

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, SEPTEMBER 12, 2007 at 3:30 P.M., BRINSON BOARD ROOM,
ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

Present were Chairman Nancy Gemske, Vice Chairman Domingo Toro, Director William Hart, Director Fred Cumbie, Director Jim Kasper, Mayor Jim Swan, General Manager James Welsh, Vice President and General Counsel Grant Lacerte, and Recording Secretary Leticia Rivera.

A. MEETING CALLED TO ORDER at 3:30 p.m. by Chairman Gemske.

B. PLEDGE OF ALLEGIANCE

The Board and staff recited the Pledge of Allegiance.

C. AWARDS AND PRESENTATIONS

1. **5 -YEAR SERVICE AWARD – DUSTIN KELLEY, APPRENTICE LINEMAN,
ENGINEERING & OPERATIONS**
2. **EMPLOYEE OF THE MONTH FOR SEPTEMBER – SUSAN RAINES,
MANAGER OF ACCOUNTING**

D. HEAR THE AUDIENCE

Thomas Walker, 3175 Pioneer Court asked the Board if the other entities that KUA has, for example KUA.net pays back to the customer surcharge that covers overhead to the electric side. General Manager Welsh answered that all costs are fully allocated. Mr. Walker suggested that KUA provide window sun film to customers at a lower cost. Mr. Welsh responded that KUA cannot compete with nationwide outlets on the films. Mr. Welsh stated that KUA is working on a program to give fluorescents light bulbs to customers.

E. CONSENT AGENDA

ACTION: Director Kasper made a motion, seconded by Director Toro to approve items 1 through 3 on the consent agenda.

MOTION PASSED 5 TO 0

1. **APPROVAL OF MINUTES FROM REGULAR MEETING OF AUGUST 1, 2007**
2. **AWARD OF BID IFB #026-07 NEPTUNE ROAD TRANSMISSION LINE RELOCATION PHASE I – CONSTRUCTION CONTRACT**

Recommendation: Award Bid IFB 026-07 to Glades Utility Services, Inc. for the amount of \$1,673,311 contingent on execution of a satisfactory contract; authorize the Chairman and Secretary to execute the necessary contract documents.

3. OSCEOLA HIGH SCHOOL SPONSORSHIP

Principal Chuck Paradiso, Jim Byrd, athletic director and Larry Brown, basketball coach thanked KUA for their services and the new scoreboard.

Recommendation: Staff recommends sponsorship of a new scoreboard system for Osceola High School at a cost of \$14,000.

F. PUBLIC HEARING – None

G. INFORMATIONAL PRESENTATION (REQUIRING NO ACTION) - None

H. OLD BUSINESS

1. TWA Customer Related Services Agreement

Joe Hostetler, Vice President of Finance & Risk Management informed the Board that KUA and TOHO Water Authority (TWA) staff have agreed to recommend to their respective Boards, a new Customer Related Services Agreement. Changes to the old

agreement were primarily necessary to address the formation of the TWA as well as their exponential growth outside KUA's service territory.

Director Toro asked if KUA goes outside of the county to read meters. Mr. Hostetler said not currently.

Mr. Hostetler stated the contracts will be brought to TOHO tonight and presented to their Board. Director Hart asked if the five year contract rolls-over on an annual basis. Mr. Hostetler said yes. Director Hart informed the Board that Toho may be planning to phase out KUA after 5 years since they are building a customer service area.

ACTION: Director Hart made a motion; seconded by Director Kasper to approve the Customer Related Services Agreement with TWA.

MOTION CARRIED 5 - 0

I. NEW BUSINESS

1. AWARD OF BID IFB#027-07 CONSTRUCTION OF PARKING LOT EXPANSION

Carolyn Scott, Acting Vice President Customer Service & Marketing informed the Board that Hanson, Walter & Assoc Inc. evaluated all bids and recommended award of contract to the lowest bidder, Core Construction Group Inc. for \$496,916.

Mayor Swan excused himself at 4:10pm from the meeting and thanked Director Toro for his service and time on the Board.

The project was budgeted at \$500,000. The total capital cost for the KUA parking lot expansion is projected at approximately \$702,000. Additional funds of \$202,000 are needed to complete the project and will be transferred from excess funds.

ACTION: Director Kasper made a motion seconded by Director Hart to approve award of bid to Core Construction Group, Inc. for \$496,916 and approval of a budget transfer of \$202,000 for completion of the construction of the parking lot expansion.

MOTION CARRIED 5-0

A discussion on "dark sky" lighting and regular lighting took place. The cost of regular lighting similar to the lighting that exists throughout the facility is \$14,248. This amount is included in the budget transfer. In order to maintain continuity throughout the facility if "dark sky" lighting is preferred, the cost of replacing existing poles and lights is \$27,758 and the amount is not included in the budget transfer.

ACTION: Director Hart made a motion seconded by Director Kasper to replace the existing poles to be consistent with lighting fixtures utilizing "dark sky" using the funds from the future capital outlay.

MOTION CARRIED 5-0

2. AWARD OF CONTRACT TO HANSON, WALTER & ASSOCIATES, INC. FOR CONSTRUCTION MANAGEMENT OF PARKING LOT EXPANSION

Carolyn Scott, Acting Vice President of Customer Service & Marketing stated that Hanson, Walter & Associates sent a proposal however, KUA has an ongoing service contract with Charles Parson's. HWA directed the proposal to Charles Parsons and the proposal was handed out to the Board. No changes were made to the Parson's agreement and it is still valid. Grant Lacerte, Vice President and General Counsel introduced and thanked Chuck Parsons for his assistance in the confusion. Carolyn Scott introduced Kevin White of Hanson, Walter & Associates.

ACTION: Director Kasper made a motion seconded by Director Toro to award Post Design Construction Management/Observation Services contract to Parsons in the amount of \$45,600 and authorize the President and General Management to execute the contract.

MOTION CARRIED 5-0

3. CONCEPTUAL MASTER PLAN – ANIMAL DISEASE DIAGNOSTIC LAB

Carolyn Scott, Acting Vice President of Customer Service & Marketing stated that she and Chris Gent, Vice President of Corporate Communications met with staff from DOACS to discuss the construction of their new facility in 2010. The DOACS is offering KUA use of its open area for joint use of emergency management equipment and storage. A proposed separate access gate will be provided. They are also proposing a traffic signal at the KUA access road on Carroll Street to be funded by the State. The DOACS will keep KUA informed of project status and considerations proposed.

Chairman Gemskie questioned staffing for the DOACS and if the additional staff will create an issue when going home in the evening and for customers making payments. Mrs. Scott informed the Board that DOACS is creating a parking lot for 142 vehicles and DOACS has no plans to increase staff in the near future.

ACTION: Director Hart made a motion seconded by Director Cumbie to execute a contract with the DOACS for purpose of providing exit from DOACS new facility to KUA's access road to Carroll Street.

MOTION CARRIED 5-0

Chairman Gemskie called for a recess at 4:45pm.

Chairman Gemskie reconvened the meeting at 5:10pm.

J. STAFF REPORTS

1. UNDERGROUNDING PROGRAM OVERVIEW

Ken Davis, Vice President of Engineering & Operations addressed Director Hart's request for more details regarding costs and issues relating to establishing an Undergrounding Program for established neighborhoods. Director Hart thanked Ken Davis for the information and commented that KUA should take a proactive view on this.

2. PROGRESS REPORT ON INFORMATION TECHNOLOGY DEPARTMENT PROJECTS

Jef Gray Vice President of Information Technology updated the Board on the CIS conversion. Mr. Gray stated that the call volume has gone up due to the bill change. Director Hart suggested a page be sent with the bill to explain the new look. Mr. Welsh suggested waiting until the final bill is done.

Jef Gray reviewed the phone system and the expansion of 26 new lines so customers will be able to reach KUA. The routing of calls will be slightly different as well. This will help alleviate phone issues.

Mr. Gray informed the Board that KUA is entering into a final contract negotiation with Embarq. Embarq will pay us \$60.00 on a one time sign up deal. This will be presented to the Board in October with further details.

3. QUARTERLY REPORT ON FINANCE & RISK MANAGEMENT DEPARTMENT

Joe Hostetler, Vice President Finance & Risk Management presented the overview for the month of July to the Board.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS –

Grant Lacerte, Vice President and General Counsel informed the Board KUA has reached an agreement with Toho and also reach an agreement with Brighthouse in regards to the pole attachments. Mr. Lacerte updated the Board on Governor's Christ Renewal Portfolio Standard and Net Metering Rule. Mr. Welsh reminded and invited the Board of upcoming events.

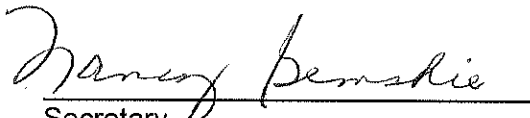
Chairman Gemskie presented Director Toro with a Proclamation that Mr. Welsh read aloud to the Board and stated within the Proclamation the Neptune road substation

will be named after him. All the Director's thanked Director Toro for his 10 years of service on the Board and presented him with a framed picture of the Board and a lamp.

Director Toro thanked everyone on the Board and KUA staff.

L. **ADJOURNMENT**

Meeting adjourned at 6:43 p.m.


Secretary


Chairman