

MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY  
AUTHORITY, WEDNESDAY, APRIL 22, 1998, 6:00 P.M., BRINSON  
BOARDROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL  
STREET, KISSIMMEE, FLORIDA.

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Present were Chairman Hord, Vice-Chairman Walter, Secretary Guthrie, Assistant Secretary Ralston, Director Toro, Attorney Brinson, General Manager Welsh and Recording Secretary Fizer.

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

B. **AWARDS AND PRESENTATIONS**

1. **35-YEAR SERVICE AWARD - BILL GROOVER**

General Manager Welsh gave a brief history of Bill Groover's employment with the City of Kissimmee and KUA. Mr. Groover began in 1963 as a lineman's helper and now is a foreman in the Transmission & Distribution (T&D) department. Mr. Welsh noted that Mr. Groover has only used seven hours of sick time. Chairman Hord awarded a plaque to Mr. Groover and the other board members congratulated him.

2. **15-YEAR SERVICE AWARD - BOB DEPASCALE**

Mr. Welsh noted that Bob Depascale is a Scada Telecommunications Technician in the T&D department and could not attend the board meeting.

3. **10-YEAR SERVICE AWARD - NEVILLE TURNER**

Neville Turner, director of Personnel & Risk Management, was awarded a 10-year service pin by Chairman Hord. Mr. Welsh related Mr. Turner's accomplishments before and after he began work at KUA.

Mayor Attkisson arrived for the meeting at 6:10 P.M.

4. **GFOA DISTINGUISHED BUDGET PRESENTATION AWARD**

Joe Hostetler, director of Finance, explained that the Government Finance Officers Association of the United States and Canada, has granted KUA, for the 11<sup>th</sup> consecutive year, the Distinguished Budget Presentation for the

development and publishing of the budget for the year beginning October 1, 1997. Mr. Hostetler asked that the award be accepted by Charles Lee, manager of Financial Analysis. Mr. Hostetler noted that Mr. Lee and his staff are largely responsible for the preparation of the budget and Chairman Hord presented Mr. Lee the award.

5. RECOGNITION OF B.S. DEGREE IN ACCOUNTING - CHARLES LEE

Chairman Hord presented a plaque to Charles Lee that commemorated his receipt of his second degree, Bachelor of Science in Accounting, from Florida Southern College. Mr. Welsh noted that it is difficult for anyone to go back to school and receive a 4-year degree while continuing to work full-time and raise a family. All board members congratulated him for his achievement.

6. SCIENCE FAIR SPONSORSHIP AWARD

Chris Gent, manager of Communications, introduced Craig Carr, a science resource specialist with the Osceola District Schools. Mr. Carr thanked KUA for sponsorship in the Science Fair that includes both middle school and high school students. Mr. Carr presented a plaque to KUA.

7. "FLEE TO BE FREE" SPONSORSHIP AWARD

Chris Gent introduced Teresa Beverly, coordinator of the "Flee to be Free" Program. Ms. Beverly reported that the child abduction prevention program targeted 12,000 children kindergarten through fifth grades. It included posters, videos and an awards program. Ms. Beverly thanked KUA for its support and presented an award to the Board.

9. 10-YEAR SERVICE AWARD - MARIA MERCADO

Maria Mercado from the Marketing department was honored for 10 years of service. Mr. Welsh commented on how her bilingual abilities have assisted KUA and on her outstanding service to customers and co-workers. Chairman Hord presented Ms. Mercado an award.

10. EMPLOYEE OF THE MONTH FOR MAY - MARIA MERCADO

Maria Mercado was also honored as May Employee of the Month. General Manager Welsh read comments received from one of Ms. Mercado's co-workers.

Mr. Welsh noted that being selected employee of the month by co-workers is a prestigious honor. Chairman Hord awarded Ms. Mercado a plaque and Vice-Chairman Walter noted that the employee of the month receives a special parking space and a day off with pay. Director Guthrie presented Ms. Mercado a check.

**8. UNITED WAY 1997 AWARD OF ACCOMPLISHMENT**

General Manager Welsh noted that Ken Davis, director of Transmission & Distribution, was the United Way Chairman for 1997. Joe Hostetler was the co-chairman and received the award of accomplishment from United Way since Mr. Davis was not present.

