

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD THURSDAY, FEBRUARY 26, 1987, AT 6:00 P.M., CITY COMMISSION CHAMBERS, MUNICIPAL ADMINISTRATION BUILDING, KISSIMMEE, FLORIDA.

Present at the meeting were Chairman Van Meter, Vice-Chairman Hord, Secretary Bobroff, Assistant Secretary Jones, Director Gant, Attorney Brinson, General Manager Welsh, Recording Secretary Porter. Director Price arrived at 6:15 p.m.

A. MEETING CALLED TO ORDER at 6:00 p.m. by Chairman Van Meter.

B. AWARDS AND PRESENTATIONS

1. 20 YEAR SERVICE AWARD - DENNIS CHARLESTON

Mr. Welsh highlighted the contributions which Dennis Charleston has made to the KUA organization. Chairman Van Meter presented Dennis with a 20-year service pin.

C. HEAR THE AUDIENCE - None

D. INFORMATIONAL REPORTS (REQUIRING NO ACTION)

1. PROGRESS REPORT ON ENGINEERING PROJECTS

Ken Davis, Manager/Planning & Engineering, highlighted the individual engineering projects currently underway. We have been meeting with the contractor on the Transmission System Expansion project quite regularly. He has submitted a claim for some additional work and idle equipment time due to delays in acquiring the right-of-way. When these were discussed during our construction meetings, the response from the contractor was that he could move over and start stringing conductor along the railroad track and come back to set the poles when the right-of-way was released, and work proceeded. At the end of the project, the contractor stated that he had equipment sitting idle due to the delay and our position is that we do not agree. It is quite possible that this could end up in arbitration if our response to his minimum figure is not accepted. The contractor did not request change orders regarding these items at the time.

We have made some contacts with property owners regarding the Denn John & KOA substations. In preliminary talks with the property owner at the proposed Denn John site, the price being discussed seems to be very good (\$11,000 to \$15,000/acre). The planned location for the KOA substation has a house trailer and landscaping there and the owner is not receptive to having the substation there. We are looking in that general area now, particularly where the old driving range was on 192 (U. S. Highway).

The contract for the administrative building construction was awarded to Castle Design and Construction. They will be delivering the executed copies of the contract to us tomorrow for the Chairman and Secretary to execute. Their bonding company will not give them a bond until they have an executed contract in hand. We, therefore, will return to them an executed contract along with a transmittal letter stating that the contract is binding subject to receiving the required performance bond. Plans have been submitted to the City Building & Zoning Department for approval. The plans should be finalized and a permit issued by next Friday.

Mr. Davis stated that we have been meeting with Florida Power Corporation, who is interested in establishing another interconnection at our Taft substation. They will be putting together a proposal to us for what costs would be associated with establishing that interconnection (230 KV at Taft). This would strengthen our system, giving our system another 230 KV interconnection with Florida Power. Discussions followed with Mr. Davis answering questions from the Board.

2. COST OF POWER ADJUSTMENT

Max Alderman, Manager of Generation & Transmission, explained the actual COPA rate for the Month of January, 1987 (negative \$0.00079/kWh) compared to the estimated COPA rate of negative \$0.00448/kWh. He stated that the primary reason for the increase was higher Schedule D cost due to CR3 forced outage and higher fuel prices. We expect to closely review the COPA rate due to the fact that we are rebating a little faster than anticipated.

3. MONTHLY CONDENSED FINANCIAL REPORT

Finance Director, John Hearn, discussed the Monthly Condensed Financial Report and answered questions from the Board. He also asked if the revised purchasing report contained sufficient information as requested by the Board at last month's meeting. Consensus of the Board was that it now contained sufficient information.

At this time, Chairman Van Meter read a proclamation to be presented to John Hearn for his services to the KUA, due to the fact that he will be leaving the City Finance Department March 17th. This being his last KUA meeting, a copy of the proclamation was given to him tonight to enable staff to have the original framed.

4. FOUR CITIES UPDATE

Manager of Generation & Transmission, Max Alderman, explained our position with regard to the Four Cities Pool Group. It is the opinion of staff that we discontinue participation with the Four Cities Group. There would be no financial benefit to be derived by continuing in this group and we would lose the right to participate on the broker system. St. Cloud has also elected to discontinue participation in this group.

**E. OLD BUSINESS**

1. PURCHASE OF ELECTRONIC DEMAND METERS

Mr. Welsh explained the necessity for us to purchase these demand meters from a sole source. Staff's recommendation is for the Board to authorize purchase of 292 PDR electronic demand meters from J.C. McCormic for a total of \$120,950.

Director Gant suggested that if this remained a sole source item, we might want to look at an annual bidding process which would give prices that would be good for a period of time and purchase from a contract. Discussions continued about getting the best price possible with regard to the purchase of the sole source items. Staff will be checking to be sure that our prices are comparable to those being charged to other customers and report back to the Board.

**Director Bobroff moved to approve the purchase of 292 PDR electronic demand meters for \$120,950 from J.C. McCormic, sole source, and staff to report back to the Board as to whether or not we can improve our position in the future. Director Hord seconded the motion.**

**Motion Carried 5 - 0**

2. DENN JOHN & KOA SUBSTATION DETAILED ENGINEERING DESIGN

Mr. Welsh explained that the budget for this project has been established by the Board of Directors. He stated that we are at the point now of needing to proceed with the detailed engineering design phase, which will contain details necessary to finalize the site acquisitions in terms of surveys, right-of-way acquisitions, i.e., guying easements, blowout right-of-ways, etc. The recommendation of

staff is that the Board authorize Black & Veatch to proceed with the detailed design engineering for the Denn John and KOA substation project for a not-to-exceed cost of \$270,000, to be funded from the Electric Capital Improvement Fund. Mr. Welsh and Mr. Davis addressed questions from the Board during the lengthy discussions which followed. Concern was expressed about the need to keep engineering services costs at a minimum by having standardized designs for as many items as possible.

Director Jones moved to accept the recommendation of staff and proceed with the detailed design engineering of Denn John and KOA substations project for a not-to-exceed cost of \$270,000 to be funded from the Electric Capital Improvement Fund. Director Price seconded the motion.

Motion Carried 5 - 0

**F. NEW BUSINESS**

**1. PROPERTY FOR FUTURE KUA DISTRIBUTION CENTER**

Director Hord stated that he would abstain from discussions on this item due to the fact that he may be a party to some of the land being purchased. He was given a Conflict of Interest Form 8B to complete and is attached as "Exhibit A".

Staff has been conducting preliminary investigations of various sites for future distribution center needs. There is a need to expand our current distribution center facilities. We have looked at the proposed property and feel this would be a good 20-year site for a pole yard, warehouse & office facilities, necessary parking, etc. There are also two other parties interested in purchasing a portion of this property to add to their existing holdings. This is approximately one acre each, and this would leave approximately 13 acres in this site which KUA is interested in. It is requested that the Board authorize staff to proceed with an appraisal of the subject property, cost of which to be shared by the three interested parties.

Chairman Van Meter asked what impact this would have with us pulling out of the City's warehouse and site at the airport. He would like staff to address this with the City Manager and a report brought back to the Board.

Director Bobroff moved to proceed with an appraisal on the Bronson property, sharing (pro rata) the cost of \$900 with the two other interested parties. Director Jones seconded the motion.

Discussions continued as to whether a narrative appraisal or MAI appraisal was preferred. It was determined that as long as the narrative appraisal was a comparable land sales appraisal, that would be adequate for our needs.

Motion Carried 4 - 0  
Director Hord Abstaining

**2. BUDGET AMENDMENTS**

The budget revisions requested were discussed in great detail at the goals and objectives workshop of two weeks ago. The revisions include changes in the date of hire for several positions which, in turn, requires total additions in the amount of \$86,250 to the fiscal 1987 budget.

Lengthy discussions followed. It was suggested that staff look closely at the possibility of filling some of these positions with existing City employees. In order to help accommodate the added personnel, we have required that the building be completed in a phased approach enabling us to move some people in early.

