

MINUTES OF SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD THURSDAY, SEPTEMBER 12, 1991, AT 6:00 PM, 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. Director Jones and Mayor Pollet were absent.

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

B. ST CLOUD AD HOC COMMITTEE

The St. Cloud Ad Hoc Committee, set up by the St. Cloud City Council, desired the opportunity to meet with our Board for the purpose of examining the possibility of forming an authority for the St. Cloud electric system. Their purpose was to discuss how KUA was formed and how it operates as an Authority.

The Ad Hoc Committee members consisted of the following attendees:

Larry Hopper, Chairman	John Branca, Vice Chairman
Shari Baney	Bob Barnett
Charles Hodgins	C.D. "Chuck" Lewis
Alan C. Starling	Ed Large
Sandy Vassel, Secretary	

Chairman Hord gave a thorough overview of what the City of Kissimmee went through to reach their decision in making the electric portion a separate entity. An Ad Hoc Committee was formed to consider: 1) having the utility as a separate department; 2) the utility as a department of the City, but with a utility advisory board; and 3) establishing a separate autonomous utility authority. After careful study and much deliberation, the unanimous recommendation was to establish a self-perpetuating utility authority to run the electric system. And so, on October 1, 1985, the Kissimmee Utility Authority was born, headed by then General Manager Welsh. Through KUA Attorney Ed Brinson the KUA Charter and By-Laws were formed. Mr. Brinson also wrote up the actual transfer of power contracts: the maintenance of vehicles, water and sewer billings, personnel, finance, etc. Chairman Hord related how the Board of Directors was approved by the City, their various terms of office, and the Directors' role in overseeing KUA policy-making, but excluding management of it. Having the people of the City pass a majority referendum vote was very important.

Each Director gave his thoughts, suggestions and advice as they saw things transpiring over that initial hurdle up to the present day. The pros and cons were weighed and the main criteria, they felt, was for the City and the Utility to "just be fair to each other". The members said they felt it was important to get professionals on board and pay a decent salary.

Director Bobroff stated that the City had the foresight to establish the Authority, and the courage and faith of the Board to allow us to have autonomy to run this like a business. Gradually our various departments evolved within, apart from the City.

Mr. Welsh stated that our policy-making Board direct and authorize staff on RFP's (Requests for Proposals); when the technical proposal is received we review and analyze it, look at the cost, list out the criteria and try to evaluate what we think is in the best interests of KUA. Then a recommendation is made to the Board and why we think it's the best. If they happen not to agree with it, we reevaluate or do something different and again request Board's approval. The budgeting process was explained

and he said that everything spent has to be authorized by our Board via the budget.

The Committee members' questions covered rates, cash flow, making purchases at today's dollar, long-term debts, being "competitive" with outlying areas, building financial strength, etc. Questions arose as to the advantages and disadvantages of the City retaining the utility or selling it. Many good questions arose which the St. Cloud group is facing and must make studies and deliberate over. What works for one utility will not necessarily work for another. Discussion was had on whether KUA would have made just as much revenue had we stayed with the City as when we broke away.

The Committee members then questioned the Directors on various facets as they related to the St. Cloud system and their political and management systems and whether our kind of system would work for them; what obstacles had to be overcome, and many other pertinent questions associated with their utility. Chairman Hord said that you have to sell the City Commission and then collectively sell the public.

The Committee members thanked the Board and Mr. Welsh for having them here for the discussion. Chairman Hord invited the Ad Hoc Committee to, if after scrutinizing their position and they had additional questions, return for further discussions.

Mr. Welsh distributed the KUA Calendar to the Committee and invited them to attend any of our regular meetings. Some expressed an interest in touring our generating facilities, which will be arranged.

C. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh stated that a Workshop Meeting will be held with the County Commission on Monday at 10:00 AM, September 16th, on Load Management.


Mr. Welsh said that we had a meeting with Florida Gas Transmission. They had announced in the newspapers they need commitments and contracts. Now we, and anybody who wants gas, j will have to contract by October 25th for Phase III allocations. One of those entities is FMPA who will have to contract with 11 us. Negotiations are underway and we may be asking for some | quick decisions by the Board in the very near future. We know | what we want to contract for and our nominations are good.


ATTORNEY - No comments

DIRECTORS

Chairman Hord said that complimentary comments heard from the Board were that Craig Dunlap, Financial Advisor, Evensen Dodge, Inc., made a great presentation at our Special Meeting last evening on the Financing Plan and bonding issue. He was concise and clear and his talk was very factual.

D. ADJOURNMENT: Meeting adjourned at 8:20 PM.

ATTEST:  
  
ASSISTANT SECRETARY

  
CHAIRMAN