

MINUTES OF SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD WEDNESDAY, SEPTEMBER 11, 1991, AT 6:00 PM, BOARDROOM, ADMINISTRATION BUILDING, KISSIMMEE, FLORIDA

Present at the meeting were Chairman Hord, Vice Chairman Gant, Secretary Bobroff, Assistant Secretary Lowenstein, Director Jones, Mayor Pollet, Attorney Brinson, President & General Manager Welsh, and Recording Secretary Rundio.

A. MEETING CALLED TO ORDER at 6:00 PM by Chairman Hord. This meeting was a continuation of the Financing Plan Proposal meeting held August 28, 1991.

B. FINANCING PLAN PROPOSAL

At the last meeting, we initially discussed the bond issues being continued now. Mr. Welsh said that the size of the bond issue has not been determined. Joe Hostetler showed the difference between the 5 Year Plan of November 1990, and the bond issue. Under discussion would be the maximum amount that we could issue. Direction from the Board will be asked to authorize staff to proceed to put together a financial team, put out an RFP (Request for Proposal), discuss the process which the Board wishes to go through the selection of the Underwriting team, and submit staff's suggestions. Staff recommends that the RFP's would be reviewed and ranked, and a recommended ordering and reasons be presented to the Board at the October 23rd meeting. Authorization tonight would be requested to proceed for the second phase of this for our Financial Advisors, the Scope of Services, and our Bond Counsel. Bond Counsels, Peter Dame and Jack Williams, were present, as well as several Financial Advisors.

Joe Hostetler, Director/Finance, highlighted his overhead report which was a reconciliation of projected construction proceeds needed in 1992/93 (presented at the May 15, 1991 Special Meeting) to construction funds needed for KUA "Managed Projects" per the Financing Plan, dated August 19, 1991, distributed to the Board members. He said that of the two turbines in the report, one would be purchased now and the second one in 1995. It covered a combined 5 Year Plan update, excluding the Stanton Energy Center II (SEC II) costs.

Director Bobroff said we should proceed with the bonding issue now when the interest rates are lower. Mr. Welsh said we have a very tight calendar. Chairman Hord stated we have some of the cash for the closing costs and we should not be in any hurry.

Craig Dunlap, Evensen Dodge, Inc., Financial Advisor, made an in-depth presentation and elaborated on the KUA Managed Projects as covered in the Financing Plan. He said we will be selling bonds for our six projects and taking our cash of \$16.1 million in April/May 1992 and utilizing that cash to defease the remaining portion of the non-callable bonds.

Mr. Welsh said that the action we are asking the Board is for authorization and approval for Scope of Services of the Financial Advisor and Bond Counsel, as well as Engineers, to proceed with the analysis of the bond issue; and also we require authorization to send out an RFP to the Underwriters and to evaluate the resources. Recommendations would be brought to the Board at the October 23rd regular meeting. The size of the issue and the analysis done on the cash flow are targeted for a Special Meeting on October 24th.

The Board approved having a Special Meeting for October 24th, at 6:00 PM, for this purpose.

Mr. Welsh stated that we recommend authorization from the Board to proceed with FMPA (Florida Municipal Power Agency) through their bond validation as long as we can pull out of it and finance our own if this is judged more beneficial to us. We should keep our options open.

Craig Dunlap stated their recommendation was to proceed with validation and further explorations with FMPA and then OUC with regard to FMPA providing the financing for KUA's portion of Stanton II. It was the consensus of the Board to proceed in this manner.

Discussion followed on KUA's participation for validation and non-validation, as well as a number of other issues.

Numerous questions by the Board and staff were responded to by the Financial Advisors and Bond Counsel on the bond issues and financing.

Director Bobroff moved to authorize staff to proceed with the proposed Scope of Services from Evensen Dodge (\$61,855); Squire, Sanders & Dempsey (6105,000); and Black & Veatch (\$28,000). These are maximum not-to-exceed fees with actual billings based on actual hours worked. Also included is a tentative financing schedule that was worked out between Evensen Dodge and Squire, Sanders & Dempsey on August 28, 1991. The Board also authorized the transfer of the above amounts from the Reserve for Future Capital Projects. Seconded by Director Lowenstein.

Motion carried 5 - 0

C. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh requested that Wednesday, October 9th, at 6:00 PM, be calendared to discuss the purchase of the new generator and the Generator Bid Award. Chairman Hord suggested that the analysis needed to finalize a recommendation on the Bid Award be expedited to be ready by the regularly scheduled meeting i~ on September 25 to eliminate the need for a Special Meeting. Mr. Welsh said that every effort would be made to do this.

Mr. Welsh also informed the members of the Quarter Century Club Dinner to be held at 6:30 PM, October 30th, at the Hyatt Orlando.

Mr. Welsh informed the Board that Pete Valdellon, Internal Auditor, had arranged for KUA to host a presentation by the Florida Auditor General, Mr. Charles L. Lester, CPA, at 2:00 PM, Tuesday, October 15, in our Board Room. Attendees will consist of City and County Commissions, top management and financial officers of the Cities of Kissimmee and St. Cloud, the School Board and CPA's from the area.

Referring to Chairman Hord's suggestion at the last meeting to do more in-house work on the Load Management project, Mr. Welsh said we have a new in-house engineer, Jeff Sizemore, Planning & Engineering, who has the qualifications to do just that. It would enable us to pull \$41,000 worth of work out of the \$75,000 engineering costs allocated for Black & Veatch, a significant savings to KUA. This new employee had not been hired long enough before Black & Veatch's scope had originally been developed for this project.

Copies of the Fiscal Year 1992 Adopted Annual Budget were distributed to the Board.

Mr. Welsh reminded the Board of the St. Cloud Ad Hoc Committee meeting scheduled for the following evening, Thursday, September 12, 1991, at 6:00 PM.

ATTORNEY - No comments

DIRECTORS - No comments

D. **ADJOURNMENT**: Meeting adjourned at 8:15 PM.



CHAIRMAN

ATTEST:



ASSISTANT SECRETARY