

MINUTES OF SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD
WEDNESDAY, APRIL 22, 1992, AT 4:30 PM, ADMINISTRATION BUILDING,
KISSIMMEE, FLORIDA

Present at the meeting were Chairman Hord, Vice-Chairman Gant, Secretary Bobroff, Assistant Secretary Lowenstein, Attorney Brinson, Acting General Manager Lackey, Recording Secretary Rundio. Director Jones and President & General Manager Welsh were not present.

1. MEETING CALLED TO ORDER at 4:30 PM by Chairman Hord.

2. CLAY STREET SUBSTATION PROPERTY

Acting General Manager Ken Lackey turned the discussion over to Attorney Edward Brinson for an update.

Mr. Brinson briefed the Board on the negotiations underway with Gary Suhl on some property KUA was interested in. Some complications arose on the drainage. A meeting was held April 21st in Mr. Brinson's office between Alan Winston (appraiser), Ken Davis, Attorney Norman Smith and himself. It appeared that Ardaman & Associates, by what their preliminary investigation showed, would require a more extensive environmental audit. KUA approached Gary Suhl about his property and it could end up costing Mr. Suhl thousands of dollars if potential problems arose. He felt there were serious problems with the Suhl property.

Director Bobroff felt the Ardaman Phase I audit was very vague as to any potential problems that might arise.

Ken Davis, Director/Planning & Engineering, informed the Board that, as in the past, we started with a Phase I environmental study to see if there might be any concerns. Since contamination concerns were raised, an alternative would be to go to Phase II with more extensive testing, sinking some monitoring wells, getting soil samples, groundwater sampling, etc.

Mr. Brinson stated that, in going to Phase II, for their own protection Ardaman & Associates are requiring an agreement by the property owner saying they are proceeding with Phase II and that whatever they find they have to report. We could walk away from the deal and the property owner would end up with the problems.

Discussion continued as to whether it was a detriment putting a substation over contaminated property. Mr. Davis replied that the environmental agency requires that anytime excavation is done, soil is disturbed and a condition is found, it has to be disposed of in an appropriate, responsible manner.

We are doing this to protect ourselves. Chairman Hord maintained that for anything we buy we should obtain an opinion by a licensed professional. It is a risk but Mr. Brinson did not feel Mr. Suhl wanted to take the risk. Chairman Hord said if we do go to Phase II and it shows the soil contaminated to some degree, the present owner is exposed whether or not we become the owner.

Due to the above concerns, Chairman Hord said it seemed to be the general consensus we abandon this tack and fall back on our original plan of acquisition of several months ago.

Moved by Director Lowenstein that we discontinue negotiations with Gary Suhl and authorize staff and Attorney Brinson to negotiate in the best interests of KUA a purchase agreement for the purchase of the Lyng property. This purchase agreement would be contingent upon several factors, primarily this would include the receipt of a satisfactory Phase I Environmental Audit and the proper conditional use permit from the County. Further, that these two conditions be included in our sales contract as part of the investigation. Seconded by Director Bobroff.

Mr. Davis stated the last figure received from Mr. Lyng was \$233,500. Our appraisal was \$170,000. No further negotiations were pursued since then. He added that he had discussed the recommendation with Mr. Welsh by phone as being in the best interests of the project and that we proceed on it.

Director Gant suggested our offering the appraised price plus 10%, which Chairman Hord felt was a fair price.

Chairman Hord raised concern about Black & Veatch coming back with change orders and delay costs.

Mr. Davis said that, as mentioned to the Board before, we were already on a tight schedule based on the May 1st deadline for finalizing the substation site. Our concern was of the overall project coming in at the same time. We are being required to submit permits on the power plant site, including everything associated with the power plant. Permits are being submitted for the power plant showing transmission lines from the power plant to two different sites and we do not know what problems this will cause in permitting. They may tell us they are not going to approve the permits until the substation site is tied down. Mr. Davis asserted he could not address what extended costs Black & Veatch might encounter. It is putting us into a real tight position regarding getting the overall project on line as scheduled.

Brief discussion continued on comparative costs between the Suhl and Lyng properties.

Mr. Davis said Mr. Welsh asked to point out to the Board the negotiation of a purchase agreement on the best deal possible with Mr. Lyng and then coming back for the Board's approval.

Motion carried 4 - 0
Director Jones absent

Mr. Davis stated that the price would be contingent on Board approval of the best negotiated deal. Brief discussion continued.

Director Gant said if our offer is rejected we can condemn the property by letting the Judge decide and perhaps save ourselves a large sum.

Chairman Hord suggested going with \$187,000, with \$200,000 being a mid-point between KUA's offer and Lyng's of \$233,500.

Moved by Director Gant that we authorize staff to draw up a purchase contract with the Lyng family for a first offering of \$187,000 (\$170,000 plus 10%) with the contingencies offered and, if need be, to negotiate up to but not to exceed \$200,000. Seconded by Director Lowenstein.

Mayor Pollet suggested making the offer of \$187,000, forgetting the \$200,000, thus giving both sides the opportunity of counteroffers, if necessary. He said Mr. Lyng may be persuaded to go under \$200,000 if he knows that the Board only authorized \$187,000, but it could be worked out closer to our figure through counteroffers.

Moved by Director Gant to amend the above offer by negotiating for a contract of \$187,000, with the proper contingencies offered. The amendment was seconded by Director Lowenstein.

Motion carried 4 - 0
Director Jones absent

3. ADJOURNMENT: Meeting adjourned at 5:10 PM.



CHAIRMAN

ATTEST:



SECRETARY