

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD
WEDNESDAY, JULY 22, 1992, AT 6:00 PM, ADMINISTRATION BUILDING,
KISSIMMEE, FLORIDA

Present at the meeting were Chairman Hord, Secretary Bobroff, Assistant Secretary Lowenstein, Director Gant, Mayor Pollet, Attorney Brinson, President & General Manager Welsh and Recording Secretary Rundio. Director Jones was not present.

A. MEETING CALLED TO ORDER at 6:00 PM by Chairman Hord who stated this is our first Board meeting at our new 1701 W. Carroll Street facility.

B. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD - PATRICK MOYHER

Mr. Welsh gave a brief history of Patrick's work history at KUA. He joined KUA on July 27, 1987 as Apprentice Electrician, was promoted to Electrician in October 1991 and is responsible for the electrical maintenance at the Hansel plant. Pat is very reliable and self-motivated and accomplishes his work with high standards.

Pat was unable to be present; however, his Department Director, Ben Sharma, accepted the award on his behalf. Chairman Hord expressed thanks and congratulations on behalf of the Board and staff for Pat's service to KUA. Pat had chosen a pair of classic mugs.

2. 10-YEAR SERVICE AWARD - CAROLE CASTO

Carole Casto, Distribution Service Specialist, worked two years each with the City and Planning & Engineering during 1982 and 1986, thereupon transferring to Distribution. Carole deals with many customers in a professional and congenial manner. In 1991 Carole was chosen November Employee of the Month because of her conscientious efforts and dedication to this organization.

Since Carole was unable to be present, the Board congratulated Carole in absentia for these attributes and dedication and asked Ken Lackey, her Supervisor, to present Carole with an award of her choosing, a seven-piece beverage set.

3. AUGUST EMPLOYEE OF THE MONTH - CATHY MICKEL

Mr. Welsh said Cathy was spontaneously selected by her fellow employees for this honor and he highlighted her working career. Cathy worked for the City in 1983, then briefly went into private business, and joined KUA as a Customer Service Rep in 1989. Her duties include working in the phone bank, assisting customers initiate, terminate and resolve billing problems. A number of her suggestions have been implemented which indicates her initiative and drive to improve procedures for customers and employees alike.

On behalf of the members and staff, Cathy was presented with a plaque and U.S. Savings Bond. She will also receive a reserved parking space and a day off, with pay. Cathy thanked her co-workers, Supervisor and Manager for their support.

C. HEAR THE AUDIENCE - There was no audience response.

Mr. Welsh informed the Board that the wife of Mr. Jim Scott, BVL (Buenaventura Lakes), had passed away this week.

The Board members were invited to tour this new facility following the meeting.

- D. PUBLIC HEARING - None
- E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None
- F. OLD BUSINESS - None
- G. NEW BUSINESS

1. AWARD OF CONTRACT FOR THE SUPPLY OF STEP-UP TRANSFORMER
CANE ISLAND G.T. PROJECT

Mr. Ben Sharma, Director of Power Supply, gave a presentation and update on this project, followed by staff's recommendation for Board approval of negotiations for this contract.

Director Gant questioned, since we deferred the contract for the gas turbine engine, whether we should also defer this transformer pending approval of permits. Mr. Sharma said that by December 1992 we anticipate having the permits in hand. The decision to be made by the Board is to run the risk of cancellation penalties on this contract, or to effectively make a decision to reschedule the gas turbine operation from December 1993. There is an acceptable risk involved but staff feels the project will go through, in spite of there being a three-month delay.

In-depth discussion followed, with Mr. Sharma briefing the members on the schedule of anticipated dates for various projected events to take place. If we want to have the transformer ready to be shipped in June of 1993, we have to release the manufacturing order in October 1992. Staff asked the Board to allow negotiations to commence with the company on the terms and conditions. The Chairman and Secretary would not execute the documents until they are developed in final form in October. The time line schedule is:

7/22/92	Board approval to negotiate
9/92	Negotiation completion
6/93	Transformer shipped
7/93	Transformer arrival at site
9/93	Transformer installation completed
10/93	G.T. test run
12/93	G.T. operational

Questions by the members were answered by staff. The pros and cons were discussed on expediting the project. Tonight, staff is recommending that the contract for furnishing the generator step-up transformer be awarded to North American Transformer, Inc. for the firm lump sum price of \$742,730 subject to successful and satisfactory completion of the contract documents. Mr. Welsh added, "in October" staff would bring this contract back to the Board requesting approval and recommending the Chairman and Secretary execute the completed contracts.

Motion made by Director Lowenstein to accept staff's recommendation, as amended by the General Manager, and also that the execution of the purchase contract by the Chairman and Secretary will be made at the October meeting, following final negotiations and acceptance by the Vendor and this Board. Seconded by Director Bobroff.

**Motion carried 4 - 0
Director Jones absent**

2. OUTDOOR LIGHTING

Mr. Welsh stated that Attorney Brinson wished to point out that this is not a public hearing for approval of these lighting rates. We are asking for permission to submit this for a 30-day review period to the Public Service Commission (PSC). Subsequent to that, if approved tonight, a public hearing on these rates will be scheduled for the August Board meeting, assuming they will be passed by the PSC. Existing rates have not been changed; these are additional options developed for our customers.

Mr. Ken Lackey, Director/Transmission & Distribution, made a brief presentation, via slides, of the various fixtures and lighting designs being made available.

Mr. Joe Hostetler, Director/Finance, highlighted the outdoor lighting rates which were compared to other utilities' rates and said we are within their range. Comparisons were made of rates to estimated revenues. All pole costs and installation charges are built into the rate costs. Discussion continued on type of proposed poles with a choice of two types of light fixtures to go atop them, decorative or directional, giving the ability to go to highway lighting and subdivisions.

Director Gant suggested that one basic charge should be set up, e.g., the wooden pole, with different sizes of lights, and if a customer desired a different type of pole (fiberglass, concrete, aluminum), they should pay the difference for that pole.

Moved by Director Bobroff to approve staff's recommendation for the new Outdoor Lighting Rates. Seconded by Director Lowenstein.

**Motion carried 3 - 1
Director Gant opposed
Director Jones absent**

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

Report accepted as written, with the exception of a query by Chairman Hord on impact fees on the Project Cost Summary, responded to by Mr. Davis.

2. CONDENSED FINANCIAL REPORT

Mr. Hostetler highlighted the status of the Financial Report. He said several irrelevant columns were removed from the report per last meeting's discussion.

June 1992 Actual reinvested earnings were a positive \$167,986 compared to last month's negative figure. We are close to what the prorated mixed budget was for the month down the line. Fuel costs were discussed and explanations followed on several line items.

3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

Report accepted as written.

4. ELECTRICAL MAINTENANCE WORKSHOP/WAREHOUSE MEZZANINE

Report accepted as written.

I. CONSENT AGENDA

Moved by Director Lowenstein to accept the Consent Agenda with the exception of item #3 pulled by General Manager Welsh. Seconded by Director Bobroff.

1. APPROVAL OF MINUTES OF JUNE 24, 1992 MEETING
2. TWO-YEAR REQUIREMENT FOR OFFICE SUPPLIES, IFB #033-92

Motion carried 4 - 0
Director Jones absent

3. WATER AND SEWER EASEMENTS - CARROLL STREET SITE

Mr. Welsh stated, based on the advice of Counsel, that the recommendation be changed to read, "If required, authorize the Chairman and Secretary (rather than the "President and General Manager") to execute easement documents granting easements to the City of Kissimmee to cover water and sewer improvements on the Carroll Street site."

Discussion followed on the possible necessity of these easements to the City.

Moved by Director Lowenstein to approve the above-quoted recommendation. Seconded by Director Gant.

Motion carried 4 - 0
Director Jones absent

J. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh stated that a formal dedication and ribbon cutting ceremony for this facility is being scheduled from 10:00 a.m. to 2:00 p.m., September 3, and the members and public will be invited.

ATTORNEY

Mr. Edward Brinson said the Lyng property closed without any problems. Mr. Lyng has no objections to having a substation next to his property. Mr. Lyng is proposing an exchange of a triangular fraction of the property in question for his half of the road, which may be a fair exchange. Mr. Brinson further explained the status of proceedings to be initiated for a smooth transition. This item will be brought back to the Board for an update.

DIRECTORS

Mayor Pollet suggested postponing the upcoming KUA/City Commission meeting scheduled for August 5th to a later time. Several Commissioners have commitments during the next two months. Mr. Welsh will strive for either October 14th or 21st when all parties may be available. It was the consensus to continue having this joint meeting periodically for informational purposes.

Director Gant expressed concern over the moving of utility poles on Neptune Road at the County's request but at KUA's expense. He felt moving the poles in question less than one foot was completely insignificant and stated it was not cost-effective because the County asked us to move them. Mr. Welsh said we would take a more proactive stance in the future and press for cost effective alternatives.

Chairman Hord complimented staff on the move to the new facility and on the appearance of the offices.

K. ADJOURNMENT: Meeting adjourned at 7:50 p.m.



CHAIRMAN

ATTEST:



SECRETARY