

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD
WEDNESDAY, AUGUST 28, 1991, 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, Director Jones, Attorney Brinson, Mayor Pollet, President & General Manager Welsh, and Recording Secretary Rundio.

A. **MEETING CALLED TO ORDER** at 6:00 PM by Chairman Hord.

B. **AWARDS AND PRESENTATIONS**

1. **20-YEAR SERVICE AWARD - TIM SCHER**

Mr. Welsh said it was a real pleasure to recognize 20 years of service by Tim Scher, Chief Meter Technician/Planning & Engineering. Tim started with the City in 1971 prior to coming with KUA in 1981. Tim was instrumental in getting us located in our current facilities as well as getting into the fine technical and physical condition of the Planning side. He was thanked for his many years of service and fine work.

Chairman Hord congratulated Tim on behalf of the Board members and presented him with his selected service award, a set of lead crystal goblets.

2. **SEPTEMBER EMPLOYEE OF THE MONTH - CURTIS NORTON**

Curtis Norton, Apprentice Electronic Technician/Power Supply, was honored by being selected September Employee of the Month by his fellow employees. Curtis was unable to be present; however, Mr. Welsh gave a brief history of his accomplishments. Although Curtis only joined KUA

on November 5, 1990, he is very knowledgeable in electronics and communication maintenance which has been very time and cost effective for KUA. Mr. Welsh quoted some testimonials by fellow employees who felt Curtis was most deserving of this selection. Curtis is dependable and responsible and thought of very highly by his co-workers. Staff is indeed fortunate to have Curtis on board!

Dave McGinty, Curtis' Supervisor, accepted a plaque and a \$100 Savings Bond on his behalf. Curtis will also receive one day off, with pay, and a "reserved" parking space for the month of September.

C. **HEAR THE AUDIENCE**

Mr. Jim Scott, BVL (Beunaventura Lakes), brought to our attention that a KUA truck was parking on a right-of-way at 353 Buttonwood which he did not think was appropriate. Ken Lackey said that parking is available at the Community house and the driver will be notified.

Mr. Harry Robinson, BVL, commented on wooden signs being nailed to utility poles as being a safety hazard and eyesore. He also said several street light globes were shattered by lightning strikes which required replacement. He was assured these will be attended to. He complimented KUA on doing a good job.

D. **PUBLIC HEARING** - None

E. **INFORMATIONAL REPORTS (REQUIRING NO ACTION)**

1. **PRESENTATION BY SOLAR DAVE, INC.**

Mr. Dave Bishop, of Solar Dave, Inc., a licensed Florida solar energy contractor who markets and consults on residential solar devices,

gave a presentation on additional alternatives to load management for the purpose of lowering home electrical use during peak demand periods for residents. With him were representatives of the Florida Solar Energy Center, Florida Solar Energy Industries Association, and the Osceola County School Board, who also spoke on this subject for their respective agencies. Discussions were had throughout on the pros and cons for both Load Management and going the solar route, anticipated costs and benefits, by residents installing solar devices. Handouts were distributed to Board members on these issues.

Chairman Hord asked Ms. Colleen McCann Kettles, Associate General Counsel for the Florida Solar Energy Center (FSEC) to submit a study for KUA on the benefits and costs to KUA, to be done at no cost to KUA. She agreed to do a study with the assistance of staff.

2. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

Ken Davis, Director/Planning & Engineering, updated the members on the following projects:

AM/FM and Engineering Analysis Software - Mr. Davis stated that a document detailing exact procedures for this project is in place. Project completion date is scheduled for January, 1992. This policies and procedures document has been agreed to by R.W. Beck and KUA staff.

Transmission System Expansion - Detailed design work and procurement of long lead time items (e.g., power transformers) for the Cane Island/Overoaks and Overoaks/Carroll Street substation projects have begun. Scope of work/right-of-way services are a separate agenda item.

Mr. Davis said that we received a proposal on five acres in the Boggy Creek area with an appraisal of \$556,000. Due to the excessive cost, staff decided not to pursue this parcel. This was simply an informational item and no Board action was required at this time if the Board did not wish to change the direction being followed by staff on this.

Power Plant to Lake Bryan Circuit - Work is proceeding well.

Carroll Street Site Development - Foundation footers are poured; construction of masonry structure is underway. The architect is monitoring this project.

Eastern Beltway Line Relocation Project - Orders are placed for required materials. Subordination of easement for this project is covered under Consent Agenda. Coordination with Expressway Authority reps is continuing.

3. CONDENSED FINANCIAL REPORT

Joe Hostetler, Director/Finance, highlighted this report, using overheads.

Mr. Hostetler said that at a recent meeting, the Board suggested that the original budget only should be shown on reports presented to the Board. Management policy requires all detail operating accounts to have a positive or zero budget variance, accomplished by Department Directors submitting budget transfers from positive variance accounts to negative variance (overdrawn) accounts within their department only. He explained roll-overs at year end Staff requested direction from the Board whether they preferred Mr. Hostetler to not change the original budget or be shown as an amended budget. Current policy is not to extend any line item.

Chairman Hord questioned the statement (in the Agenda Item), "Occasionally we transfer between Departments when funds cannot be found in the Department where the overdrawn account exists. These transfers are reported to the Board monthly." Chairman Hord said this was reported to the Board "after the fact"; that permission was not asked ahead of time. Mr. Welsh explained how and why this was done, and that it is shown explicitly. Discussion followed. Mr. Welsh said that the total amount of the budget is never changed; only the Board can change the budget. Line items can be changed within Departments.

In the past the Board has changed some budget items. Therefore, Chairman Hord suggested footnoting and dating these changed budget items for helpful future referral.

Staff recommended continuing to show the current budget of the Condensed Financial Report.

Chairman Hord stated we want fiscal responsibility and fiscal control by the Board of Directors. He cited the land purchase on Carroll Street where a special meeting was held; no real estate deal is so terribly critical that it be done without Board approval.

Mr. Welsh said that imprudence is held at bay through the prudence of staff and the Board's oversight. KUA staff cannot transact any purchase or deal over \$25,000 without the Board's approval, according to policy. Director Bobroff did not want the Board to get into the business of management. He said the Board makes the decisions and no improprieties have been found even though occasionally emergency funds were spent and reported to the Board at the next meeting, or a special meeting is called.

