

MINUTES OF THE REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,  
WEDNESDAY, APRIL 23, 2003, 5:30 P.M., BRINSON BOARDROOM, ADMINISTRATION  
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA.

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

**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. AWARD AND PRESENTATIONS**

1. Item #1 was on hold until Jeff Ling's arrival.

2. KUA LINEMAN RODEO TEAMS

Ken Davis, Vice President of Engineering and Operations introduced some of the KUA linemen who participated in the FMEA/APPA Lineman's Rodeo in Jacksonville on March 28, 2003. He thanked the board for their support of the Lineman's Rodeo and thanked Board members who attended the March event. Mr. Davis introduced Bruce Thompson, Aaron Haderle and Joe Watson who's team came in 6<sup>th</sup> place overall, after receiving 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> place trophies in individual events and 498 points out of a possible 500 points overall. He also mentioned Steve Walker, Gary Guinan and Mike Fulmore who also competed on another KUA team, along with Jamie Boswell and Scott Greives who competed in the Apprentice Lineman events. Henry Kurnick and Alberto Mercado were thanked for attending as judges, and Bill Groover was thanked for going along to support the team.

Bruce Thompson presented the Board with a third place trophy that the KUA team received in the Transformer Change – Single Phase event. Joe Watson presented the Board with a second place trophy from the Lightning Arrestor Change-Out event. Aaron Haderle presented the Board with a first place trophy from the Post-Insulator Change-Out event. Jamie Boswell presented the Board with the Apprentice Lineman third place trophy from the Street Light Head Change-Out event. Chairman Walter expressed his pride for the team and thanked them for a great job.

3. 15-YEAR SERVICE AWARD – MARIA MERCADO, CUSTOMER SERVICE REPRESENTATIVE, CUSTOMER SERVICE AND MARKETING

Maria was unable to attend the meeting and General Manager Welsh noted that her supervisor would present her service award to her at a later date.

4. 20-YEAR SERVICE AWARD – BOB DEPASCALE, LEAD SCADA/COMMUNICATIONS TECHNICIAN, ENGINEERING AND OPERATIONS

General Manager Welsh gave a brief history of Bob's 37 years in the computer field and his twenty years of service at KUA. He noted that Bob started as a SCADA tech in the old Marydia Dispatch Center and was now credited with being the Project Manager for OSI which is expected to be on line in the fall of 2003. He helped to arrange the specs, research the bids and assist in tasks that Black and Veatch has done in the past, resulting in substantial savings to KUA. Bob thanked the Board for the opportunity. Chairman Walter presented him with a certificate for a crystal decanter.

5. 40-YEAR SERVICE AWARD – BILL GROOVER, LIINE CREW SUPERVISOR, ENGINEERING AND OPERATIONS.

General Manager Welsh gave a history of Bill's career at KUA which began as a Lineman's Helper on April 29, 1963. He went on to say that Bill is considered a teacher, mentor and an asset to both the community and his church. He also noted that in forty years, Bill has only used 41.5 hours of sick time. General Manager Welsh then introduced Bill's entire family, who was in attendance. Chairman Walter presented him with a certificate for a

Bulova engraved watch. General Manager Welsh then presented Bill with a proclamation from Governor Jeb Bush commending him on his forty years of outstanding service.

6. EMPLOYEE OF THE MONTH MAY – JERRY TRIPP

General Manager Welsh congratulated Jerry on being selected employee of the month for May 2003. He expressed that this is a special honor from his fellow employees. Mr. Welsh then read comments from Larry Mattern and Ben Sharma. Chairman Walter presented him with a plaque to commemorate his selection. Vice-Chairman Shearer gave him a gift certificate to the Osceola Center for the Arts. Director Toro gave Jerry a check, Director Gemskie gave him a certificate for a day off with pay and Director Hart gave him a certificate for a special parking space.

1. PROCLAMATION FOR JEFFREY LING

This item was put on hold for Jeff Ling's arrival. General Manager Welsh introduced Jeffrey Ling and stated that he has been a guide, an advisor, a great help to the customers of KUA and a friend. Chairman Walter read a proclamation which he presented Jeff highlighting his seventeen years of service to KUA as Power Plant Superintendent and Manager of Production. He expressed the Board's sincere appreciation and respect for the service provided to the Kissimmee Utility Authority by Jeffrey Ling.

**ACTION: Chairman Walter moved, seconded by Vice-Chairman Shearer that the proclamation be accepted.**

**Motion carried 5-0.**

Jeffrey stated that the pleasure has been all his. Dr. Gant gave him special thanks. Michelle Daboin presented Jeff with cards and a gift certificate from the Power Supply Department. Mr. Welsh recognized Jeff's wife, Karen, who was also in attendance.

