

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD WEDNESDAY,
JANUARY 22, 1992, AT 6:00 PM, BOARD ROOM, ADMINISTRATION BUILDING,
KISSIMMEE, FLORIDA

Present at the meeting were Chairman Hord, Vice-Chairman Gant, Secretary Bobroff, Assistant Secretary Lowenstein, Attorney Brinson, President & General Manager Welsh, and Recording Secretary Rundio. Board members Jones and Pollet were absent.

A. MEETING CALLED TO ORDER at 6:05 PM by Chairman Hord.

B. AWARDS AND PRESENTATIONS

1. 10-YEAR SERVICE AWARD - DAVID PAYNE

Dave Payne joined the Power Plant in 1982 as Assistant Operator and progressed to Plant Operator in 1983, and then became Supervisor on "B" Shift in 1984. Dave is conscientious, reliable and an extremely hard working and dedicated employee. He shows confidence and loyalty to his men. Appreciation was expressed for his many contributions over the years.

Chairman Hord presented Dave with a pocket knife of his choosing as his award.

2. FEBRUARY EMPLOYEE OF THE MONTH - BOB DEPASCALE

Bob DePascale, Computer Instrument Tech/Planning & Engineering, was selected February Employee of the Month. Mr. Welsh read a complimentary memo highlighting Bob's outstanding performance since his arrival at KUA in April 1983. He was proficient in the set-up and operation of our computer system and helped select our new SCADA system.

Bob is especially to be commended for his heroic lifesaving efforts in performing CPR on fellow employee, Emory Stearns, until help arrived, in spite of serious burns to himself caused during an accident at Lake Cecile on March 26, 1991. His quick action saved Emory's life.

Bob is also skilled with the pen in writing informative articles in KUA's Power Line newsletter. He is truly an outstanding and professional individual and one that we are all proud and happy to have with us. He was thanked for his many contributions to our organization.

The Board members also extended congratulations on his outstanding performance. He was presented with a plaque and a \$100 U.S. Savings Bond. Bob will also receive a "reserved" parking space and a day off, with pay.

C. HEAR THE AUDIENCE - There was no audience response.

D. PUBLIC HEARING - None

E. INFORMATION PRESENTATIONS

1. QUARTERLY PROGRESS REPORT ON CANE ISLAND GT PROJECT BY BLACK & VEATCH (B&V)

Due to the absence of Don Knighton, Mr. David Lefebvre, B&V Licensing Supervisor on the Project who reports to Don, gave a brief Quarterly Progress Report. He addressed the engineering aspects of the project with General Electric. In February/March specs will be prepared for long lead time items to be brought before the Board and submitted for bids. Survey work will begin shortly. The status was given on permitting and licensing for the air emissions project, and obtaining required approval from various federal agencies. They all seem comfortable with the project, along with the conservation easement. Work is expected to begin in the summer on the access road. Mitigation measures appear to be adequate.

F. OLD BUSINESS

Mr. Welsh stated that Attorney Ed Brinson has been working with Ken Davis, Director/Planning & Engineering, on the proposed **Clay Street substation site** and requested that this issue be placed on the agenda for discussion purposes.

Motion by Director Lowenstein, seconded by Director Gant, to place this item on the agenda for discussion purposes.

**Motion carried 4 - 0
Director Jones absent**

Mr. Brinson introduced this matter stating several months ago the Board authorized staff to advertise publicly that any persons interested in selling a tract of land in that particular area, for the Overoaks Substation, contact staff. Mr. Bill Ling, owner of property on Clay Street, came forward with an offer. Discussions had been held between Messrs. Davis, Brinson and Ling and Mr. Ling was presented with an MAI appraisal for 9.6 acres for approximately \$170,000. Mr. Ling felt this appraisal was low compared to surrounding land prices.

Mr. Bill Ling, resident of Osceola County, presented his case before the Board. He highlighted his family's interests and what he felt the property in question was worth. Mr. Ling had submitted his proposition to Mr. Brinson, that being selling 51 lots for \$193,500, which he felt was considerably less than their worth. He offered KUA the 51 lots, plus another required adjacent parcel for \$40,000, together totaling \$233,500.

In-depth discussion followed, during which time several Board members felt further considerations should be discussed between staff and Board members before making any decisions.

Director Gant felt we should look into other parcels of land in that local vicinity, perhaps that owned by the City, and others. He asked if we shouldn't get a second appraisal. Mr. Brinson said in the past we have done this. Director Gant stated we control public dollars and must be frugal.

Mr. Davis explained we planned to install two 69kV circuits, 230kV circuits, along with several underground distribution circuits, which would require sufficient land for this substation.

Chairman Hord felt uncomfortable with the two figures (\$170,000 and \$233,500) which were too far apart. He suggested staff and the Board needed to discuss this. Also, that this was contingent on obtaining zoning approval.

