

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD
WEDNESDAY, JANUARY 26, 1994, AT 6:00 PM, BOARD ROOM, ADMINISTRA-
TION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE, FLORIDA

Present at the meeting were Chairman Hord, Vice-Chairman Gant, Secretary Bobroff, Assistant Secretary Lowenstein, Attorney Brinson, and President & General Manager Welsh. Mayor Pollet was not present due to illness.

One Board Director's seat was vacant pending the nomination and approval of a new Board member in the near future.

A. **MEETING CALLED TO ORDER** at 6:00 P.M. by Chairman Hord.

B. **AWARDS AND PRESENTATIONS**

1. **10-YEAR SERVICE AWARD - TOM MALONEY**

Tom Maloney was not present but will be given a service award for 10 years of service. Tom is a Mechanic at the Power Plant.

2. **5-YEAR SERVICE AWARD - PAUL BUDESHEIM**

Mr. Welsh commended Paul Budesheim, who is the Inventory Manager in the Materials Management Department, for his professionalism and excellence. Paul was given a five-year service award by the Board.

3. **EMPLOYEE OF THE MONTH - SCOTT ROMAINE**

Scott Romaine, System Load Dispatcher, has obtained his B.S. degree in Engineering since coming to work at KUA. His fellow employees selected Scott for his professionalism and strength of character. Scott was awarded a plaque and a \$50 check (in lieu of a Savings Bond) as well as a special parking space and a day off, with pay, for having been selected Employee of the Month.

C. **HEAR THE AUDIENCE** - There were no comments from the audience.

Director Bobroff joined the meeting at 6:05 p.m.

D. **PUBLIC HEARING**

Chairman Hord announced the Public Hearing.

1. **RESOLUTION R94-1-NEW CURTAILABLE/INTERRUPTIBLE TARIFFS AND OUTDOOR LIGHTING TARIFF CHANGE**

Mr. Welsh indicated that the curtailable and interruptible rates and the outdoor lighting tariffs had been discussed with the Board earlier. The rates had been presented to the Public Service Commission and the required thirty-day waiting period has now expired. He called on Mr. Hostetler, Director of Finance, to detail the rates which would be brought about by the passage of this resolution (to be effective February 1, 1994).

Mr. Hostetler said that the interruptible rates were developed with three criteria in mind: 1) fairness; 2) that they result from the avoided cost from the capacity saved by having the interruptible or curtailable customer on the system; and 3) they were developed with the objective of possibly attracting some industries.

Via overhead projections, Mr. Hostetler showed the effects of the curtailable rates. A 125% penalty would be affixed for any curtailable customer who did not meet their curtailable amount when called upon to do so.

Chairman Hord asked if other utilities have this rate in place. Mr. Hostetler indicated that some did and detailed some of the utilities that have these rates in place throughout the state.

Chairman Hord inquired as to what type of industries could utilize this rate. Mr. Hostetler outlined some of the industries which have utilized the curtailable and interruptible rates in the past. These included mining, citrus, and others.

Director Bobroff inquired whether the industries using these rates could have other critical loads that were not curtailable or interruptible. Mr. Welsh indicated that someone coming in on this rate could set it up anyway that they desired. There would have to be separate metering for those that were not on the curtailable or interruptible rates.

Motion was made by Director Lowenstein, seconded by Bobroff, to approve Resolution R94-1 (copy attached to the Minutes).

Director Gant clarified that this Resolution would also include the outdoor lighting rate changes. Mr. Welsh indicated that it did.

Director Gant stated that in the past he had consistently opposed the outdoor lighting rates because they make it impossible for the Utility to recoup all their costs from the customers. However, he did intend to vote for it at this time.

Motion carried 4 - 0

E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. MONTHLY CONSTRUCTION PROGRESS REPORT OF CANE ISLAND PROJECT

Mr. Greg Harrington, KUA's Owner's Representative at Cane Island, handed out a detailed "report card" on the project. This entailed an objective grading system that was the result of the Partnering Sessions that were held early on in the Project. This indicated an overall rating of 83% for the various categories in the Project.

Chairman Hord inquired if all the participants knew about this system going into it. Mr. Harrington indicated that they did.

Chairman Hord also inquired as to what recourse our Owner's Representative had to clear up any problem areas in the report card. They were not cleared up by the participants. Mr. Harrington detailed the problem resolution process which involves escalating the problem to hire in higher levels of management on a specific time frame in order to assure that all problems are addressed and resolved.

Mr. Harrington showed a series of 11 slides of aerial photographs concerning the various stages of the Project development.

Director Bobroff inquired as to what we were doing to minimize the possibility of a rupture of the gas line. Mr. Harrington indicated that where this line comes above-ground it is somewhat sheltered by the effluent line from the roadway and that the design by Black & Veatch (B&V) has various safety factors inherent in it. Mr. Harrington further indicated that he is investigating the use of UNCLE, which is a one-call underground utility location system.

Director Bobroff said he was particularly concerned about the gas pipeline rupture at the site. Mr. Harrington acknowledged that special care was needed at the site for safety of the gas pipeline.

Attorney Brinson indicated that we have a condemnation hearing scheduled for February 16, at 2:30 p.m., for the gas interchange station. This is a 60x60 plot. Mr. Brinson said that we have been in touch with the owner and hope to resolve this prior to going through the condemnation process. It is necessary for us to obtain the fee simple for this 60x60 plot.

Mr. Harrington showed a video taken yesterday, January 25th and today, January 26th, of the site, the transmission line and also the Clay Street substation.

Attorney Brinson indicated that we are moving to settle most of the property that we have under condemnation. We do now have the legal right to use all parcels needed to complete the Cane Island Project and the associated transmission.

Mr. Harrington noted that the contractor for Unit No. 2 indicates he is approximately one week behind but he is currently working weekends to make this up.

2. CANE ISLAND PROJECT REPORT BY BLACK & VEATCH

Mr. Hobart Jacobs, of Black & Veatch, made a report on the Cane Island Project from a design and post-licensing activities standpoint for both Cane Island Units 1 and 2.

The engineering design for Unit No. 1 is approximately 99% complete. Unit No. 2 is approximately 50% complete. All equipment award contracts for Unit No. 1 are complete. After the awards of bid approval at tonight's meeting, five contracts will be left to issue for Unit No. 2.