**D HEAR THE AUDIENCE – None**

**E. CONSENT AGENDA**

**ACTION: Motion by Director Gemskie, seconded by Director Toro to approve the consent agenda as presented.**

**Motion carried 5-0.**

**F. PUBLIC HEARING – None**

**G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)**

Chairman Walter introduced Ray Gilley, President/CEO of the Metro Orlando Economic Development Commission for an update on the EDC. Mr. Gilley thanked the Board for the invitation to be here and introduced his constituents who were also in attendance: Mike Bobroff, a Kissimmee resident and Executive Vice President of Corporate Resources; Maureen Brockman, Vice President of Marketing and Communications; John Krug, an Osceola County resident, Vice President in charge of Project Development and Business Recruitment. Mr. Gilley gave an overview of their presentation for the evening which included three items, "What's New in Marketing", "What's New in Business Development" and "What's New at the EDC."

Mr. Gilley turned the presentation over to Maureen Brockman who gave a power point presentation which highlighted the development of a unified brand in which the community tells its story as a whole entity, rather than just by industry. They are also expanding the idea of the market as not only a tourist industry, but also a great place to do business. She gave examples of their new signage programs at hotels and airports, as well as a bookmark campaign going into hotels. They are promoting a new ad campaign that will premier in the May edition of Cornett's Real Estate Leader magazine and run in other business magazines.

John Krug then explained what is new in Business Development. He stated the EDC is working on recruiting new businesses, as well as assisting local business with problems they have. They are also working with entrepreneurs and start up businesses. They are focusing on high value industries and building global awareness and support. The EDC also

has a partnership with Enterprise Florida and the Florida High Tech Corridor. He emphasized that they are working hard to land big projects. He suggested that everyone check out their web-site at OrlandoEDC.com

Mr. Gilley concluded the program on what's new in the EDC. He stated the bottom line is they have helped to promote high wage and high value jobs and there are a lot of great things happening. He is particularly proud of the Lowe's project, which he said may be the "deal of the year," right here in Osceola County. Mr. Gilley said it took a lot of hard work and teamwork in cooperation with the Economic Development Department in Osceola County. Chairman Walter thanked the EDC for their help with the Lowe's project, particularly with their assistance in a problem with South Florida Water Management. General Manager Welsh, who also serves on the EDC Board thanked them for their hard work in promoting Florida, Central Florida and Osceola County.

## **H. NEW BUSINESS**

### **1. BOARD MEMBER NOMINATION SELECTION SCHEDULE**

Chairman Walter stated that he can not vote on this matter as this seat will fill his term. General Manager Welsh explained that what was presented in the nomination packet was developed from previous Board recommendations, and that, per the Charter, the Board is in charge of recruitments and recommendations to the City of Kissimmee

**ACTION: Motion by Director Toro, seconded by Director Gemskie to approve the recommended Board nomination and schedule.**

**Motion carried 4-0.  
Chairman Walter abstained from the vote.**

### **2. RFP FOR DISTRIBUTION SERVICES FOR THE CITY OF CASSELBERRY**

General Manager Welsh stated that KUA was approached by the City of Casselberry to put together a concept for distribution services for them. Mr. Welsh and several vice-presidents put together a presentation; see attached hard copy for the City of Casselberry last week. Mr. Welsh reported if we would look into providing distribution, it would be on a cost/plus basis. KUA would recover our costs, but not go after a large profit. Casselberry will put out a formal RFP to KUA, OUC and some privately owned utilities on May 23.

Director Hart questioned the logistics of travel to Casselberry. Mr. Welsh stated that we would hire a service crew for Casselberry and act as a backup from here. Vice-Chairman Shearer asked why we are just recovering costs. Mr. Welsh stated that we will also recover management overhead, personnel costs and other overhead costs. Director Hart asked if this could be a training ground on how to run future plants. Mr. Welsh stated the RFP is for distribution services only, not power supply. Chairman Walter stated he thought this is an opportunity to venture into another business. Director Toro expressed his concerns about spreading our staff too thin. Director Gemskie stated she sees this as an opportunity to branch out, profit and diversify. Mayor Gant stated that the rate structure is the bottom line, and hopefully, it will reduce costs down the line

**ACTION: Motion by Director Hart, seconded by Director Gemskie to respond to the RFP from the City of Casselberry to provide distribution services.**

**Motion carried 5-0.**

### **3. AGREEMENT BETWEEN KUA AND FMPA CONCERNING THE PROPOSED INTERCONNECTON WITH GULFSTRAM NATURAL GAS SYSTEMS (GULFSTREAM)**

Ben Sharma, Vice President of Power Supply stated that the project was supposed to be financed by FMPA to begin with but the maintenance of the pipeline will be done by KUA. Mr. Sharma stated that he and Grant Lacerte, Vice President and General Counsel have worked on this for eight months and much of the preliminary work of the interconnection was already completed during outages in December.