Mr. Welsh asked Mr. Ling if he was amenable to a second appraisal, and if these two were too far apart, a third appraisal might be a deciding factor in getting an average price, a fair market value, and could this be negotiated. Mr. Ling reiterated what he felt his property was worth but was willing to negotiate somewhat.

Chairman Hord preferred stopping the discussion at this point and talking it over amongst staff and the Board. He felt we should obtain some numbers first that we feel good about.

It was the consensus of the Board to postpone discussion until further deliberations were had on possible additional appraisals.

G. NEW BUSINESS

1. COLD FIRING OF THE COMBINED CYCLE BOILER

Following a brief review by Ben Sharma, Director of Power Supply, the Board agreed with staff's recommendation that no action be taken at this time on this project due to it not being cost effective and because of other projects underway.

NO ACTION TAKEN

Mr. Welsh stated the \$889,000 will be placed into the Reserve for Future Capital Outlay account and would then be available to assist in a rate reduction which is being investigated.

2. CONDITIONAL USE/CONSTRUCTION PERMIT FOR THE DEVELOPMENT OF THE CANE ISLAND SITE

Mr. Sharma summarized this agenda item, indicating that approval of our application has been received from the County Planning Director's office. This approval was contingent on allowing for an environmental/conservation easement in areas of Cane Island which will not be developed by KUA now or in the foreseeable future. Discussion continued on a corridor required for utility lines, and that all requests be in writing. Mr. Lefebvre confirmed it was a matter of record.

"Passive recreational facilities" (in KUA letter of January 23, 1992 to the County Planning Department) was defined as walkways or nature trails through wetlands on our land. The question arose of possible liability to the County should some unforeseen accident occur, and this might be a valuable mitigation tool. Director Gant stated we should indicate we wish to leave the land undisturbed. Having passive recreational facilities would create additional liability to the County. The conservation easement should contain clear terminology. Mr. Welsh stated, in view of our proposed joint venture with FMFA, we must avoid any perceived stumbling blocks which would be detrimental to our position.

Chairman Hord suggested the above proposed passive recreational facilities easement be put in letter form to the County Planning Director, with copies to the Chairman and members of the Planning Commission and other County Administrators, that we feel if they have this conservation easement they in turn assume the liability. Mr. Brinson suggested the letter be revised to include that the County would be liable for any activity on this easement. Mr. Welsh stated this could be accomplished by revising the letter, dated January 23, 1992, to be sent to the Osceola Planning Department. The Board was in agreement to have the General Manager amend his letter to this effect.

Mr. Brinson wished to point out that when this matter was brought to the KUA Board, the County wanted it made perfectly clear that Osceola County would accept full liability for the use of the easement area. This would go before the County Planning Commission on February 6th.

Mr. Welsh asked the Board to make a motion approving the concept of offering the environmental or conservation easement, as explained in the January 15, 1992 letter to the Osceola County Planning Department, with an amendment stating that the County will assume full liability for the use of the area under this conservation easement (as discussed tonight); and authorize the Chairman and Secretary to execute the final easement when directed.

Motion by Director Bobroff, seconded by Director Lowenstein, authorizing staff's recommendation, stated above.

**Motion carried 4 - 0
Director Jones absent**

3. IFB t001-92 PBX TELEPHONE/DATA SYSTEM, CARROLL STREET BUILDING PROJECT

Bids were received from United Telephone and NEC Business Communications System. NEC has submitted additional correspondence with adjustments subsequent to the evaluations.

Representatives from both companies were present. From NEC were William Arbogast, Regional General Manager, Allison Arbogast, Sales Manager, Rena Bryan, Senior Account Executive, and Donna Levine, Account Executive. Mr. Bill Woody of United. Also attending was John Stanklewicz and Mark Pilla, of Burnup & Sims, proposed subcontractors for NEC to do the wiring of the building.

Mr. Davis explained our needs and what would be required to connect the KUA Administration building with the Carroll Street building via one system and retaining or excluding the City. Several alternatives had been considered in proposing the bids. Via overhead, he compared the two bid evaluations, with the adjusted base bid price of NEC being \$182,870 compared to United's \$193,068. The comparative bid prices were \$191,599 by NEC and \$186,201 by United, with a differential evaluated cost of \$5,398.

The bids were for a complete PBX Telephone/Data System for the Carroll Street Building. Our current system in association with the City was reviewed. Mr. Davis said our specs called for a one-year warranty for all parts and equipment. The United proposal comes with a two-year warranty. To compare these, maintenance agreement costs were requested subsequent to the warranty expiring. He detailed what the system was equipped for, number of ports, etc.

Mr. Davis said we will be looking at a fiber optic link between KUA's Carroll Street and Broadway facilities as an item completely apart from this bid. We will be evaluating what this would cost if we bought the equipment and installed it ourselves, thus avoiding any ongoing costs other than for maintenance. We are looking at leasing costs on an ongoing basis compared to putting in our own fiber optic links.

During the phone system evaluation intangible items were considered. The cost differential was between keeping our existing equipment and installing a new system at Carroll Street, as opposed to putting in a completely new system here and at Carroll Street. Two items for consideration: 1) We would still have to upgrade the software on the existing equipment that the City and KUA shares, presently being maintained by GTE (not NEC). This is a concern. 2) United may be able to provide communications between the buildings and we would be able to have one single vendor for the systems and communications link. This option would be eliminated if we installed fiber optic links ourselves and maintained it ourselves.

Mr. Davis said we will be located in five facilities and perceived we may need to network these systems together for both data and voice communications. This may be the right time to separate KUA from sharing of the system with the City, giving us complete control over future decisions on this networking.

It is staff's strong recommendation' based on this qualitative analysis, that the bid be awarded to United Telephone.

Discussion continued on pros and cons of implementing a new system, upgrading the current system, whether it behooves us to do it ourselves, and whether we need to do it all now.

Mr. Davis introduced a handout letter from NEC, dated January 17, 1992. He addressed several of their objections and explained how the network system works and defined unfamiliar terminology. Mr. Davis said that regarding the equipment to be purchased in the system, we did respond to Ms. Arbogast. We did require that the Vendor do a walk-thru to ensure the Vendor understood the situation in this building.

Mr. Welsh said that the difference in approaches is that NEC is to put the new system at Carroll Street, tie it in and have the \$34,000 software upgraded to the existing switching. Meantime everything in the Broadway Building would remain the same. United's approach is they can offer us a better system by abandoning the switch at the Communications Center and putting in an entirely new system at Broadway and Carroll Street. There would be no redundancy at the Broadway location but that trunks can get around the non-redundancy problem.

Mr. Davis stated that the bid United presented to us is acceptable as an alternate solution. Staff recommends the bid going to United. In response to Director Bobroff's question, he said our specs clearly stated changes in numbers, adjustments and clarifications required by the vendor must be in writing.

Ms. Allison Arbogast then made an in-depth presentation on NEC's behalf in hopes of reversing our acceptance of United in their favor because of some misunderstandings of our bids. She outlined the merits of their proposal. She also stated that several requirements were not stipulated in the bid and that, had they been, their evaluation would have been made accordingly, giving them a fairer opportunity in bidding.

Mr. Bill Woody gave a brief review of United's bid and highlighted any variances. There was disagreement by United and NEC reps as to what our bids required regarding redundancy, two-year maintenance costs and other issues. United felt they are complying with our specs and requirements and understand KUA's problems.

At Director Bobroff's request, both Ms. Arbogast and Mr. Woody gave some brief historical data on their respective companies, where software and parts are manufactured, where their service would come from, respond time to service calls, etc.

The two systems were compared in great detail concerning the requirements of KUA. Opinions were given on several scenarios, cost effectiveness, compatibility of going the various routes, etc. Questions of the Board members were responded to by the reps.

Mr. Welsh also recommended that we accept the recommendation of our Engineering staff to accept United's proposal.

Motion by Director Lowenstein, seconded by Director Bobroff, to accept staff's recommendation authorizing the bid award for the PBX Telephone/Data System to United Telephone of Florida for a lump sum price not-to-exceed \$200,000 contingent upon negotiation of a satisfactory contract; and authorize the Chairman and Secretary to execute the finalized contract.

**Motion carried 3 - 1
Chairman Hord Opposed
Director Jones absent**

The meeting recessed from 8:55 to 9:10 p.m.

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

Director Gant further pursued what was discussed earlier on the Clay Street property, asking if we had adequately explored the possibility of using some of the City property or whether it is traceable. If we have not, and before a final decision is made, he asked that we explore with the City the status on this. Discussion continued on other possible properties available for our purpose (Overoaks substation). The Lancaster property was mentioned.

Mr. Davis said discussions were held with the City. He indicated there were several concerns: paralleling railroad tracks, building near school property, obtaining appropriate easements, etc., but primarily the need to build additional transmission facilities.

Talk continued on whether the Board was amenable to obtaining another appraisal on the Ling property.

Chairman Hord said what he was hearing is, look for any municipal property and the availability of purchasing it. Director Lowenstein also suggested first going to the City and then pursuing the appraisal process.

Chairman Hord requested staff not to go to Mr. Ling until we have a reply from the City. In the meantime, inform Mr. Ling we are too far apart (in price) and we are contemplating other alternatives. Director Gant concurred with this direction. The results would be brought back to the Board at the February 5th Special Meeting.

It was established that on property we don't own, the condemnation target date is May 1st.

Attorney Brinson said Mr. Ling really is interested in selling those two blocks, rather than another eight lots he owns.

Mr. Davis responded to Director Gant's inquiry on miscellaneous telephone system estimates in Mr. Davis' report.

2. CONDENSED FINANCIAL REPORT

Joe Hostetler, Director/Finance, briefly reviewed this report for December, 1991, and answered members' questions.

3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

The report was accepted, as written, without questions or comments.

4. ELECTRICAL MAINTENANCE WORKSHOP/WAREHOUSE MEZZANINE

Chairman Hord asked if it was an absolute requirement of the City that we have a sprinkler system at this location. Ken Lackey, Director/Transmission & Distribution, replied it is a requirement because of the remodeling and it buys us some insurance.

I. CONSENT AGENDA

Motion by Director Bobroff, seconded by Director Lowenstein, to approve items 1 thru 9 of the Consent Agenda, with the exception of item 4., pulled by Director Gant, and item 8., pulled by Chairman Hord.

1. APPROVAL OF MINUTES OF DECEMBER 4, 1991, SPECIAL MEETING
2. APPROVAL OF MINUTES OF DECEMBER 18, 1991, MEETING
3. REQUEST FOR FY 1990/91 OPERATING FUND ROLLOVER TO FY 1991/92
5. JUNCTION BOX, IFB #011-92
6. ASPHALT PARRING LOT, IFB #008-92
7. RENEWAL OF ANNUAL REQUIREMENT FOR UNIFORM SERVICES
9. RESOLUTION 92-1

Motion carried 4 - 0
Director Jones absent

4. CHANGE ORDER NO. 2 TO LANDIS & GYR'S SCADA EQUIPMENT SUPPLY CONTRACT

Director Gant questioned whether this item should be included in the Consent Agenda due to the sizable Change Order. Mr. Welsh said if an agenda item is straightforward it is placed in this category; however, if we anticipate questions it becomes a separate agenda item. Director Gant asked if the CO was for \$65,774, what was the original contract cost. The original contract was for \$786,490. Mr. Sharma added that originally it was not specific enough; however, now we have a CO to meet our particular customization (software) needs. It was always anticipated that these customization items would occur at this time.

Director Lowenstein felt items perhaps over a certain amount should not be included in the Consent Agenda. After a brief discussion, it was the consensus of the Board to continue with the current procedures and have any question on a Consent item resolved by removing it from the Consent Agenda.

Motion by Director Gant to approve item 4. Seconded by Director Lowenstein.

**Motion carried 4 - 0
Director Jones absent**

8. PICKUP TRUCKS & UTILITY VEHICLE, IFB #010-92

Chairman Hord questioned why we are buying new equipment when generally business is slow. Mr. Lackey explained the justification for the purchase of three pickup trucks: one was for additional maintenance personnel; another was a replacement for an older model; the third was to be used by a technician repairman for field work. Chris Beck said their pickup truck was for a Field Service person who initiates and terminates turnoffs for non-pay. Ken Davis said a 4-wheel vehicle was necessary by his Engineering people, rather than line extension personnel. Retired vehicles are placed into a loaner fleet for KUA use.

Motion by Director Lowenstein, seconded by Director Bobroff, to accept item 8.

**Motion carried 4 - 0
Director Jones absent**

J. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh said the Governor and Cabinet has approved the SEC II project.

The Board members' picture has been postponed to March 25th.

Mr. Welsh assured the members that it is staff's policy to be frugal in equipment purchases and in hiring personnel. A new procedure has been established to formally review to determine if replacement of personnel is absolutely necessary when a vacancy is created. All job postings will be reviewed and questioned as to necessity by the General Manager.

ATTORNEY

Mr. Brinson said the Brown property (next door) will be put on the market. Frank Townsend will keep us advised. Their appraisal came in around \$55,000, as on the Haselden property.

Director Lowenstein informed the Board the McCrory building has been sold for \$180,000. With that in mind, he suggested taking a second look before purchasing anything.

DIRECTORS

Director Lowenstein commented on the Good Neighbor Program with which KUA is involved. Chris Beck said a computer request query could give us an estimate of payments made.


Director Bobroff read excerpts (handout to the Board members) he prepared from the KUA Charter to refresh their memories. They referred to what our authority and responsibilities are.

Director Bobroff touched on members' excess absences and hoped that KUA would be our priority for Regular Meetings.

Chairman Hord complimented the General Manager and staff on the new thinking of "zero base budgeting". Mr. Welsh said it is reverse budgeting, keeping in mind the need for doing things.


Chairman Hord remarked on a comment he heard that an ex-County Commissioner, in the construction business, said his business was slow and he wondered why the County does not have layoffs in slow times. Chairman Hord said he would be interested to see whether that individual, as a then-County Commissioner, and if that was the situation, ever took any action to do that.

R. ADJOURNMENT: Meeting adjourned at 10:10 p.m.



CHAIRMAN

ATTEST:



SECRETARY