

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,
JANUARY 11, 2017 AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Chairman Reginald Hardee, Vice-Chair Jeanne Van Meter, Director Kathleen Thacker, Director Ethel Urbina, Director Manuel Ortega, Mayor Jose Alvarez, General Manager, James C. Welsh, General Counsel, Grant Lacerte and Recording Secretary, Leticia Rivera.

A. MEETING CALLED TO ORDER

Director Hardee called the meeting to order @ 3:30 pm.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board members and staff recited the pledge of allegiance.

At this time, Director Hardee asked for a moment of silence for KUA's former General Counsel, Ed Brinson who passed away recently. Mayor Alvarez also asked to include the two law enforcement officers that were killed early this week.

At this time, Director Hardee asked Mr. Joe Hostetler to come forward. Director Hardee read and presented Mr. Hostetler with a proclamation naming a room after Joe. It will be call the Joe Hostetler Employee Health & Fitness Center. The Board congratulated and wished him well on his retirement.

C. AWARDS AND PRESENTATIONS

1. 15-YEAR SERVICE AWARD – LOWELL KNOLLINGER, MANAGER OF SUPPORT SERVICES, CUSTOMER SERVICE
2. 25-YEAR SERVICE AWARD – RICHARD MEAD, SENIOR ACCOUNTANT/ANALYST, POWER SUPPLY
3. 25-YEAR SERVICE AWARD – CHARLES LEE, MANAGER OF FINANCIAL ANALYSIS, FINANCE & ADMINISTRATION
4. EMPLOYEE OF THE MONTH FOR JANUARY 2017 – CHAD SULLIVAN, CERTIFIED SYSTEM OPERATOR, ENGINEERING & OPERATIONS
5. EMPLOYEE OF THE YEAR FOR 2016 – KAREN BARNETT, ACCOUNTING TECHNICIAN II, FINANCE & ADMINISTRATION

Mr. Welsh congratulated Chad for being selected employee of the month and Karen Barnett for being chosen employee of the year.

6. KUA'S ELECTRIC SAFETY CALENDAR WINNERS

Chris Gent, vice president of Corporate Communications introduced the winners of KUA's 2017 Electric Safety Calendar, Sophia Cubilla, Kissimmee Charter Academy, Grade 4, January; Noah Fermin, Bellalago Academy Grade 5, February; Alanis Rivera, Mill Creek Elementary School, Grade 5, March; Keyshliannie Burgos, Sunshine State Elite Academy Grade 3, April; Loreinys A. Rivera, Mill Creek Elementary School, Grade 3, May; Isabella Sanson, Pleasant Hill Elementary School, Grade 3, June; Angelina Ikram, City of Life Christian Academy, Grade 3, July; Luiza Aranda, Holy Redeemer Catholic School, Grade 3, August; Valerie Sical, City of Life Christian Academy, Grade 3, September; Samarah Sobredo, Canoe Creek Charter Academy, Grade 5, October; Jalyanis Figueroa, Mill Creek Elementary School, Grade 4, November; Aliyah Bonilla Poinciana Christian Preparatory School, Grade 3; December. Each child was presented with a plaque with their individual drawing and a group photo was taken.

At 3:35 pm, Director Hardee requested a 5 minute recess.

Director Hardee called the meeting to order @ 3:40 and continued with the agenda.

D. HEAR THE AUDIENCE

At this time, Director Hardee asked if there was anyone from the public who would like to address the Board on an item that is not listed to please come forward. In hearing none, the Board moved forward with the agenda.

E. CONSENT AGENDA

Director Hardee asked for item # 5 to be pulled and Director Van Meter asked for item # 2 to be pulled.

ACTION: Director Van Meter made a motion, seconded by Director Ortega to approve items 1, 3 and 4 on the Consent Agenda.

MOTION PASSED 5 - 0

1. APPROVAL OF MINUTES FOR DECEMBER 7, 2016 SPECIAL & REGULAR MEETING

3. 69Kv CIRCUIT BREAKER REPLACEMENT

RECOMMENDATION: Award the purchase of six 69kV circuit breakers for Marydia and BVL substations to Alstom in the amount of \$221,300 and authorize the Chairman and Secretary to execute the necessary contract documents.

4. PURCHASE OF VEHICLES

RECOMMENDATION: Approve and authorize the purchase of eight (8) vehicle units for replacement for a total not to exceed amount of \$232,457.81.

2. HEAVENLY HOOVES SPONSORSHIP

Chris Gent, vice president of Corporate Communications introduced Thomasa Sanchez, CEO of Heavenly Hooves which is now McCormick Research Institute. Thomasa provided an overview of the organization and thanked KUA for its support. Director Van Meter asked if the funding process is different. Ms. Sanchez advised it has not changed at all that it is still the same.

ACTION: Director Van Meter made a motion, seconded by Director Ortega to approve item # 2.

MOTION PASSED 5 - 0

RECOMMENDATION: Approve a sponsorship of \$10,000 for Heavenly Hooves.

5. PURCHASE OF BUCKET TRUCKS

Director Hardee advised he asked this item to be pulled because some time in the past this item came up and he had asked if the mud flaps on new trucks that are being purchased could either be blank or have the KUA logo. Mr. Welsh advised that when this was reviewed in the past, the cost was significant. Director Hardee advised he does not want to hinder procurement of the trucks but if staff can look into the cost for just new trucks being purchased with either blank mud flaps or have a KUA logo. Mr. Welsh advised he would revisit this again.

ACTION: Director Ortega made a motion, seconded by Director Urbina to approved item 5.

MOTION PASSED 5 – 0

RECOMMENDATION: Approve and authorize the purchase of two (2) 40 foot bucket trucks for a total not to exceed amount of \$244,282.00.

F. PUBLIC HEARING – None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. YEAR END AUDITED FINANCIAL REPORT FOR FY 16

Joe Hostetler, vice president of Finance & Administration took a moment to reminisce with this being his last meeting. He thanked everyone and wished all well. Mr. Hostetler share with the Board that Purvis Gray & Company are now the City's auditors and introduced Mark White of Purvis Gray who provided an overview of the audited financial report for the fiscal Year ending September 30, 2016.

Mr. White introduced Kathryn Eno and Lizette Wagoneer who are part of the CPA team. Mr. White congratulated Joe on his upcoming retirement and thanked the KUA staff.

Director Hardee thanked Mr. Hostetler for his leadership here at KUA and maintaining positive audits.

H. OLD BUSINESS

1. LACKEY SERVICE CENTER RFP AWARD

Judy Ambrosi, Facilities Manager reminded the Board that at the June 8, 2016 Budget Review meeting, Mr. Welsh advised the Board that an item not included in the proposed budget would be brought to the Board in the near future. The item is the renovation of the Lackey Service Center which is in poor condition due to many years of neglect. Mrs. Ambrosi provided an overview of the proposed project and the recommendation.

Director Thacker asked if this went out for bid. Mrs. Ambrosi advised an RFP was conducted.

Director Van Meter asked what is going to be done to fix the draining issues. Mrs. Ambrosi advised they are going to dig and place a French drain.

Director Van Meter asked if the building can be used because of mold concerns. Mrs. Ambrosi advised that an extensive remediation is scheduled and precautions by the contractor will be done to ensure a continuous safe working environment for the employees that work in that building.

Director Hardee asked what is the lifespan of the building if we move forward with this. Mrs. Ambrosi advised this resets the clock. Director Urbina asked when the last time the building was renovated or if it was done. Mr. Welsh advised when it was built. Mrs. Ambrosi advised repair work was done but not as extensive as what is needed at this time.

Mayor Alvarez suggested if the Board move forward with this item, to include approving a contingency percentage amount so that it does not have to come back to the Board. There was some discussion on this and after some additional questions the following motion was made.

ACTION: Director Van Meter made a motion, seconded by Director Urbina to Award RFP #17-001-CV to Grove Construction for the amount of \$961,500 and authorize a budget amendment from Rate Stabilization Funds to the Capital Budget for the same amount and authorize the CEO to execute the necessary contract documents and include a 10% contingency.

MOTION PASSED 5 - 0

Director Hardee thanked Judy for presenting and wished her husband a speedy recovery.

I. NEW BUSINESS – None

J. STAFF REPORTS

1. ENGINEERING & OPERATIONS SEMI-ANNUAL REPORT

Brian Horton, vice president of Engineering & Operations provided an overview highlighting the five-year distribution plan.

2. UTILITY STATISTICS

Joe Hostetler, vice president of Finance & Administration provided a brief overview of the most recent trends on the following, 5 Year Growth Summary, Relationship of Weather to Usage, Combined Degree Days (CDD & HDD), Customers by Rate Class, Energy Sales by Rate Class, Ranking of KUA's Residential Bill, Residential Bill Comparison, Net Metering, Population and Local Economic Data.

Polk County as a large area of Poinciana falls into Polk County. Mr. Hostetler asked if this information could be generated and also sent out. Director Hardee asked if our statistics are similar to FMPA statistics. Mr. Hostetler advised this information can also be gathered as FMPA members are all over the State and their service territory may or may not include the bulk of their county so data will have to be filtered but staff will be able to provide.

Mr. Welsh confirmed that staff will research and provide information on Polk County and FMPA.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president & General Counsel provided a summary of material legal developments for calendar year 2016.

Mr. Welsh shared dates of upcoming events.

Director Urbina, Director Thacker & Director Van Meter congratulated Joe on his retirement.

Director Ortega informed Mr. Hostetler that he had a major impact on him prior to joining the Board due to a staff report he presented and how complex it was to understand. This event proved how important of a responsibility it is to be on the KUA Board. Director Ortega wished him all the best on his retirement.

A cake was presented to Joe Hostetler.


Director Hardee thanked KUA staff, the auditors and advised that he is honored to be part of the KUA team.

L. ADJOURNMENT

Director Hardee adjourned the meeting 5:20 p.m.

A handwritten signature in cursive script, appearing to read "Edward D. Miller", is written over a horizontal line.

Chairman

A handwritten signature in cursive script, appearing to read "Kathleen S. Lacher", is written over a horizontal line.
Secretary