



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, September 15, 2020

Community Room and Via Audio and Live Video Conference

The Frankfort Plant Board met in a Board Meeting on Tuesday, September 15, 2020 at 5:00.

ATTENDANCE:

Dawn Hale, Board Secretary/Treasurer
Stephen Mason, Board Vice Chair
John Cubine, Board Chair
John Snyder, Board Member
Kathryn Dutton-Mitchell, Board Member
James Liebman, Board Attorney
David Billings, Director of Water Operations
Brian Bourne – Water Superintendent – Via Zoom
Nichell Brown, HR Specialist – Via Zoom
Harvey Couch, Marketing Video Content Coordinator
David Denton, Chief Financial Officer
Vent Foster, Chief Operations Officer
Adam Hellard, Cable Superintendent
Casey Jones, IT Director
Cathy Lindsey, Communications & Marketing Director
Kathy Poe, Executive Assistant to GM – Via Zoom
Hance Price, Assistant GM Administration/Staff Attorney
Kim Phillips, Safety Director – Via Zoom
April Rhodes, Customer Service Supervisor
Julie Roney, Water Treatment Superintendent
Dianne Schneider, HR Director – Via Zoom
Alan Smith, Water Distribution Superintendent
Scott Stafford, Media Services Manager
Deron Rambo, Network Operations Center Director – Via Zoom
Travis McCullar, Chief Electric Engineer
Jennifer Hellard, Purchasing Agent
Gary Zheng, General Manager
State Journal

1 NOTICE OF SPECIAL MEETING

1.1 Notice of Special Meeting held In Person and Via Audio Conference.

In person attendance limited to 10 people pursuant to Executive Order of the Governor.

2 ACTION ITEM: APPROVAL OF MINUTES

2.1 Consider Approval of the Minutes of the August 18, 2020 Board Meeting and the September 9, 2020 Special Board Meeting.

*Kathryn Dutton-Mitchell moved to approve the minutes of the August 18, 2020 board meeting and the September 9, 2020 Special Board meeting.
John Snyder seconded the motion.*

CARRIED. 5 to 0.

3 FPB FINANCIAL & STATISTICAL DATA

3.1 Action Item: Consider Accepting the Financials for Month Ending August 31, 2020.

Dawn Hale moved to accept the financials for month ending August 31, 2020. Stephen Mason seconded the motion.

CARRIED.

3.2 Informational Item: Update on Elevated Past Due Customer Account Balances Driven by COVID-19.

In mid-March 2020 as the COVID-19 pandemic began to impact all aspects of life, FPB voluntarily implemented a temporary suspension of service disconnections for non-payment and waived late fees to assist customers during this extraordinary health and financial event. On May 8, 2020 Kentucky's governor, Andy Beshear, issued Executive Order 2020-323 that suspended utility disconnections and required waving late fees for the duration of the State of Emergency under Executive Order 2020-215 issued March 6, 2020. As of the date of this report both Executive Orders mentioned above were still in place. FPB has seen the number and dollar value of past due accounts increase since the suspension of utility disconnections and late fees was enacted as shown in the chart on page 87. The Board is proactively calling customers that are past due and offering extended payment plans to help get customers current on their bills.

Since the inception of two billing cycles that began in May 2017, the average total amount of all past due customer bills rolling month to month was approximately \$778K. The total average amount of past due bills for all customer accounts since March 2020, beginning of COVID-19, has increased to approximately \$1.5M. Total past due customer bills as of August 2020 was highest ever recorded at approximately \$2.2M. Residential customers make up 75% (\$1.66M) of all past due account balances with business customers making up 25% (566K) of all past due accounts at end of August 2020. The average residential customer's past due bill totals \$470.31 at the end of August 2020. The average business customer's past due bill totals \$1,239.02 at the end of August 2020. Since March 2020 FPB has waived 27,671 late fees totaling \$337,586.00.

Mr. Denton and Ms. Rhodes discussed information regarding the status of past due accounts due to the Covid crisis and processes being implemented to assist those with past due balances.

