



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, September 20, 2022 FPB Community Room

The Frankfort Plant Board met on Tuesday, September 20, 2022 at 5:00 PM in the 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
Gary Zheng, General Manager
David Denton, Chief Financial Officer
Kathy Poe, Executive Assistant to GM
Hance Price, Assistant GM Administration/Staff Attorney
David Billings, Director of Water Operations
Harvey Couch, Marketing Video Content Coordinator
Katrina Cummins, Finance Director
Cassie Estill, Customer Service Supervisor
Adam Hellard, Cable/Telecom Superintendent
Scott Hudson, Electric Superintendent
Cathy Lindsey, Communications & Marketing Director
Leigh Ann Phillips, Support Services Director
Deron Rambo, Network Operations Center Director
Travis McCullar, Chief Electric Engineer
Jennifer Hellard, Purchasing Agent
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
Sharmista Dutta, Water Engineer
State Journal

1 ACTION ITEM: APPROVAL OF MINUTES

1.1 Consider Approval of the August 16, 2022 Board Meeting Minutes.

Kathryn Dutton-Mitchell moved to approve the Minutes of the August 16, 2022 Board Meeting. John Snyder seconded the motion.

CARRIED. 5 to 0.

2 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

- 2.1 Request Permission to Call a Closed Session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding an employment matter and a contract matter.**

John Snyder moved to call a closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding an employment matter and a contract matter. Stephen Mason seconded the motion. CARRIED. 5-0.

John Snyder moved to come out of closed session. Stephen Mason seconded the motion. CARRIED. 5-0.

John Snyder moved to direct to proceed as discussed in closed session in the employment matter. Stephen Mason seconded the motion. CARRIED. 5 to 0.

3 ACTION ITEMS: KYMEA

- 3.1 Power Cost Adjustment. (Gary Zheng and Doug Buresh to discuss)**

The wholesale electric power markets have been affected by a variety of factors this year. Higher fuel prices have in turn caused higher electric costs. KyMEA has been successful at absorbing these costs for some time now. However, it has now become necessary to adjust pricing to cover these increases. Staff asks that the Board consider authorizing its KyMEA representative to vote to increase the power cost adjustment to cover these increases.

John Snyder moved to direct FPB General Manager at the next KYMEA meeting to vote for the amendment in terms of the energy cost adjustment trigger change from three (3) consecutive months to one (1) month for under 40 days cash on hand. Jason Delambre seconded the motion.

CARRIED. 5 to 0.

4 ACTION ITEM: ACCEPT FINANCIALS

- 4.1 Consider Accepting the Financial Statements for month ending August 31, 2022.**

John Snyder moved to accept the Financial Statements for month ending August 31, 2022. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

5 INFORMATIONAL ITEM: PUBLIC COMMENT

5.1 None.

6 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

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

7 ACTION ITEMS:

7.1 **Consider Award of Bid Invitation #1766— Liquid Ammonium Sulfate Tote Quantities. (FY 2023). (Brandon Powers to discuss)**

The water treatment plant has a current construction project to convert to liquid ammonium sulfate (LAS). During construction, smaller (tote) quantities are utilized until such time we can receive bulk deliveries.

Treatment staff originally received quotes for delivery of tote LAS quantities, however we are approaching the \$30,000 threshold that would require bids. As such, invitations to bid were publicly issued on August 10th, 2022. The bid includes estimated quantities and explains that orders could exceed or fall short of the estimates. Vendors bid with the understanding that the bid's purpose is to hold unit price throughout FPB's fiscal year.

On August 25th, sealed bids we received from the following vendors

1. Brenntag	\$0.419
2. Chemical Resources	\$0.441
3. Univar	\$0.50

The Water Department budgeted \$870,000 this year for chemicals.

After reviewing each bid, staff recommends awarding the bid to Brenntag, who is the lowest bidder meeting specifications.

Stephen Mason moved to award Bid Invitation #1766 - Liquid Ammonium Sulfate Tote Quantities to Brenntag. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

7.2 Consider Revisions to Existing Fleet Replacement Policy. (Leigh Ann Phillips will discuss)

Staff recommends adding the following language to the fleet replacement policy in regards to the purchase of electric vehicles:

Fleet Services and Departments Heads will evaluate the needs of each vehicle/equipment scheduled for replacement to determine if an EV is a suitable replacement at this time. Factors considered will be:

