



MINUTES

Special Board Meeting- Public Hearing

5:00 PM - Tuesday, August 22, 2023

Community Room

The Frankfort Plant Board held a Special Board Meeting- Public Hearing on Tuesday, August 22, 2023, at 5:00 PM in the Community Room.

ATTENDANCE:

John Cubine, Board Chair
John Snyder, Board Vice Chair
Stephen Mason, Board Secretary/Treasurer
Kathryn Dutton-Mitchell, Board Member
Jason Delambre, Board Member
Gary Zheng, General Manager
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
Cathy Lindsey, Communications & Marketing Director
Kathy Poe, Executive Assistant to GM
Hance Price, Assistant GM Administration/Staff Attorney
Leigh Ann Phillips, Support Services Director
Travis McCullar, Director of Electric
Deron Rambo, Network Operations Center Director
Jennifer Hellard, Purchasing Agent
Nichell Brown, Human Resource Director
JC Lyons, Safety Director
Zachary Hubbard, Community Television Coordinator
Shane Holt, Asst. Cable/Telecom Superintendent
Brandon Powers, Water Treatment Plant Superintendent
Brian Bourne, Water Distribution Superintendent
Mike Harrod, Telecom Engineering Manager
Sharmista Dutta, Director of Water
April Rhodes, Customer Service Supervisor
Ryan Henry, IT Director

1 ACTION ITEM: APPROVAL OF MINUTES

1.1 Consider Approval of the Minutes for the July 18, 2023, Board Meeting.

Kathryn Dutton-Mitchell moved to approve the Minutes for the July 18, 2023, Board Meeting. Stephen Mason seconded the motion. CARRIED. 5 to 0.

2 ACTION ITEM: ACCEPT FINANCIALS

- 2.1 Consider Accepting the Financial Statements for months ending June 30, 2023, and July 31, 2023.

Jason Delambre moved to accept the Financial Statements for months ending June 30, 2023, and July 31, 2023. John Snyder seconded the motion. CARRIED. 5 to 0.

3 CONDUCT PUBLIC HEARING

- 3.1 Conduct Public Hearing regarding 1) Establishing rates for New Tier of NextBand service; and 2) Updating Section X of Tariff.

This Hearing will come to order. My name is John Snyder; I have been requested by the Board to conduct this Hearing. With me today are Board Members and Staff of the Frankfort Electric and Water Plant Board. We are here to receive comments regarding 1) Establishing rates for a New Tier of NextBand service; and 2) Updating Section X of Tariff. This Public Hearing was advertised in accordance with the Regulations for Public Notification and appeared in the Weekend, August 12, 2023, edition of The State Journal newspaper.

To conduct this hearing in an organized fashion, we have asked that anyone wishing to comment register via email with Kathy Poe (kpoe@fewpb.com) or Cathy Lindsey (clindsey@fewpb.com).

This Hearing will be conducted informally and voluntarily by the Frankfort Electric & Water Plant Board to accept comments on the above item. Both oral and written comments will be accepted. Any and all persons present who wish to make a statement will be afforded an opportunity to do so. If you have a written statement to accompany your oral presentation, a copy of the written statement should be provided to the Board prior to your presentation. Oral presentations should be limited to no more than 3 minutes. If necessary, I will interrupt and request the presentation to be completed due to this time limit. I may ask questions of any person presenting oral comments where it is necessary to clarify the nature or substance of the comments.

The Board reserves the right to answer questions at a later date. It is the job of the Board to fairly consider various points of view and information. We want public input and involvement and I hope you do not find our standard procedures restrictive.

Additional oral comments and written comments will be accepted and considered if they are submitted no later than the end of normal business hours on September 18, 2023. To submit a comment, please contact FPB at 352-4372, or on our website www.fpb.cc.

Before we open the floor for comments, Harvey Couch will provide a summary of the details.

Public hearing held and no comments received.

