

**MINUTES OF THE REGULAR BOARD MEETING OF KISSIMMEE UTILITY
AUTHORITY, WEDNESDAY, NOVEMBER 24, 2003, 5:00 P.M., BRINSON BOARD
ROOM, ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE,
FLORIDA.**

Present were: Vice-Chairman Don Shearer, Director Nancy Gemskie, Director Bill Hart, Director Domingo Toro, Director Fred Cumbie, Mayor George Gant, General Manager James Welsh, Vice-President and General Counsel Grant Lacerte and Recording Secretary Judy Womack.

A. MEETING CALLED TO ORDER at 5:00 p.m. by Vice Chairman Shearer.

B. PLEDGE OF ALLEGIANCE

The Board and staff recited the Pledge of Allegiance.

C. ELECTION OF NEW OFFICERS

Director Hart nominated Director Gemskie for the Chairman position; Director Cumbie nominated Director Shearer for the Chairman position. Director Gemskie received two votes from Director Gemskie and Director Hart for the Chairman position; Director Shearer received three votes from Director Cumbie, Director Toro and Director Shearer for the position of Chairman.

ACTION Director Shearer was elected to the position of Chairman.
Motion carried 3-2

ACTION Director Cumbie nominated Director Gemskie to the position of Vice Chairman. No other nominations were made, Director Gemskie was elected to the position of Vice Chairman.
Motion carried 5-0

ACTION Director Hart nominated Director Toro to the position of Secretary/Treasurer. No other nominations were made. Director Toro was elected to the position of Secretary/Treasurer.
Motion carried 5-0

ACTION Director Gemskie nominated Director Hart to the position of Assistant Secretary. No other nominations were made. Director Hart was elected to the position of Assistant Secretary.
Motion carried 5-0

D. AWARDS AND PRESENTATIONS

1. LOI HOANG – DEGREE RECOGNITION

Loi, who received his Master's Degree from Florida Metropolitan University, was unable to attend the meeting. Mr. Welsh noted that his supervisor would present Loi with a plaque at a later date.

2. 15- YEAR SERVICE AWARD – MARTY MELTON, LEAD RELAY TECHNICIAN, ENGINEERING & OPERATIONS

Marty was unable to attend the meeting. Mr. Welsh noted that his supervisor would present Marty with his award at a later date.

3. 20- YEAR SERVICE AWARD – MARTIN GARCIA, POWER PLANT MECHANIC OPERATOR, POWER SUPPLY

Martin was unable to attend the meeting. Mr. Welsh noted that his supervisor would present Martin with his award at a later date.

4. 20YEAR SERVICE AWARD – GREG WOESSNER, MANAGER OF SYSTEM OPERATIONS, ENGINEERING & OPERATIONS

Mr. Welsh introduced Greg and stated that he was a great asset to KUA and has recently supervised the installation of the new SCADA system. Chairman Shearer and

the other board members thanked Greg for his service and presented Greg with a River Sundial.

5. **EMPLOYEE OF THE MONTH, JIM HARNOIS, SCADA TECHNICIAN, ENGINEERING & OPERATIONS**

Jim was unable to attend the meeting. Mr. Welsh stated that his supervisor would present him with his awards at a later date.

E. **HEAR THE AUDIENCE**

Catherine Taylor, an eighteen year resident of Osceola County approached the Board along with her son in asking for assistance in resolving a customer service matter related to a balance due from her mother's estate which is currently in probate. Director Shearer recommended that staff look into this matter since KUA currently has policies in place to address such issues. General Manager Welsh directed Mike Geraghty, Vice President of Customer Service & Marketing to meet with Ms. Taylor as soon as possible to try to resolve this matter. The results will be reported to the Board.

Byard Miller of 2381 Meadow Lane approached the Board with a concern about sponsoring the Doug Guetzloe radio program on WIXL as well as inviting Mr. Guetzloe to be a celebrity judge in the 2004 Electrical Calendar award. General Manager Welsh pointed out that KUA is an a-political organization. Chris Gent, Manager of Corporate Communications stated that by buying hour blocks on his program, KUA can choose the content. Mr. Gent also pointed out that by being a celebrity judge in the calendar contest; Mr. Guetzloe promoted the contest on his program. Director Shearer asked staff to bring positive feedback from KUA's sponsorship back to the Board at the December meeting.

F. **CONSENT AGENDA**

Mayor Gant asked that Item #2 be pulled from the consent agenda for discussion.

ACTION: Director Toro made a motion, seconded by Director Genskie to approve items #1 and #3 of the consent agenda as written.

Motion Carried 5-0

1. **APPROVAL OF MINUTES OF OCTOBER 22, 2003 REGULAR MEETING**
3. **COMMUNITY SPONSORSHIPS – KUA SPONSORSHIP OF THE CITY OF KISSIMMEE'S PARKS & RECREATION DEPARTMENT AT \$19,300; FOUNDATION FOR OSCEOLA EDUCATION, INC. AT \$10,000; FARM CITY DAYS AT \$1,800, AND COMMUNITY VISION AT \$3,000**
- #2 **APPROVAL OF BLACK & VEATCH'S PROPOSAL TO PERFORM 2004 AGENCY COMPLIANCE ACTIVITIES AT CANE ISLAND AND HANSEL PLANTS**

Mayor Gant asked if we could extend the amount of time to perform agency compliance activities from one to possibly three years. Ben Sharma, Vice President of Power Supply introduced Mike Soltys from Black & Veatch's Environmental Group. Mr. Soltys stated that he was meeting with various agencies in January to ask if this was possible, and noted that it would have to be approved by the Department of Environmental Protection's Siting Board.

