



# MINUTES

## FPB Board Meeting

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5:00 PM - Tuesday, July 20, 2021  
Community Room

The Frankfort Plant Board met on Tuesday, July 20, 2021 at 5:00 PM in the Community Room.

### ATTENDANCE:

Dawn Hale, Board Secretary/Treasurer  
Stephen Mason, Board Vice Chair  
John Cubine, Board Chair  
John Snyder, Board Member  
Kathryn Dutton-Mitchell, Board Member  
Gary Zheng, General Manager  
David Billings, Director of Water Operations  
Brian Bourne, Water Distribution Superintendent  
Harvey Couch, Marketing Video Content Coordinator  
Katrina Cummins, Finance Director  
David Denton, Chief Financial Officer  
Vent Foster, Chief Operations Officer  
Cassie Estill, Customer Service Supervisor  
Adam Hellard, Cable/Telecom Superintendent  
Mark Harrod, Asst. Electric Superintendent  
Casey Jones, IT Director  
Cathy Lindsey, Communications & Marketing Director  
Kathy Poe, Executive Assistant to GM  
Hance Price, Assistant GM Administration/Staff Attorney  
Kim Phillips, Safety Director  
Leigh Ann Phillips, Support Services Director  
Julie Roney, Water Treatment Superintendent  
Deron Rambo, Network Operations Center Director  
Travis McCullar, Chief Electric Engineer  
Jennifer Hellard, Purchasing Agent

#### 1 ACTION ITEM: APPROVAL OF MINUTES

- 1.1 Consider Approval of the Minutes of the June 15, 2021 Board Meeting.

*John Snyder moved to approve the minutes of the June 15, 2021 Board Meeting. Dawn Hale seconded the motion.*

*CARRIED. 5 to 0.*

**2 ACTION ITEM: ACCEPT FINANCIALS**

- 2.1 **Due to year end close out the financial documents ending June 30, 2021 and July 31, 2021 will be presented at the August 17, 2021 Board meeting.**

Mr. Denton discussed year end close out and the status of the audit. He further discussed past due balances numbers and assistance funds available for those who qualify.

**3 INFORMATIONAL ITEM: PUBLIC COMMENT**

- 3.1 Commissioner Waldrige addressed the Board regarding the rebate to FPB's electric customers. She stated that the total rebate amount could be more beneficial residents if invested in the community as a whole.

**4 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)**

**5 ACTION ITEMS:**

- 5.1 **Consider Award of Bid Invitation #1720 – Annual Price Contract for Distribution Transformers to Cape Electrical Supply. (Jennifer Hellard will discuss)**

Most of FPB's distribution transformers are 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. Vendors bid with the understanding that they are locking in unit pricing for the year and not for a certain quantity of transformers. The bid states that all transformers will be collectively awarded ("all or none" basis) and omitting pricing on an item will result in the bid being rejected.

This year's bid invitation was sent to ten vendors and we received three responses. After evaluating all bids, staff recommends awarding to Cape Electrical Supply as they are the low bidder meeting specifications.

As of July 2021, FPB has purchased approximately \$260,216.00 from the current contract. The proposed contract reflects a 54% price increase.

***Stephen Mason moved to Award bid invitation #1720 to Cape Electrical Supply. John Snyder seconded the motion.***

***CARRIED. 5 to 0.***

**5.2 Consider Award of Bid Invitation #1721 for 15kV Breakers to Siemens Industry Inc. in the Amount of \$247,256. (Travis McCullar to discuss)**

Staff prepared a bid invitation for ten 15kV breakers and distributed it among potential vendors. In total, two bid responses were received. After reviewing both of these bids, staff recommends awarding to Siemens Industry Inc. in the amount of \$247,256 with a delivery of 147 days.

Bids were evaluated on the overall cost and how well each bid met the required specification. Of the participating vendors, Siemens Industry Inc. submitted the only bid meeting FPB specifications and was the only vendor quoting all items.

