

March 20, 2018

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, March 20, 2018 at 5:00 p.m.

**ATTENDANCE:**

Anna Marie Pavlik Rosen, Board Chair  
Walt Baldwin, Vice Chair – arrived at 5:30 p.m.  
Ralph Ludwig, Board Member – left at 7:30 p.m.  
Dawn Hale, Board Member  
Stephen Mason, Board Member  
James Liebman, Board Attorney  
David Billings, Chief Water Engineer  
David Columbia, Business Products Specialist  
Katrina Cummins, Interim Finance Director  
David Denton, Interim General Manager  
Sharmista Dutta, Water Engineer  
Vent Foster, Asst. GM Operations  
Cassie Estill, Customer Service Supervisor  
Adam Hellard, Security Broadband Technology Manager  
Ryan Henry, Asst. IT Director  
Scott Hudson, Electric Superintendent  
Casey Jones, IT Director  
Cathy Jennings, Executive Assistant  
Cathy Lindsey, Public Information Officer  
Ryan Patterson, IT Programmer  
Kim Phillips, Safety Director  
Kathy Poe, Executive Assistant  
Hance Price, Staff Attorney/Asst. GM Administration  
Mark Redmon, Support Services Director  
Julie Roney, WTP Superintendent  
Alan Smith, Water Dist. Superintendent  
Scott Stafford, Production Manager Media Services  
Jeremy Blackburn, Cable 10 Videographer  
Alfred Miller, State Journal  
Doug Buresh, CEO, KyMEA  
Charles Musson, Counsel for KyMEA  
Aaron Nickerson, GRW Engineers

**AGENDA**

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

1. **Informational Item:** Introduce New Board Member Mr. Stephen Mason.
2. **Action Item:** Consider Approving Minutes from the January 16, 2018 FPB Board Meeting and the February 20, 2018 FPB Board Meeting, in Addition to Accepting the Minutes from the February 26, 2018 FPB Minutes Committee Meeting.
3. **Action Item:** Accept Electric, Water and Cable Financials for February 2018.
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 Award of Bid Invitation #1652 for Phase 1 Fencing, Landscaping and Parking Lot Demolition to Meyer Midwest, Inc. in the amount of \$514,800.00.
7. **Action Item:** Consider Award of Bid Invitation #1653 for Two (2) Pad Mounted Transformers to Cape Electric Supply in the Amount of \$72,980.
8. **Action Item:** Consider Award of Bid Invitation #1654 for Two (2) Pad Mounted Transformers to WEG Transformers in the amount of \$58,416.
9. **Action Item:** Consider Request for Public Hearing to be Held April 3, 2018 Regarding Adjustments to Cable Advertising Rate Card Which Fall in Line with Viamedia Partnership, Including Rates for 26 New Networks and a New Online Advertising Structure.
10. **Action Item:** Consider Approving (1) Smithsonian Network Agreement, (2) CBS Sports Network Amendment, and (3) CBS Television Network Video On Demand Amendment.
11. **Action Item:** Consider Approving Weather Channel renewal.
12. **Action Item:** Consider Approval of an Amendment to our Agreement with CenturyLink Communications, LLC (CenturyLink / Level 3) for Burstable Internet Bandwidth.
13. **Action Item:** Consider Accepting the Reed Smith Report Regarding the Kentucky Municipal Energy Agency (KyMEA).
14. **Action Item:** Consider Approval of Resolution Adopting KyMEA Joint PURPA Implementation Plan and Authorizing Filing of a Request with the Federal Energy Regulatory Commission (FERC) for Approval to Implement Such Plan.
15. **Action Item:** Consider Approval of Resolution and Contract for Integration of Member-Owned Resource (SEPA Entitlement) between Frankfort Plant Board and Kentucky Municipal Energy Agency (KyMEA).
16. **Action Item:** Consider Award of RFP #2018-01 Energy Efficiency Program Development to Vermont Energy Investment Corporation for the Not-to-Exceed amount of \$120,000.
17. **Informational Item:** New and Old Business.
  - A. Discuss 2017 Auditor Comments Related to IT Environment.
  - B. **Action Item:** Consider Revision to Plan Amendment for FPB Frozen Pension Plan.
18. **Informational Item:** General Manager's Comments.
  - Update on Hybrid Fiber Coaxial (HFC) Amplifier and Line Extender Infrastructure Improvement Project.



