

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,
SEPTEMBER 13, 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 Ethel Urbina, Director Manuel Ortega, General Manager James C. Welsh, General Counsel Grant Lacerte, Mayor Jose Alvarez and Recording Secretary Leticia Rivera. Director Kathleen Thacker participated via facetime.

A. MEETING CALLED TO ORDER

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

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the pledge. Director Hardee requested a moment of silence for the two fallen Kissimmee officers, all first responders and victims of the hurricanes.

Director Hardee asked if there are any modifications to the agenda. Mr. Welsh recommended moving item C1, Lineman Recognition to the October board meeting due to the restoration efforts currently taking place.

ACTION: Director Van Meter made a motion, seconded by Director Urbina to move the Lineman Recognition item to the October meeting.

MOTION PASSED 5 - 0

C. AWARDS AND PRESENTATIONS

1. DEGREE RECOGNITION, JASON TERRY, MASTER OF BUSINESS ADMINISTRATION, UNIVERSITY OF FLORIDA
2. 5-YEAR SERVICE AWARD - SUSAN HAYES, INVENTORY COORDINATOR, POWER SUPPLY
3. 15-YEAR SERVICE AWARD - DUSTIN KELLEY, LEAD LINEMAN, ENGINEERING & OPERATIONS
4. EMPLOYEE OF THE MONTH FOR SEPTEMBER 2017 - ANGEL QUILES, FACILITIES MAINTENANCE WORKER, EXECUTIVE OFFICE

Mr. Welsh advised that Susan and Dustin are not present, but they will be acknowledged at a later date by their department heads.

Mr. Welsh congratulated Angel for being chosen employee of the month for September 2017.

Mr. Welsh informed the Board that Amy Zubaly, Executive Director of Florida Municipal Electric Association could not be present due to the hurricane restoration efforts; however, he asked Grant Lacerte to step in during her absence.

Mr. Lacerte advised that Amy Zubaly expressed her deep regrets in not being able to present Reginald Hardee with honorary membership into the Florida Municipal Electric Association. Ms. Zubaly extends her gratitude for everything Reginald has done for public power. Reginald's honorary

membership entitles him to free registration at all future conferences and events. Ms. Zubaly will present Reginald with a framed certificate at a later date.

Director Ortega presented Director Hardee with an antique electric meter lamp and thanked him for his service. Director Urbina presented Director Hardee with a framed board photo and Director Van Meter read aloud the proclamation proclaiming *"that the Kissimmee Utility Authority Board of Directors and Staff wish to recognize the many and profound contributions made by Reginald Hardee by renaming the Marydia Pavilion the "Reginald Hardee Employee Pavilion"; and*

FURTHER BE IT PROCLAIMED that the KUA Board of Directors commits to awarding a temporary apprentice lineworker internship to one graduating high school senior residing in the KUA service territory per year, to introduce and train this student to pursue a career in the electric utility industry, with an emphasis on linework. This will be known as the "KUA Reginald Hardee Lineworker Scholarship." This will be awarded to a graduating student of good academic standing who has the desire to work in a technical career to be determined by the Education Foundation of Osceola County or if they are unable to do so, by the method specified by Superintendent of the Osceola County School District in consultation with and having input from a member of the KUA staff and Reginald Hardee whenever he can and so chooses to make such consultation on this matter."

Director Hardee thanked the Board, the community, his family, and KUA family.

Mayor Alvarez arrived at 3:41 PM.

D. HEAR THE AUDIENCE

At this time, Director Hardee 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 with the agenda.

E. CONSENT AGENDA

ACTION: Director Van Meter made a motion, seconded by Director Ortega to approve items 1 and 2 on the Consent Agenda.

MOTION PASSED 5 – 0

1. APPROVAL OF MINUTES FOR AUGUST 2, 2017 REGULAR MEETING
2. VIVA OSCEOLA SPONSORSHIP

RECOMMENDATION: Approve \$10,000 sponsorship of the 2017 Viva Osceola festival.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS

1. SOLAR POWER COMMITMENT

Larry Mattern, Vice President of Power Supply, informed the Board that KUA's strategic plan includes the acquiring of solar energy to sell to interested customers, and subscribing the remaining unsold power across all ratepayers. At the KUA Board of Directors meeting held on December 9, 2015, approval was given to engage in a nonbinding agreement with FMPA to purchase two (2) megawatts of solar energy to be delivered as available. Mr. Mattern provided information on this item.

