

October 17, 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 at 151 Flynn Ave. Frankfort, KY on Tuesday October 17, 2017 at 5:00 p.m.

ATTENDANCE:

Ralph Ludwig, Board Chair
Walt Baldwin, Vice Chair
Anna Marie Pavlik Rosen, Board Member
John Cubine, Board Member
Herbbie Bannister, General Manager
David Billings, Water Engineer
Harvey Couch, Marketing Video Content Coordinator
Katrina Cummins, Asst. Finance Director
David Denton, Finance Director
Sharmista Dutta, Water Engineer
Vent Foster, Asst. GM Operations
Cassie Estill, Customer Service Supervisor
April Rhodes, Customer Service Supervisor
Dana Goodlett, Cable Installation Supervisor
Adam Hellard, Security Broadband Technology Manager
Ryan Henry, Asst. IT Director
Scott Hudson, Electric Superintendent
Casey Jones, IT Director
Cathy Jennings, Executive Assistant
William Lynn, Executive Assistant
Travis McCullar, Electric Engineer
Cathy Lindsey, Public Information Officer
Kim Phillips, Safety Director
Hance Price, Staff Attorney/Asst. GM Administration
Mark Redmon, Support Services Director
Julie Roney, WTP Superintendent
Alan Smith, Water Dist. Superintendent
Nichell Brown, HR Specialist
Andrea Pulliam, Work Order Coordinator
Mark Michaels, Strand Associates
Martha DeReamer, Matrix Group
Scott Nickerson, Crowe Horwath
Alice Cowley, Crowe Horwath
Terri Bradshaw, KCDC
Glenn Waldrop, Revenue Cabinet
Nathan Vansickel, TNAi
Jeremy Blackburn, Cable 10 Videographer
Alfred Miller, State Journal
Robert Roach, City Commissioner

AGENDA

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

1. **Informational Item:** Welcome New Board Member Dawn Hale.
2. **Informational Item:** Hold public hearing related to a promotional, one-time \$5.00 credit for customers converting to paperless, electronic billing.
3. **Action Item:** Consider Approving Minutes for the September 19, 2017 Board Meeting.

4. **Action Item: Accept Minutes of the September 12, 2017 FPB Cable Advisory Committee Meeting.**
5. **Action Item: Accept Electric, Water and Cable Financials & Statistical Data for September 2017.**
6. **Action Item: Accept Audit Report Prepared by Crowe Horwath for the Year Ended June 30, 2017.**
7. **Action Item: Accept Matrix Group Cable Customer Survey.**
8. **Information Item: Public Comment Period.**
9. **Informational Item: Departmental Reports:**
 - Website Customer Comments
 - Cable Dept.
 - Customer Service
 - Electric Dept.
 - SEPA
 - KyMEA
 - John Painter with nFront Consulting will give a brief update on the status of review of proposals related to natural gas generation and renewables.
 - Safety
 - Water Distribution
 - Water Treatment Plant
10. **Action Item: Consider Approving Master Service Agreement #4 with Jones/NCTI, Inc., for Online Customer Care and Technician Courses for \$15,955.20**
11. **Action Item: Consider Approving Revisions to the Community Room Rental Agreement.**
12. **Action Item: Consider Award of Bid Invitation #1647 for Underground Faulted Circuit Indicators to Irby in the Amount of \$31,647.**
13. **Action Item: Consider Contract Agreement with VASS Solutions for AMI Consulting Services.**
14. **Informational Item: Presentation of Design Plans for Reservoir Replacement together with Phase II Boundary Fence and Landscaping.**
15. **Action Item: Revise FPB Ethics Code/Policy Dealing with Post-Employment Restrictions.**
16. **Action Item: Future of FPB Clubhouse.**
17. **Action Item: Appoint David Denton Interim GM Effective Nov. 1, 2017.**
18. **Action Item: Allow Interim GM to Appoint an Acting or Interim Cable/Telecom Superintendent at a Salary, Which He and the HR Director Deems Appropriate.**
19. **Action Item: Job Description/Process for Finding GM.**

20. **Action Item:** Award Contract Based Upon RFP for Legal Counsel Regarding KyMEA Review to Reed Smith for an Amount not to Exceed \$50,000.00.
21. **Action Item:** Issue RFI to MISO Market Participants Requesting Their Ability to Supply Firm Energy and Transmission to FPB Beginning in May 1, 2019.

