

June 5, 2018

A Board meeting of the Electric and Water Plant Board of the City of Frankfort, Kentucky, was held at the Frankfort Plant Board Administration Building at 151 Flynn Ave. Frankfort, KY on Tuesday, June 5, 2018 at 5:00 p.m.

**ATTENDANCE:**

Anna Marie Pavlik Rosen, Board Chair  
Walt Baldwin, Vice Chair  
Ralph Ludwig, Board Member  
Dawn Hale, Board Member  
Stephen Mason, Board Member  
James Liebman, Board Attorney  
David Billings, Chief Water Engineer  
Harvey Couch, Marketing and Video Content Coordinator  
Katrina Cummins, Interim Finance Director  
David Denton, Interim General Manager  
Sharmista Dutta, Water Engineer II  
Vent Foster, Asst. GM Operations  
Scott Stafford, Media Services Manager  
Adam Hellard, Security Broadband Technology Manager  
Ryan Henry, Asst. IT Director  
Scott Hudson, Electric Superintendent  
Casey Jones, IT Director  
Cathy Jennings, Executive Assistant  
Cathy Lindsey, Public Information Officer  
Kathy Poe, Executive Assistant  
Hance Price, Staff Attorney/Asst. GM Administration  
Julie Roney, WTP Superintendent  
Dianne Schneider, HR Director  
Alan Smith, Water Dist. Superintendent  
Jeremy Blackburn, Cable 10 Videographer  
Jerry Graves, Executive Director Kentucky River Authority  
David Hamilton, Environmental Engineer

**AGENDA**

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

**JUNE 5, 2018 SPECIAL BOARD MEETING AGENDA**

1. **Conduct a Public Hearing Regarding:** Increasing the Kentucky River Authority (KRA) Water Withdraw Fee.
2. **Conduct a Public Hearing Regarding:** Regarding Proposed Water Rate Increase Effective August 1, 2018.
3. **Action Item:** Board discussion of the Reed Smith report and issues of concern involving KyMEA.
4. **Conduct Public Meeting Regarding:** Reservoir Project to Meet Kentucky Division of Water Environmental Review Requirements Related to Kentucky Infrastructure Authority Financing.
5. **Action Item:** Selection of the General Manager search firm.

**BOARD ACTION**

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

1. **Conduct a Public Hearing: Increasing the Kentucky River Authority (KRA) Water Withdrawal Fee.**

Mr. Baldwin conducted the Public Hearing and asked Mr. Price to explain the pass through of the fees from the KRA to FPB customers. Mr. Price invited Mr. Jerry Graves from the Kentucky River Authority to speak.

Mr. Graves gave an overview of the purpose of the Kentucky River Authority, and its duties to maintain Locks and Dams. He stated that the main reason for the increase is a 28 million dollar project to maintain Lock #10 for Winchester Kentucky. He gave a breakdown of the KRA's annual budget and opened the floor for questions.

Kathy Warren spoke against raising the KRA water withdrawal fee.

Steve Mims spoke about water recycling.

After Mr. Mims spoke, there were several questions from the floor that the KRA answered.

Mr. Baldwin closed the public hearing.

2. **Conduct a Public Hearing Regarding: Proposed Water Rate Increase Effective August 1, 2018.**

Mr. Baldwin conducted the hearing regarding proposed water rate increases and asked Mr. Billings to provide a summary of the details.

Mr. Billings stated that the increase was based on a cost of service study that stated our revenue requirements were falling short. Therefore, the board approved moving forward with a series of incremental rate increases and this is the third in a series of five increases. This increase is approximately \$1.90/month increase to a typical 4000 gallon per month city customer, a .70/month to a 4000 gallon per month county customer. He stated that FPB still provides water at the rate of around one dollar per day for a 4000-gallon customer. Mr. Billings opened the floor for comments and questions.

Mr. Mims asked about the rate increase as it relates to Sewer fees.

Ms. Kathy Warren spoke in support of Mr. Billings and thanked him for the information.

Ms. Theresa Walton spoke in opposition of the water rate increase.

Mr. Mims spoke regarding water conservation and the impact that has on water rates. He also asked if there was a way to use water without paying a sewer fee if it was for watering grass or other outdoor use.

Ms. Sally Stumbo spoke against the water rate increase.

Mr. Billings clarified some confusion that the customers had regarding the rate increase.

Ms. Linda Jalbert spoke against the administration building and the impact it has had on rates.

Ms. Judith Richards spoke against the water rate increase and the sewer bill.

Mr. Robert Roach spoke to answer some questions regarding the sewer bill.

Mr. Tom Marshall spoke about FPB's rate structure.

Alan Smith addressed questions regarding Agricultural Meters.



Mr. Baldwin thanked the public for their comments and concluded the public hearing.

**3. Action Item: Board Discussion of the Reed Smith Report and Issues of Concern Involving KyMEA.**

Ms. Rosen and Mr. Baldwin discussed various issues with KyMEA that the Reed Smith report pointed out and asked the board to consider addressing issues with the following areas of concern:

- Proper planning, doing an integrative resource plan.
- Voting issues, tying the vote based on financial risk of individual members.
- Ethics
- Willful misconduct and gross neglect regarding capacity purchases
- Breach of contract and liability falling on individual members.
- Solar projects.
- Initial increase in capacity purchased.

Further discussion took place and no action was taken. Ms. Rosen asked that the board consider the issues discussed and proposed to discuss it again in June at the regular FPB Board Meeting.

**4. Conduct Public Meeting Regarding: Reservoir Project to Meet Kentucky Division of Water Environmental Review Requirements Related to Kentucky Infrastructure Authority Financing.**

Mr. Billings gave a PowerPoint presentation on the Reservoir Replacement Project and compared the difference in cost and impact to rate payers with the approved 7 million gallon tank compared to the two 4.6 million gallon tanks. He also reviewed the advantages and disadvantages between the approved 7 million gallon tank compared to the two 4.6 million gallon tanks.

**5. Action Item: Selection of the General Manager Search Firm.**

Mr. Liebman gave the board a report regarding an (RFP) request for proposal that was done to select a search firm for the hiring of the General Manager position. He stated that the highest scoring firm was Tadesco and Associates.

Mr. Baldwin moved to award the bid for the GM selection to Tadesco and Associates per the Board's recommendation. Mr. Mason seconded with the comment that he would like for FPB to control expenses involved such as flights, hotels etc. Mr. Baldwin agreed that Staff needed to be involved in order to track expenses and costs associated with the process. Mr. Denton requested that an amount also be included for clarity.

Mr. Baldwin amended the motion to award the contract for the GM search process to Tadesco and Associates for an amount pending a successful negotiation. The engagement to be managed by Dianne Schneider and all board members to be copied on all communications. Mr. Mason seconded. The motion passed with 4 yes votes from Mr. Mason, Mr. Baldwin, Ms. Rosen and Ms. Hale. Mr. Ludwig abstained from voting.

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

  
Board Chair

  
Attest: Board Secretary/Treasurer