



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, June 16, 2020

Community Room & Audio

The Frankfort Plant Board met in a Special FPB Board Meeting on Tuesday, June 16, 2020 at 5:00 PM.

ATTENDANCE:

Dawn Hale, Board Secretary/Treasurer
Stephen Mason, Board Vice Chair
John Cubine, Board Chair
John Snyder, Board Member
James Liebman, Board Attorney
Gary Zheng, General Manager
David Billings, Chief Water Engineer
David Denton, Chief Financial Officer
Vent Foster, Chief Operations Officer
Adam Hellard, Cable Superintendent
Ryan Henry, Assistant IT Director
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
Leigh Ann Phillips, Support Services Director
Julie Roney, Water Treatment Superintendent
Dianne Schneider, HR Director
Alan Smith, Water Distribution Superintendent
Jennifer Hellard, Purchasing Agent
State Journal

1 NOTICE OF SPECIAL MEETING

- 1.1 Notice of Special Meeting held In Person and Via Audio Conference.

In person attendance limited to 10 people pursuant to Executive Order of the Governor.

2 ACTION ITEM: APPROVAL OF MINUTES

- 2.1 Consider approval of the Minutes of the June 5, 2020 Special Board Meeting.

Dawn Hale moved to approve minutes for the June 5, 2020 board meeting. John Snyder seconded the motion. CARRIED. 4 to 0.

3 ACTION ITEM: ACCEPT FINANCIALS

- 3.1 Consider Accepting Financials for month ending May 31, 2020.

Stephen Mason moved to accept the financials for month ending May 31, 2020 John Snyder seconded the motion. CARRIED. 4 to 0.

4 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

- TELECOMMUNICATIONS
- CUSTOMER SERVICE
- ELECTRIC DEPARTMENT
- SEPA
- KYMEA
- SAFETY
- WATER DISTRIBUTION
- WATER TREATMENT PLANT
- NETWORK OPERATIONS CENTER (NOC)

5 ACTION ITEMS:

5.1 Consider Approval of the Workers’ Compensation Insurance Renewal.

Staff recommends that the Board approve the renewal of its workers’ compensation policy with Kentucky Employers Mutual Insurance (KEMI). The renewal premium of \$94,776.19, would be effective July 1, 2020. The decrease of 4.8% from last year’s premium is a result of a lower experience modification factor of .57 (a 9% decrease from .62 in 2019) and lower renewal rates.

Stephen Mason moved to approve Workers’ Compensation Insurance Renewal John Snyder seconded the motion. CARRIED. 4 to 0.

5.2 Consider Award of Bid Invitation #1698—Annual Price Contract for Water Treatment Chemicals (FY 2021).

Staff prepares an annual bid for the chemicals used in water treatment. The bid includes estimated quantities and explains that orders could exceed or fall short of the estimates. Vendors bid with the understanding that the bid’s purpose is to hold unit price throughout FPB’s fiscal year.

This bid received 21 responses. After reviewing each bid, staff recommends awarding to the lowest bidders meeting specifications with the exception of Powdered Activated Carbon (explanations below).

Chemical	FY 21 Company	FY 21 Bid	Difference (%) between FY 20 and FY 21
Liquid Ferric Chloride	PVS Technologies	\$268.00	No change
Liquid Sodium Hydroxide	Brenntag Mid-South	\$0.1230	-11.5%
Polyaluminum Chloride	USALCO	\$0.1988	1.46%
Powdered Activated Carbon*	Calgon Carbon	\$0.82	12%
Hydrofluorosilicic Acid	Univar USA	\$0.2197	54.7%
Anhydrous Ammonia	Airgas	\$0.9960	-23.0%
Potassium Permanganate	Brenntag Mid-South	\$1.5950	0.3%
Sulfuric Acid	Chemical Resources	\$0.1132	-22.4%
Zinc Orthophosphate	Shannon Chemicals	\$0.5460	-15.5%
OSG Sodium Chloride	Morton Salt	\$232.6000	No change
Water Softener Salt	Chemical Resources	\$0.2080	-1.20%

**Based on highest removal of geosmin and MIB (taste/odor compounds)*

As of May 31, 2020, chemical purchases total \$524,759 with one (1) month remaining in FY 2020. Staff have requested \$500,000 in the proposed FY 2021 budget for treatment chemical purchases.

John Snyder moved to approve Bid Invitation #1698 - Annual Price Contract for Water Treatment Chemicals. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

5.3 Consider Award of Bid Invitation #1696 – Annual Price Contract for Distribution Transformers to Cape Electrical Supply.

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 eight vendors with five responses. After evaluating all bids, staff recommends awarding to Cape Electrical Supply as they are the low bidder meeting specifications.

As of May 2020, FPB has purchased approximately \$161,233.00 this fiscal year from the current contract. The proposed contract reflects a 4.7% price decrease.

Stephen Mason moved to approve Bid Invitation #1696 - Annual Price Contract for Distribution Transformers to Cape Electrical Supply. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

5.4 Consider Award of Bid Invitation #1697– Annual Price Contract for Ductile Iron Pipe to Hayes Pipe Supply and Fittings to Core & Main.

Most of FPB's ductile iron pipe and ductile iron fittings are purchased from an annual price contract. The material is kept in FPB's inventory and needs to be replenished periodically. Orders for this material depend on new development and the maintenance and repair of old material. Vendors bid with the understanding that they are locking in unit pricing for the year and not for a certain quantity of material. The bid states that each category will be awarded on an "all or none" basis.

Like last year, this bid also included alternate pricing for materials that meet the "Buy America" and "Buy American" requirements. These items are needed from time to time for certain grant funded projects. However, the bid stated that the award would be heavily weighted on the price of the material that does NOT meet these requirements as this is what we purchase most of.