4 INFORMATIONAL ITEM: PUBLIC COMMENT

None

5 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

- TELECOMMUNICATIONS
- CUSTOMER SERVICE
- ELECTRIC DEPARTMENT
- SEPA
- KYMEA
- SAFETY
- WATER DISTRIBUTION
- WATER TREATMENT PLANT
- NETWORK OPERATIONS CENTER (NOC)

6 ACTION ITEMS:

6.1 Consider Accepting Clean, Unmodified Audit Report Prepared by Crowe LLP for the Fiscal Year Ended June 30, 2020 as Required by KRS 96.185.

David Denton and members of Crowe, LLC reviewed and discussed details of the Audit.

Stephen Mason moved to accept clean, unmodified audit report prepared by Crowe LLP for the Fiscal Year ended June 30, 2020 as required by KRS 96.185. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

6.2 Consider approval of NCTC MobiTV Agreement.

Staff recommends approval of an agreement with NCTC for participation in their MobiTV Agreement. FPB will participate in the Managed PayTV Service Option.

The initial term of the agreement is through November 8, 2022. There are two 2-year extensions that NCTC can use to preserve the deal to 2026 if deemed beneficial to members to extend the agreement.

This solution will allow FPB the opportunity to compete in a world of over-the-top delivery, rich metadata, recommendations, and time-shifted viewing.

It will allow for many advanced functions, including:

- Mobile and connected TV applications branded with FPB
- Personalized recommendations
- Start over (tuning into a show that has already started and being able to jump back to the beginning of the show by pressing a single button)
- look back (watch any show that has aired on a network over the past 3 days)
- -voice control

The financial commitment is a \$40,000 startup fee to launch the service that supports the development of customized FPB apps for iOS, Android, Amazon, and various smart TVs. There would be a recurring cost (approx. \$1000/mo) to connect back to the MobiTV data center in Sacramento. Finally, FPB would pay MobiTV a per subscriber monthly fee for the service.

Retail pricing will match existing video charges except for one new required charge and two optional charges.

Required Charge

Advanced Application Fee* - \$5/mo per household

*includes 25 hours Cloud DVR and 2 concurrent streams

Optional Charges

Upgrade to 100 hours cloud DVR- \$5/mo

Upgrade to 250 hours cloud DVR - \$10/mo

Additional streams - \$3/mo

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

John Snyder moved to approve the NCTC MobiTV Agreement. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

6.3 **Consider Approving Public Hearing Notice covering: (1) Establishing rates for Fiber service, (2) Establishing rate for Advanced Video Application Service, and (3) Updating Section X of Tariff.**

Staff recommends the Board approve the Public Notice for the purpose of conducting a public hearing at the next scheduled meeting of the Frankfort Plant Board on October 20, 2020 at 5 pm at the FPB Administration Building Community Room at 151 Flynn Ave., Frankfort, KY 40601.

Kathryn Dutton-Mitchell moved to approve Public Hearing Notice covering: (1) Establishing rates for Fiber service, (2) Establishing rate for Advanced Video Application Service, and (3) updating Section X of Tariff. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

6.4 **Consider approval of Board Governance Policy.**

In addition to the ethics and financial disclosure forms, the Board has also discussed formats for a Board Governance Policy. These include a stand alone policy and incorporating various concepts into the Board's existing bylaws. Last month, the Board was provided the revised Bylaws for review. The Board may approve the attached version if no revisions are required.

Board members discussed potential revisions.

Dawn Hale moved to adopt these Bylaws to replace the current Bylaws. John Snyder seconded the motion.

CARRIED 5 to 0.

Kathryn Dutton-Mitchell moved to delete Subsection 7 in Article 8 due to redundancy at Subsection 8 at Article 19. John Snyder seconded the motion.

CARRIED. 5 to 0.

