

July 17, 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, July 17, 2018 at 5:00 p.m.

ATTENDANCE:

Anna Marie Pavlik Rosen, Board Chair
Walt Baldwin, Vice Chair
Ralph Ludwig, Board Member
Dawn Hale, Board Member
Stephen Mason, Board Member
James Liebman, Board Attorney
David Billings, Chief Water Engineer
Harvey Couch, Marketing and Video Content Coordinator
Katrina Cummins, Interim Finance Director
David Denton, Interim General Manager
Sharmista Dutta, Water Engineer II
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
Kathy Poe, Executive Assistant
Hance Price, Staff Attorney/Asst. GM Administration
Mark Redmon, Support Services Director
Julie Roney, WTP Superintendent
Angela Hart, HR Specialist
Alan Smith, Water Dist. Superintendent
Scott Stafford, Media Services Manager
Jeremy Blackburn, Cable 10 Videographer
Alfred Miller, State Journal
Juliette Jiullerat, VEIC
Joanne Bachman, VEIC

AGENDA

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

1. **Informational Item:** Teleconference with Tedesco (GM Search Firm) to Discuss Progress of the General Manager Search.
2. **Action Item:** Consider Approving Minutes from the June 7, 2018 Special Board Meeting, June 19, 2018 Board Meeting and June 25, 2018 Special Board Meeting.
3. **Information Item:** Public Comment Period.
4. **Informational Item:** Update on Energy Efficiency Program Development with Vermont Energy Investment Corporation (VEIC).
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 #1661 for Video Equipment to Digital Video Group in the Amount of \$26,997.95, B&H Photo in the Amount of \$33,645.75, and AVI Systems in the Amount of \$305.
7. **Action Item:** Consider Award of Bid Invitation #1663 – Annual Price Contract for Ductile Iron Pipe, Ductile Iron Fittings, and Tapping Sleeves to Core & Main and Hayes Pipe Co.
8. **Action Item:** Consider Award of Bid Invitation #1662 for Two (2) Transformers to Cape Electrical Supply in the Amount of \$21,839, Two (2) Transformers to C.G. Power in the Amount of \$14,762, and Four (4) Transformers to Central Moloney in the Amount of \$9,284.
9. **Action Item:** Revise Board Policy Regarding Firearms and Other Deadly Weapons in FPB Buildings.
10. **Action Item:** Consider Network Operations Center Director Position.
11. **Informational Item:** Discuss Potential Board Policy.
12. **Informational Item:** General Manager's Comments:
13. **Informational Item:** Old and New Business.
14. **Request Permission to Have Chair Call for a Closed Session:** to discuss pending litigation regarding liquidated damages pursuant to KRS 61.810(1)(c).
15. **Closed Door Session:**

BOARD ACTION

Ms. Rosen called the meeting to order and noted five (5) Board members in attendance. She noted changes in the Agenda.

1. **Informational Item:** Teleconference with Tedesco (GM Search Firm) to Discuss Progress of the General Manager Search.

This item was moved to later in the Agenda and held in closed session after the Departmental Reports.

2. **Action Item:** Consider Approving Minutes from the June 7, 2018 Special Board Meeting, June 19, 2018 FPB Board Meeting and June 25, 2018 Special Board Meeting.

Mr. Ludwig moved to approve the minutes for the June 7, 2018 special board meeting, June 19, 2018 board meeting and June 25, 2018 special board meeting. Ms. Hale seconded. The motion passed unanimously.

4. **Informational Item:** Update on Energy Efficiency Program Development with Vermont Energy Investment Corporation (VEIC).

In March FPB approved the professional service proposal from Vermont Energy Investment Corporation regarding expertise in developing system-wide energy strategies designed to 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.

VEIC has developed a program options matrix to present for the Board's information.

Ms. Jiullerat and Ms. Bachman from VEIC gave a presentation regarding progress of the project. She discussed the representatives interviewed as a part of this project development, information gathered from those interviews, energy efficiency goals, and options for efficiency programs.

Upon completion of the presentation, the floor was opened for questions. After discussion between the Board members and consultants the presentation was completed.

3. Informational Item: Public Comment Period.

Missy Sutton stated that she and her husband were in the development stage of a community solar project and would be interested in working with FPB on the project. The Board stated that information should be sent to David Denton to be disseminated to Staff and then brought back to the Board for review.

David Hecker expressed his appreciation for the availability of the water monster. He also discussed his efforts on energy efficiency at his home and that he would be interested in an Energy Audit for a small fee. Mr. Foster noted that FPB offers an online audit and directed Mr. Hecker to FPB's website for links and information.

Ms. Hale thanked FPB staff for their hard work and dedication during recent outages.

5. Informational Item: Departmental Reports:

- **Website Customer Comments:** None
- **Cable Dept.:** Mr. Hellard reviewed cable department reports.
- **Customer Service:** Ms. Estill reviewed the customer service department reports.
- **Electric Dept.:** Mr. Hudson discussed the electric department reports.
- **SEPA:** Mr. Foster noted a profit of almost \$10,000 for the month of May and a small loss overall for the 2018 calendar year.
- **KyMEA:** Mr. Denton noted the time and date of the upcoming KyMEA meeting. He discussed the Renewable Energy PPA distributed to the Board and stated that he would be asking for direction from the FPB Board on how they would like him to vote on the PPA. He further advised the board to reach out to Staff or to KyMEA representatives with any questions or concerns that they may have.
- **Safety:** Ms. Phillips reviewed safety reports and noted three (3) OSHA recordables and one (1) vehicle accident.
- **Water Distribution:** Mr. Smith discussed water distribution reports and noted one (1) main break and three (3) outages.

- **Water Treatment Plant:** Ms. Roney stated that the water treatment plant treated 270.5 million gallons of potable water, which equates to approximately 9 million gallons per day.

1. **Request Permission to Have Chair Call for a Closed Session:** Move to call a closed session pursuant to KRS 61.810(1)(f) for discussions regarding potential candidates for appointment to the General Manager position.

Mr. Ludwig moved to go into closed session for discussions regarding potential candidates for appointment to the General Manager position. Mr. Baldwin seconded. The motion passed unanimously and the board moved into closed session.

Mr. Baldwin moved to return to open session. Ms. Hale seconded. The motion passed unanimously and the board moved back into open session and continued with the Agenda.

6. **Action Item: Consider Award of Bid Invitation #1661 for Video Equipment to Digital Video Group in the Amount of \$26,997.95, B&H Photo in the Amount of \$33,645.75, and AVI Systems in the Amount of \$305.**

Staff prepared a bid invitation for the purchase of video equipment to upgrade older equipment. The invitation was sent to 11 vendors with three responses received. Staff recommends awarding to the lowest vendor for each item:

- Items 1 and 15 to Digital Video Group
- Items 2 thru 8, Items 10 thru 14, and Items 16 thru 20 to B&H Photo
- Item 9 to AVI Systems

The total for all equipment is \$60,948.70. \$80,000 has been carried over from the previous budget to purchase this equipment. This can be found on page 18, line 215 titled "Cable Cast Server & Camera Upgrade".

Mr. Stafford discussed specifics of the item.

Mr. Mason moved to award bid invitation #1661 for video equipment to Digital Video Group in the Amount of \$26,997.95, B&H Photo in the Amount of \$33,645.75, and AVI Systems in the Amount of \$305. Mr. Baldwin seconded. The motion passed unanimously.

7. **Action Item: Consider Award of Bid Invitation #1663 – Annual Price Contract for Ductile Iron Pipe, Ductile Iron Fittings, and Tapping Sleeves to Core & Main and Hayes Pipe Co.**

Most of FPB's ductile iron pipe, ductile iron fittings, and tapping sleeves 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 depends 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 is divided into three categories (Pipe, Fittings, and Tapping Sleeves). The bid states that each category will be awarded on an "all or none" basis.

This year's bid invitation was sent to eleven vendors with four responses received. After evaluating all bids, staff recommends awarding the pipe to Core & Main. They are the lowest bid for pipe sizes 4" to 12" which is mostly what is purchased. Staff recommends awarding the fittings to Hayes Pipe Company as they are the low bidder. Staff also recommends awarding the tapping sleeves to Core & Main. Pipe prices are up 14.7%, fittings are down 7.4%, tapping sleeves are up 18.5%.

As of July 6, 2018 FPB has purchased approximately \$81,940 from the current contract.

Mr. Redmon discussed the specifics of the item.

Mr. Baldwin moved to award Bid Invitation #1663 – Annual Price Contract for Ductile Iron Pipe, Ductile Iron Fittings, and Tapping Sleeves to Core & Main and Hayes Pipe Co. Ms. Hale seconded. The motion passed unanimously.

8. **Action Item: Consider Award of Bid Invitation #1662 for Two (2) Transformers to Cape Electrical Supply in the Amount of \$21,839, Two (2) Transformers to C.G. Power in the Amount of \$14,762, and Four (4) Transformers to Central Moloney in the Amount of \$9,284.**

Staff prepared a bid invitation for pad mounted and pole mounted transformers. The invitation was sent to 10 vendors with seven responses received. After reviewing all bids, staff recommends awarding to Cape Electrical Supply, C.G. Power, and Central Moloney. The lowest bid for each item is recommended. Language in this bid allows for the bid to be divided. Award recommendations are:

- Item #1 to Cape Electrical for \$9,565
- Item #2 to Cape Electrical for \$12,274
- Item #3 to C.G. Power for \$6,483
- Item #4 to C.G. Power for \$8,279
- Item #5 to Central Moloney for \$9,284 (4 x \$2,321)

These transformers will be used to replenish depleting inventory levels.

Mr. Redmon discussed the specifics of the item.

Mr. Baldwin moved to award Bid Invitation #1663 – Annual Price Contract for Ductile Iron Pipe, Ductile Iron Fittings, and Tapping Sleeves to Core & Main and Hayes Pipe Co. Mr. Ludwig seconded. The motion passed unanimously.

9. **Action Item: Revise Board Policy Regarding Firearms and Other Deadly Weapons in FPB Buildings.**

Recently, Staff received a customer comment regarding the Board's policy prohibiting concealed deadly weapons within buildings owned, occupied or leased by the Board. The City of Frankfort has taken this approach and its Ordinance is attached for the Board's review. Staff recommends the Board adopt a similar Policy and revise its signage at all buildings and the employee guidelines. The current guidelines are attached for your review. A sample policy is attached along with the sections of the employee handbook to revise. Staff recommends adoption of the new policy and revision of the building signage and employee guidelines in accordance with applicable Kentucky law that may be revised from time-to-time.

This item was removed from the Agenda pending additional research.

10. **Action Item: Consider Network Operations Center Director.**

The 2018-2019 budget includes funding to develop a Network Operations Center. This proposed department will report to the Assistant General Manager of Operations and will be responsible for regular and after-hours dispatch, customer outage management, after-hours customer contacts, facility locates, and coordinating emergency response.

Staff asks the Board to consider approving the Network Operations Center Director position which will be essential in developing and managing the department. Copies of the proposed job description and organizational chart are included in the detail pages for this Board item.

Based on an evaluation of the job description, the classification is 116; with a pay range of \$36.18 to \$54.27 per hour. This position is exempt.

This position as well as the department were included in the 2018-19 budget as the "Network Operations Center" with \$535,000 allocated for this expense.

Mr. Foster, Mr. Denton and Mr. Hellard explained the manner in which this new department would work within the organizational chart and explained that it would be located in the dispatch center in the Administration building.

After additional board and staff discussion, Ms. Hale moved to create the Network Operations Center Director position. Mr. Baldwin seconded. The motion passed unanimously.

11. **Informational Item: Discuss Potential Board Policy.**

Ms. Hale discussed the need for a Board governance policy and stated that the draft policy she disseminated to Board members was just a suggested starting point. She requested that the Board begin discussing the development of a Board governance policy.

After additional Board discussion, Ms. Hale moved to have a retreat to discuss a board governance policy within 30 days of FPB's new General Manager start date. Mr. Ludwig seconded. The vote was called by member and passed with a 3-2 vote.

Mr. Mason, Mr. Ludwig and Ms. Hale voted "Yes". Mr. Baldwin and Ms. Rosen voted "No".

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

None

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

Ms. Hale moved to close out contract with E3. Mr. Ludwig seconded.

In discussion, it was noted that the unspent amount remaining on the E3 contract was approximately \$5,300.

Mr. Mason asked if Ms. Hale would amend her motion to say that prior to canceling the contract that E3 review upcoming Power Purchase Agreement up to the remaining approximate \$5,000 balance and at that point the contract with E3 will be ceased. Ms. Hale did not want to amend her motion.

The motion failed 2-3. Ms. Rosen, Mr. Baldwin, and Mr. Mason voted "No". Mr. Ludwig and Ms. Hale voted "Yes".

Mr. Mason moved that the balance of the E3 funds shall be used to do an analysis on whatever power agreement coming to the FPB board from KyMEA, that tells the Board what it does and the impact that it has on FPB. The analysis should be detailed and paragraph by paragraph, up to the balance of the funds remaining; and at the end of that, the contract between E3 and the Frankfort Plant Board shall cease. Ms. Hale seconded. Ms. Hale requested that the motion be amended as follows: No Board member will have contact with E3 while they are evaluating the contract, that any contact with E3 be handled through David Denton or his representative, and that they may contact KyMEA for any questions or input, that E3 have the report back to the Board within 2 weeks of the request. Mr. Mason further amended the motion to state that if E3 cannot meet these conditions then the contract is ceased. The motion was further amended that the E3 report should be to the Board no later than Friday, August 10, 2018.

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

14. **Request Permission to Have Chair Call for a Closed Session:** to discuss pending litigation regarding liquidated damages claim pursuant to KRS 61.810(1)(c).

No closed session was held for this exception.

15. **Closed Door Session:**

Mr. Baldwin moved to adjourn the meeting. Ms. Hale seconded. The motion passed unanimously and the meeting adjourned.


Board Chair


Attest: Board Secretary/Treasurer