Discussion continued. It was the consensus of the members that the Board is satisfied that the current practice and presentation of the monthly Condensed Financial Report be continued.

4. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

Ben Sharma, Director of Power Supply, capsuled the following ongoing projects:

Gas Turbine Project - Staff and a Black & Veatch representative toured manufacturing plants of three bidders. An evaluation recommendation is expected by the Consultants shortly.

SCADA Project - Progressing well. Nothing significant to report.

Stanton Energy Center Unit 2 (SEC 2) - A Public Service Commission Hearing Officer who presided over the "Need Hearing" rendered the recommended order in favor of the petitioners.

Cost of Power Adjustment (COPA) - COPA for July, 1991 has been calculated as \$1.30/1000 kWh, effective September 1st. Some discussion followed.

Load Management - Discussed under F. 3. Old Business.

Natural Gas Issues - Florida Gas Transmission Company (FGT) asked the Federal Energy Regulatory Commission (FERC) for a rate increase, and filed a second petition for specific certificate approval to change and implement certain new policies and procedures. These would be detrimental to users like KUA. Intervention by FCFC (Florida Cities Fuels Committee) is taking place.

Power Plant Yard Clean-up Project - Submitted under Consent Agenda.

Maintenance Outage of the CC Unit - Unit is back on line; awaiting further adjustments for optimum output.

Other Purchased Power Opportunities - Air Products & Chemical Company plans to construct a cogeneration plant in Orlando. FPC has contracted for 72 MW; 36 MW of this plant capacity is being offered to KUA, if we want it. The plant would come on line in 1993

5. REVIEW OF TREE PLANTING NEAR AND UNDER POWER LINES

Ken Lackey, Director/Transmission & Distribution Operations, said that following Board's request, the City of Kissimmee Building & Zoning Department and the Osceola County Planning Department were contacted in an attempt to limit the height of trees under and near our proposed and existing power lines. The City landscape ordinance appears to allow for this control. Both agencies agreed to cooperate in limiting the number and heights. KUA has input to planning reviews at the City via a formal mechanism. The County will try to implement our standards for us.

The meeting recessed from 8:06 to 8:25 p.m.

F. OLD BUSINESS

1. ADDISON PROPERTY PURCHASE

Gary Addison and Attorney Gary Doane, Hightower and Doane, Orlando, were present. Mr. Welsh showed a video and some slides of the Addison property for the Board's review.

Mr. Doane pointed out that this arose out of an access issue by the Addisons who had unrestricted access from prior owners. Mr. Doane felt KUA could be compelled to furnish access. Mr. Thomas Addison, Sr., preferred having hunting rights and access to his property rather than selling it. Mr. Doane stated that this area is zoned agriculture/conservation. The Addisons felt that our operations would affect the use of their property and it was inconsistent with their feeders, etc. Mr. Welsh said our plant would not be located near their land. Access was of primary concern to Mr. Addison, Sr., said Mr. Doane.

Director Gant said an offer was made to have an appraiser give a fair market value, be it higher or lower, along with the hunting rights.

Mr. Welsh said that the Addisons had rejected KUA's alternate proposal of a purchase price based on a new appraisal, with the hunting rights continuing for the remaining life of Tom Addison, Sr. Basically, they did not want to renegotiate; they preferred the deal we had negotiated or keep the land.

Gary Addison said his father wanted right-of-way to his property for hunting, but he did say he would consider selling it for \$100,000, along with a five-year hunting clause. The Addisons opted for the original terms indicated, with possible renewal for five years, if desired by KUA, or an additional payment of \$15,000. A benefit to KUA would be the oversight of the property by the Addisons.

Liability risks and insurance were discussed with Attorney Ed Brinson. He stated we have liability insurance and hold harmless clauses. Discussion followed.

Director Bobroff moved that we accept the proposal between KUA and Thomas J. Addison, Sr. and Wilma M. Addison which was presented at the last Board meeting, for the purchase price of \$100,000 and hunting rights for five (5) years, a deposit of \$10,000, and \$90,000 cash at closing, with certain additional terms and conditions, as read by Attorney Brinson from the attached Purchase Agreement and Addendum to Contract; and authorize the Chairman and Secretary to execute the Purchase Agreement, extending the closing date on or before 45 days (October 12, 1991). Seconded by Director Lowenstein.

Closing costs (dock stamps, title insurance, etc.) are the responsibility of the seller. Chairman Hord asked if we should change the contract to read \$4,000 per acre. Attorney Doane said we could change the wording of 25 acres more or less, but not change the price.

Director Jones asked for Mr. Brinson's comments to Director Gant's query concerning the title insurance, etc. Mr. Brinson said the right-of-way could be looked at from different angles: was there a document of record that would give the Addisons the right which the title company could pick up. In the title policy we have there is none. If the Addisons are contending that they got their rights by virtue of a hunting lease, an unrecorded lease, that might be another question. Mr. Doane contends one of two theories: a common-law right (presumes there is a right-of-way); and a way of necessity (where they would, through negotiation or court, convince a judge that they did not have a right-of-way in there. A jury would have to determine the amount for a right-of-way. An alternate access to the property would be through Disney. Mrs. Ruth J. Herzberg, owner of the neighboring five acres, had access from Disney.

Director Gant asked the record to reflect that he does not see that their access across our property through court would direct that it be granted, or if we decided that's the way it should be, would be contrary to the use of that property because we will only use a small portion of it and they can go right on through and take care of it. The hunting rights, as he stated at the last meeting, was that for the life of Mr. Tom Addison he would be willing to work out some arrangement so he could hunt the rest of his natural life on that property and that wasn't acceptable. He has a problem with feeling like he's being taken advantage of dollarwise. Director Gant did not think the property is worth \$4,000 per acre; certainly not to him, he said. He does not see that it is to the ratepayers of KUA and, therefore, would be willing to pay what the property is worth and still allow the hunting rights for some negotiable period. But for us to pay \$135,000 for 25 acres for wetlands is not what he can vote for.

