

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD WEDNESDAY,
SEPTEMBER 22, 1993 AT 6:00 PM, BOARD ROOM, ADMINISTRATION BUILDING, 1701
W. CARROLL STREET, KISSIMMEE, FLORIDA

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

A. **MEETING CALLED TO ORDER** at 6:00 p.m. by Chairman Hord.

B. **AWARDS AND PRESENTATIONS**

1. **10-YEAR SERVICE AWARD - WILLIAM CLARK, JR.**

Mr. Welsh characterized Bill Clark's work history at KUA. Bill began work with the City as Assistant Power Plant Operator in September 1983 and was promoted to System Load Dispatcher in November 1985. He sports a wide range of experience at the Power Plant. Bill is very dependable, willing to work overtime and handles trouble calls very effectively through his good judgment--an excellent team worker! Bill has also been instrumental in setting up the Energy Control Center.

Congratulations were extended by Mr. Welsh and the Board and Bill was presented with a 10-year KUA service pin.

2. **10-YEAR SERVICE AWARD - DAVID PEREZ**

Due to a previous commitment, David Perez was unable to be present for his award, which will be given to him by his Manager. David became Power Plant Operator in June 1984 and has contributed significantly to the smooth running of the Plant. His cheerful disposition and working attributes mark him as a valuable asset to KUA.

David's chosen award for his ten years of service was a 7-piece beverage set presented by Chairman Hord, with the members' best wishes.

3. **5-YEAR SERVICE AWARD - LISA MURPHY**

Lisa Murphy, Administrative Secretary/Finance, began her KUA career with the City in October 1986 as Clerical Assistant and changed lanes to KUA in September 1988. Lisa is an aggressive, dedicated employee with a strong professional image and KUA is proud to have her on board!

Lisa's most recent and happy accomplishment was the birth of a lovely baby girl, Taylor Marie, on September 19, 1993 at 6 lbs. 8 ozs.! Congratulations, Lisa and David!

Naturally, Lisa was unable to accept her award this evening of a 7-piece beverage set.

4. **5-YEAR SERVICE AWARD - JIMMY BURKE**

As a fast and accurate Meter Reader, hired in September 1988, and being very well versed in all areas of conservation, Jimmy has progressed to Energy Conservation Specialist and also working with the Load Management Program. Jimmy is very adept at dealing with customers. In February 1993 he became a Customer Accounts Coordinator and uses his excellent supervisory skills in handling customers with ease.

Jimmy is also married to Dyana, our former Communications Specialist, and they are expecting an addition to the family in February, 1994! Best wishes to you both!

Jimmy was presented with an oil lamp...as though he needed one working for an electric company!

5. EMPLOYEE OF THE MONTH - LARRY OLSON

Larry has been selected by his fellow employees as Employee of the Month for being a self-starter and hard worker, who offers suggestions on how to improve the operations in his area and his performance is consistent and dependable. Larry works with our grounds crew and has redesigned the flower beds along Lakeshore Boulevard. He enjoys his job and his great sense of humor is passed along to fellow employees, Mr. Welsh thanked Larry for his visible contributions to KUA.

Chairman Hord congratulated Larry and presented him with a plaque and he was also given a \$100 Savings Bond by Director Bobroff. In addition, Larry will receive a day off with pay and a reserved parking space during October.

6. SURPRISE SERVICE AWARD - DIRECTOR ARNOLD JONES

Chairman Hord, reading a Proclamation dedicated to Arnold, said that on October 1, 1985 Arnold Jones was initially appointed to the KUA Board for a three-year term and in 1988 he was reappointed for a five-year term. He has overseen numerous activities, projects and developments throughout KUA during this time and had devoted many hours of personal time, without any remuneration, to the benefit of this organization. The KUA Board of Directors and Staff expressed their sincere gratitude and appreciation for all that Director Jones has contributed.

Following hearty applause, Director Jones was also presented by Director Bobroff with some complimentary praise and thanks for his wisdom over the years and he then presented Arnold with a framed picture of the Board members as a keepsake.

