REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY, OCTOBER 7, 2026 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 Melissa Thacker, Director Rae Hemphill, Mayor Jackie Espinosa, President & General Manager, Brian Horton, General Counsel, Grant Lacerte, and Recording Secretary, Margie Aleman. Director Michele Lebron 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.

At this time, Mr. Horton advised that item K3 listed under New Business should be removed from the agenda.

C. APPROVAL OF AGENDA

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

**MOTION PASSED 3 – 0**

D. ELECTION OF OFFICERS

*Director Hardee arrived at 3:31 p.m.*

Director Ortega thanked the Board for their support during his time as Chairman and offered the following slate of officers to be nominated and elected by motion: Director Melissa Thacker to serve as the Chairman, Director Rae Hemphill to continue serving as Vice Chairman, Director Reginald Hardee to serve as Secretary, and Director Michele Lebron to serve as Assistant Secretary.

**ACTION: Director Ortega made a motion, seconded by Director Hardee. Chairman Ortega advised the question was moved and seconded to nominate and elect the following officers of the KUA Board: Director Thacker, Chairman; Rae Hemphill, Vice Chairman; Reginald Hardee, Secretary and Michele Lebron, Assistant Secretary.**

**MOTION PASSED 4 – 0**

E. AWARDS AND PRESENTATIONS

1. 2026 TOP WORKPLACE AWARD

Vanessa Lugo, Human Resources Manager, advised the Board that KUA was recognized as a 2026 Top Workplace employer. The award was presented by the Orlando Sentinel's Top Workplace program. Ms. Lugo presented the award to the Board.

2. 5-YEAR SERVICE AWARD – ZACHARY SIRRELL, FLEET SERVICE MECHANIC II, OPERATIONS

3. 20-YEAR SERVICE AWARD – AMY HERNANDEZ, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERIVICE

4. 25-YEAR SERVICE AWARD – JOSE SANTIAGO, ELECTRIC METER TECHNICIAN I, CUSTOMER SERVICE

5. EMPLOYEE OF THE MONTH FOR OCTOBER 2026 – RYAN MCNEAL, INSTRUMENT CONTROLS AND ELECTRICAL TECHNICIAN II, POWER SUPPLY

Mr. Horton advised that Ryan was not able to be present but recognized him for being selected employee of the month for October 2026.

F. HEAR THE AUDIENCE

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

G. CONSENT AGENDA

**ACTION: Director Hardee made a motion, seconded by Director Ortega. Director Thacker advised the question was moved and seconded to approve the two items under the consent agenda.**

**MOTION PASSED 4 – 0**

1. APPROVAL OF MINUTES FOR SEPTEMBER 2, 2026 BOARD MEETING

2. AWARD OF CONTRACT FOR RFP 26-041-SH TO FLORIDA CLEANING SYSTEMS INC. FOR JANITORIAL SERVICES

**RECOMMENDATION: Approve award of RFP 26-041-SH to FCS Facility Services, Inc. for a three-year contract with an option for two (2) one-year renewals at a not to exceed cost of $600,537.12 and authorize the Chairman and Secretary to execute all necessary contract documents.**

H. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA

Tiffany Henderson, Director of Corporate Communications, introduced Brittany Pilcher, Vice President of Partnerships and Greg Register, Senior Partnership Engagement Manager of Junior Achievement of Central Florida who provided a presentation on the positive impact KUA's financial contributions have made. Ms. Pilcher and Mr. Register thanked KUA for its support over the years.

2. FINANCIAL RESERVES STUDY

Kevin Crawford, Vice President of Finance & Administration, introduced Chris Lover, Managing Director at Public Financial Management, who provided the Board with a breakdown on KUA's financial reserves and the financial risks.

Director Ortega stated KUA has no debt at the moment and asked if that would influence how much cash reserve KUA has. Mr. Lover advised yes; ideally it is nice for a municipal utility to not have debt, but the problem would be where would the utility go if it has a big shock and it needs money quickly, who could it turn to. Mr. Lover explained that when you have debt, you have relationships with large banks, on the commercial side, who can loan money quickly like in a week. Mr. Lover stated since KUA does not have those type of relationships, it indicates KUA should have more cash on its balance sheet. The problem is that if KUA needs a big chunk of cash to address commodity risks, then a bank may not easily loan money.

Director Ortega then asked that if KUA did have a lot of debt, then would the cash reserve be much higher. Mr. Lover stated if KUA did have more debt and relationships were established with banks, then KUA could use existing line of credits in the case of an emergency.

3. SOUTH LAKE TOHO DEVELOPMENT (DUKE ENERGY FLORIDA SERVICE AREA)

Wesley Infinger, Assistant Vice President of Engineering & Operations, advised the Board of the South Lake Toho development proposed at the edge of the southwest side of our service territory. Mr. Infinger provided a presentation that explained the development; the challenges; feasibility study; KUA's intended direction on proceeding based on a finance study; interim step and the next steps.

Director Hardee asked if there is only one developer to which Mr. Infinger advised yes. Director Hardee shared that he recalls a discussion that was had with Duke in the past regarding Tupperware, and there being a similar transaction. Mr. Horton noted that the State

of Florida has defined service territories for utilities, and a utility is not permitted to serve customers within another utility's territory unless an agreement is reached between those utilities.

Director Hardee asked if the numbers from the finance study are based on the current development. Mr. Horton advised the known development is just for the 3,400 residential homes, no future commercial is known. Mr. Horton further advised that the development occurs to the east of the wetlands. The development which will continue to occur to the south is in Duke's service territory. KUA only knows the residential development that will occur. Everything to the west is already built or falls into the wetlands where there can't be any future development.

Director Hardee shared that he would hate for KUA to lose service territory and suggested a lease option. Director Thacker reminded Director Hardee that this piece is informational and KUA will not be moving on it today.

Grant Lacerte, General Counsel, clarified that the situation with Duke in terms of the development around Tupperware occurred in 2017. Those surrounding developments are in KUA's service territory. Mr. Lacerte pointed out that the major road connectors being worked on are well south of our territory and if there are any commercial developments, they would be well south and in Duke's service territory. However, the proposed development is purely residential. Mr. Horton confirmed that the proposed development is in KUA's service territory and residential in nature.

Director Hardee asked if there is a timeline to respond to Duke. Mr. Infinger advised there is currently no timeline.

Mr. Lacerte advised if staff wishes to proceed, then staff will still have to come back to the Board to amend the service territory agreement, provided KUA comes to an agreement with Duke to make this permanent once the temporary service letter is signed. If that is not completed by July 1st, it will need to be presented to the residents outside the city limits under the house bill that passed.

Mr. Horton advised with regards to the suggested leasing option there are some challenges: a temporary lease would require Duke to extend facilities to the development, but because Duke operates at a different service voltage, we would still need to build new facilities to serve those customers.

Mr. Horton added that the point of this informational presentation is to make the Board aware that this is the challenge we have. We are moving forward with what we believe to be the most prudent option for our ratepayers at this time.

Director Hardee requested information on the life of the existing substation that is there and the budgeted cost that is planned for that substation. Mr. Horton advised that the substation was placed in a commercial operation and is several years old.

## I. PUBLIC HEARING

### 1. ESTABLISH ECONOMIC DEVELOPMENT RATE TARIFF

Kevin Crawford, Vice President of Finance & Administration, reminded the Board that last month, staff was authorized to send the following tariff changes to the Florida Public Service Commission for review and approval. KUA has received the approval from the PSC and the following are recommended for approval:

- *Table of Contents 2.0*
  - *Update tariff to reflect changes as required due to the following item.*

- *Rider – Economic Development Rate 21.0 to 21.2*
  - *Implement tariff to allow KUA to administer this program to enhance business attraction to our service territory to increase employment with jobs paying above the Osceola County average annual wage.*

Mr. Lacerte advised this is a public hearing, and no one from the public is in attendance to address this matter. Mr. Lacerte also advised that no one from the public sent anything in writing over to us in reference to this tariff.

Mayor Espinosa asked if staff has been in touch with the City of Kissimmee administration team and Osceola County. Mr. Crawford advised there have been multiple conversations with the City and County staff members.

Mayor Espinosa suggested that KUA contact David Rodriguez and Shaun from the airport as this would be a great opportunity and timing for them.