4 INFORMATIONAL ITEM: PUBLIC COMMENT

4.1 None

5 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

- **POTENTIAL OR AGREED UPON RELATED PARTY TRANSACTIONS**
None Reported.
- **PUBLIC INFORMATION**
- **NETWORK OPERATIONS CENTER (NOC)**
- **CUSTOMER SERVICE**
- **TELECOMMUNICATIONS**
- **ELECTRIC DEPARTMENT**
- **SEPA**
- **KYMEA**
- **SAFETY**
- **WATER DISTRIBUTION**
- **WATER TREATMENT PLANT**

6 ACTION ITEMS:

6.1 **Consider Approving NBA-TV Amendment. (Harvey Couch will discuss)**

Staff recommends approval of the NBA-TV amendment. This amendment extends our current direct agreement to a term through September 30, 2025. There is no rate reset and annual increases are below budgeted parameters. NBA-TV is a Preferred Cable channel, which is on channel 150 and in HD on 650 and programs live NBA/WNBA/Euro league regular season and playoff games, summer leagues, daily highlight shows, player drafts, and all-star competitions. No additional carriage requirements obligations are included in this agreement. The Assistant GM for Administration has reviewed the agreement and it meets with his approval.

John Snyder moved to approve NBA-TV Amendment. Stephen Mason seconded the motion. CARRIED. 5 to 0.

6.2 Consider Cable Advisory Committee Appointment. (Harvey Couch will discuss)

Staff recommends the Board appoint Rachel Nickles to the Cable Advisory Committee with a term beginning September 1, 2023, through August 30, 2025. The appointment is needed to fill the vacancy left by Ms. Sarah Lodmell, who was our student representative for the past two years and recently graduated from Franklin County High School. Ms. Nickles is an 11th grader at Frankfort High School. As a reminder to the Board, Staff endeavors to rotate the student representative on the Committee between the three public high schools while seeking input from school leaders for potential student representatives.

A copy of the nominee's letter of interest is included in the detail section.

Stephen Mason moved to approve Cable Advisory Committee Appointment of Rachel Nickles with a term beginning September 1, 2023, through September 1, 2025. John Snyder seconded the motion. CARRIED. 5 to 0.

6.3 Consider Award of Bid Invitation #1786 for a Vacuum Truck in the amount of \$389,879.28. (Jennifer Hellard will discuss)

Staff prepared a bid invitation for a vacuum truck to be used in the electric and water department. The invitation was sent to four vendors with one response received. Staff recommends awarding to Jack Doheny Company in the amount of \$389,879.28. Lead time is 365 days.

This truck was included in the current budget (page 17, line item 285) for \$383,951. However, due to the lead-time those funds will not be spent this fiscal year. That line item will need to be carried over and modified to meet the bid pricing.

Stephen Mason moved to award Bid Invitation #1786 for a Vacuum Truck in the amount of \$389,879.28. John Snyder seconded the motion. CARRIED. 5 to 0.

6.4 Consider Budget Amendment 2024-03 for additional rented warehouse space at 859 E Main Street in the amount of \$36,000. (Leigh Ann Phillips will discuss)

FPB currently leases warehouse space at 859 E Main Street for storage purposes. The building is divided into three rentable sections. We rent the two smaller sections for \$36,000 per year. This area is approximately 10,000 square feet.

The third section (12,000 square feet) has recently become available. This area rents for \$36,000 per year. It was not known at the time of budget preparations that this space would be available. Staff is requesting that Line Item 205 on page 66 of the current budget be increased from \$36,000 to \$72,000.

We are currently utilizing the rented space for electric meters, water meters, and FTTH materials. Should we rent the additional area, we intend to store additional FTTH materials. The Service Center warehouse and storage lot are at capacity.

John Snyder moved to approve Budget Amendment 2024-03 in the Amount of \$36,000 for additional rented warehouse space and approve lease agreement for warehouse space located at 859 E. Main Street. Jason Delambre seconded the motion. CARRIED. 5 to 0.

