

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD
WEDNESDAY, DECEMBER 18, 1996 AT 6:00 PM, BRINSON BOARD ROOM,
ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE, FLORIDA

Present at the meeting were Chairman Hord, Vice-Chairman Walter, Secretary Guthrie, Assistant Secretary Lowenstein, Director Ralston, Mayor Attkisson, Attorney Brinson, President and General Manager Welsh, and Recording Secretary O'Rourke.

A. MEETING CALLED TO ORDER at 6:03 p.m. by Chairman Hord.

B. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD - STEVEN LAVOIE

Mr. Welsh stated that Steve came to work for KUA as an Apprentice Electrician Level I in 1991 and in November of 1996 was promoted to Level III Electrician. Steve's performance has been excellent and he is a highly knowledgeable electrician. Steve has also been very active in volunteer work for KUA and the community and Steve makes the lamps for retiring KUA Board members.

Steve was unable to attend the meeting, but his 5-year service award will be presented to him by his Department Director at a later date.

2. 5-YEAR SERVICE AWARD - JEFF SUTTON

Mr. Welsh stated that Jeff began working for KUA in 1991 as a Groundman and then became the Load Management Specialist. Jeff transferred to Support Services in October of 1996 to continue his work with load management and to do additional work in field service. Jeff is known for his ability to work with difficult customers and to mediate tough situations.

Jeff was unable to attend the meeting, but his 5-year service award will be presented to him by his Department Director at a later date.

3. 5-YEAR SERVICE AWARD - DAVID TREAT

Mr. Welsh stated that Dave started as a Groundman and in October of 1994 was promoted to Apprentice Lineman. Dave is very knowledgeable on overhead lines and at the present time he is training to do new underground line inspections. Dave is a very dependable and professional employee and is an asset to KUA.

Dave was unable to attend the meeting, but his 5-year service award will be presented to him by his Department Director at a later date.

4. **5-YEAR SERVICE AWARD - ROBIN WARD**

Mr. Welsh stated that Robin's cheerful personality and dedication to her job has allowed her to make significant contributions to the Information Systems department and to KUA in general. KUA has ushered in an era of astronomical growth and change within Information Systems and Robin's ability to work under fire and deal with the day to day stress of this high demand environment has helped everyone else maintain their balance as well.

Robin was unable to attend the meeting, but her 5-year service award will be presented to her by her Department Director at a later date.

5. **EMPLOYEE OF THE MONTH - JOHNNY WILLIAMSON**

Mr. Welsh stated that Johnny Williamson was here for a very special award tonight and that was the Employee of the Month award.

Mr. Welsh said the words dedicated, loyal and faithful must have come about just to describe Johnny. In Johnny's thirty-three years of service he has proved time and time again he is all three. Mr. Welsh said Johnny is definitely a living legend.

Mr. Welsh said in the seventies it was rolling brown outs and in the front was Johnny leading the charge to restore the power. In the early eighties it was a building boom like no other Kissimmee has ever seen. Johnny again was up front leading the charge to build new lines fast enough to keep up with the demand. Johnny worked ten hour days, seven days a week for months so KUA could keep up with the demand. In the late eighties there was a freeze like no other in the history of Kissimmee with ice on the ground and snow on the trucks. Johnny put in more time than any other employee, leading the charge to keep the power on. In the nineties Johnny is still leading the charge. As Superintendent of Line Construction I know of no other person more sought after for his advice on power line construction than Johnny Williamson.

Mr. Welsh said Johnny is a role model employee and it has been a real honor and pleasure to know the living legend.

Chairman Hord congratulated Johnny and presented him with a plaque. Director Guthrie presented Johnny with a check. Johnny will receive a special parking space for the month and a day off with pay.

6. **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR GFOA AWARD FISCAL YEAR 1995**

Mr. Welsh stated this is an award which KUA has been able to sustain for a number of years due to the diligence and excellence of the Finance department.

Chairman Hord presented this award to Joseph Hostetler, Director of Finance.

C. HEAR THE AUDIENCE

Mr. Richard Herring, 514 Verona Street, Kissimmee, Florida stated in 1995 the legislature raised the mileage reimbursement from \$.25 per mile to \$.29 per mile. Mr. Herring said KUA recently did an extensive audit and reimbursed \$2,100 to various employees for the difference in the mileage rates. Mr. Herring said the state statute says may be reimbursed, not shall be reimbursed. Mr. Herring stated KUA just found out about this change and if it slipped by all this time why raise the mileage reimbursement now.

Mr. Herring stated his other position is that KUA must have a per diem rate on meals. Mr. Herring would like the Board to consider starting out in 1997 with a per diem rate. Mr. Herring said spending \$55.00 for two people for dinner in the city of Kissimmee would not be allowed for elected officials in the county and the city.