Mr. Welsh then asked Arnold to trip the circuit breaker on a very unique electric lamp given him. It was assembled from various retired KUA equipment--a part of a pole, circuit breaker, a retired meter and insulator and other parts. This was made and designed by one of our own ingenious inventors, Steve Lavoie, Apprentice Electrician. Mr. Welsh expressed his pleasure in working with Arnold and said he was not surprised that someone of Arnold's stature desires to serve his community so selflessly. Appreciation and our best wishes go with you, Arnold!

Director Jones thanked everyone for the gifts and their good wishes.

C. HEAR THE AUDIENCE - None

D. PUBLIC HEARING - None

E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. BOND SALES

Joe Hostetler, Director of Finance, outlined what had taken place yesterday concerning the Revenue Refunding Bonds, Series 1993A, at the offices of our Financial Team. He said the bond sale proved to be very successful. There were four bidders and the lowest bidder with 5.3645 was William R. Hough & Co. Decisions will be made at a later time on how to allocate these monies.

Mr. Welsh stated that these funds are earmarked for numerous projects; it's a question of timing of what to do in our investments prior to the actual expenditures.

Mr. Hostetler said we have projected a need for the bond issue of about \$20 million in 1996; we could hold on to this to avoid a future bond issue or we could use the funds to defease a partial 1987 bond issue.

David Moore, Evensen Dodge & Co., the Authority's financial advisor distributed a handout, "Refunding Summary, September 22, 1993". He highlighted and explained various sections of this pamphlet and responded to questions from the Board. He thanked the members and Staff for pushing this through on short notice.

Mr. Welsh also thanked the Financing Team and Joe Hostetler for burning the midnight oil to make this happen. Our trigger point was 5% and the Team achieved \$2.1 million net present value savings at 10%.

2. CONSTRUCTION REPORT ON CANE ISLAND

Greg Harrington, our Owner's Representative on site, made a brief, informative presentation updating the Board on progress at the Cane Island site. This was followed by a short video of the area and how it's gradually taking shape. Mr. Harrington stated that the project is on schedule at this time.

As an aside, Greg announced that he and his fiance are being married this Friday, September 24th, so we're not surprised at any pre-marital jitters he might have. Congratulations, Greg!

F. OLD BUSINESS - None

G. NEW BUSINESS

1. ENCROACHMENT LICENSE FROM THE CITY OF KISSIMMEE REGARDING WORK AROUND THE 36" EFFLUENT LINE

In a capsule, this is a standard agreement for the 36" effluent pipeline we have to work around. The City of Kissimmee has approved and signed this agreement and Staff recommended that we accept the Encroachment License.

Director Jones moved to accept Staff's recommendation of the Encroachment License by the Board and the execution of its acceptance by the Chairman and Secretary. Seconded by Director Bobroff.

Motion carried 5 - 0

2. SERVICE CONTRACT WITH HUEY, GUILDAY, KUERSTEINER & TUCKER (HGK&T) - ENVIRONMENTAL LAWYER TO PROVIDE LEGAL SERVICES

Mr. Welsh stated that the licensing and permitting for Cane Island was a tedious and nerve-wracking process. He stated that Mr. Boone Kuersteiner and Mr. Doug Rillstone of the above firm were in attendance to give a presentation. Mr. Welsh said a recommendation is submitted in our best economic interest to pursue.

Director of Power Supply, Ben Sharma, gave a brief history to acquaint the Board with the sequence of events related to Mr. Kuersteiner's involvement in various major changes KUA faced concerning Cane Island, the negotiations that had transpired with various agencies and the stumbling

blocks we had run into, etc., and stated that KUA was fortunate in having this firm assist us in providing legal services for environmental permitting and licensing and mitigation activities for the Cane Island project. He noted that a mitigation bank is being considered to invest KUA credits, to be drawn out of the bank when required in the future.

He said three issues are still outstanding where Mr. Kuersteiner's services will be required for the successful completion of the Cane Island project. The fees for these services range from \$60,500 to \$87,000.

Mr. Boone Kuersteiner gave a brief synopsis of the various conditions relating to the wetlands mitigation, permit conditions, recording conservation easements and site construction wetlands that would decrease some of the construction problems. He noted that some acreage is in excess of policy and there is a mitigation surplus and that these mitigation credits are placed in a bank to be used in the future. There are mitigation banking issues being worked out with Reedy Creek and South Florida Water Management District. He stated there is also a market in the private sector for these credits. They are working with many agencies in this respect.

Director Gant asked about additional permitting for Units 1 and 2. Mr. Kuersteiner said negotiations are still underway with various organizations and their legal and engineering staffs and they are incorporating all the applicable environmental regulations and ensuring they are complied with.

In response to Director Lowenstein, Staff said this environmental investigative work does not involve Unit 3. We are analyzing work for Unit 3 only from a costing and a cash flow standpoint and negotiating with FMPA and others to see if this is something we want to pursue further. This would be brought to the Board with perhaps an update and firm recommendation in October and a final decision is expected in December. A timeframe would be set up for design and construction and then we would tackle the licensing process. The impacts would mostly be on air quality and environmental impact and some minimal work with South Florida Water Management District.

Director Lowenstein moved to approve the proposal from Boone Kuersteiner of UGK&T to provide continuing legal services for the remainder of the permit and license related activities for the Cane Island Units 1 and 2 project for a not-to-exceed fee of \$60,500, to be spent on an as-needed basis. Seconded by Director Bobroff.

Discussion followed on how the fee of \$60,500 will be spent and Mr. Welsh stated it would be spent on an as-needed basis. He also stated this may not be the end of it.

Director Gant requested clarification on any anticipated problems and additional monies over the \$60,500 to be spent. Mr. Welsh said when dealing with regulatory agencies over which there is no control, there may be other necessary expenses (finalizing the easement with SFWMD and other items).

Motion carried 5 - 0

3. PURCHASE OF DEMAND SIDE MANAGEMENT SOFTWARE IRP WORKSTATION

This will be a requirement because of some legislation in this area. Due to the National Energy Policy Act of 1992 affecting all utilities to satisfy their projected demand, the Public Service Commission (PSC) has issued rules requiring all municipals and investor-owned utilities in Florida to set annual demand side management goals and to do integrated resource planning.

To satisfy this requirement, Staff has been reviewing the market for software which would adequately address these requirements. Staff highlighted the three types of programs available. A complete program costs \$31,000, which includes an initial data base, set-up and benchmarking. Adequate funds are set aside in the Power Supply budget for this. This program will be utilized in-house as opposed to using our consultants to handle this for us at a much higher cost. It had been the overall decision of the Board months earlier to internalize our system planning, to the extent possible, and this was one system that was developed in-house; larger ones may be farmed out. Discussion followed.

Robert Miller, Manager/Bulk Systems Planning, has the expertise to do this in-house. Mr. Miller gave a brief explanation on the use of this software and he stated what other companies are using it. We would use this system on programs that would best benefit KUA.

Director Jones felt the fee was somewhat high when averaged out on a monthly basis. Mr. Miller stated we requested modification on our software; consultants' costs would be extremely high in comparison.

Director Lowenstein moved to accept Staff's recommendation that the Board authorize the purchase of the IRP workstation package for a sum not to exceed \$31,000; and further authorize the execution of the license agreement. Seconded by Director Bobroff.

Motion carried 5 - 0

4. AWARD OF CONTRACT - FURNISH THE HEAT RECOVERY STEAM GENERATOR (HRSG) FOR CANE ISLAND UNIT NO. 2, IFB #040-93

Mr. Welsh brought to the Board's attention a formal written Notice of Protest received from the Henry Vogt Machine Co. He asked Attorney Edward Brinson to highlight what action and procedures are necessary concerning this protest. Our Engineers will also go over the evaluation process that has taken place.

Two Letters of Protest, dated September 17 and 21, 1993, were received. Attorney Brinson gave some background information. Staff feels the protest is unfounded.

Attorney Brinson addressed this and said where there is a bid protest, the bidding should cease until that protest has been resolved. The ultimate resolution administratively is by this Board. Where we've had a protest, which was followed by procedure as outlined in our Bid Protest Procedure, has now reached the point where its necessary before we proceed to award a bid to resolve this issue. The Board perused the September 21st letter. This Board should act, prior to further action, on determining whether or not this protest is valid. If so, take appropriate action. If it is determined that the bid protest is invalid, the procedure would be to go ahead and evaluate the bids and do it tonight. This should be resolved first. The orderly procedure would be to let the bid protector state his remarks, at which time it would be incumbent on KUA to present their views.