6.5 **Consider Approval of Power Supply Review Tasks with GDS Associates.
(Travis McCullar and GDS Associates to discuss)**

At the regular June Board meeting, a continuing services agreement with GDS associates was approved by the Board to review matters related to KyMEA and power supply decisions. This agreement described general terms and conditions. With the general service agreement in place, staff worked with GDS associates to identify five task orders related to current power supply issues for the Board to consider.

Task 1 – Reviewing the proposed KyMEA RICE generating units. GDS will assist FPB in reviewing the RICE units and advise on whether to participate or pursue alternatives.

Task 2- Reviewing future power supply RFPs before release and evaluate results. This task will also include reviewing potential alternatives including renewable options.

Task 3- Review of KyMEA IRP. GDS will assist FPB with the review of KyMEA's upcoming Integrated Resource Plan (IRP) and make recommendations concerning support of the IRP or preferred alternatives.

Task 4 – Attend KyMEA Board meetings. GDS will attend future KyMEA Board meetings, virtually or in person, as directed by FPB management.

Task 5 – Attend FPB Board meetings – GDS will attend FPB Board meetings, virtually or in person, as directed by FPB management to provide the Board updates on ongoing power supply and transmission issues.

Power supply consulting is included in the current electric budget on Pg 24, Line 515. \$200,000 is included in the electric general consulting fund for this fiscal year.

John Snyder moved to approve Tasks 1-5 regarding review of power supply with GDS Associates. Stephen Mason seconded the motion. CARRIED. 5 to 0.

6.6 Existing and New PURPA Standards Created under the 2021 IJJA

The Infrastructure Investment and Jobs Act of 2021 (IIJA) added two new “standards” related to demand response practices and EV charging programs. FPB is obligated to consider and to determine whether or not to adopt the two new proposed regulatory standards. The due process required by PURPA includes the requirement that the determination as to the “appropriateness” of a particular standard take place “after public notice and hearing” and be (1) “in writing”; (2) “based upon findings included in such determination and upon evidence presented at the hearing”; and (3) be made “available to the public.” Section 111(b) of PURPA. The Board has until November 15, 2023, to decide whether to adopt the regulatory standard.

Prior to these revisions, upon its initial passage PURPA required consideration of other standards as well including cost of service, declining block rates, time-of-day rates, seasonal rates, interruptible rates and load management techniques.

Later in 1992, the standards were expanded to include: integrated resource planning, investments in conservation and demand management, energy efficiency investment in power generation and supply, and the effects of wholesale power purchases on the cost of capital and effects of leveraged capital structures on reliability/adequacy of fuel supplies.

And more recently, in 2005 and 2007, standards related to net metering, fuel sources, fossil fuel generation and efficiency, time-based metering and communications, interconnection to distributed resources, rate design to promote energy efficiency investments and consideration of smart grid investments.

Many of these standards were inapplicable at the time, but with the implementation of AMI may be more suitable for implementation. Likewise, our involvement in KYMEA provides more ability to influence topics such as integrated resource planning.

Existing FPB Demand Response and EV Charging Incentive Programs

EV Charging

FPB currently owns and operates three publicly accessible Level II EV charging stations. Charging at these stations is currently free to drivers thanks to a partnership with the City of Frankfort. A DC fast charging station installation is currently in progress. In order to support the long-term sustainability of the

program, FPB adopted EV charging rates for FPB owned stations that will be deployed at the future DC station and others if the partnership with the City is retired.

Demand Response

FPB currently imposes demand charges to commercial and industrial customers that have an average monthly demand of 50kW or higher. This requirement incentivizes customers to reduce their peak load, especially larger customers that have an outsized impact on FPB's total system demand.

Potential Next Steps

While some existing rates and policies currently exist, the Board may consider some additional options to offer customers related to the new PURPA requirements. This could include:

Develop a Time-of-use (TOU) rate. This option addresses both demand response and EV charging by incentivizing customers how use energy off peak, including charging their EV at their home or business at a lower rate. Coincident peak rates could also be explored under this effort.

Develop an Electric Vehicle Station rate. This rate class could be offered to EV station owners that are deployed as part of the NEVI or other grant program.

