

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, MAY 24, 2000, 6:00 P.M., BRINSON BOARDROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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Present were Chairman Walter, Director Gant, Director Hord, Director Toro, Director Shearer, 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

The Board and staff recited the Pledge of Allegiance.

C. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD - BRENDA AULT, CLERICAL ASSISTANT, POWER SUPPLY

General Manager Welsh noted that Brenda was unable to attend the meeting and would be given her service award by her department director at a later date.

2. 10-YEAR SERVICE AWARD - FELIX ESCOBAR, MANAGER OF DISTRIBUTION ENGINEERING - LEAD ENGINEER, TRANSMISSION & DISTRIBUTION

Mr. Welsh reviewed the relationship Felix has had with KUA over the years and introduced him to the Board of Directors. Chairman Walter presented him a service award.

3. EMPLOYEE OF THE MONTH FOR JUNE - ROBIN HELQUIST

General Manager Welsh stated that it is a special honor to be nominated by one's co-workers and he wholeheartedly agreed with their selection of Ms. Helquist. Mr. Welsh also noted that a decade ago Ms. Helquist was named Employee of the Month for the first time. Chairman Walter presented a plaque to Ms. Helquist and Director Toro gave her a check. Director Gant reminded her that she would be getting a day off with pay and Director Hord noted that she would have a special parking space. Mr. Welsh introduced her to the remaining board members.

4. FLORIDA PUBLIC RELATIONS ASSOCIATION IMAGE AWARDS

Chris Gent, manager of communications, reported that KUA received five awards for its entries in the 2000 Image Awards - an annual competition sponsored by the Orlando Area Chapter of the Florida Public Relations Association. KUA was awarded two Image Awards and three Judges' Awards at an April 27 banquet at the Orlando Science Center. Mr. Gent presented two Image awards to Chairman Walter and he accepted them on behalf of all KUA employees.

D. HEAR THE AUDIENCE - None.

E. PUBLIC HEARING - None.

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

G. OLD BUSINESS - None.

H. NEW BUSINESS - None.

I. STAFF REPORTS

2. TRANSMISSION SYSTEM DEVELOPMENT

Ken Davis, director of Transmission & Distribution (T&D), gave a detailed presentation on the growth of KUA's transmission and distribution system. Mr. Welsh and Mr. Davis also discussed contingency plans for several different areas.

1. STATUS UPDATE ON THE FORMATION OF REGIONAL TRANSMISSION ORGANIZATION (RTO) IN FLORIDA

Ben Sharma, director of Power Supply, reported that on December 20, 1999 the Federal Energy Regulatory Commission (FERC) issued the long awaited final order No. 2000 relating to the Transmission Open Access and the RTO issue. He noted that the order requires all transmission owning investor owned utilities (IOUs) to file by October 2000 their plans to form and join an RTO or to justify the reasons for not joining one.

Robert Miller, manager of Bulk System Planning in Power Supply, presented to the Board the status of the Florida Transmission System stakeholders' efforts toward forming an RTO in Florida. He reviewed the minimum characteristics, the minimum functions and benefits of RTOs. He noted that the advantage KUA has is its independence. The bond covenant stated that a municipal utility could not use any bonds for private use.

Director Gant asked if there is an RTO in operation that could be observed in the nation. It was noted that there is not one operating for profit.

Director Hord questioned whether this will be a requirement for municipal utilities. It was emphasized that this will be a requirement for privately owned utilities and municipal utilities will be given a choice.

3. MONTHLY PROGRESS REPORT ON T&D PROJECTS

The T&D report was a written report and no questions were received.

4. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

The Power Supply report was a written report and no questions were received. Jeff Ling, manager of power production, showed a tape of the progress of Cane Island 3.

5. CONDENSED FINANCIAL REPORT - APRIL 2000

Joe Hostetler, director of Finance, gave a brief presentation on the financial report for April.

6. APRIL 2000 INTERNET SERVICES PROVIDER (ISP) UPDATE

Mr. Hostetler also reported KUA's ISP financial picture for April.

7. DEPARTMENT HIGHLIGHTS - MARKETING DEPARTMENT

Chris Beck, director of Marketing, gave a detailed presentation on two new programs being implemented in her department. They were e-billing and the credit scoring program.

**J. CONSENT AGENDA**

**ACTION: Motion by Director Toro, seconded by Director Hord, to approve the consent agenda.**

**Motion carried 5 - 0**

1. APPROVAL OF MINUTES OF APRIL 12, 2000 SPECIAL MEETING

2. APPROVAL OF MINUTES OF APRIL 26, 2000 REGULAR MEETING

3. APPROVAL OF MINUTES OF MAY 1, 2000 SPECIAL MEETING

4. APPROVAL OF MINUTES OF MAY 3, 2000 SPECIAL MEETING

5. APPROVAL OF MINUTES OF MAY 10, 2000 SPECIAL MEETING

6. ANNUAL REQUIREMENTS FOR TREE TRIMMING SERVICES

**RECOMMENDATION: Authorize a change order to the purchase order with Davey Tree Service in the amount of \$150,000.**

7. RESOLUTION 00-01 - AMENDING THE KUA EMPLOYEES' RETIREMENT PLAN  
**RECOMMENDATION:** Approve Resolution No.00-01 and authorize the Chairman and Secretary to execute the resolution.
8. AWARD OF BID FOR 55' AERIAL DEVICE BUCKET TRUCK, IFB#054-00  
**RECOMMENDATION:** Award to be made to Altec Industries in the amount of \$159,000.
9. CANE ISLAND 3 - AWARD OF CONTRACT FOR AMMONIA SYSTEM, IFB#055-00  
**RECOMMENDATION:** Award the contract to Peerless Manufacturing Company for the supply of the Ammonia System for Cane Island Unit 3 at the contract price of \$393,700.
10. CANE ISLAND UNIT 3 - ADDITIONAL FUNDING TO AALBORG INDUSTRIES FOR MODIFICATIONS TO ACCOMMODATE THE SCR SYSTEM  
**RECOMMENDATION:** Approve the additional funding in the amount of \$148,050 to Aalborg Industries for the required modifications to the boiler duct sections to integrate the SCR system.
11. AWARD OF CONTRACT TO CALDWELL ENGINEERING AND ENVIRONMENTAL FOR FURNISHING AND INSTALLATION OF AN INLET COOLING SYSTEM AT CANE ISLAND UNIT 2 GAS TURBINE  
**RECOMMENDATION:** Award the contract to Caldwell Engineering and Environmental for furnishing and installation of the specified Inlet Cooling (fogging) system at Cane Island Unit 2 gas turbine for the not to exceed price of \$114,885.

**K. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS**

General Manager Welsh reminded the Board that on June 14 there would be a scheduled meeting to review the 2001 Budget.

**L. ADJOURNMENT - Meeting was adjourned at 8:00 p.m.**

  
CHAIRMAN

**ATTEST:**

  
SECRETARY