



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, November 14, 2023 - Community Room

The Frankfort Plant Board met on Tuesday, November 14, 2023 at 5:00 PM in the Community Room.

ATTENDANCE:

Stephen Mason, Board Secretary/Treasurer
John Cubine, Board Chair
John Snyder, Board Vice Chair
Kathryn Dutton-Mitchell, Board Member
Jason Delambre, Board Member
Harvey Couch, Marketing Video Content Coordinator
Katrina Cummins, Finance Director
David Denton, Chief Financial Officer
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
Deron Rambo, Network Operations Center Director
Travis McCullar, Director of Electric
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, Safety Director
Danny Harring, 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
State Journal

1 ACTION ITEM: APPROVAL OF MINUTES

- 1.1 Consider Approval of the Minutes for the October 17, 2023 Board Meeting.

John Snyder moved to approve the Minutes for the October 17, 2023 Board Meeting. Jason Delambre seconded the motion. CARRIED. 5 to 0.

2 ACTION ITEM: ACCEPT FINANCIALS

2.1 Consider Accepting the Financials for Month Ending October 31, 2023.

Kathryn Dutton-Mitchell moved to Accept the Financials for Month Ending October 31, 2023. Stephen Mason seconded the motion. CARRIED. 5 to 0.

3 ACTION ITEMS: GUEST SPEAKERS

3.1 City of Frankfort's Holmes Street Revitalization Project. (Chuck Knowles to discuss)

The City of Frankfort is applying for federal grants for the revitalization of the Holmes Street corridor. The project will improve traffic flow, enhance pedestrian and biking opportunities, improve safety, promote economic development, and connect to downtown Frankfort. In order to be considered for a grant, a 20% local match is required. The City has asked the Frankfort Plant Board to participate through committing funds towards the project.

Water:

Cost estimate: \$900,000 20% commitment: \$180,000

Summary: Water project consists of replacing 4,800 feet of aging cast iron pipe along the corridor. Water currently budgets \$500,000 per year for waterline replacement projects. Project can be included in the waterline replacement budget if the City is awarded the grant. If they receive funding from the grant application submitted in September 2023, we will budget the funds over FY 25 and FY 26.

Electric:

Cost estimate: \$840,000 20% commitment: \$168,000

Summary: Electric work will consist of replacement and relocation of approximately 54 poles and replacing overhead primary electric lines. Electric periodically budgets for line upgrades if we expect significant load growth or experience excessive outages in a particular area. For instance the circuit along Wilkinson was recently upgraded to meet the growing load in the area and to improve our tie lines with other distribution circuits. Because this particular project was not planned for line upgrades under these conditions, no budget funds are currently allocated for the Holmes Street area.

Telecom:

Cost estimate: \$150,000

20% commitment: \$30,000

Summary: The Holmes Street Corridor Project will require the relocation of approximately 54 poles; impacting up to 7,000 feet of coax and fiber that may need to be replaced or relocated. There will be significant outages throughout the system for these relocations. Telecom's estimate is based on the pre-30% drawing provided to FPB and will vary based on the results of the final design once the grant is approved. Telecom has no future budgeted maintenance plans for this area. If the board would like to provide a financial commitment from the Telecom department to the City for this project, it is staff's recommendation that the language states, "Up to 20% of the actual cost, but not to exceed \$30,000" due to the early stages of this project.

3.2 Consider Approval of Korn Ferry to review FPB's current compensation plan: (*Nichell Brown to discuss*).

The Board requested Staff to invite Jennifer Hassrick from Korn Ferry to attend FPB's Board meeting to discuss an overview of Korn Ferry's compensation project approach and answer Board Members' questions.

I have enclosed the revised proposal in the detail pages for the board to review.

Nichell will come back with a revise proposal for review and rebuild in December for Board approval.

4 INFORMATIONAL ITEM: PUBLIC COMMENT

5 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**

6 ACTION ITEMS:

6.1 Consider Electric Tariff Revisions Related to Line Extension Refunds and Discuss Potential Public Hearing. (Travis McCullar will discuss)

At recent meetings, the Board has expressed interest in adopting a policy promoting Frankfort's growth through financial incentives for new and potential developments. Economic incentive policies ideally promote expansion of electric services without causing undue burden or risk to the existing ratepayers. Staff has taken this concept and drafted a line extension refund policy for the Board's consideration.

Under the proposed terms, risk to the Board and existing ratepayers is reduced by requiring the developer to deposit the entire estimated project cost in advance. As the development progresses and new electric services are installed, refunds are issued to the developer based on the net benefit of a new customer to the Board. Net benefit in this policy is defined as the customer's revenue minus power supply costs. A total per development cap of \$100,000 is also included to limit the overall risk.

In order for this policy change to be implemented, a public hearing at a future date will be required.

