

September 15, 2015

A Board meeting of the Electric and Water Plant Board of the City of Frankfort, Kentucky, was held at Farmers Bank and Capital Trust, located at 125 W. Main Street, Frankfort, Kentucky, on Tuesday, September 15, 2015 at 5:00 p.m.

ATTENDANCE:

Ralph Ludwig, Board Chair
Dr. Scott Green, Vice Chair
Rick Pogrotsky, Board Secretary/Treasurer
Patricia B. Lynch, Board Member
Arthur McKee, Board Member
Herbbie Bannister, General Manager
David Billings, Chief Water Engineer
Billy Briscoe, Water Dist. Supt.
Harvey Couch, Marketing and Video Coordinator
David Denton, Finance Director
Sharmista Dutta, Water Engineer
Monique Gilliam, Customer Service Director
Dana Hawkins, Executive Assistant
Adam Hellard, Broadband/Security Manager
John Higginbotham, Asst. GM Cable/Telecommunications
Scott Hudson, Electric Supt.
Travis McCullar, Electric Engineer
Karl Pitzer, IT Director
Hance Price, Staff Attorney/ Asst. GM Administration
Mark Redmon, Support Services Director
Chris Riddle, WTP Superintendent
Dianne Schneider, HR Director
Kim Phillips, Safety Director
Zach Hubbard, Cable 10 Videographer
Seth Littrell, State Journal Reporter

AGENDA

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

SEPTEMBER 15, 2015 BOARD MEETING AGENDA

1. **Action Item:** Consider Approving Minutes of the August 18, 2015 Board meeting.
2. **Action Item:** Accept Electric, Water and Cable Financial & Statistical Data for July 2015 and August 2015.
3. **Informational Item:** Departmental Reports:
 - Cable Dept.
 - Customer Service
 - Electric Dept.
 - SEPA
 - Safety
 - Water Distribution
 - Water Treatment Plant

- Administration Building
 - Headend Building
4. **Action Item: Consider Adding a New Authorized Position in the Information Technology Department.**
 5. **Action Item: Consider Approval of TiVo Non-Charter Member Election Agreement with NCTC.**
 6. **Action Item: Consider Approval of the Pole Attachment Agreements with Fibertech Network and Commonwealth of Kentucky/LedCor.**
 7. **Action Item: Consider Approval of Revisions of Tariff Language to Provide Clarification and Standardization of Deposit for Electric, Water and Cable/Telecommunications Services; and Incorporate Language for the Use of Utility Scoring.**
 8. **Action Item: Old & New Business:**
 9. **Informational Item: General Manager's Comments.**
 10. **Request Permission to have Chair call for a Closed Session pursuant to KRS 61.810 (1)(c) for the discussion of proposed or pending litigation against or on behalf of FPB; KRS 61.810 (1)(f) for discussions which might lead to the appointment, discipline, or dismissal of an individual employee; and KRS 61.810(1)(b) for the discussion of the future acquisition or sale of real property.**
 11. **Closed Door Session:**

BOARD ACTION

Mr. Ludwig called the meeting to order at 5:00 p.m. Ms. Hawkins called the roll. She noted five (5) Board members present.

1. **Action Item: Consider Approving Minutes of the August 18, 2015 Board meeting.**

Mr. Pogrotsky moved to approve the minutes of the August 18, 2105 Board meeting. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed.

2. **Action Item: Accept Electric, Water and Cable Financial & Statistical Data for July and August 2015.**

Mr. Denton explained the statement of net position and balance sheet through August 30, 2015. He discussed assets, liabilities, revenues and expenses for the company as a whole and separately for each line of business. He noted that Staff would bring a draft of the Audit to the Board for review and approval at the next meeting.

After additional discussion, Ms. Lynch moved to accept the electric, water and cable financial and statistical data for July and August 2015. Mr. Pogrotsky seconded. Mr. Ludwig called for the vote and the motion passed.

3. **Informational Item: Departmental Reports:**

Cable: Mr. Higginbotham reviewed graphs and discussed the August storms in connection with the trouble call numbers. He noted lightening damage and channel losses and explained repairs made to equipment and infrastructure.

Customer Service: Ms. Gilliam reviewed graphs. She explained the number of calls received and returned as well as the number of walk-in customers served for the month of August.

Electric: Mr. Hudson noted 41 electric outages for the month of August due in large part to numerous storms. He explained photos of the East Main Substation project as well as the status of the project.

