

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD
THURSDAY, MAY 25, 1989, AT 6:00 PM, ADMINISTRATIVE BUILDING,
KISSIMMEE, FLORIDA.

Present at the meeting were Chairman Hord, Secretary Bobroff, Assistant Secretary Lowenstein, Director Jones, Attorney Brinson, General Manager Welsh, Recording Secretary Rundio. Director Gant and Mayor Van Meter were absent.

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

B. AWARDS AND PRESENTATIONS

1. JUNE EMPLOYEE OF THE MONTH - VIRGIL MINSHEW

Mr. Welsh introduced Virgil Minshew, Journeyman/Lineman, selected by his fellow employees as June Employee of the Month. His attributes were highlighted as being a dedicated, willing and loyal employee, ready and anxious to undertake any job quickly and safely.

Chairman Hord expressed his and the Board members' appreciation to Virgil and presented him with a June Employee of the Month Plaque. Director Bobroff handed him a \$50 U.S. Savings Bond. Virgil will be given one day off, with pay, and a "reserved" parking space during June.

2. 5-YEAR SERVICE AWARD - KENNETH DAVIS

Kenneth Davis, Manager/Planning & Engineering, was welcomed by Mr. Welsh and the Board as having been with Kissimmee Utility Authority (KUA) five years. Mr. Welsh reviewed Ken's five-year tenure with KUA by highlighting his significant contributions to the organization and the planning and other responsibilities he carries. Ken also had a big hand in planning KUA's Administrative facilities.

Chairman Hord congratulated and thanked Mr. Davis for his commendable contributions and presented him with a Service Award on behalf of the Board members.

3. 25-YEAR SERVICE AWARD - ROBERT CULPEPPER

Mr. Welsh introduced Robert Culpepper, Line Foreman/Distribution Operations, to the members of the Board and recapped his 25-year history with KUA. Bob brought a great deal of knowledge to the organization and helped build the Distribution facilities. He has worked with and trained a number of linemen and is a dedicated and dependable member of the KUA team.

Chairman Hord extended congratulations and thanks on behalf of the Board for his dedication and contributions over these many years and presented him with a Service Award.

C. HEAR THE AUDIENCE

Jim Scott, Buenaventura Lakes (BVL), questioned the total dollars in uncollectible customers' bills and what the normal residential deposit is for customers. Mr. Welsh responded that uncollectible accounts totaled approximately \$25,000 (only 2% of the total accounts), and that the normal deposit is \$100 with a good credit rating and, with an unfavorable payment history, it may be double their average monthly bill.

D. INFORMATIONAL REPORTS (REQUIRING NO ACTION)

1. PROGRESS REPORT ON ENGINEERING PROJECTS

Ken Davis gave a brief verbal presentation on the ongoing projects.

Mr. Davis said that construction work on both the Carl A. Wall and Lake Cecile Substations is proceeding and the power transformers are due for shipment. The transmission line structures for the latter Substation are in place. Attorney Ed Brinson briefly explained the difficulties involved in completing condemnation proceedings at Lake Cecile. Mr. Brinson said we will offer the owner our appraisal plus 10%, in addition to the attorney's fee, without going to the Judge. He was confident we are headed for a jury verdict in obtaining Parcel B. Mr. Davis graphically showed the area involved.

In April, the Board rejected our entering into escrow contracts with the Integrated Dispatch & Operation (IDO) Project. However, an extension of the current purchase power contract with Florida Power Corporation was extended through 1989.

At the Marydia Substation, the 69 kV circuit breaker is back in service. Two firms have examined the power transformer (damaged during last month's outage) to possibly providing services to rewind the failed transformer. Repairs may entail a six-month delay. Further discussion under New Business.

Discussion followed on our perhaps buying a rebuilt transformer from Florida Power Corporation, which is available, and I whether, in the long run, it is advantageous over purchasing a new transformer or rewinding ours. Chairman Hord asked staff to check out and compare the costs, etc., on the rebuilt transformer and bring it back to the Board in the near future. Mr. Welsh replied this would be done.

2. MONTHLY F&A DEPARTMENTAL REPORT

Joseph Hostetler, Manager/Finance & Accounting, made a brief verbal presentation, with overheads, on the April, 1989, report. He indicated our financial outlook looks pretty normal at this time of the year. Questions by the Board were answered by Mr. Hostetler.

3. COST OF POWER ADJUSTMENT

John Harper, Chief of System Operations, with the aid of overheads, highlighted the status of our COPA balance, and estimated versus actual energy requirements for April.

The actual COPA rate for April, 1989, is a positive \$0.00669/ kWh as compared to the estimated COPA rate of a positive \$0.00166/ kWh.

The COPA account balance as of May 1, 1989, was \$376,236.28, and staff's recommendation is to continue the COPA of a negative \$0.00526/kWh.

The primary for the increase was higher Schedule D prices and St. Lucie energy was less than estimated.

