

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,  
NOVEMBER 7, 2018 AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION  
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Director Jeanne Van Meter, Director Kathleen Thacker, Director Rae Hemphill, Director Ethel Urbina, Director Manuel Ortega, Mayor Jose Alvarez, General Manager, James C. Welsh, General Counsel, Grant Lacerte, and Recording Secretary, Jennifer Gonzalez.

A. MEETING CALLED TO ORDER

Director Van Meter called the meeting to order at 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. FMEA BUILDING STRONG COMMUNITIES AWARD

Chris Gent, vice president of Corporate Communications, presented the Board with a plaque from FMEA honoring KUA as one of the thirteen utilities, out of the thirty-four municipals statewide, for its community outreach.

2. 15- YEAR SERVICE AWARD – VICTOR DABOIN, SENIOR ENERGY CONSERVATION SPECIALIST, CUSTOMER SERVICE

3. EMPLOYEE OF THE MONTH FOR NOVEMBER 2018 – KURT QUASNEY, APPRENTICE RELAY TECHNICIAN, ENGINEERING & OPERATIONS

Mr. Welsh congratulated Kurt for being chosen employee of the month for November 2018 and also on his recent marriage which took place at KUA.

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. In hearing none, the Board moved forward with the agenda.

E. CONSENT AGENDA

**ACTION: Director Ortega made a motion, seconded by Director Hemphill, to approve items 1 through 3 under the consent agenda.**

**MOTION PASSED 5 – 0**

1. APPROVAL OF MINUTES FOR OCTOBER 2, 2018 SPECIAL BOARD MEETING
2. APPROVAL OF MINUTES FOR OCTOBER 3, 2018 REGULAR BOARD MEETING
3. AWARD BID # 18-019-CV FOR THE PROCUREMENT OF A METER TESTING ENVIRONMENT

**RECOMMENDATION: Approve the award for the procurement of a meter testing environment to Advent Design Corporation in the amount of \$142,320 and authorize the President and General Manager to execute all necessary documents.**

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. POTENTIAL PURCHASE OF OSCEOLA COUNTY SOFTBALL COMPLEX

Brian Horton, vice president of Engineering & Operations, provided a brief informational presentation on the potential sale of the Osceola County Softball Complex that KUA could possibly acquire for future KUA expansion and operations. Mr. Horton clarified that the property is not up for sale yet, but wanted to inform the Board so they are aware it is out there and if staff should continue to explore this option.

Director Urbina asked how big the area is. Mr. Horton said it is 26.5 acres.

Director Van Meter asked since the County is abandoning it as a softball complex, has the City expressed any desire to use it as a softball complex. Mr. Horton stated that the City has indicated a willingness to help staff the complex to keep it available for the community's use.

Mayor Alvarez said the City is looking forward to putting some staff to continue to run the softball complex for the community. He added that the City is looking forward to working together with KUA with the field.

Director Thacker expressed that if KUA can work with the City as to where KUA is not responsible for staffing and liability, it would be a good potential property for KUA to hold.

The Board unanimously agreed that staff should continue to move forward and look further into the matter.

H. OLD BUSINESS - None

I. NEW BUSINESS

1. REORGANIZATION OF THE KUA BOARD POLICY DIRECTIVES AND ADOPTION OF UPDATED DIRECTIVES

Grant Lacerte, vice president and General Counsel, provided an overview of the current policy directives and the recommended reorganization. He explained that certain directives needed to be superseded as they do not apply to the modern KUA operations. Mr. Lacerte asked the Board to consider the two proposed directives and proposed format of the directives. Before proceeding, Mr. Lacerte thanked Director Hemphill for her format layout suggestion.

Mr. Lacerte explained that the draft Directive D18-01 would supersede the existing Policy Directive No. D85-6, which governs how staff is to account for KUA's fixed assets. He also explained that Directive D85-6 contains archaic language about the finance director, a position which no longer has any role in KUA's management. Mr. Lacerte added that draft Directive D18-01 adds new definitions and dollar thresholds for fixed assets, which are more reflective of today's operational realities.

Director Van Meter asked in a nutshell, what the new directive will do. Mr. Lacerte explained it will define what a fixed asset is and how staff is to manage and classify them. In addition, the reference to the city financial director will be removed.

**ACTION: Director Thacker made a motion, seconded by Director Ortega, to approve adoption of KUA Board of Directors Policy Directive No. D18-01.**

**MOTION PASSED 5 - 0**

Next, Mr. Lacerte explained that the draft Directive D18-02 would replace existing Policy Directive No. D85-4, which governs how staff is to report KUA accounting and financial activities. Mr. Lacerte also explained that the new directive removes any reference to the city financial director as this position no longer has any role in KUA's management or operations.

**ACTION: Director Ortega made a motion, seconded by Director Thacker, to approve adoption of KUA Board of Directors Policy Directive No. D18-02.**

**MOTION PASSED 5 - 0**

Last, Mr. Lacerte showed the Board how the directives would be organized by department and into two sections as he explained at the beginning of his presentation.

Director Ortega asked if staff reviewed all past directives prior to 2018 to make sure they are current. Mr. Welsh informed Director Ortega that staff reviewed all the directives in the last two months. Mr. Lacerte confirmed that staff reviewed all the past directives to make sure they are still active.

The Board continued to discuss what changes should be made to the layout to reflect that staff reviewed the directive(s).

Mr. Welsh proposed to change the recommendation to approve the attached classification format of KUA Board of Directors Policy Directives and reaffirm the active directives as shown in the attachment.

Director Hemphill suggested that two columns be added one for when the directive was originally adopted and the other for when it was reaffirmed.

**ACTION: Director Ortega made a motion, seconded by Director Urbina, to adopt the new classification format of KUA Board of Directors Policy Directives and reaffirm the active directives as shown in the attachment.**

**MOTION PASSED 5 - 0**

**2. RELEASE AGREEMENT, RELEASING SOUTHERN ENERGY COMPANY POWER COMPANY FROM A PAYMENT GUARANTEE ON BEHALF OF SOUTHERN COMPANY - FLORIDA, LLC FOR THE BENEFIT OF KUA**

Larry Mattern, vice president of Power Supply, informed the Board that NextEra Energy purchased all of the assets of Southern Company in Florida. Mr. Mattern mentioned that some of those assets KUA owns, specifically Stanton A along with OUC and FMPA.

Mr. Mattern explained that together we would continue with the contract and ownership there; however, since there is an exchange of ownership, KUA has to release the old owners and accept the new owners for the deal to happen.

**ACTION: Director Urbina made a motion, seconded by Director Ortega, to approve the attached Release Agreement and authorize its execution by the Board Chair and Board Secretary once KUA receives the fully executed Second Replacement Guaranty**

**following the closing of Next Era Merchant's purchase of Southern Florida's assets, including its interests in Stanton A.**

**MOTION PASSED 5 - 0**

J. STAFF REPORTS

1. PROPOSED COMMUNITY SOLAR RATES

Larry Mattern, vice president of Power Supply, provided an overview of the Community Solar Rate staff developed that is scheduled to be marketed to customers next year. Mr. Mattern explained the different levels of participation and depending on how many customers subscribed, would determine how many customers could be served. Mr. Mattern also informed the Board of the additional costs customers would incur whether they subscribe to solar or not.

Director Van Meter asked if everyone's bill would go up seventy cents if everyone wants solar. Mr. Mattern said yes. Director Van Meter asked why not just advertise that solar is available and the cost will be an additional seventy cents per month. Mr. Welsh explained that KUA purchased a certain amount of inventory based on the demand from some customers. Director Van Meter asked what would happen if everyone wants 100%. Mr. Mattern said KUA can only sell what it has available, which is 30 megawatts.

Director Van Meter asked could we buy more if customers want more. Mr. Welsh explained that it may or may not be available when they want it.

Director Van Meter asked if KUA is going to contact all of its customers to inform them that it has so much solar power available. Mr. Mattern said yes; KUA would inform customers that it has solar available and what the cost would be.

Director Van Meter asked if it will be marketed. Mr. Mattern confirmed it will be. The Board discussed the ways it should be marketed and what needs to be addressed in the marketing.

**ACTION: Director Ortega made a motion to accept staff's recommendation to apply the solar rate presented.**

**The motion was rescinded; staff did not present a recommendation.**

Mr. Mattern presented the rate change timeline of when the rate changes would take effect.

Mr. Welsh clarified that staff plans to come back in December to present a recommendation on an actual rate schedule and send to the PSC for approval. After PSC approval on December 27<sup>th</sup>, staff will advertise for a public hearing. At the public hearing on January 9<sup>th</sup>, the Board will take input from the public, if any, make a decision and actually pass the rates to be effective February 1<sup>st</sup>.

2. CORPORATE COMMUNICATIONS ANNUAL STAFF REPORT

Chris Gent, vice president of Corporate Communications, provided a report on KUA's community outreach. Mr. Gent provided an overview of the current process for sponsorship requests. Mr. Gent shared that a new form was created on KUA's website to make it easier for sponsorship requests to be submitted and received.

Mr. Gent also shared that KUA was acknowledged at today's APPA conference for providing hurricane preparedness guides to our customers.

Director Ortega asked if the grills are free rentals. Mr. Gent confirmed they are free rentals. Director Van Meter asked if everyone can rent the KUA grill. Mr. Gent explained that it is not loaned out to for-profit organizations.

Mr. Gent highlighted that KUA received for the 16<sup>th</sup> consecutive year the FMEA Building Strong Communities Award for addressing community needs.

Mr. Gent shared that customers have stated that KUA's involvement in the community as grown over the last ten years. Mr. Gent explained that KUA started at 6.6 in how customers perceived KUA's involvement in the community and KUA has moved to 8.5 and it continues to rise.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

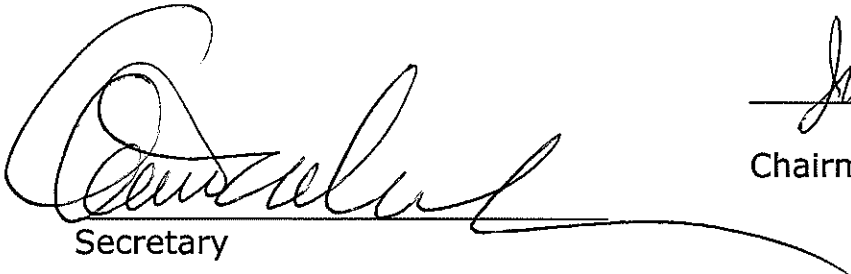
Mr. Lacerte thanked the executive staff for their help in preparing the directive package. Mr. Lacerte also thanked Director Hemphill for pointing out the need for improvement. Mr. Lacerte informed the Board of some good news - the President signed into law the Stafford Reform Act language that limited FEMA's ability to claw back funds released to three years.

Mr. Welsh shared information on upcoming events. Mr. Welsh wished the Board a very Happy Thanksgivings. Mayor Alvarez reminded the Board that this Saturday is the Veteran's Day parade in St. Cloud.

Director Hemphill thanked everyone for their work on the directives. Director Van Meter thanked everybody for their work done and wished everyone a Happy Thanksgiving.

L. ADJOURNMENT

Director Van Meter adjourned the meeting at 4:46 PM.

  
Secretary

  
Chairman