

July 18, 2017

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, located at 151 Flynn Avenue, Frankfort, Kentucky, on Tuesday, July 18, 2017 at 5:00 p.m.

**ATTENDANCE:**

Ralph Ludwig, Board Chair  
Walt Baldwin, Vice Chair  
Dr. Scott Green, Secretary/Treasurer  
Anna Marie Pavlik Rosen, Board Member  
John Cubine, Board Member  
James Liebman Board Attorney  
Herbbie Bannister, General Manager  
David Billings, Water Engineer  
Alex Cheak, Water Distribution Operator I  
David Columbia, Business Products Specialist  
Katrina Cummins, Asst. Finance Director  
David Denton, Finance Director  
Sharmista Dutta, Water Engineer  
Vent Foster, Asst. GM Operations/Chief Electric Engineer  
Monique Gilliam-Avery, Customer Service Director  
Gary Grider, Media Services Manager  
Adam Hellard, Broadband/Security Manager  
Ryan Henry, Asst. IT Director  
John Higginbotham, Asst. GM Cable/Telecommunications  
Mark Harrod, Asst. Electric Superintendent  
Casey Jones, IT Director  
Cathy Jennings, Traffic and Billing Coordinator  
Cathy Lindsey, Public Information Officer  
William Lynn, Executive Assistant  
Kim Phillips, Safety Director  
Leigh Ann Phillips, Purchasing Agent  
Bruce Bratton, Service Supervisor  
Hance Price, Staff Attorney/Asst. GM Administration  
Julie Roney, WTP Superintendent  
Dianne Schneider, HR Director  
Alan Smith, Water Dist. Superintendent  
Jeremy Blackburn, Cable 10 Videographer  
Alfred Miller, State Journal  
Kelly Dearing Smith, Louisville Water  
Nathan Van Sickel, TNAi  
Glenn Goldstein, TNAi  
Glenn Price, Attorney

**AGENDA**

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

**July 18, 2017 BOARD MEETING AGENDA**

1. **Action Item:** Consider Approving Minutes for the June 7, 2017 Special Board Meeting.
2. **Action Item:** Consider Approving Minutes for the June 13, 2017 Special Board Meeting.
3. **Action Item:** Consider Approving Minutes for the June 20, 2017 Board Meeting.

4. **Informational Item:** Louisville Water Presentation on Louisville Pure Tap® Brand.
5. **Information Item:** Public Comment and TNA Comments.
6. **Request Permission to have Chair call for a Closed Session** pursuant to KRS 61.810(1)(c) for the discussion of potential litigation regarding Tanglewood zoning.
7. **Closed Door Session:**
8. **Action Item:** Approve Tanglewood Fence Selection and Accept Proposed Construction Schedule.
9. **Action Item:** Consider Approving Recommendations from FPB Staff and Strand Associates Regarding Roof and Retaining Wall Design Criteria for the Reservoir Replacement Project.
10. **Informational Item:** Departmental Reports:
  - Website Customer Comments
  - Cable Dept.
  - Customer Service
  - Electric Dept.
    - SEPA
  - KyMEA
  - Safety
  - Water Distribution
  - Water Treatment Plant
11. **Informational Item:** Action Plan Resulting from the 2016-2017 Customer Service Transactional Survey performed by Comer Research.
12. **Action Item:** Consider Approval of Standardized Agreement for Hosted PBX Service.
13. **Action Item:** Consider Approval of Renewal of a New Five-Year Agreement with Killer Tracks for Production Music Used in FPB-TV and Cable Advertising Video Productions.
14. **Action Item:** Consider Approval of Addendum to the Master Service Agreement with Time Warner Cable Enterprises, LLC (TWC / Spectrum) for 10 Gigabit Transport Circuit Lease in the Annual Amount of \$57,600 and the Equinix Data Center Interconnects Lease in the Annual Amount of \$45,900.
15. **Action Item:** Consider Approval of an Upgrade Agreement with CenturyLink Communications, LLC (CenturyLink / Level 3) for Burstable Internet bandwidth.
16. **Action Item:** Consider Award of Bid Invitation #1640 – Annual Price Contract for Distribution Transformers to Brownstown Electric Supply Company.
17. **Action Item:** Consider Award of Bid Invitation #1641 for Conductors to Brownstown Electric Supply in the Amount of \$59,950 and Wesco Distribution in the Amount of \$21,485.10.
18. **Action Item:** Consider Approving the Community Room Rental Agreement.

19. **Action Item:** Consider Approval of Revised Change Order No. 7 for the Administration Building for an Addition of \$24,958.00.
20. **Action Item:** Approval of Financial Disclosure Form.
21. **Action Item:** Appoint Three People from Applicant Pool to an Ethics Committee.
22. **Action Item:** Appoint Representative(s) To The Kentucky Municipal Energy Agency (KYMEA).
23. **Action Item:** Consider the KyMEA Confidentiality Policy.
24. **Action Item:** Consider Employee Grievance from Alex Cheak, Water Distribution Operator I.
25. **Informational Item:** Distribution of Draft Copy of Engineering Associates Cable/Telecom Infrastructure Study Report.
26. **Informational Item:** Report on Open Meetings and Board Member Discussion.
27. **Old & New Business:**
28. **Informational Item:** General Manager's Comments.
29. **Request Permission to have Chair call for a Closed Session** pursuant to KRS 61.810(1)(c) for the discussion of potential litigation regarding Liquidated damages for administration build contract.
30. **Closed Door Session:**

### **BOARD ACTION**

Mr. Ludwig called the meeting to order. Ms. Jennings called the roll and noted five (5) Board members in attendance.

1. **Action Item:** Consider Approving Minutes for the June 7, 2017 Special Board Meeting.
2. **Action Item:** Consider Approving Minutes for the June 13, 2017 Special Board Meeting.
3. **Action Item:** Consider Approving Minutes for the June 20, 2017 Board Meeting for Budget.

After Discussion Mr. Ludwig Moved to Approve the minutes from the June 7, 2017 Special Board Meeting, the June 13, 2017 Special Board Meeting, the June 20, 2017 Board Meeting. Mr. Cubine Seconded and the motion passed unanimously.

4. **Action Item:** **Informational Item:** Louisville Water Presentation on Louisville Pure Tap Brand®.

Louisville Water provides water to almost one million customers in Louisville Metro and parts of Bullitt, Hardin, Nelson, Oldham, Shelby and Spencer counties. Louisville Water has been producing water since 1860 and is well known for its safe, reliable, and great-tasting water, primarily due to a long-standing commitment to quality and innovation.



When bottled water sales began rapidly rising in the 1990s, they launched Louisville pure tap® brand in the summer of 1996 in an effort to remind their customers that Louisville's tap water is just as good—actually, even better—than the expensive, less-regulated bottled water products.

As a matter of course, Kelley Dearing Smith, Vice President, Communications and Marketing, has graciously agreed to come and discuss their program.

Mr. Billings introduced Kelley Dearing Smith who presented a power point presentation on the story behind the Louisville pure tap® brand and its evolution over the past 21 years. She outlined the history of Louisville's water company and how they trademarked their tap water to raise awareness that Louisville's drinking water is just as good if not better than bottled water.

The Board thanked her for her informative presentation.

**5. Informational Item: Public Comment Period and TNA Comments.**

Mr. Ludwig opened the floor for public comment.

Nathan Van Sickel approached the podium to address the board. Mr. Van Sickel stated that as of August 1, 2017 he would be taking over the role of President of the Tanglewood Neighborhood Association.

He stated that the TNA membership voted to accept the 7-foot Aegis II fence with the ring detail with brick pillars every 16 foot or as detailed on the site plans. Also part of the finalization of the headend project the TNA eagerly awaits the landscaping plan and hopes that the FPB will take into consideration concerns that the TNA may have.

He also stated that the FPB board also asked for input from the TNA regarding the new reservoir project the input consisted of roof design, a retaining wall covering the exposed tank on the south side and a color choice for the new tank. Input regarding tank capacity was not solicited.

He added that since January of 2017 the TNA has had the opinion that a new reservoir should not be constructed where the existing reservoir is located. When the reservoir originally was constructed, the land where the reservoir is was nothing but farmland and was a lengthy ride by horse, and buggy from the then Frankfort city limits. He added that today the reservoir sits in the middle of a neighborhood that sits in the middle of Frankfort. He said that The FPB has stated that the cost is the primary reason why the new reservoir needs to go in the same property as the existing one.

Mr. Van Sickle also stated that the TNA certainly does not want to see rates increase for plant board customers, as nearly every member of the TNA also is a customer of the Frankfort Plant Board. He added that in efforts to work with the plant board regarding the new reservoir TNA also has stated that it would not oppose the construction of the new reservoir in the existing location if the same visual size of the reservoir did not change. He concluded that since the Frankfort plant board already has approved the new reservoir to be constructed at the existing location with a single tank that would have a much bigger visual impact the TNA declines the offer to add additional input regarding the new reservoir project at this time.

**6. Request Permission to have Chair call for a Closed Session pursuant to KRS 61-810 (1)(c) for the discussion of potential litigation regarding Tanglewood zoning.**

Mr. Ludwig asked permission for the board to go into closed session. Mr. Cubine moved to go into closed session and Mr. Baldwin seconded. Mr. Ludwig called for a vote and the motion passed unanimously.

7. **Closed Door Session:**

After the board returned, Mr. Cubine moved to come out of closed session and Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

8. **Action Item: Approve Tanglewood Fence Selection and Accept Proposed Project Schedule.**

Staff Recommends approval of the 7-foot Black Aegis II fence on grade with ring detail and brick piers as selected by TNA (email included in detail section). The detail section for this agenda item also includes a drawing depicting the pier design and fence placement in proximity to the existing fence and curb along Hay and Reservoir Avenue, as well as a typical frontal view of fence and pier.

Following is the proposed project schedule:

FINAL DESIGN: Total of 21 days (Aug 9)

- Integration of final fence selection and design or typical and non-typical footings.
- Revision to the initial site grading plans to accommodate fencing and landscaping.
- Development of landscaping plan in correlation to items above.

FINAL DESIGN PRESENTATION: Total of 6 days (Aug 15)

- GRW to present final design documents to FPB/TNA at FPB Board Meeting August 15, 2017
  - Present final fence design and review project scope.
  - Present final landscaping plan (integration of comments, inside-out plan, and GRE preliminary plan).
  - Present final retaining wall demo plan.
  - Present final demo plan of existing fence.

FINAL DESIGN COMMENTS: 14 days (Aug 29)

- FPB/TNA to provide comments on final design plans.
- GRW to consider integration of comments into final bid documents

PLAN REVIEW: \*If applicable 60 days (Oct 29)

- Provide plans & Specifications for local plan review
- Obtain permits as necessary

BID PROJECT:

- Respond to local plan review - \*If applicable (Nov 14)
- FPB/GRW Advertise project for bid to local paper & online document plan rooms (Nov 15<sup>th</sup>)
- GRW/FPB to hold Public Bid Opening (Dec 14)
- FPB to award contract

CONSTRUCTION SCHEDULE:

- Execute Contract Documents (Feb 20)
- Begin Construction (March 6)
  - Mobilization – 30 days
  - Demolition/ Sitework – 60 days
  - Foundations / Masonry /Fencing – 60 days
  - Landscaping – 30 days
  - CLOSEOUT – Punchlists – 30 days

- Construction Complete (Oct 2)

Mr. Bannister explained the above schedule to the board and Mr. Cubine made the following motion to approve the fence selection of the 7 ft. Aegis II fence with ring detail on grade with brick piers along all residential properties in phase 1, in addition, FPB agrees to maintain the existing curb to the fullest extent feasible. If necessary, FPB will make it's best efforts to repair the existing curb in consultation property owner. The existing chain link fence will be removed in phase 1. It is further moved that the time schedule prepared by GRW and attached to this motion be adopted recognizing that both FPB and TNAi will attempt to accommodate landscape review in a timely manner. Mr. Baldwin seconded.

In response to Mr. Ludwig Mr. Bannister said that the above plans have been discussed with the TNA at a meeting held on July 17, 2017. Mr. Cubine commended the TNA for continuing to negotiate during this process.

Mr. Ludwig called for a vote by member and the motion passed unanimously.

9. **Action Item: Consider Approving Recommendations from FPB Staff and Strand Associates Regarding Roof and Retaining Wall Design Criteria for the Reservoir Replacement Project.**

FPB staff and Strand Associates have been working on a solution for our aging Reservoir. The current design is a blend of the most cost effective solution that will offer operational flexibility and very affordable additional storage in the future should conditions warrant so.

Background:

- December 15th, 2016 – tour and public meeting to solicit input.
- March 2017 board meeting - board approved staff and Strand's recommendation to replace the existing south basin with a new single 7 MG pre-stressed concrete tank and requested additional information on roof options.
- April 2017 board meeting - CROM presented three different concrete roof options for consideration.
  - Standard 1/10th rise dome – no additional costs
  - Lower 1/16th rise dome - additional \$500,000
  - Flat roof – additional \$1,750,000
- May 2017 special meeting - 3D models of the different roof options, each with and without a retaining wall (additional \$320,000) were presented for consideration.

Mr. Billings read the information above and answered questions from the board regarding finalization of the plans for the project. He stated that if this were approved they would move forward working with the engineers to replace the reservoir.

Mr. Cubine moved to approve the recommendation. Ms. Rosen seconded. Mr. Ludwig asked for a vote by member and the motion passed unanimously.

Further Mr. Ludwig stated that since the motion was passed the board will direct the staff to start making preparations for submission of these materials to city planning and zoning in accordance with state law.

10. **Informational Item: Departmental Reports.**

- Website Customer Comments
- Cable Dept.
- Customer Service
- Electric Dept.



- SEPA
  - KyMEA
  - Safety
  - Water Distribution
  - Water Treatment Plant

Mr. Ludwig stated that unless there were questions from board members concerning departmental reports that they would dispense the departmental reports due to a lengthy agenda.

Ms. Rosen asked to be updated about the drinking fountain on the St. Clair Mall.

Mr. Smith approached the podium and stated the infrastructure is for the fountain on St. Clair mall. The requisition is in to order all three fountains it will be 4-6 weeks for delivery and we will install Lakeview Park first. He added that he met with the new City Manager and Tom Bradley to discuss the Café permit and adjusted the St. Clair Mall fountain to avoid any conflicts.

**11. Informational Item: Action Plan Resulting from the 2016-2017 Customer Service Transactional Survey Performed by Comer Research.**

At the May 2017 Board meeting, the Board requested that staff prepare an action plan to address customer wait time and efficiencies to improve the overall customer experience. Staff has reviewed and identified specific ways to reduce customer wait time and improve the overall customer experience. Current processes have been targeted for revamp and new processes and procedures are in the research, development and implementation stages.

We anticipate greater efficiency with the implementation of additional processes and procedures, changes to existing procedures and continued cooperation and collaboration from other departments, which is paramount to our overall success.

A review of customer service times indicate that the tasks that require the greatest amount of time for CSRs is moving services from one location to another, starting new services and creating payment arrangements for customers.

Action	Target Date
Improve the move order process within the existing CIBS system	Testing to begin July 15, 2017 anticipated implementation August 15, 2017
Implement online customer account actions. Initial project - payment arrangements	Development in progress Testing & anticipated implementation Aug. 30, 2017
Customer service audit/workshop to enhance overall processes and procedures, with specific focus on the efficient flow of operations in the new building and overall customer service	September 2017
Fill Part-time Receptionist Vacancy	July 15, 2017
Work with IT & Brightmetrics to review incoming call volumes, patterns and release codes that impact work time percentages. Create call abandon and forced release metrics	Begin calls and development July 2017
Work with marketing staff to prominently place the customer service e-mail option on the FPB website and the customer portal;	July 30, 2017
Promote various options available to customers for communication, payments and other business operations.	Recently implemented and ongoing

Reconfiguration of the IVR system and re-scripting of automated messages to present callback feature option to customers earlier in their call, while continuing to promote portal and e-mail options	Recently implemented and ongoing
Creation and roll out of a new customer form	This action has been recently implemented and is being reviewed for its impact and any necessary changes.
Electronic queuing system that will more efficiently route walk-in and phone customers	IT is currently researching this software to determine the best option for our needs
Incorporation of more pointed and more specific questioning during order taking to assist with order response time	Recently implemented. Continuing action will be to incorporate these areas into the CIBS order
Continue Search to Fill CSR Vacancy	Ongoing

Ms. Avery discussed the above information and action plan to improve customer service. In response to Mr. Ludwig Ms. Avery stated that the customers are extremely impressed with the amount of space that the CSR's now have to conduct business. They are pleased that they do not have to sit in congested areas and that they have more privacy and we get a lot of positive feedback regarding the new drive thru area.

In response to Ms. Rosen Ms. Avery stated that we are still collecting payment from the drop box downtown but the volume has decreased. Mr. Bannister added that we are making modifications to the new drop box at the administration building to make it easier to put letter-sized envelopes into the box. Ms. Avery added that the envelopes are also being re-designed to look more like the envelopes that go out in the billing each month.

In response to Mr. Cubine Ms. Avery stated that we are still in the process of hiring a new customer service representative and a receptionist.

**12. Action Item: Consider Approval of Standardized Agreement for Hosted PBX Service.**

Staff recommends approval of a standardized agreement for Hosted PBX service.

In July, the board approved rates for the optional Hosted PBX service. The Business Product Specialist would use this agreement when establishing Hosted PBX service with customers.

Use of this standardized agreement would be similar to FPB's current business practices with respect to customers of Metro Ethernet and Security services – allowing staff to execute the agreements without bringing individual agreement to the board for approval. This agreement provides protection for both FPB and its potential Hosted PBX customers. The Assistant GM for Administration has reviewed the agreement and it meets with his approval.

David Columbia summarized the item. Mr. Ludwig moved to approve the agreement Mr. Cubine seconded. Mr. Ludwig called the vote and the motion passed unanimously.

**13. Action Item: Consider Approval of Renewal of a New Five-Year Agreement with Killer Tracks for Production Music Used in FPB-TV and Cable Advertising Video Productions.**

Staff requests approval and implementation of the new Killer Tracks agreement.



Current three year contract expires August 31, 2017. Production music is used in almost every video production within Media Services. This music library has been used since about 1999 when we began using this service. Production music is used in almost every video production within Media Services. This music library has been used since about 1999 when we began using this service.

Mr. Grider discussed the item and stated that we have used this service since 1999. He stated that the renewal was for a longer term five years rather than the past contract of three years. This gives FPB a discounted rate for the service.

After some discussion, Mr. Cubine moved that we approve the contract and Mr. Ludwig seconded. Mr. Ludwig called the vote and the motion passed unanimously.

14. **Action Item: Consider Approval of Addendum to the Master Service Agreement with Time Warner Cable Enterprises, LLC (TWC / Spectrum) for 10 Gigabit Transport Circuit Lease in the Annual Amount of \$57,600 and the Equinix Data Center Interconnects Lease in the Annual Amount of \$45,900.**

This solution is needed to provide a redundant failover path to a complimentary eastbound connection to an Equinix Data Center (Ashburn, VA). The Board unanimously approved the eastbound connection during the April 2016 regular meeting, which allowed for improvements to the FPB Internet customer experience.

The Spectrum 10 Gigabit Transport Circuit is needed to move traffic from long-haul Internet links to a point-to-point fiber circuit to an Equinix Data Center (Chicago, IL). Monthly Recurring Charge \$4,800.

The Equinix Data Center requires a leased 10 Gigabit cross connection within the facility to their Internet Exchange peering network. It is in these data centers where we can peer with major content providers (Netflix, Facebook, Google and Amazon) providing FPB Internet customers a better overall experience. Monthly Recurring Charge \$3,825.

These items should be considered mutually dependent, as approval of one without the other will prevent the project from moving forward. This solution is included in the budget and has been reviewed and approved by the Assistant GM of Cable-Telecom.

Staff recommends the approval of the Addendum to the MSA with Spectrum to lease a 10 Gigabit Transport Circuit and the Agreement with Equinix to lease interconnections in the Equinix Data Center (Chicago, IL).

Casey Jones explained the item to the board based on the above summary. Mr. Cubine moved to approve the contract, Mr. Ludwig seconded. Mr. Ludwig called the vote and the motion carried unanimously.

15. **Action Item: Consider Approval of an Upgrade Agreement with CenturyLink Communications, LLC (CenturyLink / Level 3) for Burstable Internet Bandwidth.**

This agreement is an upgrade to an existing CenturyLink 1 Gigabit per second (Gbps) circuit to a burstable circuit with a 2 Gbps monthly commitment. This additional bandwidth will be utilized to support growing customer demand for Internet Access.

This upgraded circuit will provide at least 2x and at most 5x (capped at 5 Gbps) the bandwidth as the current circuit for a reduced cost. This agreement was made possible by the Board's approval of Staff's recommendation for FPB to establish a presence in an Equinix Data Center (Ashburn, VA). Monthly Recurring Charge \$4,250 – \$9,350

This solution is included in the budget and has been reviewed and approved by the Assistant GM of Cable-Telecom.

Staff recommends the approval of an Upgrade Agreement with CenturyLink Communications, LLC (CenturyLink / Level 3) for Burstable Internet bandwidth.

Mr. Jones explained the item to the board based on the above information. After some discussion Mr. Cubine moved to approve the contract and Mr. Ludwig seconded. Mr. Ludwig called the vote and the motion carried unanimously.

**16. Action Item: Consider Award of Bid Invitation #1640 – Annual Price Contract for Distribution Transformers to Brownstown Electric Supply Company.**

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.

This year's bid invitation was sent to eight vendors with six responses. After evaluating all bids, staff recommends awarding to Brownstown Electric Supply Company as they are the low bidder meeting specifications.

FPB has purchased approximately \$58,953 from the previous contract. The proposed contract reflects a 21.97% decrease in pricing.

Leigh Ann Phillips presented the annual price contract to the board. She explained the bid and summarized the process. Dr. Green moved to accept bid invitation 1640. Mr. Baldwin seconded. Mr. Ludwig called the vote and the motion passed unanimously.

**17. Action Item Consider Award of Bid Invitation #1641 for Conductors to Brownstown Electric Supply in the Amount of \$59,950 and Wesco Distribution in the Amount of \$21,485.10.**

Staff prepared a bid invitation for several types of conductors. The invitation was sent to six vendors with six responses received. After reviewing all bids, staff recommends awarding to Brownstown Electric Supply and Wesco Distribution as they are the lowest bids meeting specifications. Language in this bid allows for the bid to be divided. Award recommendations are:

- Item #1 and #2 to Brownstown Electric Supply - \$59,950
- Item #3, #4, and #5 to Wesco Distribution - \$21,485.10

These conductors will be used to replenish depleting inventory levels.