- *If there is an EV equivalent available for the vehicle being replaced.*
- *Cost considerations to include purchase price, fuel, electricity, charger cost and expected lifetime maintenance.*
- *FPB charging facilities and infrastructure or other necessary site changes.*
- *Vehicle service and parts availability.*
- *The maximum daily mileage expected.*
- *The weight that the vehicles hauls or pulls.*
- *The type of work that the vehicle/equipment performs and specific application.*
- *Involvement in service restoration. If the vehicle/equipment is vital to providing electric, water, or telecommunication services; determine if replacing the vehicle with an EV would negatively impact service restoration during emergency situations. If a negative impact is determined, that vehicle will be replaced with an internal combustion engine.*

Jason Delambre moved to approve the Revisions to Existing Fleet Replacement Policy changing EV to "alternative fuel". Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

7.3 Consider Award of Bid Invitation #1760 –Transformer Rebuilds and Salvage to Sunbelt Solomon Services, LLC. (Jennifer Hellard will discuss)

In the past, FPB's distribution transformers were purchased from an annual price contract. These transformers are kept in FPB's inventory and need to be replenished periodically. Orders for transformers depend on new development and the replacement of bad transformers. Due to extreme price increases and

lead times on new transformers staff decided not to award the bid for the annual price contract.

The first step in the process of transitioning from an annual price contract for new transformers was to purchase remanufactured transformers and the bid for that purchase was awarded at the August 2022 board meeting. The second step is to have transformers that have been taken out of service rebuilt instead of selling as surplus.

Staff prepared a bid for a contract to extend through June 20, 2025 for the pickup, inspection, recondition/rebuild, and testing of all surplus transformers. The bid specified that our intent was to establish a rate that was all inclusive (i.e. no additional fuel surcharges, shipping fees, etc.) The bid was advertised publically and sent directly to five vendors. Two responses were received.

The apparent low bidder did not include shipping fees in their pricing. Therefore, staff recommends awarding to Sunbelt Solomon Services, LLC. as they were the best bid meeting specifications.

Stephen Mason moved to Award Bid Invitation #1760 - Transformer Rebuilds and Salvage to Sunbelt Solomon Services. Jason Delambre seconded the motion. CARRIED. 5-0.

7.4 Consider ratification of Award of Bid Invitation #1765 – HDPE Conduit to Galloway Group and adopt the purchase in the amount of \$62,500. (Jennifer Hellard to discuss)

Staff prepared a bid invitation for HDPE Conduit with detectable pull tape. This conduit is kept in FPB's inventory and replenished as needed. The conduit on this order will be used for the FTTH project. The bid invitation was advertised publicly, and directly sent to ten vendors. Five responses were received. Waiting for the September board meeting for award would have resulted in both a higher cost and timely receipt of material; therefore, we asked that the General Manager take immediate action to award this bid using the authority given under Section 2.3 of FPB's procurement policy.

We are currently out of stock for the HDPE Conduit with Detectable Pull Tape. We are paying our contractors to install pull tape in the empty conduit we have in stock. This results in higher contract labor cost because of the additional time to go back and install the pull tape.

The apparent low bidder added a condition that the price is subject to escalation at the time of shipment and they have a 36-40 week lead-time.

Galloway Group is the best bid, met the specifications, had no condition on pricing, and a lead-time of 8-10 weeks. The General Manager awarded the bid and the order was placed on August 25, 2022.

John Snyder moved to Ratify the Award of Bid Invitation #1765 - HDPE Conduit to Galloway Group and adopt purchase in the amount of \$62,500. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

7.5 Consider Approval of FEWPB Reimbursement Agreement Amendment. (Travis McCullar to discuss)

This Amendment reflects the final FPB costs for the TIGER Grant Project. FPB has already been paid the \$150,000.00 for the water related construction services. This Amendment authorizes payment for \$650,475.07 in electric costs and \$47,058.53 in telecommunications costs. Staff recommends approval of the Amendment.

Jason Delambre moved to Approve FEWPB Reimbursement Agreement Amendment with City of Frankfort for the Tiger Grant Project work. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

7.6 Consideration of PURPA Standards. (Travis McCullar and Hance Price to discuss)

The Public Utility Regulatory Policies Act of 1978 ("PURPA") was passed as a result of the energy crises during the 1970s. PURPA is most known for promoting the development of smaller generators known as qualifying facilities. However, it also contains other standards to promote energy efficiency and equitable rates that were included when PURPA initially became law as well as new standards that were added over the years.

Nonregulated municipal utilities like FPB that have annual retail sales greater than 500,000 MWh are required to consider the standards but do not have to adopt them. The original "shall consider standards" included: cost of service, declining block rates, time-of-day rates, seasonal rates, interruptible rates and load management techniques.

