

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, JUNE 28, 2000, 6:00 P.M., BRINSON BOARDROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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

A. **MEETING CALLED TO ORDER** at 6:00 P.M. by Vice-Chairman Gant.

B. **PLEDGE OF ALLEGIANCE**

The Board and staff recited the Pledge of Allegiance.

C. **AWARDS AND PRESENTATIONS**

1. **10-YEAR SERVICE AWARD - PAM HOLLOWAY, METER READER, MARKETING**

General Manager noted that Pam Holloway was unable to attend the meeting and would be given her service award at a later date.

2. **15-YEAR SERVICE AWARD- LEEANN DORSEY, CREDIT & COLLECTION COORDINATOR, MARKETING**

Mr. Welsh indicated that Leeann Dorsey was also unable to attend but would be honored at a later date by her department supervisor.

3. **EMPLOYEE OF THE MONTH FOR JULY - MARY O'ROURKE**

Mary O'Rourke was introduced as the July Employee of the Month. Mr. Welsh reviewed her work history with KUA and read comments made by her supervisor and coworker. Vice-Chairman Gant presented Mary with an award, Director Toro gave her a check and Director Hord offered a day off with pay. Director Shearer reminded Mary that she would also receive a special parking space for the month of July.

4. **GFOA DISTINGUISHED BUDGET PRESENTATION AWARD**

Mr. Welsh reported that the Government Financial Officer's Association (GFOA) has granted the Kissimmee Utility Authority the award of distinguished budget presentation for the development and publishing of the KUA annual budget for the fiscal year beginning October 1, 1999, fiscal year 2000. He noted that KUA has received this award for thirteen consecutive years. Charles Lee, Manager of Financial Analysis, accepted the award from Vice-Chairman Gant on behalf of the Finance employees.

5. **OSCEOLA YOUTH SOFTBALL LEAGUE PRESENTATION**

Director Hord presented a plaque to Vice-Chairman Gant to thank KUA for support of the Osceola Girl's Youth Softball League this past season and noted that it would open in September.

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

E. **PUBLIC HEARING**

1. **RESOLUTION NO. 00-02 FISCAL YEAR 2001 BUDGET**

General Manager Welsh introduced Joe Hostetler, Director of Finance. Mr. Hostetler reviewed major issues affecting the budget. He detailed the Cane Island 3 project, other capital improvements and employee needs.

ACTION: Motion by Director Shearer, seconded by Director Hord, to approve Resolution No. R00-02 for fiscal year 2001 budget.

Motion carried 4 - 0

Vice-Chairman Gant noted that the budget is reviewed by the Board several times prior to final approval at the public hearing.

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

G. **OLD BUSINESS** - None.

H. NEW BUSINESS

1. PRESENTATION BY MR. LOUIE STEADMAN

Robert Cantley, 1005 Versailles Street, Maitland, Florida, gave a brief background on his career. Mr. Cantley also gave examples of how his unique ionization system for fuel economy could possibly be beneficial to KUA. President Welsh commented that Mr. Cantley's theory has potential, however, KUA could not take the risk of experimentation on KUA's turbine generators to prove the product. The Board and Power Supply staff agreed. Director Hord suggested that Mr. Cantley get in touch with General Electric, one of the manufacturers of gas turbines, to see if they were interested in doing research on this product.

2. REQUEST FOR PROPOSAL - #103-00 GENERAL BANKING SERVICES

Joe Hostetler reported that KUA solicited proposals for Banking Services from local area banks recently and staff has evaluated the bids that were received. Mr. Hostetler noted that despite rising salaries and other economic costs, SunTrust's fee schedule remains relatively unchanged, indicating a well run and efficient operation.

ACTION: Motion by Director Toro, seconded by Director Shearer, to authorize staff to negotiate a Banking Service Contract with SunTrust for the period October 1, 2000 to September 30, 2004 with an optional renewal by mutual consent for up to two (2) additional years.

Motion carried 4 - 0

3. CANE ISLAND 3 FINANCING UPDATE

General Manager Welsh noted that KUA is currently with the Florida Municipal Power Agency (FMPA) short-term pooled loan program to finance Cane Island 3. The current bank has determined that they will have too much exposure with the Cane Island project financing and KUA is evaluating a commercial paper program to finance the project. Mr. Hostetler reviewed the history of Cane Island 3 financing. He also noted that the variable rate financing appears to be more beneficial than the short-term pooled loan for financing Cane Island 3.

Mr. Hostetler said the variable rate structures would be evaluated for the advantages, disadvantages, and costs over the next month and staff would make a recommendation to the Board at the July meeting. Craig Dunlap of Dunlap & Associates, one of KUA's financial advisors, explained to the Board the four options afforded KUA and how they came to fruition. The four options were Letter of Credit, Line of Credit with Insurance, Synthetic Variable Rate Structure, and Dutch Auction Securities.

Director Hord questioned the timing for the variable rate financing and Mr. Dunlap assured the Board that this would be continuously monitored.

ACTION: Motion by Director Hord, seconded by Director Shearer, to approve the Scope of Services for KUA's Financial Advisor and Bond Counsel in order to continue to move forward in investigating these alternatives.

Motion carried 4 - 0

4. MEMORANDUM OF UNDERSTANDING BETWEEN KISSIMMEE UTILITY AUTHORITY AND CITY OF KISSIMMEE - DOUBLETREE

General Manager Welsh reported that the City of Kissimmee has agreed to reimburse Doubletree for the water and sewer billings that were overcharged plus interest that was lost during this period. Because of the amount involved, the City has requested that KUA assist with a loan to be repaid over five years, interest free. Attorney Brinson noted that there is a possibility of recovering the lost interest from the meter company. He and President Welsh said the important thing in this case is that the customer was fairly compensated.

