

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, MAY 26, 1999, 6:00 P.M., BRINSON BOARDROOM,
ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE,
FLORIDA.

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

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

B. **PLEDGE OF ALLEGIANCE**

The Board and audience recited the Pledge of Allegiance.

C. **AWARDS AND PRESENTATIONS**

1. **35-YEAR SERVICE AWARD - ROBERT CULPEPPER**

General Manager Welsh noted that Robert Culpepper from Transmission & Distribution had served KUA for thirty-five years. Mr. Welsh noted Robert's accomplishments while working with the City and KUA as well as his community involvement. Robert was introduced to the Board and given an award and certificate by Chairman Walter.

2. **15-YEAR SERVICE AWARD - KEN DAVIS**

Ken Davis, director of Transmission and Distribution, was honored by Mr. Welsh and the Board for fifteen years of service. Mr. Welsh reviewed Mr. Davis' work history with KUA. Chairman Walter presented Mr. Davis an award and a certificate.

3. **10-YEAR SERVICE AWARD - DOCILY PERRY**

Mr. Welsh noted that Docily Perry, administrative secretary for Marketing, has given ten years of service to KUA. He noted Docily's dedication and skills. Mr. Welsh read an ode to Docily as submitted by her Department Head, Chris Beck.

"Ode to Docily

Secretarial work is a breeze	If a problem creeps in
For a gal named Docily	She always will win
She provides us some smiles	By applying her will
While keeping up the files	And adding her skills
She's ahead of us all	She jumps on the problem
By many, many miles.	'Cause she knows how to solve'em "

4. **EMPLOYEE OF THE MONTH - RANDY CHRISTIAN**

Randy Christian, supervisor of dispatch in Power Supply, was recommended by his peers and selected to be Employee of the Month for June. Mr. Welsh noted that being selected as an employee of the month is a prestigious honor and he noted Randy's accomplishments while at KUA. Randy was introduced to the Board and Chairman Walter presented him a plaque. Director Toro gave Randy a savings bond and Director Hord reminded him he is eligible for a day off with pay and a special parking space.

D. **HEAR THE AUDIENCE** - None.

E. **PUBLIC HEARING** - None.

F. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None.

G. OLD BUSINESS

1. ISP BUDGET AMENDMENT

Joe Hostetler, director of Finance, noted that the Internet Service Provider (ISP) amendment is needed due to the explosive growth in the ISP and the fact that the original budget was prepared before the purchase of Phoenix's customer base and taking over the help desk from MagicNet. He gave a brief presentation on the cost involved with the amendment.

ACTION: Motion by Director Hord, seconded by Director Toro, to approve the budget amendment for the ISP in the amount of \$947,116.

Motion carried 3 - 0

H. NEW BUSINESS

1. CANE ISLAND UNIT 4 APPROVAL OF CONCEPT AND PROJECT DEVELOPMENT FUNDING

Director Toro noted that because of the importance of the issue, it would be advisable to have the entire Board present. He suggested this item be discussed and placed on the agenda for the June 7 special board meeting. Chairman Walter said that he preferred to not have any presentation until full Board was present. Director Hord asked for additional information and Ben Sharma, director of Power Supply, briefly reviewed facts and figures on this endeavor.

Myron Rollins, representing Black & Veatch, answered questions and explained the Upfront Fees for Opportunity. Claude L'Engle, general manager of Florida Municipal Power Agency, also addressed the Board and expressed his opinion on Request for Proposal (RFP) process in the development of Cane Island 4. Chairman Walter and Director Hord expressed their concern about the cost of researching the market via the RFP process as proposed by Black & Veatch. **It was the consensus of the Board that this item be moved to June 7.**

2. AWARD OF CONTRACT TO AALBORG INDUSTRIES FOR THE SUPPLY OF THE HEAT RECOVERY STEAM GENERATOR FOR CANE ISLAND UNIT 3

Ben Sharma reviewed the bid for supplying the heat recovery steam generator for Cane Island Unit 3 as was advertised in the local media. Don Schultz of Black & Veatch answered questions asked by the Board on the technical specifications of the bid. Jeff Ling, power production manager of Power Supply, noted that he had reviewed the bid also and felt Aalborg Industries had included all necessary items. Director Hord was concerned about the work history of the company and was reassured by Mr. Schultz that it was a reputable company.