Bid protector, Michael Kessler, Southeast Regional Sales Manager for Henry Vogt Machine Co., addressed their formal protest on this bid for the Heat Recovery Steam Generator (HRSG). He said in their September 21st letter they detailed why they think some areas had not been properly evaluated. He said that Nooter/Eriksen did not fill in the indemnification requirement on the bid forms. He explained how they arrived at their figures for costs, etc., and pointed to inconsistencies of how this

indemnification process was evaluated. Three other items of protest were: consideration for Unit 3, HRSG erectability, and HRSG transportation. He pointed out some other advantages for our going with their company, such as less welding requirements and transportation costs. He asked that the Board consider their appeal in this and place the order with their company.

In-depth discussion followed on numerous issues. Again, Attorney Brinson raised the point that we should resolve the protest before getting further into secondary issues.

Mr. Welsh felt the Board might resolve the protest by finding the protest is valid and make the evaluation based on this protest holding, or find it is invalid and accept the evaluation as presented by the Engineers. At this point we could still get into these unquantified points that may sway the members to answer that is different than recommended by the Engineers, depending how these unquantifiables are evaluated.

Attorney Brinson said the indemnification should be addressed and clarified first. Nooter-Eriksen took exception to this as not being appropriate. Black & Veatch clarified it for them. Attorney Brinson stated that indemnification means that when negotiating a contract after a bid would be a requirement, a clause that, because of their installation or furnishing of equipment, they would agree in the contract to indemnify. Part of the law is called, "unenforceable contracts". To have an enforceable contract there has to be consideration given--if we are expecting the supplier to indemnify us there has to be something of value given to the supplier. Were it not in there, it would be an unenforceable contract by statute. At least 1% of the contract price is sufficient consideration to enforce the contract. Question now before the Board on indemnification is: Did Black & Veatch give them an advantage by contacting them or did Black & Veatch simply contact the successful bidder for clarification. They did not change their dollar bid; they allocated 1% of their base bid to indemnification. Basically, this is the protest Vogt is entering on question #1.

Vogt stated the basis of their protest is that they understood the 1% would be added over and above the price of the cost of the equipment. Their contention is if Nooter/Eriksen overlooked this as a clarification they didn't have it in the price to begin with, saying to take 1% out of the equipment price. He said there were also other inconsistencies in the other bidders' prices.

Attorney Brinson stated that on the table tonight on this particular question is whether or not the contract was simply for clarification or otherwise. Discussion followed whether we could sue and collect if indemnification was not included in the contract. He continued that if he doesn't agree to indemnify by contract you can't enforce the contract; its an unenforceable contract.

Don Shultz, Black & Veatch, said the indemnification clause in the current specs is only that the contractor will indemnify KUA, B&V and other contractors, that if something happens on the job site and no one can really determine whose fault it is, he will come in and defend you and indemnify you, but only if its in the contract. The clause means we have to protect ourselves; B&V felt it was important to have indemnification and to have that you have to have consideration which must be at least 1% of the contract. The question was, did they get unfair advantage or simply a clarification.

Mr. Shultz read an excerpt from the contract, "the contractor acknowledges not less than 1% of the item C.1.6...price for this proposal." He acknowledges that 1% of his bid price is included in the indemnification. It is not saying he has to add 1%. They did not acknowledge it in their original proposal. Mr. Shultz responded in great detail on this item and what discussions had taken place, exceptions noted, etc. Nooter-Eriksen is the only bidder who took exception to this particular point of indemnification. Discussion continued.

Vogt also took exception to the other three issues in their letter, which included delivery dates. An issue arose in Vogt's shipping 6 boxes as opposed to Nooter-Eriksen's eight and the additional costs of those two extra boxes.

Director Bobroff and Mr. Shultz discussed the Board voting on the 13 exceptions tonight. Director Bobroff questioned the kind of machine we will get based on the bids tonight. Mr. Welsh stated that the recommendation made to the Board is that the bid be awarded for a not-to-exceed price and authorize Staff to negotiate the contract. Upon successful and satisfactory negotiation of those contracts the Board would authorize the Chairman and the Secretary to execute those contracts. If we are unable to satisfactorily and successfully negotiate those contracts, Staff would come back for further action.

A brief explanation followed on the three additional points of contention to be resolved. B&V has not evaluated any proposals on Unit 3 at this stage.