ACTION: Motion by Director Shearer, seconded by Director Toro, to authorize the President & General Manager to proceed in resolving this matter in accordance with the Memorandum of Understanding, and furthermore, that staff give an update to the Board monthly on the

progress.

Director Hord asked if the City has been given a certain period of time to get in touch with the meter company to recover losses. Attorney Brinson noted KUA needs to push the City to pursue it in any way they can to recover losses. He said that staff has been pursuing an "errors of omission" claim with KUA's insurance company. Director Hord suggested that this be resolved in 90 days and asked that staff give an update at the next three board meetings. Attorney Brinson will be meeting with the City's attorney, Don Smallwood, in a few days. Mr. Welsh noted that Neville Turner, Director of Personnel and Attorney Brinson would be working from the insurance standpoint and Attorney Brinson will be working with any legal issues.

Motion carried 4 - 0

5. CANE ISLAND UNIT 3 - AWARD OF CONTRACT FOR THE ELECTRICAL CONSTRUCTION - IFB #058-00

Ben Sharma, director of Power Supply, briefly reviewed the schedule for receiving and opening the bids for this project.

ACTION: Motion by Director Hord, seconded by Director Toro, to award the contract to Triad Electric & Controls for the specified electrical construction works related to Cane Island Unit 3 at the contract price of \$4,305,506.

Motion carried 4 - 0

I. STAFF REPORTS

1. VIDEO PRESENTATION - BACKYARD MACHINE

Ken Davis, director of Transmission & Distribution (T&D), showed a video on the operation of a "backyard machine" that was recently purchased by his department. The machine enables crews to access backyards that are now impossible to access with standard equipment.

2. MONTHLY PROGRESS REPORT ON T&D PROJECTS

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

3. 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, gave a video presentation on the construction progress of Cane Island Unit 3.

Vice-Chairman Gant recessed the meeting from 7:58 PM to 8:10 PM.

4. CONDENSED FINANCIAL REPORT - MAY 2000

Mr. Hostetler briefly reviewed the May financial report. He noted that to date June's megawatt sales are 16% above budget.

5. INTERNET SERVICES PROVIDER UPDATE - MAY 2000

Mr. Hostetler reviewed monthly total revenues over the last eight months and expenses to date.

6. SELECTED DEPARTMENT HIGHLIGHTS - PERSONNEL & RISK MANAGEMENT

Neville Turner, director of Personnel & Risk Management, gave a presentation detailing the hiring process.

J. CONSENT AGENDA

General Manager Welsh asked that item #6 be removed from the consent agenda for discussion.

ACTION: Motion by Director Hord, seconded by Director Shearer, to approve items 1 through 5 of the consent agenda.

Motion carried 4 - 0

1. APPROVAL OF MINUTES OF MAY 24, 2000 REGULAR MEETING

2. AWARD OF INVITATION FOR BID #056-00 36' HYDRAULIC TELESCOPIC AERIAL DEVICE
RECOMMENDATION: Award the bid to Telect East, Inc. in the amount of \$71,983.
3. CANE ISLAND UNIT 3 - AWARD OF CONTRACT TO KEYSTONE ELECTRIC MANUFACTURING COMPANY FOR THE SUPPLY OF THE CONTROL AND RELAY PANELS - IFB#057-00
RECOMMENDATION: Award to the contract to Keystone Electric Manufacturing Company for the supply of the Control and Relay Panels for Cane Island Unit 3 at the contract price of \$103,045.
4. CANE ISLAND 3 TRANSMISSION LINE PROJECT - AWARD OF BID IFB#059-00 TRANSMISSION LINE CONSTRUCTION
RECOMMENDATION: Authorize award of bid IFB 059-00 for Transmission Line Construction to Florida Power Corporation for the lump sum price of \$1,957,500 contingent on development of satisfactory contract documents; and authorize the Chairman and Secretary to execute the necessary contract documents.
5. EMPLOYEE SUBSTATION PROJECT - AWARD OF BID IFB#060-00 CONCRETE STRUCTURES
RECOMMENDATION: Authorize award of bid IFB 060-00 for Concrete Structures to Newmark International, Inc. for the lump sum price of \$310,139 contingent upon development of satisfactory contract documents; and authorize the Chairman and Secretary to execute the necessary contract documents.

General Manager Welsh requested that the recommendation be changed for item #6 to reflect that maintenance would not be included. Director Hord asked if the amount of purchase would be reduced and Mr. Welsh said that it would be reduced to \$187,000.

ACTION: Motion by Director Toro, seconded by Director Shearer, to approve consent agenda item #6 with the suggested changes to the recommendation.
Motion carried 4 - 0

6. AS/400 SYSTEM UPGRADE AND MAINTENANCE
RECOMMENDATION: Award of purchase, not including maintenance, to MIDRANGE Support & Service Inc. not to exceed \$187,000. This will be to upgrade the current systems processor and increase disk storage as well as upgrading the operating system and other system software to current release levels from project S99L101.

K. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

General Manager Welsh noted that KUA will be celebrating its 15th anniversary on October 2nd at 7:00 AM and 11:30 AM with a truck kickoff and a reinstatement of the whistle blowing at the Hansel Plant. He also handed out several promotional brochures that will be placed in upcoming mailings.

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


CHAIRMAN

ATTEST:


SECRETARY