

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD
THURSDAY, JANUARY 26, 1989, AT 6:00 P.M., ADMINISTRATIVE BUILDING,
KISSIMMEE, FLORIDA

Present at the meeting were Chairman Hord, Secretary Bobroff, Assistant Secretary Lowenstein, Director Jones, Director Van Meter, Attorney Brinson, General Manager Welsh, Recording Secretary Rundio. Director Gant was not present.

A. MEETING CALLED TO ORDER at 6:07 P.M. by Chairman Hord, who noted that all Board members were present with the exception of Director Gant.

B. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD - THOMAS J. MALONEY

General Manager Welsh briefly highlighted Tom's work history. Tom started with KUA in January, 1984, in the Operations Department, became a Mechanic Helper, then he was promoted to Power Plant Mechanic. He has good rapport with fellow employees and is a hard-working, dedicated and enthusiastic employee.

Chairman Hord and the other Board members indicated their appreciation and extended congratulations in presenting Tom with a Service Award, a crystal lamp.

2. FEBRUARY EMPLOYEE OF THE MONTH - GINGER BROWN

Mr. Welsh introduced Ginger Brown, Systems Operator, Finance & Administration, to the Board of Directors as having been selected February Employee of the Month by her fellow employees. Mr. Welsh said Ginger works on the System 38, is an energetic, hard worker and contributes significantly to the KUA organization.

Congratulations were extended by Chairman Hord, who presented Ginger with an Employee of the Month Plaque. Director Bobroff also gave her a \$50 U.S. Savings Bond. In addition, she will be given a day off with pay and a "Reserved" parking space for the month of February.

3. G.F.O.A. AWARD

KUA was awarded the Government Finance Officers Association (GFOA) Award of Financial Reporting Achievement Certificate for the fiscal year ended September 30, 1987. It is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Chairman Hord offered congratulations and presented a Plaque to James C. Schuster, Manager/Finance & Administration, on behalf of the KUA. It will be prominently displayed in the Finance & Administration Department.

The Certificate of Financial Reporting Achievement was awarded to Edward J. Pagliaro, Assistant Finance Director, City of Kissimmee; however, Mr. Pagliaro was unable to be present and Mr. Schuster accepted the Award in his stead. The Board of Directors extended their congratulations on a fine job.

Chairman Hord, in order to accommodate members of the audience, moved the Agenda item on Surcharge Reinstatement under New Business forward at this time.

F. NEW BUSINESS4. SURCHARGE REINSTATEMENT

Attorney Ed Brinson stated several months ago the Board reduced the surcharge to reflect the lowering by KUA of the out-of-city surcharge by 50%. Subsequently, the Florida Public Service Commission (FPSC) issued a Declaratory Statement stating the surcharge must be equal to the public service tax charged by the municipality within its corporate limits, so that the bottom line bill would be the same for out-of-city and in-city customers.

Mr. Brinson explained the law and recommended we not change the rates without a public hearing and advised that the Board must authorize a public hearing in compliance with this judgment. On request of Director Bobroff, Attorney Brinson read the pertinent portion of the FPSC judgment for the benefit of the audience. He recommended that the Board direct staff to publish, as provided by law, a public hearing date and notify the public.

Jim Scott, Buenaventura Lakes (BVL), asked why nothing was done several years ago when they were charged 2% more than what the City customers were charged. Mr. Welsh explained that was prior to the Florida Supreme Court ruling on the case.

Bob Stancill, BVL, asked what KUA does with this 8%, and whether it's in the form of a tax. Mr. Welsh replied that it was not a tax but a revenue used for system needs within KUA.

Moved by Director Lowenstein to direct staff to agenda this item and schedule a public hearing on the Surcharge for February 23, 1989. Seconded by Director Bobroff.

**Motion carried 4 - 0
Director Gant was absent**

Director Van Meter asked staff, with the Board's approval, for some figures on surcharge revenues not collected. Mr. Welsh said this information will be provided.

C. HEAR THE AUDIENCE

Mr. Jim Scott, Buenaventure Lakes, addressed the Board concerning the Pledge of Allegiance to the flag.

D. INFORMATIONAL REPORTS (REQUIRING NO ACTION)1. PROGRESS REPORT ON ENGINEERING PROJECTS

Kenneth L. Davis, Manager/Planning & reviewed the Progress Report which was included in packets.

Discussion arose on the Combined Cycle Unit Improvements Project and the soil condition problem. W. Max Alderman, Manager, Generation & Transmission, explained a contaminated soil problem. He said it is time-consuming filing reports with the Department of Environmental Regulation (DER), and the on-site field work required. Lengthy discussion followed on the best means of handling this problem in a most cost-effective manner.

**Moved by Director Jones to agenda this item under New Business.
Seconded by Director Lowenstein.**

**Motion carried 4 - 0
Director Gant was absent**

Project Manager Max Alderman stated that it was anticipated that the engineering fees for the professional services associated with this clean-up were proposed to be in excess of \$60,000. Director Jones suggested that we cover this professional services work and submit a plan for solving this problem. Mr. Welsh stated that Mr. Alderman will prepare some plans and submit them to DER. It was not known whether this would be acceptable to DER. Mr. Welsh cautioned that approaching it in this fashion may pose some risk to KUA due to the lack of expertise in this area of the in-house staff. He noted that it may be worthwhile taking this chance and stated that, if so directed by the Board, the staff would vigorously pursue this alternative to give it every chance of making it successful.

F. NEW BUSINESS

6. SOIL CONDITION PROBLEM AT PAVING PROJECT

Moved by Director Jones, seconded by Director Lowenstein, to direct staff to prepare an in-house plan to be presented to DER for disposal of alleged contaminated soil.

Motion carried 4 - 0
Director Gant was absent

Mr. Alderman suggested we not defer the pending bid opening on January 31st due to these changes. **The consensus of the Board was to obtain the bids and evaluate them**

Director Van Meter expressed concern about the construction on Michigan Avenue and the danger to the students having to walk along the West side, exposed to heavy traffic.

2. MONTHLY F&A DEPARTMENTAL REPORT

Mr. Schuster, Manager/Finance & Administration, gave a presentation, using overheads, on the Monthly Departmental Report. Some items on the report were clarified, with staff answering questions of the Board members.

3. COST OF POWER ADJUSTMENT

Mr. Max Alderman, Manager/Generation & Transmission, highlighted the actual COPA rate for December, 1988, as a negative \$0.00349/kWh as compared to the estimated COPA rate of a negative \$0.00269/kWh.

The primary reason for the decrease was lower natural gas, Schedule D, and Stanton energy costs. Staff recommends continuing the Cost of Power Adjustment of a negative \$0.00150/kWh.

E. OLD BUSINESS

1. DISTRIBUTION SUBSTATIONS PROJECT - BID IK-06-88H, GENERAL CONSTRUCTION

Ken Davis stated that bids for the general construction contract for the Carl A. Wall and Lake Cecile Substations were received on January 16, 1989, with Terry's Electric being the low bidder.

Staff is anticipating lowering the cost by having some work done in-house.

Moved by Director Bobroff, seconded by Director Lowenstein, to authorize staff to begin negotiations with the low bidder, Terry's Electric, for this project.

Motion carried 4 - 0
Director Gant was absent

A special meeting for final award of the bid is tentatively scheduled for either February 1 or February 9, 1989.

Chairman Hord recessed the meeting at 7:50 PM. It reconvened at 8:07 PM.

F. NEW BUSINESS

1. BOARD MEMBER NOMINATION SELECTION, 1989 SCHEDULE

Staff informed the Board members that Chairman Hord's term will expire on September 30, 1989, and he is eligible for renomination. Staff requested direction from the Board as to how to proceed in the 1989 nomination process. A schedule for Board Member Nomination Selection was discussed.

Moved by Director Jones to direct staff to advertise the appointment, with the inclusion that the outgoing Member is eligible for reappointment. Seconded by Director Bobroff.

Motion carried 4 - 0
Director Gant was absent

2. INSURANCE OPTION

Mr. Welsh requested that the Board consider changing the disability insurance coverage for the General Manager. The current disability benefits as specified are effective now. It was recommended that on an ongoing basis the disability benefit be maintained at an amount not to exceed 75% of the base salary.

Moved by Director Lowenstein, seconded by Director Jones, to accept the proposal as outlined, not to exceed 75% of the General Manager's base salary, but that prior to the next renewal we should receive a competitive quote.

Motion carried 4 - 0
Director Gant was absent

3. WATERFRONT SQUARE: CHEN'S MAGIC WOK

Staff received an offer from Chen's Magic Wok for KUA to lease the restaurant premises for additional office space. This is adjacent to offices we will be leasing for one year, effective February 15, 1989. Staff is requesting the Board's interest and direction.

Discussion followed on whether these premises are necessary, cost-effective, and feasible.

It was suggested by Chairman Hord that an evaluation be done by staff whether KUA can use this space and negotiate the best lease without a final commitment.

It was the consensus of the Board that a full evaluation be done by staff on this property and the Board will look at it again.

F. 5. BOARD OF DIRECTORS BUDGET PREPARATION CALENDAR

F&A Manager, Jim Schuster, submitted the Proposed FY '90 Budget Preparation Calendar for consideration and approval by the Board.

Moved by Director Jones, seconded by Director Lowenstein, to approve the Budget Preparation Calendar for FY 1990.

Motion carried 4 - 0
Director Gant was absent

G. CONSENT AGENDA

Motion by Director Jones, seconded by Director Bobroff, to approve the Consent Agenda as presented.

1. APPROVAL OF MINUTES OF DECEMBER 15, 1988, MEETING
2. BID #R03-89 - ELECTRICAL SUPPLIES
3. RENTAL AGREEMENT - WATERFRONT SQUARE

Motion Carried 4 - 0
Director Gant was absent

H. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS**GENERAL MANAGER**

Mr. Welsh briefly indicated the final dates for the Board Calendar. These include the Budget meeting dates, the date for Board member nomination selection, and the Lake Cecile proposed meeting dates which had all been approved earlier in this meeting. Copies of the Calendar were handed to the Board members.

The possible need for changing the agenda format to include the Pledge of Allegiance to the Flag was briefly discussed. No action was taken.

ATTORNEY**DIRECTORS**

Director Van Meter asked, on behalf of the City, that KUA consider a suggestion to purchase the old hotel property on Monument Avenue to convert into additional parking as an alternative to the Police Station parking lot. He did state the hotel property was commercial property, requires an appraisal, and it would be expensive. No action was taken.

Director Bobroff said he was most pleased with an excellent article written by Bob Depascale, Computer/Instrument Technician, Transmission, for the KUA Power Line newsletter. It concerned a very technical subject written in understandable terms. He also asked that the Editor be complimented for the general fine quality of the Power Line publication.

Designating Martin Luther King's birthday as a holiday was brought up as a possibility and Director Bobroff asked the other Directors to give it some thought as he felt it would be a tribute to a great person.

I. ADJOURNMENT: Meeting adjourned at 8:55 P.M.


CHAIRMAN

ATTEST:


SECRETARY