The schedule currently calls for Unit No. 2 to be complete by January 1, 1995. This is achievable but very difficult. The biggest design problem is obtaining vendor drawings necessary to complete various interface designs. Black & Veatch does have an expediter on the contract who is in constant contact with the suppliers. Mr. Jacobs indicated that he should have a better indication of how achievable the January 1, 1995 date is after we have received the electrical/mechanical contract proposal.

The Unit No. 2 project appears to be well under budget.

Black & Veatch had assigned additional people to the Project in order to keep it on schedule.

Chairman Hord asked if we are two weeks behind or what is the extent of our being behind on Unit No. 2. Mr. Jacobs indicated that at this point we are not behind at all but it is a very tight schedule.

Chairman Hord inquired as to expediting activities and whether just that one person was involved. Mr. Jacobs stated that, while the expediter is the front line person, these problems get escalated up the management level if results are not obtained at that level. For example, Don Schultz, the Partner-in-Charge of our Project, was personally involved and called General Electric's Dick Schubert recently to expedite a matter which had not been resolved at a lower level.

Mr. Jacobs displayed an overhead which showed in tabular form eight post-licensing activities. In total, these are approximately 50% complete. This is basically a two-year plan, although some activities may extend well beyond the two-year period.

Director Gant asked if there are any problems in meeting our obligations as required by the licensing of this plant. Mr. Jacobs indicated that we foresee no problems in meeting our licensing obligations.

F. OLD BUSINESS

1. ACCEPTANCE OF GENERAL ELECTRIC'S OFFER FOR THE REPLACEMENT OF CANE ISLAND UNIT 1 GAS TURBINE

Mr. Welsh indicated that the title of this Agenda Item is somewhat misleading, that the subject was really to consider General Electric's offer to settle some delay costs associated with the replacement of the Cane Island Unit No. 1 gas turbine.

Mr. Ben Sharma, Director of Power Supply, indicated that we have negotiated the terms as contained in the letter from General Electric (GE) which had been placed in the Board's packets. The wording was such so as to not exclude any future action on our part concerning other damages that we may need to pursue with GE due to the accident. This only involved the delay of the contractor.

GE had offered to pay \$40,000 to mitigate the delay costs which are being paid by KUA to Metric Constructors. These costs will either be \$191,000 or \$40,000. The lower figure will be our obligation should Metric Constructors be awarded the electrical/mechanical construction contract for Unit No. 2. If we accept General Electric's offer, our out-of-pocket costs would only be \$151,000 if Metric were not awarded the electrical/mechanical contract and zero dollars if they were.

Attorney Brinson indicated that the last paragraph on the first page contains the language that we insist upon to protect our rights. Mr. Brinson also indicated that he had run this letter past Michael Roper, the attorney for the Florida League of Cities, who are our insurers and are defending us in this case. Mr. Brinson stated that Mr. Roper had no problem with the terms of this letter.

Motion made by Director Bobroff, seconded by Director Lowenstein, to accept Staff's recommendation that the Board accept General Electric's offer letter dated December 20, 1993 for the replacement of the damaged Cane Island Unit 1 gas turbine, including the monetary contribution of \$40,000 to mitigate the additional construction costs.

Director Gant inquired if this was the letter which we had discussed at the previous meeting. Mr. Welsh stated that it was the one which we indicated we wanted to examine the wording prior to making a recommendation.

Motion carried 4 - 0

G. NEW BUSINESS

1. AWARD OF CONTRACT - GENERAL CONSTRUCTION CONTRACT FOR CANE ISLAND UNIT 2 - IFB #013-94

Mr. Sharma highlighted the information which he had presented in detail in writing in the Board's packets. He indicated that the original estimate by Black & Veatch was stated to be \$750,000 for this contract and it actually came in at approximately \$1.4 million. This was due to the fact that this contract had originally been combined with the electrical/mechanical contract which is scheduled to be awarded separately two months from now. When they were pulled apart, the estimated amount assigned to this portion of the contract was done hastily and underestimated. The total package, however, should be well within budget.

Chairman Gant asked for a description of the type of work covered under this contract. Mr. Jacobs detailed this work, which included interior finishes, HVAC, structural steel, suspended concrete slabs, grouting, and roughing in the turbine crane.

Director Lowenstein asked Mr. Jacobs why the estimate was \$750,000 and the actual bid came in at \$1.4 million. Mr. Jacobs indicated that there was a combined contract that was originally estimated at \$16 million. When the electrical/mechanical portion and other portions were pulled out of this contract there was not a very accurate estimate done of what this particular portion entailed. However, the overall estimate is fairly accurate.

Director Lowenstein then clarified with Mr. Jacobs that overall we are in pretty good shape budget-wise. Mr. Jacobs indicated that this was the case.

Mr. Sharma indicated that Staff now recommended that this contract be awarded to Hennessy Construction for the lump sum price of \$1,480,129 and that the Chairman and Secretary be authorized to execute the contract upon successful and satisfactory negotiation of the contract.

Director Lowenstein inquired if this had anything to do with the \$151,000 being paid to Metric for the delay on Unit No. 1. Mr. Sharma stated that this had nothing to do with it, that the electrical/mechanical contract which is scheduled to be awarded in March is the one that is involved with that.

Motion made by Director Lowenstein, seconded by Director Bobroff, to accept Staff's recommendation to award the General Construction Contract for Cane Island Unit 2 related works to Hennessy Construction for the lump sum contract price of \$1,480,129; and authorize the Chairman and the Secretary to execute the contract subject to the successful and satisfactory negotiation of the contract.

Motion carried 4 - 0

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

There were no comments or questions on this report presented to the Board.

2. CONDENSED FINANCIAL REPORT FOR DECEMBER, 1993

Joe Hostetler, Director of Finance, detailed the Financial Reports which had been given to the Board earlier. He indicated that we are within 2% of our projections on a megawatt hour basis and are running very close to budget.

Director Gant inquired as to our COPA (Cost of Power Adjustment) cost which we are undercollecting for the month of December. Mr. Hostetler indicated that the cost and this effect should even out over the year.

Director Bobroff indicated that he did not recall the Coopers & Lybrand's comments concerning the review of our investments which was referred to in the Condensed Financial Report this month. Mr. Hostetler indicated that the Management Comment Letter by Coopers & Lybrand was contained in the bound audited financial statements given to the Board earlier.

Director Bobroff indicated that he felt that this should be presented to the Board as a separate letter from the audited financial statements.

After some discussion, it was the consensus of the Board that the Staff next year should present the Management Comment Letter from the Auditors, Coopers & Lybrand, as a separate letter and not bound with the audited financial statements.

Chairman Hord, referring to the reconciliation shown on page 13, inquired if Mr. Hostetler felt that next September's preliminary financial numbers would be closer to the final audited numbers. Mr. Hostetler indicated that there would still be some differences which are inherent in year-end closing processes but some of the major discrepancies which occurred this year should be non-recurring and next year's and future numbers should be a lot closer.

Chairman Hord suggested that the preliminary reports be titled "unaudited". Mr. Hostetler indicated that he felt that this was appropriate and would be done in the future.

Mr. Hostetler indicated that the Auditors had commented that we should have a review of our current investment policy. Some consideration had been given by Staff as to expanding on investments to include equities. This would require a separate resolution of the Board. Mr. Hostetler pointed out that very few municipalities have done this because of the short-term risk involved and their need for liquidity. If we have a longer investment horizon, however, this opens up other possibilities.

Director Gant asked if this was allowed by the state. Mr. Hostetler stated that, yes, it was as long as there was an overriding resolution passed by the Board.

Director Bobroff indicated that he was happy with the way our funds are invested now and was concerned about the risk of equity-type investments.

Chairman Hord indicated that he was concerned proceeding with equity investments. He has had some very bad experiences in the equity market.

Director Gant indicated that there is an awful lot of criticism leveled against public institutions for speculating with public funds.

Director Lowenstein stated that he was interested in investigating but is dubious as to the advisability of equities.

Director Lowenstein further asked what rate of return we are currently receiving on our invested funds. Mr. Hostetler said that we average approximately 4%. Director Lowenstein stated that he felt we should leave well enough alone.

Chairman Hord indicated that he felt that the Board was saying that they were satisfied with our current investment practices.

Mr. Welsh stated that he is hearing a general direction being given by the Board to continue with our current investment practices and not expand them into the equity market.

Meeting was recessed at 8:02 and reconvened at 8:20 p.m.

3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

Director Gant inquired, if with the lower COPA that we are introducing, lower than last month's, are we under-recovering. Mr. Sharma indicated that, yes, we are lowering the COPA but the mechanism is set up that the underrecovery should be resolved in future months.

4. PROPOSED RADIO SYSTEM ENHANCEMENTS

Ken Davis, Director of Engineering, indicated that the City of Kissimmee needed to enhance their radio system to get added geographic coverage and additional frequencies. They had determined that the best way to accomplish this was to develop a joint system with the County, upgrading to the Smartnet II.

KUA has been asked to participate in this. Our contribution would be a fiber optics link between the City's communication center and the Sheriff's office. We have some fiber optics in place; the other fiber optics to achieve this would be accelerated from our future plans. There is some advantage to us to accelerate in this.

Staff is currently looking at the details and the cost to bring this about and should bring this back to the Board in February.

Director Gant asked if we are on a 400MHz system. Mr. Davis indicated that we are currently on an 800MHz system.

Director Gant inquired how we would be advantaged by participating in this system. Mr. Welsh replied that we would have access to additional towers giving wider coverage and additional repeaters increasing the capacity of the system.

Director Bobroff asked if we just had to change the crystals on our existing radios or whether they had to be completely changed out. Mr. Davis indicated that they would be completely changed out but we do not have to buy them directly--this is part of the deal that the City established with Motorola when they opted to upgrade to the Smartnet II system.

Director Gant asked would this get us back to a sole source situation for our radio system. Mr. Davis stated that when we changed to Smartnet II we were back to a sole source situation with Motorola being the provider of this sole source.

Director Gant inquired what was the difference from our current radios and the ones that we will be changing out to. Mr. Davis said that our current radios were not Smartnet II radios and could not utilize the Smartnet II software. The upgraded radios will have this ability.

5. SELECTED DEPARTMENT HIGHLIGHTS - INFORMATION SYSTEMS

Mr. Dennis Wick, Director of Information Systems, gave a detailed presentation on the Records Management function which is managed by this department. He emphasized that they do "records management" and not just records retention.

Director Gant inquired how we are currently doing the archiving of our customers' information from our operating records. Mr. Wick indicated that we are currently doing this on microfiche.

Director Gant asked if we had ever considered the new "write once, read many" type systems. Mr. Wick indicated that we had and were planning to discuss this later on in the presentation.

Director Gant questioned if our records are disposed of after some time. Mr. Wick replied that by state law most of our records can be disposed of after three (3) years, whereas others, such as contracts, must be kept for a much longer period of time.

Director Bobroff asked what the turnaround time was for the approval from the state to destroy obsolete records. Mr. Wick said that this turnaround was rather quick, most of it is procedural and has some pre-approval activity.

Mr. Wick said that we are currently exploring an optical storage medium (this is the "write once, read many" type system referred to earlier). This system has a big appeal and is cost effective and very convenient.

Director Bobroff asked if retrieval of documents was quicker with this system, to which Mr. Wick responded that it most definitely was.

Director Gant indicated that he had heard a presentation on this system and it was very interesting and may be interesting to the rest of the Board. Mr. Wick said that he would get with Director Gant to obtain the name of the people involved with this presentation to explore this possibility.

I. CONSENT AGENDA

Director Bobroff requested that items 1 and 5 be removed. Chairman Hord requested that item 17 be removed. Director Lowenstein requested that item 8 be removed.

Motion by Director Gant, seconded by Director Bobroff, to approve the Consent Agenda with the exception of items 1, 5, 8 and 17.

2. APPROVAL OF MINUTES, JANUARY 5, 1994, SPECIAL MEETING
3. ENGINEERING CONSTRUCTION SERVICES - TAFT/CANE ISLAND/LAKELAND TRANSMISSION LINE
4. RESOLUTION R94-2 - INDEMNIFICATION OF THE "DESIGNATED REPRESENTATIVE"
6. AWARD OF CONTRACT - SECURITY SERVICES FOR CANE ISLAND PROJECT SITE - RFP #001-94
7. AWARD OF CONTRACT - HIGH PRESSURE CAST STEEL VALVES FOR CANE ISLAND UNIT 2 - IFB #054-93
9. AWARD OF CONTRACT - FABRICATED PIPE FOR CANE ISLAND UNIT 2 - IFB #059-93
10. AWARD OF CONTRACT - MOTOR CONTROL CENTERS FOR CANE ISLAND UNIT 2 - IFB #077-93
11. BID AWARD - CLOSED CIRCUIT VIDEO MONITORING SYSTEM (CCTV) - IFB #002-94
12. AWARD OF CONTRACT - SUPPLY OF WATER QUALITY CONTROL SYSTEM FOR CANE ISLAND UNIT 2 - IFB #006-94
13. AWARD OF CONTRACT CHEMICAL FEED EQUIPMENT FOR CANE ISLAND UNIT 2 - IFB #009-94
14. AWARD OF CONTRACT - GENERATOR BUS DUCTS FOR CANE ISLAND UNIT 2 - IFB #014-94
15. AWARD OF CONTRACT - FIRE PUMP FOR CANE ISLAND UNIT 2 - IFB #016-94
16. AWARD OF CONTRACT - CONTROL VALVES FOR CANE ISLAND UNIT 2 - IFB #017-94
18. AWARD OF CONTRACT - PIPE SUPPORTS FOR CANE ISLAND UNIT 2 - IFB #019-94

Motion carried 4 - 0

1. APPROVAL OF MINUTES - DECEMBER 15, 1993 REGULAR MEETING

Director Bobroff felt that on page 1153 of the Minutes that Meloine Killebrew's department should be indicated. For the record, Mr. Welsh stated that Meloine is in the Engineering Department.

Director Bobroff felt that on page 1154 of the Minutes, in the fourth paragraph from the bottom, the word "would" should be changed to "could".

Motion made by Director Bobroff, seconded by Director Lowenstein, to approve item 1 of the Minutes, as amended.

Motion carried 4 - 0

5. CONSENT FORM AUTHORIZING POWERPAK COMMUNICATIONS

Director Bobroff asked if the word "it" on the Authority Permit sheet, attached to the Agenda Item, referred to KUA. Mr. Welsh indicated that it did.

Director Bobroff indicated that he felt we should not do this, that it puts us in the middle of politics.

Director Gant asked if the Staff that were on the list were asked if they wanted to be contacted by the Political Action Committee. Mr. Welsh indicated that, no, they had not been contacted.

Director Gant suggested that we may want to ask them if they wish to be contacted. Mr. Welsh indicated that he recommended that this not be done, that if he asked a subordinate if they wished to be contacted by a Political Action Committee that they may interpret it as encouraging them to participate in the Political Action Committee.

Motion made by Director Gant, seconded by Director Lowenstein, not to authorize the Consent Form to allow PowerPak to contact KUA Board members and certain members of Staff.

Motion carried 4 - 0

8. AWARD OF CONTRACT - LOW PRESSURE CAST STEEL VALVES FOR CANE ISLAND UNIT 2 - IFB #056-93

Director Lowenstein asked why we only received one bid for this item. Hobart Jacobs (B&V) indicated that we had sent bids to several vendors and received only two responses. One response was deemed unresponsive because they did not include a bid bond.

Director Bobroff asked if this was the vendor that had basically split the country's territory in half due to bulk delivery problems. Mr. Jacobs stated that this was not the case, this had been the case with the piping, but these were the valves that were available from several vendors.

Director Lowenstein asked if this had been determined to be a fair price. Mr. Jacobs indicated that it was--it was compared to other bids and shown to be lower than those. This comparison was shown on page 3-4 of the Bid Evaluation attached to the Agenda Item backup.

Motion made by Director Lowenstein, seconded by Director Bobroff, to approve the recommendation of Staff to award the contract for the supply of the Low Pressure Cast Steel Valves for Cane Island Unit 2 to Newmans, Inc. for a not-to-exceed price of \$69,508; and authorize the Chairman and Secretary to execute the contract upon successful negotiation of the terms of the contract.

Motion carried 4 - 0

17. BID AWARD - OVERHEAD LINE CONSTRUCTION - TAFT/CANE ISLAND/LARELAND LOOP - BID #018-94

Chairman Hord stated that Terry's Electric is doing a lot of work for KUA at this time. He asked if their work has been satisfactory.

Mr. Welsh indicated that the work has been satisfactory but there have been some operational problems and there have been some construction problems. KUA has, however, been able to work with Terry's Electric's management who have been very responsive in correcting these problems.

Chairman Hord stated that this is the second large job that we will be issuing to Terry's and asked if they have the staff and supervision necessary to handle this.

Mr. Welsh indicated that a meeting between KUA's Staff and Terry's had been held to address these concerns, which the Staff had had. He asked that Ken Davis, Director of Engineering, fill the Board in on the details of this meeting.

Mr. Davis stated that during the meeting with Terry's. Terry's had stated that they had the supervision necessary to run the jobs. They had discussed with KUA's Staff in detail the supervisory plan and had assured the Staff that they were completely capable of handling the work covered by this bid.

Motion made by Director Lowenstein, seconded by Director Bobroff, to accept the recommendation of Staff and award Bid #018-94, Overhead Line Construction, to Terry's Electric for the lump sum amount of \$2,612,674, contingent on negotiation of a satisfactory contract; and authorize the Chairman and Secretary to execute the final contract documents.

Motion carried 4 - 0

J. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh stated that the extreme amount of hours indicated for the use of the forklift truck in the 10-Year Plan had been in error. The error was due to a misreading of the hours meter. The tenths of hours had been erroneously interpreted as whole hours; the actual usage was 1/10th of what had been indicated in the 10-Year Plan.

Mr. Welsh stated that Director Lowenstein had suggested that we review on the record our emergency plans which are in place in light of recent capacitor problems which have occurred in California. Mr. Welsh indicated that our Emergency Control Center would be headquartered at the Carroll Street Building at the second floor System Control facility. We have a complete set of written emergency plans. KUA also coordinates our emergency planning with the County. Engineering has a representative assigned to the County Emergency Coordination Center in the Courthouse which is activated under extreme emergency conditions.