Director Bobroff moved to authorize the personnel changes and approve the additional costs involved in the amount of \$86,250 to be transferred from Contingency. Director Hord seconded the motion.

Director Gant requested that staff set up a workshop with the City Commission to upgrade them on the accelerated schedule.

Motion Carried 5 - 0

G. CONSENT AGENDA

Director Bobroff moved to approve the Consent Agenda. Director Jones seconded the motion.

Motion Carried 5 - 0

1. APPROVAL OF MINUTES OF JANUARY 22, 1987, MEETING
2. APPROVAL OF MINUTES OF FEBRUARY 5, 1987, SPECIAL MEETING
3. APPROVAL OF MINUTES OF FEBRUARY 16, 1987, SPECIAL MEETING
4. INTERCHANGE SERVICE CONTRACT WITH CITY OF KEY WEST
5. BID RUA 6-87 SECTIONALIZERS JUNCTION BOXES, ETC.
6. LINE EXTENSION CONTRACT, COMPLETE INTERIORS AT PLANTATION

H. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh distributed some information on a drug and alcohol abuse seminar program which is being presented for KUA employees. He also indicated that provisions were being made to provide for follow-up care for employees and their families on an individual as needed basis.

Mr. Welsh stated that there is a calendar conflict with the budget workshop date and requested that this workshop be rescheduled for Thursday, July 9, at 5:00 p.m., bringing in a light supper and working on through to finish up that night, if possible. Thursday, July 16, at 5:00 p.m., to be used if necessary. This change was agreed to by the Board.

DIRECTORS

Director Jones asked Jim Schuster if the 16% over budget on the renovation project may have been due to the construction phasing on the building. Mr. Schuster stated that that question had not been asked, the approach to the phasing was due to one area which was for future and could easily be renovated, not requiring a substantial amount of work.

Director Hord stated that he was supportive with regard to the need for people but he noted the importance that they be 100% effective. He felt that this may be difficult to accomplish if some are moved into the building while construction was in progress on the remaining areas. It may be better to keep the people where they are, even though possibly crowded. This may enable the contractor to finish sooner and it may be a factor in lower construction costs.

Director Hord also stated that when proposed budgets are brought to the Board they should be backed up strongly and "cut to the bone", because he would like to suggest some way, if at all possible, for some rate reductions to our customers.

Director Gant stated that by moving into the premises before they're final, you give up some rights on the final inspection.

Director Gant also asked about the rate study which was planned. Mr. Welsh stated that we would be reviewing the rates in conjunction with the budget development. This rate study will be done in-house. He then asked Mr. Brinson if the bond market would allow us to stay in-house for that. Mr. Brinson answered that we would probably need an external stamp on it.

Chairman Van Meter asked if there will be a phone jack in the new board room. Mr. Welsh stated there will be.

Chairman Van Meter also stated that the search for a new board member was initiated about this time last year, and he is going off the Board on October 1. Staff needs to start on this project and other Board members need to be looking at possible candidates. It was the consensus of the Board that the ad include a request that applicants contact the General Manager to become better informed about what this appointment entails and that the applicant must be a resident within the City Limits of Kissimmee. Guidelines for the selection process were also discussed. Mr. Welsh stated that he would bring an agenda item containing backup of what was done last year for the Board's discussion on the procedure to be used this time.

I. ADJOURNMENT

Meeting was adjourned at 8:42 p.m. by Chairman Van Meter.

  
Vice Chairman

ATTEST:

  
Secretary

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You should disclose orally the nature of your conflict in the measure before participating.
- You should complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

**DISCLOSURE OF LOCAL OFFICER'S INTEREST**

I, Richard L. Hord, hereby disclose that on Feb. 26,, 1987

(a) A measure came or will come before my agency which (check one)

☒ Inured to my special private gain; or

☐ Inured to the special gain of \_\_\_\_\_, by whom I am retained

(b) The measure before my agency and the nature of my interest in the measure is as follows:

*I intend to purchase a portion of the land being considered.*

Feb. 26, 1987  
Date Filed

Richard L. Hord  
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317 (1985), A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION OF SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$5,000.