- **Discuss Potential Fiber to the Home (FTTH) Project.**
- **Discuss Creation of FPB Governance Policy.**

19. **Request Permission to Have Chair Call for a Closed Session:** Move to call a closed session to discuss a liquidated damages matter, and a copyright matter pursuant to KRS 61.810(1)(c).
20. **Closed Door Session:**

## **BOARD ACTION**

Ms. Rosen called the meeting to order and noted four (4) Board members in attendance. She advised that Mr. Baldwin had been reinstated pursuant to a court ordered temporary restraining order and would be joining the meeting but would be late. Mr. Liebman confirmed the Temporary Injunctive Order and Mr. Baldwin's reinstatement.

1. **Informational Item: Introduce New Board Member Mr. Stephen Mason.**

Ms. Rosen introduced Mr. Stephen Mason as the newly appointed board member.

Mr. Mason stated that he was a Frankfort native and that his priorities are to be respectful and to make decisions based on what is right for the ratepayers.

2. **Action Item: Consider Approving Minutes from the January 16, 2018 FPB Board Meeting and the February 20, 2018 FPB Board Meeting, in addition to Accepting the Minutes from the February 26, 2018 FPB Minutes Committee Meeting.**

Ms. Poe noted that corrections discussed by Mr. Ludwig and Ms. Hale had been completed.

Ms. Hale moved to approve the minutes for the January 16, 2018 board meeting and the February 20, 2018 board meeting and accept the minutes for the February 26, 2018 minutes committee meeting. Mr. Ludwig seconded. The motion passed unanimously.

Ms. Rosen discussed proposed minutes guidelines she provided to the board. Mr. Mason noted that he was used to seeing minutes with action, resolution of action, and some detail. He stated that he did not know if approving guidelines were necessary. **Ms. Rosen moved to adopt the guidelines and apply them for the next three (3) months, and discuss again in the July meeting.** The motion died for lack of a second.

3. **Action Item: Accept Electric, Water and Cable Financials for February 2018.**

Ms. Cummins advised that the Audit kickoff meeting would be held on Friday, March 23 and preliminary audit work would begin the week of May 14.

Ms. Cummins reviewed financials for month ending February 28, 2018.

Mr. Ludwig moved to accept the financials for the month ending February 28, 2018. Ms. Hale seconded. The motion passed unanimously.

4. **Information Item: Public Comment Period.**

Mr. David Hecker commended staff on the coverage of the tower implosion and stated that he was in support of the KyMEA SEPA entitlement agreement. He acknowledged his confidence in KyMEA and FPB staff.



**Mr. John Sower** stated that he was in support of the KyMEA SEPA entitlement agreement and that FPB should take advantage of the opportunity to save FPB and its customers money.

**Mr. Delvin Azofeifa** stated that he was having issues with his internet service. Mr. Hellard and Ms. Estill talked with the customer.

5. **Informational Item: Departmental Reports:**

- **Website Customer Comments:** At the request of Ms. Rosen, Mr. Hellard and Mr. Denton stated that staff followed up and resolved the customer and water main issues.

- **Cable Dept.:** Mr. Hellard reviewed cable department reports.

Mr. Denton provided an update on the FIS project. He stated that the hotspots were working well and that some homes had signed up for services.

- **Customer Service:** Ms. Estill reviewed customer service reports. She noted that sign-ups for budget billing for cycle one customers would begin in April. [Ms. Estill was asked to provide budget billing participation numbers.](#) She stated that she did not have those numbers but would provide them timely after the board meeting.

Mr. Denton discussed the \$5 promotional credit for paperless billing and noted that 1,507 customers had taken advantage of the promotion.

[Mr. Baldwin joined the meeting at 5:30 p.m.](#)

- **Electric Dept.:** Mr. Hudson discussed the electric department reports.
- **Safety:** Ms. Phillips reviewed safety reports and noted zero (0) OSHA recordable accidents.
- **Water Distribution:** Mr. Smith discussed water distribution reports.
- **Water Treatment Plant:** Ms. Roney discussed rainfall and water treated in January. She stated that WTP operator Clayton Getz had passed his certification test for 4<sup>th</sup> class operator.

**Ms. Rosen stated that SEPA and KyMEA would be discussed and items 13-16 would move up on the agenda.**

- **SEPA:** Mr. Foster noted that SEPA was profitable for the month of January due to an increase in the market price for energy.
- **KyMEA:** Ms. Rosen discussed the proposed guidelines she provided to the board. Mr. Mason stated that the last sentence of the first paragraph should be removed because it was redundant. He suggested that the policy or guidelines be more generic in order to encompass every option.

