

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY, FEBRUARY 07, 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 Reginald Hardee, Director Ethel Urbina, Mayor Olga Gonzalez, President & General Manager, Brian Horton, General Counsel, Grant Lacerte and Recording Secretary, Margie Boles. Director Rae Hemphill and Director Jeanne Van Meter were 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 Urbina made a motion, seconded by Director Hardee to approve the agenda.**

**MOTION PASSED 3 – 0**

D. AWARDS AND PRESENTATIONS

1. 2023 FLORIDA MUNICIPAL ELECTRIC ASSOCIATION (FMEA) RESTORING COMMUNITIES AWARD

Adriana Seda, Communications Specialists from Corporate Communications, informed the Board that KUA was recognized by FMEA with the Restoring Community Award for the mutual aid assistance provided in 2023. Ms. Seda presented the plaque to the Board.

Director Ortega congratulated all of the employees, as this award is a reflection of KUA.

2. 35-YEAR SERVICE AWARD – DONNIE USHER, CERTIFIED SYSTEM OPERATOR, OPERATIONS

3. EMPLOYEE OF THE MONTH FOR FEBRUARY 2023 – OMAR RODRIGUEZ SUAREZ, FACILITIES MAINTENANCE WORKER, GENERAL MANAGEMENT

Mr. Horton congratulated Omar for being selected employee of the month for February 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 Hardee made a motion, seconded by Director Hemphill, to approve items 1 – 4 under the consent agenda.**

**MOTION PASSED 3 – 0**

1. APPROVAL OF MINUTES FOR JANUARY 10, 2024 WORKSHOP MEETING

2. APPROVAL OF MINUTES FOR JANUARY 10, 2024 BOARD MEETING

3. APPROVAL OF CITY OF KISSIMMEE EVENTS SPONSORSHIP

**RECOMMENDATION: Approve a \$25,000 sponsorship to support the City of Kissimmee's annual programs and events.**

4. APPROVAL OF CONTRACT #20-032-CV EXTENSION WITH PREFORMED LINE PRODUCTS (PLP) FOR TRANSMISSION LINE DRONE INSPECTIONS

**RECOMMENDATION: Approve Amendment #2 of contract 20-032-CV to extend the term for one additional year with PLP with a \$30,000 annual limit; and authorize the President & General Manager to execute the contract documents.**

G. PUBLIC HEARING - None

H. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. SILVER SPURS RODEO INFORMATIONAL PRESENTATION

Ms. Seda introduced Sara Berlinsky, Executive Director of the Silver Spurs Rodeo. Ms. Berlinsky shared a short presentation on the positive impact KUA's financial contributions have made for the organization. She thanked KUA and the Board for its continued support throughout the years.

The Board thanked the organization for what they do.

2. YEAR END AUDITED FINANCIAL REPORT FOR FY23

Dan Goetz, Manager of Accounting of Finance & Administration, shared with the Board the three changes since December's Unaudited Year End Financial Report. Mr. Goetz advised the three changes are GASB No. 68, which is related to pensions, GASB No. 75, which is related to Other Post-Employment Benefits (OPEB) and GASB No. 96 which is related to subscription based IT arrangements.

Mr. Goetz introduced Ron Whitesides, Audit Partner with Purvis Gray & Company, to present the audited financial report.

Mr. Whitesides introduced his associate Kevin Smith, Director of Purvis Gray & Company, who is available for any questions.

Mr. Whitesides reviewed the Auditor's reports, significant estimates and judgments, and significant audit matters. Mr. Whitesides also shared highlights within the report, which included Revenues & Expenses, Statement of Net Position, and Pension.

Mr. Whitesides shared the audit went very well recognizing the finance team for such great work. Mr. Whitesides thanked all of staff for their cooperation.

I. OLD BUSINESS - None

J. NEW BUSINESS

1. APPROVAL OF AGREEMENT WITH OSCEOLA COUNTY FOR THE CONVERSION OF TRANSMISSION FACILITIES AT NEO CITY

Grant Lacerte, General Counsel, advised the Board that Osceola County (County) is continuing to develop and seek further opportunities to expand its semiconductor manufacturing and technology hub at NeoCity. As part of this latest effort, the County wants to enhance the aesthetics of this new development and improve electric reliability and resiliency by burying two 69kV underground circuits that are currently crossing this area in an overhead configuration. The County has requested KUA's assistance in making this happen and to that end, KUA has partnered with the County to apply for approximately \$18.6 million in federal funding from the US Economic Development Administration (EDA) through its Disaster Supplemental EDA DISASTER-2023 funding opportunity. This funding would cover the expenditures to underground these facilities. KUA is the primary applicant on the grant application. However, in making this application, KUA has insisted that the County bear 100% of the costs of the underground project, including any match requirements imposed by EDA and any actual costs of the underground project in excess of the amount awarded by EDA and matched by the County.

Mr. Lacerte informed the Board that although the recommendation reads to approve the agreement in substantial form, the County had already signed the agreement since both the County and KUA reached an agreement to the final terms and conditions.

Director Ortega asked if this recommendation is just for the approval of the agreement or if it was for both, the approval and the adoption of the agreement and the

resolution. Mr. Lacerte advised this recommendation is only for the agreement and next would be the recommendation of adopting a resolution. Mr. Lacerte explained the agreement needs to be approved first before approval and adoption of the resolution.

Director Hardee asked the representatives from the County what the projection of NeoCity is in terms of the vision.

Beth Knight, Chief Operating Officer of the County, introduced herself and also introduced Mike Nichola, Government Affairs Director. Ms. Knight advised the County's vision is really on shoring CHIPS manufacturing back to the United States. Ms. Knight added the ability to place transmission lines underground will provide more confidence from their partners. Ms. Knight shared the County is not far from being able to bring on a partner that will create a city center at NeoCity.

Director Hardee shared he read how many potential jobs were coming to Osceola County on behalf of the NeoCity project and really supports the partnership.

Ms. Knight added how much the County appreciates the partnership with KUA and TWA (Toho Water Authority).

**ACTION: Director Urbina made a motion, seconded by Director Hardee to (1) approve the attached Agreement For The Conversion Of Transmission Facilities at NeoCity in substantial form (Conversion Agreement); and (2) authorize the President and General Manager to negotiate and execute in final form the Conversion Agreement and any other documents necessary to carry out its purpose.**

**MOTION PASSED 3 – 0**

2. ADOPTION OF RESOLUTION #24-01 FOR AUTHORIZING SUBMISSION AND ACCEPTANCE OF AN ECONOMIC DISASTER APPLICATION GRANT (APPLICATION #00002796)

Mr. Lacerte advised the Board that as previously discussed, Osceola County (County) is continuing to develop and seek further opportunities to develop its semiconductor manufacturing and technology hub at NeoCity. On December 21, 2023, EDA notified the County and KUA that it was considering selection of our grant application for a grant award but EDA's funding of the underground project would be limited to \$6,198,776.00 of the \$18.6 million Grant Application amount. In response to this announcement, the County has decided to reduce the scope of the underground project by choosing a less expensive and more direct route for the project. On January 17, 2024, the County and KUA sent the EDA a letter requesting permission to reduce the scope of the underground project, with a total estimated amount of \$13,663,130.00.

Director Hardee asked if KUA has the ability to pull out if a certain dollar threshold is on the liability side. Mr. Lacerte advised KUA is not financially responsible.

**ACTION: Director Hardee made a motion seconded by Director Urbina to (1) adopt the attached Resolution 24-01 authorizing KUA to: (a) submit a grant application for EDA APP#00002796, FY 2023, EDA Disaster Supplemental; and (b) accept the grant award offered by the Economic Development Administration on the Grant Application; and (2) authorize the President and General Manager and/or his designee to negotiate and execute any documents necessary to carry out the purpose of Resolution, No. 24-01.**

**MOTION PASSED 3 – 0  
Manny Ortega voted yes  
Ethel Urbina voted yes  
Reginald Hardee voted yes**

Director Ortega thanked the County for their efforts in this EDA Grant.

3. APPROVAL OF THE KISSIMMEE GATEWAY AIRPORT (KGA) AND KUA LEASE AGREEMENT FOR AIRPORT SUBSTATION

Larry Mattern, Vice President of Operations, advised the Board that the Kissimmee Gateway Airport (KGA) has been in discussions with KUA regarding available electrical capacity for future development on vacant airport property. Large industrial customers were identified as potential tenants. To meet this increased capacity, KUA engineering studies indicate that a substation expansion is necessary. The existing Airport substation land area cannot accommodate additional electric delivery equipment. A lease agreement for the existing substation and planned expansion has been prepared.

Director Urbina asked if there are no expansion plans for the airport in the next 50 years. Mr. Mattern advised no, that corner is KUA's.

**ACTION: Director Urbina made a motion, seconded by Director Hardee to approve the ground lease airport tenant agreement between KGA and KUA; and authorize the President & General Manager to execute all necessary documents.**

**MOTION PASSED 3 – 0**

K. STAFF REPORTS

1. CUSTOMER SERVICE DEPARTMENTAL SEMI-ANNUAL REPORT

Susan Postans, Vice President of Customer Service, presented an update on the strategic goals that included the Customer Satisfaction Survey; launch a Pre-Pay Program option for KUA Customers; develop tools to assess the success of the surge protection; and develop tools to assess the success of the home EV Charger.

Ms. Postans also provided updates on surge protection, home EV Chargers, KUA public EV chargers, energy conservation, AMI in action, billing & collections, Waste Management billing transition, abandoned property, customer assistance, scams, EVSE charger repairs and DEED Research.

Director Ortega asked if the system for pre-pay will be similar to the SunPass where you can add your credit card and it automatically withdrawals. Ms. Postans advised the customers will have to initiate the payment in Paymentus.

Director Ortega asked what the cost for EV charger installation at a home is. Ms. Postans advised it is around \$700.

Director Ortega asked if the customers that are installing solar panels and not notifying KUA are aware that they should be notifying KUA. Ms. Postans advised the installers should know but may not be giving the customer the proper instructions.

Director Ortega asked if the abandoned property is deposits that customers paid. Ms. Postans advised yes, once the customer leaves, KUA sends the customer a refund of what's left; if the customer doesn't cash the check, the money gets sent to the state.

The Board thanked Ms. Postans for her presentation.

L. HEAR THE ATTORNEY, GENERAL MANAGER, DIRECTORS

Mr. Lacerte thanked Director Ortega, Director Urbina and Mayor Gonzalez for attending the FMEA Rally and representing KUA so well.

Mr. Lacerte provided an update on some highlights of bills and issues that were addressed.

Mr. Horton reminded the Board of the upcoming events.

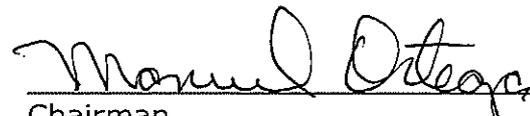
Director Hardee apologized for missing the wonderful events today and thanked Staff and the Board.

Director Urbina and Director Ortega thanked the EOC for their hard work.

Director Ortega thanked Jennifer Gonzalez and Grant Lacerte for their professionalism, guidance and leadership while attending the FMEA Rally.

M. ADJOURNMENT

Director Ortega adjourned the meeting at 4:53 p.m.

  
Chairman

  
Secretary