In addition to this, we have a complete set of Business Resumption Plans. We are also involved in a state-wide capacity in fuel emergency backup plan. Mutual Aid Agreements are in place with most municipals and investor-owned utilities throughout the state of Florida with KUA.

Director Bobroff asked if the Control Center area had any special or extra reinforcement done during the construction. Mr. Welsh indicated that it had been strategically placed in the interior rooms but no exceptional construction was put in place for this area.

Mr. Welsh indicated that the Cane Island budget had originally been projected to be \$161 million. Our current budget, based on completed engineering design and the major portion of the equipment having already been purchased, is \$141,121,000. Mr. Welsh stated that we are attempting to come in well below even that revised budgeted figure.

Mr. Welsh said that Attorney Brinson would be commenting on our litigation strategy associated with the train wreck and our use of external counsel. Mr. Brinson indicated that we are being defended by the attorney for our insurance carrier, who is the Florida League of Cities, Mike Roper, of Dean, Ringers, Morgan and Lawton of Orlando, is our representative. It may be advisable for us to countersue or have some cross-suits involved in this case. Mr. Brinson suggested and has discussed with Mr. Roper the use of their firm for this action. Their hourly rate is \$150.00. Mr. Brinson would recommend that the Board authorize the employment of this law firm to bill us at \$150.00 per hour to be closely monitored by our General Counsel, Ed Brinson.

Motion made by Director Bobroff, seconded by Director Lowenstein, to place the litigation by KUA concerning the November 30, 1993 train wreck on the agenda.

Motion carried 4 - 0

Motion made by Director Bobroff, seconded by Director Gant, that we contract with Dean, Ringers, Morgan and Lawton for \$150.00 per hour to be monitored closely by KUA's Attorney Edward Brinson.

Director Gant felt that his concerns would be fairly well covered by Mr. Brinson overseeing this situation. He felt that there should be two things understood when contracting a law firm. One, that it is terminable at any time by KUA. Mr. Brinson indicated that this is the case. The second item of concern was, that there be a definite billing cycle and that the bills come in contemporaneous with the work being done and not a long time after. Mr. Brinson indicated that the billing would be done on a quarterly basis per Michael Roper's January 25, 1994 letter to Mr. Neville Turner (copy attached for the record).

Motion carried 4 - 0

ATTORNEY - No comments

DIRECTORS

Director Lowenstein stated that the Staff should keep up the good work.

Director Bobroff had no comments.

Director Gant indicated that he had had a very fruitful trip to the APPA Legislative and Resolution Committee Meeting in Washington, DC. He and Mr. Welsh had had a very favorable response and were able to meet with both of our Congressmen and both of our Senators. Three items had been discussed with each of these individuals: 1) Territorial Rights; 2) Tax-Exempt Bonding; and 3) Low Income Home Energy Assistance Program (LIHEAP).

Director Gant also mentioned that he and Mr. Welsh had had the good fortune of meeting briefly with President Clinton on this trip.

K. ADJOURNMENT - Meeting adjourned at 9:30 p.m.

ATTEST: 

SECRETARY



CHAIRMAN

RESOLUTION NO. R94-1

A RESOLUTION ADOPTING CURTAILABLE AND INTERRUPTIBLE TARIFFS AND AMENDING THE OUTDOOR LIGHTING TARIFF, AND REPEALING ALL RESOLUTIONS IN CONFLICT THEREOF.

WHEREAS, the Kissimmee Utility Authority, hereinafter referred to as the KUA, was created and made a part of the government of the City of Kissimmee, and

WHEREAS, the KUA has full power and authority to prescribe rules, rates and regulations governing the sale and use of electricity, and

WHEREAS, the Electric Service Rates (as described in Sections 1 through Sections 13 of KUA Resolution R86-11) refer to the Electric Service Tariffs as submitted to the Florida Public Service Commission (FPSC), and

WHEREAS, it is the desire of the KUA Board of Directors to adopt Curtailable and Interruptible Tariffs for the purpose of shaving peak generating costs, and

WHEREAS, it is the desire of the KUA Board of Directors to consolidate component types Outdoor Lighting for the purpose of minimizing pole replacements, NOW THEREFORE :

BE IT RESOLVED that the KUA Board of Directors does hereby adopt or amend tariff sheets (No. 11.0, 11.1, 11.2, 12.0, 12.1, 12.2, 12.3, 13.0 and 13.1) attached hereto, and made a part hereof, pertaining to Curtailable, Interruptible and Outdoor Lighting tariffs, and repeal all resolutions in conflict thereof, and provide an effective date of 1 February 1994.

Dated this 26th Day of January, Nineteen Hundred and Ninety Four.

This resolution shall take effect after advertised Public Hearing and immediately upon its passage.


CHAIRMAN

(SEAL)

ATTEST : 

SECRETARY

**KISSIMMEE UTILITY AUTHORITY
RATE SCHEDULE IS
INTERRUPTIBLE GENERAL SERVICE**

Ninth Revised Sheet No. 11.0
Cancels Eighth Revised Sheet No. 11.0

Availability:

Available for all purposes to any customer located within the service area of Kissimmee Utility Authority (KUA).

Applicable:

To any customer where the measured or estimated monthly kW demand is five hundred (500) KW or more and where service may be completely interrupted by KUA during any time period that KUA's available generating resources are required to maintain service to KUA's firm power customers.

Character of Service:

Alternating current, sixty (60) cycle, three-phase, at approximately one hundred twenty (120) volts or higher, at KUA's option. All services required on premises by customer shall be furnished through one (1) meter. In addition, the customer installs, owns and maintains all equipment, except metering equipment, past the service delivery point, necessary to take delivery at a service voltage designated by KUA.

Limitation of Service:

Interruptible service under this rate schedule is subject to interruption during any time period that electric power and energy otherwise delivered hereunder from KUA's available generating resources is required to maintain service to KUA's firm power customers. KUA will make off-system purchases during such periods to maintain service to interruptible loads as provided under the conditions set forth in Special Provision No. 4 of this rate schedule.

