

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,  
WEDNESDAY, JUNE 1 2005 at 8:00 A.M., BRINSON BOARD ROOM,  
ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

Present were Chairman, Gemskie, Vice Chairman Toro, Director Hart, Director Cumbie, Director Kasper, General Manager Welsh, Vice President and General Counsel Lacerte, and Recording Secretary Ambrosi. Mayor Gant was absent.

- A. MEETING CALLED TO ORDER** at 8:00 a.m. by Chairman Gemskie.
- B. PLEDGE OF ALLEGIANCE**

The Board and staff recited the Pledge of Allegiance.

- C. AWARDS AND PRESENTATIONS**

**1. RECOGNITION OF KUA'S LINEMAN RODEO TEAMS**

Ken Davis, Vice president of Engineering and Operations introduced the participants of both the FMEA/FMPA Florida State Rodeo and the APPA National Rodeo which was held in Memphis, Tennessee. Florida participants included: Chris Kettner, Dustin Kelley, Luis Santiago, Mike Fulmore, Jamie Boswell, Alberto Mercado, Aaron Haderle, Logan Murphy, David Wolfe, and Bill Groover. Henry Kurnick, Scott Grieves and Gary Guinan served as volunteers for the event.

National participants were: Aaron Haderle, Logan Murphy, David Wolfe, Louis Santiago, Dustin Kelley, Chris Kettner and Bill Groover.

The participants presented the board members with trophies which included a trophy for 2<sup>nd</sup> Place in the national competition.

**2. DEGREE RECOGNITION – CHRISTINE INFANTE, ASSOCIATE IN SCIENCE DEGREE**

Mr. Welsh introduced Christine and congratulated her for receiving an Associate in Science degree from Valencia Community College. Chairman Gemskie presented Christine with a plaque.

**3. 5-YEAR SERVICE AWARD – ROSA RODRIGUEZ, CLERICAL ASSISTANT II, CUSTOMER SERVICE & MARKETING**

Mr. Welsh introduced Rosa and recognized her for her many achievements which include Employee of the Month for August of 2002 as well as the 2002 Employee of the Year. Chairman Gemskie presented Rosa with a wall clock.

**4. 20-YEAR SERVICE AWARD – LEEANN DORSEY, MANAGER OF CUSTOMER FINANCIAL AND FIELD SERVICES, CUSTOMER SERVICE & MARKETING**

Mr. Welsh thanked Leeann for her twenty years of service and complimented her for her many accomplishments both at work and with charities. He also complimented Leeann for receiving both an Associates and Bachelor degree while working for KUA. Chairman Gemskie presented Leeann with a certificate for a television set.

**5. EMPLOYEE OF THE MONTH FOR JUNE – ROBERT BELVOIR, INFORMATION TECHNOLOGY**

Mr. Welsh introduced Rob and commended him for being named June's Employee of the Month by a fellow employee who works out of his department. Mr. Welsh recognized many of his accomplishments including his work on the new security system. Chairman Gemskie presented Rob with a plaque; Director Toro gave him a day off with pay; Director Hart gave Rob a check; Director Cumbie presented him with a year's membership to the Osceola Center for the Arts and a good parking spot and Director Kasper presented Rob with a certificate to Sonny's.

**6. RETIREMENT RECOGNITION – BILL GROOVER**

Mr. Welsh commented on Bill's outstanding 42 years of service at KUA by listing accomplishments and comments from performance reviews which dated from 1963 when he started work for \$1.30 per hour to the present. Mr. Welsh then read a proclamation from KUA recognizing many of these accomplishments. Director Toro

presented Bill with a framed picture which also recognized Mr. Groover. City Commission Jerry Gemske presented Bill with a proclamation which declared June 1, 2005 as "Bill Groover Day" in the City of Kissimmee. Director Kasper presented Bill with a charcoal picture that Mayor Gant donated to Bill as a personal gift. Director Cumbie read a letter from Florida State Senator Mel Martinez and presented Bill with a retirement gift. Director Hart read a letter from Governor Jeb Bush and Chairman Gemske read a personal letter from President George W. Bush who also recognized this occasion.

**D. HEAR THE AUDIENCE - none**

**E. CONSENT AGENDA**

Director Toro asked to discuss item E-4, Line Relocation Contract with US Homes/Lennar Corporation.

**ACTION: Director Hart made a motion, seconded by Director Cumbie to approve items #1-3 on the consent agenda as written.**  
**MOTION CARRIED 5-0**

1. **APPROVAL OF MINUTES FOR MAY 4, 2005 REGULAR MEETING**
2. **APPROVAL OF MINUTES FOR MAY 11, 2005 SPECIAL MEETING**
3. **AWARD FOR FIBER OPTIC CABLE**

Recommendation: Authorize award of bid IFB #018-05 to OFS for the total amount of \$124,768, contingent on negotiating satisfactory commercial terms. If we are unable to agree on satisfactory commercial terms, authorize award of bid to Utilitcor for the total amount of \$134,400.

**4 LINE RELOCATION CONTRACT WITH US HOME/LENNAR CORPORATION**

Director Toro asked if US Home/Lennar Corporation would be required to pay for everything included in the specifications. Ken Davis stated that they would be required to do so.

**ACTION: Director Toro made a motion, seconded by Director Kasper to approve Item #4 on the consent agenda as written.**  
**MOTION CARRIED 5-0**

Recommendation: Approve the Contract for 69 KV Transmission Line Relocation Project with US Home/Lennar Corporation and authorize the President and General Manager to execute same: authorized Black & Veatch to proceed with the engineering work necessary for this project for a not-to-exceed amount of \$137,700; contingent on receipt of 50% payment and the executed agreement from US Home.

**F. PUBLIC HEARING**

**1. RATE CHANGE**

Joe Hostetler, Vice president of Finance and Risk Management detailed the two items included in the rate change. The first part would incorporate more fuel (COPA) into the fuel portion of base rates. The second part would increase the base rate by 4.8% to: replenish the self-insurance fund following the hurricanes last year; build the rate stabilization fund; sustain rapid system growth.

Mr. Hostetler addressed questions relating to the total cost of the change which would be \$25 to \$30 million over the next five year period and when the last rate change occurred which was approved in 1998 and was spread over a three year period.

**ACTION: Director Toro made a motion, seconded by Director Kasper to approve the rate change to be come effective July 1, 2005.**  
**MOTION CARRIED 5-0**

**G. INFORMATIONAL PRESENTATION (REQUIRING NO ACTION) - none**

**H. OLD BUSINESS - none**

**I. NEW BUSINESS**

**1. BOARD MEETING TIME CHANGE**

Director Cumbie requested a change in all KUA Board meeting times to 4:30 p.m. rather than 8:00 a.m. on the first Wednesday of each month due to work schedule conflicts. This change would take place starting with the budget workshop on June 29, 2005.

**ACTION:** Director Hart made a motion, seconded by Director Toro to change future Board meetings to 4:30 p.m. on the first Wednesday of the month.

**MOTION CARRIED 5-0**

**2. MUTUAL AID AGREEMENT WITH OSCEOLA COUNTY**

Mr. Welsh advised the Board that this agreement would allow KUA to get reimbursed from F.E.M.A. if KUA would ever need to charge Osceola County for associated costs during a crisis.

**ACTION:** Director Kasper made a motion, seconded by Director Cumbie to approve the Mutual Aid Agreement between KUA and Osceola County.

**MOTION CARRIED 5-0**

**J. STAFF REPORTS**

**1. MONTHLY PROGRESS REPORT ON ENGINEERING & OPERATIONS DEPARTMENT PROJECTS**

Ken Davis, Vice president of Engineering and Operations updated the Board on the status of the Pleasant Hill substation site search. Mr. Davis stated that staff was originally working with three separate parcels but have now narrowed their search to one site located on the east side of Pleasant Hill Road, south of Harbor Road in Windmill Point. The property would cost approximately \$500,000 including attorney fees and is approximately three acres. Mr. Davis stated that this site is a better alternative than the previously discussed parcels because of issues with deed restrictions and condemnation associated with the other parcels. Mr. Davis stated that the next step is to talk to the owners about a purchase agreement which would include an environmental audit, then to schedule a public meeting to show the exact location of the substation and all associated transmission lines.

**2. MONTHLY PROGRESS REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**

**3. MONTHLY PROGRESS REPORT ON INFORMATION TECHNOLOGY DEPARTMENT PROJECTS**

**4. CONDENSED FINANCIAL REPORT – APRIL 2005**

Joe Hostettler, Vice president of Finance and Risk Management alerted the Board to an item that staff will recommend at the July meeting which would recommend refunding the Series 1997 bonds as well as a certain portion of the commercial paper debt. The resolution would also approve a scope services for bond counsel.

Chairman Gemske asked for clarification of overtime wages in department 12, Information Technology, which was included in the monthly report. Mr. Hostettler stated that overtime was used to move computers on the weekends as carpets were being replaced, but he would further check into this and report his findings back to the Board.

**5. HUMAN RESOURCES DEPARTMENTAL HIGHLIGHTS**

Wilbur Hill, Vice President of Human Resources detailed disciplinary trends for the period of January 2004 through May 2005. Mr. Hill discussed progressive discipline and some of the proactive measures that staff has taken including management training and the development of a code of ethics policy.

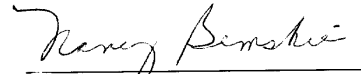
**K. HEAR ATTORNEY, INTERNAL AUDITOR, GENERAL MANAGER, DIRECTORS**

Grant Lacerte, Vice president and General Counsel advised the Board that he is getting good participation in an ethics survey which was sent to all employees in their paychecks last week and he will keep the Board informed of the results. Mr. Lacerte also advised the Board that the Senate compromise telecommunications bill passed and he thanked the Board for all their assistance in contacting legislators.

Algertha Diggs, Manager of Internal Audit had nothing to report.

James Welsh, President and General Manager reminded the Board that Nancy Gemskie's nomination to a second term would be on the City Commission agenda on June 14 and that he would be giving a presentation to the City Commission at the July 12 meeting. He also reminded the Board that the budget workshop has been scheduled for June 29 at 4:30.

Meeting adjourned at 9:40 a.m.

  
Secretary  
Chairman