

MINUTES OF A SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, APRIL 17, 2002, 5:30 P.M., BRINSON BOARDROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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

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. **FLEE TO BE FREE CAMPAIGN PRESENTATION TO THE BOARD**

Chris Gent, Manager of Corporate Communications reported that last year the Board approved a sponsorship of the "Flee to be Free" program. It is a locally supported child abduction campaign that works through the local schools in bringing out awareness of the danger of strangers and what to do or not to do. Teresa Beverly is in charge of the program that has been successful for five years. Ms. Beverly introduced three of the poster contest winners and they presented a plaque of appreciation to the Board. The Board applauded and congratulated each of the winners.

2. **EMPLOYEE OF THE MONTH FOR MAY – SUSAN RAINES**

General Manager Welsh noted what a great honor it is for an employee to be selected as Employee of the Month by ones co-workers. Mr. Welsh reviewed Susan's work history with KUA and noted that Susan has always met each challenge in a professional manner. She was introduced to the Board. Vice Chairman Shearer presented Susan a plaque, Director Toro gave her a check, Director Gemskie awarded her a day off with pay, Director Hart informed her that she had a special parking space and Mayor Gant gave Susan an annual family membership to the Osceola Center for the Arts.

D. **HEAR THE AUDIENCE** – None.

E. **CONSENT AGENDA**

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

Motion carried 4 – 0

1. **APPROVAL OF MINUTES OF MARCH 20, 2002 SPECIAL MEETING**

2. **APPROVAL OF MINUTES OF MARCH 27, 2002 REGULAR MEETING**

3. **AWARD OF POWER CIRCUIT BREAKERS, IFB #011-02**

RECOMMENDATION: Award of bid for two power circuit breakers to Alstom in the amount of \$57,415 and the purchase of spare parts for \$1,920 for a total of \$59,335.

F. **PUBLIC HEARING** – None.

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

H. **OLD BUSINESS** – None.

I. **NEW BUSINESS**

1. **CANE ISLAND 3 – SETTLEMENT OF BLACK & VEATCH'S CONTRACT ACCOUNTS**

Ben Sharma, Vice President of Power Supply detailed the agenda item and noted that it included two specific issues. One was the cost of re-engineering by Black & Veatch of certain pipe hanger and pipe supports including the cost of new pipe supports and hangers. Also the steam turbine generator failed to synchronize during the first attempt causing additional cost to be incurred

by KUA because the wiring had to be rechecked. The second issue was the extension of Black & Veatch's Construction Management time, part of which was caused by their own pipe support design error.

Director Toro asked if this would be the final settlement on Cane Island 3. Mr. Sharma said there is one more issue with another vendor that would be settled.

ACTION: Motion by Director Hart, seconded by Director Gemskie to approve the proposed settlement with Black & Veatch for their Engineering Services related to Cane Island Unit 3 as described in item 1 through 6 listed in the agenda.

Motion carried 4 - 0

2. AWARD OF REVENUE BILLING FOR UTILITIES, RFP #107-02

Jef Gray, Vice President of Information Technology gave a presentation that detailed the equipment and methods being utilized to process KUA billing and the savings that would be realized should it be outsourced. Vice Chairman Shearer asked if Information Technology technicians were being used to do this work and Director Hart asked if there would be quality control in place should this work be outsourced. Mr. Gray said his technicians, on a rotating basis, spend four hours a day in the mail room and that there would be immediate quality controls in place from day one. Mayor Gant asked if KUA had checked out their reliability and Mr. Gray said he had used them to do another job last year and their work was excellent.

ACTION: Motion by Director Hart, seconded by Director Gemskie to award RFP # 107-02, Revenue Billing for Utilities to TC Specialties for an annual estimated cost of \$75,000.

Motion carried 4 - 0

J. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING & OPERATIONS PROJECTS

This was a written report and no comments were received.

2. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

This was also a written report and no comments were received.

3. CONDENSED FINANCIAL REPORT - MARCH 2002

This was a written report. Mr. Welsh noted that KUA.net had realized a \$28,000 gain for this month and \$90,000 for year to date.

ACTION: Motion by Director Gemskie, seconded by Director Hart to accept staff reports as written.

Motion carried 4 - 0

K. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

General Manager Welsh noted that the next regular board meeting would be on May 29th, the fifth Wednesday at 5:30 PM.

Mayor Gant wanted clarification on the All Requirements Project contract that KUA signed at the April 10th meeting. He suggested that the Board think about utilizing the five year out option and begin it now. During that time he said KUA could compare rates and costs under the All Requirements Project as compared to not being in the project. General Manager Welsh said once the decision is made and notice given to use that five year option KUA would not be able to change their mind to stay once the five years is up. Director Gemskie said these costs would be reviewed every year, not just every five years. Mayor Gant asked if the Board understood how the Cost of Power Adjustment Rate would be calculated and he asked if Mr. Welsh could give an explanation. General Manager Welsh drew a diagram for the Board that explained KUA's rate structure and how each part of it is derived. He also showed how this would be obtained under the All Requirements Project. Director Toro agreed that this should be looked at every year. Director Hart wanted to know how often and when the Florida Municipal Power Agency met to set rates and Mr. Welsh noted that it is done during the budget process.

Director Gemskie presented a plaque to General Manager Welsh for KUA's participation in the First Spring Cottillion that was given to her by the City Parks and Recreation department. She also said that Jef Gray did a fantastic job in presenting the outsourcing agenda item.

Vice Chair Shearer asked if the other board members had input for him to use during the upcoming American Public Power Association annual meeting. The board members said they would have something for discussion at the next regular board meeting on May 29.

L. ADJOURNMENT

Vice Chair Shearer adjourned the meeting at 6:55 PM.


SECRETARY


CHAIRMAN