John Snyder moved to direct staff to fully develop Tariff and schedule for a Public Hearing to be held at the January meeting. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

6.2 Consider Approving YES Network amendment. (Harvey Couch to discuss)

Staff recommends approval of the YES Network amendment. This direct agreement has a term through March 31, 2027. FPB currently carries YES Network on channel 790 on the optional Sports Plus tier. Year-over-year increases are approximately 4%. These increases were anticipated and budgeted and do not require a rate increase. The network is programmed 24/7 with sports programming including college sports, professional soccer and tennis, and programming related to the Yankees and Nets. TVE rights are included in this new agreement. No additional carriage requirements obligations are included in this agreement. This agreement has been reviewed by the Staff Attorney and it meets with his approval.

Stephen Mason moved to approve the YES Network Agreement. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

6.3 **Consider approval of Ethics Committee Appointment of Courtney Carter and Stephen Reeder. (Hance Price to discuss)**

FPB's Ethics Policy notes on page 7 that "The terms of members appointed on September 15, 2020 shall be staggered and no longer than three (3) years. Successors to retiring members shall be appointed for a term of three (3) years. All terms of office shall begin January 1 and end December 31." Ms. Carter and Mr. Reeder were appointed to three year terms expiring on 12/31/23 and the Board greatly appreciates their service to the FPB and the community. From this point forward, all appointments shall be for a term of three years. Staff asks the Board move to appoint a member with a term beginning on January 1, 2024 and expiring December 31, 2027. Both Mr. Reeder and Ms. Carter are eligible for reappointment since the Policy notes that "The members may be re-appointed not to exceed two consecutive terms." Finally, the Ethics Policy notes, "Vacancies on the Ethics Committee shall be filled within thirty (30) days by the Board. If a vacancy is not filled by the Board within thirty (30) days, the remaining members of the Ethics Committee shall fill the vacancy."

Stephen Mason moved to Approve the Ethics Committee Appointment of Courtney Carter and Stephen Reeder for terms beginning January 1, 2024 through December 31, 2027. John Snyder seconded the motion. CARRIED. 5 to 0.

6.4 **Consider accepting a loan invitation from the Kentucky Infrastructure Authority and submittal of a loan application for a waterline replacement project on Logan and E. 3rd Streets. (Sharmista Dutta to discuss)**

The 2024 Drinking Water State Revolving Fund is providing funds for lead service line replacement projects. FPB submitted a project profile for a waterline replacement project along Logan Street and E. 3rd Street. Both streets have aging cast iron pipes that have been subject to multiple breaks. The taps to each meter consist of a lead connector and a galvanized service line. In addition, the private service lines from the meters to the homes are primarily galvanized service lines as well. We requested funding assistance to replace the cast iron waterlines, as well as the service lines on both the public and private side of the meters. The estimated project cost is \$1,050,077.

The Kentucky Infrastructure Authority (KIA) recently sent us a loan invitation to perform this project. It must be accepted by November 27, 2023. If accepted, we will be sent a loan application and information detailing the terms of the loan. The loan application is due by December 21, 2023.

The loan is eligible for 57% principal forgiveness - \$603,684 is the principal forgiveness amount.

The water department budgets \$500,000 annually for waterline replacement projects. The loan shall be repaid using funds from the replacement budget.

Staff recommends the Board approve acceptance of the loan invitation and submittal of the loan application, contingent upon an agreeable interest rate and flexible payment options. The preliminary intent is to pay off the loan with the waterline line replacement funds under a shorter term.

Kathryn Dutton-Mitchell moved to Accept Loan Invitation from Kentucky Infrastructure Authority and Submittal of a Loan Application for Water Line Replacement Project on Logan and E. #rd Streets Stephen Mason seconded the motion. CARRIED. 5 to 0.

- 6.5 **Discussion and Possible Action regarding Gene Therapy coverage in FPB's Employee Health Plan. (Nichell Brown to discuss)**

This item will be held over until the December meeting for staff to get answers from FPB's Stop Loss Carrier.

- 6.6 **Committee of the Whole with County Fiscal Court. (John Cubine to discuss)**

Staff will complete and post Notice for Special Meeting to allow all members of Board to attend Fiscal Court meeting regarding County Broadband.

- 6.7 **Update regarding Water Line ID Project. (Sharmista Dutta will discuss)**
6.8 **Pole Attachment Fee Discussion. (John Cubine)**

Staff will do an RFP for Audit company and bring a contract back to the board for approval.

- 6.9 **Discussion and Potential Action regarding Legislative Agent. (John Cubine)**

Jason Delambre moved to appoint Mr. Cubine and Mr. Mason with Mr. Zheng, Mr. Price, and Ms. Lindsey to review responses and select an agent. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

- 6.10 **Request City Resolution regarding Telecom. (John Cubine)**

John Snyder moved to prepare a Resolution in Support of not changing KRS for the City to Adopt. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

7 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

8 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

8.1 *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 61.80(1)(c) to discuss pending or proposed litigation regarding collection 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. Jason Delambre seconded the motion. CARRIED. 5 to 0.

9 CLOSED DOOR SESSION

9.1 Come Out of Closed Session.

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

10 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

10.1 Action Taken.

John Snyder moved to direct staff to proceed on the matter discussed in the closed session as directed by the board. Stephen Mason seconded the motion. CARRIED. 5 to 0.

11 ACTION ITEM: ADJOURNMENT

11.1 To Adjourn.

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



Board Chair



Board Secretary/Treasurer