

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,  
JANUARY 7, 2015 AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION  
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Chairman Reginald Hardee, Vice-Chairperson Jeanne Van Meter, Director George Gant, Director Kathleen Thacker, Director Ethel Urbina, Mayor Jim Swan, General Counsel Grant Lacerte, General Manager James Welsh, and Recording Secretary Leticia Rivera.

A. MEETING CALLED TO ORDER

Director Van Meter called the meeting to order @ 3:31 pm.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the pledge of allegiance.

At this time Director Gant offered the following motion.

**ACTION: Director Gant made a motion, seconded by Director Thacker to amend the agenda item election of officers for when everyone is present at a later time in the meeting.**

**MOTION PASSED 4 – 0**

Mr. Welsh asked the Board to add to the agenda under Awards and Presentations, Meter Reader of the Year.

**ACTION: Director Thacker made a motion, seconded by Director Gant to add the presentation of Meter Reader of the Year to the agenda.**

**MOTION PASSED 4 – 0**

C. INSTALLATION OF NEW BOARD MEMBER

Jeanne Van Meter was sworn in for her term as a KUA Board member. This term will run through September 30, 2019.

Director Hardee arrived at 3:36 pm and the Board proceeded with the Election of Officers.

D. ELECTION OF OFFICERS

**ACTION: Director Van Meter made a motion, seconded by Director Urbina that all officers remain as they currently are:**

**Reginald Hardee, Chairman  
Jeanne Van Meter, Vice Chairman  
Dr. George Gant, Secretary  
Kathleen Thacker, Assistant Secretary  
Ethel Urbina, Director**

**MOTION PASSED 5 – 0**

E. AWARDS AND PRESENTATIONS

1. METER READER OF THE YEAR PRESENTATION – KELLY WILLETS AND COREY GLEE

Corey and Kelly were introduced to the Board and awarded their trophies.

2. 5-YEAR SERVICE AWARD – JORGE CARRERO, INVENTORY COORDINATOR, ENGINEERING & OPERATIONS

3. 20- YEAR SERVICE AWARD – JERRY TRIPP, ELECTRICIAN, POWER SUPPLY
4. 25-YEAR SERVICE AWARD – LYNN DOWLING, SENIOR ADMINISTRATIVE ASSISTANT, FINANCE & RISK MANAGEMENT

Mr. Welsh congratulated and thanked the employees above for their hard work and dedication.

5. EMPLOYEE OF THE MONTH FOR JANUARY 2015 – YARISSA RODRIGUEZ, TELLER II, FINANCE & RISK MANAGEMENT

Mr. Welsh congratulated Yarissa for being selected employee of the year for January 2015.

6. EMPLOYEE OF THE YEAR FOR 2014 – BOB CHYWSKI, PP OPERATOR / MECHANIC, POWER SUPPLY

Mr. Welsh congratulated Bob for being selected employee of the year for 2014.

F. HEAR THE AUDIENCE

At this time, Director Hardee asked if anyone from the public would like to address the Board on an item that is not on the agenda. In hearing none, the Board moved to the next item.

G. CONSENT AGENDA

**ACTION:** Director Van Meter made a motion, seconded by Director Gant to approve items 1 and 2 under consent.

**MOTION PASSED 5 - 0**

1. APPROVAL OF MINUTES FOR DECEMBER 10, 2014 REGULAR MEETING
2. AWARD OF BID IFB #15-001-CV – 55 FOOT AND 100 FOOT BUCKET TRUCKS

**RECOMMENDATION:** Award of Bid #IFB-15-001 – CV to Altec Industries for the total amount of \$ 645,225.

H. PUBLIC HEARING

1. ADMINISTRATIVE TARIFF CHANGE

Joe Hostetler, vice president of Finance & Risk Management advised that staff has confirmed the tariffs have passed the FPSC review process. Mr. Hostetler reviewed the tariff changes.

