

MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, MARCH 27, 2002, 5:30 P.M., BRINSON BOARDROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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

A. MEETING CALLED TO ORDER at 5:30 P.M. by Vice-Chairman Shearer.

B. PLEDGE OF ALLEGIANCE

The Board and staff recited the Pledge of Allegiance.

C. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD, ALGERTHA DIGGS, MANAGER OF INTERNAL AUDIT

General Manager Welsh welcomed Algertha and reviewed her career history prior to and during her tenure at KUA. Algertha was introduced to the Board and Vice-Chairman Shearer presented her a service award and certificate.

2. 5-YEAR SERVICE AWARD, RICKY JOHNSON, SUPERVISOR OF METERING, ENGINEERING AND OPERATIONS

Ricky was congratulated by Mr. Welsh and Ken Davis, Vice President of Engineering and Operations. Ricky's working background was detailed and he was introduced to the Board. Vice-Chairman Shearer presented Ricky with a service award and certificate.

3. 5-YEAR SERVICE AWARD, RUTH LENTZ, STAFF AUDITOR

Mr. Welsh congratulated Ruth for her accomplishments during her five years at KUA. He introduced her to the Board and Vice-Chairman Shearer presented her with an award and certificate.

4. 20-YEAR SERVICE AWARD, EDDIE BUCKMAN, MAPPING & CADD TECHNICIAN, ENGINEERING & OPERATIONS

General Manager Welsh reviewed Eddie's history with KUA and noted the organizational and position changes that have occurred since she became a KUA employee. Her department vice president, Ken Davis also congratulated Eddie. Eddie was introduced to the Board and Vice-Chairman Shearer presented an award and certificate to her.

5. EMPLOYEE OF THE MONTH FOR APRIL—MIKE REAGAN

General Manager Welsh congratulated Mike on this accomplishment as well as did Ben Sharma, Jeff Ling and Larry Mattern, his supervisors. Mr. Welsh read comments made by Mike's co-workers and supervisors and told him what an honor it was to be selected as employee of the month. Mike was introduced to the Board. Vice-Chairman Shearer presented him a plaque, Secretary Toro gave him a check, Director Gemskie awarded him a day off with pay, Director Hart informed him he now has a special parking space for the month of April and Mayor Gant gave Mike a year's membership to the Osceola Center for the Arts.

Chairman Walter arrived at 6:00 PM.

6. FMEA LINEMAN'S RODEO PRESENTS

Ken Davis gave a brief presentation on the results of the recent Lineman's Rodeo that was held in Orlando. He introduced the KUA participants and the Board presented trophies to the winners. The judges for the events were Ed Carter, Jon Cole, Henry Kurnick, and Alberto Mercado. Members of the Lineman Teams were Bruce Thompson, Aaron Haderle, Joe Watson, Virgil Minshew, Luis Santiago, Mike Fulmore, John Chapin, Gary Guinan, and Ronnie Hardee. Apprentices participating were Logan Murphy, Scott Grieves and Jamie Boswell. In statewide team rankings KUA came in 8th, 15th and 18th. The Board awarded the third place trophy for arrestor replacement to Bruce Thompson, Aaron Haderle, and Joe Watson. A trophy for second place pole climb was awarded to Bruce Thompson, Aaron Haderle and Joe Watson. A trophy for first place in the insulator replacement competition went to Virgil Minshew, Luis Santiago, and Mike Fulmore. Ken Davis noted that the statewide apprentice lineman rankings were 6th place – Logan Murphy and 4th place – Scott Grieves. A trophy for 3rd place fuse replacement by an apprentice went to Jamie Boswell and the 1st

Place Top Apprentice Lineman in the State was awarded to Jamie Boswell. The Board congratulated all who participated and said that they represented KUA well.

D. **HEAR THE AUDIENCE** – None.

E. **CONSENT AGENDA**

Director Hart asked that item # 4 be pulled from the agenda for discussion.

ACTION: Motion by Director Toro, seconded by Director Gemskie to approve items 1, 2 and 3 of the consent agenda.

