

January 15, 2019

A Board meeting of the Electric and Water Plant Board of the City of Frankfort, Kentucky, was held at the Frankfort Plant Board Administration Building at 151 Flynn Ave. Frankfort, KY on Tuesday, January 15, 2019 at 5:00 p.m.

ATTENDANCE:

Anna Marie Pavlik Rosen, Board Chair
Walt Baldwin, Vice Chair
Dawn Hale, Board Member
Stephen Mason, Board Member
James Liebman, Board Attorney
Gary Zheng, General Manager
David Billings, Chief Water Engineer
Harvey Couch, Video Content Coordinator
Katrina Cummins, Assistant Finance Director
David Denton, Finance Director
Vent Foster, Asst. GM Operations
April Rhodes, Customer Service Supervisor
Adam Hellard, Interim Assistant GM of Cable/Telecom
Ryan Henry, IT Assistant Director
Scott Hudson, Electric Superintendent
Casey Jones, IT Director
Cathy Jennings, Executive Assistant
Cathy Lindsey, Public Information Officer
Kathy Poe, Executive Assistant
Hance Price, Staff Attorney/Asst. GM Administration
Kim Phillips, Safety Director
Leigh Ann Phillips, Support Services Director
Jennifer Hellard, Purchasing Agent
Deron Rambo, NOC Director
Julie Roney, WTP Superintendent
Dianne Schneider, Human Resources Director
Jeremy Blackburn, Cable 10 Videographer
State Journal

AGENDA

The Agenda for the Board Meeting was received and entered into the Minute Book as follows:

1. **Action Item:** Consider Approving Minutes from the December 18, 2018 Board Meeting.
2. **Action Item:** Accept Electric, Water and Cable Financials for December, 2018.
3. **Action Item:** Consider Approving Renewal of FPB's Insurance Policies in the Amount of \$773,328.78 and Pollution Liability in the Amount of \$32,733.00.
4. **Information Item:** Public Comment Period.
5. **Informational Item:** Departmental Reports:
 - Website Customer Comments
 - Cable Dept.
 - Customer Service
 - Electric Dept.
 - SEPA
 - KyMEA

- Safety
 - Water Distribution
 - Water Treatment Plant
6. **Action Item: Consider Retaining Crowe, LLP to Conduct the 2018-2019 Financial Statement Audit for a fee of \$33,000.**
 7. **Action Item: Consider Approving Master Service Agreement #5 with Jones/NCTI, Inc. for Online Customer Care and Technician Courses for \$13,296.00.**
 8. **Information Item: Kentucky Employers Mutual Insurance (KEMI) Presented FPB with the 2018 Destiny Award.**
 9. **Informational Item: Presentation by Wendy Shouse from Bluegrass Community Action Partnership regarding Utilization of FPB's Winter Care Funds and Discuss Weatherization Program.**
 10. **Informational Item: General Manager's Comments:**
 11. **Informational Item: Old and New Business.**
 12. **Request Permission to Have Chair Call for a Closed Session: Pursuant to KRS 61.810(1)(c) to discuss pending litigation regarding liquidated damages and pending litigation regarding Reservoir construction.**

BOARD ACTION

Ms. Rosen called the meeting to order and noted four (4) Board members in attendance.

1. **Request Permission to Have Chair Call for a Closed Session: Pursuant to KRS 61.810(1)(c). to discuss pending litigation regarding liquidated damages and pending litigation regarding Reservoir construction.**

Mr. Baldwin moved to go into closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation regarding Reservoir Construction. Ms. Hale seconded. The motion passed unanimously.

2. **Closed Door Session:**

Mr. Baldwin moved to return to open session. Mr. Mason seconded. The motion passed unanimously.

3. **Action Item: Consider Approving Minutes from the December 18, 2018 Board Meeting.**

Ms. Hale moved to accept the minutes Mr. Mason seconded and the motion passed unanimously.

4. **Action Item: Accept Electric, Water and Cable Financials for December 2018.**

Mr. Denton went over the financials for December 2018.

Mr. Baldwin moved to accept the electric, water and cable financials for December 2018. Ms. Hale seconded. The motion passed unanimously.