Mr. Hostetler advised that staff continually looks for opportunities to enhance service to customers while balancing fiscal responsibility. In June, 2011, Staff presented potential deposit options which included the option to sign up for "Bank Drafting" in lieu of paying a deposit. Staff has been monitoring the results since May 2012. At this time staff recommends all customers currently utilizing this deposit be grandfathered in but closing this option going forward.

Mr. Hostetler also advised the Board on clarifications of the administrative tariffs and on the transfer verbiage which was changed last year.

Mr. Swan added that the write off amounts are down and staff is doing a great job.

At this time, Director Hardee advised that this is a public hearing and if anyone from the public would like to address the Board on this item this is the time. In hearing none, a motion was made.

**ACTION: Director Jeanne Van Meter made a motion, seconded by Director Urbina to authorize implementation of the tariff changes effective February 1, 2015.**

Dr. Gant questioned that the Board approved this last month and if another vote is needed. Mr. Welsh advised that the Board approved it to be sent to the PSC and bring it back for a public hearing for public input; a vote is needed tonight to adopt.

**MOTION PASSED 5 - 0**

Director Hardee asked what approach KUA uses to alert customers of disconnection. Mr. Welsh advised that a bill goes out 18 days before its due date and on the 19<sup>th</sup> date, if payment has not been received, a notice is sent out stating the account is in default and are subject to disconnection. A disconnect is not made until 5 days after the notice is issued. In between that time the customer is called through the automated phone service. The effectiveness of that call works only if the customer provided a correct number and if the customer picks up the call. Director Hardee asked if the customers have the option to an email alert. Mr. Welsh advised we do not give them the option of an email alert but this could be a possible option.

**I. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)**

**1. YEAR END AUDITED FINANCIAL REPORT FOR FY 14**

Joe Hostetler, vice president of Finance & Risk Management advised that KUA received an unqualified opinion from Purvis Gray & Company and advised that there were no differences between what was shown at the December meeting as unaudited FY 2014 financial statements.

Mr. Hostetler thanked and recognized members of his staff for their efforts through the audit process.

Mr. Hostetler introduced Mark White, and Phil Gessner, of Purvis Gray. Mr. White and Mr. Gessner briefly reviewed the auditor's reports and note disclosures.

Mr. Hostetler advised that not only does Purvis Gray perform the audit, this year they added value to the process during discussing the CR3 settlement and the recording of the disposition of the assets. Mark White recommended that KUA look at potentially taking the proceeds from Duke and segregate those in the rate stabilization funds. They were aware of the direction that the Board had given to keep rates in the lower third in the State of Florida. They continue to look for KUA's best interest.

**J. OLD BUSINESS - None**

**K. NEW BUSINESS**

**1. INVESTMENT POLICY – DIRECTIVE 15-02**

Joe Hostetler, vice president of Finance & Risk Management reminded the Board that they approved Investment Policy Directive D11-01 in February 2011. At that time, staff informed the Board that the policy would be reviewed annually to determine if there was a need for additional revisions as a result of any new investment practices or trends in the industry.

**ACTION:** Director Thacker made a motion, seconded by Director Van Meter to adopt the language changes detailed in the agenda item and the investment policy itself.

**MOTION PASSED 5 - 0**

**L. STAFF REPORTS**

**1. ENGINEERING & OPERATIONS SEMI-ANNUAL REPORT**

Ken Davis, vice president of Engineering & Operations provided an overview on open projects within the department.

Mayor Swan excused himself from the meeting @ 4:45 pm.

**2. SYSTEM COMPLIANCE & OPERATIONS SEMI-ANNUAL REPORT**

Greg Woessner, vice president of System Compliance and Operations provided an overview ongoing projects within the department.

Mr. Woessner also reviewed the cost of compliance as it applies directly to meeting the NERC standards per the Board's request.