Mr. Doane responded that 90% of the property is high and dry. Director Gant replied it has no paved road, and cannot ever be developed for any commercial use due to County ordinances.

**Motion carried 3 - 2
Directors Gant and Jones Opposed**

Further discussion followed on how property is valued.

Mr. Welsh introduced a letter from Ruth J Herzberg, the owner of five (5) acres adjoining our and the Addison's property, in which she entertained a possible sale. He told her that if we settle with the Addisons we might settle with her. He recommended that the Board indicate, as Director Gant suggested, that we purchase the five acres at the same per acre price paid the Addisons (\$4,000 per acre).

Director Gant suggested that we now offer to purchase the adjacent five (5) acres which belongs to Mrs. Herzberg on the same basis as the Addison purchase.

Moved by Director Gant that the proposal by Ruth J. Herzberg be placed on the agenda. Seconded by Director Bobroff.

Motion carried 5 - 0

Moved by Director Gant that we offer Ruth J. Herzberg a purchase contract for the price of \$20,000 (five acres at \$4,000 per acre); and authorize the Chairman and Secretary to execute the contract. Seconded by Director Lowenstein.

Chairman Hord stated the contract should include no rights whatsoever.

Mr. Welsh said Mrs. Herzberg goes to the property for sentimental reasons several times a year and verbally offered her access rights, a gentleman's understanding. He said this should not interfere with our operations and would be in the best business interests of the ratepayers by not delaying construction.

Mr. Welsh had stated to Mrs. Herzberg that if she wanted to come onto our land (after KUA purchased it), and it does not interfere with operations, there was no reason why she could not have access.

Chairman Hord stated the condition of access should be part of the sale. Director Lowenstein said verbal agreements tend to get lost over time. Discussion followed.

**Director Lowenstein withdrew his second.
Director Gant withdrew his motion.**

Director Gant thought it wise that the deal be brought back at the next meeting. Mr. Welsh suggested "without any formal conditions". "Conditions" was the stumbling block.

The Board indicated that they felt that all conditions should be made a part of the contract and stated in writing. Some discussion was held as to whether the contract should be brought back or whether the Board should authorize the Chairman and Secretary at this time to execute the contract. Mr. Welsh stated that the only condition to this contract would be to allow Mrs. Herzberg entry to the property on an occasional basis if she so desires during her natural life, as long as it does not interfere with KUA operations.

Director Gant moved that the Chairman and Secretary execute a purchase agreement between Ruth J. Herzberg and RUA for the acquisition of her five (5) acres at \$4,000 per acre (\$20,000), which includes a written condition allowing Mrs. Herzberg entry to the property on an occasional basis if she so desires during her natural life if it does not interfere with RUA operations. Seconded by Director Lowenstein.

**Motion carried 4 - 1
Director Jones opposed**

2. MANAGER OF BULK SYSTEM PLANNING

Mr. Welsh stated that at the last meeting, prior to approving our hiring a Manager of Bulk System Planning, the Board requested additional information concerning the overall cost, duties and a time line implementation plan to bring in-house more of our generation capacity evaluation and our transmission planning evaluation functions.

Discussion followed on the ongoing annual cost, the budgetary and up-front costs, the advantages gained over using consultants, etc. The intent was to create a new division initially under the Power Supply Department. Internalizing these functions in-house would prove extremely cost effective as well as being beneficial in serving KUA's bulk system planning needs. Contact was made with Reedy Creek to discuss a joint venture for cogeneration and expansion.

Staff recommended that the Board authorize the position of Manager of Bulk System Planning.

Director Bobroff moved to accept staff's recommendation and authorize the additional position of Manager of Bulk System Planning. Seconded by Director Jones.

Director Gant had a problem with initiating this position because we just went through the budget process and now, before the budget is even in effect, we come back with a new position. The approved budget creates a situation where the accumulated income would be decreased next year. Continuing this trend over several years, we will be around zero in our revenue. He felt the position was a good one but the timing was inappropriate. He felt if Black & Veatch provided us with the information from previous studies to start doing some of that work between now and next planning process, that person will have meaningful projects to pursue. Mr. Welsh felt we could obtain that information from B&V and this person would be productive in a short period of time.

**Motion carried 4 – 1
Director Gant Opposed**

3. LOAD MANAGEMENT

At the July meeting the Board approved the structure for KUA's proposed Load Management (LM) program; however, action was postponed pending staff's request to have Black & Veatch provide certain special assistance in specifying and procuring the radio transmitter and load control receivers. The Board had directed staff to solicit similar services from R.W. Beck and Associates.

Comparisons had been made for the fees and expenses on the Scope of Services for the two firms, which were fairly close financially. However, considering additional points in Black & Veatch's favor, staff recommended that the contract for assistance with the Load Management project be awarded to Black & Veatch per their Scope of Services for a fee not to exceed \$75,000.

Director Lowenstein moved to accept staff's recommendation to have the contract awarded to Black & Veatch to assist in the Load Management Study Project for a not-to-exceed fee of \$75,000. Seconded by Director Bobroff.

Discussion continued. Chairman Hord questioned why a staff member could not spec this out rather than our hiring someone for this. Although we do have very qualified personnel, the project will require expertise on SCADA software that B&V or Landis & Gyr possess.

Ray Brennick, Manager of System Control and Acting Project Manager for LM, stated there are two main manufacturers of the LCR's (light control receivers): Scientific Atlanta and Brown Boveri, and briefly explained their radio systems and load receivers. We do not have a mobile paging system, so we are going into this without any existing frequencies, assuming we can obtain a frequency and do the Lakeland method. He detailed the possible transmitter problems we might encounter. We cannot just copy the Lakeland situation due to not knowing if a frequency will be obtainable.

Motion carried 5 - 0

G. FINANCING PLAN PROPOSAL

Our Finance Director has been working with Evensen Dodge (Financial Advisor) and Squire, Sanders & Dempsey (Bond Counsel) in developing optimal financing plans. (In attendance were Craig Dunlap and John Dey: and Robert Freeman and Peter Dame.)

Mr. Welsh said we are asking the Board for some judgmental decisions.

