

COMBINED REGULAR & SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY
HELD WEDNESDAY, AUGUST 5, 2015 AT 12:00 PM and PUBLIC HEARING AT 3:30 PM,
BRINSON BOARD ROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL
STREET, KISSIMMEE, FLORIDA

Present were Chairman Reginald Hardee, Vice-Chairperson Jeanne Van Meter, Director George Gant, Mayor Jim Swan, General Counsel Grant Lacerte, General Manager James Welsh, and Recording Secretary Leticia Rivera. Director Ethel Urbina was not present. Director Thacker participated via skype.

A. MEETING CALLED TO ORDER

Director Hardee called the meeting to order @ 3:32 pm.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

Director Hardee shared that today marks Director Ethel Urbina's 50 years as a citizen and since she is not able to be present Director Hardee asked Cindy Herrera, assistant vice president of Human Resources to start the pledge and honor the flag of the United States.

The Board and staff recited the pledge of allegiance.

C. AWARDS AND PRESENTATIONS

1. UNVEILING OF ART EXHIBIT PROVIDED BY DR. GEORGE GANT

At this time, the Board and audience were invited to the executive hallway for an unveiling of Remington artwork provided by Dr. Gant.

Upon return to the Boardroom Director Hardee read a proclamation awarded to Dr. Gant for 25 years of service. Dr. Gant will be inducted into the KUA Quarter Century Club and honored for his quarter century of service to the community by the creation of a 25-year college scholarship that will bear his name. The scholarship will be awarded in the amount of \$2,500 per year to a graduating student residing in the KUA service territory. The scholarship will be administered by the Education Foundation of Osceola County.

Director Van Meter presented the street sign which will be displayed as the Gant Quarter Century St.

The Board congratulated and thanked Dr. Gant for his many years of service to KUA and the community.

Tommy Tompkins shared some concepts and projects in which Dr. Gant had a hand in creating while Mayor. Mr. Tompkins stated that Dr. Gant was a founder of the KUA organization and congratulated him for all his dedication to the utility and to the community.

Thank Dr. Gant thanked KUA for the honor and shared positive comments to all.

At this time, Director Hardee continued with honoring staff with asking Greg Woessner, vice president of System Compliance & Operations to come up to present him with a proclamation. Mr. Woessner is retiring after 32 years. Director Hardee read the proclamation and the Board thanked Mr. Woessner for his time and service to the Kissimmee Utility Authority.

2. 10-YEAR SERVICE AWARD – JASON WRIGHT, LINE CREW SUPERVISOR, ENGINEERING & OPERATIONS
3. 10-YEAR SERVICE AWARD – ANGEL QUILES, FACILITIES MAINTENANCE WORKER, EXECUTIVE OFFICE
4. 15- YEAR SERVICE AWARD – JUDY AMBROSI, EXECUTIVE ADMINISTRATOR & FACILITIES MANAGER, EXECUTIVE OFFICE

5. 20-YEAR SERVICE AWARD – NEERANJAN DASS, PP
OPERATOR/MECHANIC, POWER SUPPLY & OPERATIONS
6. 20-YEAR SERVICE AWARD – NILS TARANGER, PP MECHANIC/OPERATOR,
POWER SUPPLY & OPERATIONS
7. EMPLOYEE OF THE MONTH FOR AUGUST 2015 – PAT HOLT, PP
MECHANIC/OPERATOR, POWER SUPPLY & OPERATIONS

Mr. Welsh congratulated Pat for being selected the employee of the month for August 2015.

At this time Mayor Swan publically thanked the following employees; Pam Andrews, Claribel Marrero, Sandra Mulholland, Alexandra Sanchez, Diane Sweenor, and Bud Ajdukovic for their assistance with a customer's account. Mayor Swan said that each employee provided exceptional customer service during the family's challenges with the sale of the home. Mayor Swan asked that Mr. Welsh share this the employees mentioned.

D. HEAR THE AUDIENCE

At this time, Director Hardee asked if anyone from the public would like to address the Board on an item that is not on the agenda.

Fred Cumbie, 1875 Saha Court Kissimmee advised he had two items to mention. Mr. Cumbie thanked Dr. Gant for his dedication to the KUA Board and stated it was an honor serving with him for 10 years while on the Board together. Mr. Cumbie then advised that he will excuse himself from the rest of the meeting.

E. CONSENT AGENDA

ACTION: Director Gant made a motion, seconded by Director Van Meter to approve items 1 & 2 under consent.

MOTION PASSED 4 – 0

1. APPROVAL OF MINUTES FOR JULY 1, 2015 REGULAR & SPECIAL BOARD MEETING
2. IFB #15-008-CV, BVL & CARL WALL SUBSTATION RELAY UPGRADE PROJECTS

RECOMMENDATION: Award the contract to KEMCO Industries, LLC to furnish and install new relays and panels at (1) Buenaventura Lakes Substation No. 6 and (2) Carl Wall Substation No. 9 for a total not to exceed amount of \$112,840.00.

3. ITB-7-2-2015-25-CV PURCHASE OF PADMOUNT TRANSFORMERS

RECOMMENDATION: Award of bid ITB-7/2/2015-25 to Electric Supply for the amount of \$346,639; and to HD Power Supply for the amount of \$101,146.

4. HANSEL PROJECT ADDITIONAL CONSTRUCTION MANAGEMENT COSTS TO BLACK & VEATCH

RECOMMENDATION: Authorized additional funding for construction management services by Black & Veatch for the Hansel Substation Project in the amount of \$200,000.