Mr. Welsh indicated we may have to adjust the COPA sooner than we had originally anticipated, perhaps in August, 1989, via a Public Hearing. We will continue monitoring this situation **for the next** two months before making any change.

4. MEDICAL INSURANCE COVERAGE

Neville C. Turner, Supervisor/Personnel & Risk Management, briefed the Board on possible joint bids for insurance. KUA's current policy expires December 31, 1989. He said we are looking into a four-entity joint venture for medical insurance coverage with Osceola County, the City of Kissimmee, and the City of St. Cloud. Bids would go out as a total package, as well as an individual bid by KUA, giving us an option of a joint venture or accepting a single bid. Currently, we have the option of going with the HMO or Traditional type of insurance.

Mr. Turner indicated that a bid for a larger number of personnel could reduce our medical costs in the future. We are awaiting the results of a feasibility study by Waters Risk Management.

Chairman Hord stated the Board was of the opinion we want I equal coverage, to that which we currently have.

5. NORTH BERMUDA DISTRIBUTION COMPLEX MONTHLY PROGRESS REPORT

Ken Lackey, Manager/Distribution Operations, gave a verbal presentation on the construction progress and change orders necessary due to recent building code requirement changes by the Osceola County Building Department. Change orders will also be required based on Administrative recommendations.

Director Bobroff expressed displeasure at our receiving these numerous change orders following final plans. He asked staff that our engineers or architects obtain written confirmation as to whether these are indeed valid, written code regulations or law and not the interpretation of some individual.

Mr. Lackey stated that a Monthly Progress Report will be submitted to update the Board and staff on the construction.

E. AS-400 MODEL 50

Mr. Welsh said that several staff members and Director Bobroff attended a presentation recently by HTE representatives in Orlando to gain knowledge into the AS-400 and how it suits KUA's purpose.

Mr. Hostetler gave a verbal review on the AS-400 computer. The Board, at the February, 1989, Budget Goals & Objectives meeting, approved the upgrading of our computer system to the IBM AS-400. A study of memory and storage requirements has been completed. Staff is recommending an IBM AS-400 Model 50 with 24 megabytes of memory and three (3) additional 600-megabyte disk drives. Mr. Wood said the advantages of the Model 50 (over Model 40) are processing speed and maximum storage capabilities. The hardware cost is \$198,420 and software cost is \$60,924, totaling \$259,344.00.

Lengthy discussion followed regarding our current requirements, as well as the savings to be made by looking at the big picture long-term. Mr. Hostetler stated we looked at our current system, memory usage, what systems we wanted to add, work orders, how much memory it will take, rate of growth, etc., without having to go back to the Board yearly for additional funds to cover expansion.

At Chairman Hord's request, Mr. Welsh graphically indicated comparisons on the R.A.M. (Random Access Memory) and Disk and proposed 2-4 year system requirements. Discussion continued on the advantages and disadvantages of purchasing additional R.A.M. and disk storage now or waiting until we need it several years hence.

Chairman Hord stated, if the Board authorized staff to spend, roughly, an additional \$108,000 (for 300% more capacity than proposed), would they feel more comfortable not coming back to the Board on this for a number of years. Mr. Hostetler replied that he wouldn't turn it down!

Director Lowenstein asked, if we go with the 96 megabyte total, at the current rate of growth, how many years would the R.A.M. service us satisfactorily? Mr. Welsh replied probably five to six years, without addressing this problem yearly.

Chairman Hord said that \$260,000 gets staff by for 1 1/2 years and asked how much money staff required to not come back for less than four years.

The meeting was recessed from 7:35 to 7:50 P.M., giving staff an opportunity to go over the numbers.

After evaluating our needs for a four-year period, Mr. Welsh explained the cost comparison of the two systems and recommended the two-year system totaling \$319,000. Printers and PC's are not included in this cost.

Moved by Director Jones to authorize the purchase of IBM AS-400, Model 50, for the two-year option, including hardware and software, for a maximum not-to-exceed \$335,000; to be funded from the Reserve for Future Capital Outlay. Seconded by Director Bobroff.

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

F. NEW BUSINESS

1. MARYDIA 230/69 kV TRANSFORMER REPAIR - ENGINEERING SERVICES

Ken Davis stated that, through various tests and internal inspections, the power transformer at Marydia has sustained winding failure and must be rebuilt. This entails the transformer being dismantled and shipped to a repair facility. This is a complicated process and alternatives are under consideration. Staff recommends that Black & Veatch (B&V) prepare and evaluate bids for us, for a not-to-exceed cost of \$20,800.00.

Moved by Director Lowenstein, seconded by Director Bobroff, authorizing Black & Veatch to provide the assistance for bidding the transformer repair work for a not-to-exceed amount of \$20,800.00; and authorize the transfer of that amount from the Reserve for Future Capital Outlay.