Joe Hostetler briefly recapped the financing plan for KUA per the Scope of Services submitted by Evensen Dodge, Financial Advisor.

Mr. Hostetler said the Evensen Dodge report was very thorough. Some items considered specifically were the refunding of the 1985 bonds, financing alternatives of Stanton II, the benefits and advantages and disadvantages of going with FMPA, as well as bonding for our KUA managed projects.

Chairman Hord asked for a breakdown of what the \$91 million covered, and how much is refinancing of 1985.

John Dey used overheads as an overview of the assumptions made, the six projects to be financed and the existing debt to be defeased. At Mr. Welsh's request, Mr. Dey explained "cash defeasance".

Mr. Dey's recommendation to the Board is to use defeasance to reduce outstanding debt since we would get approximately \$2 million present value savings by doing it this way.

Director Lowenstein inquired as to our total outstanding debt. The reply was \$100 million.

Mr. Welsh said, in summary, we are talking about \$91 million in 1991 and for cash defeasance in 1992 about 13 million with capitalized interest. In 1993, we will need \$18 million for the Boggy Creek Project. We have two recommendations requiring direction from the Board. The first alternative being presented to the Board is go through a bond issue in 1991 and 1993; and regarding Stanton II, to discuss with FMPA the ability to keep our options open and maybe finance through them in 1992 when we are ready under this scenario to do the financing for Stanton II. If the short term rates are low enough producing considerable savings, it may be in our interest to go short term through FMPA because of their access to the commercial paper market.

The second alternative is to take all these things, the \$18 million, the \$22 million (forgetting about FMPA), and the \$91 million, and collapse them into an immediate issue in October/ November, 1991. Doing it today, we would have to add to it more capitalized interest to carry us through this project. Mr. Welsh said we're low in the market and if interest rates are to be at current or higher rates, we should lock in at this point everything we will need between now and 1997. Doing three separate financings would entail additional cost of issuance.

Chairman Hord said that staff is switching to a different borrowing scenario from our original plans where we would not have needed to borrow money until 1992/93. He said now we are discussing borrowing \$92 million, \$22 million, etc.

Chairman Hord and the other members informed staff they did not have a copy of the material to which the Financial Advisors were referring. The Financing Plan booklets were not received by the Board; therefore, the members said they preferred to postpone this item to a later meeting when they have had an opportunity to read through the Plan and could follow the proceedings.

The Board approved scheduling a Special Meeting for Wednesday, September 4, at 6:00 p.m. for the purpose of discussing item 1) of the Financing Plan proposal and recommendations.

Chairman Hord inquired of staff where we stand in our financing plan regarding retained earnings related to this. Director Bobroff said part of that money is being spent on projects to defease bonds. Staff will bring back to the Board information relating to our previously projected financing requirements (per the 5 Year Plan) and what is currently included in the Financing Plan.

G. 5. RESOLUTION NO. R91-6, REIMBURSEMENT OF PRIOR CAPITAL EXPENDITURES FROM BOND PROCEEDS

Mr. Welsh asked that "Resolution No. R91-6" be moved out of context because it relates to the above discussed financing and it is important

we move on it quickly. It states an intention to recapture through the bonding things that we are expending at this time. This resolution is required for IRS reasons.

Moved by Director Gant that Resolution No. R91-6 be approved to ensure compliance with IRS (Internal Revenue Service) regulations. Seconded by Director Bobroff.

Motion carried 5 - 0

Director Bobroff left the meeting.

2. CARROLL STREET SUBSTATION PROJECT - DETAILED DESIGN ENGINEERING AND PROCUREMENT SERVICES

Ken Davis stated that items 2. and 3. are linked together because of engineering services. We need to have a long lead time for circuit breakers specified and ordered, so staff is asking Black & Veatch to do the Scope of Services for Carroll Street and Cane Island/Overoaks transmission and substation.

Director Gant moved to authorize Black & Veatch to proceed with the detailed design engineering and procurement services for the Carroll Street Substation Project for a not-to-exceed cost of \$600,000. Seconded by Director Lowenstein.

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

3. CANE ISLAND TRANSMISSION/OVEROAXS SUBSTATION PROJECT DETAILED DESIGN ENGINEERING AND PROCUREMENT

Mr. Davis said we also require a long lead time on this issue for transmission lines requiring advance work. Following brief discussion, staff recommended that B&V proceed with the engineering and procurement services.

Moved by Director Gant authorizing Black & Veatch to proceed with the detailed design engineering and procurement services for a not-to-exceed cost of \$530,000. Seconded by Director Lowenstein.

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

4. CANE ISLAND TO OVEROARS TRANSMISSION PROJECT RIGHT-OF-WAY ACQUISITION SERVICES

Request for Proposals to experienced firms for providing right-of-way acquisition services for the Cane Island to Overoaks Transmission Line project were received. These firms would contact property owners and negotiate sale of easement for the right-of-way, check records, etc. It is expected local firms will do the survey work. Mr. Davis said it is difficult to define a set contract price because of numerous contacts; all have proposed working on a cost-per-day basis or on a monthly basis.

The four firms are ranked as follows:

- 1) Coates Field Service, Inc.
- 2) Trans-America Energy Associates, Inc. (TEA)
- 3) Continental Field Service Corporation
- 4) Kuether & Associates, Inc

Staff said that we will not award the contract at this meeting but approve the ranking and request authorization to negotiate a contract with the first firm, Coates Field Service, Inc., but if negotiations are unsuccessful, to negotiate with the second successful firm. A finalized contract will be brought back to the Board for final approval.

Moved by Director Gant to accept staff's recommendation to attempt to negotiate a contract with Coates Field Service, Inc. and, if this negotiation is unsuccessful, negotiate with candidate ranked number two, and bringing the finalized contract to the Board for final approval.

Motion carried 4 - 0
Director Gant absent

H. CONSENT AGENDA

Moved by Director Jones to approve the Consent Agenda, as submitted.
Seconded by Director Lowenstein.

