



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, April 20, 2021

Zoom

The Frankfort Plant Board met in a Board Meeting on Tuesday, April 20, 2021 at 5:00 PM via Video-Teleconference.

ATTENDANCE:

Dawn Hale, Board Secretary/Treasurer
Stephen Mason, Board Vice Chair
John Cubine, Board Chair
John Snyder, Board Member
Kathryn Dutton-Mitchell, Board Member
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
Cassie Estill, Customer Service Supervisor
Adam Hellard, Cable/Telecom Superintendent
Scott Hudson, 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
Julie Roney, Water Treatment Superintendent
Travis McCullar, Chief Electric Engineer
Gary Zheng, General Manager
Nichell Brown, Human Resource Director
Danny Harring, Asst. Water Distribution Superintendent
Shane Holt, Assistant Cable/Telecom Superintendent
Craig Brown, Burns McDonnell
Doug Buresh, CEO KyMEA
State Journal

1 NOTICE OF SPECIAL MEETING

1.1 Notice of Special Meeting via Video-Teleconference.

2 ACTION ITEM: APPROVAL OF MINUTES

2.1 Consider Approval of the Minutes for the April 6, 2021 FPB Special Board Meeting.

John Snyder moved to Approve the Minutes of the April 6, 2021 FPB Special Board Meeting. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

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

3 ACTION ITEM: ACCEPT FINANCIALS

3.1 Consider Accepting the Financials for Month Ending March 31, 2021.

Dawn Hale moved to Accept Financials for Month Ending March 31, 2021. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 4 to 0.

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

4 INFORMATIONAL ITEM: PUBLIC COMMENT

5 INFORMATIONAL ITEM: WEBSITE CUSTOMER COMMENTS

5.1 No Website Customer Comments.

6 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)
- ADMINISTRATION/OPERATIONS (GENERAL MANAGER)

7 ACTION ITEMS:

- 7.1 Review and Accept Burns-McDonnell Report regarding the Apogee Project.

Kathryn Dutton-Mitchell moved to accept the Burns-McDonnell Report regarding Apogee Project. John Snyder seconded the motion.

MOTION CARRIED. 5 to 0.

Mr. Craig Brown of Burns McDonnell presented and discussed a power point outlining the details and issues with the Apogee proposal. Staff and Board members further discussed questions and details regarding Apogee solar report, current plans for renewable energy added to FPB's power portfolio, making a more formal request for KyMEA to continue looking at renewable energy, and working with entities in Frankfort and Franklin County to develop renewable energy plans and/or policies.

The Board agreed to have this item on the agenda for FPB's May board meeting.

- 7.2 Consider Approval of Terms of Service for Nextband Stream. (Harvey Couch will discuss)

As FPB gets closer to rolling out our app-based video service, we need to establish Terms of Service for it. Customers who subscribe to the service, which is called Nextband Stream, will need to accept the Terms of Service in the application in order to access the service.

The public hearing was held at the regular board meeting on March 16. No comments were received before, during, or after that meeting.

John Snyder moved to approve the Terms of Service for Nextband Stream. Dawn Hale seconded the motion.

MOTION CARRIED. 5 to 0.

- 7.3 Consider Accepting the Minutes of the December 22, 2020 Cable Advisory Committee.

Dawn Hale moved to Accept the Minutes of the December 22, 2020 Cable Advisory Committee. John Snyder seconded the motion.

CARRIED. 4 to 0.

- 7.4 **Request the Board call a public hearing to amend tariff and applicable policies/procedures to conform to House Bill 312's new open records requirements. (Hance Price to discuss)**

During the 2021 Regular Session, the Kentucky General Assembly passed House Bill 312. House Bill 312 amends the open records act and includes changes that affect FPB's procedures. The new changes include: designating an email address for the submission of records requests, posting a copy of agency open records procedures on FPB's website, extending the time to respond to requests from three to five business days and utilizing a standardized form developed by the Attorney General for records requests. Staff asks the Board move to call a public hearing in May in order to adopt changes in June to revise FPB's tariff and any policies and procedures related to open records and open meetings to conform to applicable, current laws.

Stephen Mason moved to Call a Public Hearing to Amend Tariff and Applicable Policies/Procedures to Conform to House Bill 312's New Open Records Requirements. John Snyder seconded the motion.

CARRIED. 5 to 0.

- 7.5 **Consider Changes to Job Classification and Compensation Plan – Salary Range Adjustments Effective July 1, 2021. (Nichell Brown to discuss)**

In 2014, FPB implemented a job classification and compensation plan developed by the Johanson Group.

The current salary ranges have been in place since July 2018. The FPB compensation policy includes a provision that the Board will consider salary range adjustments every other year (see detail pages). These adjustments are necessary to maintain the plan and to offer competitive wages to attract and retain employees.