Director Bobroff inquired whether a B&V engineer would inspect this transformer as part of this work, ensuring it is a good job. Mr. Davis replied it's not possible to inspect it inside but certified tests can be run to meet our specifications. We will attempt to obtain a one-year warranty.

It was the consensus that if we possibly buy a unit from Florida Power Corporation (FPC) and repair our unit, it's part of the future expansion to have both.

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

2. SCADA RTU'S - SUBSTATIONS PROJECT

Moved by Director Bobroff, seconded by Director Lowenstein, to add the SCADA RTU's (Remote Terminal Units) for the Substations Project to the Agenda.

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

Mr. Welsh stated we received three (3) written quotes to provide SCADA RTU's for two distribution substations now under construction, as follows:

	<u>Total Evaluated Cost</u>
Leeds & Northrup systems	\$33,767
Advanced Control Systems	\$31,882
Westronic, Inc.	\$51,049

Mr. Welsh said all bids exceeded the estimated \$20,000, with the lowest being Advanced Control Systems. This lump sum price includes spare parts and programming unit, and also three (3) days of training on maintenance and operation of the RTU's.

Staff requested that the formal bid proceedings be waived and that the Board authorize the purchase from the lowest bidder.

Moved by Director Bobroff that the formal bid process be waived and we accept the three (3) written quotes for providing the SCADA RTU's; and authorize such purchase of the SCADA RTU's from Advanced Control Systems for the total price of \$31,882. Seconded by Director Lowenstein.

Attorney Brinson indicated there was no legal problem waiving the formalities of the bid and awarding the bid to the lowest bidder.

A short discussion followed.

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

G. CONSENT AGENDA

Moved by Director Jones, seconded by Director Lowenstein, to approve the Consent Agenda, with the exception of item 4.

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

1. APPROVAL OF MINUTES OF APRIL 26, 1989, WORKSHOP MEETING
2. APPROVAL OF MINUTES OF APRIL 27, 1989, REGULAR MEETING
3. APPROVAL OF MINUTES OF MAY 10, 1989, WORKSHOP MEETING
5. AWARD OF BID 189-001 - CONCRETE TRANSMISSION POLES, MICHIGAN AVENUE LINE RELOCATION PROJECT

Recommendation: Approval of bid for concrete transmission line poles for the Michigan Avenue Project to Hughes Supply for the lump sum price of \$98,256; to be funded from the project budget.

4. INTERCHANGE SERVICE CONTRACT WITH CITY OF TALLAHASSEE

Director Lowenstein asked that, considering the distance, what purpose does this Interchange Service Schedule G serve and do we need it? Mr. Welsh responded that this Agreement allows for Schedules G and X, at no cost to KUA to have it in place, but basically it gives us an opportunity to do business on a competitive basis, when and if it is needed. This would not provide for long-term capacity situations. Schedule X is extended economy and Schedule G is standby reserve.

Moved by Director Lowenstein, seconded by Director Bobroff, to approve the Interchange Service Contract between the City of Tallahassee and the Kissimmee Utility Authority (KUA).

Motion carried 4 - 0
Director Gant was absent

H. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh informed the Board members that KUA was again awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association (GFOA) for last year's budget. Upon receipt of the award, a formal presentation will be made.

Mr. Welsh distributed copies of Chris Beck's memo on Work Order processing. The memo explained the steps necessary to be taken, as well as the suggestion of an alternative procedure. After review between Ken Davis, Ken Lackey and Chris Beck, basically the bottom line is our current system is the most effective. He suggested that although the electronic idea is good, a more fully automated system may be more cumbersome and time-consuming. The Work Orders are processed and documented by different people in different offices, and the mail run would still have to be continued.

Mr. Welsh said that Florida Power & Light (FP&L) is planning a combined cycle facility that is coal gasified. Due to our contracts with the St. Lucie plant through FMPA, they must offer us the opportunity to participate in that unit. FP&L will be insisting upon front-end participation, with all partners right up front before any developmental efforts are known. Mr. Welsh said that a decision may have to be made within several months whether we will want it. FMPA is entitled to 7% of the project (approximately 54 MOO); KUA's share is unknown as yet, but perhaps will be in the range of 5 to 15 Megawatts. He said the Board would be apprised on this item.

ATTORNEY - None

DIRECTORS

Director Lowenstein inquired as to the status of the traffic light at the corner of Emmett and Ruby Streets. Mr. Welsh said nothing definite was learned as to whether First Florida Bank will become a contributor.

Chairman Hord asked about the land we're negotiating on near Bermuda. Mr. Welsh stated he met with the Manager and other principals of Southport Ranch recently. He said our desire to acquire a portion of that was discussed, as well as increasing that further by another 35-40 acres, giving us additional frontage. Due to the death of one of the principals over the weekend, no further contact has been made at this time.

I. ADJOURNMENT: Meeting was adjourned at 8:35 P.M.


CHAIRMAN

ATTEST:


SECRETARY