Ms. Hale noted concerns. Mr. Ludwig suggested that the proposed guidelines be tabled for further consideration among the board members and brought back at another meeting.

Mr. Baldwin noted his support for the guidelines.

After additional discussion, [Mr. Ludwig moved to continue to consider this subject and then we talk about it some more at the next board meeting.](#) Mr. Mason stated that the board should do what is technically right. Mr. Baldwin reiterated his support for the guidelines and Ms. Rosen stated that the sentence with which Mr. Mason was concerned could be removed.

Mr. Ludwig recapped the motion on the floor. Ms. Hale seconded. The motion passed with a 3-2 vote. Mr. Ludwig, Ms. Hale and Mr. Mason voted "Yes". Ms. Rosen and Mr. Baldwin voted "No".



Mr. Buresh updated the board on the status of structuring the KyMEA organization. He discussed hiring and policy development as well as bringing in an Energy Services Partner (ESP). He gave a presentation and explained how the ESP would work to assist KyMEA. Mr. Buresh also explained resource negotiations specifically regarding renewables and natural gas.

13. **Action Item: Consider Accepting the Reed Smith Report Regarding the Kentucky Municipal Energy Agency (KyMEA).**

Mr. Baldwin moved to accept the Reed Smith report. Ms. Rosen seconded. Ms. Hale stated that she was not comfortable with a motion to “accept” the report but would rather consider a motion to receive the report. There was discussion regarding payment of the \$50,000 and Mr. Liebman noted that his recommendation would be to not pay more than the \$50,000 as agreed.

At the request of Mr. Mason, Mr. Denton explained the procurement policy and the manner in which expenditures are approved and paid throughout a project. In response to Mr. Mason, Mr. Denton explained how this situation differed from the way staff handled projects pursuant to the procurement code. Ms. Rosen stated that Mr. Liebman was the person responsible for monitoring expenses. Mr. Liebman reiterated his opinion that the \$50,000 maximum was made clear to Reed Smith. Ms. Hale restated her disagreement with accepting the report since she does not approve of all comments in the report.

The motion passed with 4 “Yes” votes and 1 “No” vote. Mr. Ludwig, Mr. Baldwin, Mr. Mason and Ms. Rosen voted “Yes”. Ms. Hale voted “No”.

14. **Action Item: Consider Approval of Resolution Adopting KyMEA Joint PURPA Implementation Plan and Authorizing Filing of a Request with the Federal Energy Regulatory Commission (FERC) for Approval to Implement Such Plan.**

This item pertains to the steps necessary to implement the Joint PURPA Implementation Plan approved by the KyMEA Board at its January 2017 meeting. A copy of the Plan the Board approved is attached for your reference, as well as the AR Contract and proposed resolution.

Mr. Liebman stated that he had reviewed the proposed Resolution specifically regarding any legal issues. He advised that he did not find any negative legal issues.

Ms. Hale made a motion to approve the resolution for adopting the PURPA resolution. Mr. Ludwig seconded. The motion passed with 4 “yes” votes and 1 abstain. Mr. Ludwig, Mr. Mason, Ms. Hale and Ms. Rosen voted “Yes” and Mr. Baldwin abstained.

15. **Action Item: Consider Approval of Resolution and Contract for Integration of Member-Owned Resource (SEPA Entitlement) between Frankfort Plant Board and Kentucky Municipal Energy Agency (KyMEA).**

FPB has an entitlement to hydroelectric capacity and energy from the Southeastern Power Administration (SEPA). Currently FPB and the other Kentucky Municipal customers obtain value for their SEPA Entitlements through a contract with Owensboro Municipal Utilities. In recent years, the Kentucky Municipals have been able to realize value for their SEPA energy, but not for the SEPA capacity, due to operating limitations and market conditions. KyMEA is willing to integrate the SEPA Entitlements of FPB and others into the power supply portfolio it is planning for FPB and the other all-requirements KyMEA Members. This offers the advantage that KyMEA is in a position to compensate FPB and the others for both the capacity and the energy components of their SEPA entitlements, thereby providing a high likelihood that the value received by FPB will consistently exceed the cost of its SEPA Entitlement.

