

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY, DECEMBER 4, 2024 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 Melissa Thacker, Director Reginald Hardee, Director Ethel Urbina, Mayor Jackie Espinosa, President & General Manager, Brian Horton, General Counsel, Grant Lacerte and Recording Secretary, Margie Boles.

A. MEETING CALLED TO ORDER

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

Director Ortega welcomed Mayor Espinosa as KUA's newest board member.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board members and staff recited the Pledge of Allegiance.

C. APPROVAL OF AGENDA

ACTION: Director Hemphill motioned, seconded by Director Urbina to approve the Agenda. Chairman 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

Ms. Henderson presented the Board with the Building Strong Communities award. Florida Municipal Electric Association (FMEA) recognized KUA for its valuable investments that enhance the quality of life in the community.

2. AMERICAN PUBLIC POWER ASSOCIATION (APPA) EXCELLENCE IN PUBLIC POWER COMMUNICATIONS AWARD

Ms. Henderson informed the Board that KUA received the nation's top award for Excellence in Utility Communications from the APPA.

3. AMERICAN PUBLIC POWER ASSOCIATION (APPA) CUSTOMER SERVICE SATISFACTION AWARD

Ms. Henderson informed the Board that KUA also earned the bronze Customer Service Satisfaction award from APPA.

Ms. Henderson presented the three awards to the Board.

4. 5-YEAR SERVICE AWARD – CAROL AUGUSTIN, ADMINISTRATIVE ASSISTANT II, CAP, INFORMATION TECHNOLOGY

5. 5-YEAR SERVICE AWARD – CASEY McCRACKIN, FINANCIAL ANALYST I, FINANCE & ADMINISTRATION

6. 5-YEAR SERVICE AWARD – JOE BARRETO, POWER PLANT OPERATIONS SUPERVISOR, POWER SUPPLY

7. 20-YEAR SERVICE AWARD – NILDA MEDINA, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERVICE

8. 25- YEAR SERVICE AWARD – EDISON CABRERA, SUBSTATION ELECTRICIAN, OPERATIONS

9. EMPLOYEE OF THE MONTH FOR NOVEMBER 2024 – LOWELL KNOLLINGER, MANAGER OF SUPPORT SERVICE, CUSTOMER SERVICE

Mr. Horton recognized Lowell for being selected employee of the month for December 2024.

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 Hemphill motioned, seconded by Director Urbina. Chairman Ortega advised the question was moved and seconded to approve items 1 through 4 of the consent agenda.

MOTION PASSED 5 - 0

1. APPROVAL OF MINUTES FOR NOVEMBER 6, 2024 BOARD MEETING

2. EDUCATION FOUNDATION OF OSCEOLA SPONSORSHIP

RECOMMENDATION: Approve a \$10,000 sponsorship to support the Hope Partnership.

3. HELP NOW OF OSCEOLA INC. SPONSORSHIP

RECOMMENDATION: Approve a \$15,000 sponsorship to support Help Now of Osceola Inc.

4. 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 \$375,702.15 and authorize the President and General Manager to execute any necessary documentation.

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. THE HOPE PARTNERSHIP

Tiffany Henderson, Director of Corporate Communications, introduced Rev. Mary Lee Downey, Founder & CEO of the HOPE Partnership. Ms. Downey expressed her gratitude for the support and commitment KUA has shown to the community and thanked the Board for their continued support.

H. PUBLIC HEARING - None

I. OLD BUSINESS - None

J. NEW BUSINESS

1. FISCAL YEAR 2024 BUDGET AMENDMENT

Kevin Crawford, Vice President of Finance & Administration, advised the Board that an amendment to increase the 2024 budget for \$6.56 million is required to fund the materials and construction of external line extensions in excess of the budget due to the 5.4% customer growth, 5.0 kWh sales growth and rising material costs.

Director Urbina asked when the reimbursement would occur. Mr. Crawford advised that typically KUA asks for the reimbursement up front.

ACTION: Director Urbina made a motion, seconded by Director Hardee. Chairman Ortega advised the question was moved and seconded to approve the \$6.56 million budget amendment to increase the Fiscal 2024 Budget.

MOTION PASSED 5 – 0

2. APPROVAL OF AWARD OF IFB 24-058-RM 15KV METALCLAD CAPACITOR BANKS FOR VAN METER SUBSTATION

Larry Mattern, Vice President of Operations, advised the Board that staff completes an annual distribution planning report to identify where new substation infrastructure expansion is required to meet expected development growth. The report identified the need for the new Van Meter Substation to support development in the northwest district of KUA's territory.

Mr. Mattern advised that two proposals were received and staff recommends award of two 15KV metal-clad capacitor banks for the new Van Meter substation to Controllix Corporation.

Director Hardee asked if KUA has done business with both companies that submitted proposals. Mr. Mattern advised we have done business with Controllix in the past and he will check to see if we have worked with Anixter.

ACTION: Director Urbina made a motion, seconded by Director Hardee. Chairman Ortega advised the question was moved and seconded to award two 15KV Metal-clad Capacitor Banks for the new Van Meter substation to Controllix Corporation for \$442,490.40, and authorize the President and General Manager to execute all necessary contract documents.

MOTION PASSED 5 – 0

3. APPROVAL OF EXPENDITURE FOR WEBEX CALLING & CONTACT CENTER UPGRADE

Terry Farley, Network Engineering Manager of Information Technology, advised the Board that this purchase would migrate KUA's Cisco telephony and contact center systems to a cloud-based platform. The current telephony and contact center systems are approaching end-of-life and will no longer meet KUA's growing demand for modern communication tools.

Staff obtained a quote from Veytec, a Cisco partner, to provide professional services for the deployment and migration of the Webex systems.

Director Urbina asked what would happen after the 3-year term. Mr. Farley advised we would need to renegotiate.

ACTION: Director Urbina made a motion, seconded by Director Thacker. Chairman Ortega advised the question was moved and seconded to approve the expenditure of \$512,814.20 for the Webex Calling and Webex Contact Center Systems with Veytec for a 3-year term and authorize the President and General Manager to execute any necessary documentation.

MOTION PASSED 5 – 0

4. APPROVAL OF KUA'S STRATEGIC GOALS FOR CALENDAR YEAR 2025

Brian Horton, President & General Manager, shared that staff continues to develop annual goals that align with the Board's adopted framework that includes the three pillars which are: improving the services and experience for the customer, maintaining excellent financial strength, and cultivating a great work environment.

Mr. Horton highlighted the new goals for 2025:

- Evaluate areas of the distribution system for potential priority to convert from aboveground to underground facilities and develop cost estimates for the identified areas.
- Coordinate at least four educational outreach events in conjunction with the Green Team, including at least one hosted at KUA.
- Evaluate customer trends from the first year of Pre-Pay adoption to assess the program's performance and identify areas for improvement and implementation.
- Optimize AMI by researching, identifying and developing an implementation plan for an analytical system to improve internal operations.
- Review results of Cost of Service Study and implement any necessary changes
- Evaluate operating results and customer feedback of EV and Surge Protection Programs to determine program viability.
- Assist in the administration of Economic Development Administration (EDA) Grant Award to assure conformity with federal funding requirements and timely reimbursement of project costs.
- Conduct a feasibility study on KUA's health benefit programs to evaluate alternate funding mechanisms.

Director Urbina recommended changing the target date for the following goal:

- Evaluating areas of the distribution system for potential priority to convert from aboveground to underground facilities and develop cost estimates for the identified area.

Director Urbina recommended to change the target date from December 31 to September 30 to align with KUA's fiscal year. Mr. Horton advised it would be updated to September 30.

ACTION: Director Hardee made a motion, seconded by Director Urbina. Chairman Ortega advised the question was moved and seconded to approve KUA's 2025 Strategic Plan goals.

MOTION PASSED 5 – 0

K. STAFF REPORTS

1. GRID RESILIENCY PRESENTATION

Mr. Horton advised that Larry Mattern, Vice President of Operations and Jef Gray, Vice President of Information Technology, would both present on this topic.

Mr. Mattern informed the Board that Operations completes a 5-year transmission & distribution study annually to know how to keep the grid resilient and reliable. Mr. Mattern provided information on substation improvements, distribution improvements and shared some projects for the future.

Director Urbina asked if the new poles that have been installed are able to withstand the hurricane winds as well as the wooden poles have been able to. Mr. Mattern advised the new poles are able to withstand better than the old wooden ones.

Jef Gray, Vice President of Information Technology, shared with the Board how KUA is cyber resilient. Mr. Gray shared business resumption, defense in-depth, risk/threat analysis, physical security and the future vision.

Director Ortega thanked both Mr. Mattern and Mr. Gray for a great presentation.

Director Hardee asked whose KUA's vendor for the billing system. Mr. Gray advised he would share with Director Hardee offline.

2. FINANCE & ADMINISTRATION – UNAUDITED YEAR END FINANCIAL STATEMENTS

Kevin Crawford, Vice President of Finance & Administration, provided an overview of the unaudited year-end financial statement to the Board.

Director Thacker requested clarification on the low fuel costs - high sales make for a really good year; however, on line 790 in the budget presentation it shows a vastly different number from where we ended up in actual. Mr. Crawford advised we start the budget a year early and we try to predict what we expect gas prices to be and are very conservative with the predictions.

The Board thanked Kevin for a good report.

L. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

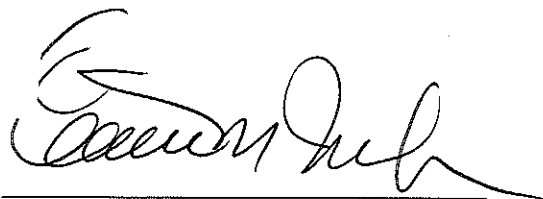
Grant Lacerte, General Counsel, shared that the house calendar shows they will be in session when the APPA rally is scheduled.

Mr. Horton shared the reminders of upcoming events and thanked all of the KUA team members and the Board for a good year. Mr. Horton wished everyone Happy Holidays.

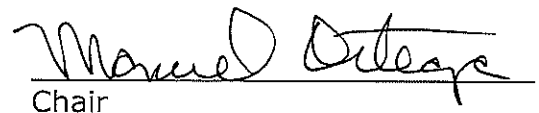
The Board wished everyone happy holidays and thanked staff for all of their work.

M. ADJOURNMENT

Director Ortega adjourned the meeting at 4:42 p.m.



Secretary



Chair