RECESS FPB – CONVENE MPC

22. **Action Item:** Conduct Election for Secretary/Treasurer of the Frankfort Plant Board Municipal Projects Corporation. (Hance Price with officiate election)

ADJOURN MPC – CONVENE FPB

23. **Action Item:** Conduct Election of Officers of the Board of Directors of the Frankfort Plant Board. (Hance Price will officiate election)
24. **Action Item:** Accept Herbbie Bannister's Resignation Effective November 1, 2017.
25. **Old & New Business:**

Provide status updates on the following:

- RFP Energy Efficiency – Vent Foster will discuss.
- RFP Payment Card Processing – David Denton will discuss.
- Space Analysis at NOC and Administration Building – Kim Phillips and workgroup will discuss.
- Colocation of IT Equipment at Head End Building and Administration Building – Casey Jones and Adam Hellard will discuss.
- KyMEA Rates – Herbbie Bannister will discuss.

26. **Informational Item:** General Manager's Comments.
27. **Request Permission to have Chair call for a Closed Session** pursuant to KRS 61.810(1)(c) for the discussion of Marillia and pump station litigation.
28. **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. **Informational Item:** Welcome New Board Member Dawn Hale. *Ralph Ludwig will discuss*

After Mr. Ludwig introduced her, Ms. Hale addressed the board and thanked the Mayor for the opportunity to serve Frankfort Plant Board. She gave a brief history of her public service to Frankfort/Franklin County and said she was looking forward to working on the board.

2. **Informational Item:** Hold public hearing related to a promotional, one-time \$5.00 credit for customers converting to paperless, electronic billing. *David Denton will discuss*

This Hearing will now come to order. My name is Walt Baldwin, Vice Chairman. I have been requested by the Board to conduct this Hearing. With me today are the Board Members and Staff of the Frankfort Electric and Water Plant Board. We are

here to receive comments regarding the following items: One-time \$5.00 credit for customers converting to paperless, electronic billing. This Public Hearing was advertised in accordance with the Regulations for Public Notification and appeared on Sunday October 8, 2017 in The State Journal newspaper.

We have asked that you register if you request to speak. If you have not already done so, please register with the Secretary so that we will have a record of those in attendance and wishing to speak today.

A brief statement about the conduct of this Public Hearing is in order. This Hearing will be conducted informally. This Hearing is being conducted voluntarily by the Frankfort Electric & Water Plant Board in order to accept comments on the above items. Formal rules of evidence will not apply. 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 me prior to your presentation. If you have a lengthy statement, I ask that you summarize your comments. 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 reasons for conducting the Hearing by these rules are so that we can collect information, especially information that the Board has not previously considered, and take it under review.

The Board may not answer questions because we do not want to make hasty judgments on specific issues that are brought out if technical in nature. This is especially true since different points of view may come up during the course of the day from different speakers. It is the job of the Board to fairly consider these points of view and information as part of the setting. We do want public input and involvement and I hope you do not find our standard procedures restrictive.

The oral comment period for this Hearing will end at the close of business on Monday November 20, 2017. Written comments received on or before November 20, 2017, will be accepted and considered.

Before we open the floor for comments, David Denton will provide a summary.

For the fiscal year ended June 30, 2017 the Frankfort Plant Board produced and mailed an average of 31,079 paper bills per month (26,212 regular/4,867 second notice bills). FPB spent approximately \$246,000 on paper, envelopes, and postage related to paper billing in fiscal year 2016-2017, which equates to approximately \$0.66 per paper bill produced and mailed. Each customer bill is usually multiple pages due to the amount of services we provide and bill to each customer. In order to reduce the cost of customer billing staff would like to offer a one-time, promotional credit of \$5.00 to customers converting from paper to paperless, electronic billing.

Below staff has listed suggestions for implementing this promotional credit:

1. The one-time \$5.00 credit would be available to customers who move from paper to paperless billing as of the effective date of the promotion. Current paperless billing customers as of September 19, 2017 would not be eligible for the credit.
2. FPB customers must sign up for the FPB customer portal to request paperless billing in order to receive the credit. Current portal customers currently not subscribing to paperless billing would be eligible for the \$5.00 credit by signing up for paperless billing through their current portal account.
3. The credit would be applied on a per customer basis and not on a per account basis. For example, a customer that has five rental properties will be eligible for only one \$5.00 credit, not one credit per account.

4. Staff will monitor the progress of this promotion and will extend or terminate the program based on its success.

The goal of this promotion is to reduce the cost of customer billing, but will also reduce the amount of paper used for bills and will encourage customers to use features included in the FPB customer portal encouraging more operating efficiencies.

David Denton discussed the proposed one time \$5 credit per customer and gave an overview of what the billing process costs the plant board currently. He talked about who was eligible and that only one credit will be issued per customer, not per account that the customer has. Mr. Denton stated that this was a public hearing to allow the customers a window of opportunity for customer feedback and they may do so in writing up until November 20, 2017 close of business. He also stated that the credit is only for customers moving from paper to paperless, and that the customer may go to FPB.cc to sign up for paperless billing. Mr. Denton stated that we will be bringing this item back to the board next month for a vote.