Chairman Hord thanked Mr. Herring and said these items would be evaluated with the KUA staff.

D. PUBLIC HEARING - No comments

E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 1996

Mr. Welsh complimented the staff on the timeliness of this report. Mr. Joseph Hostetler, Director of Finance, stated we were within \$500,000 of the net reinvested earnings number reported to the Board at the October meeting.

Mr. Jim Hanlon of Coopers & Lybrand reviewed briefly the Comprehensive Annual Financial Report. Mr. Hanlon stated the authority's financial statements as presented are in accordance with generally accepted accounting principals and government auditing standards in terms of the disclosures. Mr. Hanlon stated there are not a lot of new items or significant changes in the financial section from the past. Mr. Hanlon said the financial position of the authority is very strong. Mr. Hanlon stated there was tremendous support from the Finance department and the Internal Audit department and he really appreciates their involvement.

Mr. Joe Trpek of Coopers & Lybrand briefly reviewed the Required Communications to Audit Committees and the Government Auditing Standards.

Director Lowenstein asked if there is anything the utility needs to do to improve. Mr. Hanlon stated he thinks the authority is in very good shape from a financial perspective.

F. OLD BUSINESS

G. NEW BUSINESS**1. AWARD OF CONTRACT TO BLACK & VEATCH FOR CARRYING OUT 1997 COMPLIANCE ACTIVITIES AT CANE ISLAND**

Mr. Ben Sharma, Director of Power Supply, stated various Cane Island permits and the approved mitigation plan contain numerous compliance and monitoring requirements that must be performed during 1997. It is to be noted that Upland Habitat Monitoring and Wetland Habitat Monitoring are to be carried out during the upcoming year for the first time since 1993. Mr. Sharma said KUA does not have employees with the capabilities of carrying out these monitoring requirements. Fifty percent of these expenses are reimbursable from FMPA.

Director Walter commented that KUA should encourage Black & Veatch to use local companies whenever possible. Director Walter feels it is real important to hire local people as long as they are qualified.

Mr. Richard Herring agreed with Director Walter and stated that Black & Veatch should use a local company whenever possible. Mr. Herring said there are competent corporations that can do this type of work right here in Central Florida.

Mr. Welsh stated it would certainly be made known to Black & Veatch that they should give full consideration to any local companies.

Director Lowenstein made a motion to approve; seconded by Director Walter.

Motion carried 5 - 0

H. STAFF REPORTS**1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS**

Mr. Welsh said no verbal presentation was planned. Mr. Ken Davis, Director of Engineering, was available for any questions or comments.

2. MONTHLY CONDENSED FINANCIAL REPORT - OCTOBER 31, 1996

Mr. Joe Hostetler, Director of Finance, gave a brief presentation on the monthly financial report. Mr. Hostetler stated for the month of October the net reinvested earnings were \$533,000 budgeted and \$1.3 million actual. Mr. Hostetler said the months of October and November are slower months and KUA does not produce as much electricity. Mr. Hostetler explained we are 7% below the budgeted sales for the month of October and year to date we are 7% below budget.

3. ABBREVIATED MONTHLY CONDENSED FINANCIAL REPORT - NOVEMBER 30, 1996

Mr. Joe Hostetler, Director of Finance, gave a brief presentation on the monthly financial report. Mr. Hostetler said we are 10% below the budgeted sales for the month of November and year to date we are 9% below budget.

4. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

Mr. Welsh said no verbal presentation was planned. Mr. Ben Sharma, Director of Power Supply, was available for any questions or comments you may have.

5. SELECTED DEPARTMENT HIGHLIGHTS - PERSONNEL & RISK MANAGEMENT

Mr. Neville Turner, Director of Personnel & Risk Management, gave a brief presentation highlighting the three A-s of applications, accidents and attrition.

I. CONSENT AGENDA

Chairman Hord asked if there were any questions or comments on any item from the Consent Agenda or if anything needed to be removed.

Director Guthrie asked that item #1 be pulled.

Director Walter made a motion to approve items 2 and 3; seconded by Director Lowenstein.

2. AWARD OF CONTRACT TO UNIVERSAL SILENCER FOR FABRICATION, TRANSPORTATION AND INSTALLATION OF ADDITIONAL SILENCER AT CANE ISLAND UNIT 1 STACK

3. AWARD OF METER CALIBRATION SYSTEM, INVITATION FOR BID #002-

97

Motion carried 5 - 0

Item #1 - Director Guthrie questioned on page 1661 under Bond Series 1987 Refunding the statement made by Mr. Joe Hostetler saying if KUA has a need for building another unit at Cane Island, which would run in the neighborhood of \$10 million, we would want to go out in the bond market and get that money and not use internal funds. Mr. Hostetler said he was giving an overview of the bonding process and he was giving an example of why we would go out in the bond market instead of spending our own money to build something. Mr. Hostetler said Director Guthrie was right and this was not a new money issue.

