

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, OCTOBER 5, 2005 at 3:00 P.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 Scott.

A. MEETING CALLED TO ORDER at 3:00 p.m. by Chairman Gemskie.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the Pledge of Allegiance.

C. INSTALLATION OF NEW BOARD MEMBER

Ms. Nancy Gemskie was sworn in by Carolyn Scott, Recording Secretary.

D. ELECTION OF OFFICERS

ACTION: Director Toro made a motion, seconded by Director Hart to nominate Nancy Gemskie for Chairman of the KUA Board of Directors.

Motion carried 5-0

ACTION: Director Hart made a motion, seconded by Director Cumbie to nominate Domingo Toro for Vice-chairman of the KUA Board of Directors.

Motion carried 5-0

ACTION: Director Cumbie made a motion, seconded by Director Toro to nominate Bill Hart for Secretary of the KUA Board of Directors.

Motion carried 5-0

ACTION: Director Toro made a motion, seconded by Director Hart to nominate Fred Cumbie for Assistant Secretary of the KUA Board of Directors.

Motion carried 5-0

E. AWARDS AND PRESENTATIONS

1. MEALS ON WHEELS RECOGNITION

Employees Judy Ambrosi, Kristina Bernal, Terri Biller, Christina Blair, Cindy Bryan, Lori Desrosiers, Lynn Dowling, Magdalena Fernandez, Charles Lee, Vanessa Lugo, Michelle Scharfenberg, David Siegel, Nancy Wakefield, and Kathy Wilson were recognized for stepping up in January to deliver Meals on Wheels to a route in Kissimmee. Employees deliver meals on each weekday excluding holidays.

2. EMPLOYEES ASSISTING AFTER KATRINA RECOGNITION

Crews were sent to Key West and Mississippi to assist in restoration efforts following hurricane Katrina. Employees George Blair, Jamie Boswell, Alan Burkhardt, Paul Fielitz, Eddie Gluc, Gary Guinan, Dustin Kelley, Jon Latoilais, Alberto Mercado, Logan Murphy, Luis Santiago, David Soto, Mike Taylor, and Bob Viele were recognized for volunteering to work many hours in less than desirable conditions.

**3. 5-YEAR SERVICE AWARD, BEN RADFORD, METER READER,
CUSTOMER SERVICE & MARKETING**

Mr. Welsh introduced Ben and recognized him as a hard worker who goes out of his way to assist his co-workers. Chairman Gemskie presented Ben with a briefcase.

**4. 10-YEAR SERVICE AWARD, MARCELLO MCDONALD, LINEMAN,
ENGINEERING & OPERATIONS**

Mr. Welsh introduced Marcello and recognized him as a well-liked team player. Jim said that his brother, like Marcello had chosen to use his middle name rather than his first name, Norman. Chairman Gemskie presented Marcello with a watch.

**5. 10-YEAR SERVICE AWARD, LUIS SANTIAGO, LINEMAN FIRST CLASS,
ENGINEERING & OPERATIONS**

Mr. Welsh introduced Luis and recognized him as always volunteering for any work required to get the job done. Chairman Gemskie presented Luis with CD alarm clock radio.

6. 15-YEAR SERVICE AWARD, PAM COULTER, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERVICE & MARKETING

Mr. Welsh recognized Pam as being an ideal employee who is an honest, hard working, and dedicated professional. He said that Pam had submitted two suggestions; and, one suggestion was approved by the Board—Veterans Day holiday. Chairman Gemskie presented Pam with a gold bracelet.

7. 15-YEAR SERVICE AWARD, RICK WOODS, POWER DIVERSION SPECIALIST, CUSTOMER SERVICE & MARKETING

Mr. Welsh introduced Rick and recognized him as a professional who has developed a successful power diversion program, handling 417 confirmed theft cases in 2004. Chairman Gemskie presented Rick with mantel clock.

8. 15-YEAR SERVICE AWARD, LARRY OLSON, CREW COORDINATOR, POWER SUPPLY

Mr. Welsh recognized Larry as a very dedicated employee who works as hard as any of his crew members taking pride and ownership in the upkeep of KUA facilities. Chairman Gemskie presented Larry with wall clock.

9. 20-YEAR SERVICE AWARD, DON ANDERSON, POWER PLANT OPERATOR/MECHANIC, POWER SUPPLY

Don was unable to attend the meeting, and Mr. Welsh stated that his department head would present him with his gift of binoculars at a later date.

10. 20-YEAR SERVICE AWARD, ROBIN HELQUIST, MANAGER OF CUSTOMER READING & BILLING SERVICES, CUSTOMER SERVICE & MARKETING

Mr. Welsh stated that Robin was unable to be at the meeting tonight because she is one of the employees volunteering to help out in Mississippi with their customer billing in the aftermath of Katrina.

11. 20-YEAR SERVICE AWARD, NEAL "TINY" HUGHES, LEAD POWER PLANT MECHANIC/OPERATOR, POWER SUPPLY

Mr. Welsh recognized Tiny, as he is affably known, as intelligent, even tempered and hardworking. Chairman Gemskie presented Tiny with Tiffany Mission clock.

12. EMPLOYEE OF THE MONTH FOR OCTOBER – LYNN DOWLING, SECRETARY II, FINANCE & RISK MANAGEMENT

Mr. Welsh read a letter from one of Lynn's co-workers who recognized her for the consistent manner she positively portrays herself and KUA, her courtesy and professionalism. Chairman Gemskie presented Lynn with a plaque. Director Toro presented her with a certificate for a day off with pay; Director Hart gave her a check and a parking space certificate. Director Kasper presented Lynn with a membership to the Center for the Arts, two Center t-shirts and Director Cumbie with a gift certificate to Sonny's.

F. HEAR THE AUDIENCE - none

G. CONSENT AGENDA

Director Cumbie requested that #6 be pulled from the agenda, and Mr. Welsh asked that item #2 be pulled for further discussion.

ACTION: Director Kasper made a motion, seconded by Director Hart to approve items #1, #3, #4 and #5 on the consent agenda as written.

MOTION CARRIED 5-0

1. APPROVAL OF THE MINUTES FOR SEPTEMBER 7, 2005, REGULAR MEETING

3. AWARD OF IFB 035-05 – 100 KVA PAD-MOUNT TRANSFORMERS

Recommendation: Award of bid IFB 035-05 to the low evaluated bidder, Gresco Utility Supply, for the total amount of \$55, 475.

4. AMENDMENT NO. 1 TO THE MEMORANDUM OF LEASE AND THE LEASE BETWEEN THE CITY OF ORLANDO, ORLANDO UTILITIES COMMISSION AND KISSIMMEE UTILITY AUTHORITY

Recommendation: Approve the Amendment No. 1 to the Memorandum of Lease and the Lease between the City of Orlando, Orlando Utilities Commission and Kissimmee Utility Authority and authorize the Chairman and the Secretary to execute the same.

5. ADMENDMENT NO. 3 TO THE POWER PURCHASE AGREEMENT BY AND BETWEEN KISSIMMEE UTILITY AUTHORITY AND SOUTHERN COMPANY FLORIDA

Recommendation: Approve the Amendment No. 3 to the Power Purchase Agreement by and between Kissimmee Utility Authority and Southern Company Florida and other related documents and authorize the Chairman and the Secretary to execute the same.

2. AWARD OF BID #034-05, JANITORIAL SERVICES FOR ADMINISTRATION AND LACKEY BUILDINGS

Joe Hostetler, Vice president of Finance and Risk Management explained that a lowest bidder for each facility was selected, however the lowest bidder for Lackey Center declined the bid when informed the award would be for one of the two facilities. Offering to next lower bidders increased the recommendation by \$2814.

ACTION: Director Toro made a motion, seconded by Director Hart to award the contract to Wilson 5 Service Co. for the Carroll Street Administrative Building in the amount of \$41,514 and to H&J Janitorial Service Inc. in the amount of \$11,400.

MOTION CARRIED 5-0

6. TOHO ROAD EXTENSION AND EMPLOYEE-MEDOW WOODS TRANSMISSION LINE RELOCATIONS – AWARD OF CONSTRUCTION BID #IFB 032-05

Director Cumbie asked if the Toho extension was the same project as the King's Highway extension. Ken Davis, vice president of Engineering & Operations explained that was not the same project. This extension was between Neptune and Oak Street. He said the project should start in about a month.

ACTION: Director Cumbie made a motion, seconded by Director Hart to award the bid for the TOHO Road and U.S. Homes development to the low bidder, Glades Utility Services, Inc. for the total amount of \$973,422, contingent on developing a satisfactory contract; and authorize the Chairman and Secretary to execute the necessary contract documents.

MOTION CARRIED 5-0

H. PUBLIC HEARING - none

I. INFORMATIONAL PRESENTATION (REQUIRING NO ACTION) - none

J. OLD BUSINESS - none

K. NEW BUSINESS

**1. CUSTOMER INFORMATION SYSTEMS REPLACEMENT PROJECT –
AWARD OF CONTRACT TO ADVANCED UTILITY SYSTEMS**

Mike Geraghty, vice president of Customer Service & Marketing reported that the review team spent two years searching and evaluating the best product for the best price to bring a solid recommendation to the Board.

