

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, APRIL 26, 2000, 6:00 P.M., BRINSON BOARDROOM,
ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE,
FLORIDA.

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

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

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and audience recited the Pledge of Allegiance.

C. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD - SUSAN RAINES, ACCOUNTING MANAGER,
FINANCE

Ms. Raines was unable to attend the meeting and Mr. Welsh noted
that she would be given her award at a later date by her department
director.

2. 10-YEAR SERVICE AWARD - TAMMY ABAR, SECRETARY,
TRANSMISSION & DISTRIBUTION

Ms. Abar was recognized by General Manager Welsh for her years
of service and was introduced to the Board. Chairman Walter
presented an award and a certificate to her.

3. 10-YEAR SERVICE AWARD - BARBARA BURKE, CUSTOMER SERVICE
REPRESENTATIVE, MARKETING

Mr. Welsh noted that Ms. Burke could not be present and that
the Marketing Director, Chris Beck, would present a service award
and certificate at a later time.

4. 15-YEAR SERVICE AWARD - IVETTE MARTINEZ, CUSTOMER SERVICE
REPRESENTATIVE, MARKETING

Ms. Martinez was recognized for her years of service and Mr.
Welsh introduced her to the Board. Chairman Walter presented her a
gift and a certificate.

5. EMPLOYEE OF THE MONTH FOR MAY - DEBBIE BRANDT

Ms. Brandt was honored as May's Employee of the Month. Mr.
Welsh stated that it is a special honor to be nominated by one's co-
workers and he wholeheartedly agreed of their selection of Ms.
Brandt. Chairman Walter presented a plaque to Ms. Brandt and
Director Toro gave her a check. Director Gant reminded Ms. Brandt
that she would be getting a day off with pay and Director Hord noted
that she would have a special parking space.

6. FLEE TO BE FREE AWARD PRESENTATION

Chris Gent, Manager of Communications, noted that for the past
few years KUA has been involved in a program that is a child
abduction awareness campaign through the local schools partnering
with law enforcement. Mr. Gent introduced Teresa Beverly,
coordinator of the Flee To Be Free program, presented the Board with
a certificate from the children of Osceola County in appreciation to
KUA for being a charter member. The Board expressed their thanks.

7. COMMUNITY INVESTMENT AWARDS

Mr. Gent said that KUA has been involved with the COMPACT
program through the Osceola County School system. These are
students who are at high risk for dropping out of school and the

program incorporates these students with adult mentors. They also select job sites where they can work and be shown the benefits of staying in school. The school district nominated KUA for a Community Investment Award that the Governor of Florida gives out every year to a business that gives back to the community in which they serve. An award was received from the school district for being nominated for this honor and on March 24th, the Governor presented KUA the top award in the state, for giving the most back to the community through the school system. Chairman Walter said that on behalf of the employees the Board would accept the awards.

Director Shearer reported that on March 23rd he traveled to Universal Studios and on behalf of KUA, he accepted the 13th Annual Business Recognition Award for outstanding support and commitment to education in the state of Florida. The Commissioner of Education from Tallahassee presented the award.

D. HEAR THE AUDIENCE - None.

E. PUBLIC HEARING - None.

F. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. STRATEGIC ALLIANCE

Chris Beck, director of Marketing, informed the Board that an alliance has been formed between KUA.net and Computer Consultants and Merchants, Inc. (CC&M). CC&M design, install and maintain personal computer networks and are located on Patrick Street in Kissimmee. Through a series of events CC&M developed a strategic alliance with KUA.net that has allowed KUA.net access to customers in the community that otherwise may have not been accessible.

Ms. Beck introduced Rocky Dunkman, President of CC&M. Mr. Dunkman noted that high tech is growing in Osceola County and three things have evolved with the alliance - synergy, sales and superior positioning. He stated that good publicity is essential to the success of KUA.net and to CC&M. Mr. Dunkman informed the Board that KUA.net is a superior product and it is being sold by others in the community. The Board thanked Mr. Dunkman for his support.

G. OLD BUSINESS

1. ACCESS OSCEOLA AGREEMENT BETWEEN CITY OF KISSIMMEE, SCHOOL BOARD OF OSCEOLA COUNTY AND KUA

Chris Gent noted that in September 1999 the Board had approved a proposal to join with the city of Kissimmee and Osceola County schools to develop a government cable access channel. Mayor Attkisson noted that the County has elected to go with Channel 24 instead of the government channel.

