

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY, DECEMBER 3, 2025 AT 3:30 P.M., BRINSON BOARD ROOM, JAMES C. WELSH ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Director Manny Ortega, Director Rae Hemphill, Director Reginald Hardee, Director Melissa Thacker, Director Michele Lebron, President & General Manager, Brian Horton, General Counsel, Grant Lacerte and Acting Recording Secretary, Naomi Butler. Mayor Jackie Espinosa was not present.

A. MEETING CALLED TO ORDER

Director Ortega called the meeting to order at 3:30 p.m.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board members and staff recited the Pledge of Allegiance.

C. APPROVAL OF AGENDA

ACTION: Director Hemphill made a motion, seconded by Director Hardee. Director Ortega advised the question was moved and seconded to approve the agenda.

MOTION PASSED 5 - 0

D. AWARDS AND PRESENTATIONS

1. FLORIDA MUNICIPAL ELECTRIC ASSOCIATION (FMEA) BUILDING STRONG COMMUNITIES AWARD

Tiffany Henderson, Director of Corporate Communications, advised the Board that KUA was recognized with the Building Strong Communities award. KUA was announced as an award recipient at the FMEA Energy Connections Conference and Trade Show held in Jacksonville on October 28, 2025. Mrs. Henderson presented the award to the Board.

2. DEGREE RECOGNITION - TRACEY CORZO, CUSTOMER SERVICE SPECIALIST, CUSTOMER SERVICE, SOUTHERN NEW HAMPSHIRE UNIVERSITY, BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION CONCENTRATION: LEADERSHIP

3. 15-YEAR SERVICE AWARD - CORY GLEE, ELECTRIC METER TECHNICIAN I, CUSTOMER SERVICE

4. 25-YEAR SERVICE AWARD - CHRIS REIGLE, APPLICATIONS DEVELOPMENT MANAGER, INFORMATION TECHNOLOGY

5. 25-YEAR SERVICE AWARD - JEF GRAY, VICE PRESIDENT OF INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY

6. EMPLOYEE OF THE MONTH FOR DECEMBER 2025 - HECTOR DE LOS SANTOS, INFORMATION TECHNOLOGY SUPPORT SPECIALIST, INFORMATION TECHNOLOGY

Mr. Horton congratulated Hector for being selected employee of the month for December 2025.

E. HEAR THE AUDIENCE

Director Ortega asked if anyone from the public would like to address the Board. In hearing none, the Board moved forward.

F. CONSENT AGENDA

ACTION: Director Thacker made a motion, seconded by Director Lebron. Director Ortega advised the question was moved and seconded to approve the items 1 - 5 under the consent agenda.

MOTION PASSED 5 - 0

1. APPROVAL OF MINUTES FOR NOVEMBER 5, 2025 BOARD MEETING
2. APPROVAL OF EXPENDITURE FOR THE ANNUAL CIS INFINITY SOFTWARE MAINTENANCE AND SUPPORT SERVICES

RECOMMENDATION: Approve the annual CIS maintenance and support expenditure with Advanced Utility Systems in the amount of \$398,237.26 and authorize the President and General Manager to execute any necessary documentation.

3. HELP NOW OF OSCEOLA SPONSORSHIP

RECOMMENDATION: Approve the \$12,000 sponsorship to Help Now of Osceola Inc.

4. KISSIMMEE VALLEY LIVESTOCK SHOW & OSCEOLA COUNTY FAIR SPONSORSHIP

RECOMMENDATION: Approve the \$12,000 sponsorship for the Kissimmee Valley Livestock Show and Fair, Inc.

5. APPROVAL OF SUBORDINATION OF UTILITY INTEREST TO OSCEOLA COUNTY PLANNED UNIT DEVELOPMENT (PUD) LAKESIDE ESTATES

RECOMMENDATION: Approve the Subordination of Utility Interests to Osceola County on KUA's existing easement over Tract 17, P.U.D Lakeside Estates PB 6/PG 170-174 and authorize the President and General Manager to execute said agreement.

G. PUBLIC HEARING

1. UPDATES TO THE ELECTRIC SERVICE TARIFFS

Kevin Crawford, Vice President of Finance & Administration, reminded the Board that staff was authorized to send electric tariff changes to the Florida Public Service Commission for review and advertised for a public hearing on December 3, 2025. The tariff changes were approved by the PSC and if the tariff changes are approved at today's public hearing meeting, the tariffs would become effective January 1, 2026.

The following tariffs were sent to the Florida Public Service Commission for review and approved:

- Table of Contents.....Sheet No. 2.0
- Miscellaneous
 - e-Flex Pay Program.....Sheet No. 4.0
- Net Metering
 -Sheet No. 18.1
 -Sheet No. 18.2 to 18.7
 -Sheet No. 18.2.01 to 18.2.07
 -Sheet No. 18.9 to 18.35
 -Sheet No. 18.3.01 to 18.3.10
- Rider – Community Solar Rate (CSR)Sheet No. 19.0
- Rate Schedule – Public Charging for Electric Vehicles.....Sheet No. 20.0

Director Ortega advised that this is a public hearing and asked if anyone from the public has any comments or questions to come forward. In hearing none, the Board offered the following motion:

ACTION: Director Lebron made a motion, seconded by Director Hemphill. Director Ortega advised the question was moved and seconded to approve tariff changes with an effective date of January 1, 2026.

MOTION PASSED 5 - 0

H. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. HELP NOW OF OSCEOLA

Ms. Henderson introduced Tammy Douglas, Executive Director of Help Now Osceola Inc. Ms. Douglas expressed her gratitude for KUA's continued partnership, investment, and support over the years to help bring this community together.

Ms. Douglas provided the Board with an overview of the extensive services Help Now provides to meet the needs of survivors.

Director Ortega thanked Ms. Douglas for all of Help Now's efforts. Both the Director Ortega and Ms. Douglas acknowledged the importance of sharing these statistics as a united voice because domestic abuse is the most underreported crime.

Director Lebron inquired if Help Now Osceola has an appointed staff attorney. Ms. Douglas advised that their current staff attorney is Sara Vance.

2. INFORMATIONAL UPDATE ON TERMINATION OF KUA'S OWNERSHIP INTEREST IN STANTON ENERGY CENTER UNIT 1

Jason Terry, Vice President of Power Supply, provided an update regarding the termination of KUA's ownership interests due to the upcoming retirement of Stanton Energy Center Unit 1 (SEC1), one of OUC's coal-fired units.

In September 2021, OUC announced it planned to retire SEC1. However, OUC has now decided not to retire the unit and instead place it under "Cold Shutdown" status. This decision will provide OUC with the flexibility to keep the unit offline but be available as an alternative resource if they need its capacity to meet increased demand in load growth.

Mr. Terry notified the Board that OUC and FMPA were working on an interim agreement to govern operations and cessation of receiving capacity from SEC 1 effective January 1, 2026, which would better define the responsibilities and costs associated with this new status for SEC1. He informed the Board that early in the new year, he intends to recommend the termination of KUA's participation in this project since obligations to the Stanton Unit will expire come December 31, 2025.

The only risk Mr. Terry highlighted was the possibility of any environmental issues that occurred before KUA's TARP participation in 2008. In response, Director Thacker questioned whether any statute of limitations would apply to which General Counsel, Grant Lacerte, reassured that there is no indication of any long-standing issues at this time.

I. OLD BUSINESS - None

J. NEW BUSINESS

1. FISCAL YEAR 2025 BUDGET AMENDMENT

Kevin Crawford, Vice President of Finance & Administration, presented staff's recommendation to approve the amendment to increase the 2025 Budget to \$1.94 million in order to fund the materials and construction of external line extensions in excess of approved budget, due to the 4.1% customer growth and 3.3% kWh sales growth.

ACTION: Director Thacker made a motion, seconded by Director Hemphill. Director Ortega advised the question was moved and seconded to approve the \$1.94 million dollar budget amendment to increase the Fiscal 2025 Budget.

MOTION PASSED 5 - 0

2. APPROVAL OF KUA'S STRATEGIC PLAN GOALS FOR CALENDAR YEAR 2026

Brian Horton, President and General Manager, presented the recommended 2026 Strategic Goals and highlighted the new goals for this year's plan. As with prior years, the goals have been developed to achieve improvements in each of the core key areas identified in the strategic plan.

ACTION: Director Thacker made a motion, seconded by Director Hemphill. Director Ortega advised the question was moved and seconded to approve KUA's 2026 Strategic Plan Goals.

MOTION PASSED 5 - 0

3. APPROVAL OF AWARD FOR RFP 25-064-RM TO SPATIAL BUSINESS SYSTEMS FOR AUTOMATED UTILITY DESIGN SOFTWARE

Mark Flury, Vice President of Engineering & Operations, informed the Board that KUA will be converting its GIS network to the ArcGIS Utility Network in 2026. Utility Network allows for the management of a connected network with a single unified model with advanced capabilities for modern utilities. KUA engineers utilize a distribution system design software for the creation of engineering job prints, which are utilized by line crews for facility construction. Mr. Flury added that this design software must be replaced to enable compatibility with the upcoming migration and conversion to ArcGIS Utility Network next year. This new system will provide staff with more advanced capabilities to support major efficiency improvements in their current GIS systems.

Mr. Flury shared that an RFP was conducted and an evaluation committee evaluated the three proposals submitted for the new distribution system design software. After evaluation, staff is recommending approval to purchase with SBS/AUD Distribution design software.

Director Lebron inquired if staff had an opportunity to have a trial period with this new system to ensure that it integrates seamlessly before committing to the contract. Mr. Flury expressed that staff did their due diligence on the front end of their extensive RFP process to ensure the system would integrate with KUA's current systems.

Additional discussion took place regarding a trial process and contract clauses in the agreement.

Director Reginald asked if any cybersecurity review has been performed. Mr. Horton advised that no such review has been conducted at this time.

Director Hemphill provided an example situation from her experience of an organization that was allowed to visit a customer site to ask any questions and gain exposure to a new program before purchase. Mr. Flury clarified that the RFP process included this exposure through the vendor's presentation pitch and walk-through demo.

After additional discussion, Director Hardee provided clarity on his motion so that staff can obtain a state of authorization and move forward.

ACTION: Director Hardee made a motion, seconded by Director Lebron. Director Ortega advised the question was moved and seconded to approve the award of Contract RFP 25-064-RM to Spatial Business Systems for the purchase of Automated Utility Design software for future deployment on the new GIS utility network for a three (3) year term with two (2) one (1) year renewal options for the contract amount of \$366,271.58, and authorize the President and General Manager to execute all necessary contract documents after verifying that the termination provisions of such documents meet the Board's concerns regarding contractual termination flexibility.

MOTION PASSED 5 - 0

4. APPROVAL OF ENGINEERING SERVICES TASK AWARD TO POWER ENGINEERS
FOR RECONDUCTORING OF 69KV TRANSMISSION LINES 04-0410 AND 04-0710

Mr. Flury provided an overview of this project that has been identified as a need in order to provide capacity for the new growth. Upon conducting a thorough analysis for feasibility screening, it was proven favorable to reconduct in lieu of a complete rebuild which presented a much more cost-effective plan to support the company goal of providing reliable service. Due to the 25% savings, this approach will also allow room to reinforce storm hardening for 20 wood poles.

ACTION: Director Hemphill made a motion, seconded by Director Hardee. Director Ortega advised the question was moved and seconded to approve Engineering Service Task Award for reconductoring design of lines 04-0410 & 04-0710 under existing KUA Master Services Agreement Contract PS #20-001-CV to Power Engineers in the amount of \$626,566.00 (includes a 15% contingency) and authorize the President and General Manager to execute all necessary contract documents.

MOTION PASSED 5 - 0

K. STAFF REPORTS

1. FINANCE & ADMINISTRATION - UNAUDITED YEAR END FINANCIAL STATEMENTS

Dan Goetz, Manager of Accounting and Finance Administration, provided a condensed Financial Report for the period ending September 30, 2025. Mr. Goetz announced the achievement of their goal to move towards superior financial strength by obtaining positive net income while meeting the needs of all fiscal policies. Their efforts were proved by the 5.8% favorable variance in this Budget and Actual Recap.

L. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

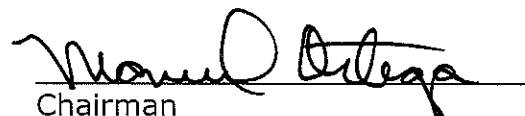
Grant Lacerte, General Counsel, addressed developments in Washington regarding the Low Income Home Energy Assistance Program (LIHEAP) funding for disadvantaged customers. The U.S. Department of Health and Human Services released \$3.7 billion in block grants to the states.


Mr. Lacerte also informed the Board regarding incumbent telecommunications companies renting KUA's poles to transmit information over wires they attached to KUA's poles. Mr. Lacerte explained that currently, the Federal Pole Attachment Act exempts municipal electrical utilities like KUA from FCC regulations over pole attachment rental rates and terms and conditions. However, the U.S. House of Representatives Energy and Commerce Committee voted by 26 to 24 to advance a bill that largely repeals this exemption from regulation. No vote has been scheduled on the House Floor, but Mr. Lacerte will keep the Board updated.

The Board wished staff and everyone Happy Holidays and well wishes into the New Year.

M. ADJOURNMENT

Director Ortega adjourned the meeting at 4:49 p.m.


Chairman


Secretary