

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,
DECEMBER 4, 2013 AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Chairman Reginald Hardee, Director Jeanne Van Meter, Director George Gant, Director Kathleen Thacker, Director Ethel Urbina, General Counsel Grant Lacerte, General Manager James Welsh, and Recording Secretary Leticia Rivera. Mayor Jim Swan was not present.

A. MEETING CALLED TO ORDER

Director Hardee called the meeting to order @ 3:30 pm.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board members and staff recited the pledge of allegiance.

C. AWARDS AND PRESENTATIONS

1. FMEA 2013 COMMUNITY SERVICE AWARD

Chris Gent, vice president of Corporate Communication informed the Board that FMEA has presented its 2013 Community Service Award to Kissimmee Utility Authority for the utility's strong commitment to addressing community needs during the past year. In the past year KUA supported more than 90 community organizations and activities that impacted a combined 256,000 residents.

2. 5-YEAR SERVICE AWARD – JOSH DOW, APPRENTICE SUBSTATION
ELECTRICIAN, ENGINEERING & OPERATIONS

3. 5-YEAR SERVICE AWARD – ANDY MOJICA, FIELD SERVICE SPECIALIST,
CUSTOMER SERVICE

4. 10-YEAR SERVICE AWARD – RANDAL CORBELL, METER READER,
CUSTOMER SERVICE

5. 15-YEAR SERVICE AWARD – ROB MORRIS, INTERNET APPLICATION
SPECIALIST, INFORMATION TECHNOLOGY

Mr. Welsh thanked the employees for the continued hard work and dedication.

6. EMPLOYEE OF THE MONTH FOR DECEMBER 2013 – JESSICA KING,
TELLER I, FINANCE & RISK MANAGEMENT

Mr. Welsh congratulated Jessica for being chosen employee of the month for December 2013.

D. HEAR THE AUDIENCE

Director Hardee asked if anyone from the audience would like to address the Board on an item not on the agenda. In hearing none, the board moved to the next item on the agenda.

E. CONSENT AGENDA

ACTION: Director Van Meter made a motion, seconded by Director Gant to approve items 1 through 6, 8 and 9. Item 7 was removed from consent for additional discussion.

MOTION PASSED 5 - 0

1. APPROVAL OF MINUTES FOR NOVEMBER 6, 2013 REGULAR MEETING
2. KVLS SPONSORSHIP

RECOMMENDATION: Approve a \$10,000 sponsorship of the Kissimmee Valley Livestock show and Fair, Inc.

3. CITY OF KISSIMMEE PARKS & RECREATION SPONSORSHIP

RECOMMENDATION: Approve KUA's sponsorship of the City of Kissimmee's Parks & Recreation Department programs and events in the amount of \$14,650.

4. FOUNDATION FOR OSCEOLA EDUCATION SPONSORSHIP

RECOMMENDATION: Approve a \$15,000 sponsorship to support the Foundation for Osceola Education.

5. VEHICLE BID, ENGINEERING & OPERATIONS

RECOMMENDATION: Award bid for the purchase of vehicles to the following: 1) Alan Jay - \$76,470; 2) Don Reid Ford - \$120,299; 3) Stingray Chevrolet - \$46,000; 4) AutoNation CDJR - \$26,424

6. IFB#023-13 HANSEL/EMPLOYEE SUBSTATIONS CONTROL & RELAY PANELS

RECOMMENDATION: Authorize award of Bid IFB 023-13 to Schweitzer Engineering Laboratories, Inc. (SEL) for a price of \$530,340 contingent on negotiation of a satisfactory contract, and authorize the Chairman and Secretary to execute the necessary contract documents. Should negotiations not be successful, staff would proceed to negotiate a contract with Birmingham Control Systems, Inc., the second low evaluated bidder, and should negotiations again be unsuccessful, proceed to negotiate a contract with KEMCO Industries, Inc. Any contract negotiated with either the second or third lowest bidder will be brought back to the Board for approval.

7. HEALTH INSURANCE RENEWAL

Dr. Gant asked what the 3.5% increase was for. Mr. Welsh advised that it is due to the new Patient Portable Health Act. Mr. Hill added that .5% is for Florida taxes and the remainder is associated with the Portable Health Act.

Ed Aguilar with Buschard Insurance provided a specific breakdown of the 3.5% fees. Mr. Aguilar advised these fees were enacted into the law that has to be paid by every insurer.

Director Van Meter asked if the fees subsidize the users or the insurance company. Mr. Aguilar advised it's thrown into a pot to subsidize any kind of losses that are sustained and to cover insurance fees that people will have to pay. Director Van Meter added that as of today they don't know how much the costs will be. Mr. Aguilar advised that when people go into the system and enter their information, it is able to calculate if they are eligible for a subsidy and how much that subsidy will be. The funding is going to offset the premium when it is established.

Director Thacker asked about the increase of loss ratios. Mr. Aguilar advised that early last year, things started to pick up. Mr. Aguilar advised that it is too early to project for next year however, in May or June we may see a pattern.

Director Thacker made a motion, seconded by Director Van Meter to approve consent agenda item # 7.

RECOMMENDATION: Approve continued use of Humana to provide group medical, dental, vision, and life insurance plans for calendar year 2014.

MOTION PASSED 5 – 0

8. RENEWAL OF SOFTWARE MAINTENANCE FOR ADVANCED CIS INFINITY

Recommendation: Authorize the President and General Manager to approve the \$209,075.78 expenditure for Harris/Advanced software maintenance.

9. FY2014 TRANSMISSION POLE REPLACEMENTS – SOUTHEAST POWER

RECOMMENDATION: Authorize Southeast Power Corporation to perform the replacement of transmission line poles for the amount of \$252,900.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS

1. CEO EVALUATION PROCESS POLICY DIRECTIVE #13-02

Mr. Welsh advised that this item is being brought back per the decision of the Board to have additional time to review the process.

Director Van Meter advised that in reviewing the form she noted that some rating areas were left off that should be included for example, Supervisory, Initiative & Responsibility; and Dependability.

Director Thacker advised that the Supervisory topic is listed except the title has been changed to Leadership.

Director Van Meter advised that Customer Relations should not be included and also Quality of work should be removed. Director Urbina, suggested changing the title.

Director Hardee advised that this is a great exercise to go through to have a form firmly set moving to the future.

Director Urbina, asked if a worksheet was completed for 2009-2010. Director Hardee clarified that an evaluation worksheet was not completed but a review was done.

Director Hardee summarized the Board's recommended changes for the CEO performance review form as follows: Item A, title to change from "Quality of Work" to "Dependability" and add the following words to the end of Item E, "within the organization and the community".

Mr. Welsh inquired on the wording of the policy directive associated with the CEO performance review format. Director Hardee advised there are no changes to the document.

ACTION: Director Thacker made a motion, seconded by Director Urbina to Item A, title to change from "Quality of Work" to "Dependability" and add the following words to the end of Item E, "within the organization and the community".

Director Van Meter advised that she wanted to see it in writing.

MOTION PASSED 5 - 0

Mr. Welsh questioned if he should make the changes and be done or bring it back for further action. Director Hardee advised to makes the changes and provide a final copy to each board member. Director Thacker advised if there is problem, it can be further discussed. Director Hardee reminded the Board that it is their right and privilege to come back and discuss.

Later in the meeting, Mr. Welsh reminded the Board that a motion is required to pass the CEO Evaluation Process Policy Directive #13-02; item H1 under old business.

ACTION: Director Thacker rescinded her prior motion for item H 1 and restated. Director Thacker made a motion seconded by Director Van Meter to accept Policy Directive 13-02 with the two modifications on the CEO Performance Review Form; Item A, title to change from "Quality of Work" to "Dependability" and add the following words to the end of Item E, "within the organization and the community".

MOTION PASSED 5 - 0

I. NEW BUSINESS

1. BVL RELAY PROJECT UPGRADE

Greg Woessner, vice president of System Compliance & Operations provided an update to the BVL Relay project it.