**C. HEAR THE AUDIENCE - None.**

**D. PUBLIC HEARING - None.**

**E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None.**

**F. OLD BUSINESS - None.**

**G. NEW BUSINESS**

**1. HEALTH INSURANCE RFP PROCESS**

Neville Turner, director of Personnel & Risk Management, outlined the Request for Proposal (RFP) process for employee health insurance needs. He noted that the contract will expire January 1999 and presented the calendar for this process. Mr. Turner noted that an employee survey would be done prior to any proposals to the board.

**ACTION: Motion by Director Walter, seconded by Director Ralston, to approve the calendar and RFP process.**

**Motion carried 5 - 0**

**2. APPROVAL OF CONCEPTUAL PARTICIPATION FRAMEWORK AGREEMENT WITH FMPA CONCERNING CANE ISLAND UNIT 3**

Ben Sharma, director of Power Supply, noted that the Conceptual Participation Framework Agreement between KUA and Florida Municipal Power Agency (FMPA) has been developed as the interim instrument of understanding between the two parties as to the rights and responsibilities of each party (including the sharing of all expenses) until the formal Joint Participation Agreement is signed. He said the final agreement has to be in place within 90 days of the Framework Agreement for the building of Cane Island Unit 3.

**ACTION: Motion by Director Guthrie, seconded by Director Ralston, to accept staff recommendation to approve the Conceptual Participation Framework Agreement with FMPA and authorize the Chairman and Secretary to execute the same.**

Director Guthrie asked the status of Reedy Creek Improvement District (RCID) participating in Unit 3. Mr. Sharma said they are not interested in becoming a partner but have a deadline of March 29<sup>th</sup> to decide if they want to become a wholesale customer. Mr. Welsh noted that other avenues are being explored if RCID does not join KUA and FMPA.

Director Walter asked if the unit being built would be a 250 MW or 500 MW. General Manager Welsh said that permit licensing would begin for the 250 MW unit and additional costs for another 250 MW would be evaluated once permitting was received for the first 250 MW.

**Motion carried 5 - 0**

**3. APPROVAL OF BLACK & VEATCH SCOPE OF SERVICES FOR ACQUIRING NEED FOR POWER CERTIFICATION AND ENVIRONMENTAL PORTION OF SITE CERTIFICATION**

Mr. Sharma reported that the Cane Island Unit 3 in-service date is targeted for June 1, 2001. He said the licensing and permitting process for Unit 3 is different than it was for Units 1 & 2 and falls under the state Power Plant Siting Act (PPSA). Mr. Sharma said the requirements are divided into two parts - (a) Need for Power Certification from the Florida Public Service Commission

and, (b) all environmental issues related to Certification of the Site.

**ACTION: Motion by Director Guthrie, seconded by Director Walter, to approve the Scope of Services proposed by Black & Veatch for acquiring the Cane Island Unit 3 Need for Power Certification for Not to Exceed \$363,209 (of which \$50,000 has been approved) and the Environmental Site Certification for \$673,900; and to authorize the transfer of the above funds from the left over bond money from units 1 & 2.**

Director Guthrie questioned the language in the Black & Veatch scope of services compared with language in the agreement with FMPA. Discussion was held on who would have the prevailing vote if a disagreement occurred between FMPA and KUA during construction activities.

Myron Rollins of Black & Veatch and Attorney Brinson did not see a problem with the wording of either the agreement or the scope of services. Nor did Mr. Welsh.

**Motion carried 5 - 0**

**4. APPROVAL OF THE LAW FIRM OF YOUNG, VAN ASSENDERP ET AL FOR UNIT 3 LICENSING ASSISTANCE**

Mr. Sharma noted that to get permits and licenses for Cane Island Unit 3, Florida PPSA regulations must be followed and the petition goes through many agencies. The assistance from attorneys experienced in permitting and siting issues is essential. Staff asked to retain the law firm of Young, Van Assenderp et al for this purpose.

**ACTION: Motion by Director Walter, seconded by Director Guthrie, to approve the law firm of Young, van Assenderp & Varnadoe, P.A. for the Cane Island Unit 3 permitting assistance at the quoted rate of \$175 per hr and Not to Exceed total fee of \$120,000 for the entire Need for Power and the Site Environmental Certification; and to authorize the transfer of the above funds from the left over bond money from units 1 & 2.**

Discussion was held on the fees being charged by the law firm and Mr. Welsh noted that the funds will be monitored closely.

Motion carried 5 - 0

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON T&D PROJECTS

There were no questions on the written report.