Blair Johanson, our compensation consultant, recommended a 3.1% adjustment to the salary pay scale structure in 2019 for our 20/21 budget year. However, this adjustment was not implemented. For the 21/22 budget year, Staff asks the Board to consider an adjustment of an even 3.0% to the salary pay scale structure. Staff also asks the Board to consider the approval to eliminate grades 100 and 101 of the salary scale structure. Staff has determined grades 100 and 101 salary ranges no longer offer a competitive wage. The current grade 100 minimum starting salary is \$11.71 and grade 101 minimum starting salary is \$12.85.

These changes will impact approximately 13 employees. Five employees are currently in grade 100. If approved these five employees will move to the minimum of grade 102 with a new starting pay rate of \$14.41 (if the 3% salary structure increase is approved).

There are two employees in the Stock Clerk job title, which has a progression series. Eliminating grade 101 would move the Stock Clerk I in the same grade as Stock Clerk II. Staff asks the board to consider approving reclassification of the Stock Clerk I, II and III.

Staff request the Stock Clerk I position be reclassified from a grade 101 to 102 of the proposed 2021 salary scale structure (pay range \$14.41 to \$21.62). Reclassify Stock Clerk II position from grade 102 to 103 of the proposed 2021 salary scale structure (pay range \$15.58 to \$23.37). In addition, reclassify Stock Clerk III from grade 104 to 105 of the proposed 2021 salary scale structure (pay range \$17.92 to \$26.89).

The remaining six employees are at the minimum pay for their grade and would also receive an increase if the 3% salary structure increase is approved. Individual pay changes range from \$.10 to \$2.17 per hour. The total budgetary impact for these changes is approximately \$30,160.00 annually. The requested changes if approved will have an effective date of July 1, 2021.

The following information was obtained from the most recent WorldatWork survey:

Projected 2021 Salary Structure Adjustments

All Industries: (U.S. and Kentucky)	1.9% and 1.9%
Utilities: (U.S. and Kentucky)	2.1% and 2.0%
Telecom: (U.S. and Kentucky)	1.3% and 1.6%

Many utilities in Kentucky, such as BGMU and OMU, adjust their salary structures annually. This practice was a factor in the recommendation to adjust the FPB salary structure higher than the averages reported by the survey for utilities and telecommunications companies in Kentucky. In addition, FPB's salary structure was not adjusted in 2020.

The section of the Employee Guidelines concerning adjustments to the salary ranges and the e-mail recommendation from Mr. Johanson are provided in the detail pages. The current 2018 salary pay structure and the 2021 proposed salary pay structure is also included in the detail pages. Copies of the national, regional, and state of Kentucky WorldatWork survey results for all industries, the utility industry and the telecommunications industry are available to Board members.

Board members and staff discussed item 7.5 and item 7.7. Board members discussed adjusting the salary pay scale structure to maintain a competitive compensation plan, COLA adjustments, eliminating grades 100 and 101 of the current compensation scale and reclassification of positions in those two grades, review of certain pay grades regarding equitability of pay in some manager positions, and adjustments for electric lineman and telecom technicians.

Kathryn Dutton-Mitchell moved to approve tentatively the following items, for purposes of budget drafting only: (1) elimination of grade 100 and 101, (2) compensation scale increase 3%, (3) salary increase for lineman and telecom technicians in order to compete in the market and (4) equitability in management position salaries. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

7.6 **Consider Approving the Creation of an Interim Water Treatment Plant Superintendent position. (Nichell Brown to discuss)**

Staff asks the Board to consider approving the creation of an Interim Water Treatment Plant (WTP) Superintendent position. Creating the Interim WTP Superintendent position will allow the Water Treatment Plant department preparation for succession planning and upcoming personnel changes within the department. It will also allow the qualified candidate the opportunity to directly train and learn the knowledge, skills and intrinsic operations of the Water Treatment Plant under the current WTP Superintendent.

Based on an evaluation of the job description, the recommended classification of the Interim WTP Superintendent is an exempt position with a grade 118. The minimum starting pay is \$84,721. This position has been included in the 21/22 budget year. Upon completion of training, the Interim WTP Superintendent position will expire and the individual in this position will make the transition to WTP Superintendent following the retirement of the current WTP Superintendent in spring 2022.

If approved, Staff plans to post the Interim WTP Superintendent position and have the position filled by the beginning of the 21/22 budget year. The proposed job description is included in the detail pages for this Board item.

John Snyder moved to create an Interim Water Treatment Plant Superintendent position. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

7.7 **Consider Changes to Job Classification and Compensation Plan – Effective July 1, 2021. (Nichell Brown to discuss)**

Staff asks the Board to consider compensation changes for the 21/22 budget planning.