In response to Ms. Rosen Mr. Denton said that about 22% of the customers in the portal currently part take in paperless billing. In response to Ms. Rosen Mr. Denton gave advertising credit for the increase of the paperless billing participants.

Mr. Baldwin opened the floor for public comment and there were no comments.

3. **Action Item: Consider Approving Minutes for the September 19, 2017 Board Meeting.**

Mr. Cubine moved to approve the minutes for the September 19, 2017 board meeting and Mr. Ludwig seconded. Mr. Ludwig called for the vote and the motion carried.

4. **Action Item: Accept Minutes of the September 12, 2017 FPB Cable Advisory Committee Meeting.**

Mr. Cubine moved to accept the minutes of the Cable Advisory Committee. Mr. Ludwig seconded. Mr. Ludwig called for a vote and the motion carried.

5. **Action Item: Accept Electric, Water and Cable Financials & Statistical Data for September 2017. *David Denton will discuss.***

Mr. Denton went over the financials and statistical data for the month of September. Mr. Cubine moved to accept the financials and Ms. Hale seconded. Mr. Ludwig called for the vote and the motion carried.

6. **Action Item: Accept Audit Report Prepared by Crowe Horwath for the Year Ended June 30, 2017.**

Mr. Denton introduced Scott Nickerson and Alice Cowley from Crowe Horwath (the CPA firm that conducted the annual FPB Audit) and stated that we will be using this firm for the next few years to perform the required annual audits.

Mr. Nickerson went over the audit findings with the board and made suggestions in the following areas:

- IT Environment
- Conflict of Interest Statements
- Capital Assets Tracking Systems

Mr. Cubine moved to accept the Audit report, Ms. Hale seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

7. **Action Item: Accept Matrix Group Cable Customer Survey. Harvey Couch and Martha DeReamer will discuss**

In the Fall of 2014, a broadcast channel preference survey was conducted to gauge customer preference for the number of broadcast channels to keep in conjunction with possible rate increases. The results of that survey showed that half of our customers were willing to pay for the largest rate increase to keep all channels.

Staff and the Board found the results helpful, so we sought to conduct a similar survey this year, in advance of our Retransmission Consent agreements expiration at the end of the year. At the April 2017 board meeting, following a presentation of skinny bundle options, the board decided to add a question regarding skinny bundles to the survey. At a budget meeting in June, Mr. Cubine requested staff include a question gauging public interest in renting the FPB Clubhouse should it re-open after reservoir construction.

Martha DeReamer from the Matrix Group has provided a written report of the findings regarding the customer service survey. A sample of 554 completed surveys included 150 telephone interviews and 404 online surveys received in late July through August of 2017.

Significant survey findings include: nearly 60% of customers participating in survey feel that having access to local stations in both Lexington and Louisville is important; 50% prefer dropping duplicate channels in order to have a smaller rate increase, compared to the 22% who would prefer keeping all channels and having a larger rate increase; 28% of respondents indicated interest in a proposed skinny bundle offering – 48% of those indicated an interest in the option of adding 12 more channels for \$10 more; and while 82% are aware the FPB clubhouse was available in the past for rent, 29% indicated interest in seeing it re-open for public event rental.

Harvey Couch introduced Martha DeReamer from the Matrix Group who conducted a survey to our customers. Ms. DeReamer went over the findings (outlined above) of the customer survey. Mr. Cubine moved to accept the findings of the survey and Mr. Ludwig seconded. Mr. Ludwig called for the vote and the motion carried unanimously.

8. **Informational Item: Public Comment Period**

The following people spoke during the customer comments period:

- Andy McDonald re: KyMEA
- Terry Naulty re: KyMEA
- Robert Roach re: KyMEA
- Elizabeth Hoagland re: KyMEA
- Terri Bradshaw re: KyMEA

9. **Informational Item: Departmental Reports:**

- **Website Customer Comments**
- **Cable Dept.**
- **Customer Service**
- **Electric Dept.**
 - **SEPA**
- **KyMEA**
 - John Painter with nFront Consulting will give a brief update on the evaluation status of proposals related to

Combined Cycle Natural Gas generation and renewables for the KyMEA power supply portfolio.

John Painter briefed the board on the different types of power purchases FPB can have with KyMEA in the future. He answered many questions from the board and stated that he would gladly meet with the board to discuss the issues further. He stated rates would be available early 2018.

- **Safety**
- **Water Distribution**
- **Water Treatment Plant**

10. **Action Item: Consider Approving Master Service Agreement #4 with Jones/NCTI, Inc., for Online Customer Care and Technician Courses for \$15,955.20.**

Dana Goodlett will discuss

Staff recommends the approval of the agreement renewal with Jones/NCTi for online training courses. The Board approved the original agreement with Jones/NCTi in December 2014. The term of the renewal is 12 months ending December 2018. The Cable-Telecom Dept. has utilized NCTi services for required training for more than 15 years and this renewal will continue to allow employees to take as many classes as they'd like from a pre-selected grouping of classes, over the next 12 months. In many cases, the value in purchasing these online classes as a package is equal to the cost of purchasing one class a la carte.