ACTION: Motion by Director Toro, seconded by Director Hord, to approve and execute the Access Osceola partnership agreement between KUA, the City of Kissimmee, and Osceola District Schools.

Motion carried 5 - 0

2. CANE ISLAND UNIT 4 - EXPLORING ALTERNATIVES AND SEEKING DIRECTIONS

Mr. Welsh noted that as reported at the Ten Year Plan board meeting, KUA has been exploring alternatives with Orlando Utilities Commission (OUC) and the Florida Municipal Power Agency (FMPA) for developing a joint project between Cane Island and Stanton. Ben Sharma, director of Power Supply, reviewed the timetable that brought OUC, FMPA and KUA to the present discussions. Attorney Brinson said that in light of the Supreme Court order turning down the Duke-New Smyrna Project, the conditions are favorable for this type of approach but that this could change.

Mr. Sharma also presented a map showing the boundaries of the Cane Island site and the portion that has been developed.

Mayor Attkisson asked for discussion on partnering with another municipal or investor owned utility. Mr. Welsh said that is certainly possible because if the joint effort should be completed, the parties would go out and seek partnerships with investor owned utilities.

It was the consensus of the Board to schedule a special board meeting for Monday, May 1 at 6:00 PM to discuss this issue in more detail.

H. NEW BUSINESS

1. PENSION BOARD RECOMMENDATIONS

Mr. Welsh introduced Joe Hostetler, Chairman of the Pension Board. Mr. Hostetler, along with Ken Davis and Kathleen Condon, pension board members, reviewed the changes being proposed for the KUA retirement system. Those changes included removing the 30-year cap for years worked, reducing the early retirement penalty from 3% to 2% and changing the multiplier from 2.5% to 2.6%. Neville Turner, pension board member, handed out a prepared actuarial statement for KUA's pension plan. Director Gant was concerned about the fairness overall to all employees.

ACTION: Motion by Director Shearer, seconded by Director Toro, to approve the implementation of the three benefit improvements to be effective October 1, 2000. The improvements were removing the 30-year cap for years worked, reducing the early retirement penalty from 3% to 2% and changing the multiplier from 2.5% to 2.6%.

Motion carried 5 - 0

Chairman Walter recessed the meeting from 7:40 PM to 7:48 PM.

I. STAFF REPORTS

1. FIBER OPTIC CABLE REPAIR AND SYSTEM UPDATE

Ken Davis, director of Transmission & Distribution (T&D), thanked the KUA employees who worked on repair of the fiber optic system. He noted that the employees suggested they make the repairs instead of contracting out the work, thus saving KUA money. Mr. Davis showed a video that was made while the repairs were being completed.

Mr. Davis also updated the Board on the fiber optic system and the possible participation of KUA in a FMPA study.

2. MONTHLY PROGRESS REPORT ON T&D PROJECTS

This report was written and no comments were received.

3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

Mr. Sharma's report was also written. Jeff Ling, manager of power production, showed a video detailing the latest construction progress on Cane Island 3.

4. CONDENSED FINANCIAL REPORT - MARCH 2000

Mr. Hostetler noted that metered sales revenue dollars are .7% ahead of budget. He briefly reviewed the second quarter figures and provided a comprehensive report on the portfolio performance. Mr. Hostetler said that KUA is checking on developing its own variable rate program. The Board was advised that a request for proposal for

a depository bank has been completed and once bids are evaluated, a recommendation will be made at the regular May board meeting.

5. MARCH 2000 INTERNET SERVICES PROVIDER UPDATE

Mr. Hostetler noted that March was the first month that the Internet was able to cover all operating expenses, including advertising. He noted that additional revenues were realized from commercial customers and web design. Mr. Welsh handed out a brochure that would be inserted in Orlando Utilities Commission's customer bills in May and August. He also noted that there would be television advertising for KUA.net at the same time.

J. CONSENT AGENDA

General Manager Welsh requested that item 8 be removed for discussion and Director Shearer requested that item 4 be removed for discussion.

ACTION: Motion by Director Gant, seconded by Director Toro, to approve the consent agenda with the exception of item 4 and item 8.