SEPA: Mr. Bannister noted a profit approximately \$18,000 profit for the month of July 2015 and nearly \$10.4 million since FPB's involvement with SEPA. Mr. Bannister discussed the status of the pending rate increase to be effective October 1, 2015.

Safety: Ms. Phillips noted one (1) OSHA recordable and no (0) vehicle accidents for the month of August.

Water Distribution: Mr. Briscoe noted twelve (12) new service, one (1) main break, and two (2) outages. He noted that one (1) outage was scheduled and one (1) was due to a main break. In response to Ms. Lynch, Mr. Briscoe stated that he would get information to her regarding the installation cost for an Agricultural water meter.

Water Treatment: Mr. Riddle reviewed the Water Treatment Plant report and stated that FPB produced more than 265 million gallons of potable water for the month of August for an average daily production of 8.6 million gallons per day. He stated that low flow of the Kentucky River had not triggered any action for water conservation.

Administration Building: Ms. Dutta stated that construction was moving better with the improvement of the weather. She noted that the employee parking lot and curb work has been completed, the sanitary sewer has been installed, and the electrical conduit work continues. She further noted that the concrete basement walls were approximately 70% complete. Ms. Dutta stated that contractors would begin redistributing top soil along the front of the job site and begin seeding and sodding the grassy areas soon.

Ms. Dutta noted that steel erection will begin on phase 1 of the building soon. She explained that a change order would be presented soon for the board to review and reviewed photos of the progress. She advised that there have been some delays and that the contractor was requesting twelve additional days at this time due to weather issues.

Headend Building: Mr. Hellard stated that construction was on schedule and the building should be under roof by October 16, which would signal the end of the concrete work. He reviewed photos and discussed status.

4. **Action Item: Consider Adding a New Authorized Position in the Information Technology Department.**

Staff asks the Board to consider approving a Senior Systems Analyst position in the Information Technology Department. This position is needed to provide backup for and relieve some of the duties of the Assistant IT Director as well as provide leadership for the Plant Board's software development.

The Senior Systems Analyst's role will be to provide leadership in the design, development, and maintenance of software based solutions, focusing on reliability, performance, and security; and to assist the Assistant IT Director in the design, implementation, and maintenance of Ethernet based solutions for FPB's networks, including network hardware/software and CPE provisioning and installation across our employee and customer bases.

Funds were included in the current budget for this position. Based on the Job Evaluation & Compensation Plan, the pay grade for the position is 114 with a

minimum salary of \$30.34 hourly. See detail pages for a copy of the proposed job description and list of authorized positions.

If approved, the position will be posted for internal candidates to apply.

Ms. Schneider explained the need for a new position in the Information Technology Department. She explained job duties and pay grade, and stated that funds for the position were included in the 15-16 fiscal year budget.

In response to Mr. McKee, Ms. Schneider stated that initially the position will be open to internal candidates prior to posting externally. She further noted that FPB does have qualified candidates who could apply for this position which would save the extensive costs of external advertising.

Mr. Pogrotsky moved to approve adding a new authorized position in the Information Technology Department as stated in the action item. Mr. Ludwig seconded. Mr. Ludwig called for the vote. Mr. Ludwig, Ms. Lynch, Dr. Green and Mr. Pogrotsky voted "Yay" and Mr. McKee voted "Nay" stating that he felt the position should be open internally and externally. The motion passed with a 4-1 vote.

5. **Action Item: Consider approval of TiVo Non-Charter Member Election Agreement with NCTC.**

Staff recommends approval of the agreement with NCTC for membership in TiVo Non-Charter Master Distribution Agreement. This NCTC agreement has a term through July 1, 2016. NCTC is in the process of executing a Master Distribution Agreement with TiVo. Approving this agreement will allow FPB to be a part of a Non-Charter Member Group and commit to launch the product in the second half of 2016. NCTC's TiVo solution will position FPB well in a world of multiple screens, time-shifting, and lean forward viewing. TiVo will stack up well against FPB's DBS competitors' offerings of Hopper and Genie. TiVo will allow for up to 6 simultaneous recordings, shared DVR playlists across every connected TV in the home, wireless broadband capability, embedded TV apps (Netflix, Amazon, Flickr, Facebook, Youtube among others), remote DVR scheduling, companion iPhone and iPad applications allowing for controlling of set top box via smartphone and tablet, in-home and out-of-home streaming to those mobile devices, as well as copying of DVR recordings to phone or tablet to take with you. Initial financial commitment is \$10,000 this fiscal year. \$100,000 is included in the new Headend budget for the upgrade of existing VOD equipment for this FY. Because the Tivo product will not require the complete upgrade of the VOD equipment, Staff proposes to utilize these funds for the Tivo project in FY16 and FY17. The ongoing maintenance for the Tivo product will come from subscriber fees for the Tivo service. The Assistant GM of Administration has reviewed this agreement and it meets with his approval.

Mr. Couch explained the term of the agreement and the products this agreement will enable FPB to offer its customer in order to compete with satellite providers. He further explained the benefits to FPB customers as well as budgeted funds.

Ms. Lynch moved to approve the TiVo Non-Charter Election Agreement with NCTC. Dr. Green seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

6. **Action Item: Consider Approval of the Pole Attachment Agreements with Fibertech Network and Commonwealth of Kentucky/LedCor.**

As part of the State's fiber project, FPB has been approached by two contractors seeking permission to attach to our poles. FPB is required by law to permit attachments. FPB's tariff provides a standard contract that we have used with Fibertech Networks and the Commonwealth of Kentucky/LedCor. Fibertech and the Commonwealth of Kentucky/LedCor have executed the Agreements. Staff recommends the Board approve the Pole Attachment Agreements with Fibertech and the Commonwealth of Kentucky/LedCor.

Mr. McCullar explained the standard agreements and stated that FPB is required by law to permit such attachments. He noted that the other parties have executed the agreements. He further noted that there is no cost to FPB for these agreements and that FPB would receive some revenue for the pole attachment.

In response to Dr. Green, Mr. McCullar noted that the poles are FPB's responsibility but the infrastructure attached to the poles would belong to the other party and FPB would not be responsible for repair or replacement. He noted that there are no FPB services on this fiber attachment at this time.

Mr. Ludwig moved to approve the Pole Attachment Agreements with Fibertech Network and Commonwealth of Kentucky/LedCor. Mr. Pogrotsky seconded.

Mr. Higginbotham explained the various providers currently utilizing poles in Franklin County. He noted that this was to assist other more rural counties with access to internet providers. He noted that it will assist with competition in the purchase of wholesale broadband and the FPB could potentially purchase from this line in the future to help reduce costs.

Mr. Ludwig called for the vote and the motion passed unanimously.

7. **Action Item: Consider Approval of Revisions of Tariff Language to Provide Clarification and Standardization of Deposit for Electric, Water and Cable/Telecommunications Services; and Incorporate Language for the Use of Utility Scoring.**

Following public comments presented at the Public Hearing at the August 18, 2015 Board meeting, staff has reviewed the comments and concerns and responded to Mr. Kell and Ms. Moore via letter. Staff has taken all questions and comments into consideration and does not recommend any changes to the previously presented tariff revisions. Staff recommends that the Board approve the Tariff revisions effective October 1, 2015.

Ms. Gilliam explained Staff's review of the concerns presented by Ms. Paula Moore and Mr. Jeff Kell, and referenced the letters provided to the Board in their meeting materials. She noted that after reviewing the questions and concerns, Staff does not recommend any changes to the previously presented Tariff revisions. Ms. Gilliam stated that Staff recommended the Board approve the Tariff revisions as written to be effective October 1, 2015.

Dr. Green moved to approve the revisions of Tariff language to provide clarification and standardization of deposits for Electric, Water and Cable/Telecommunications services; and incorporate language for the use of utility scoring. Mr. Pogrotsky seconded. Mr. Ludwig called for the vote and the motion passed unanimously.

8. **Old & New Business:**

None

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

None

10. **Request Permission to have Chair call for a Closed Session** pursuant to KRS 61.810 (1)(c) for the discussion of proposed or pending litigation against or on behalf of FPB; KRS 61.810 (1)(f) for discussions which might lead to the appointment, discipline, or dismissal of an individual employee; KRS 61.810(1)(b) for the discussion of the future acquisition or sale of real property.

11. **Closed Door Session:**

Dr. Green moved to go into closed session. Ms. Lynch seconded. Mr. Ludwig called for the vote and the motion passed unanimously. The Board moved into closed session.

With no further business to discuss, Dr. Green moved to adjourn. Mr. Pogrotsky seconded. The motion passed and the meeting adjourned.





ATTEST: