

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY, APRIL 5, 2023
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 Ethel Urbina, Director Rae Hemphill, President & General Manager, Brian Horton, General Counsel, Grant Lacerte and Recording Secretary, Margie Boles. Director Jeanne Van Meter was not present. Mayor Olga Gonzalez participated via zoom.

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 Urbina to remove item H1 under Informational Presentations - Hispanic Heritage Scholarship Fund due to cancelation notification and add J1 under New Business - Unforeseen Board Vacancy to the agenda.

MOTION PASSED 3 - 0

D. AWARDS AND PRESENTATIONS

1. DEGREE RECOGNITION - WILLIAM MANGAN, OPERATION AND MAINTENANCE MANAGER, MASTER OF BUSINESS ADMINISTRATION, JOHNS HOPKINS UNIVERSITY
2. 5-YEAR SERVICE AWARD - ROBIN SIMMONS, ASSISTANT TO VICE PRESIDENT, CAP, FINANCE & ADMINISTRATION
3. 15-YEAR SERVICE AWARD - RYAN DALTON, LINE LOCATOR/INSPECTOR, OPERATIONS
4. 15-YEAR SERVICE AWARD - MARTIN CARVER, LEAD LINEMAN, OPERATIONS
5. 20-YEAR SERVICE AWARD - MATT MYERS, ACCOUNT MANAGER, CUSTOMER SERVICE
6. 20-YEAR SERVICE AWARD - LARRY WEBB, MANAGER OF TREASURY, FINANCE & ADMINISTRATION
7. EMPLOYEE OF THE MONTH FOR MARCH 2023 - VICTOR DABOIN, ELECTRIC METER TECHNICIAN II, CUSTOMER SERVICE

Mr. Horton congratulated Victor for being selected employee of the month for April 2023.

E. HEAR THE AUDIENCE

Director Ortega asked if anyone from the public would like to address the Board on an item that is not listed on the agenda. In hearing none, the Board moved forward to the agenda.

F. CONSENT AGENDA

ACTION: Director Urbina made a motion, seconded by Director Hemphill, to approve the items 1 - 4 under consent agenda.

MOTION PASSED 3 - 0

1. APPROVAL OF MINUTES FOR MARCH 8, 2023 WORKSHOP MEETING

2. APPROVAL OF MINUTES FOR MARCH 8, 2023 BOARD MEETING
3. APPROVAL OF EXPENDITURE WITH GREYSON TECHNOLOGIES FOR THE UPGRADE OF THE CALABRIO ADVANCED QUALITY MANAGEMENT & WORKFORCE MANAGEMENT SYSTEMS

RECOMMENDATION: Approve the expenditure for \$115,948.59 with Calabrio/Greyson for the upgraded cloud software subscription for a term of 1 year and the professional services necessary to facilitate the upgrade and authorize the President and General Manager to execute all necessary documentation associated with the expenditure.

4. APPROVAL OF AN INTERLOCAL AGREEMENT AND CONSTRUCTION EASEMENT WITH OSCEOLA COUNTY FOR THE SIMPSON ROAD WIDENING PROJECT

RECOMMENDATION: Approve the Interlocal Agreement between Osceola County and the Kissimmee Utility Authority for the Sale and Purchase of SR Parcel 1106 (Fee Simple) and Grant of Temporary Construction Easement of SR Parcel 7106 and authorize the President & General Manager to execute all necessary documents.

G. PUBLIC HEARING - None

H. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. HISPANIC HERITAGE SCHOLARSHIP FUND – Removed from agenda.

I. OLD BUSINESS – None

J. NEW BUSINESS

1. UNFORESEEN BOARD MEMBER VACANCY

Mr. Grant Lacerte, General Counsel, advised the Board that Director Raymond Sanchez resigned from the Board as of Monday, April 3, 2023. Mr. Lacerte stated that KUA's charter requires that the Kissimmee City Commission appoint someone to fill the remainder of the unforeseen board vacancy within 30 days. Given this unusual situation and the expedited time for the City to act, Mr. Horton and Mr. Lacerte reviewed the Rule of Thirteen, which limits a board member to complete two full 5-year terms plus a partial term of up to three years consecutively. Mr. Lacerte advised that Director Urbina, if interested, could fill the remainder of the 2 years for Director Sanchez's term.

Director Ortega asked Director Urbina if she is interested in staying on the Board for two more years. Director Urbina advised yes.

Mr. Lacerte advised that with Director Urbina being interested in filling the partial term, and if the City Commission votes for her to stay on at their May 2nd meeting, Director Urbina will be entering into Director Sanchez's term and will no longer serve her old term.

Mr. Lacerte advised that KUA would recommended that the candidate to take over Director Urbina's term would be asked if they want to serve beginning in June.

ACTION: Director Ortega made a motion, seconded by Director Hemphill to submit Director Urbina's name to the City to complete the unforeseen board vacancy.

