

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY, JULY 12, 2023
AT 3:30 P.M., BRINSON BOARD ROOM, JAMES C. WELSH ADMINISTRATION BUILDING, 1701
WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Director Manny Ortega, Director Ethel Urbina, Director Rae Hemphill, Director Reginald Hardee, Mayor Olga Gonzalez, President & General Manager, Brian Horton, General Counsel, Grant Lacerte and Recording Secretary, Margie Boles. Director Jeanne Van Meter was not present.

A. MEETING CALLED TO ORDER

Director Ortega called the meeting to order at 3:30 p.m.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board members and staff recited the Pledge of Allegiance.

C. APPROVAL OF AGENDA

ACTION: Director Urbina made a motion, seconded by Director Hemphill to approve the agenda.

MOTION PASSED 3 - 0

D. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD – ANDRES COTAMO, FINANCIAL ANALYST II, FINANCE & ADMINISTRATION
2. 25-YEAR SERVICE AWARD – SCOTT GRIEVES, SENIOR ACCOUNT MANAGER, OPERATIONS
3. EMPLOYEE OF THE MONTH FOR JULY 2023 – MIKE SURRENCY, POWER PLANT MECHANIC/WELDER/OPERATOR, OPERATIONS

Mr. Horton congratulated Mike for being selected employee of the month for July 2023.

Director Hardee arrived at 3:33 p.m.

E. HEAR THE AUDIENCE

Director Ortega asked if anyone from the public would like to address the Board. In hearing none, the Board moved forward.

F. CONSENT AGENDA

ACTION: Director Hemphill made a motion, seconded by Director Hardee, to approve items 1 – 3 under consent agenda.

MOTION PASSED 4 - 0

1. APPROVAL OF MINUTES FOR JUNE 7, 2023 BOARD MEETING
2. APPROVAL OF CONTRACT AMENDMENT NO.3 WITH QUALITY LAWN SERVICES UNLIMITED, INCORPORATED CONTRACT (AR 19-027-MC) FOR MOWING SERVICES

RECOMMENDATION: Approve the Third Amendment of contract AR #19-027-MC, Mowing Services with Quality Lawn Services Unlimited Inc. to extend the contract for an additional one year term at a not to exceed cost of \$34,010.00 and authorize the President and General Manager to execute the necessary contract documents.

3. APPROVAL OF EASEMENT RELEASE TO GB SKYVIEW LLC AND THE CITY OF KISSIMMEE

RECOMMENDATION: Approve the Agreement Regarding Utility Easement with GB Skyview LLC and the City of Kissimmee; and authorize the President and General Manager to execute the necessary contract documents.

G. PUBLIC HEARING

1. RESOLUTION NO. 24-01 FISCAL YEAR 2024 BUDGET

Kevin Crawford, vice president of Finance & Administration, provided a brief overview of the FY 2024 budget.

Mr. Crawford recommends approval of Resolution #24-01 and asked if anyone from the public would like to address this item; in hearing none, the following motion was offered.

ACTION: Director Urbina made a motion, seconded by Director Hemphill to approve Resolution #24-01.

**MOTION PASSED 4 – 0
Ethel Urbina voted yes
Manny Ortega voted yes
Rae Hemphill voted yes
Reginald Hardee voted yes**

2. NOTICE OF HEARING TO CONSIDER PURPA STANDARDS 20 AND 21 STANDARDS OF THE PUBLIC UTILITIES REGULATORY POLICY ACT (PURPA) OF 1978

Grant Lacerte, General Counsel, advised that at the November 2, 2022 meeting, the Board adopted a Notice of Hearing containing a procedural schedule for its consideration of Public Utilities Regulatory Policy Act (PURPA) Standards 20 and 21. Pursuant to the procedural schedule, the Board directed Staff to prepare a position statement for consideration at today's public hearing. The Board also gave the public an opportunity to respond to this position statement and participate in today's hearing. Staff filed its position statement as required on April 14, 2023; however, no one from the public has filed a notice of intent to participate in today's hearing or written testimony in response to Staff's position statement. Staff recommends against adoption of PURPA Standards 20 and 21.

Director Ortega asked if anyone in the audience would like to address this issue. In hearing none, the following motion was offered.

ACTION: Director Urbina made a motion, seconded by Director Hardee to approve staff's position statement and decline to adopt PURPA Standards 20 and 21.

**MOTION PASSED 4-0
Ethel Urbina voted yes
Manny Ortega voted yes
Rae Hemphill voted yes
Reginald Hardee voted yes**

Director Ortega shared that when speaking to counterparts around the country, they are not as advanced as KUA is; KUA is ahead of the game.

H. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. OSCEOLA LIBRARY SYSTEM – BUENAVENTURA LAKES LIBRARY

Ms. Henderson introduced Ms. Lisa Martinez, Branch Manager of the Buenaventura Lakes Branch Library, who provided a short presentation on the positive impact KUA's

financial contributions have made for the organization and thanked the Board and KUA for the continued support.

Director Hemphill asked what programs are the most useful at the BVL branch. Ms. Martinez advised the sewing classes are the most popular. Ms. Martinez shared that most people that come to the library are just interested in learning more skills.

Director Hardee asked Ms. Martinez if the library has partnerships with the school system such as field trips or tours. Ms. Martinez advised yes, students come and tour the library. Ms. Martinez also shared that the library partners with the Osceola schools to present a learn to read program along with a read bus that comes onsite that provides different activities for the children.