Later, in 1992, the standards were expanded to include: integrated resource planning, investments in conservation and demand management, energy efficiency investment in power generation and supply, and the effects of wholesale power purchases on the cost of capital and effects of leveraged capital structures on reliability/adequacy of fuel supplies.

Then, in 2005 and 2007, standards related to net metering, fuel sources, fossil fuel generation and efficiency, time-based metering and communications, interconnection to distributed resources, rate design to promote energy efficiency investments and consideration of smart grid investments were added.

The 2021 Infrastructure Investment and Jobs Act adds another two standards to consider: demand response and demand flexibility and electric vehicle charging programs. Demand response and demand flexibility include considering practices by consumers to reduce electricity use during periods of high demand. Consideration of EV charging programs requires reviewing ways to promote affordable and equitable EV charging options, ways to accelerate third-party investment in EV charging and ways to recover the marginal cost of EV charging infrastructure.

A utility is required to commence consideration by November 15, 2022 and complete consideration of the standards by November 15, 2023. Adoption of the standards is not required; only consideration of them.

Staff recommends that the new standards and the existing standards be reviewed as part of the next electric cost of service study and that the Board hold a public hearing no later than October 2023 such that consideration of the standards can be completed by November 15, 2023.

Jason Delambre moved to Commence Consideration of the new PURPA Standards. Stephen Mason seconded the motion. CARRIED. 5 to 0.

7.7 Consider Approving NFL Network Renewal. (Harvey Couch will discuss)

Staff recommends approval of the NFL Network renewal. This National Content & Technology Cooperative (NCTC) agreement has a term through July 31, 2024. FPB carries NFL Network on the optional Preferred Cable tier. This renewal affords FPB the opportunity to keep the NFL Network subscriber rate flat through July 31, 2023. The increase after that will be 2%

This new agreement also affords FPB protection in the form of a license fee rebate for a loss of live NFL games on NFL Network. Rate reductions begin if less than 7 live NFL games are included on the network (or fewer than 6 games due to Force Majeure).

For the 2022 regular season, the NFL Network scheduled to broadcast seven exclusive, live NFL games.

This agreement covers rights to both NFL Network and NFL Red Zone Channel. FPB carries NFL Red Zone on the optional HD Plus tier. NFL Red Zone rates increase by 8% in 2022 and 2023. The rate increases on NFL Network and Red Zone were anticipated and budgeted. No immediate rate increase will be needed.

Advanced services distribution adds value to this deal. TV Everywhere, in home streaming, and VOD rights are included in this agreement. No additional carriage requirements or obligations are included in this agreement.

John Snyder moved to Approve NFL Network Renewal. Stephen Mason seconded the motion. CARRIED. 5 to 0.

7.8 Consider Approving Starz and Encore Entertainment Services Amendment. (Harvey Couch will discuss)

Staff recommends approval of the Starz and Encore Entertainment Services Amendment. This National Content & Technology Cooperative (NCTC) agreement has a term of January 1, 2021 through December 31, 2025. The most recent Starz/NCTC agreement was executed in 2014.

For the period from January 1, 2021 through July 1, 2021, the rates remain as they are in the 2014 Starz Agreement (except without a 2021 CPI increase). The new amended rates become effective July 1, 2021. NCTC members that renew and opt in to this new agreement will be entitled to a license fee credit for the period from January 1, 2021 through July 31, 2022. The NCTC anticipates the credits will be provided to members by December 31, 2022. Annual CPI increases are not part of this new agreement.

This agreement covers rights to the entire Starz Multiplex (FPB currently carries 5 Starz networks) and the entire Encore Multiplex (FPB currently carries 12 Encore networks). Advanced services distribution adds value to this deal. TV Everywhere, in home streaming, VOD, and start-over and look-back rights are included in this agreement. No additional carriage requirements or obligations are included in this agreement.

Kathryn Dutton-Mitchell moved to Approve Starz and Encore Entertainment Services Amendment. Stephen Mason seconded the motion. CARRIED. 5 to 0.

7.9 Consider Approving Game Show Network Renewal. (Harvey Couch will discuss)

Staff recommends approval of the Game Show Network (GSN) renewal. This National Content & Technology Cooperative (NCTC) agreement has a term through December 31, 2025. GSN is a Preferred Cable Channel, on channel 114 and whose programming contains classic and engaging original game show programming. GSN is the second most watched network on Preferred Cable. Our current agreement for GSN expires on 12/31/22. By opting in to this agreement early, FPB is able to reduce our rate for this network by 6.5%. Annual increases will be based on CPI and will never be less than 0% or higher than 5%. These increases were anticipated in the budget and will not have any immediate effect on the Preferred Cable retail rate. TVE and VOD rights are included in this agreement. Because GSN is a smaller, independent programmer, no additional carriage requirements or obligations are included in this agreement. The Asst. GM for Administration has reviewed the agreement and it meets with his approval.

