



# MINUTES

## FPB Board Meeting

---

5:00 PM - Tuesday, October 17, 2023

Community Room

The Board of Directors of the Frankfort Plant Board met on Tuesday, October 17, 2023 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  
Harvey Couch, Marketing Video Content Coordinator  
Katrina Cummins, Finance Director  
David Denton, Chief Financial Officer  
Adam Hellard, Cable/Telecom 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  
Deron Rambo, Network Operations Center Director  
Travis McCullar, Director of Electric  
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 Haring, Asst. Water Distribution Superintendent  
Brandon Powers, Water Treatment Plant Superintendent  
Sharmista Dutta, Director of Water  
Mike Harrod, Telecom Engineering Manager  
April Rhodes, Customer Service Supervisor  
Ryan Henry, IT Director  
Russ Carter, Asst. Electric Superintendent

1 ACTION ITEM: APPROVAL OF MINUTES

- 1.1 Consider Approval of the Minutes for the September 19, 2023 Board Meeting.

*John Snyder moved to approve the Minutes for the September 19, 2023 board Meeting. Stephen Mason seconded the motion. CARRIED. 5 to 0.*

2 ACTION ITEM: ACCEPT FINANCIALS

- 2.1 Consider Accepting the Financial Statement for month ending September 30, 2023.

*Stephen Mason moved to accept the Financial Statements for month ending September 30, 2023. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.*

3 INFORMATIONAL ITEM: PUBLIC COMMENT

4 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

5 ACTION ITEMS:

- 5.1 Consider Adoption PURPA Shall Consider Standards. (Travis McCullar will discuss)

The Infrastructure Investment and Jobs Act of 2021 (IIJA) added two new “standards” related to demand response practices and EV charging programs. FPB is obligated to consider and to determine whether or not to adopt the two new proposed regulatory standards. The due process required by PURPA

includes the requirement that the determination as to the “appropriateness” of a particular standard take place “after public notice and hearing” and be (1) “in writing”; (2) “based upon findings included in such determination and upon evidence presented at the hearing”; and (3) be made “available to the public.” Section 111(b) of PURPA. The Board has until November 15, 2023 to decide whether to adopt the regulatory standard.

A public hearing was held on September 19th, 2023 to take oral and written comments related to new PURPA standards under the IJA as well as previous “shall consider” consider standards. No comments were received.

Because of the ongoing transformation of both FPB and the electric industry, Staff recommends that the Board decline to adopt the PURPA standards set forth in 16 U.S.C.A. § 2621(d) in order to retain maximum flexibility for FPB to ensure that it meets its statutory, contractual, and operational obligations. Staff would also recommend performing a limited rate study to determine a voluntary time-of-use rate that could be offered to interested customers.

***John Snyder moved to decline to adopt the PURPA standards set forth in 16 U.S.C.A. § 2621(d) in order to retain maximum flexibility for FPB to ensure that it meets its statutory, contractual, and operational obligations. Kathryn Dutton-Mitchell seconded. CARRIED. 5 TO 0.***

***John Snyder moved to engage 1898&Co. to do a Time of Use Study with recommendations to be brought back to the Board subject to negotiating acceptable costs. Stephen Mason seconded. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.***

- 5.2 Consider Approving a New Tier of NEXTBAND Service for Business Customers and Update Max Upload Speeds as Presented at the Public Hearing September 19, 2023. (Harvey Couch will discuss)

***John Snyder moved to approve a New Tier of NEXTBAND Service for Business Customers and Update Max Upload Speeds as Presented at the Public Hearing September, 19, 2023. Stephen Mason seconded the motion. CARRIED. 5 to 0.***

- 5.3 Consider Approval of FEMA Resolution. (David Denton to discuss)

FEMA requires FPB to designate an agent to execute its application for assistance. Staff recommends that FPB designate an agent of its choice to execute any required documentation.

***John Snyder moved to approve board Chair as agent to execute FPB's Application for assistance. Stephen Mason seconded the motion. CARRIED. 5 to 0.***

**5.4 Consider Award of Bid Invitation #1789- Pole Mount Transformers to Cape Electrical Supply in the amount of \$484,413.00. (Jennifer Hellard will discuss)**

Staff prepared a bid invitation for pole mount transformers. 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.