Mr. Woessner advised that this item was pulled from the consent agenda to explain where the funding for this project is coming from. This item was not in the 2014 capital budget however, there was a Lake Cecile project. Subsequent to the budget approval, staff found that Engineering & Operations is scheduled to complete an upgrade at the BVL substation and because of the economies of scale KUA can gain staff would like to move dollars from the Lake Cecile project to the BVL Relay project.

ACTION: Director Gant made a motion, seconded by Director Van Meter Authorize Black & Veatch to proceed with the engineering work necessary for the Buenaventura Lakes Substation Relay Upgrade Project for the not to exceed amount of \$242,400.

MOTION PASSED 5 - 0

J. STAFF REPORTS

1. UNAUDITED YEAR END FINANCIAL STATEMENTS

Joe Hostetler, vice president of Finance & Risk Management provided an overview of the unaudited year-end financial statements.

2. CRYSTAL RIVER UPDATE

Larry Mattern, vice president of Power Supply provided a brief update due to the confidentially agreement that's in place at this time. Mr. Mattern advised that a tentative settlement that will be put into writing with details worked out.

3. CORPORATE COMMUNICATIONS ANNUAL REPORT

Chris Gent, vice president of corporate communications provided an overview of the KUA yearly calendar contest.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, Vice President and General Counsel advised that the APPA Legislative Rally is scheduled for March 2014 and last year KUA invited the COK Commissioners and their participation was very helpful. Mr. Lacerte stated that he approached Mr. Welsh with the suggestion to invite the Commissioners again. Mr. Welsh informed the Board that this is bring brought to the Board for consideration. Director Hardee felt having a commissioner by title opens doors to gain one on one time with our constituents. Director Van Meter also agreed. Director Thacker advised the KUA should be cautious; if the topic is justified for an invitation then we should move forward. It was the Board's consensus to move forward and extend an invitation to the City Commissioners and each year, if needed, for strategic purposes, bring this back to the Board for consideration.

Mr. Lacerte & Mr. Welsh wished everyone happy holidays.

Mr. Welsh shared future event dates and stated the FMEA Rally has been scheduled for March 31 – April 1, 2014; there is a board meeting scheduled for April 2nd. It was the consensus of the Board to move forward and hold the KUA Board meeting April 2nd.

Director Thacker mentioned that Disney is increasing their generation of electricity using garbage. They know how much garbage they produce in a day and someone mentioned that they may sell electricity to KUA in the future. Director Thacker asked if this is something KUA should look into. Mr. Welsh advised that KUA is not in the generation business. Mr. Welsh suggested a tour at a plant.

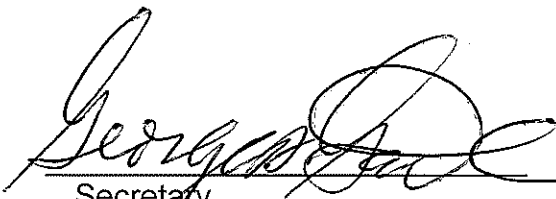
Director Thacker and Director Urbina wished all Happy Holidays and Feliz Navidad.

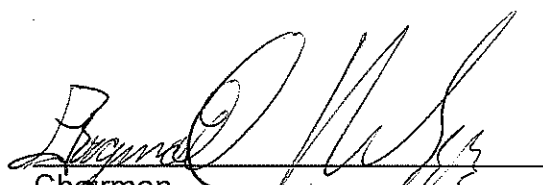
Director Hardee advised that he is partaking in the CPM program and is wanting to have an update with KUA's CPM program. Mr. Welsh advised this will be brought to the Board at the February 2014 Board meeting.

Director Hardee thanked KUA staff for the ground breaking event this morning and also the new microphone. Director Hardee wished all Merry Christmas & Happy Holidays.

L. ADJOURNMENT

Director Hardee adjourned the meeting at 5:14 pm.


Secretary


Chairman