Director Hart asked about the annual licensing costs. Jef Gray, vice president of Information Technology explained licensing would provide upgrades to the software and protection if changes in the market took place without having to incur expenses for each change or upgrade.

Director Cumbie asked the difference between the two software offerings stating the scores on the grid are similar but the purchase prices differ significantly. Mr. Geraghty explained that Cogsdale and Advance Utility Systems have excellent products, however Advance provided a more comprehensive CIS which will provide a savings in the long run related to the need for additional personnel in the future. In addition, the software is user friendly and will save time in training costs and in responding to customer needs.

Mr. Hostetler presented two diagrams showing the difference of reprogramming HTE's Financial System to phase integration with the new Cogsdale Software versus a complete cutover at one time to the new system. The advantage of cutting over at one time outweighed the lengthy and expensive process of rewriting core code over time to bring systems on separately.

ACTION: Director Cumbie made a motion, seconded by Director Hart to award the bid for KUA's CIS Replacement to Advanced Utility Systems with a contract negotiation price not to exceed \$660,000 contingent upon Advanced developing a full integration with Great Plains Accounting software programs at no cost to KUA and before any payments are made on the CIS.

MOTION CARRIED 5-0

2. BUSINESS EXPENSE POLICY DIRECTIVE

Mr. Hostetler explained that due to the rising costs of gasoline, a change to mileage allowance is recommended. Reimbursement will be based on an IRS index. Staff has also reviewed reimbursement of meals and recommends a change to include \$35 a day per diem in addition to current method. The employee would choose the method to be used prior to travel.

Chairman Gemskie asked how this reimbursement compared with other entities. Mr. Hostetler replied that this is in line with the City of Kissimmee and OUC.

ACTION: Director Toro made a motion, seconded by Director Hart approve Policy Directive No. D05-01.

MOTION CARRIED 5-0

3. FISCAL YEAR 2005 – BUDGET AMENDMENT

Mr. Hostetler explained that the budget amendment reflects the increase in fuel costs and the rate change in July. Mr. Hostetler said that the additional revenues from the rate change applied to the Self-Insurance Fund, Rate Stabilization Fund and increased fuel charges.

Director Hart asked for further explanation. Mr. Hostetler said that at the time the budget was approved there was no way to know the exact amount of revenues from the rate change, nor the \$4 million additional costs related to gas. Otherwise, the adjustment could have been done at that time.

ACTION: Director Hart made a motion, seconded by Director Cumbie to authorize the budget amendment related to the July 1, 2005 rate change.

MOTION CARRIED 5-0

J. STAFF REPORTS

1. **MONTHLY PROGRESS REPORT ON ENGINEERING & OPERATIONS DEPARTMENT PROJECTS**
2. **MONTHLY PROGRESS REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**
3. **MONTHLY PROGRESS REPORT ON INFORMATION TECHNOLOGY DEPARTMENT PROJECTS**
4. **CONDENSED FINANCIAL REPORT – JULY 2005**

Mr. Hostetler presented the July report to the Board. Director Cumbie asked if the budget amendment would result in balancing the Other Operating Expense Budget versus Actual in next month's report. Mr. Hostetler said the effect would show a little in September and would be real close in October.

K. HEAR INTERNAL AUDIT, ATTORNEY, GENERAL MANAGER, DIRECTORS

Algertha Diggs had nothing to report.

Grant Lacerte, Vice president and General Counsel gave the board an update on the 1993 railroad accident and on the patent litigation for the use of E-Billing with Emergis stating that KUA is no longer using our E-Billing system.

Mr. Welsh reminded the Board of the Quarter Century Club dinner, the EOC dinner and the KUA Annual Holiday Gathering. He also invited Board members to participate in upcoming facilities tours.

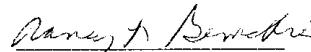
Discussion regarding the time of the Board meetings was discussed. The Board's consensus was to start November's meeting at 3:30 p.m.

Director Toro suggested the poster of the Hansel diesel plant be reduced to 11" x 17" which would be more suitable for hanging in the home.

Director Hart suggested that the KUA Board host an event, like a barbeque for Board and council members, attending from other cities, the upcoming FMEA Linemen's Rodeo that will be held in Kissimmee.

Director Cumbie commended Chris Gent on the excellent job he performed in arranging the Decommissioning Ceremony for the Roy E. Hansel Generating Plant. Other Board members echoed their appreciation of a job well done.

Meeting adjourned at 4:48 p.m.


Chairman

Secretary