The bid invitation was sent directly to ten vendors as well as advertised in the State Journal and on our website. We received two responses. Staff recommends awarding to Cape Electrical Supply as they are the lowest bid meeting the specs.

***Stephen Mason moved to Award Bid #1789-Pole Mount Transformers to Cape Electrical Supply in the amount of \$484,413.00. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.***

**5.5 Consider Award of Bid Invitation #1790- Pad Mount Transformers to Irby Utilities in the amount of \$247,539.00. (Jennifer Hellard will discuss)**

Staff prepared a bid invitation for pad mount transformers. 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.

The bid invitation was sent directly to ten vendors as well as advertised in the State Journal and on our website. We received one response. Staff recommends awarding to Irby Utilities as they are the lowest bid meeting the specs.

***Stephen Mason moved to Award Bid #1790- Pad Mount Transformers to Irby Utilities in the Amount of \$247,539. Jason Delambre seconded the motion. CARRIED. 5 to 0.***

**5.6 Consider Stop Loss Coverage and Plan Changes for 2024 Employee Health Plan. (Nichell Brown to discuss).**

Staff recommends the Board consider approving renewal with Pan American for the specific and aggregate Stop Loss Coverage for the 2024 FPB Employee health plan. Our consultant Sherrill Morgan searched for competitive pricing and received responses from fourteen stop loss carriers (see Stop Loss Carrier rating portfolio included in the detail pages).

Our current carrier, Pan American, offered the best overall option for stop loss coverage when an additional liability corridor is considered. To reduce premium expenses, Sherrill Morgan recommends that we accept the additional liability of \$100,000 aggregated specific deductible. One or more health plan members must meet the additional aggregating specific deductible of \$100,000 before the carrier

is responsible for reimbursement of claims expenses above the individual specific deductibles.

With the self-funded health plan, the specific stop loss coverage reimburses FPB in the event any covered individual has claims exceeding the specific deductible of \$125,000; the aggregated stop loss coverage reimburses FPB if the total claims expense for the entire group exceeds expected total claims by more than 25%.

The total projected health care expenses for 2024 are estimated to decrease \$53,197 annually (from \$3,376,020 to \$3,322,823). See the highlighted sections of the renewal comparison proposal spreadsheet included in the detail pages section.

Estimated expenses for calendar year 2024 based on renewal with Pan American and MedBen:

<b>Estimated Expenses</b>	<b>2023</b>	<b>2024</b>
Specific Deductible	\$125,000	\$125,000
Additional Liability Corridor (Aggregating Specific Deductible)	\$100,000	\$100,000
Annual Specific Premium	\$457,724	\$408,565
Annual Aggregate Premiums	\$22,226	\$22,226
Organ Transplant Coverage	\$33,595	\$33,595
Administration Fees (includes increase for Cigna provider network & MedBen for 2024)	\$149,987	\$153,703
Expected Medical & RX	\$2,169,990	\$2163,787
Claims Dental, Vision, & STD Claims (projected based on claims through October 2023)	\$281,115	\$281,115
<b>Total Projected Health Care Expense</b>	<b>\$3,376,020</b>	<b>\$3,322,823</b>

The table below shows EMPLOYEE payroll contributions and the amounts the employee contributes each month based on plan type for health care.

There are no recommended changes to the below employee payroll contributions for the 2024 plan year.

	2024 FPB PPO Medical/Rx	2024 FPB Well Living PPO Medical/Rx	**2024 FPB CDHP Medical/Rx	**2024 FPB Well Living CDHP Medical/Rx	**2024 Dental
<b>Level of Coverage</b>	<b>Current Monthly Premiums</b>				
<b>Single Coverage</b>					
Employee Pays/Month	\$73.00	\$45.00	\$42.00	\$15.00	\$2.51
<b>EE &amp; Children</b>					
Employee Pays/Month	\$192.00	\$140.00	\$120.00	\$68.00	\$9.51
<b>EE &amp; Spouse</b>					
Employee Pays/Month	\$205.00	\$150.00	\$122.00	\$68.00	\$9.51
<b>Family Coverage</b>					
Employee Pays/Month	\$207.00	\$215.00	\$202.00	\$148.00	\$15.56
<b>Deductible Single/Family</b>	\$400/ \$1,200	\$400/ \$1,200	\$1,000/ \$2,400	\$1,000/ \$2,400	\$25/\$75
<b>Maximum out of Pocket Single/Family</b>	\$1,000/ \$2,400	\$1,000/ \$2,400	\$1,000/ \$2,400	\$1,000/ \$2,400	
<b>Prescriptions</b>					
<b>1 prescription fill for Walgreens &amp; RiteAid</b>	OTC \$0, \$10, \$30, \$60				
** Employees with a CDHP Plan are eligible to receive \$600 for single and \$1,200 for all other coverages from FPB after the employee has paid the first \$400 in medical expenses.					
*The Employee's Dental and Vision benefits are combined with one contribution.					