The 30 employees including in this training work in the Installation and Order Processing division; Construction division and the Broadband Tech division. Of the 30 employees included in the training, 15 have fewer than 24 months experience in their current position. The remaining 15 employees are either completing required courses for their position or are supplementing their training with additional courses.

Staff budgeted \$16,000 in the FY18 budget (Page 52) for the NCTi training. The Assistant GM-Administration has reviewed the agreement and it meets with his approval.

Dana Goodlett discussed the above item and described what the NCTi training program was and what it means to the cable employees. Mr. Cubine moved to approve the contract with NCTi and Mr. Ludwig seconded. Mr. Ludwig called for the vote and the motion carried unanimously.

11. **Action Item Consider Approving Revisions to the Community Room Rental Agreement. *Sharmista Dutta will discuss***

The Community Room is being rented on a regular basis and as a result, some additional items to be included in the agreement have arisen. The changes are highlighted in yellow on page 2 of the attached agreement and listed below.

Note T: FPB reserves the right to require cash or money order for the security deposit and rental fee.

This will only occur if the customer has a negative payment history with FPB.

Note U: FPB reserves the right to disallow future rentals if the rental agreement is violated, or unreasonable cleanup and repairs are required.

If approved, the new rental agreement will take effect immediately.

Ms. Dutta addressed the board and asked that there be a few revisions to the rental contract as we have had a few situations that warrant change in the contract.

After some discussion Mr. Cubine moved to approve the revisions to the Community Room Rental Agreement. Ms. Hale seconded. Mr. Ludwig called for a vote and the motion passed unanimously.

12. Information Item Consider Award of Bid Invitation #1647 for Underground Faulted Circuit Indicators to Irby in the Amount of \$31,647. Travis McCullar will discuss

Staff prepared an invitation for 231 faulted circuit indicators to be used throughout the underground electric distribution system. The invitation was publicly advertised and sent to eight vendors. Eight responses were received. After reviewing all the bids, staff recommends awarding to Irby, in the amount of \$31,647.

Irby was evaluated to be the best bid, as the two low bidders submitted items from a manufacturer that the electric department has experienced a high failure rate with in the past, Smart Grid Solutions. Equipment failures from Smart Grid Solutions have included battery problems and failure to indicate faulted circuits.

The next lowest bidder, Brownstown, quoted a faulted circuit indicator that requires test point mounting. B.1 of the specifications requires a direct cable mount indicator. Test point mount indicators would not be practical at several of the locations where this equipment will be installed.

The indicators quoted by Irby (SEL) have been used extensively by the electric department without any issues.

These faulted circuit indicators will aid in the isolation and restoration of damaged underground distribution equipment, reducing outage time experienced by our customers. This purchase is included in the 2017-2018 Capital Budget, line 295. The amount included in the budget for this project is \$44,213.

Mr. McCullar went over the above information and discussed the reasoning behind choosing the vendor who won the bid.

Mr. Ludwig moved to award the bid invitation, Mr. Baldwin seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

13. Action Item: Consider Contract Agreement with VASS Solutions for AMI Consulting Services. Travis McCullar will discuss

At the May 2017 public meeting, the Board accepted a business case prepared by VASS Solutions for an advanced meter infrastructure (AMI) system for electric and water. Based upon the Board's acceptance of the business case, staff has negotiated a contract with VASS Solutions to provide consulting services for the planning and procurement of an AMI solution. The proposed contract accounts for all anticipated consulting services required from the initial project planning to full implementation.

In accordance with the directions of the Board at the June 7th budget work sessions, staff has requested the contract be structured with a clearly defined exit point if budget or cost circumstances are unfavorable for an AMI procurement prior to releasing the RFPs to vendors. In addition to that, VASS has agreed to contract terms that allow FPB to terminate the contract at any time without restrictions. (See VASS SOW No. 2, pg. 55)

The initial tasks will consist of developing the solution implementation strategy and AMI, data analytics and end point installation requirements, performing vendor assessments, and development of the RFP documents. The estimated cost for these tasks is \$132,460.

Contingent upon Board approval to proceed with requests for proposals, VASS will then assist us with the evaluation, selection and vendor negotiations with the AMI, data analytics and end point installation vendors. The estimated total for these services is \$149,005.

After Board approval and award of vendor contracts VASS will assist FPB with the planning, project management, engineering, testing and other support services necessary for a successful AMI system deployment. The estimated total for these services is \$464,935, for a total from 2018 to 2022 of \$746,400.