Motion carried 5 – 0

1. APPROVAL OF MINUTES OF FEBRUARY 20, 2002 REGULAR MEETING
2. EPR INSULATED UNDERGROUND WIRE, AWARD OF BID FOR IFB #010-02
Recommendation: Award of bid #010-02 for EPR Insulated Underground Wire to Gresco/Capstone in the amount of \$68,107.
3. AWARD FOR ANNUAL REQUIREMENT FOR OFFICE SUPPLIES, Y2-1007-LC
Recommendation: Approval exercising “Piggyback” award to provide office supplies on an as needed basis to Office Depot Business Service Division, the lowest responsive and responsible bidder for an estimated annual amount of \$65,300 renewable for two additional, one-year periods.

Director Hart said he would abstain from voting on the Jazzfest Kissimmee Sponsorship because he is the Chairman of that event. Director Hart filled out the necessary exemption form.

ACTION: Motion by Director Toro, seconded by Director Gemskie to approve consent agenda item 4.

**Motion carried 4 – 0
Director Hart Abstained 1**

4. JAZZFEST KISSIMMEE SPONSORSHIP
Recommendation: Staff recommends the sponsorship of JazzFest Kissimmee at the \$2,000 level.

F. **PUBLIC HEARING** – None.

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

H. **OLD BUSINESS** – None.

I. **NEW BUSINESS**

1. SCHEDULE FOR BOARD MEMBER RECRUITMENT

General Manager Welsh suggested that the advertisement for this vacancy include information indicating that there is an incumbent eligible to reapply. **It was the consensus of the Board to modify the ad to include this information.**

ACTION: Motion by Director Shearer, seconded by Director Gemskie, to approve the schedule, advertising and questions to be asked of the candidates for recruiting a nominee to fill the upcoming vacancy and amending the advertising to indicate that there is an incumbent nominee.

**Motion carried 4 – 0
Director Toro abstained 1**

2. KUA EMPLOYEES' PENSION PLAN – RESOLUTION #02-02

Joe Hostetler, Vice President of Finance & Risk Management and also the Chairman of the Pension Board, reviewed the changes proposed to the KUA Pension Plan. The changes were in the IRS regulations at no cost to the plan and “housekeeping” plan improvements at no cost to the plan.

ACTION: Motion by Director Gemskie, seconded by Director Toro to approve Resolution #02-01 and authorize the Chairman and Secretary to execute the Resolution.

Motion carried 5 – 0

3. SURVEILLANCE SYSTEM FOR FOUR PUBLIC FACILITIES, INVITATION TO NEGOTIATE #207-02

Joe Hostetler explained the Invitation to Negotiate process and how that vendor was selected. Ben Sharma detailed what equipment would be needed at the power plants, Chris Beck, Vice President of Customer Service & Marketing reviewed the areas where cameras are needed under her supervision, and Ken Davis noted what equipment needed to be installed at the Lackey Service Center to insure safety.

ACTION: Motion by Director Hart, seconded by Director Shearer, to authorize staff to begin negotiations with NuTech Fire and Security, Inc. to define the entire scope of service and products and pricing to be incorporated into a final contract for surveillance system.

Motion carried 5 – 0

4. AWARD OF CONTRACT TO GENERAL ELECTRIC TO PERFORM THE WARRANTY INSPECTION ON CANE ISLAND UNIT 3

Ben Sharma detailed the agenda item and explained that the amount requested is for the opening and closing of the unit, prior to and after the inspection process that is under warranty. There is no change for the warranty. Director Toro asked how long the down time would be and Mr. Sharma said approximately three weeks. General Manager Welsh noted that this is a scheduled maintenance and is included in the budget.

ACTION: Motion by Director Gemskie, seconded by Director Hart to award the contract to General Electric to perform the warranty inspection on Cane Island Unit 3 gas turbine for the lump sum fee of \$227,500.

Motion carried 5 - 0

5. AWARD OF CONTRACT TO GENERAL ELECTRIC FOR THE SUPPLY OF THE ROW 2 NOZZLE KIT FOR CANE ISLAND 2

Mr. Sharma noted that the 48,000 hour run major overhaul of Cane Island Unit 2 is scheduled to take place in the fall of 2002. One of the components anticipated to be replaced during this overhaul is the row 2 fuel nozzle assembly.

ACTION: Motion by Director Hart, seconded by Director Gemskie to award the contract to General Electric for the supply of the row 2 fuel nozzle kit for Cane Island Unit 2 gas turbine for the price of \$870,000.

Motion carried 5 – 0

6. AWARD FOR TURNKEY INSTALLATION OF 125-TON CHILLER, IFB #003-02

Chris Beck gave detailed history on the unit in place at the Carroll Street building. She noted that it was installed in 1992 and is in very poor condition. Ms. Beck listed some of the problems encountered with the old unit and noted that the cost listed in the recommendation was more than necessary and that amount would be decreased.

Dr. Gant discussed with the Board the possibility of leasing units in the future as the School Board does now.

ACTION: Motion by Director Shearer, seconded by Director Gemskie to approve award to lowest evaluated Contractor meeting specifications for an amount not to exceed \$72,000.

Motion carried 5 – 0

J. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING & OPERATIONS PROJECTS

It was noted that this was a written report. No comments were received.

2. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

It was noted that this also was a written report. Ben Sharma updated the Board on two issues within his department. He explained that recently a sudden momentary loss of gas fuel supply at Cane Island Unit 2 caused the unit to have a full trip. The unit was put back on line but staff observed that it started to violate NO_x emission parameters indicative of something wrong with the functioning of the fuel nozzles. The President and General Manager used his authority for emergency purchases and a purchase order has been issued for the repair. Mr. Sharma wanted to report it to the Board as is required by KUA purchasing procedures. A reduced price for inspection was negotiated with GE because they will be at the power park on another issue and will only have to move equipment in one time. Director Shearer asked from where these funds would be taken and Mr. Sharma and General Manager Welsh said that this type of emergency is budgeted each year.

Mr. Sharma stated that approximately four months ago the Board had authorized the purchase of spare parts for Unit 3 that would be shipped in 32 weeks. The parts have been delivered in 14 weeks and the vendor wants payment now. Mr. Sharma noted that the budget for Unit 3 was getting very close and the Vice President of Finance will be giving a total comprehensive report on the Unit 3 cost report at the May board meeting. Mr. Sharma said that Finance has the cash on hand to make the payment but it will increase the amount that the Board had previously approved in December. Chairman Walter clarified that the amount would exceed the budget for Cane Island Unit 3. General Manager Welsh noted that about six months ago the Board was informed that the budget would be exceeded and the funds would come out of the operating budget. A recommendation will be made at a future board meeting to reimburse the operating budget from the Reserve For Future Capital Outlay. Mr. Welsh said that the transfer would be detailed in the construction budget analysis for Cane Island Unit 3.

3. CONDENSED FINANCIAL REPORT – FEBRUARY 2002

Joe Hostetler gave a power point presentation that detailed megawatt sales, metered sales revenues, fuel and purchase power, departmental operating and maintenance figures and interest revenues. Mr. Hostetler also detailed the KUA.net financials and noted that KUA.net is above budget and ahead on operating income.

K. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

General Manager Welsh reminded the Board that a special meeting to discuss the All Requirements Project (ARP) would be held on April 10th at 5:00 PM. He also invited the Board to the KUA Employee Picnic that will be in Water Mania on June 1st from 10:00 AM to 4:00 PM. Mr. Welsh handed out a final copy of the Annual Report to the Board.

Director Toro thanked Mr. Welsh for his dedication and participation in the American Cancer Society's Relay for Life. Director Gemskie, serving on the Board of the American Cancer Society, thanked Mr. Welsh and all the staff and participants for their help in the event.

Director Hart asked Attorney Brinson for discussion concerning proprietary statements that often accompany bids. Attorney Brinson said it is considered confidential until it is brought to a public meeting and because of the nature of public meetings, those rights are waived.

L. ADJOURNMENT

Chairman Walter adjourned the meeting at 7:10 PM.


SECRETARY


CHAIRMAN