

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD THURSDAY,
OCTOBER 22, 1987, AT 6:00 P.M., CITY COMMISSION CHAMBER, MUNICIPAL
ADMINISTRATION BUILDING, KISSIMMEE, FLORIDA.

Present at the meeting were Chairman Hord, Vice Chairman Price, Secretary Bobroff, Assistant Secretary Jones, Director Lowenstein, Director Gant, Attorney Brinson, General Manager Welsh, Recording Secretary Reubelt.

A. MEETING CALLED TO ORDER at 6:00 P.M. by Chairman Hord.

B. AWARDS & PRESENTATIONS

1. 5 YEAR SERVICE AWARD - RAUL CANTOR
2. 15 YEAR SERVICE AWARD - ELENORA RADER
3. 15 YEAR SERVICE AWARD- MAX ALDERMAN

Mr. Welsh noted that tonight KUA was recognizing a total of thirty-five years of service by three employees. He introduced the three employees to the members of the Board; Raul Cantor, Planning and Engineering; Elenora Rader, Customer Service Supervisor; Max Alderman, Manager of Generation and Transmission; and presented a brief history of the employees' tenure with Kissimmee Utility Authority, highlighting the particular contributions each has made. Chairman Hord extended the Board's appreciation and presented the Service Awards.

4. NOVEMBER EMPLOYEE OF THE MONTH - CLAIR KLINGER

Mr. Welsh introduced Clair Klinger, Lead Meter Reader/Customer Service, noting his abilities and dedication. Clair is the second Employee of the Month in the newly instituted program. Mr. Welsh highlighted the Employees Organization Committee's announcement of Clair's selection by his fellow employees for this honor. Chairman Hord extended the congratulations of the Board. As Employee of the month Clair will receive a plaque, a \$50 savings bond and one day off with pay.

C. HEAR THE AUDIENCE - None.

D. INFORMATIONAL REPORTS (REQUIRING NO ACTION)

1. PROGRESS REPORT ON ENGINEERING PROJECTS

Ken Davis, Manager of Planning & Engineering, highlighted the Progress Report which was included in the Board packets. He noted that the removal of abandoned railroad ties beneath the surface of the parking lot has revealed additional construction debris buried beneath the surface and civil engineers have recommended removal of all construction debris to provide a suitable subsurface for the parking lot. The contractor has been authorized to proceed with this work on a time and materials basis in the same manner in which the removal of the railroad ties was performed. A representative of the architect will be on site to monitor all tickets and to verify amounts of soil removed and back-fill needed.

2. MONTHLY CONDENSED FINANCIAL REPORT

Ken Killgore, Director of Finance, reviewed the Condensed Financial Report for October. In response to a question from Director Price, Mr. Killgore explained that the award referred to (Government Financial Officers Assn. Award) is predicated on the presentation of the statements and not on the basis of the accounting and, therefore, their comments and suggestions need to be viewed on that basis.

3. COST OF POWER ADJUSTMENT

Max Alderman, Manager of Generation ~ Transmission, reviewed the monthly COPA report. The actual COPA rate for the month of August, 1987, is a positive \$0.00133/kWh as compared to the estimated COPA rate of a positive \$0.00425/kWh. Mr. Alderman noted that the primary reason for the decrease was the lower Schedule C, Schedule D, and gas cost. The COPA account balance as of October, 1987, is \$346,878.56.

E. OLD BUSINESS

1. DISTRIBUTION CENTER PROJECT SCHEDULE

Ken Lackey, Manager/Distribution Operations, detailed the report included in the Board packets. Discussion took place regarding the functions and square footage of the various buildings. Mr. Welsh and Mr. Lackey stated that the configuration of these areas is still open to discussion.

It was the consensus of the Board, after discussion, that no Workshop be held to hear presentations of the architectural firms and that staff will finalize a short list of firms (3-4) and the Board will hear those presentations at the regular meeting scheduled for November 19, 1987.

2. FEASIBILITY ANALYSIS FOR GAS DISTRIBUTION SYSTEM

Mr. Welsh highlighted the staff report and recommendation which was included in the Board packets. The proposal from Black & Veatch which was requested by the Board has been received. However, at this time it is the opinion of staff that prior to authorizing Black & Veatch to begin this feasibility analysis, that KUA's counsel should review existing license agreements between People's Gas and the City of Kissimmee to determine the legal aspects of the agreements. Attorney Brinson concurred with staff opinion.

Director Bobroff moved to direct Kissimmee Utility Authority counsel to review all existing license agreements between the City of Kissimmee and People's Gas and make initial contacts with People's Gas to discuss the possibility of transferring these license agreements to the Kissimmee Utility Authority. Director Price seconded.

Motion carried 5 -0

3. ADMINISTRATION BUILDING - ADDITIONAL PROJECT MODIFICATIONS

Director Bobroff moved to accept staff recommendation. There was no second.

Ken Davis, Project Manager, detailed the report which was in the Board packets item by item. Mr. Welsh read the staff recommendation.