Chairman Hord stated that we are only discussing the protest at this time on item 1, indemnification, which is of prime importance.

Attorney Brinson stated that the members need to approve or reject items 2, 3 and 4. Mr. Welsh stated we need to ascertain whether this is a valid or invalid protest. Chairman Hord felt items 3 and 4 were invalid exceptions.

Don Lang, of Nooter-Eriksen, gave their viewpoint on how they bid on indemnification and their feelings on the protest by Vogt. They also have a few exceptions and feel they addressed the issue properly.

Director Jones inquired what the consequences would be if they voted aye and nay. Attorney Brinson said that if we accepted them as a non-responsive bidder, their bids would be invalid. That if we accept their protest as being valid, we would have certain alternatives: to rebid the whole thing or abide by the evaluation. Or, modify the evaluation based on the evaluation of the protest, suggested Mr. Welsh. Attorney Brinson said it could be considered a simple clarification.

Director Gant said that he requires answers on the delivery dates and the process of rebidding, etc., before he makes a motion to accept or not accept the protest. He felt the numbers were too close.

Moved by Director Gant that we not accept any of the bids and go back to rebid the equipment provided we can do it in a timely manner. He is accepting the protest but his reaction would be to rebid the equipment provided we can do it in a timely manner. There was no second.

Moved by Director Gant that we accept the protest in order to clarify the matter, as presented in Henry Vogt Co.'s letter of September 21, and come back to rebid the issue. Seconded by Director Jones.

Mr. Welsh clarified the motion that we accept the protest as being valid and Vogt's protest request for relief is that the HRSG proposal regarding the indemnification be consistent. He elaborated that Vogt asked for relief on four items. He suggested they decide if they grant relief to Vogt on each item and if relief is granted then the Board must decide what the relief is. This was not exactly Director Gant's motion.

Mr. Shultz briefly stated what the implications would be on an overall project standpoint. They're on a very tight schedule and need more information to complete on the HRSG. Some delay may be anticipated.

Chairman Hord mentioned that due to the small difference he didn't think we could rebid for the \$3,400. The issue is whether Vogt has a valid claim in their interpretation in what Nooter-Eriksen didn't say initially and what Mr. Shultz did to clarify it.

Director Gant withdrew his original motion and stated he believes this is a valid protest on Item #1, "Indemnification." Seconded by Director Jones.

Director Jones asked for Staff's and the Engineer's consideration on the protest. Mr. Shultz stated that this was a business decision on whether we should adjust the bid for the indemnification. He explained about Vogt's adding the 1% to their indemnification dollars.

Attorney Brinson stated there has to be some monetary consideration in order to make the indemnification in the contract valid.

**Motion carried 3 - 2
Chairman Hord opposed
Director Bobroff opposed**

Attorney Brinson gave alternatives, from another point of view. He believes it's the consensus of the Staff, based on tonight's discussion, that it would not be in the best interests of KUA to delay the project by rebidding the whole process. He suggested we could do three things. We could reject Nooter/Eriksen as being unresponsive; we could add 1% on their bid causing the second bidder to be slightly cheaper; or we could, in effect, level the two bids to the exact dollar amount and make a decision based on other factors (what Staff and B&V would recommend). The latter choice would be fairer, leveling the playing field. Then make a decision and award the bid in the best interests of KUA rather than on a dollar figure, which would be identical. This was Attorney Brinson's recommendation.

Moved by Director Bobroff that, based on the previous action recognizing the protest of Vogt Machine Co., we now consider both bids for evaluated cost purposes of that of Nooter-Eriksen and Henry Vogt Co. are one and the same value (the sum of \$4,645,913 for evaluation purposes) and that we proceed forward with discussions with our Engineers and evaluate these two bidders strictly on engineering and performance. Seconded by Director Lowenstein.

Motion carried 5 - 0

The meeting recessed from 8:20 - 8:30 p.m.

Mr. Welsh repeated that, as a point of clarification, for the record, whether the Board was saying that the points of protest on Nos. 2, 3 and 4 (as stated in the letter of September 21st) are not valid points. Attorney Brinson said the protest was determined to be valid on point #1, the indemnification, only.

Director Gant moved that we not accept the protest on items 2, 3 and 4, as included in Henry Vogt's letter of September 21, 1993. Attorney Brinson said a clarification was sufficient; therefore, Director Gant withdrew this motion.

It was the consensus of the Board that items 2, 3 and 4 were not determined to be valid exclusions in this proposal.

Director Bobroff inquired, firstly, which equipment will serve KUA better and which is easier to maintain and, secondly, what future configurations/changes do we have in mind. Mr. Shultz said both are good contractors and would supply good equipment. He elaborated on accessibility and maintenance and showed plans of the equipment, etc. and comparisons were made. In-depth discussions continued on numerous issues.

Director Jones asked what the bond performance was and did both companies meet the bond requirements without taking exception. Steve Edwards, Black & Veatch, replied that both companies did meet the bond requirements and that the bond would have been a percentage of the contract value; the amount was not readily available.

Mike Kessler, Vogt Co., addressed the Board on the evaluation between the two companies made by Mr. Shultz in his proposal. He noted the differences and stated his company is considerably superior to the competitor. e.g., He compared the costs under gas-side pressure loss as \$136,500 for Vogt and \$48,750 for Nooter-Eriksen.

Motion by Director Lowenstein to accept Staff's recommendation for award of contract to furnish the Heat Recovery Steam Generator for Cane Island Unit 2 to Nooter-Eriksen; and to continue negotiations with them for a not-to-exceed price of \$4,425,000 upon successful negotiation of the terms and conditions; and further authorize the Chairman and Secretary to execute the contract. Seconded by Director Bobroff.

Director Gant thought it appropriate for our Engineers, Black & Veatch, to state their recommendation for the record.

Don Shultz made the recommendation that the Board allow them to negotiate with Nooter-Eriksen for the award of the contract.

Motion carried 5 - 0

5. BID AWARD - OVERHEAD LINE CONSTRUCTION FOR CANE ISLAND TO CLAY STREET - BID #041-93

Mr. Welsh read Staff's recommendation and asked Ken Davis, Director/Engineering, to highlight this item.

Mr. Davis gave an overview of the contract additions and deletions. Terry's Electric, Inc. was the low evaluated bidder when considering the adjustments to the bid price required to use the optional line route. Their proposal is technically and commercially acceptable and no exceptions were taken to the schedule or specifications. He noted the comparisons of the Bid Evaluation and Alternate Bid Evaluation.

Mr. Davis pointed out that we will be delayed regarding obtaining the right-of-way. November 22nd is the hearing date for condemnation. We desire to negotiate the final contract documents with Terry's to proceed getting a performance bond, etc. The cost would be \$39,982 (including performance bond), a cost we would be risking and if the project goes on we would incur anyway.

Director Gant moved to authorize the award of bid 1041-93, Overhead Line Construction, to Terry's Electric, Inc. for the lump sum amount of \$1,709,346 contingent on negotiation of a satisfactory contract; and preliminary insurance and bond acquisition to be successfully covered. Further, authorize the Chairman and Secretary to execute the required contract documents. Seconded by Director Jones.

Motion carried 5 - 0

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

This report was accepted as written.

2. CONDENSED FINANCIAL REPORT

Joe Hostetler, Director of Finance, stated that we continue to have a positive net income and that we will beat the budget on the bottom line.

3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

Chairman Hord expressed concern on hearing Black & Veatch's report on Cane Island being behind on some things and wanted a report on how bad it is and how it can be cured.

Mr. Shultz said they had just issued for bid some of the procurement contracts for the gas pipeline. Three were involved and should be received in early October. They are delayed a little in getting out the construction contract that has to do with finalizing the location of the connection to the Florida Gas Transmission line. Another item behind schedule is CEM (Continuous Emission Monitoring) equipment, to be out shortly. Foundation design is in progress and schedules are expected to be caught up soon. Mr. Shultz said every effort would be made to catch up and be on time.

Director Bobroff commented on the SCADA project in place and on the improved conditions over those at Marydia up to now.

Director Gant suggested having a monthly performance chart posted for tracking the progress of Cane Island. Mr. Welsh stated one is in place now, but that time lines and a dollar summary would be added.

4. SELECTED DEPARTMENT HIGHLIGHTS - MATERIALS MANAGEMENT

Jim Tillman, Director of Materials Management, via overhead, gave a categorized FY statistical update. Questions posed on inventory and bar coding were also addressed.

I. CONSENT AGENDA

Moved by Director Gant to approve the Consent Agenda, as submitted, with the exception of item #10 pulled by Director Lowenstein. Seconded by Director Jones.

1. APPROVAL OF MINUTES OF AUGUST 25, 1993, REGULAR MEETING

2. APPROVAL OF MINUTES OF SEPTEMBER 8, 1993, SPECIAL MEETING

3. FY 1994 BUDGET AMENDMENTS

4. AWARD OF TWO-YEAR REQUIREMENT FOR UNIFORM SERVICES, IFB #015-93

5. AWARD OF CONTRACT - SUPPLY OF AUXILIARY COOLING WATER HEAT EXCHANGERS FOR CANE ISLAND UNIT 2 - IFB #045-93
6. AWARD OF BID - ANNUAL REQUISITION FOR METERS AND RELATED SUPPLIES, IFB #060-93
7. BID AWARD - FIBER OPTIC CABLE FOR CANE ISLAND/CLAY STREET PROJECT - BID #065-93
8. BID AWARD - CONTROL AND RELAY MODIFICATIONS - BID #068-93
9. AGREEMENT WITH FLORIDA GAS TRANSMISSION CO. (FGT) FOR THE CONVERSION OF PREFERRED DIRECT SALES SERVICES TO PREFERRED TRANSPORTATION SERVICE (PTS-1)

Motion carried 5 - 0

10. CHANGE ORDER #3 - CLAY STREET SWITCHBOARD CONTRACT WITH KEMCO INDUSTRIES

Director Lowenstein requested some detail on this change order. Mr. Davis explained our original intention, but that now the fiber optics lines were being changed from other locations. One link can come from the Power Plant to the Broadway Building and over the existing fiber coming to Carroll Street now. Accelerating the route from the Airport substation to Carroll Street would give us another link from Cane Island and would backup our phone and data communications between this building and downtown. This is the recommendation being submitted.

Director Lowenstein moved to approve Staff's recommendation of item t10 of the Consent Agenda. Seconded by Director Bobroff.

Motion carried 5 - 0

J. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh asked for a show of hands of those Board members interested in taking a tour of Cane Island at 5:30 p.m., Monday, September 27th. Chairman Hord and Directors Jones, Bobroff, Lowenstein and Gant indicated they would go. They were informed that it was necessary for all to wear hard shoes for safety reasons due to all the machinery moving about.

The pre-closing signing on the Revenue Refunding Bonds, Series 1993A, was scheduled for 5:00 p.m., Wednesday, September 29th. Chairman Hord, Secretary Bobroff and Attorney Brinson will be required to be present for the signing.

This signing will be followed by a Special Meeting scheduled for 6:00 p.m., the same evening, Wednesday, September 29th, on the Award of Contract for the Steam Turbine Generator. An alternate date is set for October 6th.

Chairman Hord stated it was the consensus of the Board that it would be appropriate to authorize Director Gant's travel expense (who will be in Tallahassee this week) for the flight from Tallahassee to Kissimmee and back to Tallahassee, provided there is a meeting on Wednesday, September 29th.

The Partnering Meeting was held last week and much was accomplished there. A dispute resolution developed and many positive things arose, one of which was recognizing the small community around Cane Island. We will be putting out information to that community on a regular basis in

written form to keep the residents apprised of what's going on. We will take a pro-active approach in establishing a community meeting on December 2nd. Following that, an Open House is being planned for 2:00 p.m., Sunday, December 12th, for those residents as well as the entire service territory to inspect the construction site.

Regarding the SCADA System in operation, Mr. Welsh suggested that any members interested may take a walk-thru of the Energy Control Center after the September 29th Special Meeting.

ATTORNEY - No comments

DIRECTORS

Director Lowenstein said it was a pleasure to have served with Director Arnold Jones and he encouraged him to put any free time to good use. Directors Bobroff and Gant also complimented Director Jones for his dedicated service to the Board and KUA. Chairman Hord suggested he use his spare time playing golf! Director Jones thanked the members and Staff.

K. ADJOURNMENT: Meeting adjourned at 10:00 p.m.



CHAIRMAN

ATTEST:



SECRETARY