Staff asks the Board to approve the renewal of Stop Loss Coverage for the 2024 health plan year.

***Kathryn Dutton-Mitchell moved to Approve Stop Loss Coverage for the 2024 Plan Year. John Snyder seconded the motion. CARRIED. 5 to 0.***

5.7 **Consider Changes to FPB's Employee Health and Prescription Plans Effective January 1, 2024**(*Nichell Brown to discuss*).

Staff asks the Board to consider approving the below 2024 health plan and prescription changes from Sherrill Morgan (our health plan consultant):

Exclude gene therapy.

Gene therapy is treatment for certain medical conditions that involve modification of an individual's genes. Some of these therapies are experimental, have negative side effects and can be costly.

Require prior authorization for GLP-1 agonists for diabetes.

GLP-1 agonists drugs for diabetes such as Ozempic, Trulicity, etc. are trending because they are believed to assist with weight loss. Without the pre-authorization, these drugs can possibly be prescribed for uses other than to treat diabetes. If this recommendation is approved, members who are currently prescribed a GLP-1 agonist drug will receive a letter from MedBen (our third party administrator) prior to January 1, 2024 so they can start the prior authorization process.

Limit Walgreen's and Rite Aid to one fill.

Limiting this is a cost savings to ensure the prescription plans receive the maximum rebates and discounts. Currently there is a limit of two fills.

***John Snyder moved to approve Changes to FPB's Employee Health and prescription Plans Effective January 1, 2024. Staff is to further investigate and better define "some therapies are experimental" under gene therapy; and whether FPB's plan will cover side effects of gene therapy. Stephen Mason seconded the motion. CARRIED. 5 to 0.***

5.8 **Consider Approval of CAA Gag Clause Attestation Requirements for Self-funded Health Plan Sponsors.** (*Nichell Brown to discuss*)

A 2021 federal law requires that all group health plan sponsors file an attestation (via a federal web portal) declaring and verifying that they have not entered into any agreements with health care or service providers or provider networks which prohibit them from accessing certain claim and health care provider data. The law restricts a plan's ability to have access to or share health care provider pricing and claims data. This provision is known as the "gag clause" prohibition and it is designed to increase transparency by removing gag clauses on price information from applicable agreements. The attestation must be made annually with the first attestation due via the federal web portal no later than December 31, 2023, but the prohibitions described in the law have been in place for group health plans since December 27, 2020.

MedBen (our third-party administrator), can prepare and file the attestation for FPB's health plan, but only with written authority from FPB's health plan sponsor

to do so. The federal rules confirm that the plan sponsor can satisfy the attestation requirement regarding self-insured group health plans by entering into a written agreement with their third-party service provider (such as MedBen) who then agrees to prepare and file the attestation on the health plan's behalf. This means that MedBen can attest on behalf of FPB, but only with written authorization to do so.

Staff asks the Board to approve MedBen to file an attestation on behalf of FPB via the federal web portal. (See the CAA Gag Clause requirements in the detail pages).

