

**MINUTES OF THE REGULAR BOARD MEETING OF KISSIMMEE UTILITY
AUTHORITY, WEDNESDAY, OCTOBER 22, 2003, 5:30 P.M., BRINSON BOARD
ROOM, ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE,
FLORIDA.**

Present were: Vice-Chairman Don Shearer, Director Nancy Gemske, Director Bill Hart, Director Fred Cumbie, General Manager James Welsh, Vice-President and General Counsel Grant Lacerte and Recording Secretary Judy Womack. Director Domingo Toro and Mayor George Gant were absent.

A. MEETING CALLED TO ORDER at 5:30 p.m. by Vice Chairman Shearer

B. PLEDGE OF ALLEGIANCE

The Board and staff recited the Pledge of Allegiance.

FRED CUMBIE SWORN IN

General Manager James Welsh introduced Fred Cumbie and his wife Jo Ann. Mr. Welsh stated that it will be an honor to have Fred Cumbie to serve on the Kissimmee Utility Authority Board of Directors. Mr. Cumbie was sworn in by Judy Womack, Recording Secretary.

C. AWARDS AND PRESENTATIONS

1. LARRY MATTERN – DEGREE RECOGNITION

Mr. Welsh and the Board members congratulated Larry Mattern who recently earned his Bachelors Degree in Public Management from Nova Southeastern University. Vice Chairman Shearer presented Larry with a plaque.

**2. 5- YEAR SERVICE AWARD – JEFF BILLER, METER READER,
CUSTOMER SERVICE & MARKETING**

Mr. Welsh introduced Jeff Biller and pointed out that Jeff is a great volunteer for programs such as McGruff as well as a coach who is very involved with his children. Vice Chairman Shearer presented Jeff with a gold watch.

**3. 5- YEAR SERVICE AWARD – MARTIN DENNIS, METER READER,
CUSTOMER SERVICE & MARKETING**

Mr. Welsh introduced Martin and said that he read over 115,000 meters last year which is quite an accomplishment. Vice Chairman Shearer presented Martin with a gold watch.

**4. 15- YEAR SERVICE AWARD - MIKE FULMORE – LINEMAN FIRST
CLASS, ENGINEERING & OPERATIONS**

Mr. Welsh introduced Mike and said that he is well liked in the company and has a great sense of humor. Vice Chairman Shearer presented Mike with a certificate for a gold chain.

**5. 25- YEAR SERVICE AWARD - WAYNE COCHRAN – APPRENTICE
LINEMAN, ENGINEERING & OPERATIONS**

Wayne was unable to attend but Mr. Welsh thanked him and noted that his supervisor would present him with his service award at a later date.

**6. 25- YEAR SERVICE AWARD - RODNEY ROCKER – LINE CREW
SUPERVISOR, ENGINEERING & OPERATIONS**

Mr. Welsh thanked Rodney for his years of service and gave a brief history of his career at KUA. Mr. Welsh stated that Rodney is well thought of by his fellow employees. Vice Chairman Shearer presented Rodney with a certificate for home stereo speakers.

7. **15- YEAR SERVICE AWARD & NOVEMBER EMPLOYEE OF THE MONTH, KAL JARVINEN, LEAD ENGINEER, ENGINEERING & OPERATIONS**

Mr. Welsh stated that not only was Kal being honored for fifteen years of service, but also for being selected as the November Employee of the Month. Mr. Welsh read letters of praise from Ken Davis, Vice President of Engineering and Operations as well as a fellow employee who nominated him for the Employee of the Month honor. Mr. Welsh commented that Kal is one of the most valuable employees at KUA. Vice Chairman Shearer presented Kal with a plaque and a fishing pole; Director Gemskie presented Kal with a certificate for a day off with pay as well as a one year membership to the Osceola Center for the Arts; Director Hart presented Kal with a check and a certificate for a close parking space and Director Cumbie presented Kal with a Sonny's gift certificate.

D. **HEAR THE AUDIENCE** – None

E. **CONSENT AGENDA**

ACTION: Director Hart made a motion, seconded by Director Gemskie to approve the consent agenda as written.