F. PUBLIC HEARING

1. CITY OF KISSIMMEE TRANSFER RATE METHODOLOGY

Joe Hostetler, vice president of Finance & Risk Management reminded the Board that at the July meeting, the Board approved staff's recommendation to change the Annual Transfer calculation methodology and authorized staff to submit the associated tariff to the FPSC and set up a public hearing on August 5, 2015 to consider the necessary rate change related to this agreement. On August 18, 2015 the City of Kissimmee Commission will consider whether to accept the change to the transfer calculation from the current % of total operating revenues formula back to the previously used mills/kWh formula and will consider agreeing to rescind the 2013 Interlocal Agreement Relating to the Annual Transfer Fee.

Mr. Hostetler stated the reason for the change is to provide stability to transfer revenues in the future regardless of the fluctuations in the cost of fuel and purchase power which are passed through to the customers using KUA's cost of power adjustment (COPA). This change is projected to be revenue neutral to the customers. Subsequent to acceptance of this change in transfer calculation methodology and rescinding the 2013 Interlocal Agreement Relating to the Annual Transfer Fee, the KUA will true-up the existing 2015 fiscal year to reflect the budgeted 11.06 mills/kWh of retail sales.

Director Hardee advised that this is a public hearing and if anyone from the public would like to discuss this topic to please come forward. In seeing none a motion was offered.

ACTION: Director Gant made a motion, seconded by Director Van Meter to Authorize implementation of the tariff changes effective September 1, 2015 and agree to rescind the 2013 Interlocal Agreement with the City.

**MOTION PASSED 4 - 0
Director Hardee voted yes
Director Van Meter voted yes
Director Gant voted yes
Director Thacker voted yes**

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. GRACE LANDING INVESTMENT PRESENTATION

Juda Attkisson, executive director of Grace Landing, made a short presentation on the positive impact KUA's financial contributions have made for her organization. Grace Landing provides for the physical, emotional and spiritual needs of boys who have aged out of foster care, giving them the tools needed to become well-equipped citizens in the community.

2. BOYS & GIRLS CLUB OF OSCEOLA COUNTY INVESTMENT PRESENTATION

Kathleen Sipio, development officer at the Boys and Girls Clubs of Central Florida, and a BVL youth club member made a short presentation on the positive impact KUA's financial contributions have made for her organization. The purpose of the Boys & Girls Club is to enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens.

The children presented each Board member with a token of appreciation.

3. HELP NOW OF OSCEOLA INVESTMENT PRESENTATION

Tammy Douglass, executive director of Help Now of Osceola, Inc., shared a presentation on the positive impact KUA's financial contributions have made for her

organization. Help Now provides temporary safe shelter for survivors of domestic abuse facing imminent danger.

Mayor Swan excused himself at 4:48 pm.

H. OLD BUSINESS - None

I. NEW BUSINESS - None

J. STAFF REPORTS

1. SEMI-ANNUAL REPORT FOR CUSTOMER SERVICE

Susan Postans, vice present of Customer Service provided highlights from the customer service department.

Ms. Postans reviewed the conservation rate and Director Hardee asked if it is possible to do something for customers who consume below 300 kilowatts per month. Ms. Postans advised it could be done however, it would require a rate study and direction from the Board.

Director Hardee advised that he would like staff to look into this option. Dr. Gant advised that you cannot charge less or someone else would be paying the bill. Ms. Postans advised it would impact someone else but the rate study will show the impact.

After some discussion on this topic, Mr. Welsh advised one thing we cannot do is develop a rate and give it to low income customers as that would be discriminatory however, we can make a rate structure that encourages conservation that may help low income customers.

Dr. Gant advised that we should present all the electric saving advantages offered in any way we can. Dr. Gant said that he is willing to look at the study but we should continue to encourage conservation.

There was a short discussion on the average billing program and the direct deposit option for this program.

Mr. Welsh clarified for the record that staff will bring back the findings of the rate study.

2. UPDATE ON NATIONAL LEGISLATIVE CONCERNS

Grant Lacerte, vice president & General Counsel congratulated Director Hardee for being appointed an officer on the Policy Makers Council.

Grant Lacerte, discussed and described the work of the Florida APPA Policy Makers team at the APPA Policy Makers Summer Fly-in meeting with particular emphasis on national legislative issues impacting KUA. Mr. Lacerte referenced Dodd-Frank Implementation, Tax-Exempt Municipal Bonds, Grid Security, CO2 Regulations and comprehensive energy bill.

Director Van Meter asked about the future of coal plants and natural gas. Mr. Lacerte advised we have some interest through FMPA. He also stated the EPA is looking into replacing natural gas with renewables.

Director Hardee shared that he was very proud to be among individuals who are using their personal time and are sincere about getting things done.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Mr. Welsh shared dates of upcoming events and provided the Board with new KUA ID badges.

Director Van Meter congratulated Director Hardee for his appointment to an officer on the Policy Makers Council.

Director Hardee thanked Mr. Lacerte for his help at the rallies and thanked staff.

Mr. Welsh introduced Brian Horton as KUA's new vice president of System Compliance & Operations. He has completed his 3rd day at KUA.

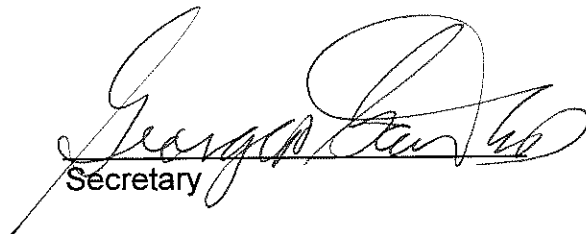
L. MANAGEMENT REVIEW

Dr. Gant asked if this portion of the meeting can be moved to the September Board meeting when Director Urbina and Director Thacker can be present. After a short discussion it was the Board's consensus to move the management review to the September Board meeting.

M. ADJOURNMENT

Director Hardee adjourned the meeting at 5:36 pm.


Chairman


Secretary