



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, August 18, 2020

Community Room/Video-Audio Meeting

The Frankfort Plant Board met in FPB Board Meeting on Tuesday, August 18, 2020 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
James Liebman, Board Attorney
Gary Zheng, General Manager
David Billings, Director of Water Operations
Harvey Couch, Marketing Video Content Coordinator
David Denton, Chief Financial Officer
Vent Foster, Chief Operations Officer
Adam Hellard, Cable Superintendent
Ryan Henry, Assistant IT Director
Casey Jones, IT Director
Cathy Lindsey, Communications & Marketing Director
Kathy Poe, Executive Assistant to GM
Hance Price, Assistant GM Administration/Staff Attorney
Dianne Schneider, HR Director
Deron Rambo, Network Operations Center Director
Travis McCullar, Chief Electric Engineer

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 for the July 21, 2020 Board Meeting.

Dawn Hale moved to approve the Minutes of the July 21, 2020 Board Meeting. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0.

3 ACTION ITEM: ACCEPT FINANCIALS

- 3.1 Consider Approval of the Financials for Month ending June 30, 2020 and for Month ending July 31, 2020.

John Snyder moved to accept Financial Reports for month ending June 30, 2020 and July 31, 2020. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

4 INFORMATIONAL ITEM: PUBLIC COMMENT

4.1 No Public Comment.

5 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

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

6 ACTION ITEMS:

6.1 Consider award of RFP 2018-4 for an Advanced Metering Infrastructure (AMI) Solution to Sensus North America.

In September of 2018, Staff issued Request for Proposal 2018-4 for an Advanced Metering Infrastructure (AMI) solution. Due to the highly complex and technical nature of AMI systems, the Board authorized Staff to evaluate and determine the recommendation for award based on the competitive negotiation statute (KRS 45A.370). The final contract presented for approval is the culmination of a multi-year investigation into AMI, which formally began with an AMI Business Case study that was accepted by the Board in 2017.

The business case study performed by FPB and Vass Solutions included a comprehensive cost and benefit model and a proposed AMI implementation plan. The business case model is a conservative estimation, which only includes benefits that can be feasibly achieved during the life cycle of the system. Based on the findings of the business case, the Board authorized Staff to issue the RFP and evaluate vendors.

The RFP evaluation process, conducted with the support of VASS Solutions, included several evaluation stages to determine which vendor was best suited to deliver an AMI system for FPB and our customers. The process included reviews of proposals, on-site interviews, multiple reference checks, and contract negotiations with the top ranked vendor.

The final contract submitted for your review includes complete automation of FPB's electric and water metering system, a licensed point to point communication system, project management, and meter deployment services. The proposed contract is for 15 years including 2.5 years for deployment. The contract value for the AMI system is \$6.66 million for deployment and \$1.31 million for ongoing operations post deployment, for a total contract value of \$7.97 million, which is within the total estimated during the business case study.

Staff recommends award of RFP 2018-4 to Sensus North America for an Advanced Metering Solution. The Staff attorney has reviewed the contract and it meets his approval.

Stephen Mason moved to approve Award of RFP-2018-4 for an Advanced Metering Infrastructure (AMI) Solution to Sensus North America. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0

6.2 **Discussion and Approval of GM Evaluation.**

Board Members have had an opportunity to individually and independently evaluate the General Manager. A draft evaluation is included for the Board's review and discussion. The Board may either approve the draft as the final yearly evaluation or revise as the Board considers appropriate.

Stephen Mason moved to approve General Manager Evaluation. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

6.3 **Action Item: Consider approving a professional services agreement with HDR in the amount of \$234,600 for final design and delivery of the ammonia and sulfuric acid feed improvements project at the water treatment plant.**

The water treatment plant currently utilizes gaseous ammonia and sulfuric acid in the treatment of water. In an effort to replace aging equipment as well as continue implementing safety measures at the water treatment plant, a project to eliminate the gaseous ammonia and replace with a liquid ammonia feed system was recommended by staff.

Last summer, a RFQ selection process was conducted and the top firm was awarded a contract to deliver a preliminary engineering report detailing the options/estimated costs, and ultimate recommendation on the preferred design. Upon obtaining the preliminary engineering report, staff attempted to successfully negotiate for final design and project delivery but were not able to obtain a cost that was within FPB's budget. As a result, staff ended contract negotiations with the initial firm and began negotiations with the number two ranked firm from the RFQ process.