Having reviewed the existing SEPA arrangement, the terms of the contract being offered by KyMEA, and the all-requirements contract, we are proposing that FPB approve and execute the proposed resolution and contract.



Mr. Liebman stated that he had reviewed the SEPA Resolution and contract regarding any negative legal issues. He advised that he did not discover any legal issue that would negatively impact the FPB.

The Board members discussed the E3 report, past presentations, KyMEA motions and the intent of those motions, as well as the potential financial impact of the additional revenue for capacity that KyMEA offers to FPB with this agreement.

Mr. Mason moved to accept the KyMEA SEPA contract. Ms. Hale seconded. After additional discussion, Ms. Hale called for the question. Mr. Ludwig defined the vote stating that a vote "yes" would be to approve the Resolution and Contract for Integration of Member-Owned Resource (SEPA Entitlements) between Frankfort Plant Board and the KyMEA and a vote "no" would be to not approve it.

The motion passed with a 3-2 vote. Mr. Mason, Mr. Ludwig and Ms. Hale voted "Yes" and Mr. Baldwin and Ms. Rosen voted "No".

16. **Action Item: Consider Award of RFP #2018-01 Energy Efficiency Program Development to Vermont Energy Investment Corporation for the not-to-exceed amount of \$120,000.**

FPB requested professional service proposals from qualified firms regarding expertise in developing system-wide energy strategies designed to boost efficiency and help minimize the lifecycle costs associated with energy production, distribution, and use. FPB was seeking an expert that could provide:

- A holistic approach to efficiency, providing both the quantitative rigor and the policy-level insights that allow FPB to make investments with confidence.
- Assistance and guidance in developing potential options, arrive at the best solution, and effectively communicate with stakeholders.
- Program design and implementation through integrated services.
- Consumer engagement strategies that effectively manage public expectations, keep customers informed, and help change behaviors.
- Proven financing tools that deliver measurable results.

The RFP was sent to nine firms with five responses received, one response was a decline to submit a proposal. After reviewing all four remaining professional service submissions, the RFP evaluation committee, consisting of three staff and Board Chair Rosen recommend Vermont Energy Investment Corporation as the number one choice to proceed with negotiations of a contract and cost. Those negotiations were successful in arriving at the proposed contract with a not-to-exceed amount of \$120,000. The period of performance for this Contract shall be from April 1, 2018 through October 30, 2018. Staff attorney has reviewed the contract and it meets with his approval. The 2017-2018 FPB electric budget, page 43, included \$120,000 for an energy efficiency study.

Mr. Foster presented the item as described above. He stated that the idea would be to engage customers and officials in this community, and identify programs that would be useful and successful specifically for Frankfort and Franklin County. He advised that the funds for this study were included in the current fiscal year budget.

The board discussed concerns regarding funds spent on consultants as well as the benefits a study of this kind could be to FPB and its customers. In response to the board, Mr. Foster stated that FPB staff does not have the staff to perform a study of this caliber. It was suggested that the board could wait to see how much savings KyMEA would offer to FPB customers.

After additional discussion regarding the advantages and disadvantages, and specific goals for this study, Mr. Baldwin moved to award RFP #2018-01 Energy Efficiency Program Development to Vermont Energy Investment Corporation for the



not-to-exceed amount of \$120,000. Ms. Rosen seconded. The motion passed with a 4-1 vote. Mr. Mason, Ms. Hale, Mr. Baldwin and Ms. Rosen voted "Yes". Mr. Ludwig voted "No".

6. **Action Item: Consider Award of Bid Invitation #1652 for Phase 1 Fencing, Landscaping and Parking Lot Demolition to Meyer Midwest, Inc. in the amount of \$514,800.00.**

Project Background:

- 8/15/2017 GRW made a final presentation to board for the plans for fencing, landscaping and parking lot demolition.
- 8/28/2017 FPB Staff and FPB Board Member Cubine met with Tanglewood Neighborhood Association (TNAi) to receive their comments and suggestions on the final plans.
- 9/19/2017 FPB Board voted to approve final plans for fencing, landscaping and parking lot demolition with TNAi additional requests.
- 10/2/2017 Plans submitted to City of Frankfort Planning and Zoning
- 01/31/2018 FPB sent project out to bid
- 02/21/2018 FPB held mandatory pre-bid meeting at the FPB Clubhouse. There were three potential bidders attended the meeting.
- 03/09/2018 bid opening was held at 1 P.M. at the FPB Service Center. The following companies submitted bids.

\*Meyer Midwest, Inc. in the amount of \$514,800.00

\*Jackson Construction in the amount of \$950,000.00

Staff recommends Meyer Midwest, Inc. in the amount of \$514,800.00 being the lowest bid meeting specifications.

The budgeted amount for this project was \$900,000.00. See the 2017-2018 FPB Budget page 19, line 55 Tanglewood fence/landscaping budget at \$713,666.00 and page 53 parking lot demo budget at \$186,334.00 that are included in this packet.

The substantial completion date on this project is November the 12th, with a \$500/day Liquidated Damages clause.

Mr. Hellard reviewed the history of this project as listed above and noted Staff's recommendation to award to Meyer Midwest.

Staff and board members stated that they were not aware of problems of this kind with other neighborhoods in the past.

At the request of Ms. Hale, Mr. Nickerson stated that tabling the item until the April regular meeting should not cause any issues with the project. He advised that the bidder may ask for more time for substantial completion but that the bids are to be held for 90 days from the bid opening on March 9<sup>th</sup>. It was further noted that there were no permitting issues with waiting.

**Mr. Baldwin moved to award Bid Invitation #1652 for Phase 1 Fencing, Landscaping and Parking Lot Demolition to Meyer Midwest, Inc. in the amount of \$514,800.00.** Ms. Rosen seconded and explained that she did not think it was necessary to wait another month for board deliberation. Mr. Ludwig stated that he was in agreement with all of it except the demolition of the parking lot.



The motion failed with 2 "Yes" votes, 2 "No" votes and 1 abstention. Ms. Rosen and Mr. Baldwin voted "Yes", Mr. Ludwig and Ms. Hale voted "No" and Mr. Mason abstained.

7. **Action Item: Consider Award of Bid Invitation #1653 for Two (2) Pad Mounted Transformers to Cape Electric Supply in the Amount of \$72,980.**

Staff prepared a bid invitation for two (2) pad mounted transformers. The invitation was sent to nine vendors with five responses received. After reviewing all bids, staff recommends awarding to Cape Electric Supply in the amount of \$72,980, as they are the lowest bidder meeting specifications.

These transformers will be used to replenish depleting inventory levels.

Mr. Redmon presented this item as noted above.

Mr. Baldwin moved to Award Bid Invitation #1653 for Two (2) pad mounted transformers to Cape Electric Supply in the amount of \$72,980. Mr. Ludwig seconded. The motion passed unanimously.

8. **Action Item: Consider Award of Bid Invitation #1654 for Two (2) Pad Mounted Transformers to WEG Transformers in the amount of \$58,416.**

Staff prepared a bid invitation for two (2) pad mounted transformers. The invitation was sent to nine vendors with seven responses received including one no bid. After reviewing all bids, staff recommends awarding to WEG Transformers in the amount of \$58,416, as they are the lowest bidder meeting specifications.

These transformers will be used to replenish depleting inventory levels.

Mr. Redmon presented this item as noted above.

Mr. Baldwin moved to Award of Bid Invitation #1654 for Two (2) Pad Mounted Transformers to WEG Transformers in the amount of \$58,416. Ms. Hale seconded. The motion passed unanimously.

9. **Action Item: Consider Request for Public Hearing to be Held April 3, 2018 Regarding Adjustments to Cable Advertising Rate Card Which Fall in Line with Viamedia Partnership, Including Rates for 26 New Networks and a New Online Advertising Structure.**

The cutover for Viamedia, Inc. took place February 26th. As noted in the December presentation, FPB is adding advertisement insertion capability to an additional 26 networks as well as adding a completely new arm of online advertising services. Therefore, staff needs to request adjustments to FPB's advertising rate structure. Staff would also like to take this opportunity to rebuild the rate structure across the board.

We are proposing a maximum rate for both our standard and political rate cards. This will allow staff to raise and lower the rates among the individual networks and time segments according to current trends and conditions. Staff proposes that FPB utilize a maximum rate for online advertising taking the form of a percentage above wholesale.

For the past several months, staff has been working with Viamedia to review FPB's existing rates and rate structure. Staff asked Viamedia for recommendations on how we could make our structure more accurately reflect current market rates and practices, making FPB more competitive in the marketplace. Staff has received Viamedia's input and used it to create the recommendation we are proposing to the Board today.



Staff is proposing a standard rate card maximum of \$22 per 30-second spot and a political rate card maximum of \$41 per 30-second spot. While these are maximum rates, based on day parts and network popularity, many advertisers, including political candidates, will actually be able to purchase spots for only a few dollars each. Staff would like a discount based on volume to remain in effect.

Mr. Scott Stafford explained the necessity for rate changes for advertising as listed above and requested the Board approve a public hearing to be held Tuesday, April 3, 2018 at 5:00 p.m. He further noted that this would not affect cable subscribers. He advised that this would allow staff to raise and lower advertising rates to make FPB more competitive in the market. He further noted that rate locks would only be month to month.

Mr. Ludwig moved to hold a public hearing April 3, 2018 regarding adjustment to cable advertising rate card as discussed tonight. Mr. Baldwin seconded. The motion passed unanimously. The motion passed unanimously. Mr. Liebman requested clarification for time. It was decided to hold the hearing at 5:00 p.m. on Tuesday, April 3, 2018.

10. **Action Item: Consider Approving (1) Smithsonian Network Agreement, (2) CBS Sports Network Amendment, and (3) CBS Television Network Video On Demand Amendment.**

Staff recommends approving Smithsonian Network Agreement and the CBS Sports Network Amendment. Staff and the Cable Advisory Committee recommend approving the CBS Television Network Video On Demand Amendment. These direct agreements have terms through December 31st, 2021.

In early 2016, FPB launched CBS Video on Demand at the same time we launched CBS Sports Network. We were able to negotiate a deal that we feel is a very positive one for FPB Cable customers. In exchange for launching CBSSN on Preferred Cable, CBS provided CBS VOD content to FPB for no additional cost.

As our Smithsonian Network agreement was expiring, CBS requested FPB to move the network from HD Plus to Preferred Cable. FPB was able to get CBS to agree to delay this migration until the end of 2019. Additionally, FPB requested that CBS extend our existing agreements for carriage of CBS VOD and CBS Sports Network to match the expiration of the new Smithsonian agreement – guaranteeing no additional cost for CBS VOD to FPB's customers through 2021.

There will be no associated rate increase required for these renewals.

The Assistant GM for Administration has reviewed these agreements and they meet with his approval.

Mr. Columbia presented this item as described above.

Mr. Mason moved to Approve 1) Smithsonian Network Agreement, (2) CBS Sports Network Amendment, and (3) CBS Television Network Video On Demand Amendment. Mr. Ludwig seconded. The motion passed unanimously.

11. **Action Item: Consider Approving Weather Channel renewal.**

Staff and the Cable Advisory Committee recommend approval of the Weather Channel renewal. This NCTC agreement has a term through February 28, 2022. FPB currently carries Weather Channel on channel 49 and in HD on 549. This agreement also covers WeatherScan, which is carried on channel 19. FPB's existing agreement does not expire until 2/28/19. This early renewal affords FPB the opportunity to reduce their current Weather Channel rate by nearly 15% with no additional launch obligations. FPB's Weatherscan rate will be reduced by 16%. Year-over-year rate increases are consistent with historical increases. While these reductions do not equate to a large amount of actual dollars, any opportunity to



reduce programming expense is welcome. Should FPB wait until the expiration of their Weather Channel agreement to enter into this agreement, the reductions would no longer be available. This agreement has been reviewed by the Assistant GM for Administration and it meets with his approval.

Mr. Columbia presented the item as described above.

Mr. Ludwig moved to Approve the Weather Channel renewal. Mr. Mason seconded. The motion passed unanimously.

12. **Action Item: Consider Approval of an Amendment to our Agreement with CenturyLink Communications, LLC (CenturyLink / Level 3) for Burstable Internet Bandwidth.**

This is an amendment to our existing CenturyLink agreement to purchase additional internet bandwidth. The amendment includes adding an additional burstable internet circuit with a 2Gbps commitment at our presence in an Equinix Data Center (Chicago, IL).

This new circuit provides additional bandwidth that will be utilized to support growing customer demand for Internet Access and redundancy to our circuit at a separate Equinix Data Center (Ashburn, VA). This agreement was made possible by the Board's approval of Staff's recommendation to establish a presence in an Equinix Data Center (Chicago, IL) during the July 2017 Regular Board Meeting. Monthly Recurring Charge \$4,250 – \$9,350

This solution is included in the budget and has been reviewed and approved by the Interim Cable-Telecom Superintendent.