These breakers pertain to the ongoing substation reconstruction efforts, as part of the T23 Replacement and the Replace T54 projects. This purchase is included in the 2021-2022 companywide capital additions budget, Page 17, Line Items 10 and 80. The amounts included in the budget for these projects are \$1,440,000 and \$2,328,000 respectively.

***Stephen Mason moved to Award Bid Invitation #1721 for 15kV breakers to Siemens Industry, Inc. in the amount of \$247,256. Dawn Hale seconded the motion.***

***CARRIED. 5 to 0.***

**5.3 Approve Amended Network Services Contract with Kentucky Educational Television (KET) - (Harvey Couch and Hance Price to discuss)**

The board has previously approved a standard Network Services Contract that is used for fiber-delivered Dedicated Internet Access and Point-to-Point fiber circuits. The current KET Network Services Contract expired 7/1/21. It continues on a month-to-month basis. Staff engaged with KET in March 2021 for a renewal and KET has requested changes to sections 4b and 6 of the Contract. The Staff Attorney reviewed these changes and it meets with his approval. Due to the changes in this form contract, staff asks the board to approve the contract with KET with the two modifications and permit its use as a standard form contract as well when such modifications are required.

*Dawn Hale moved to Approve Network Services Contract with Kentucky Educational Television (KET). Kathryn Dutton-Mitchell seconded the motion.*

**CARRIED. 5 to 0.**

**5.4 Consider Approval of KyMEA - Duke Energy PPA. (Gary Zheng to discuss)**

KyMEA plans to execute a short-term power purchase agreement with Duke Energy at its July meeting. Staff has reviewed the agreement and recommends that FPB's representatives vote in favor of the agreement.

Mr. Zheng explained and discussed the obligations of this agreement and answered board members' questions.

*John Snyder moved to direct FPB General Manager to approve this agreement at the next KyMEA meeting. Stephen Mason seconded the motion.*

**CARRIED. 5 to 0.**

**5.5 Consider \$1,600,000 Rebate of Electric Operating Revenues to Eligible FPB Electric Customers to Return Portion of Wholesale Power Savings Resulting from Change in Wholesale Power Supplier. (David Denton to discuss)**

The Frankfort Plant Board (FPB) officially switched wholesale power suppliers from Kentucky Utilities (KU) to the Kentucky Municipal Energy Agency (KYMEA) on May 1, 2019. FPB has experienced a reduction in wholesale power cost each since the switch to KYMEA, which is significant with wholesale power being the single largest operating expense for the company. Staff is asking the Board to consider returning \$1,600,000 of estimated FY 2021-2022 annual wholesale power savings to eligible FPB electric customers. The 2021-2022 electric rebate eligibility requirements and structure are discussed below, which are similar to the \$1,600,000 electric rebate returned to customers in August 2019 and the \$2,000,000 returned to customers in August 2020.

To be eligible for the rebate, you must have been a FPB electric customer on May 1, 2021, which marks the beginning of the third year of wholesale power savings with KYMEA. The rebate will be issued as a credit on eligible FPB electric customer bills. The credit each eligible electric customer will receive will be based on the total dollar value of the last 12 months (May 2020 – April 2021) electric bills for that customer as a percentage of all FPB electric customer bills for the same period. The credit will be put on bills to be received by customers in August 2021. You must be a FPB electric customer when the electric rebate credit is issued to receive the credit. Based on this structure, the average residential customer would receive approximately \$36 in rebate credit to their bill.

The \$1,600,000 electric rebate being requested has been included in the FY 21-22 budget on page 21, line 40 shown as a reduction in gross electric operating revenue.

The board discussed Commissioner Waldrige's suggestion of using the rebate funds as a whole to invest back into the community to fund larger projects for Frankfort and Franklin County.

***John Snyder moved to approve the \$1,600,000 Rebate of Electric Operating Revenues to Eligible Electric Customers to Return a Portion of Wholesale Power Savings Resulting from Change of Wholesale Power Supplier. Kathryn Dutton-Mitchell seconded the motion.***

***CARRIED. 4 to 1.***

<i>Dawn Hale</i>	<i>Against</i>
<i>Stephen Mason</i>	<i>For</i>
<i>John Cubine</i>	<i>For</i>
<i>John Snyder</i>	<i>For</i>
<i>Kathryn Dutton-Mitchell</i>	<i>For</i>

- 5.6 **Consider Approving a Resolution of the Board of Directors of the Electric and Water Plant Board of the City of Frankfort, Kentucky Authorizing the Defeasance, Redemption, Payment, and Discharge of the Board's Electric and Water Revenue Bonds, Series 2015A; Authorizing the Deposit of Existing Monies of the Board in the Sinking Fund for the Series 2015A Bonds Sufficient, When Combined With Existing Funds Held Therein, to Defeas, Redeem, Pay, and Discharge the Series 2015A Bonds Through December 1, 2024; Authorizing the Execution and Delivery of an Escrow Deposit Agreement by and Between the Board and U.S. Bank National Association, as Escrow Agent; Authorizing the Execution and Delivery of all Additional Agreements, Documents, and Certificates Necessary to Achieve the Defeasance of the Series 2015A Bonds; and Taking Related Actions. (David Denton and Mark Franklin to discuss)**

[See the attached approving Board Resolution, Escrow Deposit Agreement, and preliminary escrow funding cost summary related to this agenda item.](#)

Mr. Denton and Mr. Mark Franklin discussed specifics of this item. Mr. Franklin explained the manner in which this works together to discharge this debt. Mr. Denton further explained the financial savings to FPB and its customer by paying this debt early.

***Stephen Mason moved Approving a Resolution of the Board of Directors of the Electric and Water Plant Board of the City of Frankfort, Kentucky Authorizing the Defeasance, Redemption, Payment, and Discharge of the Board's Electric and Water Revenue Bonds, Series 2015A; Authorizing the Deposit of Existing Monies of the Board in the Sinking Fund for the Series 2015A Bonds Sufficient, When Combined With Existing Funds Held Therein, to Defeasance, Redeem, Pay, and Discharge the Series 2015A Bonds Through December 1, 2024; Authorizing the Execution and Delivery of an Escrow Deposit Agreement by and Between the Board and U.S. Bank National Association, as Escrow Agent; Authorizing the Execution and Delivery of all Additional Agreements, Documents, and Certificates Necessary to Achieve the Defeasance of the Series 2015A Bonds; and Taking Related Actions. Kathryn Dutton-Mitchell seconded the motion.***

***CARRIED. 5 to 0.***

- 5.7 **Consider Approving the Creation of Telecommunication Service Order Representative III position: *(Hance Price to discuss)*.**

Staff asks the Board to consider approving the creation of the Telecommunication Service Order Representative (SOR) III position. The SOR III was created as part of the job review done in May of this year in preparation for the FY 21/22 budget. This position will provide an additional pay step in the department and will report to the Telecom Office Supervisor. The SOR III position requires a greater level of experience and proficiency in training/advanced troubleshooting of new and existing projects than the SOR II position.

Based on an evaluation of the job description, the recommended classification of the Telecom Service Order Rep III is a grade 108, with a minimum starting pay of \$44,595.20.

The proposed job descriptions and organizational chart for the Telecom Department are included in the detail pages for this Board item. This position is included in the current budget.

***Stephen Mason moved to approve the creation of Telecommunication Service Order Representative III. Dawn Hale seconded the motion.***

***CARRIED. 5 to 0.***

- 5.8 **Consider Approving Frankfort Plant Board Flex Work Policy. *(Hance Price to discuss)***

Staff formed a workgroup comprised of five managers and three employees to develop the Frankfort Plant Board (FPB) Flex Work Policy.

Flex Work is the practice of working remotely from an alternate worksite (Flex Location) and the option of flexibility of the workweek schedule (Flex Schedule), as long as these practices do not violate any laws, regulations, policies or other business obligations within a workweek.

Flex Work should provide advantages for both FPB and its employees, including increased productivity and performance, enhanced employee recruitment and retention, and a greater work-life balance. This tool allows flexible work options that can be of valued during a time of emergency, inclement weather or when a rapid response is required.