***Stephen Mason moved to Approve CAA Gag Clause Attestation Requirements for Self-Funded Health Plan Sponsors. John Snyder seconded the motion. CARRIED. 5 to 0.***

**5.9 Conduct Election of Officers of the Board of Directors of the Frankfort Plant Board. (Hance Price will officiate the election)**

Pursuant to the FPB ByLaws, election of officers of the Board of Directors is to be held every two years in odd number years. The most recently elected officers of the FPB Board of Directors are: Chairman, John Cubine; Vice Chair, John Snyder; and Secretary/Treasurer, Steve Mason. Mr. Cubine has served two full term as Chairman and is eligible to hold the office of Chairman for another term. Mr. John Snyder has held the term of Vice Chair for one term and is eligible to be re-elected to that position or any of the other board offices. Mr. John Snyder has held the term of Vice Chair for one term and is eligible to be re-elected to that position or any of the other board offices. All members of the board are eligible to hold each of the three Board officers.

Staff respectfully request elections be held for Board Chair, Vice Chair, and Secretary/Treasurer for terms ending October 2025 respectively or until such time as persons holding those offices are no longer members of the Board of Directors.

***John Snyder moved to open the floor for nominations for Board Chairman. Kathryn Dutton-Mitchell seconded. CARRIED. 5 to 0.***

***John Snyder nominated John Cubine for the office of Board Chairman.***

***Stephen Mason moved to close nominations for Board Chairman. John Snyder seconded. CARRIED. 5 to 0.***

***Kathryn Dutton-Mitchell moved to elect John Cubine as Board Chairman. Jason Delambre seconded. CARRIED. 5 to 0.***

***John Cubine moved to open the floor for nominations for Board Vice Chairman. Stephen Mason seconded. CARRIED. 5 to 0.***



**Stephen Mason nominated John Snyder for the office of Board Vice Chairman.**

**John Cubine moved to close nominations for Board Vice Chair. Stephen Mason seconded. CARRIED. 5 to 0.**

**John Cubine moved to elect John Snyder as Board Vice Chair. Stephen Mason seconded. CARRIED. 5 to 0.**

**John Snyder moved to open the floor for nominations for Board Secretary/Treasurer. John Cubine seconded. CARRIED. 5 to 0.**

**John Snyder nominated Stephen Mason as Board Secretary/Treasurer.**

**John Cubine moved to closed nominations for Board Secretary/Treasurer. John Snyder seconded. CARRIED. 5 to 0.**

**Kathryn Dutton-Mitchell moved to elect Stephen Mason as Board Secretary/Treasurer. John Snyder seconded. CARRIED. 5 to 0.**

**Mr. John Cubine is elected Board Chairman, Mr. John Snyder is elected Board Vice Chairman, and Mr. Stephen Mason is elected Board Secretary/Treasurer with terms through October 31, 2025.**

**6 INFORMATIONAL ITEMS:**

- 6.1 City of Frankfort's Holmes Street Revitalization Project. (Sharmista Dutta to discuss)**

Staff and Board discussed the details and potential cost of projects.

**7 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS**

**8 INFORMATIONAL ITEM: OLD & NEW BUSINESS**

- 8.1 Economic Development Discussion. Travis McCullar to discuss.**

Travis McCullar discussed strategies and utility practices, and potential roles FPB could play in economic development.

**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)(c) to discuss pending or proposed litigation regarding collection matter, advertising matter, breach of contract matter, employment matter, cost recovery matter, and a regulatory matter; pursuant to 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 collection matter, advertising matter, breach of contract matter, employment matter, cost recovery matter, and a regulatory matter; pursuant to 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. Stephen Mason seconded the motion. CARRIED. 5 to 0.*

**10 CLOSED DOOR SESSION**

**10.1 Come Out of Closed Session.**

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

**11 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION**

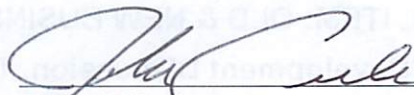
**11.1 Action Taken.**

*John Snyder moved to authorize staff after making technical amendments as directed in the closed session to present both a Mutual Aid Agreement with the Peaks Mill Water District and a Flushing Agreement with Peaks Mill Water District to that organization. Stephen Mason seconded the motion. CARRIED. 5 to 0.*

**12 ACTION ITEM: ADJOURNMENT**

**12.1 To Adjourn.**

*John Snyder moved to Adjourn. Jason Delambre seconded the motion. CARRIED. 5 to 0.*

  
\_\_\_\_\_  
Board Chair

  
\_\_\_\_\_  
Board Secretary/Treasurer