5. **Action Item: Consider Approving Renewal of FPB's Insurance Policies in the Amount of \$773,328.78 and Pollution Liability in the Amount of \$32,733.00. Hance Price and Charlie Hamilton of Powell Walton Milward will discuss**

FPB's current insurance coverages expire February 5, 2019. Staff has completed renewal forms and worked with Charlie Hamilton at Powell Walton Milward to obtain the best coverage and prices available. Staff is prepared to renew the coverages shown in the detail section upon the Board's approval.

FPB has several different types of policies that cover a variety of risks. These policies are with several different companies. The overall premium to renew is \$773,328.78. This price does not include our pollution policy, which will renew for a three (3) year term for \$32,733. This price does not include the Workers' Compensation policy which renews on July 1, 2019.

The total annual premium increased by approximately 1% over last year. The price increase includes increased coverage for Directors & Officers Liability and Employment Practices Liability. With respect to the Directors and Officers coverages, the limit is currently \$5,000,000 and can be increased to \$10,000,000 for an additional \$35,456 if the Board decides to do so. The insurance information as well as the ten (10) year policy premium comparison is included in the detail section of your board package.

The three (3) year pollution liability coverage is also due to renew this year for \$32,733.00. This is an increase of .75% from three years ago from \$34,488.00.

The coverages are reasonably priced. More importantly, the companies pay our claims. Unlike some carriers in the past that have denied our claims, FPB currently receives payment for most claims. Powell Walton Milward has surveyed the marketplace and found that these policies offer the broadest coverages at the most competitive prices. Staff recommends renewal of FPB's insurance policies in the amount of \$773,328.78 and pollution liability in the amount of \$32,733.00.

Ms. Hale moved to approve renewal of FPB's Insurance Policies in the amount of \$773,328.78 and Pollution Liability in the amount of \$32,733.00. Mr. Baldwin seconded. The motion passed unanimously.

6. **Informational Item: Public Comment Period**

There were no public comments.

7. **Informational Item: Departmental Reports:**

- **Website Customer Comments**

There were no website customer comments.

- **Cable Dept.**

Mr. Hellard reviewed the Cable Departmental reports with the board.

- **Customer Service**

Ms. Rhodes went over the Customer Service reports.

- **Electric Dept.**

Mr. Hudson reviewed Electric's report.

- **SEPA**

Mr. Foster gave the SEPA information for the previous month.

- **KyMEA**

Mr. Zheng gave an update of KyMEA.

- **Safety**

Ms. Phillips reviewed the Safety Department reports.

- **Water Distribution**

Mr. Smith went over the report for the Water Department.

- **Water Treatment Plant**

Ms. Roney went over the Water Treatment Plant Reports.

8. **Action Item: Consider Approval of an Implementation Plan for the Network Operations Center and After-hours Dispatch. *Deron Rambo will discuss.***

Presentation of business plan for the Network Operations Center and after-hours dispatch. In FY 2018 the FPB Board of Director's approved a staff recommendation to create a Network Operations Center (NOC). The initial responsibilities of the NOC were outlined to be regular and after-hours dispatch, customer outage management, after-hours customer contacts, facility locates and emergency responses. In October 2018 a Network Operations Director was hired and work immediately began coordinating with all departments within the Frankfort Plant Board to identify areas where a 24/7 NOC could enhance the overall service provided to its customers and assist in providing an additional layer of safety and security for internal operations. Staff has explored available options and will present them for consideration at this meeting.

Mr. Baldwin moved to approve an implementation plan for the Network Operations Center and After-hours Dispatch. Ms. Hale seconded and the motion passed unanimously.

9. **Action Item: Consider Amendments to the Job Classification and Compensation Plan: Create Network Operations Supervisor Position and Re-classification of Dispatcher Position. *Dianne Schneider will discuss.***

The 2018-2019 budget includes funding to develop a Network Operations Center. This department is responsible for regular and after-hours dispatch, customer outage management, after-hours customer contacts, facility locates, and coordinating emergency response.

Staff asks the Board to consider approving the Network Operations Supervisor position to assist in day to day activities in the department and perform supervisory responsibilities. Based on an evaluation of the job description, the recommended classification is 109; with a pay range of \$21.96 to \$32.93 per hour. This position is non-exempt.