Rate Per Month:

| | |
|------------------------------|-----------------------------------|
| Customer Charge: | \$ 77.00 per month |
| Demand Charge: | \$ 11.90 per kW of Billing Demand |
| Interruptible Demand Credit: | \$ 3.25 per kW of Billing Demand |
| Energy Charge: | \$.03150 per kWh |

(Continued on Sheet No. 11.1)

ISSUED BY: *James C. Welsh*
President and General Manager

Effective: *February 1, 1994*

**KISSIMMEE UTILITY AUTHORITY
RATE SCHEDULE IS
INTERRUPTIBLE GENERAL SERVICE**

Original Sheet No. 11.2

2. Customers taking service under another KUA rate schedule who elect to transfer to this rate will be accepted by KUA on a first-come, first-served basis. Required equipment (metering, under frequency relay, etc.) will be installed accordingly, subject to availability. Service under this rate schedule shall commence with the first full billing period following the date of equipment installation.
3. KUA may, under the provisions of this rate, at its option, require a special contract with the Customer upon KUA's contract form.
4. To minimize the frequency and duration of interruptions under this rate schedule, KUA will attempt, but is not required to purchase additional power and energy, when available and beneficial to KUA, from sources outside KUA's system during periods of normal interruption.
5. KUA will furnish service under this rate at dual voltages for substation delivery or a single voltage for distribution primary line delivery. Equipment to supply additional voltages or additional facilities for the use of the Customer shall be furnished and maintained by the Customer.

*ISSUED BY: James C. Welsh
President and General Manager*

Effective: February 1, 1994

**KISSIMMEE UTILITY AUTHORITY
RATE SCHEDULE IS
INTERRUPTIBLE GENERAL SERVICE**

Original Sheet No. 11.1

Minimum Monthly Bill:

The minimum monthly bill shall be the Customer Charge. Where special equipment to serve the Customer is required, customer will be subject to the KUA Line Extension Policy currently in place at the time service as applied for. In addition, KUA may require an additional up front charge for costs of installed special equipment not covered by the Line Extension Policy.

Determination of Billing Demand:

Billing demand in KW shall be taken each month as the highest 15 minute KW demand as registered on an integrated meter during the monthly billing period and adjusted for Power Factor. At the option of KUA, provisions shall be made for metering kilovolt ampere demand. In such case, the billing demand shall be the greater of the highest 15 minute demand in KW or 90 percent of the highest 15 minute KVA demand.

Additional Charges:

COST OF POWER ADJUSTMENT: See "Billing Adjustments" Tariff Sheet No. 14.0 and following:

Municipal Utility Tax and Outside City Surcharge - The monthly rate charges (plus all adjustments) are subject to the Municipal Utility Tax within the corporate limits of the City of Kissimmee, and to the appropriate surcharge outside the City. This charge does NOT apply to the fuel charges above a cost of \$0.010458 per kWh. See Billing Adjustments Tariff Sheet No. 14.0 and following.

Terms of Payment:

Bills are due when rendered and will be considered delinquent eighteen (18) days from the billing date.

Term of Service:

Customers taking service under this interruptible rate schedule who desire to transfer to a firm rate schedule will be required to give KUA written notice at least sixty (60) months prior to such transfer. Such notice shall be irrevocable unless KUA and the customer mutually agree to void the revocation.

Special Provisions:

1. If the Customer increases the power requirement in any manner which requires KUA to install additional facilities for the specific use of the Customer, a new Contract may be required at the option of KUA. Additionally, the customer will be subject to the KUA Line Extension Policy currently in place at the time the additional facilities are required. KUA may also require the customer to pay an additional up front charge for costs of installed equipment not covered by the Line Extension Policy.

(Continued on Sheet No. 11.2)

ISSUED BY: *James C. Welsh*
President and General Manager

Effective: *February 1, 1994*

**KISSIMMEE UTILITY AUTHORITY
RATE SCHEDULE CS
CURTAILABLE GENERAL SERVICE**

Sixth Revised Sheet No. 12.0
Cancel Fifth Revised Sheet No. 12.0

Availability:

Available for all purposes to any customer located within the service area of Kissimmee Utility Authority (KUA).

Applicable:

To any customer where the measured or estimated monthly KW demand is five hundred (500) KW or more and where such customer agrees to curtail two hundred (200) KW or more of electric use upon request of KUA.

Character of Service:

Alternating current, sixty (60) cycle, three-phase, at approximately one hundred twenty (120) volts or higher, at KUA's option. All services required on premises by customer shall be furnished through one (1) meter. In addition, the customer installs, owns and maintains all equipment, except metering equipment, past the service delivery point, necessary to take delivery at a service voltage designated by KUA.

Limitation of Service:

Curtable service under this rate schedule is subject to curtailment during any time period that electric power and energy otherwise delivered hereunder from KUA's available generating resources is required to maintain service to KUA's firm power customers. KUA will make off-system purchases during such periods to maintain service to curtable customers as provided under the conditions set forth in Special Provision No. 6 of this rate schedule.

Rate Per Month:

| | |
|-------------------------|-----------------------------------|
| Customer Charge: | \$ 77.00 per month |
| Demand Charge: | \$ 11.90 per KW of Billing Demand |
| Curtable Demand Credit: | \$ 2.17 per KW of Curtable Demand |
| Energy Charge: | \$.03150 per kWh |

(Continued on Sheet No. 12.1)

ISSUED BY: *James C. Welsh*
President and General Manager

Effective: *February 1, 1994*

**KISSIMMEE UTILITY AUTHORITY
RATE SCHEDULE CS
CURTAILABLE GENERAL SERVICE**

Original Sheet No. 12.1

Minimum Monthly Bill:

The minimum monthly bill shall be the Customer Charge. Where special equipment to serve the Customer is required, the customer will be subject to the KUA Line Extension Policy currently in place at the time service is applied for. In addition, KUA may require an additional up front charge for costs of installed equipment not covered by the Line Extension Policy.

Determination of Billing Demand:

Billing demand in KW shall be taken each month as the highest 15 minute KW demand as registered on an integrated meter during the monthly billing period and adjusted for **Power Factor**. At the option of KUA, provisions shall be made for metering kilovolt ampere demand. In such case, the billing demand shall be the greater of the highest 15 minute demand in KW or 90 percent of the highest 15 minute KVA demand.

Determination of Curtailable Demand:

The curtailable Demand shall be the difference, if any, between the current Billing Demand and the contract Non-Curtailable Demand determined in accordance with Special Provision No. 2 of this rate. In no event shall the Curtailable Demand be less than zero.

Additional Charges:

COST OF POWER ADJUSTMENT: See "Billing Adjustments" Tariff Sheet No. 14.0 and following:

Municipal Utility Tax and Outside City Surcharge - The monthly rate charges (plus all adjustments) are subject to the Municipal Utility Tax within the corporate limits of the City of Kissimmee, and to the appropriate surcharge outside the City. This charge does NOT apply to the fuel charges above a cost of \$0.010458 per kWh. See Billing Adjustments Tariff Sheet No. 14.0 and following.

Terms of Payment:

Bills are due when rendered and will be considered delinquent eighteen (18) days from the billing date.

Term of Service:

Customers taking service under this curtailable rate schedule who desire to transfer to a firm rate schedule will be required to give KUA written notice at least thirty-six (36) months prior to such transfer. Such notice shall be irrevocable unless KUA and the customer mutually agree to void the revocation.

(Continued on Sheet No. 12.2)

ISSUED BY: *James C. Welsh*
President and General Manager

Effective: February 1, 1994

**KISSIMMEE UTILITY AUTHORITY
RATE SCHEDULE CS
CURTAILABLE GENERAL SERVICE**

Original Sheet No. 12.2

Special Provisions:

1. As used in this rate schedule, the term "period of requested curtailment" shall mean a period for which KUA has requested curtailment and for which energy purchased from sources outside KUA's system, pursuant to Special Provision No. 6, is not available. If such energy is purchased, the terms of Special Provision No. 6 will apply and a period of requested curtailment will not be deemed to exist while such energy remains available.
2. Under the provisions of this rate, KUA will require a contract with the Customer upon KUA's standard contract Form. The initial Non-Curtailable Demand shall be specified in the contract and shall be based on specifications for power requirements supplied to KUA by the Customer. After commencement of service, KUA may annually raise or lower the Customer's Non-Curtailable Demand detailed in the contract based upon revised specifications for power requirements supplied to KUA by the Customer.
3. As an essential requirement for receiving the Curtailable Demand Credit provided under this rate schedule, a Customer shall be strictly responsible for the curtailment of his power requirements to no more than his Non-Curtailable Demand upon each request of KUA. Such requests will normally be made during periods of capacity shortages on KUA's system; however, other operating contingencies may result in such requests at other times. KUA shall also have the right to request one additional curtailment each calendar year irrespective of capacity availability or operating conditions.
4. A customer will be deemed to have complied with his curtailment responsibility if the maximum 15-minute KW demand established during each period of requested curtailment does not exceed his Non-Curtailable Demand, and he has reached that level within fifteen (15) minutes of receiving the request.
5. If the maximum 15-minute KW demand established during any period of requested curtailment exceeds the Customer's Non-Curtailable Demand, the Customer will be billed for 125% of the Curtailable Demand Credit attributable to the amount of such excess demand in each billing period from the current month to the most recent prior billing period in which curtailment was requested, not to exceed a total of twelve (12) consecutive billing periods.
6. To minimize the frequency and duration of curtailments requested under this rate schedule, KUA will attempt, but is not required, to purchase additional power and energy, when available and beneficial to KUA, from sources outside KUA's system during periods for which curtailment would otherwise be requested.
7. If the Customer increases his power requirements in any manner which requires KUA to install additional facilities for the specific use of the Customer, a new contract may be required at KUA's option. Additionally, the customer will be subject to the KUA Line Extension Policy currently in place at the time these additional facilities are required.

(Continued on Sheet No. 12.3)

ISSUED BY: *James C. Welsh*
President and General Manager

Effective: *February 1, 1994*

*KISSIMMEE UTILITY AUTHORITY
RATE SCHEDULE CS
CURTAILABLE GENERAL SERVICE*

Original Sheet No. 12.3

Special Provisions: (Continued)

8. KUA will furnish service under this rate at a single voltage. Any equipment to supply additional voltages for any additional facilities for the use of the Customer shall be furnished and maintained by the Customer.
9. A customer may curtail utility load by operation of customer-owned generation facilities. No such generation may be operated in parallel with utility facilities at any time.

*ISSUED BY: James C. Welsh
President and General Manager*

Effective: February 1, 1994

KISSIMMEE UTILITY AUTHORITY
OUTDOOR LIGHTING SERVICE
RATE SCHEDULE - OL

AVAILABILITY - Available to any customer located within the service area of the Kissimmee Utility Authority.

APPLICABILITY - To any customer for general lighting purposes.

RATE - Outdoor lighting will be billed at a monthly flat rate according to the matrix described below:

| TYPE | LIGHTING | | TYPE OF POLE | TYPE OF FIXTURE | MONTHLY FLAT RATE | ESTIMATE |
|------|----------|-----------------------|--------------|-----------------|-------------------|----------------|
| | WATTAGE | | | | | MONTHLY ENERGY |
| A | 100 W | INSTALLATION PRE-PAID | /1 | HPS | \$7.02 | 45 |
| B | 250 W | INSTALLATION PRE-PAID | /1 | HPS | \$10.90 | 105 |
| C | 400 W | INSTALLATION PRE-PAID | /1 | HPS | \$16.36 | 162 |
| I | 100 W | FIXTURE ONLY | | HPS | \$7.52 | 45 |
| II | 250 W | FIXTURE ONLY | | HPS | \$11.67 | 105 |
| III | 100 W | WOOD OR CONCRETE | | HPS | \$8.16 | 45 |
| IV | 250 W | WOOD OR CONCRETE | | HPS | \$12.31 | 105 |
| V | 100 W | FIBERGLASS | | DECORATIVE | \$9.50 | 45 |
| VI | 250 W | FIXTURE ONLY | | DIRECTIONAL | \$12.33 | 105 |
| VII | 250 W | WOOD OR CONCRETE | | DIRECTIONAL | \$13.38 | 105 |
| VIII | 250 W | ALUMINUM | | HPS | \$23.46 | 105 |
| IX | 400 W | ALUMINUM | | HPS | \$27.13 | 162 |

/1 INSTALLATION PRE-PAID REFERS TO THOSE INSTALLED COSTS PROVIDED BY OUTSIDE DEVELOPER OR DIRECTLY THROUGH KUA LINE EXTENSION POLICY.