Motion carried 4 - 0
Director Bobroff absent

1. APPROVAL OF MINUTES OF JULY 24, 1991, MEETING
2. APPROVAL OF MINUTES OF AUGUST 14, 1991, SPECIAL MEETING
3. SUBORDINATION OF UTILITY EASEMENT FOR THE EASTERN BELTWAY PROJECT
4. PADMOUNTED SWITCH GEAR, IFB #91-045
5. DISTRIBUTION EMERGENCY STOCK, IFB #91-044
6. POWER PLANT YARD CLEAN-UP PROJECT
7. SEMI-ANNUAL REQUIRMENT FOR WIRE, IFB #91-046

I. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER - No comments

ATTORNEY - No comments

DIRECTORS

Director Jones stated that at this late hour (11 pm) the members are not very effective. Also, that anyone giving presentations be screened, that he did not enjoy or appreciate the "sales pitch" by the solar group.

Chairman Hord reiterated, not being critical, that the next time we go to buy a parcel of land he hoped that we would look a little better than we did the last time, namely, the Cane Island situation. He felt we made a bad deal which created an awkward situation in the end.

J. ADJOURNMENT: Meeting adjourned at 11:00 p.m



CHAIRMAN

ATTEST:


ASSISTANT SECRETARY

CONTRACT FOR SALE AND PURCHASE

PARTIES: Thomas J. Addison & Wilma M. Addison, his wife (Seller)
Kissimmee Utility Authority (hereinafter referred to as KUA) (Buyer)
6 Broadway, Kissimmee, Florida 34741 (Phone: (407) 933-7777)

Buyer and Seller agree that the Seller shall sell and Buyer shall buy the following real property ("Real Property") and personal property ("Personal Property") (collectively "Property") upon the following terms and conditions, which INCLUDE the Standards for Real Estate Transactions ("Standards") printed on the reverse or attached and any Riders and Addenda to this instrument.

I. DESCRIPTION:
 (a) Legal description of Real Property located in Osceola County, Florida: See attached Exhibit "A"
 (b) Street address, city, zip, of the Property is: _____
 (c) Personalty: _____

II. PURCHASE PRICE: \$ 100,000.00
PAYMENT:
 (a) Deposit(s) to be held in escrow by Thomas J. Addison in the amount of \$ 10,000.00
 (b) Additional escrow deposit within _____ days after Effective Date in the amount of \$ _____
 (c) Subject to AND assumption of mortgage in good standing in favor of _____ having an approximate present principal balance of \$ _____
 (d) Purchase money mortgage and note bearing annual interest at _____ % (see Addendum) in amount of \$ _____
 (e) Other: See Addendum
 (f) Balance to close (U.S. cash, LOCALLY DRAWN certified or cashier's check), subject to adjustments and provisions: \$ 90,000.00

III. TIME FOR ACCEPTANCE; EFFECTIVE DATE; FACSIMILE: If this offer is not executed by and delivered to all parties OR FACT OF EXECUTION communicated in writing between the parties on or before July 25, 1991, the deposit(s) will, at Buyer's option, be returned to Buyer and this offer withdrawn. A facsimile copy of the Contract for Sale and Purchase ("Contract") and any signatures hereon shall be considered for all purposes as originals. The date of Contract ("Effective Date") will be the date when the last one of the Buyer and Seller has signed this offer.

IV. FINANCING:
 (a) If the purchase price or any part of it is to be financed by a third-party loan, this Contract is conditioned on the Buyer obtaining a written commitment for (CHECK (1) or (2) or (3)): (1) ☐ a fixed, (2) ☐ an adjustable or (3) ☐ a fixed or adjustable rate loan within _____ days after Effective Date at an initial interest rate not to exceed _____ % term of _____ years and for the principal amount of \$ _____. Buyer will make application within _____ days after Effective Date and use reasonable diligence to obtain the loan commitment and, thereafter, to meet the terms and conditions of the commitment and close the loan. Buyer shall pay all loan expenses. If Buyer fails to obtain the commitment or fails to waive Buyer's rights under this subparagraph within the time for obtaining the commitment or after diligent effort fails to meet the terms and conditions of the commitment, then either party thereafter by prompt written notice to the other may cancel the Contract and Buyer shall be refunded the deposit(s).
 (b) The existing mortgage described in Paragraph II(c) above has (CHECK (1) or (2)): (1) ☐ a variable interest rate or (2) ☐ a fixed interest rate of _____ % per annum.
 At time of title transfer some fixed interest rates are subject to increase. If increased, the rate shall not exceed _____ % per annum. Seller shall, within _____ days after Effective Date, furnish statements from all mortgages stating principal balances, method of payment, interest rate and status of mortgages. If Buyer has agreed to assume a mortgage which requires approval of Buyer by the mortgagee for assumption, then Buyer shall promptly obtain all required applications and will diligently complete and return them to the mortgagee. Any mortgage charge(s) not to exceed \$ _____ shall be paid by _____ (if not filled in, equally divided). If Buyer is not accepted by mortgagee or the requirements for assumption are not in accordance with the terms of this Contract or mortgagee makes a charge in excess of the stated amount, Seller or Buyer may rescind this Contract by prompt written notice to the other party unless either elects to pay the increase in interest rate or excess mortgage charges.

V. TITLE EVIDENCE: At least _____ days before closing date, Seller shall, at Seller's expense, deliver to Buyer or Buyer's attorney, in accordance with Standard A (CHECK (1) or (2)): (1) ☐ abstract of title or (2) ☒ title insurance commitment and, after closing, owner's policy of title insurance.

VI. CLOSING DATE: This transaction shall be closed and the deed and other closing papers delivered on 8/28/91, unless provided by other provisions of Contract.

VII. RESTRICTIONS; EASEMENTS; LIMITATIONS: Buyer shall take title subject to: zoning, restrictions, prohibitions and other requirements imposed by governmental authority; restrictions and matters appearing on the plat or otherwise common to the subdivision; public utility easements of record (easements are to be located contiguous to Real Property lines and not more than 10 feet in width as to the rear or front lines and 7 1/2 feet in width as to the side lines, unless otherwise stated herein); taxes for year of closing and subsequent years; assumed mortgages and purchase money mortgages, if any; other: _____; provided that there exists at closing no violation of the foregoing and none of them prevents use of Real Property for _____ purposes(s).

VIII. OCCUPANCY: Seller warrants that there are no parties in occupancy other than Seller, but, if Property is intended to be rented or occupied beyond closing, the fact and terms thereof shall be stated herein and the tenant(s) or occupants disclosed pursuant to Standard F. Seller agrees to deliver occupancy of Property at time of closing unless otherwise stated herein. If occupancy is to be delivered before closing, Buyer assumes all risk of loss to Property from date of occupancy, shall be responsible and liable for maintenance from that date, and shall be deemed to have accepted Property in its existing condition as of time of taking occupancy unless otherwise stated herein or in a separate writing.

IX. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions shall control all printed provisions of Contract in conflict with them.

X. RIDERS: (CHECK if any of the following Riders are applicable and are attached to this Contract):
 (a) ☐ COASTAL CONSTRUCTION CONTROL LINE RIDER (c) ☐ FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT RIDER (e) ☐ PMA/VA RIDER
 (b) ☐ CONDOMINIUM RIDER (d) ☐ INSULATION RIDER (f) ☐ OTHER: _____

XI. ASSIGNABILITY: (CHECK (1) or (2)): Buyer (1) ☐ may assign or (2) ☐ may not assign this Contract.

XII. SPECIAL CLAUSES: (CHECK (1) or (2)): Addendum (1) ☒ is attached or (2) ☐ there is no Addendum.

XIII. TIME IS OF THE ESSENCE OF THIS CONTRACT.

XIV. DISCLOSURES: Buyer ☐ acknowledges or ☐ does not acknowledge receipt of the agency/realor/compensation and estimated closing costs disclosures.

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT.
IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.
 THIS FORM HAS BEEN APPROVED BY THE FLORIDA ASSOCIATION OF REALTORS AND THE FLORIDA BAR.
 Approval does not constitute an opinion that any of the terms and conditions in this Contract should be accepted by the parties in a particular transaction. Terms and conditions should be negotiated based upon the respective interests, objectives and bargaining positions of all interested persons.
 COPYRIGHT 1991 BY THE FLORIDA BAR AND THE FLORIDA ASSOCIATION OF REALTORS

KISSIMMEE UTILITY AUTHORITY
Richard L. Ford (Buyer) Date 8/28/91
 Chairman (Buyer)
 Social Security or Tax ID # 59-05-010473-54C Social Security or Tax ID # 267-20-6506A
Harry Forrester (Seller) Date 8/28/91
 Secretary (Seller)
 Social Security or Tax ID # 59-05-010473-54C Social Security or Tax ID # 26-23-15622

Deposit under Paragraph II(a) received; IF OTHER THAN CASH, THEN SUBJECT TO CLEARANCE _____ (Escrow Agent)
 BROKER'S FEE: (CHECK AND COMPLETE THE ONE APPLICABLE)
☐ IF A LISTING AGREEMENT IS CURRENTLY IN EFFECT:
 Seller agrees to pay the Broker named below, including cooperating sub-agents named, according to the terms of an existing, separate listing agreement.
☐ IF NO LISTING AGREEMENT IS CURRENTLY IN EFFECT:
 Seller agrees to pay the Broker named below, at time of closing, from the disbursements of the proceeds of the sale, compensation in the amount of (COMPLETE ONLY ONE) _____ % of gross purchase price or \$ _____ for Broker's services in affecting the sale by finding the Buyer ready, willing and able to purchase pursuant to the foregoing Contract. If Buyer fails to perform and deposit(s) is retained, 50% thereof, but not exceeding the Broker's fee above provided, shall be paid Broker as full consideration for Broker's services, including costs expended by Broker, and the balance shall be paid to Seller. If the transaction shall not close because of refusal or failure of Seller to perform, Seller shall pay the full fee to Broker on demand, in any litigation arising out of the Contract concerning the Broker's fee, the prevailing party shall recover reasonable attorney's fees and costs.

(Name of listing Broker) _____ (Name of selling Broker) _____ (Seller)
 By _____ By _____ (Seller)
 (authorized signatory) (authorized signatory)

STANDARDS FOR REAL ESTATE TRANSACTIONS

[illegible]

B. PURCHASE MONEY MORTGAGE; SECURITY AGREEMENT TO SELLER. A purchase money mortgage and mortgage note to Seller shall provide for a 30-day grace period in the event of default if a first mortgage and a 90-day grace period if a second or junior mortgage; shall provide for signs of prepayment in whole or in part without penalty; shall provide for interest adjustment in event of resale of Real Property; shall require all priorities and encumbrances to be kept in good standing as far as liens go; shall require all prior mortgages or other interests to be paid off by Seller; shall require all future advances under prior mortgages; and the mortgage, note and security agreement shall be otherwise in form and content required by Seller. Seller may only require the use of funds customarily found in mortgages, mortgage notes and security agreements generally utilized by savings and loan institutions, or state or national banks located in the county wherein Real Property is located. All Personalty and fixtures being conveyed or assigned will, at Seller's option be subject to the lien of a security agreement evidenced by recorded deed of trust, if a purchase mortgage, the final payment will exceed the periodic payments thereon.

C. SURVEY: Buyer, at Buyer's expense, within time allowed to deliver evidence of title and to examine same, may have Real Property surveyed and certified by a registered Florida surveyor. If survey shows encroachment on Real Property or that improvements located on Real Property encroach on setback lines, easements, lands of others or violate any restrictions contained in covenants or applicable governmental regulation, the same shall constitute a title defect.

D. TERMITE: Buyer, at Buyer's expense, within time allowed to deliver evidence of (life and to examine) same, may have Real Property inspected by a Florida Certified Pest Control Operator to determine if there is any visible active termite infestation or visible staining damage from termite infestation in the improvements if either or both are found. Buyer will have 4 days from date of written notice thereof within which to have all damages, whether visible or not, inspected and estimated by a licensed builder or general contractor. Seller will pay valid costs of treatment and repair of all damage up to 2% of purchase price. Should such costs exceed that amount, Buyer shall have the option of canceling Contract within 5 days after receipt of contractor's repair estimate by giving written notice to Seller or Buyer may elect to proceed with the transaction, in which event Buyer shall receive a credit of closing of an amount equal to the total of the treatment and repair estimate not in excess of 2% of the purchase price. "Termite" shall be deemed to include all wood destroying insects required to be reported under the Florida Pest Control Act.

E. INGRESS AND EGRESS: Seller warrants and represents that there is ingress and egress to the Real Property sufficient for the intended use as described in Paragraph VII hereof, title to which is in accordance with Standard A.

F. LEASES: Seller shall, not less than 15 days before closing, furnish to Buyer copies of all written leases and escrower letters from each tenant specifying the nature and duration of the tenant's occupancy, rental rates, advanced rent and security deposits paid by tenant. If Seller is unable to obtain such letter from each tenant, the same information shall be furnished by Seller to Buyer within that time period in the form of a Seller's affidavit, and Buyer may thereafter contact tenants to confirm such information. Seller shall, at closing, deliver and assign all original leases to Buyer.

G. LIENS: Seller shall furnish to Buyer at time of closing an affidavit attesting to the absence, unless otherwise provided for herein, of any financing statements, claims of lien or potential liens known to Seller and further attesting that there have been no improvements or repairs to the Property for 90 days immediately preceding date of closing. If Property has been improved or repaired within that time, Seller shall deliver releases or waivers of mechanics' liens executed by all general contractors, subcontractors, suppliers and materialmen in addition to Seller's lien affidavit attesting forth the names of all such general contractors, subcontractors, suppliers and materialmen and further affirming that all charges for improvements or repairs which could serve as a basis for a mechanic's lien or a claim for damages have been paid or will be paid at closing of this Contract.

H. PLACE OF CLOSING: Closing shall be held in the county wherein the Real Property is located at the office of the attorney or other closing agent designated by Seller.

2. DOCUMENTS FOR CLOSING: Seller shall furnish the deed, bill of sale, mechanic's lien affidavit, assignments of leases, tenant and mortgagee estoppel letters and corrective instruments.

K. EXPENSES: Documentary stamps on the deed and recording corrective instruments shall be paid by Seller. Documentary stamps, intangible tax and recording purchase money mortgage to Seller, deed and financing statements shall be paid by Buyer.

L. PRORATIONS; CREDITS: Taxes, assessments, rent, interest, insurance and other expenses and revenue of Property shall be prorated through day before closing. Buyer shall have the option of taking over any existing policies of insurance, if assumable, in which event premiums shall be prorated. Cash at closing shall be increased or decreased as may be required by prorations. Prorations will be made through day prior to occupancy if occupancy occurs before closing. Advance rent and security deposits will be credited to Buyer and required by prorations. Prorations will be made through day prior to occupancy. Taxes shall be prorated based on the current year's tax with due allowance made for maximum allowable discount. Security deposits held by mortgagee will be credited to Seller on date when the current year's mortgage is not fixed and current year's assessment is available. Taxes will be prorated based on homeowner and other exemptions. If closing occurs on or after January 1st of the current year's assessment is not available, then taxes will be prorated on the prior year's tax. If there are completed improvements upon such assessment and the prior year's taxes were in existence on January 1st of year of closing which improvements were not in existence on January 1st of the prior year, then taxes shall be prorated based upon the prior year's mortgage and an equitable assessment to be agreed upon between the parties, failing which, request will be made to the County Property Appraiser for an estimate of tax bill on condition that a statement to that effect is in the closing statement.

M. SPECIAL ASSESSMENT LIENS: Certified, confirmed and ratified special assessment liens as of date of closing (not as of Effective Date) are to be paid by Seller. Pending liens as of date of closing shall be assumed by Buyer. If the improvement has been substantially completed as of Effective Date, such pending lien shall be considered certified, confirmed and ratified by Seller on or prior to the last estimate of assessment for the improvement by the public body.

[illegible]

D. RISK OF LOSS: If the Property is damaged by fire or other casualty before closing and cost of restoration does not exceed 3% of the assessed valuation of the Property as damaged, cost of restoration shall be an obligation of the Seller and closing shall proceed pursuant to the terms of Contract with restoration costs escrowed at closing. If the cost of restoration exceeds 3% of the assessed valuation of the improvements so damaged, Buyer shall have the option of either taking Property as is, together with either the 3% or escrowed amount payable by virtue of such loss or damage, or of cancelling this Contract and receiving return of deposit(s).

P. PROCEEDS OF SALE; CLOSING PROCEDURE: The deed shall be recorded upon clearance of funds. If abstract evidence of title shall be continued at Buyer's expense to show any insurance proceeds payable by virtue of such loss or damage, or of carrying the cost of such insurance, the cost of such insurance shall be paid by Buyer. If abstract evidence of title in Buyer, without any encumbrances or charge which would render Seller's title unmarketable from the date of the last evidence. Proceeds of the sale shall be held in escrow by Seller's attorney or by such other mutually acceptable escrow agent for a period of not longer than 5 days from and after closing date. If Seller's title is rendered unmarketable through no fault of Buyer, Buyer shall, within the 5-day period, notify Seller in writing of the defect and Seller shall have 30 days from the date of receipt of such notification to cure the defect. If Seller fails to timely cure the defect, all deposits and closing funds shall, upon written demand by Buyer and within 5 days after demand, be returned to Buyer and simultaneously with such repayment, Buyer shall return Personalty and vacate Property and recover it to Seller by special warranty deed. If Buyer fails to make timely demand for refund, Buyer shall take title as is, waiving all rights against Seller as to any intervening defect except as may be available to Buyer by virtue of warranties contained in the deed. If a portion of the purchase price is to be derived from institutional financing or refinancing, requirements of the lending institution as to place, time of day and procedures for closing and for disbursement of mortgage proceeds shall control over contrary provision in this Contract. Seller shall have the right to require from the lending institution a written commitment that it will not withhold disbursement of mortgage proceeds as a result of any title defect attributable to Buyer-mortgagor. The escrow and closing procedure required by this Standard may be waived if title agent insures adverse matters pursuant to Section 627.7841, F.S. (1989), as amended.

Q. ESCROW: Any escrow agent ("Agent") receiving funds or equivalent is authorized and agrees by acceptance of them to deposit them promptly, hold same in escrow and, subject to clearance, disburse them in accordance with terms and conditions of Contract. Failure of clearance of funds shall not excuse Buyer's performance. If in doubt as to Agent's duties or liabilities under the provisions of Contract, Agent may, at Agent's option, continue to hold the subject matter of the escrow until the parties mutually agree to its disbursement or until a judgment of a court of competent jurisdiction shall determine the rights of the parties or Agent may deposit same with the clerk of the circuit court having jurisdiction of the dispute. Upon notifying all parties concerned of such action, all liability on the part of Agent shall fully terminate, except to the extent of accounting for any items previously delivered out of escrow. If a licensed real estate broker, Agent will comply with provisions of Chapter 475, F.S. (1989) as amended. Any suit between Buyer and Seller wherein Agent is made a party because of acting as Agent hereunder, or in any suit wherein Agent overpays the subject matter of the escrow, Agent shall recover reasonable attorney's fees and costs incurred with the fees and costs to be paid from and out of the escrowed funds or equivalent and charged and awarded as court costs in favor of the prevailing party. Parties agree that Agent shall not be liable to any party or person for misdelivery to Buyer or Seller of items subject to this escrow, unless such misdelivery is due to willful breach of this Contract or gross negligence of Agent.

8. ATTORNEY'S FEES; COSTS: In any litigation arising out of this Contract, the prevailing party in such litigation which, for the purposes of this Standard, shall include Seller, Buyer listing broker, Buyer's broker and any subagents to the listing broker or Buyer's broker, shall be entitled to recover reasonable attorney's fees and costs.

5. **FAILURE OF PERFORMANCE:** If Buyer fails to perform this Contract within the time specified, including payment of all deposits, the deposits paid by Buyer and deposits agreed to be paid, may be retained by or for the account of Seller as agreed upon liquidated damages, consideration for the execution of this Contract and in full settlement of any claims; whereupon, Buyer and Seller shall be relieved of all obligations under Contract or Seller, at Seller's option, may proceed in equity to enforce Seller's rights under this Contract. If for any reason other than failure of Seller to make Seller's life marketable after diligent effort, Seller fails, neglects or refuses to perform this Contract, the Buyer may seek specific performance of this Contract without delay, and may also bring any action for damages resulting from Seller's breach.

T. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE: Neither this Contract, nor any notice of it, shall be recorded in any public records. This Contract shall bind and inure to the benefit of the parties and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by a third party, for any party, shall be as effective as if given by or to that party.

U. **CONVEYANCE:** Seller shall convey title to the Real Property by statutory warranty, trustee's, personal representatives or guardian's deed, as appropriate to the status of Seller, subject only to matters contained in Paragraph VI and those otherwise accepted by Buyer. Personalty shall, at request of Buyer, be transferred by an absolute bill of sale with warranty of title, subject only to such matters as may be otherwise provided for herein.

V. **OTHER AGREEMENTS:** No prior or present agreements or representations shall be binding upon Buyer or Seller unless included in this Contract. No modification or change in the terms of this contract shall be binding unless the parties, in writing, and executed by the party or parties intended to be bound by it.

W. WARRANTIES: Seller warrants that this Lease is sold subject to Seller's materially affecting the value of the Real Property which are not readily observable by Buyer in what is or not reasonably known to Buyer.

EXHIBIT "A"

ST STAMPS

\$ 60.00

The East Half (E 1/2) of the Northwest
Quarter (NW 1/4) of the Northwest Quarter
(NW 1/4) and the South Half (S 1/2) of the
Southwest Quarter (SW 1/4) of the Northwest
Quarter (NW 1/4) of the Northwest Quarter
(NW 1/4) of Section Twenty-nine (29), Township
Twenty-five (25) South, Range Twenty-eight (28)
East, Public Records of Osceola County, Florida.

REC
100

ADDENDUM TO CONTRACT FOR SALE AND PURCHASE

ADDITIONAL CONSIDERATIONS TO SURVIVE THE
CLOSING OF THE ATTACHED SALES AGREEMENT

ITEM I

Thomas J. Addison, Sr. and his direct lineal descendants shall have the exclusive hunting rights of the property owned by KISSIMMEE UTILITY AUTHORITY (KUA), known as Cane Island, under restrictions hereinafter stated until May 1, 1996. Each Addison may be accompanied by one (1) guest.

RESTRICTIONS

1. Hunting on said property will be done so as to avoid any interference with the construction or operation of KUA facilities on said property.
2. No hunting in or shooting into an area within one hundred (100) yards of any fenced area.
3. Neither the Addisons nor their guests shall bring onto or consume on KUA property alcoholic beverages.

ITEM II

KUA shall have the option to extend on a year-to-year basis hunting rights to the Addisons as hereinbefore defined in the year 1996 and thereafter. If KUA does not extend for said additional five (5) years or a portion thereof, KUA shall pay as additional sum the sum of Fifteen Thousand (\$15,000.00) Dollars or a prorated portion thereof to Thomas J. Addison, Sr., his heirs or assigns.

ITEM III

For the year 2001 and thereafter, KUA may, at its option, on a year-to-year basis, extend the terms of this agreement on terms to be negotiated. This would be done for the continued benefit of oversight of the property provided by the Addison family.

ITEM IV

1. The Addison family as hereinbefore defined shall from time to time in and out of hunting season inspect the property to discourage illegal use of and entry into the property by others seeking to disturb the wild game or KUA facility located on the said property. Any observed illegal use or entry into the property shall be reported by the Addisons to KUA. After reporting to KUA, the Addisons may report this to any appropriate law enforcement agency.

2. A year round wild life feeding program by the Addison family will be allowed at the Addisons' expense.

DATED THIS 28th day of August, 1991.

KISSIMMEE UTILITY AUTHORITY,
a body politic

By:

Robert L. Hart
Chairman

Thomas J. Addison, Sr.
Thomas J. Addison, Sr.

Harry Lowenstein
Asst. Secretary

Wilma M. Addison
Wilma M. Addison