

REGULAR & SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY HELD  
WEDNESDAY, JUNE 8, 2016 AT 3:30 PM, BRINSON BOARD ROOM,  
ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE,  
FLORIDA

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

A. MEETING CALLED TO ORDER

Director Van Meter 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.

C. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD – MICHAEL MORRISSEY, PP  
OPERATOR/MECHANIC, POWER SUPPLY
2. 5-YEAR SERVICE AWARD – STEPHANIE FEBUS, CUSTOMER SERVICE  
REPRESENTATIVE II, CUSTOMER SERVICE
3. 5-YEAR SERVICE AWARD – JULIANA RUA, CUSTOMER SERVICE  
REPRESENTATIVE II, CUSTOMER SERVICE
4. 25-YEAR SERVICE AWARD – LARRY MATTERN, VICE PRESIDENT OF  
POWER SUPPLY, POWER SUPPLY
5. 25-YEAR SERVICE AWARD – NEYVA HERNANDEZ, GIS ANALYST,  
ENGINEERING & OPERATIONS
6. 25-YEAR SERVICE AWARD – ALBERTO MERCADO, LINEMAN FIRST  
CLASS, ENGINEERING & OPERATIONS
7. EMPLOYEE OF THE MONTH FOR JUNE 2016 – DANNY J. GONZALEZ, PP  
OPERATOR/MECHANIC, POWER SUPPLY

Mr. Welsh congratulated Danny for being selected Employee of the month for June 2016.

D. HEAR THE AUDIENCE - At this time, Director Van Meter 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.

Lesley Scott, Director of Florida Guardian ad Litem provided the Board with a brief overview of the Guardian ad Litem program and introduced Ms. Wanda Lynn Scott, Fundraising Chair and Ms. Kathy Wandel, President of the non-profit group "Voices for Osceola's Children". This group helps those children that go into the foster system. Ms. Wandel advised the Board that this group is seeking sponsorship support from KUA for its fundraising Gala.

Director Van Meter informed Ms. Wandel that the Board at this time cannot take action during this portion of the meeting however, will ask staff to look into this and someone will be in contact.

Dr. Gant asked if this is part of the September fundraiser because KUA's budget starts October 1. Mr. Welsh reiterated that the Board does not act during the hear the

audience portion however, the budget for next fiscal year will be brought forth to this Board next month then thereafter your group may move forward through the sponsorship request program.

Ms. Wandel advised that the group is aware of KUA's budget schedule and in the past has had dialogue with Chris Gent to secure a verbal commitment and will move forward as such.

The Board thanked Ms. Scott and Ms. Wandel.

E. CONSENT AGENDA

**ACTION:** Director Thacker made a motion, seconded by Director Dr. Gant to approve items 1 and 2 on the Consent Agenda.

**MOTION PASSED 4 - 0**

1. APPROVAL OF MINUTES FOR MAY 4, 2016 REGULAR MEETING
2. RFP #02-107, REVENUE BILLING FOR UTILITIES

**RECOMMENDATION:** Authorization for the Chairman and Secretary to extend contract with TC Specialties to continue providing revenue billing for utilities service from June 5, 2016 – June 4, 2017.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS - None

I. NEW BUSINESS - None

J. STAFF REPORTS

1. QUARTERLY FINANCIAL REPORT

Joe Hostetler, vice president of Finance & Administration provided a brief overview of the financial report.

K. BUDGET REVIEW

1. INTRODUCTION – JAMES C. WELSH, PRESIDENT & GENERAL MANAGER

Mr. Welsh provided a brief overview of what will be discussed throughout the budget review process; organizational changes in the current year; a \$228 Million budget which includes the "Emerging Projects" discussed at the preliminary meeting which are: Emergency Staging Area & Employee Pavilion; KUA Corporate Video; and the Active Shooter Detection System, however, due to the sensitivity of this issue, it will not be presented in detail therefore for information on this please schedule to meet with Jef Gray individually.

Mr. Welsh also advised that there is an item in the budget for \$113K which is a 13ft high wall behind the current bays but due to our recent enhanced security this item is not needed at this time and can be removed from the budget.

Mr. Welsh also advised that another item that is not in the budget that staff will use funds from this year's budget and contingency if necessary is for the extensive work needed at the Lackey Service Center; since staff moved to the new Davis building, the severity of work needed at Lackey is more visible and will commence next month.

In closing, Mr. Welsh advised that one emerging project, the Solar Education Exhibit that the Board advised to proceed ahead with will be brought back by Jef Gray as there are additional options available for the Boards review and direction.

2. FINANCIAL OVERVIEW – JOE HOSTETLER, VICE PRESIDENT, FINANCE & ADMINISTRATION

Mr. Hostetler provided a brief overview of the preliminary budget including the emerging projects which will be discussed further by department and overview of the timeline, budgeting process, load forecast and staffing.

Director Thacker asked to discuss the emerging projects at this time. Mr. Welsh advised that each emerging project will be brought up by department and at that time it can be reviewed.

Director Gant asked for the total amount of the commercial paper and asked if it would be prudent to possibly buy that down a little sooner from the reserves. Mr. Hostetler advised it would not help.

Mayor Swan excused himself from the meeting @ 4:31 PM.

3. HUMAN RESOURCES OVERVIEW – WILBUR HILL, VICE PRESIDENT, HUMAN RESOURCES

Wilbur Hill, Vice President of Human Resources shared with the Board a listing of organizations that responded to the salary survey and what they will be anticipating in giving out for salary adjustment this budget review cycle.

Mayor Swan advised that the City has not voted on this yet however, City employees are going to be at 4%. Mayor Swan added that due to the economy several years ago, the City fell behind and this will help get them caught up.

Mr. Hill advised that staff is recommending a 3% market level adjustment.

**ACTION: Director Thacker made a motion, seconded by Director Urbina to approve a 3% market level adjustment for Fiscal Year 2017 annual budget.**

**MOTION PASSED 4 - 0**

Dr. Gant asked with the separation of the services with TOHO would we give up any employees and has that been addressed. Mr. Welsh advised that this has been and continues to be addressed through attrition.

4. DEPARTMENTAL BUDGETS

a. POWER SUPPLY– LARRY MATTERN

Larry Mattern, Vice President of Power Supply provided an overview of his departmental budget.

b. INFORMATION TECHNOLOGY – JEF GRAY

Jef Gray, Vice President of Information Technology provided an overview of his departmental budget and reviewed the Solar Education Exhibit. The Board approved to

proceed ahead with this project however, additional options with increased costs are available. Mr. Gray shared the details of the additional options and their costs.

The Board discussed option 2 with a cost of \$40K which includes Customer Education videos in the lobby, a portable solar system for classroom/exhibit opportunities, participation kits for students, Customer Education pamphlets, energy conservation materials, and a tow behind trailer with onboard solar equipment for community events to deploy as mobile device charger for public in disaster relief situations.

**ACTION: Director Thacker made a motion, seconded by Director to move forward with option 2 so that we have maximum flexibility of what our demonstration can be.**

**MOTION PASSED 4 - 0**

Mr. Gray discussed the Active Shooter Detection System and informed the Board for demonstrations of the technology it is best to do so on a one on one basis.

Director Van Meter asked for clarification on the cost. Mr. Gray advised that \$75K is budgeted for FY 2017 then \$25K the following year.

At this time, additional discussion took place.

Director Van Meter recommended to put this off until each Board member has had their one on one overview with Mr. Gray. Dr. Gant advised that we are building a budget at this time. Mr. Welsh advised that the Budget will be brought to the July meeting for approval and at that time the Board can still recommend to include or remove this item.

**c. ENGINEERING & OPERATIONS – BRIAN HORTON**

Brian Horton, Vice President of Engineering & Operations provided an overview of his departmental budget and informed that there was one change that has occurred a position was reclassified.

Director Gant asked how is having Reliability and SCADA areas working out. Mr. Horton advised fine and added that many utilities are structured this way.

**d. CUSTOMER SERVICE – SUSAN POSTANS**

Susan Postans, Vice President of Customer Service provided an overview of her departmental budget. Ms. Postans advised that the TOHO conversion is complete.

Director Van Meter asked if the department of labor minimum wage policy affected anyone. Mr. Hill advised we had two employees and we are monitoring this.

**e. FINANCE & ADMINISTRATION AND EXECUTIVE – JOE HOSTETLER**

Joe Hostetler, Vice President of Finance & Administration provided an overview of his departmental budget and the executive department.

Mr. Hostetler showed the Board a slide of the KUA bill in which shows the electric charge and the fuel adjustment as a credit and advised that the TOHO portion will not be included.

Mr. Hostetler reviewed the Emergency Staging Area & Employee Pavilion.

Director Thacker advised that KUA has a brand new facility which can be used as an emergency staging area. Dr. Gant asked how much more is the increase. Mr. Welsh advised it is a total of \$549K and the retention pond expansion is included.

Director Gant shared that it was Director Hardee who had recommended this project and suggested the discussion be deferred until he is present.

Director Urbina advised that she agrees that it is very expensive and the new building it can be used as an emergency staging area.

Director Van Meter asked for a motion and the following was provided.

**ACTION: Director Thacker made a motion, seconded by Director Urbina to remove this item from the budget.**

Director Gant asked if this can be added on the agenda next month, as Director Hardee should have a word about it.

**MOTION PASSED 4 - 0**

Director Van Meter advised if Director Hardee would like to discuss next month we will bring it back up for discussion. Mr. Welsh clarified that Director Hardee cannot put it back on the agenda but any other Board member may.

f. HUMAN RESOURCES – WILBUR HILL

Wilbur Hill, Vice President of Human Resources provided an overview of his departmental budget and noted the change due to Corporate Communications being separated into its own department.

g. OFFICE OF CORPORATE COMMUNICATIONS – CHRIS GENT

Chris Gent, vice president of Corporate of Communications provided his an overview of his department budget for the first time and the sponsorship budget. Mr. Gent informed the Board that the KUA Corporate Video can be completed at a lesser cost of \$17k.

Director Van Meter asked if there is leeway to add people requesting sponsorships. Mr. Gent advised yes, the list is strictly placeholders from previous requests but it is a first come first serve basis.

L. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president and General Counsel provided a brief update on the comprehensive energy bill.

Mr. Welsh shared dates of upcoming events and conferences.

Director Urbina commented on how nice the Davis building turned out.

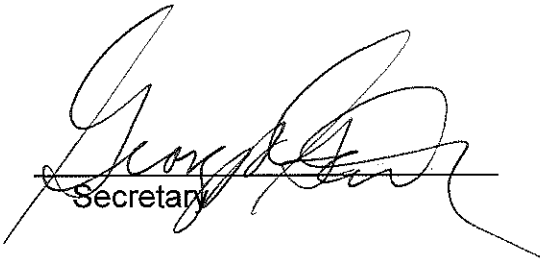
Director Thacker asked staff to look into a 3<sup>rd</sup> party notification which is a simple form that people would fill out so people who are in and out of town or forgetful would be contacted before the power gets cut off. The third party would only be notified and not responsible for the bill.

Mr. Welsh advised that staff will look into this to see if we should move forward or not and will bring it back at the July Board meeting.

M. ADJOURNMENT

Director Van Meter adjourned the meeting at 5.24 pm

  
Chairman

  
Secretary