J. OLD BUSINESS - None

K. NEW BUSINESS

1. APPROVAL OF AGREEMENT TO WAIVE CERTAIN RIGHTS UNDER THE TASK ONE AGREEMENT BETWEEN KUA AND FMPA AND APPROVAL OF SECOND AMENDMENT TO TARP C&E CONTRACT BETWEEN KUA AND FMPA

Larry Mattern, vice president of Operations, advised the board that KUA and FMPA have reached a proposed settlement in which KUA's stream of Capacity Credits for its ownership interests in Cane Island Units 1, 2 and 3 will be fixed and extended through 2033 and adjusted at market-based rates resulting in additional revenue to KUA of \$102,519,967.00. In return for the extension and adjustment of these capacity credits, KUA would agree to waive its rights under the Task One Agreement to operate and maintain three natural gas fired units that FMPA has purchased or is in the process of acquiring located in Central Florida.

Director Ortega commented that this is a great negotiation. Mr. Mattern advised it was great teamwork by Mr. Horton, Mr. Lacerte and Mr. Crawford.

Director Urbina asked Mr. Mattern how he felt about the agreement. Mr. Mattern shared that he thinks it is a good agreement as it mitigates KUA's risks. Director Urbina stated that she noticed on Unit 1 the numbers have decreased. Mr. Mattern advised when the six years was negotiated there was a lot of excess capacity, since then it has a lot more value.

ACTION: Director Urbina made a motion, seconded by Director Hemphill to approve the Kissimmee Utility Authority's waiver of certain rights under the Task One Agreement by and between the Florida Municipal Power Agency (All-Requirements Power Supply Project) (FMPA) and KUA (Task One Agreement) and Acceptance Of Waiver by FMPA ("Waiver and Acceptance Agreement") and approve in substantial form the Second Amendment to TARP C&E Contract and authorize the President and General Manager to execute any necessary documents to implement these approvals.

MOTION PASSED 4 - 0

2. APPROVAL OF EXPENDITURE FOR ENGINEERING SERVICES WITH BURNS & MCDONALD FOR TRANSMISSION POLE REMEDIATION

Wesley Infinger, assistant vice president of Operations, advised that KUA has a facilities maintenance program that annually inspects a portion of the delivery system to identify any necessary maintenance activities. During 2022, inspections were conducted on four 69kV transmission lines, which resulted the finding of three poles showing signs of deterioration mostly likely as a result of lightning strikes. KUA contracted with Burns & McDonald (B&M) under existing Electrical Engineering Services Professional Services Contract to provide engineering design consultation to remediate the pole damage.

Mr. Infinger advised that after initial evaluation two of the poles should be able to be repaired, however the third pole will need to be replaced. B&M's estimate for the work, including subcontractor scope is \$164,460.

Director Ortega asked if it was a lightning strike that caused the damage. Mr. Infinger advised yes.

Director Urbina asked if the damage to the pole was superficial. Mr. Infinger advised it is structural. Mr. Hardee asked how long would a replacement takes if everything goes as planned. Mr. Infinger advised the replacement can take a day or two however, the challenge is getting the pole on order, the site location and scheduling the outage for it; it is a material acquisition issue as far as how quickly it can be accommodated.

Director Ortega asked if the pole that is being replaced a different type of material. Mr. Horton advised it would be a steel pole.

ACTION: Director Urbina made a motion, seconded by Director Hardee to approve the expenditure in the amount of \$164,460.00 for engineering services with Burns & McDonald (under existing contract PS #20-001-CV) to remediate transmission poles #150, #8072, and #1030.

Director Hardee advised that he supports staff's recommendation however, asked if there is a chance that a pole cannot be repaired but must be replaced, can the Board authorize the replacement at this time. Director Hardee advised if possible, he would like to amend the motion.

After additional comments, Director Hardee offered the following amendment to the motion: if it goes from a repair status to a replacement status that will cost more than what is approved here, we, the Board, authorize the Chairman to discuss with the President & General Manager having the Chairman on behalf of the Board approve staff to move forward.

Mr. Horton recommended that the Board authorize the President & General Manager to move forward with all of the necessary work.

Grant Lacerte, General Counsel clarified for the record that this agenda item is for Engineering Services only but the amended motion applies for the material acquisitions and the whole process. The Board agreed and Director Hardee offered the following amended motion.

ACTION: Director Urbina made a motion, seconded by Director Hardee to approve the expenditure in the amount of \$164,460.00 for engineering services with Burns & McDonald (under existing contract PS #20-001-CV) to remediate transmission poles #150, #8072, and #1030. The Board authorizes the President & General Manager to move forward with the necessary work if the poles cannot be repaired, which includes acquisition of all poles in the project and execute any documents consistent with this motion.

MOTION PASSED 4 - 0

L. STAFF REPORTS

Mr. Horton advised that next month the Board will have two staff reports, Human Resources and Customer Service.

M. HEAR THE ATTORNEY, GENERAL MANAGER, DIRECTORS

Mr. Horton advised he is looking forward to seeing all at the FMEA conference next week.

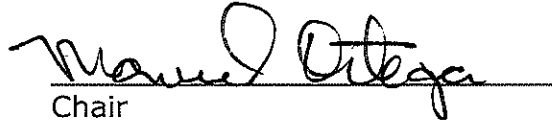
Director Hardee thanked Director Urbina for her motion and acceptance of the amendment on the Pole Remediation.

Director Hemphill wished all a great summer.

Director Ortega thanked Director Hardee for his input on the Pole Remediation item and thanked staff as well.

N. ADJOURNMENT

Director Ortega adjourned the meeting at 5:05 p.m.


Chair


Secretary