During the pandemic, it became necessary for some Staff to work from alternate locations and alternate schedules to meet business obligations. This experience gave Managers firsthand knowledge and experience as to what works best for their department.

Staff asks the Board to consider approving the FPB Flex Work Policy and consider amending section X, subsection B Compensation Plan in the Guidelines Governing Employment Electric & Water Plant Board (see detail pages) to align with the FPB Flex Work Policy.

A copy of the FPB Flex Work Policy, Flex Work Agreement form, Flex Work Equipment Form, and revised guidelines are provided in the Board packet.

If approved the new policy will be incorporated into the Internal Policies and provided to employees.

The Board and Staff discussed the policy. Board members discussed issues they would change or address in the draft policy. Staff and Board members noted that Flex Work schedules would be a privilege and not a guarantee to employees.

Board members stated that they would like Staff to incorporate items discussed and bring the policy back for the Board's consideration in August. The Board further agreed that Staff could move forward with vetting employees and positions, and setting up schedules for employee participation when the board approves the final policy.

5.9 **Consider Changes to FPB Employee Guidelines related to the Holiday Policy. (*Hance Price to discuss*)**

On June 16, 2021, June 19th (Juneteenth) was signed into law as a federal holiday. Juneteenth commemorates the emancipation of African American slaves on June 19, 1865.

Currently the City of Frankfort, Fayette County Urban Government and Louisville Metro Government observe Juneteenth as a paid holiday. Several surrounding

government employers such as the City of Georgetown, Bowling Green and Owensboro are considering Juneteenth as a paid holiday.

Based on this information, Staff asks the Board to consider approving the proposed changes to the holiday schedule: add Juneteenth.

Current Paid Annual Holidays:	Proposed Paid Annual Holidays:
New Year's Day	New Year's Day
Martin Luther King Day	Martin Luther King Day
Good Friday (1/2 Day)	Good Friday (1/2 Day)
Memorial Day	Memorial Day
4th of July	Juneteenth
Labor Day	4th of July
Thanksgiving Day	Labor Day
Day after Thanksgiving	Thanksgiving Day
Extra Day at Christmas (Christmas Eve)	Day after Thanksgiving
Christmas Day	Extra Day at Christmas (Christmas Eve)
New Year's Eve	Christmas Day
Floating Holiday	New Year's Eve
	Floating Holiday

**\*Note:** During a Presidential Election, the Tuesday after the first Monday is a holiday. Likewise, the fifth Tuesday following the November Election in Gubernatorial Election Years (Inauguration Day) are “holidays”.

*Kathryn Dutton-Mitchell moved to approve changes to Employee Guidelines related to the Holiday Policy to add June 19th (Juneteenth) as a paid holiday for FPB employees. Dawn Hale seconded the motion.*

**CARRIED. 5 to 0.**

**5.10 General Manager Evaluation. (John Cubine to discuss)**

1. Chair calls for a motion to adopt the GM evaluation as submitted to the Board.
2. Chair calls for a motion to award GM the same 2% salary increase that was awarded Staff retroactive to July 1, 2021.
3. Chair calls for a motion to approve the amendment to the General Manager employment agreement dated October 20, 2020 to create a retention incentive of \$10,000 per year for each year the General Manager's evaluation is a "4" or greater. The retention incentive will be paid at the end of the General Manager's contract expiring on June 30, 2034 and if the General Manager leaves FPB before that time, there will be no incentive payment for any year. The retention incentive amount of \$10,000 will be "grossed up" to net the amount of \$10,000.



*Stephen Mason moved to adopt the GM evaluation as submitted to the Board. Kathryn Dutton-Mitchell seconded the motion.*

**CARRIED. 5 TO 0.**

*John Snyder moved to award GM the same 2% salary increase that was awarded Staff retroactive to July 1, 2021. Dawn Hale seconded the motion.*

**CARRIED. 5 TO 0.**

*John Snyder moved to approve the amendment to the General Manager employment agreement dated October 20, 2020 to create a retention incentive of \$10,000 per year for each year the General Manager's evaluation is a "4" or greater. The retention incentive will be paid at the end of the General Manager's contract expiring on June 30, 2034, and if the General Manager leaves FPB before that time, there will be no incentive payment for any year. The retention incentive amount of \$10,000 will be "grossed up" to net the amount of \$10,000. Kathryn Dutton-Mitchell seconded the motion.*