**MOTION PASSED 3 – 0
Director Ortega – Yes
Director Hemphill – Yes
Director Urbina – Yes**

K. STAFF REPORTS

1. OPERATIONS SEMI ANNUAL REPORT

Larry Mattern, vice president of Operations, presented an overview on various projects under the Operations department including the purchase of three older plants calling them Gap Generation.

Mr. Mattern talked about the solar projects; phase two which would be Rice Creek and Whistling Duck are under 4 cents and phase three is currently at 4.5 cents however, staff will recommend 5 cents next month.

Director Urbina asked what is making the price higher. Mr. Mattern advised China overproduced, for fear of tariffs going up too high as well as insurance is now required where as it was not required when phase one was started.

Director Urbina asked if the 10MW would be available in December 2023. Mr. Mattern advised yes.

Director Urbina asked why are the gas prices going up in November. Mr. Mattern advised that during the shorter months we do not sell as much power so we have to ask for more on the demand side to pay for fixed assets.

Director Ortega shared that last week his Osceola Leadership class visited KUA's Cane Island and the entire class really appreciated the information that was shared.

L. PRELIMINARY BUDGET

1. INTRODUCTION – BRIAN HORTON, PRESIDENT & GENERAL MANAGER

Mr. Horton provided a few highlights on the preliminary budget including: staff's best recommendations for capital and staffing requirements for FY 2024 through 2028; supply chain disruption and high inflation rates still persist but the operation of KUA's position is strong and stable. Staff is forecasting moderately conservative customer growth.

Mr. Horton advised KUA is forecasting a need to increase two additional FTE positions over the next five years, one in FY2024 and one in FY 2027 to support the increasing workload associated with cyber security.

a. FINANCIAL OVERVIEW – KEVIN CRAWFORD, VICE PRESIDENT, FINANCE & ADMINISTRATION

Kevin Crawford, vice president of Finance & Administration, provided a quick review and advised that there are no changes to the data in the budget document that was previously provided to the Board.

Director Ortega asked what is happening in FY2025 that is a significant increase. Mr. Horton advised it's the Osceola substation and a transmission infrastructure.

Director Urbina asked why the actuals regarding the growth of customers show an average of 4% but projected shows 2%.

Mr. Crawford advised KUA tends to be on the conservative side when doing the customer growth projections. KUA is being cautious.

b. HUMAN RESOURCES OVERVIEW – CINDY HERRERA, VICE PRESIDENT, HUMAN RESOURCES

Cindy Herrera, vice president of Human Resources, presented an overview of the staffing for the organization. Ms. Herrera advised that staff at this time is recommending, for planning purposes only, a 4% market level adjustment for fiscal year 2024 annual budget.

ACTION: Director Urbina made a motion, seconded by Director Hemphill to approve a market level adjustment (MLA) of 4% for the Fiscal Year 2024 Annual Budget for planning purposes only.

MOTION PASSED 3- 0

Director Ortega advised that as a Board member he has no problem with any projects that have to do with infrastructure, as he is aware it will be better for the customers.

At this time, Mr. Horton asked for each department head to come up and detail their departmental budget.

c. DEPARTMENTAL OVERVIEW – PERSONNEL & CAPITAL

- i. OPERATIONS – LARRY MATTERN
- ii. INFORMATION TECHNOLOGY – JEF GRAY
- iii. CUSTOMER SERVICE – SUSAN POSTANS
- iv. FINANCE & ADMINISTRATION AND EXECUTIVE – KEVIN CRAWFORD
- v. CORPORATE COMMUNICATIONS – TIFFANY HENDERSON
- vi. HUMAN RESOURCES – CINDY HERRERA

M. HEAR THE ATTORNEY, GENERAL MANAGER, DIRECTORS

Mr. Lacerte thanked Director Ortega, Mayor Gonzalez, Mr. Horton and Ms. Jennifer Gonzalez, for attending the FMEA Legislative Rally last week. Mr. Lacerte provided updates on legislative matters.

Mr. Lacerte shared with the Board that House Bill 1331 will significantly impact KUA's ability to contribute to transfer revenue to the City's General Fund, if passed. Mr. Lacerte shared if the utility has a certain number of customers outside the city limit, the legislation would cut how much is to be transferred to the City fund. Mr. Lacerte advised in order to avoid this, it must have our board members elected like the City Commissioners are.

Director Urbina asked when candidates go for an election to become a Board member, would that make it a salaried position. Mr. Lacerte advised they would have to address that for the election.

Mr. Horton shared the dates of the upcoming events.

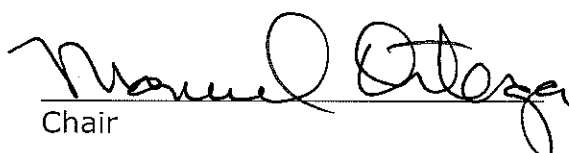
Director Hemphill thanked the linemen that participated and attended the National Lineman Rodeo in Kansas last weekend.

Director Urbina and Mayor Gonzalez wished everyone a Happy Easter.

Director Ortega thanked staff for doing such a great job at explaining the reports.

N. ADJOURNMENT

Director Ortega adjourned the meeting at 4:45 p.m.


Chair


Secretary