

MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,  
WEDNESDAY, JANUARY 21, 1998, 6:15 P.M., BRINSON BOARDROOM,  
ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE,  
FLORIDA.

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Present were Chairman Hord, Vice-Chairman Walter, Secretary Guthrie, Director Toro, Attorney Starr, Mayor Attkisson, General Manager Welsh and Recording Secretary Fizer. Director Ralston was absent.

A. **MEETING CALLED TO ORDER** at 6:15 P.M. by Chairman Hord.

B. **AWARDS AND PRESENTATIONS**

1. **10-YEAR SERVICE AWARD - CHRIS BECK**

General Manager Welsh gave a brief history of Chris Beck's career with KUA. Mr. Welsh emphasized Ms. Beck's confidence, poise and self-assurance. Chairman Hord presented Ms. Beck with a ten-year service award and the Board members thanked her.

2. **10-YEAR SERVICE AWARD - GEORGE BLAIR**

Mr. Welsh announced that George Blair, Journeyman Lineman in the Transmission and Distribution Department began his career with KUA as a Groundman. Chairman Hord awarded Mr. Blair a ten-year plaque and the Board members thanked him for his service.

3. **10-YEAR SERVICE AWARD - RONNIE HARDEE**

General Manager Welsh introduced Ronnie Hardee, Journeyman Lineman in the Transmission and Distribution Department and said he was an asset to the KUA team. Chairman Hord awarded Mr. Hardee a ten-year plaque and the Board members thanked him for his service.

4. **10-YEAR SERVICE AWARD - ROBERT HOLLOWAY**

Mr. Welsh announced that Robert Holloway, Meter Reader in the Support Services Division, was unable to attend due to surgery. Mr. Welsh briefed the Board on Mr. Holloway's accomplishments and voiced his appreciation for his service.

5. **10-YEAR SERVICE AWARD - HENRY KURNICK**

General Manager Welsh introduced Henry Kurnick, Journeyman Lineman in the Transmission and Distribution Department and gave a brief history of Mr. Kurnick's accomplishments at KUA. Chairman Hord awarded Mr. Kurnick a ten-year plaque and all members expressed their appreciation for his service.

6. **10-YEAR SERVICE AWARD - ED PENNINGTON**

Mr. Welsh noted that Ed Pennington, Fleet Service Mechanic, began his career with KUA as a Meter Reader in 1988. Mr. Pennington was introduced to the Board and was presented with a ten-year plaque for his service by Chairman Hord.

**7. EMPLOYEE OF THE MONTH FOR FEBRUARY - TODD AULT**

Todd Ault, Meter Reader in the Support Services Division, was honored as February's Employee of the Month.

Mr. Welsh noted that being selected employee of the month by co-workers is a most prestigious honor, especially since Mr. Ault has only been with KUA a short time. Chairman Hord awarded Mr. Ault with a plaque and Vice-Chairman Walter noted that the employee of the month receives a special parking space, a day off with pay and their choice of either a savings bond or check.

**8. PROCLAMATION FOR KENNETH LACKEY**

Chairman Hord read a proclamation honoring Kenneth Lackey who will be retiring in February. The proclamation indicated that in honor of his 37 years of service, the Transmission and Distribution Service Center would be renamed the Kenneth W. Lackey Service Center.

**ACTION: Motion by Director Guthrie, seconded by Director Walter to adopt the proclamation.**

**Motion carried 4 - 0**

**C. HEAR THE AUDIENCE**

Richard Herring, 514A Verona Street, Kissimmee, questioned a purchase order for sponsorship of Flee to be Free. Chris Gent, Manager of Communications, explained that this is an educational program sponsored by KUA, Osceola News Gazette, Grissom Funeral Home, and Columbia Hospital. The program teaches elementary students to be aware of strangers and the dangers therein. He said that this program may reach as many as 15,000 elementary students.

**D. PUBLIC HEARING - None.**

**E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)****1. BLACK & VEATCH REVIEW OF INTERNET SERVICE PROVIDER (ISP) EVALUATION**

General Manager Welsh noted that at the last board meeting on ISPs, the board and members of the community asked that a professional be brought in to evaluate KUA's findings. Mike Metzler from Black & Veatch's Management Services was introduced to the Board. Mr. Metzler noted that he has worked with KUA in all areas for a number of years and is familiar with its financial overview. He gave a presentation on what other utilities are doing in the ISP area and how this type of venture could benefit KUA. Mr. Metzler indicated that KUA's evaluation of the various ISPs and their recommendation for Option 4 is on target. He said that Black & Veatch would also recommend that KUA go into the ISP business. The Board members thanked Mr. Metzler.

**F. OLD BUSINESS**

**1. KUA INTERNET SERVICE PROVIDER (ISP) REVIEW**

Dennis Wick, director of Information Systems, reviewed the information on both Option #2, resale of ISP services, and Option #4, to contract and develop with an established ISP.

Discussion was held on selecting Option #2 and, if feasible, changing to Option #4 after a period of time. Chairman Hord shared his concern about KUA becoming an ISP provider with the large capital investment required with Option #4. He indicated that he would be more favorable of going with Option #2 and then after a period of time possibly changing over to Option #4. Director Toro echoed this concern.

**ACTION: Motion by Director Guthrie, seconded by Director Walter to accept staff's recommendation of implementing Option #4 as amended for Commercial Sales and that it be funded in the amount of \$110,500 out of bond proceeds for capital purchases and \$244,200 out of the reserve for future capital outlay for FY 98 operating expenses.**

Director Guthrie said that KUA should not partially go into this venture but should invest the capital and become an Internet Service Provider. He said the venture was not a large risk for KUA and the bundling of non-traditional services is very important to the future of KUA. Director Walter agreed with Director Guthrie and expressed the importance of KUA becoming a provider of not only electricity but also other services such as Internet. He said that Option #4 would give KUA control of the service.

**Lack of majority vote - Motion Lost  
Chairman Hord and Director Toro voted "no"  
Director Guthrie and Director Walter voted "yes"**

**2. MAINTENANCE CONTRACT FOR PRIVATELY OWNED LIGHTS**

General Manager Welsh said that KUA has received requests from customers to help them with their privately owned lighting, such as changing out light bulbs and photocells. Ken Davis, director of Transmission and Distribution, said that a maintenance contract has been drafted and staff asked the Board to approve the policy of providing Private Lighting Maintenance Contracts for KUA customers and to authorize the President & General Manager to execute any such contracts.

**ACTION: Motion by Director Walter, second by Director Toro to accept staff's recommendation as stated.**

Richard Herring of Kissimmee told the Board that he believes the KUA charter prohibits KUA from getting into the private utility business. He said that according to the charter a resolution by the City must be approved for any service other than buying or selling electricity.

Chairman Hord deferred to KUA's attorney and Frank Starr said that Mr. Brinson had reviewed the contract. Chairman Hord suggested that Mr. Brinson further review this contract to determine whether it is within the scope of the charter.

**ACTION: Director Walter withdrew his motion, and the second was withdrawn by Director Toro, pending further discussion with Attorney Brinson.**

**G. NEW BUSINESS**

**1. STRATEGIC ALLIANCE WITH THE ORLANDO SENTINEL CIRCULATION**

Chris Beck, director of Marketing, noted that the KUA Marketing plan encourages the development of strategic alliances with a variety of organizations that provide regular services to KUA's mutual customers. She proposed that KUA enter into a two-month trial agreement to sign-up subscribers to the Orlando Sentinel newspaper during February and March 1998.

Mr. Herring said that he thought this proposition also was outside the KUA charter.

Director Guthrie said there would be an advantage of KUA becoming a one-stop service center.

General Manager Welsh reaffirmed that the Board was directing staff to review and take a request to the City Commission for several items listed on the agenda. Director Walter said he would like for staff to consult with the KUA attorney and bring the items back to the Board before going to the City Commission. Mayor Attkisson suggested that a special meeting of KUA board members and the City Commission be called to discuss these items.

**2. OUT-OF-CITY EQUALIZATION CHARGE**

Mr. Welsh introduced the item that Mayor Attkisson had placed on the agenda. It included a letter that the Mayor had sent to the City Commission concerning the 8% equalization fee for non-city KUA customers. Discussion was held on scheduling a meeting with the County, the City and KUA to discuss removing the tax. The Board members stressed that they wanted the tax to be removed.

**It was the consensus of the Board, as reconfirmed by General Manager Welsh, that they desired to eliminate the perception of double taxation. They directed the President to discuss with the County possible ways to do this while easing the burden on both the City and KUA.**

Chairman Hord recessed the meeting from 8:00 P.M. to 8:12 P.M.

**H. STAFF REPORTS**

**1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS**

There were no questions on the written report.

**2. CONDENSED FINANCIAL REPORT - NOVEMBER 30, 1997**

Joe Hostetler, director of Finance, reported that KUA had a 2% decrease in sales for the month compared to the budget. Mr. Hostetler gave a presentation on the projected and actual budget figures. He also discussed the earned interest revenue and noted that the portion related to the bond proceeds must be credited to power plants. He said this variance would appear monthly throughout FY 98.

**3. CONDENSED QUARTERLY REPORT - DECEMBER, 1997**

Mr. Hostetler reviewed the quarterly report ending December 31, 1997. He reviewed KUA's investment portfolio and noted that the limit was exceeded in one category. He said that as interest rates decrease, KUA would correct this position. Mr. Hostetler noted that every 14 years employees are paid for 27 pay periods instead of 26. This accounted for much of the deficit in December since 1997 was the 14<sup>th</sup> year. Mr. Hostetler told Director Guthrie that he has completed the preliminary analysis on the weather's affect on megawatt usage as requested.

**4. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**

There were no questions on the written report.

**5. DEPARTMENTAL HIGHLIGHTS - PERSONNEL AND RISK MANAGEMENT**

Neville Turner, director of Personnel and Risk Management gave a presentation that included numbers on the attrition rate, applications received, ages of employees, years of service and accidents reported.

**6. DEPARTMENTAL HIGHLIGHTS - INFORMATION SYSTEMS**

Dennis Wick, director of Information Systems, gave a presentation on KUA's training programs for employees. His presentation included skill assessment, employee portfolio training and interactive training.

**7. REVIEW OF POSSIBLE NEW SERVICES**

New services to be discussed were Uninterrupted Power Source (UPS) and Business Security Systems. General Manager Welsh asked that this item be deferred until Director Ralston was present. Director Guthrie asked that this item be discussed with the City along with the private lighting contract and strategic alliance concerns.

**I. CONSENT AGENDA**

**ACTION:** Motion by Director Guthrie, seconded by Director Walter to approve the consent agenda as listed.

Motion carried 4 - 0

1. APPROVAL OF MINUTES OF DECEMBER 17, 1997 REGULAR MEETING
2. POLICY DIRECTIVE ON ORGANIZATIONAL EXPENSES AND ANCILLARY SUPPORT
3. AWARD OF METER READING EQUIPMENT CONTRACT TO NETWORK COMPUTING CORPORATION
4. IFB #005-98, DESIGN, BUILD, AND INSTALL A REPLACEMENT CONTROL PANEL
5. BID AWARD FOR SOUTHCHASE LINE RELOCATION CONSTRUCTION, IFB #004-98

**J. HEAR THE GENERAL MANAGER, ATTORNEY, DIRECTORS**

General Manager Welsh reminded board members about the State of Community meeting that will be held on February 4th at the Civic Center, 6:00 P.M. to 9:00 P.M.

Mr. Welsh also reminded the Board that he would be compiling all comments on the President and General Manager's job description after January 31st.

Mayor Attkisson reported that City Manager Mark Durbin also reached 10 years of service and was recognized at the Tuesday night City Commission meeting.


Director Walter asked if the vote on the Internet Service Provider was final. He asked if it could be brought back up at a future meeting. Director Guthrie said he would like for it to be discussed again. Director Walter asked that the ISP item be placed on the agenda for the next regular board meeting with the full board present.

Chairman Hord congratulated Chris Beck again on her ten-year service award and also wished Ken Lackey good luck on his retirement after 37 years of appreciated service to KUA.

K. **ADJOURNMENT** - Meeting was adjourned at 8:45 p.m.

  
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CHAIRMAN

ATTEST:

  
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SECRETARY