

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, FEBRUARY 24, 1999, 6:00 P.M., BRINSON BOARDROOM,
ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE,
FLORIDA.

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

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

B. **AWARDS AND PRESENTATIONS**

1. **BOY SCOUTS OF AMERICA**

Eric Welsh and Charlie Rogers, representing the Boy Scouts of America, presented the board a special plaque in appreciation for KUA's outstanding support of the local Boy Scouts.

2. **10-YEAR SERVICE AWARD - JERI COLLIER**

General Manager Welsh introduced Jeri Collier, administrative secretary of Information Systems, to the Board. Mr. Welsh noted Jeri's history with the City and KUA and she was thanked for her years of service. The Chairman presented her an award.

3. **10-YEAR SERVICE AWARD - DON USHER**

Don Usher of Power Supply has been with KUA for ten years and General Manager Welsh reviewed his work history. Mr. Usher was unable to attend the meeting but will be honored at a later date.

4. **5-YEAR SERVICE AWARD - TONY MORELLI**

Tony Morelli, IT application development manager, was honored for his years with KUA. Mr. Welsh thanked Tony for his hard work over the past few years and especially for taking on the responsibility of acting director of Information Systems recently. He was presented an award by Chairman Walter was introduced to the Board.

5. **EMPLOYEE OF THE MONTH - ZETTIA FIZER**

Zettia Fizer of the Executive Office was honored as March 1999 employee of the month. General Manager Welsh noted that it is a prestigious honor to be selected by fellow employees as employee of the month. Chairman Walter awarded Ms. Fizer a plaque and Director Gant noted that she would be receiving a parking space. Director Guthrie noted she would have a day off with pay and Secretary Toro presented Ms. Fizer a check.

Bob Bobroff, 1201 E. Parade Avenue, Kissimmee, addressed the board and noted his appreciation for both Ms. Fizer and Carolyn Scott in the Executive Office.

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

D. **PUBLIC HEARING** - None.

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

F. **OLD BUSINESS** - None.

G. NEW BUSINESS

1. BOARD MEMBER NOMINATION SELECTION 1999 SCHEDULE

General Manager Welsh noted that the name of whomever the Board selected would be forwarded to the City for their May meeting and upon their concurrence the new board member would begin serving on October 1, 1999.

Director Toro said he did not think it necessary that a candidate who would be coming in for a second term be required to answer the questions in a formal interview.

ACTION: Motion by Director Gant, seconded by Director Hord, to approve the advertisement and the schedule for the board selection process.

**Motion carried 4 - 0
Director Guthrie abstained**

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON T&D PROJECTS

The T&D report was written.

2. MONTHLY PROGRESS REPORT ON POWER SUPPLY PROJECTS

The Power Supply report was written. Director Hord asked for further clarification of the issue on permits and licenses for the Hansel Plant site. Ben Sharma, director of Power Supply, reported that to make sure the Hansel Plant was in compliance with site specific requirements he contacted South Florida Water Management District and the Environmental Protection Agency. Both agencies noted that Hansel is in compliance according to exemptions given KUA through the City. Director Hord asked that we confirm the agencies' response in writing.

Director Guthrie noted the negative COPCA for the sixth consecutive month.

3. MONTHLY CONDENSED FINANCIAL REPORT, JANUARY 1999

Joe Hostetler, director of Finance, said that per Board direction the budget has been corrected for County Surcharge revenue and transfer to the County. He reviewed the increase in megawatt sales over budgeted amounts. Also Mr. Hostetler explained reinvested earnings and debt service coverage ratios for the period.

4. FEBRUARY 1999 INTERNET SERVICES PROVIDER (ISP) UPDATE

Mr. Hostetler explained the financial overview of the ISP operations. He detailed the total operating budget and labor expenses year-to-date. Discussion was held on the increase in sales revenues and increase in expenses.

Tony Morelli, acting director of Information Systems, gave an update on the ISP activity for January. He detailed the equipment that has been purchased and what is needed for the future. He also explained the acceptable use agreement for KUA.net customers. Mr. Morelli indicated that any user problems should be referred to technical support so they can identify the problem and work to get it resolved.

Director Gant asked about buying a direct fiber optic connection to Sprint to reduce disconnects and provide better service. Ken Davis, director of T&D, indicated that in the future there might be digital service to customer homes, thus making fiber optic obsolete.

Chris Beck, director of Marketing, outlined the marketing history and customer base update for the ISP. She noted that KUA has 2,372 ISP customers, a 13.7% increase over what was forecast. Ms. Beck also reported on possible customer acquisitions.

5. 1999 DISASTER DRILL DAY - DDD

Chris Gent, communications manager, reviewed the 1999 Disaster Drill Day (DDD) plan for KUA. He reviewed how it works, the purpose of the drill, the changes from last year and a summary of the activities. Mr. Gent noted that DDD would be April 15, 1999.

I. CONSENT AGENDA

Director Hord requested that item #5 be removed from the consent agenda for discussion.

ACTION: Motion by Director Guthrie, seconded by Director Toro, to approve the consent agenda with the exception of item #5.

1. APPROVAL OF MINUTES OF JANUARY 27, 1999 REGULAR MEETING
2. LETTER OF UNDERSTANDING AND LONG TERM ELECTRIC SERVICE AGREEMENT
3. BUDGET AMENDMENTS
4. CONTRACT TO SPRINT FOR KUA.NET ADDITIONAL INTERNET SERVICE
6. MASTER POWER PURCHASE AGREEMENT BETWEEN KUA AND TENNESSEE VALLEY AUTHORITY
7. 1999 ACADEMY AWARDS OF EDUCATION SPONSORSHIP

Motion carried 5 - 0

5. SUBSTATION TRANSFORMER - PRE-FAILURE WINDING CONSTRUCTION

Director Hord asked if KUA would be saving money by getting the coils ahead of time. Mr. Davis said that money would not be saved but time would be should there be another failure. Discussion was held on the advantage of replacing them in this manner and how they would be paid.

ACTION: Motion by Director Hord, seconded by Director Toro, to approve item #5 of the consent agenda.

Motion carried 5 - 0

J. HEAR GENERAL MANAGER, ATTORNEY AND DIRECTORS

General Manager Welsh asked if the Board would like to have an inspection tour of the Hansel Plant much like the one at Cane Island. He also suggested the Board invite the City Commission.

It was the consensus of the Board to conduct an inspection tour of the Hansel Plant on Friday, April 30 at noon and to invite the City Commission.

General Manager Welsh requested that the Board consider moving the regular board meeting from July 28 to August 4 to accommodate his scheduling conflict.

It was the consensus of the Board to move the regular board meeting from July 28, 1999 to August 4, 1999.

Director Toro asked if Bill Tettermer's problems had been addressed from the previous meeting. Ken Davis noted that an investigation was conducted, and a letter addressing the problem was distributed to the Board. A briefing was included in the T&D monthly report included in the board packet. Mr. Davis also noted that the upgrade project in Mr. Tettermer's neighborhood is complete with the exception of two homes.

Director Guthrie commented on the very favorable rate comparisons with other utilities that were included in the board packet.

K. **ADJOURNMENT** - Meeting was adjourned at 7:45 p.m.



CHAIRMAN

ATTEST:



SECRETARY