MOTION CARRIED 4-0

1. **APPROVAL OF MINUTES OF SEPTEMBER 4, 2003 REGULAR MEETING**

2. **AWARD OF CONTRACT TO TRANSTATE INDUSTRIAL PIPELINES (TRANSTATE) FOR THE MAINTENANCE OF THE CANE ISLAND GAS PIPELINE LATERAL AS WELL AS OTHER APPURTENANCE**

3. **AWARD OF BID 020-03 – ANNUAL REQUIREMENT FOR OVERHEAD AND UNDERGROUND CONDUCTOR**

F. **PUBLIC HEARING** - None

G. **INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)** - None

H. **OLD BUSINESS**

1. **CONSERVATION RATES**

Joe Hostetler, Vice President of Finance & Risk Management explained the Conservation Rate proposal which was originally presented at the August 27, 2003 meeting and answered questions brought up in reference to average and median usage and rate comparisons with neighboring utilities.

ACTION Director Gemskie made a motion, seconded by Director Hart to authorize staff to send the Conservation Rate to the Florida Public Service Commission for review and to advertise for a public hearing at the November Board of Director's meeting with the rate to be implemented on January 1, 2004 if approved at the public hearing.

Director Cumbie questioned the fact that customers using more kilowatt hours would pay more so there would be no benefit to them. General Manager Welsh pointed out that this could be a motivation for heavier users to reduce their usage. Director Cumbie questioned if this would be a rate increase for heavier users. Vice Chairman Shearer pointed out that approximately 52% of customers would see a decrease.

MOTION CARRIED 3-1
Opposed by Director Cumbie

I. **NEW BUSINESS**

1. **TOHO WATER AUTHORITY – BUDGET REVISION**

Mike Geraghty, Vice President of Customer Service and Marketing explained that KUA has been reading and billing water meters for the City of Kissimmee since 1989. The City Water Resources Department is now becoming Toho Water Authority and will add approximately 11,000 customer accounts to the KUA workload. Because of

this addition, Mr. Geraghty asked for a budget revision of \$250,000 to hire 3 additional part time meter readers, a part time field service technician, and add vehicles and equipment.

Mr. Geraghty answered questions relating to vehicle purchases, whether the town of Harmony was included in the proposal and if any meter upgrades were being done. Mr. Geraghty stated that meter upgrades are being done but this process would take several years.

ACTION Director Hart made a motion, seconded by Director Gemskie to approve staff recommendation to approve an increase of \$250,000 in the FY2004 budget to allow for the hiring of 4 part time employees, as well as for the purchase of necessary vehicles and equipment to meet the needs of the Toho Water Authority expansion.

MOTION CARRIED 4-0

J. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING AND OPERATIONS PROJECTS

This was a written report.

2. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

This was a written report.

3. CONDENSED FINANCIAL REPORT – PRELIMINARY YEAR END, SEPT 2003

Joe Hostetler, Vice President of Finance presented the Financial Report for September of 2003 which was also a preliminary year end report to the Board.

4. INTERNAL AUDIT QUARTERLY REPORT

Algertha Diggs, Manager of Internal Audit presented a high level summary of the functions of Internal Audit and highlighted their audit activities from the past year.

5. REPORT FROM VICE PRESIDENT & GENERAL COUNSEL

Grant Lacerte, Vice President and General Counsel presented a summary of the operations of his department over the past year. He highlighted some of the cases he is working on as well as a few that have been closed.

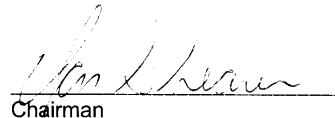
K. HEAR GENERAL MANAGER, DIRECTORS

General Manager Welsh suggested that due to the Thanksgiving holiday in November, the Wednesday, November 26 meeting be rescheduled to Monday, November 24, 2003 at 5:00 p.m. Mr. Welsh also pointed out that Board pictures needed to be taken that night. **The Board decided to change the November meeting to Monday, November 24, 2003 at 5:00 p.m., with the entire Board arriving for pictures at 4:30 p.m.**

L. ADJOURNMENT

Meeting adjourned at 7:00 p.m.


Secretary


Chairman