

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, NOVEMBER 15, 2000, 6:00 P.M., BRINSON BOARDROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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Present were Chairman Walter, Director Gemskie, Director Toro, Director Shearer, Attorney Brinson, General Manager Welsh and Recording Secretary Fizer. Director Gant was absent.

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. **INSTALLATION OF NEW BOARD MEMBER** - None.

D. **AWARDS AND PRESENTATIONS**

1. **30-YEAR SERVICE AWARD - JON COLE, LINE CREW SUPERVISOR, TRANSMISSION & DISTRIBUTION**

General Manager Welsh reviewed Jon's history with KUA and thanked him for his service. Mr. Welsh introduced Jon to Chairman Walter and the other board members. The Chairman presented him with an award and certificate. Jon thanked Mr. Welsh and KUA for giving him the opportunity to work at a reliable utility in these changing times.

2. **10-YEAR SERVICE AWARD - BARBARA LAYTON, CONTRACT ADMINISTRATOR, FINANCE**

Mr. Welsh noted that Barbara was unable to attend the meeting and her supervisor would be honoring her at a later date with her service award.

3. **5-YEAR SERVICE AWARD - STEVE D'AURIA, MAPPING & CADD TECHNICIAN, TRANSMISSION & DISTRIBUTION**

Mr. Welsh read comments made by Steve's co-worker and his background with KUA was reviewed. Steve was introduced to the Board and Chairman Walter presented an award to Steve along with a certificate honoring his years of service.

4. **EMPLOYEE OF THE MONTH FOR DECEMBER - ED CARTER**

General Manager Welsh introduced Ed Carter as KUA's employee of the month for December. He emphasized the importance of receiving this honor and being selected by one's peers. Ed was introduced to the Board and Chairman Walter gave him a plaque; Director Toro presented him a savings bond; Director Shearer informed him that he would be getting a day off with pay; and Director Gemskie reminded Ed that he also would get a special parking space.

E. **HEAR THE AUDIENCE** - None.

F. **PUBLIC HEARING** - None.

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

H. **OLD BUSINESS**

1. **APPROVAL OF THE POWER PURCHASE AGREEMENT (PPA) AND THE CONSTRUCTION AND OWNERSHIP PARTICIPATION AGREEMENT (COPA) WITH SOUTHERN COMPANY SERVICES (SCS)**

Mr. Welsh noted that during a special meeting in August 2000 the Board approved, along with the funding, a future power supply concept under which KUA and FMPA, working with OUC as participants, would each own 3.5% of, and buy back 6.5% from, a nominal 632 MW combined cycle unit to be constructed by Southern Company Services, Inc., at the Stanton Energy Site.

Attorney Brinson said that upon reviewing the agreements there were several legal issues that have not been resolved due to lack of time and staff was requesting approval of the business and technical issues associated with the project only. He said that he and Fred Bryant, counsel for FMPA,

have concerns with wording in the agreements and thus, those areas have been removed from the agreements until they are resolved.

Director Shearer said he appreciated the documentation. Director Toro suggested that in the future a cover letter be sent with the agreements to summarize the content.

Chairman Walter said he had a problem with approving anything that was not complete if it meant there could be legal ramifications in the future. He wanted to know what it would accomplish to approve part of the agreement.

Fred Haddad, vice president of Power Resources at Orlando Utilities Commission (OUC), indicated that the need for power application should be submitted as quickly as possible and that can't be prepared until all parties are in agreement. Mr. Haddad noted that this was taken to the OUC board on Tuesday, November 14 and approved subject to the successful resolution of legal issues by staff and counsel. He noted that all the documents in final form for final approval would be brought back to the Board at a point when all areas are finalized.

General Manager Welsh recommended that the Board approve the contract for business and technical reasons and to authorize the Chairman and Secretary to execute those contracts only after the legal issues have been fully resolved and recommendation from the counsel and staff indicate that these issues have been resolved.