The staff attorney has reviewed the contract documents and they meet his approval.

Travis McCullar outlined the above information.

Mr. Cubine moved to approve the contract. Mr. Ludwig seconded. After some discussion Mr. Ludwig called for a vote by member and the motion carried unanimously.

14. **Informational Item: Presentation of Design Plans for Reservoir Replacement together with Phase II Boundary Fence and Landscaping. *David Billings and Strand Associates will discuss***

Staff and Strand has been working diligently on plans related to replacing the Reservoir. Over the last twelve months or so, we have had public meetings discussing design criteria, roof options, provided renderings as well as six-3 dimensional interactive models, solicited input from the public, and also applied for a KIA low interest loan for construction.

The FY 17-18 budget includes \$165,000 for engineering \$4,000,000 for construction of the project. Staff recommend the Board accept the final design plans and provide direction as to the next step in the process.

David Billings discussed the information above and asked the board for direction moving forward with the fence project at the reservoir. He stated that he wants to have the final plans together by the December board meeting and introduced Adam Weber from Strand Associates to present how the project is going thus far.

Mr. Ludwig stated that staff wants to continue with a little more input from TNAi on the landscaping and fence on this project before they come back to us with a design in December.

15. **Action Item: Revise FPB Ethics Code Policy Dealing with Post-Employment Restrictions. *John Cubine will discuss.***

Any FPB Employee or Board member as set forth in (ethics policy) shall not, within six (6) months following termination of his office or employment, accept employment, compensation, or other economic benefit from any person or business that contracts or does business with, or is regulated by, the state in matters in which he was directly involved during the last thirty-six (36) months of his tenure. This provision shall not prohibit an individual from returning to the same business, firm, occupation, or profession in which he was involved prior to taking office or beginning his term of employment, or for which he received, prior to his FPB employment, a professional degree or license, provided that, for a period of six (6) months, he personally refrains from working on any matter in which he was directly involved during the last thirty-six (36) months of his tenure. FPB provision shall not prohibit the performance of ministerial functions, including but not limited to filing tax returns, filing applications for permits or licenses, or filing incorporation papers, nor shall it prohibit the former officer or public servant from receiving public funds disbursed through entitlement programs. The Board may waive any restriction in this policy if it determines that it is in the best interest of FPB.

Mr. Cubine discussed the proposed Ethics Policy Revisions outlined above.

After some discussion, Ms. Rosen stated she thought the period should be a year. Ms. Hale stated that the city policy is a year. Mr. Baldwin said he was in favor of a year instead of six months. Mr. Ludwig asked if Mr. Cubine wanted to extend the time to a year and Mr. Cubine moved to adopt the policy as it is written in item #15. Mr. Ludwig seconded. Mr. Ludwig called for a vote by member as to whether to pass the policy as written. A vote yes was to pass as written a vote no is not to pass with the six month term. The vote was called by member and the no votes were Ms. Rosen, Mr. Baldwin and Ms. Hale. Mr. Ludwig and Mr. Cubine were both a yes. Motion failed with a 3-2 vote.

Mr. Baldwin moved to adopt the policy with the revision that the term is a one year term rather than the six months as the proposed policy was originally written. Ms. Rosen seconded. Mr. Ludwig called for the vote by member and the motion passed unanimously.

16. Action Item: Future of FPB's Clubhouse. *John Cubine will discuss*

The Survey we received reflects about 30% of the respondents are supportive of future use of the Clubhouse.

I recommend that Cathy Lindsey, under the direction of the Interim GM, contact the Tanglewood Neighborhood Association and the City Manager to identify options for this Board to consider related to the Clubhouse and surrounding grounds when the reservoir project is complete. I would recommend Ms. Lindsey report back to the board in February.

Mr. Cubine stated that FPB and staff needs to begin the discussion of what will become of Frankfort Plant Board's clubhouse. He stated that we need to begin the process of finding out what people want to see in that area.

Mr. Cubine moved to have Cathy Lindsey make necessary contacts to begin talking about the future of the FPB Clubhouse. Ms. Hale seconded. Mr. Ludwig called for the vote and the motion carried unanimously.

17. Action Item: Appoint David Denton Interim GM Effective November 1, 2017. *Ralph Ludwig and John Cubine will discuss.*

It will take months to find and hire a GM to replace Herbbie Bannister.

To facilitate interim planning and administration I move that the board appoint David Denton Interim GM, Effective November 1, 2017. And that his salary be increased to the same level as an assistant GM effective November 1, 2017.

David Denton's position as FPB Finance Director will be held open for him until his service as Interim GM concludes.

David Denton is authorized to appoint Katrina Cummins to serve as acting or Interim Finance Director at a salary which he and the HR Director deems appropriate until Mr. Denton concludes his service as Interim GM.

Mr. Denton is authorized as Interim GM to fill other personnel positions in accordance with standard practice except Mr. Higginbotham's vacancy.

The current FPB organizational structure shall not be altered until a new GM is hired and can advise the board.

James Liebman, Board Attorney, is directed to prepare employment agreements with David Denton and Katrina Cummins to reflect the Board's action on this item. And the Board Chair is authorized to execute the agreements. All other terms of Mr. Denton and Ms. Cummins' employment shall remain unchanged.

Mr. Ludwig presented the proposal to appoint David Denton as interim GM to the board and stated that David is willing to step in and lead FPB in this role. He also outlined Mr. Denton's qualifications, and proposed that Ms. Katrina Cummins step into the role of interim Finance Director during the interim period while the plant board searches for a new GM.

After much discussion, which included Mr. Baldwin noting that he felt Mr. Denton was a qualified candidate but he had concerns for the process and would have preferred a slate of candidates presented for the consideration of the entire board.

Mr. Ludwig moved to appoint Mr. Denton as GM and Mr. Cubine seconded. Mr. Ludwig asked Ms. Jennings to call the vote by member. The motion passed with a 3-2 vote. Mr. Baldwin and Ms. Rosen voted no and Mr. Cubine, Ms. Hale and Mr. Ludwig voted yes.

18. **Action Item: Allow Interim GM to Appoint an Acting or Interim Cable/Telecom Superintendent at a Salary Which He and the HR Director Deems Appropriate.**

Mr. Ludwig Presented the item and stated that he had full confidence in allowing Mr. Denton to appoint an interim.

After some discussion Mr. Ludwig moved to approve the item, Mr. Cubine seconded. Mr. Ludwig asked that the vote be called by member. Mr. Baldwin and Ms. Rosen voted no. Mr. Ludwig, Mr. Cubine and Ms. Hale voted yes. The motion carried.

19. **Action Item: Job Description/Process for Finding GM. *Mr. Cubine will discuss***

Motion

The Board Chair shall call a work session (special meeting) within the next two weeks to begin the process of developing the job description and deciding a search process for a new GM. Likely it will take two or more meetings and all meetings should be open session.

Recommendation

That the board reach out to KMUA and Terry Naulty with OMU for input for their ideas on the search process.

That the City Commission, County Fiscal Court and Local Chamber of Commerce and KCDC be asked for input.

Mr. Cubine moved to begin a process of putting together a job description for finding a GM. Mr. Cubine stated that he would like to reach out to the City, County, Economic Development to provide input on the process of getting a job description together so that a search can begin for a new GM.

After much discussion. The motion was restated by Mr Baldwin: To begin the process to find a new GM at the discretion of the Chair. Ms. Rosen seconded the motion. Mr. Ludwig

20. **Action Item: Award Contract Based Upon RFP for Legal Counsel Regarding KyMEA Review to Reed Smith for an Amount not to Exceed \$50,000.00. *Walt Baldwin will discuss***

In addition to material included last month please add the following scope of work and dollar estimates. The total amount is not to exceed \$50,000.00.

1. General Review of Interlocal Agreement, All Requirements contracts and E3 analysis. Estimated fees of \$15K to \$20K
2. Advise on administrative mechanisms available via Interlocal and All Requirements contracts to pursue E3 recommendations. Estimated fees of \$15K to \$20K
3. Advise on available exit paths from All Requirements and Interlocal Agreement. Estimated fees of \$10K to \$15K

Mr. Baldwin presented the item and referenced the November 16, 2016 motion to obtain outside independent review concerning the energy and legal aspects of the KyMEA contracts. He emphasized that this is not a legal process to exit KyMEA, but it is a due diligence effort to fully understand all aspects of the contracts. He moved to go ahead with the legal contract with Reed Smith. Ms. Rosen seconded.

Mr. Ludwig commented on the cost and perception of other KyMEA members. Mr. Cubine commented that he did not think it was the right time.

In response to Ms. Hales concerns about the 3rd provision, Mr. Baldwin explained that it is important to have a full understanding of all of the provisions of the contracts to minimize long term risk. He further commented that time is not our friend, waiting to obtain all information about the contract will only make any future situations more difficult. The goal of this legal analysis is to clarify vague areas of the contract which are better resolved now, than if a situation should arise in the future.

After some discussion the Mr. Ludwig called for the vote by member and the motion carried with a 3-2 vote. Mr. Baldwin, Ms. Rosen and Ms. Hale voted yes and Mr. Cubine and Mr. Ludwig voted no.

21. **Action Item: Issue RFI to MISO Market Participants requesting their ability to supply firm energy and transmission to FPB beginning in May 1, 2019. . Walt Baldwin will discuss**

RFI will request data for cost and required timing to supply firm power to FPB's distribution system for both 5 and 10 year terms.

RFI will be issued by November 3, 2017 with responses due no later than December 1, 2017.

Mr. Baldwin presented this item. The staff had various concerns about moving forward with this item. There was a lot of discussion on the matter and Mr. Baldwin noted that it was a request for information only and moved to go forward with the RFI. Ms. Rosen seconded.

Mr. Foster advised strongly against moving forward he stressed major concerns that FPB could be perceived as breaching the KyMEA contracts with a move to seek information from MISO market. Mr. Price agreed with Mr. Foster, as did Mr. Denton and Mr. Bannister.

Mr. Ludwig called for the vote by member. The motion failed with a 3-2 vote. Mr. Cubine voted no, Mr. Ludwig voted no, Ms. Hale voted no. Ms. Rosen voted yes, Mr. Baldwin voted yes.

RECESS FPB – CONVENE MPC

22. **Action Item: Conduct Election for Secretary/Treasurer of the Frankfort Plant Board Municipal Projects Corporation. (Hance Price with officiate election)**

The most recently elected Officers of the Frankfort Plant Board Municipal Projects Corporation consist of Board Members and Staff. The current Officers are:

President, Anna Marie Rosen; Secretary/Treasurer, Dr. Scott Green; and Vice President, Walt Baldwin. Because Dr. Green is no longer a FPB Board member, the office of Secretary/Treasurer is now vacant. The terms of the current officers expire May 1, 2018.

Article VII of the Corporation's Articles explains that the Corporation has five directors. These Directors are the Frankfort Plant Board's Board members. FPB Board members continue to serve as Directors of the Municipal Projects Corporation as long as they are members of the Board. Upon leaving the Board, the Board member automatically ceases to be a Director of the Corporation. Thereafter, the new Board member assumes the directorship.

Article X notes that the Corporation shall have a President, Vice President, Secretary and Treasurer (which Secretary and Treasurer need not be a Director and may be the same person) each of whom shall be elected or appointed by the Board of Directors for such term, not exceeding three (3) years.

Staff respectfully requests that the Directors of the Corporation move to elect a Secretary/Treasurer to fill the current vacancy. The term of the Secretary/Treasurer would run through May 1, 2018.

Hance Price conducted the election of officers for the municipal projects corporation Secretary-Treasurer. He opened the floor to nominations. Ms. Rosen nominated Dawn Hale as Secretary-Treasurer. Mr. Price asked for a motion to close nominations, Mr. Cubine moved to close nominations. Mr. Ludwig seconded. Mr. Price asked for a vote and the motion carried unanimously.

Mr. Baldwin motioned to adjourn the municipal projects corporation. Mr. Ludwig seconded. Mr. Price asked for a vote and the motion carried unanimously.

ADJOURN MPC – CONVENE FPB

23. Action Item: Conduct Election of Officers of the Board of Directors of the Frankfort Plant Board. (Hance Price will officiate election)

Pursuant to the FPB ByLaws, election of officers of the Board of Directors is to be held every two years in odd number years. The most recently elected officers of the FPB Board of Directors are: Chairman, Ralph Ludwig; Walt Baldwin, Vice Chair; and Dr. Scott Green, Secretary/Treasurer. Mr. Ludwig has served two full terms as Chairman and is ineligible to hold the office of Chairman for a third consecutive term. Mr. Baldwin has held the term of Vice Chair for one term and is eligible to be re-elected to that position or any of the other board offices. Dr. Scott Green is no longer a member of the board and the office of Secretary/Treasurer is currently vacant.

Staff respectfully request elections be held for Board Chair, Vice Chair and Secretary/Treasurer for terms ending October 2019 respectively or until such time as persons holding those offices are no longer members of the Board of Directors.

Mr. Price conducted the election of officers for the Frankfort Plant Board. Mr. Price opened the floor for nominations for Board Chair.

Mr. Ludwig nominated Mr. Cubine for Board Chair. Mr. Baldwin nominated Ms. Rosen for Board Chair. Mr. Price asked for a motion to close the nomination. Mr. Baldwin moved to close the nominations. Ms. Hale seconded. Motion passed.

Mr. Price called for a vote for Mr. Cubine for Board chair, Mr. Cubine voted yes, Mr. Ludwig voted yes. Mr. Baldwin, Ms. Hale and Ms. Rosen all voted no.

Mr. Price called for a vote for Ms. Rosen for board chair. Mr. Cubine and Mr. Ludwig voted no. Ms. Hale, Mr. Baldwin and Ms. Rosen voted yes. Motion carried and Ms. Rosen was elected Board Chair.