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

**MOTION PASSED 4 - 0**

2. UPDATES TO THE ELECTRIC SERVICE TARIFFS

Mr. Crawford shared that also last month staff was authorized to send the following tariff changes to the Florida Public Service Commission for review and approval. KUA has received the approval from the PSC and the following are recommended for approval:

- *Rate Schedules: General Service (GS) 7.0, General Service Demand (GSD) 8.1 and General Service Demand – Time of Use (GSDT) 8.2*
  - *A 2.5% rate increase effective November 1, 2026, to move projected revenue requirements based on the 2025 cost-of-service study.*

- *Rate Schedule – Outdoor Lighting Service 13.0, 13.1, 13.1.01 and 13.1.02*
  - *A 2.5% rate increase on each of the following four effective dates: November 1, 2026, and then October 1, 2027, 2028, and 2029 to move projected revenue requirements based on the 2025 cost-of-service study.*

Mr. Lacerte advised this is a public hearing, and no one from the public is in attendance to address this matter. Mr. Lacerte also advised that no one from the public sent anything in writing over to us in reference to this tariff.

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

**MOTION PASSED 4 - 0**

J. OLD BUSINESS – None

K. NEW BUSINESS

1. AWARD OF CONTRACT FOR RFP 26-036-JG FOR CONDUIT INSTALLATION SERVICES

Mr. Mark Flury, Vice President of Engineering & Operations, shared with the Board that KUA utilizes contractual services to perform conduit installations to support the utility's underground electric facilities on an as needed basis. The existing agreement for these services is set to expire on March 31, 2027. RFP 26-036-JG Conduit Installation Services was issued to obtain proposals from qualified firms. Staff solicited bids to perform these services on June 19, 2026, and received proposal responses from thirteen firms on July 28, 2026. Top three firm ranking was Bellemore Enterprises (93 points), Bismark Electrical Services (90 points), and Terry's Electric (87 points). Recommended contract pricing will be time and material based on not-to-exceed estimates, for an initial three (3) year term with two (2) one (1) year renewal options.

**ACTION: Director Hardee made a motion, seconded by Director Ortega. Director Thacker advised the question was moved and seconded to approve the award of Contracts under RFP 26-036-JG for Conduit Installation Services to Bellemore Enterprises, Bismark Electrical Services, and Terry's Electric for an initial three (3) year term with two (2) one (1) year renewal options, and authorize the Chairman and Secretary to execute the necessary contract documents.**

**MOTION PASSED 4 - 0**

2. APPROVAL OF AWARD RFP 26-044-SH FOR HIGH VOLTAGE SUBSTATION SERVICES

Mr. Infinger advised the Board that KUA seeks to utilize continuing contractual services to perform substation renovation, expansion, and emergency restoration work on an as-needed basis. RFP 26-044-SH High Voltage Electrical Substation Services was issued to obtain proposals from qualified firms. The top three firm rankings were Elite Construction of Ocala, Inc. (93 points), Terry's Electric, Inc. (76 points), and Reliable Substation Services, Inc. (71 points). Recommended contract pricing will be time and materials based on not-to-exceed estimates and the term is an initial three (3) year term with two (2) one (1) year renewal options.

Director Thacker asked if KUA has one master agreement with Terry's Electric. Mr. Infinger advised we have different agreements to tailor to each project.

**ACTION:** **Director Hemphill made a motion, seconded by Director Ortega. Director Thacker advised the question was moved and seconded to approve the award of contracts (RFP 26-044-SH) for High Voltage Electrical Substation Services to Elite Construction of Ocala, Inc., Terry's Electric, Inc., and Reliable Substation Services, Inc. for a three (3) year term with two (2) one (1) year renewal options and authorize the Chairman and Secretary to execute the necessary Contract Documents.**

**MOTION PASSED 4 – 0**

3. APPROVAL TO PURCHASE TRANSMISSION POLES FOR LINE 04-0123 BETWEEN MARYDIA AND HANSEL SUBSTATION (IFB 24-042-JG) – *REMOVED*

L. STAFF REPORTS

1. OPERATIONS SEMI ANNUAL REPORT

Mr. Flury, provided the following highlights within the Operations departments: Strategic Goals, reliability performance, major capital projects, underground cable replacement, FMEA Rodeo updates, and upcoming projects.

Director Ortega thanked Mr. Flury for the transparency that was shared regarding the outages in Buenaventura Lakes.

Mayor Espinosa asked if the FMEA Lineman Rodeo will be opened to the general public and Mr. Horton advised yes.

M. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Mr. Lacerte congratulated Director Thacker for becoming the new Chairman.

Mr. Horton shared the schedule of upcoming events.

The Board congratulated all of the employees for making KUA a Top Workplace employer and thanked staff for a great meeting.

N. ADJOURNMENT

Director Thacker adjourned the meeting at 5:33 p.m.

Secretary

Chairman