

MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, OCTOBER 24, 2001, 5:30 P.M., BRINSON BOARDROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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

A. MEETING CALLED TO ORDER at 5:30 P.M. by Chairman Walter.

B. PLEDGE OF ALLEGIANCE

The Board and staff recited the Pledge of Allegiance.

C. INSTALLATION OF NEW BOARD MEMBER

Awards and presentations preceded the installation of new member and the election of officers. Bill Hart was given the Oath of Office by Attorney Brinson to serve the term October 2001 to September 2006. He was congratulated by the Board.

D. ELECTION OF NEW OFFICERS

ACTION: Motion by Director Shearer, seconded by Director Gemskie, to nominate Larry Walter for Chairman of the Board.

Motion carried 5 – 0

ACTION: Motion by Director Hart, seconded by Director Gemskie, to nominate Don Shearer for Vice Chairman of the Board.

Motion carried 5 – 0

ACTION: Motion by Director Gemskie, seconded by Director Shearer, to nominate Domingo Toro for Secretary of the Board.

Motion carried 5 – 0

ACTION: Motion by Director Toro, seconded by Director Shearer, to nominate Nancy Gemskie for Assistant Secretary of the Board.

Motion carried 5 – 0

E. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD, STEVE VOIGHT, POWER PLANT MECHANIC/WELDER, POWER SUPPLY

General Manager Welsh noted that Steve could not be present and would be presented his award by his department manager at a later date.

2. 10-YEAR SERVICE AWARD, JOE MITCHELL, METER TECHNICIAN, ENGINEERING AND OPERATIONS

Joe Mitchell was welcomed to the meeting by Mr. Welsh. Mr. Welsh reviewed Joe's work history and also commented on his accomplishments over the past few years. Ken Davis, Vice President of Engineering and Operations, congratulated Joe on this milestone. Joe was introduced to the Board and Chairman Walter awarded him a wrist watch for years of service.

3. 10-YEAR SERVICE AWARD, MARY O'ROURKE, ADMINISTRATIVE SECRETARY, HUMAN RESOURCES

Mary was unable to attend the meeting and Mr. Welsh asked that her department head recognize her service at a later date.

4. 10-YEAR SERVICE AWARD, JOSE VECCHINI, POWER PLANT OPERATOR/MECHANIC, POWER SUPPLY

Mr. Welsh noted that Jose was unable to attend the meeting and would be honored at a later date by his department head.

5. EMPLOYEE OF THE MONTH FOR NOVEMBER – SHARON GACEK

Sharon Gacek, Information Specialist (Records), was congratulated by Mr. Welsh on receiving the very special honor of being selected Employee of the Month. He reviewed Sharon's work history at KUA and also read comments made by Sharon's co-worker and supervisor. Jef Gray, Vice President of Information Technology was present to recognize Sharon's accomplishment also. Sharon was introduced to the Board and Chairman Walter awarded her a plaque commemorating the event. Director Toro gave Sharon a check, Director Gemskie awarded her a day off with pay, Director Hart awarded her a special parking space, and Director Shearer gave Sharon a one year family membership to the Osceola Center for the Arts. They all congratulated her on being selected as November's employee of the month.

F. HEAR THE AUDIENCE – None.

G. CONSENT AGENDA

Mr. Welsh requested that item #3 of the consent agenda be removed for a special presentation.

ACTION: Motion by Director Toro, seconded by Director Hart, to approve items 1, 2 and 4 of the consent agenda.

Motion carried 5 – 0

1. APPROVAL OF MINUTES OF SEPTEMBER 26, 2001 REGULAR MEETING
2. AWARD OF BID FOR OPTICAL GROUND WIRE – IFB #026-01
RECOMMENDATION: Award of bid #026-01 for optical ground wire to Phillips Fitel in the amount of \$54,050.
4. BUDGET AMENDMENT
RECOMMENDATION: Staff recommends the Board approve the attached budget amendment.

Jef Gray gave a brief presentation that identified previously overlooked circuit requirements for the Hansel Hot site. The cost of service will reduce the estimated savings identified in the Board approved July contract

ACTION: Motion by Director Shearer, seconded by Director Toro, to approve item #3 of the consent agenda.

Motion carried 5 – 0

3. CONTRACT FOR 2 T-1'S – 3 MEG INTERNET ACCESS (HANSEL PLANT – HOT SITE)
RECOMMENDATION: Recommend the Board approve the contracts for 36 months of service and authorize the Board Chairman and Secretary to sign appropriate documents for contract execution.

H. PUBLIC HEARING – None.

I. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. FLORIDA GAS UTILITY (FGU) – A BRIEF PRESENTATION BY KATRINA VAUGHAN, GENERAL MANAGER OF FGU

Ben Sharma, Vice President of Power Supply introduced Katrina Vaughan, General Manager of FGU. Ms. Vaughan thanked the Board for taking time to hear her presentation. She gave the background history on the start of FGU and how KUA played an important role in this organization. Ms. Vaughan reviewed the function of the organization as well as how it is managed. She also touched on FGU's future and gave a joint action benefits summary. Mr. Welsh asked Ms. Vaughan how KUA's position on the FGU board would be affected if KUA decided to become a member of the All Requirements Project. She said that operational there would be no change and she hoped KUA would elect to continue with FGU. The Board thanked her for her insight into the gas market.

J. OLD BUSINESS – None.

K. NEW BUSINESS

1. RESOLUTION #01-09 – SERIES 2001 BONDS

Joe Hostetler, Vice President of Finance and Risk Management explained the time frame on the 2001 Series bonds. The resolution ratifies and confirms the terms of the Bond Purchase Contract between KUA and the Underwriters with respect to the Series 2001 Bonds, approves the final Official Statement related to the Series 2001 Bonds, and ratifies the publication of the notices of redemption of the Authority's Series 1991 and 1993A Bonds being redeemed with a portion of the proceeds of the Series 2001 Bonds (the "Current Refunded Bonds").

ACTION: Motion by Director Gemskie, seconded by Director Hart, to approve resolution 01-09 and authorize the Chairman and Secretary to execute the resolution.

Motion carried 5 – 0

Mr. Hostetler thanked the J.P. Morgan staff for their dedication in making this refunding possible.

2. REVISION TO LINE EXTENSION POLICY

Ken Davis reviewed current policy and fee process via power point presentation. He noted the problems for developers and the developers' viewpoint. Mr. Davis also reported that KUA is considering a new policy that would give the developer a more accurate estimate of the cost of the line extension. He said that each development would be different depending on number of lots, length of entrance, and other factors that could vary from one to the other. Director Hart asked if commercial development, other than residential, would be considered in this policy change. Mr. Davis said if the new policy were initiated and was successful, the commercial property line extension policy would then be reevaluated.

ACTION: Motion by Director Hart, seconded by Director Toro, to authorize staff to proceed with the development of Policy Directive to change method for collecting Line Extension fees for residential subdivision developments; and including a report showing a comparison of what surrounding utilities charge for line extensions.

Motion carried 5 – 0

L. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON T&D PROJECTS

This was a written report.

2. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

This was a written report. Mr. Sharma reported that he would be attending a meeting shortly that would discuss the expansion of an I-4 bridge near KUA's gas line. This may result in the relocation of this gas line. He said he would report the results of the meeting at the next Board meeting in November. Concern was expressed by board members on recovering any relocation costs incurred.

Mr. Sharma also briefed the Board on interest expressed by Reliant Energy to FMPA, OUC and KUA to buy the remaining Indian River gas turbine units. The first step towards any negotiation would be to prepare a Memorandum of Understanding among the three utilities. The Board asked that this be brought back at the November regular meeting for discussion.

Mr. Sharma reported on some problems encountered with the steam turbine for Cane Island 3 and what is being done to correct those problems.

Chairman Walter recessed the meeting from 7:25 PM to 7:30 PM.

3. CONDENSED FINANCIAL REPORT – SEPTEMBER 2001

Joe Hostetler, director of Finance, presented the September and year end financials to the Board.

4. SEPTEMBER 2001 INTERNET SERVICE PROVIDER UPDATE

Mr. Hostetler reviewed KUA.net expenses and revenues for the month of September and year end. He also showed customer growth by month and total labor budgeted and actual.

5. CORPORATE WEBSITE ENHANCEMENTS

Jef Gray noted that at the recommendation of Director Hart changes have been made to the KUA corporate web site. When the site is made public it will include the ability for a customer to open, transfer or close an account with proper identification. It will also feature moving services that would enable a new customer to initiate other services.


M. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

Mr. Welsh reviewed special dates and events upcoming this fall. He noted there would be a special meeting on November 14th at 4:00 PM to detail the All Requirements Project process and the City Commission has been invited. He also noted that the Kissimmee Bay Rotary Club would be having an event this Saturday night and tickets are available for those who wish to attend. Mr. Welsh distributed the Official Statement of the recent bond issue.

Director Gemskie and Director Hart inquired about programming for Access Osceola and if KUA's board meetings would be included. Discussion was held. Chairman Walter noted that Director Gemskie and Director Toro attended an APPA's Policymaker's Workshop recently in Savannah and he thanked them for representing the KUA Board.

N. ADJOURNMENT

Chairman Walter adjourned the meeting at 7:57 PM.



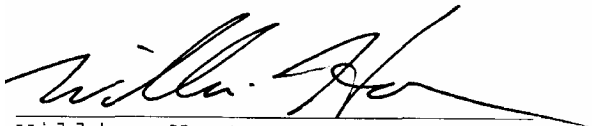
The image shows two handwritten signatures on a light pink background. On the left is the signature of the Secretary, and on the right is the signature of the Chairman. Below each signature is a horizontal line and the title of the signatory.

Secretary

Chairman

OATH OF OFFICE

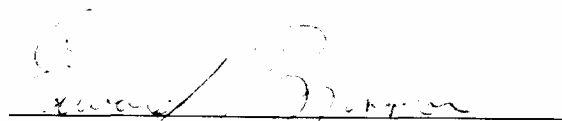
I, William Hart, do solemnly swear that I will support protect and defend the Charter and Bylaws of the Kissimmee Utility Authority against all enemies, domestic and foreign, and that I will bear true faith, loyalty and allegiance to the same; that I am entitled to hold office under the Charter; that I will faithfully perform all the duties of the office of Director of the Kissimmee Utility Authority, on which I am about to enter. So help me God


William Hart

Sworn to and subscribed
before me this

24 day of Oct, 2001.

Edward Brinson
Attorney for the
Kissimmee Utility Authority


Official Notary Seal