Director Gant thanked Mr. Woessner for reviewing the cost of compliance. Director Hardee asked when done, what is the overall impact with the SONET project. Mr. Woessner advised it will be significant. The new SONET equipment provides KUA with a significant expansion to the bandwidth available on the existing fiber optic system, as well as more robust cyber security enhancements.

Director Hardee asked if squirrels are still a significant issue to the infrastructure. Mr. Woessner advised they are significantly more minimal than they used to be.

Director Hardee asked about the project to replace SCADA servers, specifically what will happen to the old servers. Mr. Woessner advised the old servers will be repurposed in the operation center for non-critical functionality.

**M. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS**

Grant Lacerte, vice president & General Counsel provided an update of the 2014 legal matters and regulatory issues. Mr. Lacerte also advised that the League of Cities agenda is still not yet available.

Director Hardee asked Mr. Lacerte to look into house bill 175 that deals with computer abuse and data recovery and inform of any potential impact.

Mr. Welsh shared Board reminders and distributed the new KUA calendars.

Director Van Meter thanked Commissioner Shaw who was present in the audience for her support and asked to go back and discuss the disconnection process that was mentioned earlier.

Director Van Meter shared that she is on the Regional Good Will Board and advised that a study of the 6 counties they serve was done and Osceola County has a devastating amount of poverty and people who are in bad situations. She asked if KUA could find more ways to help those people.

Director Thacker asked if KUA has email addresses for customers on file. Mr. Welsh updated that email notifications have started to be worked on for those who are on automatic bank draft or electronic payments. Staff has started working towards getting emails to move forward with email notifications.

Mr. Welsh also advised that door hangers were eliminated 7 years ago due to economics but also because there is a segment of KUA customers that are embarrassed having them hanged on their doors which in turn has been eliminated.

Dr. Gant added that having an email on file would be another communication tool.

Director Urbina asked before service is disconnected there is a knock on the door which in turn the customer can pay at that time. Mr. Welsh advised no, personnel are not allowed to collect in the field.

Director Hardee added that customers who are having issues can contact the Council on Aging. Director Van Meter advised the Council on Aging can only help one time. Mr. Welsh added that customers should contact KUA early if they are having trouble paying the electric bill.

Director Thacker asked to clarify the days on a disconnect notice. Mr. Welsh advised it is 5 days after the notice is issued to provide the US mail a chance to deliver. Mr. Welsh advised KUA does not disconnect on non-business days.

Director Hardee recognized an individual in the audience who wanted to address the Board.

Jitu Patel, 192 Business owner. Mr. Patel advised that the Board consider using a key card which helps customers pay as they use electricity. Mr. Patel advised that this pay as you go is working well in Europe as people budget and become responsible.

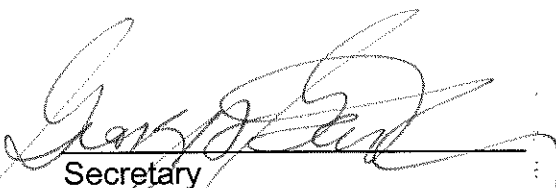
Mr. Welsh advised that KUA has looked at this and continues to look at that option in terms of the conversion that will occur in the future. Mr. Patel advised he is from the UK and he uses this option with his stores.

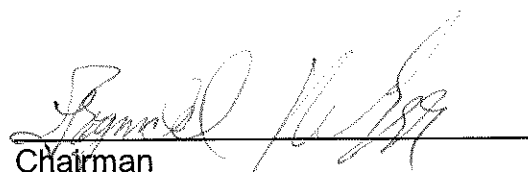
Mr. Patel thanked the Board for giving him the opportunity to talk and asked if the bad debts KUA has are from those renting or owners. Mr. Welsh advised that some are rentals and some are owners. Mr. Patel advised that another option that is being done is putting liens on the properties and this will help eliminate bad debt.

The Board thanked Mr. Patel.

#### N. ADJOURNMENT

Director Hardee adjourned meeting at 5:23 pm.

  
Secretary

  
Chairman