



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, February 15, 2022

Community Room- Zoom

The Frankfort Plant Board met on Tuesday, February 15, 2022 at 5:00 PM in the Community Room- Zoom.

ATTENDANCE:

Stephen Mason, Board Secretary/Treasurer
John Cubine, Board Chair
John Snyder, Board Vice Chair
Kathryn Dutton-Mitchell, Board Member
Jason Delambre, Board Member
David Billings, Director of Water Operations
Harvey Couch, Marketing Video Content Coordinator
Katrina Cummins, Finance Director
David Denton, Chief Financial Officer
Cassie Estill, Customer Service Supervisor
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
Julie Roney, Water Treatment Superintendent
Scott Stafford, Media Services Manager
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, Interim Safety Director
Danny Harring, Asst. Water Distribution Superintendent
Brandon Powers, Asst. WTP Superintendent
Sharmista Dutta, Water Engineer

1 NOTICE OF VIDEO TELECONFERENCE

- 1.1 Notice of Video Teleconference.

2 ACTION ITEM: APPROVAL OF MINUTES

- 2.1 Consider Approval of the Minutes for the January 18, 2022 Board Meeting.

Stephen Mason moved to approve the Minutes for the January 18, 2022 Board Meeting. John Snyder seconded the motion.

CARRIED. 5 to 0.

3 ACTION ITEM: ACCEPT FINANCIALS

- 3.1 Consider Accepting the Financial Statements for Month Ending January 31, 2022.

Stephen Mason moved to accept the Financial Statements for Month Ending January 31, 2022. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

4 PUBLIC HEARING - TELECOMMUNICATIONS

- 4.1 Conduct a Public Hearing regarding: (1) Increasing rate for Cable Network Pass-Through Fee, (2) Increasing rate for Bulk Cable I and II, and (3) Update Cable 10 program duplication policy.

This Hearing will come to order. My name is John Snyder; 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 (1) Increasing rate for Cable Network Pass-Through Fee, (2) Increasing rate for Bulk cable I and Bulk cable II, and (3) Update Cable 10 program duplication policy. This Public Hearing was advertised in accordance with the Regulations for Public Notification and appeared in the Weekend, February 5-6, 2022 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 (kpoe@fewpb.com) or Cathy Lindsey (clindsey@fewpb.com).

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, March 14, 2022. 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. Harvey Couch will provide a summary of the details

Mr. Snyder called the Public Hearing to Order. Mr. Couch summarized the details covering cable rates. No members of the public registered to speak.

Mr. Snyder closed the public hearing.

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 Acceptance of 1898&Co. Rate Design Report and Call for a Public Hearing. (Travis McCullar to discuss)**

In October the Board approved an agreement with 1898&Co. to conduct a limited electric rate study to evaluate the existing tariff, and recommend new rate

classifications where the existing may be insufficient. A draft version of the report has been provided to the Board with recommendations for changes to FPB's electric tariff. These recommendations include:

- The addition of a large solar policy to compensate solar customers whose system size exceed FPB's current net metering limit (30kW). An avoided cost credit is proposed to compensate for excess energy fed into the distribution system. The recommendations do not include any changes to the net metering program for smaller (30kW and below) systems.
- Addition of a green energy tariff that will give customers an option to purchase renewable energy credits (RECs).
- Rate and policy adjustments for potential future customers that receive electric service at primary voltages (greater than 7,000V). The proposed change would allow for a rate adjustment to these customers that own and operate their own distribution lines and transformers.
- Considerations for adjusting existing rate classes, including transitioning away from municipal and gratis rates and adding a light commercial demand rate.
- Policy and rate approaches for electric vehicle charging stations.
- Considerations for LED area and security lighting rates.

Staff recommends accepting the 1898&Co. report and calling for a public hearing for proposed changes to FPB's electric tariff.

John Snyder moved to accept and publish the 1898&Co. Rate Design Report and schedule in person meeting for 1898&Co. to make presentation to Board and public in March, and direct staff to solicit questions from public and forward to 1898 to prepare answers at March presentation. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

7.2 Consider Award of Bid Invitation #1743 for Capital Plaza Substation Structures and Materials to Substation Enterprises, Inc. in the Amount of \$694,927. (Travis McCullar will discuss)

Staff prepared an invitation for a substation structures and materials package and distributed it among potential vendors. In total, four bid responses were received. The consulting engineering firm for the project, Power Centric Solutions, has reviewed the submissions and believes the prices and lead times indicated are reasonable for the amount of materials and services provided, noting that Substation Enterprises was the lowest bid within the desired specifications, while also providing no exceptions and meeting the project's necessary delivery schedule. Due to the time constraints of the project, as well as the review and approval of the consulting engineer, staff recommends awarding to Substation Enterprises, Inc. in the amount of \$694,927 with a delivery of 18 to 20 weeks.