ACTION: Director Hart made a motion, seconded by Director Toro to approve item #2 on the consent agenda as written.

Motion Carried 5-0

G. **PUBLIC HEARING**

1. **CONSERVATION RATES**

Joe Hostetler, Vice President of Finance & Risk Management explained the Conservation rates and gave a time frame of the work done to date on these rates. Director Shearer asked if anyone in the audience would like to comment on this issue. There was no public comment.

ACTION: Director Hart made a motion, seconded by Director Gemskie to approve staff's recommendation, contingent upon Florida Public Service Commission review and approval, of the Conservation Rate tariff to become effective January 1, 2004.
Motion Carried 5-0

H. **INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)** - None

I. **OLD BUSINESS** - None

J. **NEW BUSINESS**

General Manager asked that the Board approve the addition of an item relating to Capital Campaign contributions to new business.

ACTION: Director Hart made a motion, seconded by Director Cumbie to add a discussion item regarding capital campaigns as item #2 under new business.

Motion carried 5-0

1. **APPROVAL OF THE CONTRACTUAL SERVICE AGREEMENT (CSA) WITH GENERAL ELECTRIC FOR COMPLETE MAINTENANCE OF THE CANE ISLAND 3 GAS TURBINE**

Ben Sharma, Vice President of Power Supply introduced representatives from GE and FMPA and explained the benefits of this long term agreement. Attorney Lacerte briefed the Board on some of the legal issues presented by the agreement and recommended approval because the benefits of the agreement outweighed potential liability exposure under it. Director Hart asked if this agreement will give KUA leverage on other units. Larry Mattern stated that there are ongoing discussions with GE to receive discounts on Unit 2 and uncovered parts of Unit 3.

ACTION: Director Gemskie made a motion, seconded by Director Toro to approve the Contractual Service Agreement (CSA) with General Electric for the long term maintenance of Cane Island 3 Gas Turbine with GE's payment schedule Option 2 and authorize the Chairman and the Secretary to execute the CSA subject to staff's finalization of the language of the CSA.

Motion carried 5-0

2. **STAFF SEEKS DIRECTION FROM THE BOARD ON MAKING CONTRIBUTIONS TO CAPITAL CAMPAIGNS**

General Manager Welsh suggested that staff develop a policy on evaluating requests for capital campaigns rather than giving funds on an ad-hoc basis. Director Shearer requested that staff research this policy and bring recommendations back to the December Board meeting.

3. **OSCEOLA COUNTY COUNCIL ON AGING, INC. CAPITAL CAMPAIGN REQUEST**

4. **OSCEOLA SHARED FOR THE ARTS, INC. CAPITAL CAMPAIGNS REQUEST**

ACTION: Director Hart made a motion, seconded by Director Gemskie to continue Items # 3 and #4 until the December Board meeting.

Motion carried 5-0

K. **STAFF REPORTS**

1. **MONTHLY PROGRESS REPORT ON ENGINEERING AND OPERATIONS PROJECTS**

Ken Davis, Vice President of Engineering & Operations presented an item from the report regarding an emergency purchase order that was made for repairs on bus-work which were causing faults.

2. **MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**

This was a written report.

3. **ABBREVIATED CONDENSED FINANCIAL REPORT – OCTOBER 2003**

Joe Hostetler, Vice President of Finance presented the Financial Report for October of 2003 and stated that staff will present a full report from the auditor's at the December meeting.

4. **DEPARTMENTAL HIGHLIGHTS – CUSTOMER SERVICE & MARKETING**

Mike Geraghty, Vice President of Customer Service and Marketing presented a report on the power diversion program which is currently in place.

L. **HEAR INTERNAL AUDIT, ATTORNEY, GENERAL MANAGER, DIRECTORS**

Grant Lacerte, Vice President and General Counsel updated the Board on the status of the Railroad Litigation. Mr. Lacerte also stated that the firm of Harris, Harris and Robinson broke apart, and after interviewing both new firms, Mr. Lacerte and Ken Davis, Vice President of Engineering & Operations felt it would be best to retain the new firm of Harris and Harris.

Algertha Diggs, Vice President of Internal Audit had nothing new to report on.

General Manager Welsh invited the Board to the annual Holiday Party scheduled for Friday, December 12 at Heritage Park.

Mr. Welsh stated that staff will present a report and proposal on partnering with SPARKS Communication at the December Board meeting.

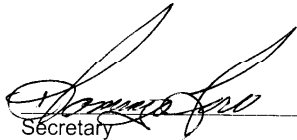
Mr. Welsh apologized to the Board for the system problems which were experienced at the evening's meeting. Jef Gray, Vice President of Information Technology will look into hard-wiring the system.

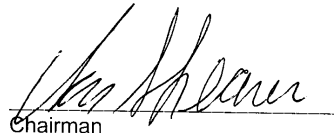
Mr. Welsh congratulated the board members on their newly elected positions.

Chairman Shearer thanked the Board for the vote of confidence in electing him Chairman.

M. **ADJOURNMENT**

Meeting adjourned at 7:18 p.m.


Secretary


Chairman