Director Van Meter asked if the customer has a choice. Mr. Mattern clarified all customers will only get this if we cannot subscribe to 20 megawatts. Director Van Meter asked if this is approved, then how will the customers be informed. Mr. Mattern informed that advertising will be worked on and it will be rolled out in 2020. The Board and the customers will be informed. Director Urbina asked if all 20 megawatts are subscribed, is there more that can be obtained. Mr. Mattern advised yes - through another project. Director Ortega asked if OUC would purchase it if no one subscribes. Mr. Mattern advised if no one subscribes, it would \$0.19 that will be assessed to each customer every month.

Mayor Alvarez added that he thinks this is a good idea and a way of the future.

ACTION: Director Ortega made a motion, seconded by Director Thacker to commit to purchase twenty (20) megawatts of solar energy through an FMPA power purchase agreement not-to-exceed \$40.00 per MWH to be acquired by willing KUA customers at a prescribed rate with any remaining to be socialized to all ratepayers.

MOTION PASSED 5 - 0

2. RENAISSANCE PROJECT UPDATED RECOMMENDATION

Mr. Welsh advised the Board that Kissimmee is under flooding conditions and thanked the Mayor for being present during this time.

Director Hardee asked staff to provide a quick briefing on this. Mayor Alvarez added that this project will open the doors to many other future companies coming into our County. This will be a great push to our County economically.

Director Hardee asked County Manager Don Fisher to come forward to summarize why this is important to the County. Mr. Fisher provided some details including that this project will bring 1,000 jobs and take up 50 acres at Neo City with possible future expansion. This is an existing company operating for sixteen (16) years around the world and this would be an expansion for them for manufacturing in the United States.

Mr. Fisher shared that we need to meet their energy consumption demand and have a substation operating by October 1, 2018, and KUA has stepped up to this.

ACTION: Director Urbina made a motion, seconded by Director Van Meter to approve and authorize the President and General Manager to execute the following items to attract extra-large manufacturing projects for economic development to

NEO City including: complete the process to create a competitive rate at approximately \$0.05 per kWh for extra-large customers above five (5) megawatts.

Enlist Black and Veatch to provide the following services pursuant to its CSA with KUA:

- (a). general consulting services under the CSA to oversee the procurement of materials and equipment for the Substation;**
- (b). general consulting construction management services under the CSA to oversee the construction to successful completion of the Substation; and**
- (c). engineering design services under the CSA to design the Substation.**

Authorize Black and Veatch to provide, under its existing CSA with KUA, the following services for the construction and completion of the Domingo Toro Substation: procurement of materials, design of the Substation, and management of construction of the Substation, and further authorize the President and General Manager to oversee the selection and award of a contractor or contractors pursuant to an accelerated competitive solicitation process for the construction of the Domingo Toro Substation, all at a not-to-exceed amount of twenty million dollars (\$20,000,000.00), inclusive of a 10% contingency.

Director Van Meter asked if Valencia is stepping up as far as training the people that will work at Neo City. Mr. Fisher advised that the school district was given five (5) acres to create an urban high school that would have 500-600 students that they are identifying as a Science, Technology, Engineering, Math and Medical School. Also, Valencia has the manufacturing center and communication has taken place with Kathleen Polenski.

Mr. Welsh stated for the record that everybody is stretching to get this industry here. Mr. Welsh stated that the City and the County have committed to waive their transfers and taxes fees on this project to make it work.

After no additional comments the vote was taken.

MOTION PASSED 5 - 0

I. NEW BUSINESS - None

J. STAFF REPORTS

1. HURRICANE IRMA UPDATE

Mr. Welsh advised that as of today, we have 98% of our customers restored and by tomorrow, we will have 100%.

Mr. Mattern advised the plants were up and running during the storm. Mayor Alvarez wanted to commend the KUA crew who is working hard to restoring power.

Director Hardee asked Mr. Welsh to thank the outside crews who came to assist with the restoration. He also thanked Ms. Postans and asked her to thank the customer service representatives for handling all the phone calls from our customers during this time.

2. INFORMATION ON UPCOMING APPROVAL OF CONSENTS AND WAIVERS TO RELEASE VERO BEACH FROM FMPA POWER PROJECT CONTRACTS

Jacob Williams, CEO of FMPA, informed the Board that Vero Beach wants to sell its electric utility to Florida Power & Light. He stated that Vero Beach receives 51 MW of power from three (3) FMPA power projects: St. Lucie, Stanton, and Stanton II projects.

Mr. Williams provided an overview on the proposed resolution details, consents, and waivers necessary to release Vero Beach with the goal to have ARP and Project Participant Cities approved by December 2017.

Mr. Williams advised there will be two upcoming motions to consider, which are:

Approval of the resolution providing consents and waivers to release the City of Vero Beach from FMPA power supply project contracts;

Approval of the resolution providing consents to the FMPA ARP to assume the City of Vero Beach's St. Lucie, Stanton, and Stanton II Project entitlements.

Mr. Welsh asked Mr. Williams if he will be present at the October board meeting and Mr. Williams advised he will be here.

At this time, Mr. Williams took a moment to honor Director Hardee with the Insulator Award for his dedicated work in the public power community, being associated with FMPA for ten (10) years, and being on the APPA National committee since 2011.

Mr. Welsh recommended that the following two staff reports be moved to the October board meeting to expedite this meeting:

Finance & Administration – Condensed Financial Report; and

Information Technology Departmental Semi- Annual Report.

ACTION: Director Ortega made a motion, second by Director Van Meter to move the two staff reports to the October 4, 2017, board meeting.

MOTION PASSED 5 - 0

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, Vice President & General Counsel, thanked Director Hardee for his leadership and the opportunity to work with him. Director Hardee thanked Grant for his wisdom and advised it has been an honor.

Mr. Welsh shared the reminders of events and provided a heartfelt thank you to Director Hardee. Director Hardee thanked Jim for his leadership and advised it has been an honor to work with him for being positive through challenges and as a team overcoming them.

Mayor Alvarez shared that FEMA has now approved for residents to start applying for their needs.

Mayor Alvarez commended Reginald for the work he has done and hopefully he won't go far. Reginald thanked the Mayor.

Director Van Meter told Reginald that she will miss him and was proud of him. Reginald thanked Jeanne and was grateful to the Van Meter family.

Director Thacker apologized for not being present; however, due to the storm there was no way of coming in. She thanked Reginald and advised she enjoyed working on the board with him. Reginald thanked Kathleen for her support.

Director Urbina wished Reginald the best of luck. Reginald thanked Director Urbina.

Director Ortega shared that upon joining the Board, he studied Reginald's leadership and he hopes to continue that legacy. Director Hardee thanked Director Ortega.

Director Hardee handed out a framed memo to each board member and read it aloud for the record.

I love this room. I love this room because it overflows with hard workers, people who care, mentors, and fellow citizens who take each and every day as an opportunity to make a better way of life for those whom they meet.

Fellow Directors, you are one of the most focused group of leaders I have had to interact with, you are incredibly brave, you have clarity and you have commitment when others tend to time out! You are what being a true public servant represents!

To our KUA team, I have enjoyed the perks of being on your team. Such perks include but are not limited to the laughs of being in agreement, the fulfilling moments of accomplishing more together than one could individually, the satisfaction of reaching a solution that is in the best interest of our customers, and the proud moments we when have an opportunity to do it all over again.

I say again, I love this room and I know I am blessed to have known everyone one of you. Please thank your families and loved ones for allowing you to not only run off to a job but also continue to be the positive difference in the daily lives of our fellow citizens.

I remind each and everyone one of you that the sky is not the limit merely the view. Being The Right Utility at The Right time is not just our motto, it is ELECTRIC!

I will miss serving in this role alongside you but look forward to our ongoing teamwork in our community.

Reginald thanked his family and introduced his family members who were present throughout the meeting, including his father, Collins Hardee, his mother, Shirley Hardee, his wife, Rhonda, his daughter and other family members.

Mayor Alvarez presented Reginald with a cake.

L. ADJOURNMENT

Director Hardee adjourned the meeting at 4:35 PM.

Kathleen Thacker
Acting Chairman

Amber Wilson
Secretary