**ACTION: Motion by Director Hart, seconded by Director Gemskie to accept Mr. Sharma's recommendation and approve the attached agreement between KUA and FMPA concerning the proposed interconnection with Gulfstream.**

**Motion carried 5-0.**

Chairman Walter turned the meeting over to Vice-Chairman Shearer at 6:50 p.m. because he had to leave for a previous commitment.

4. SETTLEMENT WITH GENERAL ELECTRIC REGARDING THE PERFORMANCE OF CANE ISLAND UNIT 3 STEAM TURBINE.

Ben Sharma, Vice President of Power Supply stated that he and personnel from FMPA have been working with General Electric on a settlement. He stated that the Staff recommends approval of the settlement. Director Toro asked the dollar figure and Mr. Sharma replied, it is \$730,355. Director Hart stated that Ben has done an admirable job. General Counsel Lacerte stated that he was not actively involved in the negotiations as the attorneys were not actively involved but he has looked at the agreement and does not see anything that should cause us concern.

**ACTION: Motion by Director Toro, seconded by Director Gemskie to approve the settlement with General Electric regarding the performance of Cane Island Unit 3 steam turbine.**

**Motion carried 4-0.**

5. AMENDMENT NO. 1 TO THE PARTICIPATION AGREEMENT BETWEEN OUC AND KUA FOR THE JOINT OWNERSHIP OF THE INDIAN RIVER COMUSTION TURBINE PROJECT.

General Manager Welsh stated that FMPA negotiated the same deal for themselves and staff recommends approval of the amendment.

**ACTION: Motion by Director Toro, seconded by Director Hart to approve Amendment No. 1 to the participation agreement between OUC and KUA for the joint ownership of the Indian River Combustion Turbine Project.**

**Motion carried 4-0.**

6. AWARD OF CONTRACT TO SIEMENS WESTINGHOUSE TO PERFORM INSPECTION OF HANSEL CC GENERATOR WINDINGS AND INSULATIONS AND PERFORM REPAIRS IF NEEDED.

Ben Sharma, Vice President of Power Supply gave a brief summary of the repairs needed. He stated that we took the unit down on March 29 and found some cracks, but also did an overall inspection. We found a metallic sealant had five cracked segments and Siemens Westinghouse was notified. After a series of negotiations, Siemens agreed to do the repairs on warranty work, but we still need scheduled work. They declined to do the rewinding on the rotor side, but we will not know if this needs to be done until it is taken apart.

**ACTION: Motion by Director Gemskie, seconded by Director Toro to accept staff recommendations to approve the contract with Siemens Westinghouse for a total of \$204,691 for the total inspection of Hansel electric generator windings and insulations, also for repair and maintenance, if deemed necessary, not to exceed \$106,405. (materials and labor), and if the rotor is found in need of repair, this would go out to bid with another vendor, not to exceed \$250,000.**

**Motion carried 4-0.**

## **J. STAFF REPORTS**

1. MONTHLY PROGRESS REPORT ON ENGINEERING & OPERATIONS PROJECT

This is a written report included in the packet.

2. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

This is a written report included in the packet.

3. CONDENSED FINANCIAL REPORT – MARCH 2003

Charles Lee, Manager of Finance gave a presentation on monthly and 2<sup>nd</sup> quarter reports for this year. See attached. Mayor Gant expressed a concern that the City of Kissimmee has some short, mid-range investments in place that are averaging better than KUA investments and he urged us to look into the bond market. Charles Lee stated that new Manager of the Treasury is scheduled to start next week and this will be looked into. Vice-Chairman Shearer thanked him for the rate chart and stated he appreciates these reports.

4. QUARTERLY STAFF REPORT ON INTERNAL AUDIT OPERATIONS

Algertha Diggs, Manager of Internal Audit gave a presentation on the operations of the Internal Audit Department. She introduced Ruth Lentz, Staff Auditor and explained how this department assures that both the Board of Directors' and managements expectations are being carried out. Director Hart requested that Internal Audit follow up with Ernst and Young recommendations prior to the yearly update. Ms. Diggs will present these recommendations at her next quarterly staff report.

**K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS**

General Manager Welsh alerted the Board to new security measures in place at KUA. Visitors now have to pick up badges at the front desk to gain access to areas other than customer service. The Board requested to have new badges to wear when they are in the building. Staff will order these. Mr. Welsh also stated that staff may look into other security measures, such as security guards or re-designing of doors to provide more security.

Vice President and General Counsel Lacerte had nothing to report on this week.

Vice-Chairman Shearer asked who would be attending the APPA National Convention in June.

General Manager Welsh introduced Judy Womack as the new Recording Secretary.

**L. ADJOURNMENT**

Vice Chairman Shearer adjourned the meeting at 7:35 P.M

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary