recovery and products matter; 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; KRS 61.810(1)(m) to discuss infrastructure records that expose a vulnerability through the disclosure of the location and configuration of public utility critical systems exempted from disclosure under KRS 61.878(1)(m)1.f.; and KRS 61.810(1)(n) to discuss the selection of a bidder for the award of a contract.

John Snyder moved Request permission to call a Closed Session pursuant to KRS 61.810(1)(b) for deliberations on the future acquisition of real property since publicity would be likely to affect the value of a specific piece of property to be acquired for public use; KRS 61.810(1)(c) to discuss pending or proposed litigation regarding property, cost recovery and products matter, and a telecom matter; 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; KRS 61.810(1)(m) to discuss infrastructure records that expose a vulnerability through the disclosure of the location and configuration of public utility critical systems exempted from disclosure under KRS 61.878(1)(m)1.f.; and KRS 61.810(1)(n) to discuss the selection of a bidder for the award of a contract. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

10 CLOSED DOOR SESSION

10.1 To Come Out of Closed Session.

John Snyder moved to Come Out of Closed Session. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

11 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION


11.1 Action Taken

John Snyder moved to authorize the Levin team to represent FPB per a legal services agreement to take the necessary and appropriate legal steps to protect FPB's rights in a products liability matter. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.


12 ACTION ITEM: ADJOURNMENT

12.1 Adjourn Meeting.

Kathryn Dutton-Mitchell moved to Adjourn Meeting. Jason Delambre seconded the motion. CARRIED. 5 to 0.



Board Chair



Board Secretary/Treasurer