ACTION: Motion by Director Hord, seconded by Director Toro, to award the contract to Aalborg Industries for the supply of the heat recovery steam generator equipment for Cane Island Unit 3 for the contract price of \$11,476,655 subject to successful negotiation of the contract.

Motion carried 3 - 0

I. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON T&D PROJECTS

The T&D monthly progress report was a written report. No comments were received.

2. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

The Power Supply monthly report was written. Ben Sharma asked Jeff Ling to update the Board on the progress of the tear down being made to the turbine at the Hansel Plant. Mr. Ling gave a visual explanation of what was being accomplished. Director Hord asked if Westinghouse would be responsible for returning the unit and all of its parts, in operating condition. Mr. Ling assured him that Westinghouse would be responsible for the equipment operating correctly after repairs. Mr. Sharma noted that he would be returning to the Board for approval of monies for actual repairs when the problem is found.

3. CONDENSED FINANCIAL REPORT - APRIL 1999

Joe Hostetler gave a brief presentation of the condensed financial report for April 1999. Mr. Hostetler noted that year-to-date metered sales revenues are ahead of budgetary estimates by 1.2%. He noted that the favorable sales revenues are due to higher than expected megawatt sales offset by demand and customer charges that do not vary directly with megawatt sales.

4. APRIL 1999 INTERNET SERVICE PROVIDER (ISP) UPDATE

Mr. Hostetler reviewed the financial portion of the ISP update. Dennis Wick, director of Information Systems, reviewed the technical portion of the update. He also noted that KUA did not purchase additional equipment since the last update and most of the month was spent doing cost management. Chris Beck, director of Marketing, reviewed the ISP sales, goals and projections. She reviewed what KUA has learned over the last six months and the expected future path of the ISP.

5. DEPARTMENT HIGHLIGHTS - MARKETING DEPARTMENT

Chris Beck gave a brief presentation regarding Marketing Department programs and projects. She reported on the software conversion schedule for customer service utility billing. Ms. Beck also noted that KUA is developing a shadowing program with Harward Technical Enterprise (HTE). Mike Geraghty, manager of Customer Financial Services, gave a review of the electric bad debt figures and the impact the collection agency has had on recovering these debts. He noted that in March KUA had the lowest delinquency in its history. Ms. Beck also reviewed the discount contract and how the contract saves contract customers money.

J. CONSENT AGENDA

Director Toro asked that item #5 be removed from the consent agenda.

1. APPROVAL OF MINUTES OF APRIL 28, 1999 REGULAR MEETING
2. APPROVAL OF MINUTES OF MAY 5, 1999 SPECIAL MEETING
3. APPROVAL OF MINUTES OF MAY 13, 1999 SPECIAL MEETING
4. AWARD FOR A TWO-YEAR REQUIREMENT FOR POLEMOUNT/PADMOUNT TRANSFORMERS, IFB #010-99

ACTION: Motion by Director Hord, seconded by Director Toro, to approve the consent agenda, items 1 through 4.

Motion carried 3 - 0

Director Toro asked if the Gala Osceola was an event that also occurred in November 1998. Mr. Welsh said that this event was held last year around the same time as this year perhaps a month or two different.

5. 1999 GALA OSCEOLA SPONSORSHIP

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

Motion carried 3 - 0

K. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

General Manager Welsh reminded the Board that the Environmental Protection hearings for Cane Island 3 would be held in the Brinson Board Room on June 1 and 2.

Director Hord noted that the review of the general manager would take place in August. He asked that Secretary Toro begin the survey process of polling other utilities about salaries. He noted this assists the Board in making decisions about compensation for KUA's general manager.

L. ADJOURNMENT - Meeting was adjourned at 8:30 p.m.


CHAIRMAN

ATTEST:


SECRETARY