Mr. Price opened the floor for nominations for board Vice Chair. Ms. Rosen nominated Mr. Baldwin for Vice Chair. Mr. Price asked for a motion to close nominations for Vice Chair, and Mr. Baldwin moved to close nominations. Ms. Rosen seconded. Mr. Price called for the vote and the motion carried.

Mr. Price called for a vote in favor of Mr. Baldwin for Vice Chair, Ms. Rosen, Ms. Hale and Mr. Baldwin voted yes. Mr. Cubine and Mr. Ludwig voted no. The motion carried and Mr. Baldwin was elected Vice Chair.

Mr. Price opened to floor for nominations for Board Secretary-Treasurer. Mr. Baldwin nominated Ms. Hale for Secretary-Treasurer. Mr. Price asked for a motion to close the floor for nominations for Secretary-Treasurer. Mr. Baldwin moved and Ms. Rosen seconded. Mr. Price called for a vote and the motion carried unanimously.

Mr. Price called for the vote for Ms. Hale as Secretary-Treasurer. The motion carried with 5 yes votes. Ms. Hale was elected Secretary-Treasurer of the Board.

Mr. Price concluded the Board Officer elections.

24. **Action Item: Accept Herbbie Bannister's Resignation Effective November 1, 2017. Ralph Ludwig will discuss.**

Mr. Ludwig thanked Herbbie Bannister for his service to the Frankfort Plant Board. He specifically noted that the past 5 years of Mr. Bannister's career at FPB have been a great contribution to FPB as a whole as we are a "better organization" because of his leadership.

25. **Old & New Business:**

Provide status updates on the following:

- **RFP Energy Efficiency – Vent Foster will discuss.**

Staff is currently working on an RFP for professional consulting services to assist in the development of a comprehensive energy strategy along with the associated specific implementation plan and programs. It is expected that the plan and programs would encompass numerous sub goals including energy efficiency, education, demand side management The RFP will seek consultants that can provide the following types of services:

- Energy planning and identification of "best practices" for our specific situation
- Consumer engagement throughout the process
- Assistance with identifying financing and funding methods
- Methods for future program modification based on evaluation, measurement, and verification of results over time

The RFP is expected to be complete and provided for Board review by the end of October with public issue soon thereafter.

Vent Foster discussed the above information to update the board on the status of this RFP.

- **RFP Credit Cards – David Denton will discuss.**

The FPB Board of Directors has expressed interest in exploring different payment card solutions to see if FPB can provide payment card processing at a lower cost to customers than our current payment card processing

structure. Currently, FPB uses a third-party payment card processor, Western Union Speedpay, to provide electronic payment services to FPB customers giving them the freedom and convenience to pay their bill with a credit or debit card over the phone or online for \$3.95 convenience fee.

FPB staff has prepared a Payment Card Solutions Request for Proposal (RFP), which has been included in this board package for your review. Staff is requesting the board to review the attached RFP and submit comments and questions for consideration prior to issuing the final RFP to prospective vendors.

David Denton discussed the above item and briefed the board on the progress of an RFP for credit cards.

- **Space Analysis at NOC and Administration Building – Kim Phillips and workgroup will discuss.**

In July, Staff formed a workgroup to gather information to explore the possibility of renting “extra” space in FPB facilities. The group focused on the offices on the lower floor of the NOC building and the room at the new Administration Building that is currently designated as the “Health and Wellness Room”. The report is meant to provide the Board with general information to facilitate a discussion regarding the feasibility of renting these spaces.

Kim Phillips discussed the status of the space analysis report for the board’s review. Ms. Phillips reported that our bond company suggested that we only rent to state and local government agencies.

- **Colocation of IT Equipment at Head End Building and Administration Building – Hance Price, Casey Jones and Adam Hellard will discuss.**

Casey Jones reported that, as with the space analysis the leasers would be limited to State and Local Government agencies only. He also stated that we designed our space at the Administration Building for future growth and the spaces were not designed for colocation due to security issues. He also stated that staff recommended that we hold off on this issue to see how the fiber to the home project will affect the space we need for future growth.

- **KyMEA Rates – Herbbie Bannister will discuss.**

Mr. Bannister said that Mr. John Painter will have those rates in early 2018.

Ms. Hale requested that we have an extra “work session” or special meeting each month that will allow the board to get information and be able to ask questions prior to board meetings to possibly streamline the process of board meetings in the future. Ms. Jennings offered to get with staff and see if we could accomplish a change in the deadlines and the schedule for when the board receives their board packets and would report back to the board with the information and a new proposed schedule. No motion was made and it was agreed that this was acceptable.

26. **Informational Item: General Manager’s Comments.**

27. **Request Permission to Have Chair Call for a Closed Session** pursuant to KRS 61.810(1)(c) for the discussion of Marillia and pump station litigation.

28. **Closed Door Session:**

Anna Maria Porlik Rosen

Dawn G. Hale

ATTEST: