

MINUTES OF A SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, NOVEMBER 14, 2001, 4:00 P.M., BRINSON BOARDROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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

A. MEETING CALLED TO ORDER at 4:00 P.M. by Chairman Walter.

B. PLEDGE OF ALLEGIANCE

The Board and staff recited the Pledge of Allegiance.

C. OVERVIEW & UPDATE OF ARP (ALL REQUIREMENTS PROJECT) STUDY

General Manager Welsh gave a brief description of the subjects that would be covered in the ARP Study presentation. He described the chain of events that prompted this study. Mr. Welsh introduced Joe Hostetler, Vice President of Finance and Risk Management. Mr. Hostetler said the study process is moving along and the presentation would be a "progress report" for the Board. Mr. Hostetler introduced Jerry Warren, project manager from First Southwest Company. Mr. Warren gave a detailed presentation describing the All Requirements Project and benefits KUA may have if a decision was made to join this group. Mr. Warren also compared KUA's and FMPA's fuel mix as it currently stands. Discussion was held on project issues and also on a possible Florida Municipal Power Pool expanded agreement. Director Hart asked for further explanation on the fuel mix percentages and Director Toro asked for clarification on KUA retaining nuclear assets if KUA joined the project. Mayor Gant requested that at the January meeting staff be prepared to show the benefits of extending the FMPP agreement and the Board requested that the rate comparisons be more definitive.

Chairman Walter recessed the meeting from 5:40 PM to 6:00 PM.

Joe Hostetler expressed that the presentation showed progress thus far and should be considered as preliminary. He said that more detailed comparisons and information would be provided at the special meeting scheduled for January 16, 2002.

Roger Fontes, General Manager of FMPA, thanked Jerry Warren for doing a good job with the presentation and he explained the role of the ARP in helping keep utility rates down for those in the ARP. Discussion was held on the voting procedure on the Board of the ARP and Mr. Welsh noted that this is a weighted vote, determined by the amount of megawatts owned by each utility.

D. MEMORANDUM OF UNDERSTANDING BY AND AMONG OUC, KUA, & FMPA REGARDING THE DIVESTITURE OF INDIAN RIVER COMBUSTION TURBINE ASSETS

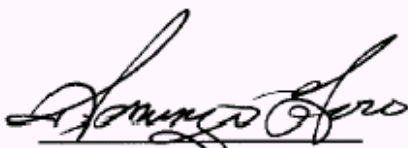
General Manager Welsh asked that this be removed from the agenda and placed on the regular board agenda on November 28, 2001. Ben Sharma, Vice President of Power Supply, added that questions asked by FMPA have still not been resolved and the extra time should be sufficient to obtain those answers.

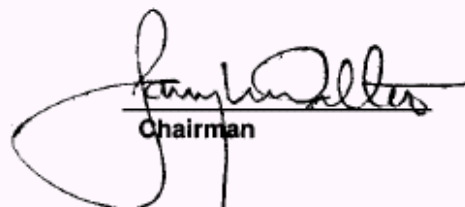
E. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

Director Toro thanked staff and Mr. Warren for the informative presentation.

F. ADJOURNMENT

Chairman Walter adjourned the meeting at 6:10 PM.


Secretary


Chairman