

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,
DECEMBER 6, 2017, AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Director Jeanne Van Meter, Director Kathleen Thacker, Director Ethel Urbina, Director Manuel Ortega, Director Rae Hemphill, General Manager James C. Welsh, General Counsel Grant Lacerte, and Recording Secretary Leticia Rivera. Mayor Jose Alvarez was not present.

A. MEETING CALLED TO ORDER

Director Van Meter called the meeting to order at 3:30 PM.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the pledge.

C. AWARDS AND PRESENTATIONS

1. APPA EXCELLENCE IN PUBLIC POWER COMMUNICATIONS AWARDS

Chris Gent, vice president of Corporate Communications informed the Board that KUA received three of the nation's top awards for excellence in utility communications from APPA. The plaques were presented to the Board.

2. FMEA BUILDING STRONG COMMUNITIES AWARD

Chris Gent, vice president of Corporate Communications informed the Board that FMEA has presented its 2017 Building Strong Communities Award to KUA for the utility's strong commitment to addressing community needs during the past year. The plaque was presented to the Board.

3. 10-YEAR SERVICE AWARD – JORGE AGUILA, INSTRUMENT & CONTROLS TECH, POWER SUPPLY

4. 10-YEAR SERVICE AWARD – LUIS LOPEZ, FACILITIES MAINTENANCE WORKER, EXECUTIVE OFFICE

5. 10-YEAR SERVICE AWARD – LETICIA RIVERA, EXECUTIVE ASSISTANT, CAP, EXECUTIVE OFFICE

6. 15-YEAR SERVICE AWARD – WILBUR HILL, VICE PRESIDENT OF HUMAN RESOURCES, HUMAN RESOURCE

7. EMPLOYEE OF THE MONTH FOR DECEMBER 2017 – CHERYL BROTZMAN, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERVICE

Mr. Welsh congratulated Cheryl for being selected employee of the month for December and thanked her for her hard work and continued dedication to KUA.

D. HEAR THE AUDIENCE

Director Van Meter asked if anyone from the audience would like to address the Board on an item not on the agenda. In hearing none, the Board moved forward to the next item on the agenda.

E. CONSENT AGENDA

ACTION: Director Urbina made a motion, seconded by Director Ortega to approve items 1 through 5 on the consent agenda.

MOTION PASSED 5 - 0

1. APPROVAL OF MINUTES FOR NOVEMBER 4, 2017 REGULAR MEETING
2. FY18 TRANSMISSION POLE REPLACEMENTS BY SOUTHEAST POWER

RECOMMENDATION: Authorize Southeast Power Corporation to perform the replacement of seven (7) wood transmission poles in the amount of \$276,900.

3. CIS INFINITY MAINTENANCE SUPPORT

RECOMMENDATION: Recommend the Board to authorize the President and General Manager to approve the \$268,609.71 expenditure for Harris/Advanced software maintenance.

4. PURCHASE OF BUCKET TRUCK

RECOMMENDATION: Approve and authorize the purchase of one (1) 55 foot bucket trucks for a total not to exceed amount of \$260,866 (PBA #17-008-CV has been assigned for tracking purposes).

5. PURCHASE OF VEHICLES

RECOMMENDATION: Approve and authorize the purchase of six (6) vehicles for a total not to exceed amount of \$195,593.98 (PBA #18-022-CV has been assigned for tracking purposes).

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. HELP NOW OF OSCEOLA PRESENTATION

Chris Gent, vice president of Corporate Communications introduced Tammy Douglass, executive director of Help Now of Osceola, Inc. Ms. Douglass provided a short power point on the positive impact KUA's financial contributions have made in their recent events and read a survivor's letter.

Director Van Meter thanked Tammy for her continued dedication. Mr. Welsh shared the fact that KUA has long historical ties with Help Now, beginning with the founder Maria Thomas.

H. OLD BUSINESS

1. APPROVAL OF CONSENTS AND WAIVERS TO RELEASE VERO BEACH FROM FMPA POWER PROJECT CONTRACTS

Larry Mattern, vice president of Power Supply read the recommendation for the agenda item and introduced Jacob Williams, FMPA's General Manager and CEO, Mr. Williams informed the Board that an agreement with Vero Beach to gain release from the FMPA power project contracts has been reached. Mr. Williams provided an overview on the Vero Beach deal and requested action.

Mr. Mattern thanked Margie Boles, Jennifer Gonzalez and Leticia Rivera for working on putting together the back up and all paper work for the respective resolutions that are in the packet and also, Mr. Lacerte for his hard work in reviewing all the documents.

Mr. Williams with the Board staff's proposal on how the \$108M will be used; \$30 million proposed to be used to target a "net-zero" annual impact to ARP rates and Payoff ARP Debt - \$78 million

ACTION: Director Ortega made a motion, seconded by Director Urbina to recommend that the Board adopt Resolutions 17-02, 17-03, 17-04, and 17-05 which provide for (1) consents and waivers to release the City of Vero Beach from FMPA power supply project contracts and (2) consents to the FMPA ARP to assume the City of Vero Beach's St. Lucie, Stanton and Stanton II Project entitlements

MOTION PASSED 5 – 0

RESOLUTION 17-02

Director Van Meter voted yes
Director Thacker voted yes
Director Urbina voted yes
Director Ortega voted yes
Director Hemphill voted yes

RESOLUTION 17-03

Director Van Meter voted yes
Director Thacker voted yes
Director Urbina voted yes
Director Ortega voted yes
Director Hemphill voted yes

RESOLUTION 17-04

Director Van Meter voted yes
Director Thacker voted yes
Director Urbina voted yes
Director Ortega voted yes
Director Hemphill voted yes

RESOLUTION 17-05

Director Van Meter voted yes
Director Thacker voted yes
Director Urbina voted yes
Director Ortega voted yes
Director Hemphill voted yes

Mr. Welsh thanked Jacob Williams for his hard work in making this happen. Mr. Williams thanked Jody Finklea for working on this as well as there was a large team behind all this work.

2. SOLAR ENERGY COMMITMENT

Larry Mattern, vice president of Power Supply advised that the KUA strategic plan includes the acquiring of solar energy to sell to interested customers, socializing the remaining unsold across all ratepayers. At the KUA September 13, 2017 Board of Directors meeting, approval was given to engage in a binding agreement with FMPA to purchase twenty (20) megawatts of solar energy to be delivered as available not to exceed 40 dollars per MWH. Meanwhile, FMPA has expanded the solar project to potentially three solar facilities. FMPA has offered KUA an additional 10 megawatts of solar power. The additional commitment by KUA and other participants is needed to complete the third facility.

Director Thacker asked where the solar field would be located. Mr. Mattern advised one will be in the Kenansville area and it will have KUA signage.

ACTION: Director Urbina made a motion, seconded by Director Ortega to commit to purchase an additional ten (10) megawatts for a total of thirty (30) megawatts of solar energy through an FMPA power purchase agreement to be acquired by willing KUA customers at a prescribed rate with any remaining to be socialized to all ratepayers not to exceed 40 dollars per MWH.

MOTION PASSED 5 – 0

I. NEW BUSINESS - None

J. STAFF REPORTS

1. UNAUDITED YEAR END FINANCIAL STATEMENTS

Kevin Crawford, vice president of Finance & Administration provided an overview on the financial statements.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, General Counsel thanked Jacob Williams and Jody Finklea for their work on the Vero Beach item.

Mr. Welsh shared dates of upcoming events with the Board and informed the Board that the 6 linemen that went to Puerto Rico to help with the restoration efforts have been selected to be the Grand Marshall for Saturday's Downtown Kissimmee Holiday Parade.

The Board members wished everyone happy holidays.

Director Van Meter also thanked the linemen for representing KUA in Puerto Rico. Director Van Meter shared that the Employee Holiday Party was great.

L. ADJOURNMENT

Director Van Meter adjourned the meeting at 4:19 PM.



Chairman



Secretary