1. APPROVAL OF MINUTES OF MARCH 22, 2000 REGULAR MEETING
2. COMMUNITY VISION SPONSORSHIP
RECOMMENDATION: Approve sponsorship of \$3,000 to support the continued work of Community Vision in 2000.
3. CANE ISLAND 3, AWARD OF CONTRACT TO US FILTER FOR THE SUPPLY OF CONDENSATE POLISHING SYSTEM, IFB #041-00
RECOMMENDATION: Award of contract to US Filter for the supply of the condensate polishing system for Cane Island Unit 3 for the contract price of \$397,695.
5. CANE ISLAND 3, AWARD OF CONTRACT TO KVB/ENERTEC FOR CONTINUOUS EMISSION MONITORING EQUIPMENT, IFB #047-00
RECOMMENDATION: Award the contract to KVB/Enertec for the supply of the Continuous Emission Monitoring System for Cane Island Unit 3 at the contract (base bid) price of \$188,082.
6. AWARD OF CONTRACT FOR SUBSTATION CONSTRUCTION - KUA EMPLOYEES' SUBSTATION - PAST, PRESENT, AND FUTURE, IFB #048-00
RECOMMENDATION: Authorize the award of bid IFB 048-00 for the Substation Construction for the Employee Substation Project to Terry's Electric for the lump sum price of \$2,825,930 contingent on development of a satisfactory contract; and authorize the Chairman and Secretary to execute the necessary contract documents.
7. AWARD OF CONTRACT FOR ANNUAL REQUIREMENT FOR JUNCTION BOXES, IFB #051-00
RECOMMENDATION: Award for the Annual Requirement for Junction Boxes to lowest total bidder, Tri-State Utility Products, Inc. in an estimated annual amount of \$279,179.
9. CANE ISLAND 3 TRANSMISSION PROJECT - AWARD OF BID IFB #053-00 - 230 KV TRANSMISSION LINE STEEL STRUCTURES
RECOMMENDATION: Authorize the award of bid IFB 053-00 for steel transmission line structures to Thomas & Betts for the lump sum price of \$443,452, contingent on development of a satisfactory contract; and authorize the Chairman and Secretary to execute the necessary contract documents.
10. CANE ISLAND UNIT 3 - AUTHORIZATION OF ADDITIONAL FUNDING TO BLACK & VEATCH FOR ENGINEERING ACTIVITIES PREVIOUSLY

NOT INCLUDED IN THE SCOPE OF SERVICES

RECOMMENDATION: Approve the additional funding authorization to Black & Veatch for an amount not to exceed \$567,388 for engineering services and construction management as outlined in the letter attached and which were not included in the original scope of work.

Motion carried 5 - 0

Director Shearer questioned the non-compliance of Mitsubishi's bid. Steve Garrett, engineering manager with Black & Veatch for the Cane Island 3 project, reported that Mitsubishi's bid was partially filled out. Mr. Hostetler said that the bid form was not completed properly, as was found upon opening of the bids.

ACTION: Motion by Director Hord, seconded by Director Shearer, to approve consent agenda item 4.

4. CANE ISLAND 3, AWARD OF CONTRACT TO HATACHI AMERICA LTD FOR CATALYST FOR SELECTIVE CATALYTIC REDUCTION, IFB #042-00
RECOMMENDATION: Award the contract to Hitachi America, Ltd. for the supply of the catalyst and other associated equipment for the SCR for Cane Island Unit 3 at the contract price of \$584,000.

Motion carried 5 - 0

Mr. Davis reported that when this item was placed out for bid one of the bidders contacted KUA and said that they were unable to make the bid deadline. The bid deadline was extended and Mr. Welsh handed out the results.

ACTION: Motion by Director Gant, seconded by Director Toro, to award the bid #052-00 to Valmont for the amount of \$401,345 contingent on development of a satisfactory contract; and authorize the Chairman and Secretary to execute the necessary contract documents, thus approving consent agenda item 8.

8. EMPLOYEE SUBSTATION PROJECT - AWARD OF BID IFB #052-00 - 69 KV TRANSMISSION LINE STEEL STRUCTURES
RECOMMENDATION: Award of bid 052-00 to Valmont for the amount of \$401,345 contingent on development of a satisfactory contract; and authorize the Chairman and Secretary to execute the necessary contract documents.

Motion carried 5 - 0

K. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

General Manager Welsh reminded the Board of the family style KUA picnic to be held at Chisholm Park on May 6, 2000. He shared a note card expressing appreciation from the Guevara family for the remembrance of Robert Guevara. Mr. Welsh also handed out the agenda and back up for the special board meeting to be held Wednesday, May 4 at 4:00 PM. Mr. Welsh complimented the Board on the actions taken on the KUA pension plan.

L. ADJOURNMENT

Chairman Walter adjourned the meeting at 8:44 P.M.


CHAIRMAN

ATTEST:


SECRETARY