In response to a question from Director Hord, Attorney Brinson stated that the contractor's indication that he is signing these change orders under protest since he believes the issue of time extension (days) has not been adequately addressed and is reserving his right to discuss time extensions at a future date, is proper procedure for the contractor to follow and that he supports the staff recommendation.

Director Price asked if these delays which we have incurred are causing any financial hardship. Mr. Welsh responded that it's not causing any hardships financially or operationally and, in fact, it is beneficial to have the new accounting and billing systems housed in the same building with the old systems during this period of transition.

Director Jones asked for an explanation of the following items: 1) item 5.2: Ed Spelman, Catalyst Architecture, Inc., explained that this work involved the rebuilding of 44 linear feet of the north wall of the building. This work was not evident prior to the demolition work. 2) Storm water connections problem not discovered beforehand: Mr. Spelman noted that the engineer had worked with the City and all the other connections were fine, but the storm water connection could not be made where the architects had planned at the direction of the City. 3) item 5.15: Mr. Davis clarified that the \$8,099 listed is only for what is detailed in the report and there will be another change order for the additional work being performed.

In response to a question from Chairman Hord, Mr. Welsh detailed the recommended transfer of \$65,000 from the Reserve for Future Capital Outlay as outlined in the report.

Director Bobroff moved approval of change orders for the general construction contract for the administrative office building renovation project in the amount of \$31,315; and, to authorize transfer of funds in the amount of \$65,000 from the Reserve for Future Capital Outlay. Director Lowenstein seconded.

Motion carried 5 - 0

4. FLORIDA GAS TRANSMISSION AGREEMENTS

Mr. Welsh highlighted the report received from Black & Veatch. Staff has reviewed that report and recommend that the Florida Gas Transmission Agreements which were signed at the Special Meeting of October 14, 1987 be transmitted.

Director Bobroff moved that the revised Exhibit A be approved and that the Chairman and Secretary be authorized to execute the revisions; and, that the contracts be transmitted. Director Jones seconded.

Motion carried 5 - 0

F. NEW BUSINESS - None.

G. CONSENT AGENDA

General Manager Welsh requested that Item 9, Joint Pole Use be removed from the Consent Agenda. There are provisions of that contract which staff would like to review for possible renegotiation prior to adoption by the Board.

Director Bobroff moved that Item 9, JOINT POLE USE AGREEMENT - TELESAT CABLEVISION, INC. be withdrawn from the Consent Agenda. Director Lowenstein seconded the motion.

Motion carried 5 - 0

Director Bobroff moved approval of the remaining items on the Consent Agenda. Director Jones seconded.

Motion carried 5 - 0

1. APPROVAL OF MINUTES OF AUGUST 27, 1987, MEETING
2. APPROVAL OF MINUTES OF SEPTEMBER 17, 1987, MEETING
3. APPROVAL OF MINUTES OF SEPTEMBER 30, 1987, SPECIAL MEETING
4. APPROVAL OF MINUTES OF OCTOBER 7, 19877 SPECIAL MEETING

5. APPROVAL OF MINUTES OF OCTOBER 14, 1987, SPECIAL MEETING
6. LINE EXTENSION CONTRACT - REAL ESTATE CORPORATION FOR BRIARWOOD VILLAGE 3
7. LINE EXTENSION CONTRACT WITH CATALINA HOMES, OAK HOLLOW
8. FLORIDA POWER & LIGHT RATE REDUCTION

H. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

General Manager Welsh distributed a list of "Future Items" which had been requested by the Board to assist in keeping track of progress on various projects. He asked the members to contact him with any suggestions on format or any item to be added to the list.

Mr. Welsh reported that staff is proceeding to notify the Florida Municipal Power Pool that (per discussion at the last workshop) we are discontinuing any participation except from a monitoring standpoint.

Mr. Welsh reported that the Public Service Commission approved KUA's rate filing on October 20, 1987.

Mr. Welsh described a potential problem with pending legislation in Congress which would effectively preclude tax exempt financing for the acquisition of any existing power output facility. He distributed copies of a proposed letter to our Florida delegation signed by the Chairman of the Board and the General Manager urging that the onerous provision be eliminated from the Revenue Reconciliation Package. He noted that rather often FMPA, APPA, etc., contact him to support certain legislation, and he follows through with appropriate letters, however this is such a particularly potentially onerous item, he felt it appropriate for the Board to authorize the communication. It was the consensus that the Board supported the statement made by the letter and directed the General Manager to forward the letter.

DIRECTORS

Director Bobroff stated his concern that we keep better informed and possibly become involved in the area of co-generation. Following discussion, it was agreed that Mr. Bobroff would contact APPA for information on places involved in co-generation projects.

ATTORNEY

Mr. Brinson reported that Better Plastics has filed their brief and we have an opportunity to file a reply brief. When that is over, we will hopefully be able to have oral arguments before the Supreme Court on the case involving interest on overcharges which has created much attention.

- I. ADJOURNMENT - Meeting adjourned at 8:15 P.M.

Attest:


Chairman


Secretary