

MINUTES OF SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY, MONDAY,
JUNE 7, 1999, 4:00 P.M., BRINSON BOARDROOM, ADMINISTRATION
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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

A. **MEETING CALLED TO ORDER** at 4:00 P.M. by Chairman Walter.

B. **PLEDGE OF ALLEGIANCE**

The Board and audience recited the Pledge of Allegiance.

C. **BOARD APPLICANT REVIEW**

Chairman Walter announced that there were three board applicants that would be interviewed for the upcoming board vacancy.

Director Guthrie, whose term expires September 30, 1999, removed himself from the applicant review process.

Don Shearer arrived at 4:15 p.m. and was escorted into the boardroom by Attorney Brinson. Chairman Walter informed Mr. Shearer that he would not be asked the usual candidate questions because a short time had elapsed since he had undergone this questioning. Mr. Shearer acknowledged this. He wanted to clarify his earlier statements to the City Commission that he would not apply again. He said he wanted the KUA Board to recommend him to the City Commission because he was their first choice.

Director Hord asked Mr. Shearer to elaborate on his professional background and his flexibility in work schedule with his present employer.

Upon Mr. Shearer's departure, the Board reviewed his qualifications and discussed his application.

James Wells arrived at 4:50 p.m. and was escorted into the boardroom by Attorney Brinson. Chairman Walter explained the questioning process to Mr. Wells and thanked him for applying to the Board for a second time.

Director Hord questioned the dates Mr. Wells had attended college and a correction was made from 1994 to 1974. The General Manager asked Mr. Wells the board applicant questions and he responded accordingly.

Mr. Wells reviewed his professional background and assured the Board he would not have a problem with the Board meeting schedule. Other items discussed were the deregulation issue, the Internet Service Provider (ISP), and the length of board term. The General Manager reported that Mr. Wells was instrumental in the establishment of the Kissimmee Utility Authority when separated from the City.

Upon Mr. Wells' departure, the Board reviewed his qualifications and discussed his application.

Michael Miller arrived at 5:25 p.m. and was escorted into the boardroom by Attorney Brinson. Chairman Walter explained the questioning process to Dr. Miller and thanked him for applying to the Board.

General Manager Welsh asked the board applicant questions. Dr. Miller reviewed his professional background and noted that he

would have complete flexibility for attending board meetings. The Board discussed the deregulation issue, the Internet Service Provider (ISP), and Dr. Miller's willingness to serve the term of the board position.

Upon Dr. Miller's departure the Board discussed his qualifications and application.

Director Gant asked each applicant about the ability to serve 10 years (2 terms). He said a director needs one term to learn the KUA.

D. DISCUSSION OF APPLICANT REVIEW

The Board discussed each applicant's qualifications again and noted the advantages of having diversity on the Board. They noted that each candidate was well qualified and the General Manager was asked to convey the Board's gratitude for their application. He was also requested to encourage those not receiving the nomination to reapply at a later time.

ACTION: Motion by Director Toro, seconded by Director Hord, to authorize the General Manager to submit Don Shearer's name to the City Commission for their approval at their regular meeting on June 15, 1999.

Motion carried 4 - 0

When the board applicant process ended, Director Guthrie returned to his Board seat as Director.

Chairman Walter called a recess from 5:55 PM to 6:08 PM.

E. CANE ISLAND UNIT 4 - REVISED COURSE OF ACTION

General Manager Welsh noted that at the May 26 board meeting this item was briefly discussed. At that time it was decided to bring this back to the Board when the entire board would be present. He said since that time staff along with the consultants and FMPA, Florida Municipal Power Agency, discussed pursuing the Cane Island 4 issue, FMPA in its role of ownership on the basis of prorata share. Mr. Welsh reviewed the details of the Request For Expression of Interest (RFEI) that was designed as a result of discussions and deliberations.

The Board reviewed the information contained in the RFEI and discussion was held on the tax exempt financing, the length of the contract and transportation of fuel. Chairman Walter and Director Hord questioned the cost of sending out the RFEI. Myron Rollins of Black & Veatch noted the estimated cost would be between \$15,000 and \$20,000. The Board commended staff and the general manager for developing the RFEI.

ACTION: Motion by Director Hord, seconded by Director Toro, to approve the concept of and proceed with the RFEI and limit the expenditure at the discretion of the President and General Manager to \$20,000.

Motion carried 5 - 0

Director Hord requested additional information from Mr. Rollins on the announcement from Panda Energy of a plant in Lake County. Mr. Rollins said there will be several projects announced in the coming months. He explained the licensing process and the time constraints each company must face. General Manager Welsh thanked Claude L'Engle, general manager of FMPA for assisting in the development of the RFEI and evaluating the responses.

F. APPROVAL OF SUPPLEMENTAL FUNDING TO WESTINGHOUSE FOR THE EMERGENCY REPAIRS OF HANSEL GAS TURBINE UNIT

Ben Sharma, director of Power Supply, noted that during an emergency meeting on May 13, the Board approved a contract with Westinghouse for the emergency repair and also certain upgrade work for the Hansel gas turbine. Since that time, Westinghouse has removed the turbine cover and the rotor has been shipped to Houston for further investigation on the cause of the vibration. This additional scope of work would increase the amount originally approved for repairs.

Director Hord expressed concern about additional costs after the unit is reassembled and Mr. Sharma and Jeff Ling, manager of production, assured him that Westinghouse would guarantee that the vibration problem would be corrected for the approved amount.

Director Toro questioned the mention of three of the eighteen discs as listed in the agenda item. Mr. Ling explained the reason for this concentration on these three only.

ACTION: Motion by Director Toro, seconded by Director Guthrie, to approve Westinghouse's additional scope of work as described for a total additional price of \$107,700.

Motion carried 5 - 0

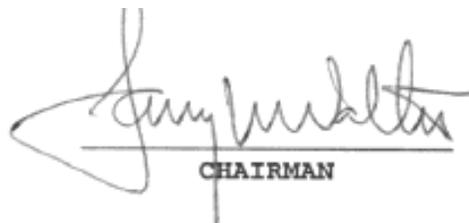
G. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

General Manager Welsh reminded the Board of the Legislative Update Session sponsored by the Downtown Kissimmee Area Council on June 16 at the Civic Center. He also noted that the 26th Annual Freedom Fund and Awards Banquet of the Florida State Conference of National Association for the Advancement of Colored People (NAACP) would be Friday, June 18, 1999 at Epcot Center.

Mr. Welsh also asked the Board if they wanted departments to continue with department highlights once every six months. **It was the consensus of the Board to continue with the department highlights.**

Chairman Walter asked for input on possibly moving the board meetings from 6:00 p.m. to an earlier time. Discussion was held and it was determined to bring this up at a later meeting.

H. ADJOURNMENT - Meeting was adjourned at 6:50 p.m.


CHAIRMAN

ATTEST:


SECRETARY