6.5 **Approval of Code of Ethics and Financial Disclosure Form.**

Over the past several weeks, Staff has worked with Ms. Hale and Mr. Cubine to prepare a draft ethics policy that was discussed at last month's meeting. KRS Chapter 65 and 65A require FPB to maintain an ethics policy at least as stringent as the City of Frankfort. Per KRS 65.003(3), the policy must contain provisions regarding: 1) standards of conduct, 2) financial disclosure, 3) nepotism and 4) designation of a person or group (ethics committee) to enforce the ethics policy and maintain financial disclosure statements.

Staff has revised the policy as follows and it incorporates elements from the City's policy and FPB's existing Code of Ethics:

First, there is order of precedence language in the preamble discussing how to interpret the policy. The goal is that if the city changes their policy or if state law changes, FPB will not have to revise its policy. Instead, it will track in accordance with state law or city policy.

Second, there is a 90 day limitations period to bring retaliation claims and a one year limitations period to bring an ethics complaint. This is in accordance with City policy.

Third, the definition of "family member" begins with the statutory requirement to exclude third degree relatives of the mayor, GM, board members and city commissioners and adds to that current FPB employees. Then, because the

policy has to be at least as strict as the City's, it incorporates their definition of family member. Finally, it includes first cousins since FPB's standards of conduct currently includes that relationship when discussing prohibited account changes. HR does not think this definition would restrict the applicant pool.

The nepotism policy then notes neither family members nor immediate family members shall be initially employed by FPB.

Finally, the financial disclosure form requests the same information as the City's form. In the ethics policy, there is a requirement to redact personal information from financial disclosure forms such as: home address, phone, email address as permitted by Attorney General Opinions before making them public.

Should the Board choose to adopt the policy, we are required publish it according to KRS 424.130(1)(a) and send it to the City and Department of Local Government within 21 days.

Kathryn Dutton-Mitchell moved to accept Item 6.5, approval of Code of Ethics and Financial Disclosure. John Snyder amended the motion to revise the proposed ethics code on page 5 (page 255 of the board package) in subparagraph 2 to strike the words "or immediate family". John Cubine noted that motion also includes amendments made to the Ethics Code as the Board approved in Item 6.6 immediately prior to this item. Kathryn Dutton-Mitchell further amended the motion to accept the Ethics policy and the attached proposed Financial Interest Form. The motion was further amended to create a standing board agenda item for consideration of any potential or agreed-upon related party transactions that may be on the board agenda to be presented by the general counsel each month. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

Steve Mason moved to appoint Maria Bush, Courtney Carter, Jack Brewer, Jill LeMaster, and Steven Reeder to the FPB Ethics Committee. Dawn Hale seconded the motion.

CARRIED. 5 TO 0.

Names were drawn at random in order to assign terms for each member of the Ethics Committee. Terms will be: Courtney Carter, three (3) year term, Steve Reeder, three (3) year term, Maria Bush, two (2) year term, Jack Brewer, Two (2) year term, and Jill LeMaster, one (1) year term.

John Snyder moved to approve the Ethics Committee Member initial terms as chosen randomly above, and that at the expiration of these terms, all member terms will become three (3) year terms, and Staff Attorney will amend the Ethics policy to incorporate these terms. Dawn Hale seconded.

CARRIED. 5 TO 0.

6.6 Consider Approval of Ethics Committee Make-Up and Appoint Members.

This Item was taken up and approved by the Board prior to Item 6.5 and then incorporated therein by later vote of the Board of Directors.

John Cubine discussed the make-up of the ethics committee under the current policy. Kathryn Dutton-Mitchell requested the board consider changing to a five (5) member committee. The board also discussed the residency and requirements necessary to be considered for service on the committee.

Stephen Mason moved to approve a newly constituted FPB Ethics Committee be composed of 5 members, it would be required that any

member who serves on the Ethics Committee has to have some current FPB service, and that they be nominated from a list that if Franklin County wide. John Snyder seconded the motion.

CARRIED. 5 to 0.

7 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

8 ACTION ITEM: ADJOURNMENT

8.1 Adjourn Board Meeting.

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

CARRIED. 5 to 0.



Board Chair



Board Secretary/Treasurer