

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD WEDNESDAY, JULY 26, 1995, AT 6:00 PM, BOARD ROOM, ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE, FLORIDA

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

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

B. AWARDS AND PRESENTATIONS

1. **5-YEAR SERVICE AWARD - BEN MIDGETT**
2. **5-YEAR SERVICE AWARD - PETE DEGLOMINE**

Mr. Welsh explained that Ben Midgett, Asst. Power Plant Operator, and Pete Deglomine, Manager of Support Systems, were unable to attend the meeting due to other obligations. He recognized the excellent service they have provided for the KUA and its customers since their employ. Mr. Welsh said that their service awards will be presented to them by their department heads at a later time.

3. **5-YEAR SERVICE AWARD - SAM KOTWAL**

Mr. Welsh commented that he could hardly believe it has been five years, that it seems like yesterday. He said that Sam's department head wrote a memo about Sam's five years of service and one word that stood out in his mind was Awonderful@, wonderful employee. That really exemplifies what Sam has been. During his employment Sam has gone back to school and received his B.A., sat for his CPA and has passed three sections. He is currently waiting to hear the results of the fourth one. Mr. Welsh added that one thing that truly impressed him was that Sam was a true volunteer, not by being asked. Sam let it be known to his supervisor that he was very impressed with the United Way and would like to volunteer. He did volunteer and served as the Chairman of the United Way Campaign last year.

Mr. Welsh introduced Sam to the Board, and Chairman Gant presented Sam with a pocket knife. The Board members congratulated him on his five years of service.

4. **EMPLOYEE OF THE MONTH - TIM SCHER**

Mr. Welsh said that the Employee of the Month was Tim Scher who was selected by his fellow employees. Tim is the head of our meter laboratory. He said that Tim was unable to be with us but that we are going to make a presentation to him at an appropriate time that is more convenient for him. Tim will receive a plaque and a U.S. Savings Bond, one day off with pay and a reserved parking space for the month of August.

5. APPA COMMUNITY SERVICE AWARD

Mr. Welsh said the APPA Community Service Award is a national award that was presented to KUA and that it was earned by many, many employees here at KUA. The award is for the extent and the type of involvement in the community. He asked Chris Gent, representing our employees, to come forward and receive the award.

Mr. Welsh recognized Chris as instrumental in receiving this award since the application he wrote up communicated very well the job we are doing and enabled us to receive this recommendation.

C. HEAR THE AUDIENCE - No comments.

D. PUBLIC HEARING

E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. CANE ISLAND POWER PARK VIDEO

Mr. Welsh said this video was produced by KUA and FMPA in conjunction with a professional film production but our communications person Chris Gent and Mark McCain, FMPA, spent days in the editing room as well as two or three days in the field with the crews to make sure the story was told in the most effective and best manner. They had the equipment and the specialist to do it, but it was our people who knew what the story was that needed to be told. After the video was viewed, Mr. Welsh said that the video was also viewed at the FMPA Annual Meeting and that it was well received.

Mr. Welsh said that we have in the audience Chris Kane, who was one of the partners of ER3, our owners representative in the Cane Island project. He stated that Chris, whose office is in Washington, was in our area today and that he came by to see us and address the Board on a couple of things concerning Cane Island.

Chris thanked the Board for giving ER3 the opportunity and said that it seemed like yesterday that we were trying to sell KUA on ER3. He stated that he was glad that ER3 could make a contribution with Greg, Gerald Hardage and other backup in Washington, DC. Chris said that it was certainly his pleasure to work with such a fine utility and fine management group. He added that he had been involved in a lot of construction projects but that this one really ran smoothly with little contract disputes. Chris quipped that he wished we had spelled Cane in Cane Island with a AK@ instead of a AC@.

Chairman Gant, on behalf of KUA, thanked Chris for coming today and looking out for our interests during the construction process.

F. OLD BUSINESS

1. R95-7, APPROVAL OF CLOSING DOCUMENTS FOR THE TRANSFER OF LAKE WORTH-S APPROXIMATE 7.6 MW OF STANTON II CAPACITY TO KUA

Mr. Welsh said that this is the formal document to formalize the action previously taken to acquire the Lake Worth capacity in Stanton II.

Moved by Director Lowenstein, seconded by Director Walter to approve Resolution 95-7, approval of closing documents for the transfer of Lake Worth-s approximate 7.6 MW of Stanton II capacity to KUA and authorize the Chairman and the Secretary to execute the documents.

Chairman Gant mentioned that at the FMPA Annual Meeting last week, they had voted and passed these documents. Mr. Ben Sharma, Director of Power Supply, added that the City of Lake Worth had also approved the transfer.

Motion Carried 4 - 0

2. RESOLUTION NO. 95-8 & RESOLUTION NO. 95-9 APPROVAL OF CLOSING DOCUMENTS FOR THE TRANSFER OF HOMESTEAD-S 50% POWER ENTITLEMENT SHARE IN STANTON AND STANTON II PROJECTS

Mr. Welsh said this is a similar situation only with Homestead documents, with this being the final approval having already been approved by the City of Homestead and FMPA.

Motion moved by Director Guthrie and seconded by Director Lowenstein to approve Resolution No. 95-8 and Resolution No. 95-9 for approval of closing documents for the transfer of Homestead-s 50% power entitlement share in Stanton and Stanton II projects and authorize the Secretary and the Chairman to execute the documents.

Chairman Gant questioned in regards to the 50% if the transmission problem had been worked out. Mr. Sharma said that it had not been resolved and that we are proposing that all the signed documents be kept in escrow in Fred Bryant-s office. If something should happen and the agreement with FP&L does not go through then these papers will be nullified and the entire amount will be from Stanton II; instead of eight documents there will be four.

Director Lowenstein asked how would we know whether the 50% comes out of Stanton I or II. Mr. Sharma said that it is in the paperwork. Mr. Welsh said that we have 50% of the cost of Stanton I and 50% of the cost of Stanton II. Director Lowenstein asked how much entitlement all together would be from Stanton I and II when all is approved. Mr. Sharma replied the total entitlement would be 58 MW.

Chairman Gant commented that they have increased their capacity with some of the changes they have made to the Stanton I system which in turn increases our capacity.

Motion Carried 4 - 0

G. NEW BUSINESS

1. AWARD OF CONTRACT -IFB #031-95, GENERAL CONSTRUCTION OF WAREHOUSE/TRAINING FACILITY AT THE CANE ISLAND POWER PARK

Mr. Welsh explained that during the bidding process there were problems with misconception concerning the amount of sales tax and who was responsible. He said that staff had informed at the pre-bid meeting that it should not be included in their bid which was incorrect. We tried to salvage this with the low bidder, but the estimates they presented for the sales tax we thought to be inappropriately high and we explained to the contractor that at this point the best alternative would be to throw all the bids out and rebid it. The contractor agreed and said they would resubmit at that time. Mr. Welsh said that if the Board had no objection, we would proceed in that fashion, and that this item should be back on the August agenda.

Director Walter mentioned the fact there were no responses from about eight bidders, and asked how we planned to handle the request for bids. Mr. Tillman said that it would be advertised, the contractors that previously bid would be sent a package and the vendors that did not previously bid would be sent a letter.

Director Lowenstein asked if KUA were to purchase the materials would they be tax free. Mr. Welsh explained that was correct, and when the purchase is substantial enough to make it worth our while, such as a generator costing \$5 million, we would make the purchase directly. However, when the contract is such as this we do not want to get involved in the liability. He said that often change orders and delays end up costing more than the tax saving.

This item was tabled until a later date.

2. EASEMENT PURCHASE SETTLEMENT OFFER CANE ISLAND - CLAY STREET TRANSMISSION LINE

Mr. Brinson asked Mr. Ken Davis, Director of Engineering, to please come up and display the overhead showing details of the purchase.

Director Walter made known that he may have a Conflict of Interest on this item because he is the engineer of record for Avatar. Director Walter filed Form 8B, Memorandum of Voting Conflict, and the form is attached.

Mr. Brinson explained that the subject parcel is one of three tracts of land Avatar owns. Our appraiser gave no severance damages to the parcel in question because his theory was that the best use would be in connection with other parcels owned by the same owner.

Avatar has employed an attorney who has in turn employed an appraiser. Their appraiser came up with severance damages of \$32,800. Mr. Brinson said that a delay in settlement would mean an increase in attorney and appraiser fees, as well as increase in interest costs at 12%.

Motion moved by Director Lowenstein, seconded by Director Guthrie to authorize acceptance of the settlement offer from Avatar Properties for a not-to-exceed amount of \$195,000.

Chairman Grant questioned the acceptance of the appraisal fee which is far in excess of any reasonable appraisal fee. Mr. Brinson said that was the fee that was submitted with this settlement and it would ultimately lie in the hands of the judge if we do not accept it as is.

**Motion Carried 3 - 0
Director Walter abstained**

3. PROPOSAL TO MODIFY KUA-S LOAD MANAGEMENT PROGRAM

Mr. Welsh explained as the Board directed about a year ago we have looked at modifying the Load Management program. We have made some recommendations and drafted the actual rate schedules. The changes were sent to the Public Service Commission to meet a 30-day requirement before final action would be taken on this, if it is the Board's desire to do that at the next regular meeting. If we go ahead and proceed, we can make that October 1st date, however, if the Board prefers we can delay and make some changes.

Mr. Joe Hostetler, Director of Finance, stated that the Power Supply Department's study showed a cost effective reduced rate of \$1.75 per customer per month. The \$15.50 arrived at in 1992 was based on an accepted method that Lakeland had used. We are now questioning that method and looking to see if a cost-basis method is more appropriate. Another area of change is reducing the 48 different combinations of levels which are not only a problem to explain to the customer, but also creates a technical problem.

Mr. Hostetler said we are proposing to reduce the monthly credit from \$4.50 to \$2.50 for water heaters and from \$8.00 to \$4.50 for air conditioners/heaters at a 50% control level. We are projecting the ECCR rate passed through to the customer would come down to \$1.61. Other utilities are now reviewing their methods of rebating for load management.

Mr. Welsh said that the ECCR charges are being reduced from the \$2.87 to \$1.61 and that is per thousand kWh. Therefore, the heavier the usage, the greater the reduction in charges. He said that the reduction of these charges will offset the reduction in the credit. He further stated that this is a complex and confusing

concept and that we have an extensive campaign prepared, tailored to reduce the confusion on this.

Director Walter said he can see the current and proposed rebates, but what would be the proposed rebate if we inserted what the base cost is two years from now and balanced it out. Mr. Welsh said if the numbers are the same as what we are looking at today, basically the overall total rebate would be at the \$1.75 level if everything was on a strict cost basis.

Director Lowenstein said he would like to incorporate in the recommendation that we address the same subject next year this month and do a follow up to take further steps to reach the cost base.

Director Guthrie questioned Lakeland's ability to continue to give the same rebates and keep their rates down. Mr. Welsh explained this is mainly due to the coal-based facility keeping them in a competitive position. Mr. Hostetler said that his staff has spoken to representatives of Lakeland and they are now performing studies in the area of changing the rebate method.

Mr. Jim Scott, Buena Ventura Lakes, asked if we were cutting down on the load management price that the customer gets back. Mr. Welsh said that was the recommendation and that the load management was a good program. Mr. Welsh explained that we are trying to do what is fair for all the customers. He said that we are finding out that because the program is not 100% cost based, we have one group of customers paying too much and the other group of customers are benefiting.

Director Gant told Mr. Scott that there is another benefit that the customer needs to remember and that this is part of the system and the more cost effective we can make the system, the better the price is for everyone. We went into the program so that we could conserve from buying high-cost energy.

Mr. Scott asked if we were going to drop the cost of the kilowatt too. Mr. Welsh said that was correct, that the ECCR is going from \$2.87 per thousand to \$1.61 per thousand.

Mr. Welsh said as the Chairman pointed out, this is a good system even if the customer were not getting any rebate from it. It would still make a more efficient system and a lower cost system all total in the long run, because what the program is doing is creating megawatts and still not having the utility go out and build a large generation plant to get that four to five megawatts of power.

Mr. Tony Constanza, Buena Ventura Lakes, asked if he could have this computer system taken out. He said that he knew that staff was explaining it to him, but when people read it in the paper they will say that KUA gave us \$15.50 and are now taking it back and then the people will say that they don't want it. Mr. Constanza asked what happens when the majority of the people

cut off. Mr. Welsh said that it is our estimation that will not happen. He said that we have been looking at other utility systems that give as low as a \$4.00 rebate and they still get a fairly high penetration.

Director Walter said the load management system is the cheapest power we have and to really make it work across the system we have to, sometime in the future, make it mandatory. He further stated that if everybody were using it, power would be lower for everyone on the system.

Director Guthrie asked what the rationale was behind doing away with the mandatory requirement. Mr. Welsh clarified that in new construction the placement of the LCR is mandatory, but that mandatory participation in load management was not working very well and that we should give the customer the option. He added that the customer will be put on the load management program and if there is a problem, they will have the option to get off. Ms. Chris Beck, Director of Customer Relations, said that the mandatory requirement was not an extreme problem, but it was a problem. She said we plan to approach it in a very positive salesmanship way.

Motion moved by Director Lowenstein, seconded by Director Walter to approve the changes in the load management program to five combinations, one control level of 50% as presented.

Mr. Richard Hord, owner of Customer Plastics, commercial ratepayer, said he could sympathize with the residential customers, but that he could also fill the room with commercial customers who feel they are paying for the residential customer's rebate. Mr. Hord asked about the costs of the LCR on the part of KUA and on the part of the customer. Mr. Welsh explained that there was no cost to the customer, and the cost to KUA was approximately \$150. Mr. Hord pointed out that the program not being mandatory could potentially lead to an investment with no return. Mr. Welsh said that the installation cost was figured into the cost.

Chairman Gant said that some point in time the load management needs to be part of our system and be mandatory, and we need to get to that point. Board requested that this subject be re-visited within one year and targeted for implementation for October 1996.

Motion Carried 4 - 0

The meeting recessed from 7:55 p.m. to 8:00 p.m.

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

Mr. Welsh explained there was a written report and that no verbal presentation was planned. Chairman Gant asked if there were any comments or questions. There were none.

2. CONDENSED FINANCIAL REPORT - MAY 1995

Mr. Joe Hostetler, Director of Finance, said the month of May sales were good and beat the previous month by 8.2%, and the month of June was even better at 15.2% over budget. For the year we are at 4.2% above the budget for the nine-month period through June 30th.

Mr. Hostetler said to answer the question you might have as to why we have a net loss of \$825 thousand if the figures are so much higher than projected, the \$1.8 million reinvestment figure reported last month did not have the cost of test energy for Cane Island incorporated. After talking to our auditors and studying the methodology for recording test energy in accordance with FERC regulations, we determined that some of it needed to be capitalized and some is a cost to the customer. Power Supply has already taken this into consideration as far as the COPA calculations so there will not be a change there.

Chairman Gant asked if FMPA was responsible for half of this. Mr. Hostetler said that the inefficiency part of this test energy, or the cost of the unit portion, was capitalized and FMPA is responsible for half of this cost.

Mr. Hostetler said we are heading into the next three months of hot weather where sales are high and that, unless some unforeseen weather should take place, the numbers should look real good this year.

3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

Director Guthrie asked about the status of the Cane Island Unit 2 leaks. Mr. Ben Sharma, Director of Power Supply, said there was a problem which Nooter/Eriksen was brought in to study. Once the boiler was heated up and water rose to the top, leaks would occur. Nooter/Eriksen determined the problem to be the packing material left on the boiler system when installed by the contractor would not allow the boiler system to appropriately expand. Once it was removed and welding was done there were no leaks.

4. SELECTED DEPARTMENT HIGHLIGHTS - INFORMATION SYSTEMS

Mr. Dennis Wick, Director of Information Systems, gave a presentation on the Emergency Business Resumption Plan. The Plan is to keep the business side going if there was a hurricane or something like that. The study included the assessment of what type of emergencies could arise, what the problems involved are, and what could be done about it. We then developed a plan which is reviewed and updated each year.

Mr. Wick explained the first emergency experienced was in 1991 when Browns Cafe was on fire, we had just signed up on the system. At 10:00 Monday morning following the fire we contacted them, and by 8:00 the following morning they were unloading a computer system

which we used for 43 days while our system was being put back together.

He further explained that what we are looking for is that within the first 24 hours that the business recovery plan complete restoration of our operating system and have programs in place. The next step is to have all remote sites in operation within 48 hours and the last step is to have all communications with Sun Bank for lock box and bank drafting and with HTE for support within 72 hours.

This year the testing will take place at a hospitality room at an area hotel after next day shipping data and operating tapes to Atlanta. If this test is successful we will not have to send personnel out of town if the emergency is localized that Kissimmee is not wiped out.

Mr. Welsh said it would be great to do a complete test but it is difficult and costly to mobilize personnel and the action required to complete the test. The Board commended staff on their emergency preparations.

I. CONSENT AGENDA

Chairman Gant asked if there were questions or comments on the Consent Agenda. There were no questions.

1. APPROVAL OF MINUTES OF JUNE 21, 1995, REGULAR MEETING

Motion was made by Director Lowenstein, seconded by Director Walter, to approve the Consent Agenda.

Motion Carried 4 - 0

J. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

Mr. Welsh formally welcomed Carolyn Scott. He said this was the first regular meeting in her new position as Executive Secretary to the General Manager and that she is doing a fantastic job and we are pleased to have her here.

GENERAL MANAGER

Mr. Welsh asked if the Board desired to set a date for the Load Management Workshop. Wednesday, November 29, 1995, at 6:00 p.m. was selected for the Load Management review meeting.

Mr. Welsh said that at midnight Director Bobroff will turn 80 years old. He suggested that since Director Bobroff could not be with us due to injuries sustained while involved in an automobile accident, that we could call, put him on the speaker phone, and wish him a Happy Birthday. Mr. Welsh placed the call and upon Director Bobroff's answering, the Board and audience had the pleasure of singing Happy Birthday to him.

ATTORNEY - No comments.

DIRECTORS

Director Lowenstein said he walked into Barnett Bank to make payment for his electricity and the bank said they no longer handled payments and asked staff why this had changed. Mr. Hostetler said that the only bank now that handles payments is NationsBank. The banks said it was not cost effective. Director Lowenstein asked if we could get more customers into bank drafting then. Mr. Welsh said we currently have a campaign promoting bank drafting, as well as include it in the *Energy Informer* from time to time.

Director Lowenstein said that several years ago a transformer had gone out at Marydia and that we have grown quite a bit since then. He asked if it has come to a point where there would be some value of purchasing a mobile transformer or is our system reliable enough to do without it. Mr. Welsh said that we try to plan our distribution system to the first approximation on a single contingency basis which means that we can take a major hit on something and kind of limp along. Our system is designed to take that one hit, and get back into business through secondary measures.

Chairman Gant said a couple of items came up at the last meeting he attended which refreshed his thoughts about subjects he had heard in the past. One was the subject of deregulation and the discussion was of telephones, then went on to the deregulation of the airlines and then the ultimate deregulation of the electric utilities. Chairman Gant suggested having an authority on this subject come in and speak to the Board. He added that it would be good exposure and use of time to have some thoughts on this if we were to have to start competing for customers.

Chairman Gant said the second item was that of fiber optics. Our staff has gone to great lengths to install fiber, approximately 30 miles in this County. He added this is a subject we can take part in and address or we can wait and let somebody else address it, but the move in the market place is that there is a significant number of utilities that are going out and putting in a backbone system making it available to the industry to rent. Chairman Gant said it is the industry of the future and will be utilized more and more, but right now requires some study.

Mr. Welsh said along these lines, we have set up a meeting with Bob Seigel of Lakeland on Friday, August 18th, leaving around 8:30 a.m. He extended an invitation to the Board to accompany staff to this meeting. Mr. Welsh said that we know physically how to construct it and what it looks like from an engineering standpoint, but what we are hoping to learn is how and what fiber they are actually selling, and how they are pricing and marketing it.

K. ADJOURNMENT: Meeting adjourned at 8:45 p.m.


CHAIRMAN

ATTEST:


SECRETARY

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS	
LAST NAME—FIRST NAME—MIDDLE NAME WALTER, LARRY WAYNE	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE Kissimmee Utility Authority
MAILING ADDRESS 3851 CIRCUS ST.	THE BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: <input checked="" type="radio"/> CITY COUNTY OTHER LOCAL AGENCY
CITY Kissimmee	COUNTY OSCEOLA
DATE ON WHICH VOTE OCCURRED 7/26/95	NAME OF POLITICAL SUBDIVISION Kissimmee Utility Authority
	MY POSITION IS: ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes. The requirements of this law are mandatory; although the use of this particular form is not required by law, you are encouraged to use it in making the disclosure required by law.

Your responsibilities under the law when faced with a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

ELECTED OFFICERS:

A person holding elective county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his special private gain. Each local officer also is prohibited from knowingly voting on a measure which inures to the special gain of a principal (other than a government agency) by whom he is retained.

In either case, you should disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

APPOINTED OFFICERS:

A person holding appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his special private gain. Each local officer also is prohibited from knowingly voting on a measure which inures to the special gain of a principal (other than a government agency) by whom he is retained.

A person holding an appointive local office otherwise may participate in a matter in which he has a conflict of interest, but must disclose the nature of the conflict before making any attempt to influence the decision by oral or written communication, whether made by the officer or at his direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You should complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes.
- A copy of the form should be provided immediately to the other members of the agency.
- The form should be read publicly at the meeting prior to consideration of the matter in which you have a conflict of interest.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You should disclose orally the nature of your conflict in the measure before participating.
- You should complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, Looney Walter, hereby disclose that on July 26, 19 95:

(a) A measure came or will come before my agency which (check one)

injured to my special private gain; or

injured to the special gain of AVATAR, by whom I am retained.

(b) The measure before my agency and the nature of my interest in the measure is as follows:

I'm The Engr. of Record for Poincane projects

July 26, 95'
Date Filed


Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317 (1985), A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$5,000.



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BUILDERS • CONTRACTORS • DEVELOPERS

August 23, 1995

AUG 23 1995

Mr. Ed Brinson, Council
Kissimmee Utility Authority
1201 West Emmett St.
Kissimmee, FL 34741

BRINSON, SMITH, SMITH,
LEWIS & STARR, P.A.
KISSIMMEE, FL.

RE: Statement of Disclosure; Cane Island Project
Project #034-95

Dear Ed,

Please be advised that Mr. Joseph N. Welsh is an employee of ours. Mr. Welsh is the brother of Mr. James C. Welsh, President and General Manager of Kissimmee Utility Authority.

Regarding subject project, please be advised that Mr. Joseph Welsh is an employee, owns no stock or holds no proprietary interest whatsoever in Gray Construction Company, Inc.. Mr. Welsh was involved and assisted with the preparation of our cost estimate for subject project. He will not be involved with the management of this project in any regard.

Should you have further questions regarding the above, please do not hesitate to contact me.

Respectfully yours,

Jon R. Gray

JRG/sc



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