

**MINUTES OF THE REGULAR BOARD MEETING OF KISSIMMEE UTILITY  
AUTHORITY, MONDAY JANUARY 24, 2005 AT 11:30 A.M., BRINSON BOARD  
ROOM, ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE,  
FLORIDA.**

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Present were: Chairman Nancy Gemskie, Vice-Chairman Domingo Toro, Director Bill Hart, Director Domingo Toro, Director Fred Cumbie, Director James Kasper, Mayor George Gant, General Manager James Welsh, Vice-President and General Counsel Grant Lacerte and Recording Secretary Judy Ambrosi.

A. **MEETING CALLED TO ORDER** at 11:30 a.m. by Chairman Gemskie.

B. **PLEDGE OF ALLEGIANCE**

The Board and staff recited the Pledge of Allegiance.

C. **AWARDS AND PRESENTATIONS**

1. **10-YEAR SERVICE AWARD - JERRY TRIPP, ELECTRICIAN, POWER SUPPLY**

Jerry was unable to attend the meeting, but his supervisor will present his service award to him.

2. **15-YEAR SERVICE AWARD - LYNN DOWLING, SECRETARY II, FINANCE & RISK MANAGEMENT**

General Manager Welsh introduced Lynn and commented that she has great organizational skills and is always sensitive to her fellow employees. Chairman Gemskie presented Lynn with a picnic table.

3. **EMPLOYEE OF THE MONTH FOR FERUARY - GEORGE BLAIR**

Mr. Welsh introduced George and commended him for his tremendous efforts during the hurricanes. Mr. Welsh commented that this should be accepted on behalf of all the linemen including his partner Logan Murphy. Nancy Gemskie presented George with a plaque; Vice Chairman Toro gave him a day off with pay; Secretary Hart presented him with a savings bond; Director Cumbie, a parking space; Director Kasper a Sonny's certificate and Mayor Gant presented George with a one-year membership to the Osceola Center for the Arts and two shirts from the Center.

4. **EMPLOYEE OF THE YEAR - TONY WILSON**

Mr. Welsh introduced Tony as the 2004 Employee of the Year. He recognized Tony as an outstanding contributor to the utility's mission and goal and as an employee who never took a sick day in fifteen years of work. Chairman Gemskie presented Tony with a plaque and a check and Director Toro presented Tony with a certificate for two days off with pay.

D. **HEAR THE AUDIENCE** - None

E. **CONSENT AGENDA**

Mr. Welsh asked that Item E-3 be pulled for discussion purposes. Director Toro asked that item E-2 be pulled for discussion purposes.

**ACTION:** Director Hart made a motion, seconded by Director Cumbie to approve items #1, 4, 5, and 6 on the consent agenda as written.

**MOTION CARRIED 5-0**

1. **APPROVAL OF THE MINUTES FOR DECEMBER 15, 2004 REGULAR MEETING**

4. **CARPET REPLACEMENT - ADMINISTRATIVE BUILDING**

**RECOMMENDATION:** Staff recommends award of the contract to Castle Carpet One in the amount of \$112,583 from the following projects: C04K06, C05K06. These are budgeted items.

5. **IFB#008-05, BVL SUBSTATION UPGRADE**

**RECOMMENDATION:** Staff recommends award of bid IFB008-05 to Terry's Electric, Inc. in the amount of \$481,473 contingent on negotiation of a satisfactory contract. If a satisfactory contract cannot be reached, authorize Staff to attempt to negotiate a contract with Progress Energy, Inc. for the amount of \$580,540.

6. **FOUNDATION FOR OSCEOLA EDUCATION, INC SPONSORSHIP**

**RECOMMENDATION:** Staff recommends approval of a \$10,000 sponsorship to support the Foundation for Osceola Education, Inc. This is a worthwhile effort and worthy of the KUA's consideration as part of our sponsorship program.

2. **REVISION OF BUDGET ESTIMATE FOR THE GAS PIPELINE RELOCATION PROJECT AND AWARD OF CONTRACT TO CONSOLIDATED PIPE FOR THE SUPPLY OF PIPELINE MATERIALS**

Director Toro asked for clarification as he thought this item was approved some time ago. He also wanted to know if this would benefit Ginn Corporation. Mr. Welsh clarified that this would benefit KUA because having the pipe under a major road would be difficult to maintain. Ben Sharma, Vice president of Power Supply stated that the County is expanding the current road and our pipeline would be under this road, making maintenance extremely difficult and the risk for damages great.

**ACTION:** Director Toro made a motion, seconded by Director Hart to approve item #2 on the consent agenda.

**MOTION CARRIED 5-0**

**RECOMMENDATION:**

- A) Approve the revised estimate for the gas pipeline relocation project to be at \$4,044,155 and approve transfer of the additional \$960,000 from reserve funds for future capital projects.
- B) Award the contract to Consolidated Pipe for the supply of 20" ERW pipes and other items as specified for the lump sum price of \$396,180.

3. **AWARD OF CONTRACT TO BERMUDA BUILDERS, INC. FOR REPAIR AND REPLACEMENT OF ROOFS AT HANSEL POWER PLANT – IFB#004-05**

Mr. Welsh informed the Board that this bid is being protested by C & E, Inc. Joe Hostetler, Vice president of Finance and Risk Management stated that C & E, Inc. may file a formal protest of this bid because they contend that the roof can not be built to the wind resistance and uplift specifications even though Bermuda Builders, Inc. state that they can. Staff recommends that the Board approve the award of the contract contingent upon possible formal bid protest; staff will not award the actual contract until the protest is complete.

**ACTION:** Director Hart made a motion, seconded by Director Cumbie to approve item #3 on the consent agenda contingent upon possible formal bid protest.

**MOTION CARRIED 5-0**

**RECOMMENDATION:** Award the contract to Bermuda Builders, Inc. for repair and replacement as specified of roofs on three buildings at Hansel plant for a total NTE price of \$160,525.00

F. **PUBLIC HEARING** - None

G. **INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)** - None

H. **OLD BUSINESS**

1. **BOARD APPLICANT QUESTIONS**

Director Hart requested that the questions used to interview Board of Director applicants be revised after the last Board interviews. This item was previously deferred to the January meeting. After discussing several of the questions, the consensus of the Board was to make the following changes.

- a) Add, after question #3 the following:  
Can you participate in additional meetings or events to represent KUA and discuss with elected officials issues important to the operation of a utility authority?
- b) After question #5 add the following:  
If you choose to run for an elected office, when you qualify to run, would you agree to resign from the KUA Board?
- c) Delete question #13 (the deregulation issue question)
- d) Amend question #1 by adding:  
Please elaborate on your prior managerial/business experience.

## **2. BOARD MEETING DATES**

General Manager Welsh presented three proposals for meeting times, 12 noon on Mondays, 5:30 on the fourth Wednesday of each month, or 8 a.m. Wednesday meetings. Director Hart requested that the Board applicant review meeting scheduled for May 11 remain a 4:00 p.m. meeting.

**ACTION:** Director Hart made a motion, second by Director Cumbie to change meeting times to 8:00 Wednesday mornings. (See revised calendar)

**MOTION CARRIED 5-0**

## **I. NEW BUSINESS** - none

Director Hart left the meeting at 1:10 p.m.

## **J. STAFF REPORTS**

### **1. MONTHLY PROGRESS REPORT ON ENGINEERING AND OPERATIONS PROJECTS**

This was a written report.

### **2. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**

This was a written report.

### **3. CONDENSED FINANCIAL REPORT – NOVEMBER, 2004**

Joe Hostetler, Vice president of Finance & Risk Management presented the November financials. Mr. Hostetler pointed out that for 1,000 kwh customers, KUA had the fourth lowest bill for November of each of the Florida utilities surveyed. Dr. Gant stated that we need to start thinking about exactly how much we lost as a result of the hurricanes and start studying possible rate changes. Mr. Welsh stated that this process has begun.

### **4. PENSION FUND INVESTMENTS UPDATE**

Joe Hostetler, Chairman of the Pension Board stated that the KUA pension fund is currently ranked 10<sup>th</sup> in the Merrill Lynch Sample which is quite an accomplishment.

### **5. BUSINESS SOFTWARE UPDATE**

Vice presidents Jef Gray, Joe Hostetler, Ken Davis and Mike Geraghty updated the Board on the status of the search for a new software replacement of HTE. There should be a recommendation for the financial and work order sides at the next meeting, and a recommendation for the CIS side at the March meeting.

### **6. MONTHLY REPORT ON INFORMATION TECHNOLOGY DEPARTMENT PROJECTS**

Jef Gray, Vice president of Information Technology gave an overview of the department's monthly report which he will be included in future board packets.

**6. DEPARTMENT HIGHLIGHTS – CORPORATE COMMUNICATIONS**

Chris Gent, Manager of Corporate Communications gave an update to the Board on the sponsorship program. Mr. Gent pointed out that \$163,625 funds were distributed to the community in 2004 and 468,800 people were impacted. Mr. Gent then pointed out that due to budget cuts the fund has been depleted for this year.

**7. PRESENTATION OF FY 2004 PUBLIC ANNUAL REPORT**

Chris Gent, Manager of Corporate Communications provided the Board members with copies of the 2004 Annual Report as well as a compact disk which is included in the hard copy that contains all of the financials.

**K. HEAR INTERNAL AUDIT, ATTORNEY, GENERAL MANAGER, DIRECTORS**

Algertha Diggs, Manager of Internal Audit had nothing to report on at this time.

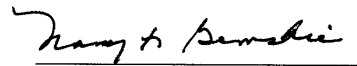
Grant Lacerte, Vice-president and General Counsel gave a brief update of current cases that he is involved with and reminded the Board that it is important to discuss telecommunications with legislatures at the Legislative Rally in February. Director Kasper asked Mr. Lacerte to prepare talking points for the Board to use during their meetings.

General Manager Welsh reminded the Board that they will have parking spaces roped off in the rear parking lot for future meetings. Mr. Welsh then congratulated Chairman Gemske for her appointment to the APPA Policy Makers Advisory Council.

Director Kasper stated that he heard rumors that the Hansel Plant was being closed. General Manager Welsh stated that a study is being done about retiring the diesel units which are near the end of their economic life and assessing the combined cycle units. He recommended, after retirement, a decision is made by the KUA Board, that any future changes to the diesel portion of the facility would be the responsibility of the City of Kissimmee.

**L. ADJOURNMENT**

Meeting adjourned at 2:10 p.m.

  
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Chairman

  
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Secretary