Stephen Mason moved to Approve Game Show Network Renewal. Jason Delambre seconded the motion. CARRIED. 5 to 0.

7.10 Consider Approving Weathershow Creator 24/7 Agreement. (Harvey Couch to discuss)

In March, FPB executed a renewal for continued carriage of the Weather Channel (channel 49) as well as for Weatherscan Local (channel 19). At that meeting, staff indicated that Weather Channel was unwilling to commit to continuing distribution of Weatherscan Local for the term of the agreement. Due to that, staff has been actively working on a replacement and Accuweather's Weathershow Creator is the best option.

Staff was informed by Weather Channel representatives that due to the aging hardware and some security flaws that were discovered in an audit, that they will be terminating distribution of Weatherscan Local on November 1, 2022.

Staff and the Cable Advisory Committee recommend approval of the Weathershow Creator 24/7 agreement. This direct agreement has a five-year term. The monthly cost is comparable to the monthly cost of Weatherscan Local.

Staff is confident that the equipment can be installed and the service configured prior to the November 1st end date of Weatherscan Local. On or prior to November 1st, 2022, this will replace Weatherscan Local on channel 19.

No additional carriage requirements or obligations are included in this agreement. The Assistant GM for Administration has reviewed the agreement and it meets with his approval.

Kathryn Dutton-Mitchell moved to Approve Weathershow Creator 24/7 Agreement. Jason Delambre seconded the motion. CARRIED. 5 to 0.

7.11 Consider Budget Amendment to FY23 Telecom Marketing Budget. (Harvey Couch will discuss)

At the June 2022 regular meeting, the board asked staff to investigate additional marketing opportunities for Nextband. After exploring numerous opportunities, staff has come up with three new initiatives that will help with awareness, outreach, and growth of the Nextband product.

These initiatives include a dedicated billboard, a series of neighborhood outreach events, and a subscription to a service that will increase local business sales opportunities. The amount requested in this budget amendment is \$60,000 for the current fiscal year.

Jason Delambre moved to Approve Budget Amendment to FY 23 Telecom Marketing Budget to add \$60,000 for NextBand marketing opportunities. John Snyder seconded the motion. CARRIED. 5 to 0.

8 INFORMATIONAL ITEMS:

8.1 Discuss Community Solar RFP.

With the revised federal tax benefits in the Inflation Reduction Act (IRA), FPB will have the opportunity to receive federal reimbursement for solar project development beginning in 2023. The tax changes will also greatly increase the savings for all renewable project development versus previous years. Due to the expected demand for solar equipment and construction providers, staff recommends issuing a RFP for the design and phase 1 construction of the Community Solar farm. Prior to release of the proposal request, staff is seeking Board confirmation of the facility size, location and project timing. With an anticipated multi week procurement period, a proposed vendor and contract is expected to be available for the Board's review and consideration at the regular November meeting.

Due to the provisions of the IRA, the facility may not be commissioned and placed in service until after December 31st of 2022 to receive tax reimbursement.

Staff will proceed with preparing RFP.

8.2 Discuss 811 Activity. (Deron Rambo to discuss)

Mr. Rambo discussed specifics of 811 locating.

9 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

9.1 None.

10 INFORMATIONAL ITEM: OLD & NEW BUSINESS

10.1 ARPA Funds (David Billings will discuss).

Mr. Billings disseminated and discussed a consent letter regarding ARPA funds for water projects.

Stephen Mason moved to Approve Executing the Consent Letter Accepting the Funds. Jason Delambre seconded the motion. CARRIED. 5 to 0.

11 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

11.1 Request Permission to Call a Closed Session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding cost recovery, OSHA, contract matters and 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.

John Snyder moved to Call a Closed Session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding cost recovery, OSHA, contract matters, and easement matter; and 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. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

12 CLOSED DOOR SESSION

12.1 Come out of Closed Session.

John Snyder moved to come out of closed session. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

13 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

13.1 To Proceed as Discussed in Closed Session.

John Snyder moved to direct staff to proceed in matters discussed in closed session in the manner directed by the Board. Jason Delambre seconded the motion. CARRIED. 5 to 0.

14 ACTION ITEM: ADJOURNMENT

14.1 To Adjourn.

Kathryn Dutton-Mitchell moved To Adjourn. John Snyder seconded the motion. CARRIED. 5 to 0.



Board Chair



Board Secretary/Treasurer