PLUS APPROPRIATE UTILITY, STATE OR GROSS RECEIPTS TAXES WHERE APPLICABLE.

ISSUED BY: JAMES C. WELSH EFFECTIVE: FEBRUARY 1, 1994
PRESIDENT AND GENERAL MANAGER

KESSIMMEE UTILITY AUTHORITY
OUTDOOR LIGHTING SERVICE
RATE SCHEDULE - OL

COST OF POWER ADJUSTMENT - Based upon an estimated monthly consumption listed below, see "Billing Adjustments" Tariff Sheet No. 14.0 and following:

| |
|---|
| 45 kWh / Month for 100 Wattage Lights; |
| 105 kWh / Month for 250 Wattage Lights; and |
| 162 kWh / Month for 400 Wattage Lights. |

Municipal Utility Tax and Outside City Surcharge- The Monthly rate charges (plus all adjustments) are subject to the Municipal Utility Tax within the corporate limits of the City of Kissimmee, and to the appropriate surcharge outside the City. This charge does not apply to the fuel charges above a cost of \$0.010458 per kWh. See Billing Adjustments Tariff Sheet No. 14.0 and following.

TERMS OF PAYMENT - Bills are due when rendered and will be considered delinquent EIGHTEEN (18) days from the billing date.

TERMS OF AGREEMENT - Outdoor Lighting shall NOT be turned off while remainder of account remains active. Any voluntary removal costs may be assessed based upon current costs.

ISSUED BY: JAMES C. WELSH EFFECTIVE: FEBRUARY 1, 1994
PRESIDENT AND GENERAL MANAGER

RESOLUTION NO. R94-2

A RESOLUTION GRANTING TO THE KISSIMMEE UTILITY AUTHORITY'S (KUA) "DESIGNATED REPRESENTATIVE"(DR), AN EMPLOYEE OF KUA, THE INDEMNIFICATION FOR PENALTIES ARISING FROM ANY ENVIRONMENTAL VIOLATIONS IDENTIFIED UNDER THE CLEAN AIR ACT AMENDMENTS OF 1990.

WHEREAS, the Board of Directors of Kissimmee Utility Authority, Kissimmee, Florida hereinafter called the KUA met in regular session on the 26th of January, 1994;

WHEREAS, the KUA being of the opinion that it is in the best interest of the rate payers of the KUA, to indemnify its employees for any fines imposed upon the employee for acts performed within the course and scope of their employment when such acts are neither willful, knowing nor wanton.

WHEREAS, the KUA being of the opinion that it is in the best interest of the rate payers of the KUA, to indemnify its employees for any fines imposed upon the employee for acts performed within the course and scope of their employment pursuant to the Clean Air Act Amendments of 1990, when such acts are neither willful, knowing nor wanton.

NOW THEREFORE BE IT RESOLVED BY THE Board of Directors of the Kissimmee Utility Authority (KUA):

Section 1.1 The KUA hereby agrees to indemnify, to the extent permitted by law, those employees that are exposed to personal liability pursuant to the Clean Air Act Amendments of 1990, 42 U.S.C.A. §7651 et seq (Supp. 1993); 58 Fed. Reg. 3663 et seq (January 11, 1993), for acts performed within the course and scope of their employment with the KUA, when such acts are neither willful, knowing nor wanton.

Section 2.1 The KUA also agrees to indemnify, to the extent permitted by law, its employees in matters pertaining to the holding, transfer, or disposition of allowances allocated to the KUA's electric generating unit(s), and the monitoring, submission, certification, and compliance with permits, permit applications, records, compliance plans and reports for the KUA's electric generating units, when such acts are performed within the course and scope of their employment with the KUA and when such acts are neither willful, knowing or wanton.

Section 3.1 The indemnity created by this ordinance shall apply to negligent acts by an employee when such acts are performed within the course and scope of their employment, but such indemnity shall not apply to any acts of willful misconduct or any intentional or knowing violation of any law by the employee.

This Resolution shall take effect immediately upon adoption.

Adopted this 26th day Jan., 1994 at the regular meeting

Kissimmee Utility Authority, Kissimmee, Osceola County, Florida.

By 
Secretary

By 
Chairman

DEAN, RINGERS, MORGAN AND LAWTON

A PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

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A. WALTER AKIN
PARALEGAL

* FLORIDA BAR BOARD CERTIFIED
CIVIL TRIAL LAWYER
* FLORIDA BAR BOARD CERTIFIED
WORKERS' COMPENSATION LAWYER
** ADMITTED TO THE GEORGIA BAR

January 25, 1994

*** ADMITTED TO THE ALABAMA BAR
AND THE DISTRICT OF COLUMBIA BAR
** ADMITTED TO THE TENNESSEE BAR

via Fax

Mr. Neville Turner
Director
Personnel & Risk Management
Kissimmee Utility Authority
Post Office Box 423219
Kissimmee, FL 34742

Re: Amtrak v. Kissimmee Utility

Dear Mr. Turner:

This will serve to confirm my telephone conversation with yourself and Ed Brinson, Esquire, concerning Kissimmee Utility Authority retaining our firm to prosecute upon their behalf any counterclaims for affirmative relief in this action. Please be advised that our charge for professional services rendered in connection with pursuing such counterclaims would be billed at the rate of \$150 an hour, and it is our practice to provide itemized billing statements on a quarterly basis. It is difficult for me at this point in time without knowing the exact nature of the counterclaims to provide you with any estimate as to total fees which might be expended in prosecuting these claims. Once we have had an opportunity to investigate the counterclaims further, I would be happy to revisit this issue with you if that is something which requires further clarification. Please let me know if there is any further information with which I can assist you, and with best regards, I remain.

Very truly yours,



Michael J. Roper

MJR/kc

Signed in Mr. Roper's absence
to avoid delay

Note:
Orig. letter in
Mr. Turner's lawsuit file.