

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,
NOVEMBER 2, 2016 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 Jim Swan, 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.

C. AWARDS AND PRESENTATIONS

1. HURRICANE MATTHEW RECOGNITION

Chris Gent, vice president of Corporate Communications recognized Brian Cutcher, Austin Franey, Aaron Haderle, Alberto Mercado, Tony Nasco, Luis Santiago, Willie Simmons, Billy Sutphin, Mike Taylor, Billy White and Jason Wright for their dedication and hard work in helping with restoration efforts in South Carolina after Hurricane Matthew passed through. A photo of the group and the Board was taken.

2. 5-YEAR SERVICE AWARD – WILSON ESPINOZA, HELP DESK
TECHNICIAN, INFORMATION TECHNOLOGY

3. 5-YEAR SERVICE AWARD – VICTOR CABRALES, HELP DESK
TECHNICIAN, INFORMATION TECHNOLOGY

4. 5-YEAR SERVICE AWARD – JOSE VAZQUEZ, RELAY TECHNICIAN II,
ENGINEERING & OPERATIONS

5. 10-YEAR SERVICE AWARD – DANNELLA OCASIO, CUSTOMER SERVICE
REPRESENTATIVE II, CUSTOMER SERVICE

6. 10-YEAR SERVICE AWARD – KAREN MAYS, CUSTOMER SERVICE
REPRESENTATIVE II, CUSTOMER SERVICE

7. 10-YEAR SERVICE AWARD – CARLOS GRANDE, FLEET SERVICE
MECHANIC II, FINANCE & ADMINISTRATION

8. EMPLOYEE OF THE MONTH FOR NOVEMBER 2016 – JAVIER SIERRA, IT
SYSTEMS ADMINISTRATOR, INFORMATION TECHNOLOGY

Mr. Welsh congratulated Javier on being selected employee of the month for November 2016.

At 3:46 pm Director Hardee requested a 5 minute recess; cake and refreshments were presented to Mayor Swan for his last meeting on the KUA Board. Director Hardee invited all to partake.

Director Hardee called the meeting back to order at 3:55 pm and moved forward 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 that item 1, the October 5, 2016 minutes be pulled for discussion.

ACTION: Director Van Meter made a motion, seconded by Director Ortega to approve item 2 on the Consent Agenda.

MOTION PASSED 5 - 0

1. APPROVAL OF MINUTES FOR OCTOBER 5, 2016 REGULAR MEETING

Director Hardee advised that an update on the motions for secretary and assistant secretary under Election of Officers is needed as the names were omitted. A hard copy of the revision was presented.

ACTION: Director Van Meter made a motion, seconded by Director Urbina to approve item 1 on the Consent Agenda as corrected.

MOTION PASSED 5 - 0

2. CLAY STREET SUBSTATION REAL ESTATE REZONE AND REPLATT

RECOMMENDATION: Authorize the Board Chair and Secretary to execute the attached replat of the property that includes the Clay Street Substation parcel.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS

1. POLICY DIRECTIVE #16-02, KUA PRESIDENT & GENERAL MANAGER, CEO RETIREMENT TRANSITION PLAN

Director Thacker advised that she has reviewed the policy directive and had a few corrections that are not vital. The Board was able to view the changes. Director Van Meter added that she had some issues with the past Chairman or Board members sitting on the committee.

At this time a discussion took place on the filtering process and whom should be included or not.

After some discussion, the Policy Directive was updated with direction from the Board and shown in legislative format. The Board viewed and approved to pass the amended policy directive shown.

ACTION: Director Van Meter made a motion, second by Director Ortega to approve Policy Directive # 16-02 as amended during the board meeting.

MOTION PASSED 5 - 0

I. NEW BUSINESS

1. GE SETTLEMENT AGREEMENT

Brian Horton, Vice President of Engineering & Operations advised that KUA is in the process of closing out the Hansel substation project. A part of the closeout includes resolving the outstanding claims associated with the construction contract with Grid Solutions, LLC (GE) for the construction of the Gas-Insulated Substation (GIS). Mr. Horton advised that there were delays that cost KUA therefore staff withheld retainage. GE disputes some of the claims however, staff has worked with GE to negotiate a set of terms that are reasonable to resolve the outstanding claims. Mr. Horton advised that total delay damage compensation of \$396,165 is to be deducted from final payment to GE and also five and ten year maintenance inspections valued at \$147,000 will be provided by GE at no cost to KUA

Director Urbina asked who would do the inspections. Mr. Horton advised it would be GE, the manufacturer. Director Van Meter added that KUA would have to pay for those inspections so we are not short that much and it sounds like a good settlement.

ACTION: Director Van Meter made a motion, seconded by Director Ortega to approve the settlement agreement with GE and authorization for the President & General Manager to execute the agreement.

MOTION PASSED 5 - 0

2. TRANSMISSION POLE REPLACEMENTS

Brian Horton, Vice President of Engineering & Operations informed the Board as part of the storm hardening efforts, KUA has been working to replace wood transmission poles that have reached the end of their life cycle. For fiscal year 2017, KUA is scheduled to replace seven (7) wood transmission poles along US 192 with spun concrete. Mr. Horton advised that staff is recommending that KUA move forward with the pole replacements with Southeast Power Corporation (SEP) providing the construction services.

Director Ortega asked what percentage of concrete pole versus wood poles are out there on the system. Mr. Horton advised he would have to check and get that information back to the Board.

Director Van Meter asked about replacing smaller distribution poles. Mr. Horton advised those are changed as they age and some of them have been changed from wooden to concrete.

Mr. Welsh advised we will get the number of concrete and wood poles on the 69kv and 230kv lines and send it out to the entire Board.

ACTION: Director Ortega made a motion, seconded by Director Thacker to approve staff's recommendation to authorize Southeast Power Corporation to perform the replacement of seven wood transmission poles in the amount of \$295,100.

MOTION PASSED 5 - 0

J. STAFF REPORTS

1. CORPORATE COMMUNICATIONS ANNUAL STAFF REPORT

Chris Gent, Vice President of Corporate Communications shared a brief video on how social media has offered many ways to be engaged with our customers.

At 4:50 pm Mayor Swan excused himself from the rest of meeting and shared that the person who helped him get into politics was Jeanne Van Meter and added that he's had an interesting life as a result of his community involvement. Mr. Welsh thanked Mayor Swan for the past decade he served on the Board.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Mr. Lacerte, Vice President & General Counsel advised that the national election may have some impact on EPA and the comprehensive energy bill.

Mr. Welsh shared upcoming events and also advised that Director Van Meter recommended that the December strategic planning meeting start at noon with the Board meeting starting at 3:30 pm. Director Hardee asked about notifying the public of the time change. Mr. Welsh advised we notify the public of the time as we always do.

The Board agreed to start the meeting next month at noon starting with the Strategic Planning topic. Mr. Welsh advised that we will advertise and post the meeting to start at noon time.

Mr. Welsh wished everyone a Happy Thanksgiving.

Director Ortega advised that he attended the Help Now fundraiser and was proud to be representing the KUA Board.

Director Van Meter added that only Director Ortega and his daughter attended the Help Now event and was disappointed that KUA was not more represented.

Mr. Welsh advised that changes have been set in place so that this does not happen in the future.

Director Thacker provided an update on the recent Policy Makers Committee meeting in Ocala. Director Thacker advised they had a presentation on their AMI program which began in 2008 and they are on their second upgrade right now. Director Thacker also shared that they talked about Pre-Pay which is where one would pre-pay for the electricity used on a daily basis. Mr. Welsh advised that as we implement AMI we intend to thoroughly explore this option.

Director Hardee asked if AMI has to be in place to do this. Mr. Welsh advised yes.

Director Ortega asked if legally we can shut customers off if we take this approach. Mr. Lacerte advised if they agree to pre-pay and it's designated in writing, they agree to instantaneous shut off procedures. Director Thacker advised that this will make the customer become aware of their usage and conserve accordingly. Director Van Meter advised that as we move forward with AMI it would be good to have a report on its progress.

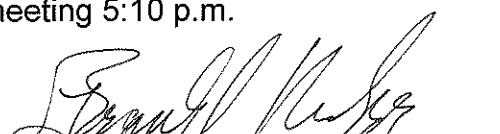
Director Urbina advised that she was approached by a few people in an organization that deals with children and adoption that KUA declined its sponsorship. Director Urbina could not remember the name of the organization however, she has paperwork and will forward to Chris Gent so he can look into it. Mr. Welsh said we will look into it.

Director Hardee advised that he too is part of the APPA Policy Makers Committee and advised that if any Board member would like to review the specifics to meet with Grant has he has all the archived information. Director Hardee thanked the KUA team and adjourned.

L. ADJOURNMENT

Director Hardee adjourned the meeting 5:10 p.m.


Secretary


Chairman