These structures and equipment pertain to the ongoing Capital Plaza Substation reconstruction effort as part of the Replace T54 project. This purchase is included in the 2021-2022 companywide capital additions budget, Page 17, Line Item 80. The amount included in the budget for this project is \$2,328,000.

John Snyder moved to award Bid Invitation # 1743 for Capital Plaza Substation Structures and Materials to Substation Enterprises, Inc. in the amount of \$694,927. Jason Delambre seconded the motion.

CARRIED. 5 to 0.

7.3 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.

Jason Delambre moved to approve Agreement with Groves Construction and Bowlin Companies for Storm Response. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

7.4 Consider Approving Health Plan mandates and recommendations: (Nichell Brown to discuss).

The federal No Surprises Act (NSA) became law in January of 2022. The NSA was created to eliminate balance billing on certain types of claims, which most often result in surprise bills to members. These rules take effect for plan years beginning on January 1, 2022.

See the attached MedBen Benefit Confirmation Form (BCF) for additional information in the detail pages. The BCF identifies the areas of your plan that need to be amended to comply with the NSA. While most of the changes required by the NSA apply to the process MedBen uses to adjudicate claims for certain services, some changes are required to the plan language. The BCF may also contain items not related to the NSA, if applicable to your plan, which have been added to promote consistency and cost-effectiveness for claims and prior authorizations.

1. **NSA Protected Services** – The current plan exception for emergency services to pay at a higher level of benefits will be expanded to include the following NSA Protected Services.
 - Emergency services
 - Air ambulance services (when medically necessary)
 - Certain non-emergency services furnished by Out-of-Network providers at certain In-Network facilities.This is a federal law and Staff's recommendation is to update our FPB's health plan with effective date of January 1, 2022.
2. **No Surprise Billing** – The following statement will be added to the Plan: The Plan intends to comply with the No Surprise Billing provisions of the No Surprise Act (NSA), including payment calculations and adding coverage for any amount for which the Plan is required to pay as a result of an Independent Dispute Resolution (IDR). Staff recommends the above statement be added to the Plan.
3. **Continuity of Care** – The Plan will comply with the Continuity of Care provisions of the No Surprise Act (NSA). The applicable network level of benefits will continue to apply to Continuing Care Patients when specific criteria are met. The higher level of benefits shall apply until the earlier of: 90 days; or
The date the Covered Person no longer qualified as a Continuing Care Patient
Continuity of Care is a Federal Law and Staff recommends updating the Plan.
Staff recommends the plan be updated accordingly.
4. **New Out of Pocket Limits**
Staff does not recommend changes to our current out of pocket limits for the 2022 plan year.
5. **HIV PreP Authorizations** – If your plan currently requires a prior authorization for HIV PreP medications, you may want to consider removing that requirement. HIV PreP coverage is required to be paid at 100% under the Affordable Care Act. Since this requirement went into effect, the data has shown that the majority of prior authorizations come back as approved. It may be more cost effective to remove the prior authorization requirement.
Staff recommends removal of the HIV PreP pre-authorizations as a cost savings. The plan pays for each pre-authorizations and majority of the pre-authorizations are approved.
6. **Definition of Morbid Obesity**
Our current plan does not define the term Morbid Obesity so this change is non-applicable and Staff does not recommend changes.

7. **MACI and other High Cost Implant Treatments** – Add the following requirement to the Covered Expense section. Cultured chondrocytes implants are a high dollar treatment and only indicated for patients who meet certain criteria. Due to the high cost, it is suggested a prior authorization requirement be added.

This treatment is not a viable treatment for everyone and is expensive. The average cost for the procedure can be as high as 85k per claim. Staff recommends adding the prior pre-authorization to ensure it is medically necessary.

Stephen Mason moved to approve Health Plan mandates and recommendations under the Federal No Surprises Act (NSA). John Snyder seconded the motion.

CARRIED. 5 to 0.

