

MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, JANUARY 23, 2002, 5:30 P.M., BRINSON BOARDROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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

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. AWARDS AND PRESENTATIONS

1. 10-YEAR SERVICE AWARD, CHARLES LEE, MANAGER OF FINANCIAL ANALYSIS, FINANCE

General Manager Welsh noted that Charles was unable to attend the meeting and would be recognized by his department head at a later date.

2. 10-YEAR SERVICE AWARD, RICHARD MEAD, ACCOUNTANT/ANALYST, POWER SUPPLY

Richard was introduced to the Board by General Manager Welsh and Chairman Walter presented him a certificate and a service award. His supervisor and department head congratulated him on his accomplishments.

3. 20-YEAR SERVICE AWARD, DAVE PAYNE, POWER PLANT SHIFT SUPERVISOR, POWER SUPPLY

Dave was also unable to attend the meeting and Mr. Welsh noted that he would be recognized by his department head later.

4. EMPLOYEE OF THE MONTH FOR JANUARY – ROBERT CULPEPPER

Mr. Welsh noted that Robert was not in attendance at the board meeting in December and he recognized Robert's accomplishments through the years while at KUA. Mr. Welsh also noted that Robert has since retired and will be greatly missed. The Board congratulated him and expressed their concurrence on his selection for employee of the month for January 2002.

5. EMPLOYEE OF THE MONTH FOR FEBRUARY – PAM DURBIN

Pam Durbin was recognized as KUA's employee of the month for February. Mr. Welsh read comments made by her co-workers and supervisors. Her department head congratulated her on being selected for this honor. Pam was introduced to the Board and Chairman Walter presented her a plaque, Director Toro gave Pam a check, Director Gemskie awarded her a day off with pay, Director Hart gave Pam a special parking space certificate and Director Shearer gave her a year's membership for Pam and her family to the Osceola Center for the Arts.

D. HEAR THE AUDIENCE – None.

E. CONSENT AGENDA

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

Motion carried 5 – 0

1. APPROVAL OF MINUTES OF DECEMBER 19, 2001 REGULAR MEETING
2. AWARD OF INVITATION FOR BID #004-02 - 2002 PICK-UP TRUCKS
RECOMMENDATION: Award to be made to Bob Taylor Chevrolet in the amount of \$88,032.

3. AWARD OF INVITATION FOR BID #007-02 – MARYDIA SUBSTATION PROJECT, POWER TRANSFORMERS
RECOMMENDATION: Authorize the award of bid # 007- 02 to the low evaluated bidder, Virginia Transformer Corporation, for the lump sum price of \$425,500 contingent on negotiation of satisfactory contract documents and authorize the Chairman and Secretary to execute the necessary contract documents.
4. AWARD OF INVITATION OF BID #008-02 – ANNUAL REQUIREMENTS FOR METERS AND RELATED SUPPLIES
RECOMMENDATION: Award of contract in estimated amounts as follows: Austin International, Inc. - \$1,200, Electric Supply of Tampa, Inc. - \$3,072, Graybar Electric Co. - \$747, Hughes Supply, Inc. - \$131,725, Power & Telephone Supply - \$12,489, and Stuart C. Irby Company - \$38,058.

F. PUBLIC HEARING – None.

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) – None.

H. OLD BUSINESS

1. POLICY DIRECTIVE ON LINE EXTENSION FEES

Ken Davis, Vice President of Engineering and Operations, noted that the proposed revision to the Line Extension Fee Policy would revise the current methodology for calculation and collection of Line Extension Fees for residential subdivision developments. This will be calculated on a per lot charge and will include all single-phase electrical infrastructure required to provide service to the development.

Chairman Walter suggested that the fee schedule be specific on what is and is not included in the per lot charge. Mr. Welsh noted that this change will be beneficial to both the developers and KUA.

ACTION: Motion by Director Hart, seconded by Director Gemskie to approve Policy Directive D01-1, Revision to Line Extension Fee Policy.

Motion carried 5 – 0

I. NEW BUSINESS

1. AUTHORIZATION TO FIX-UP THE PRICE OF CERTAIN AMOUNT OF GAS SUPPLY FOR MARCH, 2002

Ben Sharma, Vice President of Power Supply, detailed the agenda item for the Board. Mayor Gant suggested that the President be given flexibility to make a monthly decision on gas pricing.

ACTION: Motion by Director Toro, Director Gemskie, to authorize the President & General Manager or his designee to work with FGU staff to arrange for the purchase of natural gas fuel for the month of March, 2002 on a forward basis up to a total quantity of 8,000 MMBtus per day at a price not to exceed \$2.00 per MMBtu and authorize the President or his designee to continue doing this on a monthly basis at a price and quantity that is in the best interest of KUA and advise the Board of action taken.

Motion carried 5 - 0

2. APPROVAL OF AMENDMENT THREE TO FLORIDA MUNICIPAL POWER POOL (FMPP) AGREEMENT

Mr. Sharma informed the Board that the original agreement was signed in 1988 and since that time two other amendments have been approved. The proposed amendment would include calculation of the price of transaction of energy between two participants changing to a Clearing House Price methodology and the portion of the monthly operating cost of the Pool being based on the proration of the energy transacted by each participant during the month. Discussion was held on the benefits of the agreement and governance issues.

ACTION: Motion by Director Hart, seconded by Director Gemskie, to approve the Amendment Three to the FMPP Agreement and authorize the President & General Manager to execute the same.

Motion carried 5 – 0

J. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON E&O PROJECTS

The report was written and no comments received.

2. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

The report was written and no comments received.

3. CONDENSED FINANCIAL REPORT – DECEMBER 2001

Joe Hostetler, Vice President of Finance & Risk Management, gave the monthly figures for metered sales revenues, fuel & purchase price and debt service coverage. He also gave the quarterly report as well as the internet financial report. Mayor Gant asked that staff analyze the commercial paper program and bond market over the last several years to get an idea how these compare and help staff in making future decisions on investments.

4. DEPARTMENT HIGHLIGHTS – INFORMATION TECHNOLOGY

Jef Gray, Vice President of Information Technology, gave a presentation on projects going on in the Information Technology department. He discussed the HTE System Review, Paperless Forms, DDD Preparation, Wireless Projects, Upgrade from NT to Win2000, KUA.Net and the IT Forum recently held at KUA. Director Shearer complimented Mr. Gray on getting the County, the City, and others together for this forum. It was requested that the Board be informed of any future forums planned.

K. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

General Manager Welsh noted that the Board will be traveling to Washington for the APPA Legislative Rally and car pool arrangements to the airport on Sunday would be discussed.

Chairman Walter made note that the residential rate comparison shows KUA's rates on the rise. General Manager Welsh said that the other utilities listed have provided KUA with November only figures and that would make a difference on where KUA would fall within this comparison.

L. ADJOURNMENT

Chairman Walter adjourned the meeting at 7:12 PM.



Secretary



Chairman