As a matter of course, an agreement together with a scope of engineering services has been prepared and is included in the board package for review. Under the proposal, HDR would provide the following:

• Final Design Services	\$ 92,000	
• Bidding Assistance	\$ 9,600	
• Construction Administration	\$ 38,500	
• Resident Observation	\$ 54,000	
• Start-up and Project Closeout	\$ 7,500	
• SCADA Integration	\$ 22,000	
• Site Survey	\$ 3,500	
• Geotechnical	<u>\$ 7,500</u>	
	Total	\$234,600 lump sum

The FY21 budget includes \$300,000 for engineering and \$1,200,000 for construction for the project.

Staff recommends that the Board approve the agreement with HDR contingent upon receipt of insurance requirements and review by the Staff attorney.

John Snyder moved to approve Professional Service Agreement with HDR in the amount of \$234,600 for Final Design and Delivery of the Ammonia and Sulfuric Acid Improvements Project at the Water Treatment Plant. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

6.4 **Consider approval of professional services contract between Wet or Dry Tank Inspection Services and FEWPB for services related to US127 Tank rehabilitation in the amount of \$42,955.27.**

The elevated storage tank located on US127 is in need of some minor alterations and a re-painting of the interior and exterior coatings.

As a matter of course, Wet or Dry was requested to provide a scope of services to provide technical details and construction related inspection services:

Assistance in preparing bidding documents
Assistance in pre-bid or pre-construction meetings
Provide contract phase support
Perform warranty inspections \$42,955.27 total (LS)

Technical details provided will be utilized as part of FPB's bidding and contract documents. Inspection services provided will ensure compliance with contract documents by painting contractor. Wet or Dry has the personnel, experience, and necessary certifications to provide the scope of services. In addition, Wet or Dry has successfully performed for FPB in the past as well as many utility providers in the region.

The current budget includes \$400,000 for the project. The contract was provided to the Staff Attorney for review and Staff recommends that the Board approve the contract with Wet or Dry Tank Inspection Services contingent on receipt of required certificate of insurance.

Stephen Mason moved to approve the Professional Services Agreement with Wet or Dry Tank Inspection Services related to US 127 Tank Rehabilitation in the amount of \$42,955.27. Kathryn Dutton-Mitchell seconded the motion.

CARRIED. 5 to 0

6.5 **Consider Approving NFL Network Renewal.**

Staff recommends approval of the NFL Network renewal. This National Cable Television Cooperative (NCTC) agreement has a term through July 31, 2022. FPB carries NFL Network on the optional Preferred Cable tier. This renewal affords FPB the opportunity to keep the NFL Network subscriber rate flat through July 31, 2021. The increase after that will be 2.2%

This new agreement also affords FPB protection for a loss of live NFL games on NFL Network. Rate reductions begin if less than 7 live NFL games are included on the network (or fewer than 6 games due to Force Majeure).

This agreement covers rights to both NFL Network and NFL Red Zone Channel. FPB carries NFL Red Zone on the optional HD Plus tier. NFL Red Zone rates increase by 9.5% in 2020 and 2021. The rate increases on NFL Network and Red Zone were anticipated and budgeted. No immediate rate increase will be needed.

Advanced services distribution adds value to this deal. TV Everywhere, in home streaming, and VOD rights are included in this agreement. No additional carriage requirements obligations are included in this agreement.

John Snyder moved to approve NFL Network Renewal. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

6.6 Approval of Code of Ethics and Financial Disclosure Form.

Over the past several weeks, Staff has worked with Ms. Hale and Mr. Cubine to prepare a draft ethics policy that was discussed at last month's meeting. KRS Chapter 65 and 65A require FPB to maintain an ethics policy at least as stringent as the City of Frankfort. Per KRS 65.003(3), the policy must contain provisions regarding: 1) standards of conduct, 2) financial disclosure, 3) nepotism and 4) designation of a person or group (ethics committee) to enforce the ethics policy and maintain financial disclosure statements.