Ms. Phillips explained the bid invitation to the board. Dr. Green made the motion to accept bid invitation #1641, Mr. Ludwig seconded. Mr. Ludwig called the vote and the motion passed unanimously.

**18. Action Item: Consider Approving the Community Room Rental Agreement.**

The Administration Building includes a community room and kitchen that will be available to the public for rent. A work group was formed to review the original rental agreement for the Clubhouse and it was modified as necessary to apply to the current Community Room.

In an effort to keep the cost low, the proposed fees in the agreement are the estimated costs FPB will incur for the rental, therefore, it is considered cost recovery and no profit margin has been included.

The agreement consists of three rates:

Weekday rates:

Half Day (4 hours or less): \$100.00

All day (over 4 hours): \$150.00

Weekend rate: \$200.00

The above rates were developed through discussions with Support Services and the Finance Department. For rate development, it was assumed two hours of non-overtime cleaning would be required for a half day rental. For an all-day weekday rental, it was assumed four hours of non-overtime cleaning would be required. For an all day weekend rental, it was assumed four hours of overtime cleaning would be required. In addition, there will be administrative costs associated with providing a tour of the facility, performing a pre and post walk through inspection, training on use of the space, and taking deposits and payments.

The FPB Clubhouse Rental Agreement and the cost of other venues in Frankfort have been included in the board package for review.

If the Board approves the agreement, Staff will proceed with informing the public the Community Room is available for rent.

Ms. Dutta explained to the board the new rates for the community room rental as outlined above. She stated that the age limit is 21 years of age and over. Chairs and tables will be available to rent as well as AV equipment. The rental will include during business hours the room and the kitchen, after business hours and on weekends the room will include not only the kitchen but the terrace as well. She briefed the board on other policies for renting the community room much of which is similar to if not the same as the rental of the clubhouse previously rented to the public. She stated that the plant board is trying to keep costs affordable for the community so we lowered the cost of the rental and security deposit to just recover costs that incur when cleaning and maintaining the room. She wanted to acknowledge her work group for assisting with the project: Jennifer Hellard, Cathy Lindsey, Debra Fowler, Jeremy Richardson, Adam Hellard, Adam Sullivan, Travis Fitzgerald, William Lynn and Hance Price.

In response to Mr. Ludwig Ms. Dutta clarified that the rates are the same for nonprofit as they are for any other agency or business because it is strictly a cost recovery rate based on cleaning fees. She also stated because the rates are cost recovery only, employees do not receive a discounted rate to rent the space.

In response to Mr. Baldwin Ms. Dutta agreed to work with accounting to revisit the rates again in 6 months to make sure we are recovering the costs associated with renting the room to the community.

Mr. Ludwig moved to approve the Community Room Rental Agreement. Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion carried unanimously.

**19. Action Item: Consider Approval of Revised Change Order No. 7 for the Administration Building for an Addition of \$24,958.00**

The Board approved Change Order 7 with Marrillia Design and Construction for an addition of \$24,446 during the May 2017 board meeting. After further review, it was determined that a value was entered incorrectly, resulting in the change order being \$512 less than the correct value.

A revised list of items showing the correct cost for Item #8 is included in the board package.

The updated summary of change orders is listed below:

Summary:



Original Construction Contract	\$15,730,293.00
Change Order #1 (addition):	\$ 23,306.00
Change Order #2 (deduction):	\$ 94,775.42
Change Order #3 (deduction):	\$ 50,753.00
Change Order #4 (addition):	\$ 9,397.00
Change Order #5 (deduction):	\$ 12,967.90
Change Order #6 (addition):	\$ 23,470.65
Change Order #7 (addition):	\$ 24,958.00

New Contract Amount: \$15,652,928.33

Staff recommends the Board approve revised Change Order #7 with Marrillia Design and Construction.

Ms. Dutta explained that the revised change order was due to an incorrect amount item # 8 the terrace paver adjustment. The value was entered as \$1917.00 it should have been \$2429.00. The difference was \$512.00. Ms. Dutta asked the board to approve the revised change order #7 to reflect the correct amount.

Mr. Cubine moved to approve the change order and Mr. Baldwin seconded. Mr. Ludwig called for a vote and the motion carried unanimously.

**20. Action Item: Approval of Financial Disclosure Form.**

As a related item to the Ethics Committee, Member Cubine suggested that Board members, senior management and those involved in the procurement process at FPB complete a financial disclosure form. The form included in the detail section is modeled on the form used by the Executive Branch Ethics Commission. The form asks that Board members, senior management and procurement officers pledge that they have no financial interest in business dealings with FPB. Staff recommends approval of the form.

Mr. Price discussed the Financial Disclosure Form as outlined above. Mr. Cubine explained further that the form is used to insure that there are no financial interest in businesses dealing with FPB. Mr. Cubine also stated that this form would be a public record and would relate to the Ethics Committee on Item #21.

Mr. Cubine moved to approve the Financial Disclosure Form. Mr. Baldwin seconded the motion. Mr. Ludwig called the vote and the motion carried.

**21. Action Item: Appoint Three People from Applicant Pool to an Ethics Committee.**

One of the recommendations made by our auditors is the creation of an ethics committee. Board members submitted names of potential applicants and the staff and board attorney reviewed the nominees for the Committee regarding potential incompatible offices. The nominees for the Board's consideration are: Ted Collins, Pat Lynch, Jill LeMaster, Paula Moore and Stephen Reeder. The CVs of each applicant and the policy related to the Ethics Committee are included in the detail section.

Mr. Price discussed the item stating that the committee must consist of three members with staggered terms and no member is to serve longer than three years. Mr. Cubine said that the people serve on an as needed basis with no compensation he also added that they do not have to meet unless there is a complaint or an issue.

Mr. Baldwin moved to appoint Jill LeMaster, Paula Moore and Stephen Reeder to FPB's ethics committee with Stephen Reeder serving the three-year term and allow the other two candidates to specify the term length once they are notified. He also added to allow the committee to elect their own Chair. Mr. Cubine seconded the motion. Mr. Ludwig called for a vote and the motion passed unanimously.

**22. Action Item: Appoint Representative(s) To The Kentucky Municipal Energy Agency (KYMEA).**

FPB's General Manager is currently the "Alternate Director" representative of FPB on the KYMEA Board. The "Director" position is vacant. The Bylaws of KYMEA state the following:

*The governing body of each Member of the Agency shall appoint a Director to sit on the Board of Directors of the Agency. In addition, each Member may appoint an alternate Director (the "Alternate") to serve in the absence of its Director.*

Article III of the Interlocal Cooperation Agreement Creating The Kentucky Municipal Energy Agency states the following:

*The Director and the Alternate Director must each be a member of the governing body or a senior management employee of the Member or the Member's electrical utility system.*

A copy of the Bylaws and Interlocal Agreement are included in the detail section of the Board package for reference. Staff recommends that a Director and Alternate Director be appointed.

Mr. Bannister explained as summarized above that he has been serving as an alternate Director of the KyMEA. He asked the board to choose whom they wanted to serve on the KyMEA board and to choose an alternate.

Mr. Cubine moved that Mr. Bannister remain the director on the KyMEA board and Mr. Price to be the alternate director. Mr. Baldwin seconded the motion. Mr. Ludwig called for the vote and the motion carried unanimously.

**23. Action Item: Consider the KyMEA Confidentiality Policy.**

Charles Musson, the attorney for KyMEA has been working to develop a global NDA. Attached is the policy for the Board's consideration. The Board can access confidential information by either executing a NDA or adopting a confidentiality policy.

Mr. Liebman discussed the above item and made a correction to the Executive Digest, which stated that Mr. Musson and Mr. Liebman were working to develop a global NDA policy. He stated that he was not working with Mr. Musson on the development of this policy.

Mr. Liebman stated that the KyMEA addressed their confidentiality policy at their meeting following FPB's last board meeting in June. He went on to say that previously the KyMEA requested a separate NDA agreement each time there was a request for information from the KyMEA. KyMEA has now changed that policy and have adopted the policy that the board members have been given, and they are asking this board to approve this revised confidentiality policy. He stated that the benefit from adopting the new confidentiality policy of the KyMEA is that it would stop the current policy, which requires signatures each time information is requested by the board. It would require a one-time NDA to be signed by the board allowing them access to information from that point forward.

In response to discussion by the board Mr. Price stated that the policy would permit the board to access information but if changes need to be made to the policy being proposed it could be reviewed and discussed.

Dr. Green moved that the board consider the KyMEA Confidentiality policy. Mr. Ludwig seconded the motion. Mr. Liebman clarified that the motion should be whether to adopt the confidentiality policy that KyMEA suggested. Mr. Ludwig called the vote by member the motion failed with 2 yes votes and 3 no votes. Mr.

Ludwig and Dr. Green voted yes and Ms. Rosen, Mr. Cubine and Mr. Baldwin voted no.

Mr. Cubine made a second motion that Mr. Price and Mr. Liebman prepare correspondence to KyMEA and to develop a blanket policy for this board to consider which addresses overall agency confidentiality. Mr. Baldwin seconded. Mr. Ludwig called for a vote and the motion carried unanimously.