Investigate a residential load control program, also known as A/C cycling. These programs are intended to reduce the utility system peak, which can generate savings that are in turn passed on to the customer.

Staff recommends holding a public hearing to take public input on the existing and new PURPA standards and consider which programs to pursue further.

John Snyder moved to develop response to PURPA standards and hold a public hearing at the September board meeting, and have information posted on the FPB website 2 weeks prior to the September board meeting. Jason Delambre seconded the motion. CARRIED. 5 to 0.

6.7 Update on search for consultant to review current compensation plan and potential RFP. (Nichell Brown to discuss).

Staff has contacted Korn Ferry, Exude Human Capital, Pearl Meyers and CBIZ consultant firms.

Listed in the detail pages is the confidential quote received from Korn Ferry. I am awaiting quotes from Exude Human Capital and CBIZ. Other consultant pricing is estimated to be in the same range as the provided quote listed in the detail pages.

Moving forward, would the Board like for Staff to negotiate pricing once all quotes are received or conduct a formal request for proposal (RFP)?

Nichell Brown to follow up with possible consultants for pricing. Board can schedule a special meeting if needed.

6.8 **Discuss Community Solar Sales.**

Discussed during departmental reports.

6.9 **Amend FPB Bylaws (John Snyder and Hance Price to discuss):**

Article 21 of the FPB Bylaws provides that the Bylaws may be amended by a majority vote of the Board of Directors. Article 12 of the Bylaws currently provides that officers are limited to no more than two consecutive two year terms. The proposal is to amend the current Bylaw 12 to permit officers to serve three consecutive two year terms. Should the Board approve the amendment, Bylaw 12 will provide:

ARTICLE 12 (formerly Article 10)

The board of directors will elect a chairman, vice-chairman and secretary-treasurer. This election of officers will be held every two years by the board of directors. The holders of these offices will not hold a particular office for more than **three two** consecutive two year terms. Officers will be elected in October 2009 and thereafter in October of each odd-numbered year.

Recommend a motion to approve amending Article 12 to allow officers to serve three consecutive two year terms.

John Snyder moved to Amend the FPB Bylaws Article 12 to allow holding of any particular office, (chairman, vice chairman, and secretary/treasurer), to three (3) consecutive two (2) year terms. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

7 **INFORMATIONAL ITEMS:**

7.1 None.

8 **REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION**

8.1 ***Request permission to call a Closed Session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding collection matter, advertising matter, and breach of contract matter; pursuant to KRS 61.810(1)(g) to discuss a specific proposal that if openly discussed would jeopardize the siting, retention, expansion or upgrading of a business; and 61.810(1)(b) deliberation on sale of real property.***

John Snyder moved to Request permission to call a Closed Session pursuant to KRS 61.810(1)(c) to discuss pending or proposed litigation regarding collection matter, advertising matter, and breach of contract matter; pursuant to KRS 61.810(1)(g) to discuss a specific proposal that if openly discussed would jeopardize the siting, retention, expansion or upgrading of a business; and 61.810(1)(b) deliberation on sale of real property. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

9 CLOSED DOOR SESSION

9.1 Come out of Closed Session.

John Snyder moved to come out of closed session. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

10 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

10.1 Action Taken

John Snyder moved to direct staff to proceed as directed in closed session regarding matters discussed in closed session. Kathryn Dutton-Mitchell seconded the motion. CARRIED. 5 to 0.

10.2 Schedule Special Meeting to be held in person Friday, August 25, 2023, at 12 Noon.

John Snyder moved to hold a special meeting in person at the FPB Community Room Friday, August 25, 2023, at 12 Noon. Stephen Mason seconded the motion. CARRIED. 5 to 0.

11 ACTION ITEM: ADJOURNMENT

11.1 To Adjourn.

John Snyder moved to Adjourn. Stephen Mason seconded the motion. CARRIED. 5 to 0.



Board Chair



Board Secretary/Treasurer