Staff has revised the policy as follows and it incorporates elements from the City's policy and FPB's existing Code of Ethics:

First, there is order of precedence language in the preamble discussing how to interpret the policy. The goal is that if the city changes their policy or if state law changes, FPB will not have to revise its policy. Instead, it will track in accordance with state law or city policy.

Second, there is a 90 day limitations period to bring retaliation claims and a one year limitations period to bring an ethics complaint. This is in accordance with City policy.

Third, the definition of "family member" begins with the statutory requirement to exclude third degree relatives of the mayor, GM, board members and city commissioners and adds to that current FPB employees. Then, because the policy has to be at least as strict as the City's, it incorporates their definition of family member.

Fourth, it includes first cousins since FPB's standards of conduct currently includes that relationship when discussing prohibited account changes. HR does not think this definition would restrict the applicant pool. The nepotism policy then notes neither family members nor immediate family members shall be initially employed by FPB.

Finally, the financial disclosure form requests the same information as the City's form. In the ethics policy, there is a requirement to redact personal information from financial disclosure forms such as: home address, phone, email address as permitted by Attorney General Opinions before making them public.

Should the Board choose to adopt the policy, we are required publish it according to KRS 424.130(1)(a) and send it to the City and Department of Local Government within 21 days.

After discussions between Board members and Staff, John Snyder moved to pass over this item until the next regular board meeting. Dawn Hale seconded the motion.

CARRIED. 5 to 0.

6.7 Approval of Board Governance Policy.

In addition to the ethics and financial disclosure forms, the Board has also discussed formats for a Board Governance Policy. These include a stand alone policy and incorporating various concepts into the Board's existing bylaws.

After significant Board discussion, this item was passed over for additional discussion at a work session to be scheduled later.

6.8 Amend Company Core Values to Include an Express Commitment to Diversity and Social Justice.

It is important that FPB is responsive to our community's needs and at this moment our community is expressing a need to recommit to ensuring true social

justice. Because FPB is community owned and an intricate part of most people's lives here in Frankfort/Franklin County, it is important that the community know where FPB stands. Moreover, it is critical that everyone who works for the FPB understands its commitment to these critical principles and, therefore, how the Board expects FPB to be represented by our employees. Consequently, FPB's core values statement has been updated to reflect these concepts. The Board may either approve the revised language or make further revisions as it deems appropriate.

Kathryn Dutton-Mitchell moved to approve Amending FPB's Core Values to read as follows:

We are committed to:

Seeking superiority in providing our customers with high quality, reliable, and economical services.

Treating employees fairly, and being committed to providing a safe and united work environment in which productivity and innovation will be rewarded.

Developing and maintaining a diverse and inclusive workplace.

Promoting continual improvement through employee involvement and innovative technology.

Reflecting our commitment to tolerance, diversity, social justice, and anti-racism through responsible community involvement.

Stephen Mason seconded the motion.

CARRIED. 5 to 0.

6.9 Board Review of FPB Scholarship Program.

FPB currently has a scholarship program. Staff has provided additional information for the Board to review and consider.

Mr. Snyder reviewed his report explaining details of the FPB Scholarship program. He explained the Rotary Club's involvement in the process. He further expressed the need to continue this as a Community outreach program, to ensure that FPB does not lose its identity as the scholarship provider, and to continue to award scholarships to students in fields of study which coordinate with FPB positions. He acknowledged that FPB should still award all scholarships even if there were no applicants in FPB qualifying fields of study.

Kathryn Dutton-Mitchell moved to accept the summary report given by John Snyder and to direct the Staff attorney to work with Cathy Lindsey to draft a Consent to Release form for FPB to release personal information of the scholarship winners. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

7 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

- 7.1 Staff updated the board on the Branding initiative, the Customer Service campaign to reach out to customers to assist with payment, and scholarship recipients.

8 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

8.1 Chair calls for a motion to enter closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation regarding depancaking matter and subcontractor lien claim.

Dawn Hale moved to go into closed session. Stephen Mason seconded the motion.

CARRIED. 5 to 0.

9 CLOSED DOOR SESSION

10 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION


10.1 None

11 ACTION ITEM: ADJOURNMENT


11.1 Adjourn meeting.

Stephen Mason moved to adjourn meeting. John Snyder seconded the motion.

CARRIED. 5 to 0.



Board Chair



Board Secretary/Treasurer