**CARRIED. 5 TO 0.**

- 5.11 Consider amendment to WTP capital budget in the amount of \$130,407 for the High Service pump. (Julie Roney to discuss)

The purchase of a WTP High Service pump was approved at the December 28, 2020 special board meeting at a cost of \$129,545. It replaced the WTP Lab Renovation project in the FY 2021 budget. Due to multiple manufacturing and shipping delays as a result of COVID-19, the original delivery date of mid-May 2021 was moved to mid-July 2021. The WTP was informed of this last delay in late June 2021, after the FY 2022 budget had been approved. The total amount requested increased by \$862 from the original amount in order to include the shipping charges. The WTP is requesting approval of a budget amendment to the WTP FY 2022 Capital Budget for this purchase.

*John Snyder moved to amend WTP capital budget in the amount of \$130,407 for the High Service Pump. Stephen Mason seconded the motion.*

**CARRIED. 5 to 0.**

## 6 INFORMATIONAL ITEMS:

- 6.1 Informational Item to discuss recruitment practices. (Nichell Brown to discuss).

At the April board meeting the Board asked staff to review FPB's hiring practices and expand its reach to capture a wider range of applicants. Staff has added additional contact agencies such as National Association of Women in

Construction, Women in Cable Telecommunications and National Society of Black Engineers to our recruitment resource list (see the detailed recruitment resource list in the detail pages). Staff intends to participate in the SHRM Foundation Veterans at Work Certificate Program. The program is a 10-hour free course, with insight from subject matter experts and the latest research to equip recruiters with the knowledge and tools necessary to attract, hire, and retain both veterans and members of the military community to learn new methods of recruitment.

Staff plans to work with the Communication and Marketing department to enhance FPB's digital presence and highlight the positive aspects of a career in public power.

Finally, staff plans to ask the Board to consider approving minor items such as adding Juneteenth as a paid FPB Holiday and the Flex Work Policy. These items are consistent with other employer practices and will help FPB attract talented applicants.

This item was held over for discussion in the August board meeting.

## 7 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

7.1 Mr. Zheng thanked the Board for their support.

## 8 INFORMATIONAL ITEM: OLD & NEW BUSINESS

8.1 The Board discussed beginning the process of collecting public comments and suggestions regarding the future of the Clubhouse at the completion of the Reservoir project. The consensus was to direct Cathy Lindsey to informally get the process started to collect public opinions.

8.2 The board discussed the inflation rate and requested that Mr. Denton provide the Board with an update of the salary structure in September based on the rate of inflation available at that time.

8.3 Mr. Foster updated the Board on the status of the Community Solar RFP.

8.4 Mr. Zheng explained his meetings with Frankfort Independent School ("FIS") and the Franklin County School ("FCS") Systems regarding assistance in funding water fountains for the students. He advised that FIS requested 11 and FCS requested. Mr. Denton advised that water fountains for the public schools were included in the budget for a total \$15,000 for all schools, or \$5,000 per each high school. Mr. Zheng further advised that the cost for each water fountain would be \$1,000.

***Dawn Hale moved to fund the 11 water fountains for FIS and the 12 water fountains for FCS and utilize a portion of the dividend refund from KEMI to offset the additional cost. After additional Board discussion Ms. Hale amended her motion to fund the 11 water fountains for FIS and the 12 water fountains for FCS and utilize funds from the sale of surplus property and***

*direct Mr. Denton to communicate with the schools regarding the appropriate manner to facilitate payment. Stephen Mason seconded the motion.*

**CARRIED. 5 to 0.**

**9 ACTION ITEM: ADJOURNMENT**

9.1 To Adjourn meeting.

*Dawn Hale moved to adjourn meeting. Stephen Mason seconded the motion.*

**CARRIED. 5 to 0.**



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Board Chair



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Board Secretary/Treasurer