Eligible employees will receive only one of the three salary increases.

- A 2% increase for employees below the midpoint of their salary grade.
- A Board approved Cost of Living increase.

An increase based on reclassification of management positions and below market positions in an effort to remain competitive.

This item was discussed and covered in Item 7.5.

7.8 **Consider Approving Kentucky Health Plan mandates and recommendations. (Nichell Brown to discuss)**

Staff and Sherrill Morgan recommends approval of several Kentucky Health plan mandate changes to ensure compliance and additional recommendations.

Genetic Testing for Cancer is covered in FPB's health plan when medically necessary. However, the Kentucky mandate requires genetic testing for cancer coverage under health plans at no charge in network and out of network if no in network provider is available.

The External Review Language is included in FPB's current health plan. The recommendation from MedBen is to add language to the plan to better reflect what is required in the Kentucky mandates.

Colorectal Screening is covered in FPB's health plan in accordance with the American Cancer Society guidelines (ACS). The ACS age limitation has been updated to age 45+. The Kentucky mandate also states coverage for colorectal cancer examinations and laboratory tests for covered person is age 45+. However, the recommendation from Staff and Sherrill Morgan is to remove the age limitation for colorectal screening for routine purposes only. The removal of the age limitation complies with the Kentucky mandate.

Durable Medical Equipment Repair/Replacement (not a Kentucky mandate) - In addition, Staff also recommends approval of repair or replacement of durable medical equipment (DME). This recommended change is not a Kentucky mandate however, by allowing the health plan the flexibility to determine if repair or replace DME is more cost effective.

The Benefit Confirmation Form – Kentucky Public Employers Plans and email recommendation from Sherrill Morgan are in detail pages.

Dawn Hale moved to approve Kentucky Health Plan Mandates and Recommendations. John Snyder seconded the motion.

CARRIED. 5 to 0.

- 7.9 **Consider Award of Bid Invitation #1711 for Substation Structures and Equipment to Substation Enterprises, Inc. in the Amount of \$147,500. (Travis McCullar will discuss)**

Staff, with the help of consultants Patterson & Dewar Engineers, prepared an invitation for a substation structures and equipment package. This invitation was distributed among potential vendors as well as publicly advertised. In total, four bid responses were received. Of these bids, Substation Enterprises presented the lowest price with acceptable lead times, while meeting specifications. Following the review of all bids, staff recommends awarding to Substation Enterprises, Inc. in the amount of \$147,500 with a delivery time of 18 to 20 weeks.

These structures and equipment pertain to the ongoing Reservoir Substation reconstruction effort as part of the Replace T24 and T23 project. This purchase is included in the 2020-2021 companywide capital additions budget, Page 16, Line Item 105. The amount included in the budget for this project is \$1,440,000.

Stephen Mason moved to Award Bid Invitation #1711 for Substation Structures and Equipment to Substation Enterprises, Inc. in the amount of \$147,500. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

- 7.10 **Consider Award of Bid Invitation #1712, (Concrete Pipe Repair Materials), to Rangeline Pipeline Services for \$66,334. (David Billings will discuss)**

As part of the Water Department's recent risk assessment, it was decided that certain long lead time items and repair materials were needed to be kept in stock in the event the items were needed.

On April 13th, 2021, bids were received from the following vendors:

1. Rangeline Pipeline Services	\$ 66,334
2. Thompson Pipegroup	\$138,460

In the event the invoice for the materials comes in this budget year, we intend to utilize remaining monies in our tank painting project for the materials. Should the invoice arrive in the upcoming budget year, we included \$91,000 in the upcoming budget.

Staff recommends we award Bid Invitation 1712 to Rangeline Pipeline Services.

Kathryn Dutton-Mitchell moved to Award Bid Invitation #1712 (Concrete Pipe Repair Materials), to Rangeline Pipeline Services for \$66,334. John Snyder seconded the motion.

CARRIED. 5 to 0.

7.11 Discussion and Potential Action regarding Returning to In-Person Board Meetings.

Board members discussed returning to in-person board meetings and incorporating public participation. Mr. Zheng would meet with managers to discuss the manner in which staff would participate. Mr. Price would follow up with Tommy Russell and review changes in the governor's orders. This item would be addressed again the middle of May.

8 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

8.1 Move to have the chair call a closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation regarding contractor claim.

No Closed Session.

9 CLOSED DOOR SESSION

None

10 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

None

11 ACTION ITEM: ADJOURNMENT

11.1 Adjourn Meeting

John Snyder moved to adjourn. Dawn Hale seconded the motion.

CARRIED. 5 to 0.


Board Chair


Board Secretary/Treasurer