Director Guthrie said on page 1662, second paragraph, line four the word million was left out after \$10.4 and \$17.9.

Director Guthrie said on page 1662, sixth paragraph, second sentence the ending of that sentence should be changed from because the market has moved away to because the interest rates are not favorable.

Director Guthrie made a motion to approve item #1 APPROVAL OF MINUTES OF NOVEMBER 20, 1996 REGULAR MEETING as amended; seconded by Director Walter.

Motion carried 5 - 0

J. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER - No comments.

ATTORNEY - No comments.

DIRECTORS

Director Lowenstein questioned if all the equipment was running and if KUA was prepared for the cold weather coming our way. Mr. Welsh said there was an operational staff meeting held this morning to cover this and the generation is in good shape and distribution is in very good shape.

Chairman Hord stated the Board received a response from Ed Brinson dated December 11, 1996 in regard to a question presented by Mr. Richard Herring. The subject of it is the contract that is in place for engineering services between the City of Kissimmee and Black & Veatch. Chairman Hord requested that Ed Brinson send this response to Mr. Herring.

A ten minute recess was taken between 7:25 p.m. and 7:35 p.m.

K. MANAGEMENT REVIEW

Chairman Hord stated that all Board members are still present for the review of the President & General Manager, Jim Welsh. Chairman Hord said this review was not done at the last regular meeting because Director Walter was not available and Chairman Hord felt it was important that all Board members be present. Chairman Hord stated Secretary Guthrie did a survey of chief executive officers at utilities similar to KUA in the state of Florida. Chairman Hord also said all Board members had been given a KUA Employee Performance Review form and Chairman Hord questioned if the Board members wanted to use this form or not.

Director Walter said the review form would give some structure to the review process of the General Manager and he recommended the Board use it, maybe with some modifications.

Chairman Hord stated he had not used the review form at this point and if the management review does not get done tonight and it does carry to the next meeting, Chairman Hord recommended whatever compensation is agreed to be retroactive back to November 1, 1996.

Director Lowenstein stated in the past the Board had done a decent job on this review and he feels the Board could do the review tonight without the form.

Director Guthrie stated there was no great rush, especially if it was going to be retroactive and he feels the review form would give a little more formality to the review. Director Guthrie also said the Board should have a salary range in mind for this position.

Director Lowenstein said if this was private enterprise, the salary for this position would roughly be \$250,000 to \$260,000. Director Lowenstein said if KUA had to hire someone for this position today who has the capabilities of doing the job equal to the present President & General Manager, KUA would be paying more than we are now.

Chairman Hord stated if you refer to the survey form, Fort Pierce, Lakeland, Tallahassee and Vero Beach are very similar to KUA and their current salaries range from \$91,000 to \$106,000.

Chairman Hord asked the Board if they were all in agreement on the review being retroactive to November 1, 1996. The Board all agreed on this.

Chairman Hord asked how many wanted to use the review form this time. Director Ralston said he thought it was real important to give some structure to this process and he also thinks a salary range should be established.

Mayor Attkisson said he didn't think he should be voting on this review. Chairman Hord said the Board respects Mayor Attkisson's comments and opinion, but he would not be voting on this. Attorney Ed Brinson said any input Mayor Attkisson might have would be good to hear, but he should not vote on this review.

Chairman Hord stated he also favors the review form because it would be more thorough. The Board agreed five to one to use the performance review form. Chairman Hord asked Secretary Guthrie to find out from the same utilities listed on the survey form what their salary ranges are. Chairman Hord also stated that this review really should be done prior to October 1st when the current Board members are still here as opposed to when a new Board member comes on.

Director Guthrie stated there may be entire categories on the review form that are not even applicable to this position, but to get started the Board should follow this form and if there is one that is not applicable, just make it an average.

Chairman Hord asked if the Board wanted to consider meeting in a special meeting prior to the regular meeting to determine which items are of importance on the form and which items are not and then everyone would be using the same method on a grade sheet. Chairman Hord stated there would be a workshop meeting held on

January 15, 1997 after the IDO presentation and then the review would be held at the regular meeting on January 22, 1997. Chairman Hord stated it was very important that every Board member attend both of these meetings.



CHAIRMAN

ATTEST:



SECRETARY

L. ADJOURNMENT: Meeting adjourned at 8:10 p.m.