The bid invitation was sent to six vendors and four responses were received. After evaluating all bids, staff recommends awarding the Ductile Iron Pipe to Hayes Pipe Supply, and the Fittings to Core & Main, as they are the low bidder meeting specifications. Pipe prices have gone up 15.73%, and fitting prices are down 11.28%.

As of May, FPB has purchased approximately \$125,590.00 from the current contract.

Stephen Mason moved to approve Bid Invitation #1697 - Annual price Contract for Ductile Iron Pipe to Hayes Pipe Supply and Fittings to Core & Main. John Snyder seconded the motion.

CARRIED. 4 to 0.

5.5 Consider Renewal of Annual Price Contract for Hydrants, Valves, and Tapping Sleeves to Ferguson WaterWorks.

Most of FPB's hydrants, valves, and tapping sleeves are purchased from an annual price contract. The material is kept in FPB inventory and needs to be replenished periodically. Orders for these items depends on new development and the maintenance and repair of old material.

This material was put out for bid in August of 2019 (Bid# 1683) with the contract being awarded to the lowest bidder- Ferguson WaterWorks. At that time, hydrant prices increased 3.57%, valve prices increased 5.21%, and tapping sleeve prices increased 5.1%. Ferguson WaterWorks has offered FPB a contract renewal with no price increase. Staff does not anticipate prices being lower if we were to rebid this year. As of May 2020, FPB has purchased approximately \$37,075.00 in hydrants, valves, and tapping sleeves from the current contract.

Stephen Mason moved to approve Renewal of Annual Price Contract for Hydrants, Valves and Tapping Sleeves to Ferguson Water Works. John Snyder seconded the motion.

CARRIED. 4 to 0.

5.6 Consider Renewal of Annual Price Contract for Wood Poles to T.R. Miller Mill Company.

FPB's wood poles are purchased from an annual price contract. The material is kept in FPB inventory and needs to be replenished periodically. Orders for these items depends on new development and the maintenance and repair of old material.

This material was bid in May 2019 (Bid #1680) and the contract was awarded to the lowest bidder- T.R. Miller Mill Company. At that time, wood pole prices decreased 10.4% from the previous year. T.R. Miller Mill Company has offered FPB a contract renewal with no price increase. Staff does not anticipate prices being lower if we were to rebid this year. As of May 2020, FPB has purchased approximately \$26,011.00 in wood poles from the current contract.

Stephen Mason moved to approve Renewal of Annual Price Contract for Wood Poles o T.R. Miller Mill Company. John Snyder seconded the motion.

CARRIED. 4 to 0.

5.7 Consider Coronavirus Deadline Extension Amendment.

Staff asks the Board to consider an amendment to the FPB Employee Health Plan to comply with new regulations issued by the Department of Labor and the IRS. The regulations and proposed amendment provide plan participants additional time to make decisions during the coronavirus outbreak by extending the deadlines to elect COBRA coverage and pay premiums; enroll in coverage due to a qualifying event; file claims; and file appeals. The changes are effective retroactive to March 1, 2020 and continue in effect until 60 days after the announced end of the National Emergency or such other date announced in future guidance.

A copy of the proposed plan amendment and the extension timeframe summary page is included in the detail pages for this Board item.

Stephen Mason moved to approve Coronavirus Deadline Extension Amendment Dawn Hale seconded the motion.

CARRIED. 4 to 0.

- 5.8 Consider Accepting the Minutes for the January 8, 2020 Cable Advisory Committee meeting.

John Snyder moved to accept the Minutes for the January 8, 2020 Cable Advisory Committee meeting. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

- 5.9 Consider Approval of 42 Year Contract Extension with Farmdale Water District.

Recently, Farmdale Water District contacted FPB and noted they are seeking financing for system improvements. In order to obtain their financing, Farmdale is required to extend their water purchase agreement with FPB for a 42 year term. The existing contract was executed in 2011 and the amendment extends its term 42 years from the date of the amendment. All other terms of the agreement remain the same. Staff recommends execution of the amendment.

Stephen Mason moved to approve 42 year Contract Extension with Farmdale Water District. John Snyder seconded the motion.

CARRIED. 4 to 0.

- 5.10 Review and Approve Fiscal Year 2020-2021 Budget and accept 5 year plan.

John Snyder moved to approve the FY 2020-2021 Budget with changes regarding pay structure to eliminate all pay increases at July 1, 2020 and establish a 2% pay increase to employees below the midpoint of their salary grade effective January 1, 2021, and a pay increase to all employees equal to the increase approved for City employees but not to exceed 1.5% effective January 1, 2021. Stephen Mason seconded the motion.

CARRIED. 4 to 0.

6 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

NONE

7 INFORMATION ITEM: DISCUSS BOARD GOVERNANCE POLICY

- 7.1 Ms. Hale will meet with Mr. Price prior to the July meeting and a draft will be sent to all board members to review.

8 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

- 8.1 Chair calls for a motion to conduct a closed session pursuant to KRS 61.810(1)(b) for deliberations regarding the sale of real property. The reason for privacy is because publicity at the deliberation stage might be likely to affect the value of the property.

John Snyder moved to call closed session pursuant to KRS 61/810(1)(b) for deliberations regarding the sale of real property. The reason for privacy is because publicity at the deliberation stage might be likely to affect the value of the property. Stephen Mason seconded the motion.

CARRIED. 4 to 0.

9 CLOSED DOOR SESSION

9.1 Potential action from closed session regarding the sale of real estate.
No Action was Taken.

10 ACTION ITEM: ADJOURNMENT

10.1 Adjourn Meeting

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

CARRIED.



Board Chair



Board Secretary/Treasurer