In addition, the job description for the Dispatcher position has been updated to reflect additional duties and responsibilities primarily related to outage management and emergency response, including work performed after regular business hours. Based on the Job Classification/Compensation system, Staff recommends a reclassification from 103 (\$15.13 to \$22.69) to 105 (\$17.40 to \$26.11, hourly).

The proposed/revised job descriptions are included in the detail pages for this Board item.

Funding is included in the total amount allocated for the Network Operations Center in the 2018-19 budget.

Mr. Mason moved to Amend the job classification and compensation plan: creating a Network Operations Supervisor Position and Re-classification of Dispatcher Position. Ms. Hale seconded. The motion passed unanimously.

10. **Action Item: Consider Approving NBCUniversal Agreement. *Harvey Couch will discuss.***

The Cable Advisory Committee and Staff recommend the Board approve the National Cable Television Cooperative (NCTC) renewal for NBCUniversal. This NCTC agreement has a term from January 1, 2019 through December 31, 2021. The

networks covered include: USA, NBC Sports Network, Syfy, Oxygen, Bravo, E!, CNBC, MSNBC, and Golf Channel on Classic Cable; Universal Kids and Olympic Channel on Preferred Cable; and Olympics Programming. This agreement also covers TVE and VOD rights.

The agreement represents programming license fee increases of 8.5% in year one, and 5.5% in years two and three. The increases are lower than what was budgeted and anticipated.

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

Please consider the networks as a take all or have none scenario as this agreement does not allow a la carte purchasing. The deadline for participation in this agreement is February 14, 2019. The Assistant GM-Administration has reviewed the agreement and it meets with his approval.

Ms. Hale moved to approve the NBCUniversal Agreement. Mr. Mason seconded. The motion passed unanimously.

11. **Action Item:** Consider Approving Public Hearing Notice covering: (1) Increasing rate for Classic Cable service and (2) Increasing rate for Bulk cable I and Bulk cable II. *Harvey Couch will discuss.*

Staff recommends the Board approve the Public Notice for the purpose of conducting a public hearing at a special meeting of the Frankfort Plant Board on January 29, 2019 at 5 pm in the FPB Administration Building Community Room.

1) Increase rate for the Classic Cable tier:

The public notice proposes to increase the Classic Cable tier (channels 2-98) rate from \$63.50 per month to \$67.00 per month effective March 1, 2019. The increase is needed to keep pace with increases in the wholesale license fees FPB must pay to programmers.

2) Increase rate for Bulk Cable I and Bulk Cable II

The public notice proposes to increase the rate for Bulk Cable I from \$12.46 per outlet per month to \$13.26 per outlet per month effective March 1, 2019. Bulk Cable I, as defined in the FPB Tariff, typically includes hotels and KSU dormitories. The increase is needed to keep pace with increases in the wholesale license fees FPB must pay to programmers. Staff proposes to increase the rate for Bulk Cable II from \$21.73 per outlet per month to \$23.12 per outlet per month effective March 1, 2019. Bulk Cable II, as defined in the FPB Tariff, typically includes office complexes with more than 8 outlets. This increase is needed to keep pace with increases in the wholesale license fees FPB must pay to programmers.

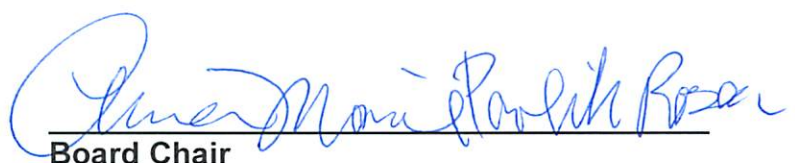
12. **Information Item:** General Manager's Comments.

Mr. Zheng asked Cathy Lindsey to introduce FPB's new roundup program to help customers who need assistance with their bills in the winter months.

13. **Informational Item:** Old & New Business.

Ms. Rosen pointed out that the USPS will be raising their rates by \$.05 so it's a good time to sign up for paperless billing.

Mr. Baldwin moved to adjourn the meeting. Mr. Mason seconded. The motion passed unanimously and the meeting adjourned.


Board Chair


Attest: Board Secretary/Treasurer