Staff recommends the approval of an Amendment to our Agreement with CenturyLink Communications, LLC (CenturyLink / Level 3) for Burstable Internet Bandwidth.

Mr. Jones explained the specifics of this item and stated that this purchase was an effort to stay ahead of growing demand.

Mr. Mason moved to approve an amendment to our Agreement with CenturyLink Communications, LLC (CenturyLink/Level 3) for burstable internet bandwidth. Mr. Ludwig seconded. The motion passed unanimously.

19. **Request Permission to Have Chair Call for a Closed Session:** Move to call a closed session to discuss a liquidated damages matter, and a program license and copyright matter pursuant to KRS 61.810(1)(c).

Mr. Baldwin moved to go in to closed session to discuss a liquidated damages matter, and a program license and copyright matter pursuant to KRS 61.810(1)(c). Mr. Ludwig seconded. The motion passed unanimously.

20. **Closed Session:**

Mr. Ludwig moved to go back to open session. Mr. Baldwin seconded. The motion passed unanimously.

Mr. Baldwin moved to direct Staff to negotiate per discussion in closed session. Ms. Hale seconded. The motion passed unanimously.

Mr. Ludwig left the meeting at 7:30 p.m.



17. **Informational Item: New and Old Business.**

**A. Discuss 2017 Auditor Comments Related to IT Environment.**

The 2016/17 audit raised concerns about FPB computer security. The audit, which the cable/telecom department had done prior to the audit also showed the need for improvement in this area. In the December board meeting, this topic was discussed with the conclusion that Staff would present a report to the board on security measures being taken.

Mr. Denton discussed audit recommendations regarding the IT environment and stated that most of the concerns had been fully addressed. He further advised that management was currently working through policy drafts and expect that all concerns would be addressed by completion of the upcoming audit. Mr. Denton acknowledged that FPB received a clean and unqualified audit opinion. He further advised that he would provide the board with a written update.

**B. Action Item: Consider Revision to Plan Amendment for FPB Frozen Pension Plan.**

The Frankfort Plant Board maintains a frozen retirement plan that is scheduled to terminate on March 31, 2018. At the February 20, 2018 FPB Board meeting the FPB Board of Directors approved an amendment to FPB's frozen retirement plan that would allow FPB to purchase individual annuities or distribute funds to plan participants by a lump sum distribution. Since that meeting, our attorney assisting us in the plan termination has suggested a slight revision to the amendment to the resolution that would be final. The two main differences between the approved and new amendment relates to how the lump sum payment is calculated and the ability of FPB to roll over the lump sum payment into an individual retirement plan if any plan member is unable to be located.

Both the board approved amendment (Version 1) and the new, recommended amendment (Version 2) have been included in this board packet for your review.

Ms. Schneider discussed a minor change in the amendment document regarding lump sum assumption and location of participants.

Mr. Mason moved to approve the revision to the plan amendment as discussed. Mr. Hale seconded. The motion passed unanimously.

18. **Informational Item: General Manager's Comments.**

- **Update on Hybrid Fiber Coaxial (HFC) Amplifier and Line Extender Infrastructure Improvement Project.**

Mr. Denton updated the Board on the status of this project. Mr. Hellard discussed the timeline, technical improvements and issues with the current HFC system. He explained ongoing upgrades, testing, and the contract labor bid to assist with this project.

- **Discuss Potential Fiber to the Home (FTTH) Project.**

Mr. Denton discussed the EA report regarding fiber to the home and moving forward on the project as cash will allow. He advised that Staff would like to move forward looking for a firm for design and requested comments from the Board as to how they would like Staff to move forward on this project.

Mr. Hellard advised that Staff could assist with design but that they would need a firm with whom to collaborate throughout the process. He noted that Staff's recommendation to utilize EA's services at least for the first stage




because the costs have been provided by them. Mr. Hellard advised that this would be for the core infrastructure and stop short of the customer premises.

Mr. Hellard and Mr. Denton confirmed that Staff would present the top three (3) areas to begin to the Board for input and direction.

- **Discuss Creation of FPB Governance Policy.** No discussion.

Mr. Baldwin moved to adjourn the meeting. Ms. Rosen seconded. The motion passed unanimously and the meeting adjourned at 8:15 p.m.

  
Board Chair

  
Attest: Board Secretary/Treasurer