**ACTION: Motion by Director Shearer, seconded by Director Toro, to approve an endorsement to proceed with the need application to the Public Service Commission based on a joint development project between OUC, KUA and FMPA and the Southern Company for the combined cycle project and that the completed documents be brought back to the Board for final approval once all legal issues have been resolved.**

**Motion carried 4 - 0**

Mr. Welsh asked Mr. Haddad if the action taken by the KUA board would allow the project to go forward without delay. Mr. Haddad confirmed that this was the case.

## **I. NEW BUSINESS**

### **1. OSCEOLA TV - REPORT BY SCOTT CARRICO**

Chris Gent, Manager of Communications, reported that the Board approved earlier this year a concept for the new government cable access channel in Osceola County. The channel is an innovative three-way partnership between KUA, the City of Kissimmee, and Osceola District Schools. Mr. Gent introduced Scott Carrico, television coordinator for Access Osceola. Mr. Carrico gave a video presentation and slide show on the mission statement, services, marketing programs and anticipated start-up of this endeavor.

### **2. ECONOMIC DEVELOPMENT COMMISSION'S (EDC) REQUEST OF CORPORATE COUNCIL LEVEL OF INVESTMENT**

General Manager Welsh noted that the EDC is requesting that KUA along with various other institutions and corporations increase funding to a corporate level for economic development in the Central Florida region. He introduced Darryl Kelley, the executive director of EDC. Mr. Kelley explained EDC's program and recommendation.

Chairman Walter stated that the increase in funding did not seem unreasonable; however, he would like for the EDC to give the Board a bi-annual report on the progress of the EDC in the Osceola County region.

Wayne Schoolfield, an Osceola County representative on the EDC board, encouraged KUA to become more involved with the daily activities of this organization. Bob Turk, another EDC representative for Osceola County, was also present at the meeting.

**ACTION: Motion by Director Toro, seconded by Director Gemskie, to approve increasing funding from \$4,000 to \$12,500 per year, to assist in growing high wage, high value jobs and improving the prosperity of the region subject to the EDC reporting semi-annually to the Board on the cooperation and opportunities given to Osceola County.**

**Motion carried 4 - 0**

Mr. Welsh confirmed with Mr. Kelley that EDC would contact the Executive Office in May and November to schedule the semi-annual review to the Board.

3. **APPROVAL OF BOARD MEMBER NOMINATION SELECTION SCHEDULE AND ADVERTISING**

**ACTION:** Motion by Director Shearer, seconded by Director Gemskie, to approve the schedule, advertising and the list of questions for recruitment of Board member to fill vacancy created by the resignation of Dr. George Gant.

Motion carried 4 - 0

4. **PROCLAMATION FOR FRANK ATTKISSON**

**ACTION:** Motion by Director Shearer, seconded by Director Toro, to approve a proclamation for Frank Attkisson.

Motion carried 4 - 0

J. **STAFF REPORTS**

1. **MONTHLY PROGRESS REPORT ON T&D PROJECTS**

General Manager Welsh noted that this report was written.

2. **MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**

This report was written and no comments were received. Larry Mattern, maintenance and operations supervisor in Power Supply, showed a video on the construction progress of Cane Island 3.

3. **CONDENSED FINANCIAL REPORT - OCTOBER 2000**

Joe Hostetler, director of Finance, revealed that because the board meeting is early in the month, all October figures are not complete.

4. **OCTOBER 2000 INTERNET SERVICES PROVIDER (ISP) UPDATE**

Mr. Hostetler also gave a report on the ISP for October and noted that he would be coming back to the Board at the first of the year with a more detailed outlook. He noted that findings on the analysis of the DSL market would be presented at that time. Chairman Walter requested that sufficient information be provided at the time of this presentation to aid the Board in making any decisions.

K. **CONSENT AGENDA**

**ACTION:** Motion by Director Toro, seconded by Director Shearer, to approve items 1, 3, and 4 of the consent agenda.

Motion carried 4 - 0

1. **APPROVAL OF MINUTES OF OCTOBER 25, 2000 REGULAR MEETING**

3. **CANE ISLAND UNIT 3 - ADDITIONAL FUNDING FOR VOGEL BROTHERS (ANTICIPATED) FOR ADDITIONAL WORK EFFORT**

**RECOMMENDATION:** Approve the change of scope of work and the related funding to Vogel Bros substructure contract for the amount of \$203,316.27 as detailed in the attachment of Black & Veatch's November 3, 2000 letter.

4. **CANE ISLAND 3 - ADDITIONAL FUNDING FOR SOUTHEASTERN CONSTRUCTION (ANTICIPATED) FOR THE SUPPLY OF ADDITIONAL STEEL**

**RECOMMENDATION:** Approve the change in scope of supply for Southeastern Construction in their contract for structural steel along with the additional funding of \$131,862 as described in Black & Veatch's letter of November 3, 2000 and its attachments.

Discussion was held on item 2. Director Shearer questioned why some companies picked up the bid package and then did not return any information. He wanted to know if this was normal and was informed that this is common.

**ACTION:** Motion by Director Shearer, seconded by Director Gemskie, to approve item 2 of the consent agenda.

Motion carried 4 - 0

2. CANE ISLAND 3 - AWARD OF CONTRACT TO GEN-CORR FOR THE FIELD APPLIED PROTECTIVE COATINGS - IFB #076-00  
**RECOMMENDATION: Award the contract to Gen-Corr Corrosion Professional Services for the Field Applied Protective Coating job on Cane Island Unit 3 equipment for the contract price of \$513,383.**

Director Shearer asked for additional information on the change from five ten-hour days to six days. The General Manager noted that the general construction contractor advised Black & Veatch that they would be required to work a six-day week to meet their contract schedule.

**ACTION: Motion by Director Shearer, seconded by Director Genskie, to approve item 5 of the consent agenda.**

**Motion carried 4 - 0**

5. CANE ISLAND UNIT 3 - ADDITIONAL FUNDING TO BLACK & VEATCH'S CONSTRUCTION MANAGEMENT CONTRACT  
**RECOMMENDATION: Approve additional funding of NTE \$212,695 to Black & Veatch's Construction Management (CM) contract to cover the additional CM manpower as described in the attached letter from Black & Veatch dated November 3, 2000.**

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

Mr. Welsh handed out a memo that outlined a suggestion by Frank Attkisson to enhance the board applicant process. **It was the consensus of the Board to continue the advertising process as in the past.**

General Manager Welsh reminded the Board of the inspection of the Cane Island facility and a barbecue to be held on December 1. Mr. Welsh noted that board members are encountering conflicts with the scheduled December 20th board meeting date. He also reminded the Board that the meeting on the 4th would be at 4:00 PM.

**ACTION: Motion by Director Shearer, seconded by Director Toro, to let the December 4 special meeting serve as the monthly Board meeting, eliminating the need for the December 20 meeting.**

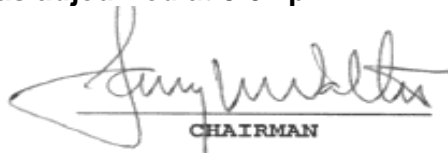
**Motion carried 4 - 0**

Attorney Brinson gave a brief report on the development of the Doubletree issue and noted that the meter company will be the next avenue that will be explored.

Mr. Brinson asked for direction from the Board on offering settlements to property owners. He said the present policy is that after an appraisal has been made it is sometimes in KUA's best interest to increase the amount offered. Most of the time the amount is under \$50,000 and approval is given by the President and General Manager. Based on past understanding with the Board this is still done upon the approval of the President and General Manager even when the settlement exceeds the normal \$50,000 approval level of the President and General Manager and is not brought back to the Board. **It was the consensus of the Board to continue with this practice.**

Director Shearer complimented Ray Eady of Support Services for his cordiality and noted the recognition given to him by the City of Kissimmee at their last commission meeting. He also commented on two articles recently published about KUA.

**M. ADJOURNMENT - Meeting was adjourned at 8:07 p.m.**

  
CHAIRMAN

ATTEST:  
  
SECRETARY