2. AUTOMATED TROUBLE CALL SYSTEM

Felix Escobar, manager of Engineering in the T&D department, introduced Ken Beville of that department. Mr. Beville gave a brief demonstration of the Automated Trouble Call System and noted it is being used effectively by KUA dispatchers.

3. CONDENSED FINANCIAL REPORT - FEBRUARY 1998

Joe Hostetler, director of Finance, reported that KUA meter sales were down 4 percent for February from the projected figures. He said that year-to-date KUA is 1% below budgeted sales. Mr. Hostetler presented several charts to show the variances from year to year and to also show the actual compared to the proposed budget.

Chairman Hord questioned the debt service ratio and asked Mr. Hostetler if he expected it to rise above 1.5 prior to year's end. Mr. Hostetler said that he did.

4. QUARTERLY CONDENSED FINANCIAL REPORT - MARCH 1998

Mr. Hostetler also reviewed the Quarterly Condensed Financial report. He said year-to-date metered sales revenue is behind budget by 3.2%. He also noted that the unfavorable variance is due to lower than expected sales and by customer charges that do not vary directly with sales. The growth factor was also discussed.

The director of Finance asked the Board to consider a change in the KUA policy of a 75% maximum investment in the Federally Insured Instrumentalities to 100%.

**It was the consensus of the Board to direct staff to amend the policy for approval at the May board meeting.**

Mr. Hostetler gave a brief analysis on residential metered sales compared to the budgeted amount and the weather as was requested recently by the Board. He the results included the weather factor and then the weather factor was taken out for further analysis. This was shown on graphs and charts and Mr. Welsh said it appeared there was no decrease in usage due to weather.

The Board suggested the remaining 1998 budget be adjusted according to the usage as shown in this analysis. Budgeted line extension fees were discussed as well as the 15% reduction in contract rates and their effects on the budget. Mr. Welsh said that staff would prepare something for the budget workshop May 20<sup>th</sup>.

Chairman Hord recessed the meeting from 8:06 P.M. to 8:18 P.M.

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

There were no questions on the written report.

**6. MAIL PROCESSING EQUIPMENT AND TARGET MARKETS**

Mr. Welsh reported that the mail processing equipment needs to be replaced. Dennis Wick, director of Information Systems, gave an informational presentation on new equipment. Mr. Wick described the mail services that KUA provides and the features available on the new equipment. Mr. Wick also noted the machine being used is incurring costly maintenance repairs

Chris Beck, director of Marketing, reviewed the mail processing needs of the Marketing department and the future needs

**I. CONSENT AGENDA**

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

**Motion carried 5 - 0**

1. APPROVAL OF MINUTES OF MARCH 11, 1998 SPECIAL MEETING
2. APPROVAL OF MINUTES OF MARCH 16, 1998 SPECIAL MEETING
3. APPROVAL OF MINUTES OF MARCH 18, 1998 REGULAR MEETING

J. HEAR THE GENERAL MANAGER, ATTORNEY, DIRECTORS

General Manager Welsh stated that the Board had received a a complaint from Mr. Richard Herring on KUA activities. Mr. Welsh said that the complaint was investigated and KUA procedures were reviewed. He said it was found that there were several good reasons why an employee's CPA certification and professional fees are paid by KUA although that employee is no longer in the Finance department. Chris Beck reported on the value of this employee to the Marketing. Mr. Welsh expressed his appreciation for Mr. Herring bringing this to KUA's attention.

Mr. Welsh also asked if the Board would approve moving the board applicant review from May 6 to May 27, the date of the regular board meeting. It was the consensus of the Board to tentatively schedule the board applicant review for May 27, 1998 at 5:00 PM in conjunction with the regular May monthly meeting. (with possible adjustments to this schedule depending on the number of applicants)

Director Ralston asked if staff would give an update on the Internet Service Provider progress. Mr. Wick provided a brief update.

Director Guthrie questioned the over-budget amount for the Southchase Transmission line relocation project. Mr. Welsh said this would be discussed at the next meeting.

Bob Bobroff, a former board member and an advisor to the customers of KUA expressed his appreciation for the courtesy and respect given to. He said the employees in the Marketing and other departments have not only been courteous to him but go out of their way to help customers and co-workers.

K. ADJOURNMENT - Meeting was adjourned at 9:07 p.m.

  
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CHAIRMAN

ATTEST:

  
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SECRETARY