- 7.5 **NextBand Construction Contract price adjustment. (Adam Hellard will discuss)**

Bid #'s 1685 & 1686 were awarded to Custom Cable Services, Inc. for contract labor for FTTH build in 2019. Work began in January of 2020; in January of 2022, we received a letter from Custom Cable asking for an increase on nine of the fifty line items from the bid. Custom Cable made this request based on FPB's plan to accelerate the project from eight-plus years to four years. This increase would help Custom Cable be more competitive in the Telecom construction market. Based on the requested increase, staff estimated this will increase construction costs by between 9%-13%. This percentage is only an estimate because the final design is not complete for some areas. Labor increases have been allowed with other long-term contracts such as tree trimming, mowing, etc. Two responses were received for the bid, and Custom Cable was well below the second bidder. For this reason, staff feels that rebidding would result in a higher increase overall and feel the increase is reasonable based on the original bid amounts and the amount of Federal and State monies available in the broadband area for unserved or underserved areas. Attached are the original tab sheets and graphs that show comparisons between the original bid price and the proposed increases.

John Snyder moved to approve Bid #1685 and Bid #1686 for NextBand Construction Contract price adjustment. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

8 INFORMATIONAL ITEMS:

- 8.1 **Informational Item to discuss free Covid-19 tests: (Nichell Brown to discuss).**

On January 10, 2022, the Center for Medicare and Medicaid (CMS) announced that effective January 15, 2022, insurance companies and group health plans would be required to cover the cost of At-Home Over-the-counter (OTC) COVID-19 Antigen test at no cost to members.

With this CMS ruling and guidance, our pharmacy vendor, Ventegra has added FDA authorized At-Home OTC Covid-19 Antigen test at zero cost to members under the pharmacy benefit plan effective January 15, 2022. Support of the Pharmacy plan changes are from the previous approved FPB's health plan "Coronavirus Preventive Services Provisions" amendment on December 28, 2020 (See a copy of the amendment in the detail pages).

Individuals covered on our pharmacy plan age two and older can receive eight test per 30 days at zero cost to the member without a prescription from a prescriber.

Members also have an option to request reimbursement up to \$12 per test by completing and submitting the necessary documentation.

Please see that attached pharmacy plan benefit update information and the Covid-19 Home Test paper claim form in the detail pages.

Ms. Brown discussed specifics of this item.

8.2 **Informational Item to Discuss Site Changes to Access Road in Connection with Franklin County Humane Society and FPB Sharing Costs in the Amount of \$50,000.**

Access Road:

- Original replacement road was budgeted and assumed taking out existing road and putting back exactly in same location with same grades. No utilities were included.
- New design resulted in changes to grading, sanitary, storm, erosion control, and seed/straw. The road elevations are changed. Utilities were added to scope (storm and sanitary). More area was disturbed resulting in more erosion control and seed/straw/stabilization.
- Concrete work at street was expanded.
- The existing site contractor bid the new project scope.

Site Changes:

- Expanded parking lot and added concrete gutters.
- Extended/lengthened sanitary line

Mr. Cubine, Staff and Board discussed this item. The Board requested Staff review this and bring to Board for action in the March 15, 2022 regular board meeting.

9 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

- 9.1 Update regarding City's Resolution on Renewable Energy and working with NREL and FPB's involvement.
- 9.2 Discuss issues regarding invasive species and the City possibly utilizing grant funds to pay for work necessary to control. Board and Staff summarized what would be needed for FPB to assist.

The Board and Staff further discussed FPB participating in educating the public on trees and other vegetation appropriate for planting under or near power or utility lines.

10 INFORMATIONAL ITEM: OLD & NEW BUSINESS

- 10.1 None

11 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

- 11.1 **Request the Chair to call a closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding OSHA matter, contract matter and rate matter; and pursuant to KRS 61.810(1)(g) for discussions between a public agency and a representative of a business entity and discussions concerning a specific proposal, if open discussions would jeopardize the siting, retention, expansion, or upgrading of the business.**

John Snyder moved to call a closed session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding OSHA matter, contract matter and rate matter; and pursuant to KRS 61.810(1)(g) for discussions between a public agency and a representative of a business entity and discussions concerning a specific proposal, if open discussions would jeopardize the siting, retention, expansion, or upgrading of the business. Stephen Mason 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. Jason Delambre seconded the motion.

CARRIED. 5 to 0.

13 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

- 13.1 Action Taken.

John Snyder moved to direct General Counsel and Staff to prepare and transmit draft agreement to one of FPB's customers. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

14 ACTION ITEM: ADJOURNMENT

14.1 To Adjourn Meeting.

John Snyder moved to adjourn meeting. Jason Delambre seconded the motion.

CARRIED. 5 to 0.



Board Chair



Board Secretary/Treasurer