

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY, JULY 27, 1994, AT 6:00 PM, BOARD ROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

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

A. MEETING CALLED TO ORDER at 6:00 p.m. by Acting Chairman Gant.

B. AWARDS AND PRESENTATIONS

1. 20-YEAR SERVICE AWARD - ROBBIE BRONSON

Robbie Bronson, Apprentice Lineman, Transmission & Distribution, was unable to be present to accept his award. This will be presented to him at a later time by his Department Director.

2. 10-YEAR SERVICE AWARD - MIKE MANN

Mike Mann, Power Plant Operator, started with the City in July 1984 in the Parks & Recreation Department and transferred in March 1985 to Gas & Transmission as an Assistant Operator Trainee. This was followed by a promotion to Assistant operator and then to his present position. Mike is known for his willingness to help others, is well liked by co-workers and doing a great job.

Mike was introduced to the Board members and was presented with a clock as his award by Acting Chairman Gant and all wished him well.

3. 10-YEAR SERVICE AWARD - TED SALLI

Ted Salli, working as System Load Dispatcher since June 1990 making good progress with the new Landis & Gyr SCADA System, is a 10-year veteran with KUA. Ted joined KUA in 1984 as Assistant Power Plant Operator. He and his wife and two daughters moved to Florida in 1982 from Ishpeming, Michigan. Ted enjoys various hobbies such as fishing, photography, computers and dog training.

The Board congratulated Ted on his contributions to KUA over the years and he was given a clock as his service award choice.

4. 5-YEAR SERVICE AWARD - BEN SHARMA

Mr. Welsh stated that it was his extreme pleasure in working with and honoring Ben Sharma, Director of Supply, for five years of service. His dedication and years of service at KUA are greatly appreciated.

The members expressed their thanks and offered best wishes. His choice in selecting an oil lamp brought laughter from everyone. Mr. Sharma stated he chose it because he obtains his power from a competitor!

5. 5-YEAR SERVICE AWARD - AARON WILKINSON

Aaron Wilkinson came to KUA from Albuquerque, New Mexico and is currently the Manager of Accounting for the Finance Department and supervises five employees. He has taken our accounting system and procedures through many changes and has instilled much effort into this, which is appreciated.

Acting Chairman Gant presented Aaron with a picture frame as his five-year award.

6. EMPLOYEE OF THE MONTH - FELIX ESCOBAR

Congratulations go to Felix Escobar, Engineer, for having been spontaneously chosen by his fellow employees for the honor of Employee of the Month for August, 1994. Felix has been an extremely valuable asset to our organization, as well as to the City of Homestead in assisting them during the hurricane emergency. He has gleaned "on the job" experience through a wide variety of responsibilities and met all challenges head on. As an Engineer he is called upon to supervise any major field project being constructed and responds to technical questions. Felix always has a positive attitude and is always helpful to others. Great to have you on board, Felix!

Acting Chairman Gant offered congratulations and presented Felix with a plaque and Director Bobroff handed him a \$50 check.

C. HEAR THE AUDIENCE

Acting Chairman Gant inquired if anyone in the audience wished to be heard on any item not agendaed.

Mr. Harry Robinson, Beunaventura Lakes (BVL), came forward and spoke on an issue affecting their subdivision. He said the County had just issued their tentative budget for this year. It includes BVL which is an MSBU area. He stated that street lighting is his prime concern in that KUA will raise rates this coming year. Their street lighting expense is \$86,000 prorated to the residents and homeowners of their subdivision. For single family homes the fee is \$11 per year for approximately 7,000 homes. Under the MSBU he believes this is a double taxation by the County. Under their ad valorem tax everyone in the County pays for the County administration. On top of that they charge an additional 5% administration fee for operating MSBU. Of the \$86,000 paid for street lighting, this additional administration fee amounts to about \$4,000. The citizens are complaining over these charges, he said.

Mr. Robinson asked the Board if it was possible for KUA, instead of billing the MSBU through the County, to bill the BVL residents directly through their electric bills, e.g., \$12 per year. This would eliminate the \$4,000, considered an extra tax, the residents are charged by the County. Most BVL residents are unaware of these extra charges.

In response to a question by Acting Chairman Gant, Mr. Robinson said that assessments to the County are paid with the yearend ad valorem tax.

Director Lowenstein inquired if they had approached the County and what was their reply. Mr. Robinson stated he did not approach them because he knew what their answer would be, that they would side-track any issue taking funds away from the County.

General Manager Welsh stated this was an excellent proposal and idea to curtail expenses but that this was brought up several years ago and upon further evaluation and it was found to be flawed. KUA is in the business to sell lights to anyone who will pay for them. He elaborated that partial street lights can not be sold or billed. KUA can not force someone to pay their bill, we are not a taxing authority. The County can force residents to pay their MSBU bills.

Discussion continued on the pros and cons of provisions for reselling power, and the rights of KUA and the County to charge and bill such costs.

Mr. Welsh stated emphatically that we do not have any legal authority to arbitrarily tack on \$1 to everyone's bill for street lights.

Acting Chairman Gant suggested that Staff research this situation to see if anything can be facilitated. Mr. Robinson thanked the Board for their consideration.

Mr. Jim Scott, BVL, asked why KUA is raising the rate of the street lights. Mr. Welsh stated there is a fuel component and conservation costs which may automatically go up. There is no base rate change in the street lights.

D. PUBLIC HEARING - None

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, launched an up-to-date oral presentation through video on the current status of completion dates at Units 1 and 2.

Mr. Harrington also stated there had been a recent oil spill where a jumper hose ruptured and between 200 to 500 gallons spilled onto the site. We are attempting to determine who is responsible for the spill and proceed with clean-up efforts. He stated the agents in Tallahassee have been notified, as well as the Department of Environmental Protection (DEP) and the Osceola County Environmental Department. Mr. Harrington said that only the latter agency inspected the site. The other agencies declined to visit the site.

General Electric (GE) agreed preliminarily to take care of the spill, as confirmed by a letter on file. Following a meeting with GE on site later, they declined to do any further activity concerning the spill; consequently, we are mobilizing a contractor on site immediately to continue with the operation and ensure that mediation efforts are ongoing. We will ascertain criteria to see if any contamination of the aquifer occurred on our property. Staff feels that responsibility for the spill lies between GE, our supplier, and Metric, our contractor.

Mr. Welsh explained that the spill involves excavating the soil which possibly may cost around \$200,000. We feel GE is acting irresponsibly and backing off after initially accepting responsibility. We will attempt to recover those dollars.

Director Walter was assured that we are taking care of this and that experts were called in to cope with the problem.

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

Due to Mr. Ken Davis, Director of Engineering, having to leave early, this report was taken out of context. However, there were no questions or comments and the report was accepted as submitted.

F. OLD BUSINESS - None

G. NEW BUSINESS

1. THE KISSIMMEE UTILITY AUTHORITY END USER COMPUTING MASTER PLAN

Dennis Wick, Director of Information Systems, gave an in-depth presentation on what is being proposed under the Master Plan. KUA has been faced with lack of sufficient memory under its present computer system so Staff proposes a new personal/ networking Master Plan to alleviate this. The new upgrades should begin as soon as possible with new high speed, high quality printers and machines. We plan to establish a multi-year project to be funded for the next three years from the FY 94 operating contingency. We are attempting to accelerate the new system and the networks need to be installed.

Brief discussion followed the highlights of the Plan.

Motion by Director Walter, seconded by Director Lowenstein, to authorize Staff to effect KUA's End User Computing Master Plan, and establish a project of \$96,371 to be funded out of the FY 1994 operating contingency.

**Motion carried 4 - 0
Chairman Hord absent**

2. AWARD OF CONTRACT - FURNISHING AND INSTALLATION OF THE EXHAUST DAMPER/SILENCER AT THE HANSEL CC UNIT, IFB #031-94

Due to the size and expenditure required on this item, normally a Consent Agenda item, Staff proposed this separately should any questions or discussion be necessary.

Motion by Director Bobroff, seconded by Director Walter, authorizing the award of contract for furnishing and installation of the Damper/Silencer at the Hansel CC Unit, IFB #031-94, to the lowest bidder, Braden Mfg., in the amount of \$609,599.00. Funding Source: 041-9510-954-0640. Project No. G54308.

**Motion carried 4 - 0
Chairman Hord absent**

3. CASH DEFEASANCE OF A PORTION OF THE SERIES 1987 BONDS

Staff informed the Board that this item was pulled pending additional information. Basically, its a plan for cash defeasance whereby, because of the rising interest rates, we may have an opportunity in the near future to enter the market in a cash defeasance mode and realize some present value savings that are significant. However, the numbers still need to be pulled together.

Staff also is compiling a plan realizing some additional earnings on our principal and interest payments on our debt service.

Mr. Joe Hostetler, Director of Finance, was unable to be present due to an auspicious occasion--his wife, Jane, giving birth to a bouncing baby boy, Jason Christian, weighing in at a whopping 9 lbs. 13 oz.! Jane, Joe and Jason are doing just fine! Congratulations, Joe!

4. ACCELERATED HIRING OF CANE ISLAND STAFF

This was a last-minute addition to the Agenda.

Motion by Director Walter, seconded by Director Bobroff, to place this item on the Agenda.

Motion carried 4 - 0

Due to ongoing training and use of existing crews from the Hansel Plant at Cane Island, we are facing a severe shortage of personnel to run the Hansel units. Therefore, Staff recommends acceleration in the hiring of the Maintenance Operators to ease this personnel shortage. Also, it is imperative that the approved position of the Assistant Water Quality Technician at Cane Island be filled quickly. No budget amendment will be necessary for these positions.

Motion by Director Lowenstein, seconded by Director Bobroff, to accept Staff's recommendation and authorize the hiring of the Maintenance Operators and the Assistant Water Quality Technician for Cane Island on an accelerated basis prior to the beginning of the FY 1994/95.

**Motion carried 4 - 0
Chairman Hord absent**

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

As stated earlier, there were no comments on this report.

2. CONDENSED FINANCIAL REPORT - JUNE, 1994

In Mr. Hostetler's absence, Mr. Welsh volunteered to field any questions on this report. There were no questions at this time.

3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

Being a written report, Staff entertained any comments or questions.

A brief comment was made on COPA being slightly lower than last month.

4. SELECTED DEPARTMENT HIGHLIGHTS - INFORMATION SYSTEMS

Through overheads, Mr. Wick gave a brief presentation on Information Systems. It covered our involvement with the HTE programs and the AS-400. Mr. Wick highlighted our partnership with HTE, applications, resources, support modifications, and future uses and changes between HTE and KUA.

I. CONSENT AGENDA

Motion by Director Walter, seconded by Director Lowenstein, to accept the Consent Agenda, with the exception of item 12 which was pulled by Director Lowenstein.

1. APPROVAL OF MINUTES OF JUNE 22, 1994, REGULAR MEETING
3. CHANGE ORDER TO MECHANICAL/ELECTRICAL CONSTRUCTION CONTRACT WITH FRO-CON VIS-A-VIS A DEDUCT FROM METRIC
4. AGREEMENT WITH CSX TRANSPORTATION, INC. (CSX) REGARDING THE CANE ISLAND PLANT ENTRANCE SIGN
5. APPROVAL OF CHANGE ORDER TO HENNESSY CONSTRUCTION SERVICES' CANE ISLAND UNIT 2 GENERAL CONSTRUCTION CONTRACT
6. RESOLUTION R94-6 - NOTIFYING VARIOUS FINANCIAL INSTITUTIONS OF CHANGE IN OFFICERS AND AUTHORIZED SIGNATORIES FOR KUA
7. CHANGE ORDER TO METRIC CONSTRUCTORS' UNIT 1 GENERAL CONSTRUCTION CONTRACT

Motion carried 4 - 0
Chairman Hord absent

2. AWARD OF CONTRACT - HAND PORTABLE DATA GATHERING COMPUTERS, IFB #034-94

In response to a question by Director Lowenstein for more information on this item and expense, Mr. Jeff Ling, Manager of Production, explained the purpose and necessity of this equipment. The equipment is required mainly for recordkeeping to enable them to collect information around the Power Plant more efficiently. This equipment is similar to that used by the Meter Readers. It enables them to have specific software for the purpose of gathering data from the equipment currently taken manually on preprinted sheets. Any abnormalities would be caught easily. Then the information would be downloaded into the PC where we can trend the information for diagnostic purposes rather than having to go through volumes of sheets looking for information written in longhand. Management can compile information easily and effortlessly. Accuracy is our prime concern here.

Motion by Director Lowenstein, seconded by Director Bobroff, authorizing Staff an award of Hand Portable Data Gathering Computers, IFB #034-94, be made to the lowest bidder, Tech-Assist, Inc., in the amount of \$29,295.00. Funding Source: 041-9510-954-0640, Project No. G19701.

Motion carried 4 - 0
Chairman Hord absent

J. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh stated he was asked to serve out his term and proceed on to the United Way Board of Directors for 1994 immediately, with an eye to becoming the Vice-Chairman for 1995, and becoming the Chairman of the United Way campaign in 1996. Mr. Welsh stated he would accept that if the Board had no objections. He felt this was good for the community and KUA's image but added that his duties and responsibilities to KUA would be first and foremost. He was pleased to have been asked and is proud to serve, he said.

Director Lowenstein suggested that, energy and time permitting, he "go for it", with his congratulations.

Director Bobroff noted that at the recent APPA Convention part of the program dealt with utility participation and community affairs. He felt this was a good example of it.

Mr. Welsh stated that an area is being explored with some of the cities within FMPA in terms of joint purchases. In the near future we may bring back a recommendation to enter into such a contract on a one-year trial basis to see if we can realize savings from bulk purchases amongst multiple utilities to the extent necessary to pay for the overhead costs. Also, in conjunction with this, services are being offered by various utilities, e.g., Lakeland, for transformer testing, etc. We are offering our services in the area of internal auditing through which we might realize some revenues and at the same time help out some small utilities. Mr. Welsh stated that in his view this would mainly entail a services type program.

A review of the Load Management rebates would be discussed when a full board was present, hopefully at the August meeting.

At that meeting it would be determined if a Special Meeting would be necessary for this.

Mr. Welsh distributed copies of a small brochure entitled, "Facts of Light". An informational open house for new customers would be held this Saturday, from 9:00 to 11:00 a.m., at the Administration Building.

Mr. Welsh stated that correspondence had been received from the IBEW (International Brotherhood of Electrical Workers) through PERC (Public Employees Relations Committee) in Tallahassee stating they think they have sufficient cause to justify holding an election for eligible KUA employees. He noted that he has held numerous meetings with employees enlightening them as to that process we are now in. If there is an election we would then follow a schedule dictated by PERC. Mr. Welsh also advises employees he supports them 100% in their right to participate in, investigate and support a union, that they're certainly within their rights to do so. Mr. Welsh made it clear to employees that it is our philosophy that no Supervisor or Manager would in any way engage in any kind of recriminations towards any employees involved in union activities. He told employees unequivocally that he did not think it would be in any employee's best interest to vote for the union but that is their choice. He would keep the members abreast of additional data as it happens.

Mr. Welsh added that the City did approve an enhancement to the Pension Fund which will be enjoyed by City and KUA employees. It would include a 3.4% additional payroll cost which KUA will pick up. The General Pension Plan will include a reduction in normal retirement age from 65 to 62, a reduction in early retirement penalty from 5% to 3%, and a \$100 per month allowance to offset additional costs such as medical insurance. The \$100 per month allowance will change to \$25 per month at age 65.

ATTORNEY - No comments

DIRECTORS

The Board members congratulated Director Bobroff on his 79th birthday today and wished him well!

Prompted by his recent attendance at the APPA Conference, Director Bobroff read an article he had written entitled, "The Future". It was the idea of establishing a profit center to compete with utilities having lower rates. He felt the Board and Staff should be looking to the long range future. He distributed additional brochures on "Competing Through Customer-Oriented Service Programs".

Acting Chairman Gant commented on two items from the APPA Conference he attended: 1) The fact that some states which protect their franchise areas are eroding very rapidly. They are already in the process of requiring to contract for whatever source of power they choose and whoever has the line would wheel the line to them. Much planning is going on towards this, and it's easy to see the impact of this. 2) The fiber optics system we've discussed earlier and which is in the process of expanding. There was lots of discussion on its use, who will do it, how will it be done, etc. These are important issues to be addressed.

K. ADJOURNMENT: Meeting adjourned at 7:55 p.m.


CHAIRMAN

ATTEST:


SECRETARY