**24. Action Item: Consider Employee Grievance from Alex Cheak, Water Distribution Operator I.**

A copy of the grievance was previously provided to the Board Members on June 8, 2017. The information was updated on July 11, 2017 to include Blair Johanson, FPB's Compensation Consultant's opinion.

Mr. Liebman opened up by saying that this is a hearing on a grievance filed by an employee Mr. Alex Cheak. He added that all employees have the right under the FPB Policy to file a grievance, he has followed the appropriate channels to bring this matter to the boards attention. It is an appeal for a decision made by the General Manager in regard to a particular employee. The board will hear from Ms. Schneider as well as Mr. Cheak. The board has all of the information that has previously been submitted. Mr. Liebman added that the board will have options once everything has been presented, however the board does not have to make an immediate decision. The options that the board has in making its decision are to affirm the General Manager's decision, to reverse that decision and institute a remedy that the board feels is appropriate, or to remand and send the matter back to the General Manager with instructions as to what the board would like to have the General Manager do.

Ms. Schneider stated that the board approved the reclassification of the Water Distribution Operator I position in April of this year. She stated that there were two employees in this position one of them being Mr. Cheak. She stated that Mr. Cheak then filed a grievance and the board received a copy on June 8<sup>th</sup>. Our compensation consultant was contacted and he included his opinion. She stated that she was in agreement with the consultant and staff attorney to follow our policy.

Mr. Cheak approached the podium and presented his case.

After discussion by the board Mr. Cubine moved to uphold the General Managers decision and Mr. Ludwig seconded. Mr. Ludwig called for the vote by member and the motion passed unanimously.

**25. Informational Item: Distribution of Draft Copy of Engineering Associates Cable/Telecom Infrastructure Study Report.**

Mr. Ludwig tabled the item.

**26. Informational Item: Report on Open Meetings and Board Member Discussion.**

Recently, there was a question regarding whether Board members may meet and discuss business outside of a public meeting. Generally, there is no restriction on two board members of an agency talking with one another in preparation for a meeting as long as there is no series of less than a quorum meetings.

Mr. Price prepared and distributed a memo regarding this item.

**27. Old & New Business:**

Mr. Higginbotham presented the following information to the board:

Action Item: Approval Cable-Telecom survey with The Matrix Group, Inc. (\$11,850)



Staff recommends approval of the Terms of Agreement with the Matrix Group for the cable market research survey.

In 2014, FPB conducted a Cable-Telecom customer survey to gauge customer interest in potentially dropping duplicate broadcast network affiliates from Lexington or Louisville. Staff and the Board found the results helpful, so we planned to conduct another one this year, in advance of our Retransmission Consent agreements' expiration at the end of the calendar year. At the April 18, 2017 regular board meeting, the Board requested staff include questions regarding skinny bundle offerings in the upcoming retrans survey. At one of the budget meetings in June, Mr. Cubine requested staff include a question gauging public interest in renting the FPB Clubhouse should it re-open after reservoir construction.

Per the procurement policy, Staff received three quotes for the survey. The Matrix Group proposes to include online submissions in their methodology may help improve the accuracy of our results. Having reviewed the results of our most recent survey in 2014, the Matrix Group felt the average age of the respondents was a little older than it should have been and that incorporating online surveys will help balance it.

The survey was included in the FY18 budget (line item detail Page 53 –estimated at \$12,000).

The survey timeline is as follows:

Customer notification of online survey in bills sent on 7/26 and 8/11

Begin telephone interviews on 7/26

Data collection through 8/18

Process data & compile results into report 8/21-9/20

Deliver report advance 10/2

Present results 10/17

After some discussion Mr. Ludwig moved to approve the item and Dr. Green seconded. Mr. Ludwig called for a vote and the motion passed unanimously.

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

Mr. Bannister gave the date for the next KyMEA meeting it is in Louisville Wednesday July 26, 2017.

**29. Request Permission to Have Chair Call for a Closed Session pursuant to KRS 61.810(1)(c) for the discussion of potential litigation regarding Liquidated damages for administration building contract.**

Mr. Ludwig asked permission for the board to go into closed session. Mr. Cubine moved to go into closed session and Mr. Baldwin seconded. Mr. Ludwig called for a vote and the motion passed unanimously.

**30. Closed Door Session:**

**31. Action Item: Have Mr. Liebman attend Marillia Mediation on August 11, 2017.**

Mr. Ludwig moved to have Mr. Liebman attend the Marillia mediation on August 11, 2017. Mr. Cubine seconded and the motion passed unanimously.



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ATTEST: