

**MINUTES OF THE SPECIAL BOARD MEETING OF KISSIMMEE UTILITY  
AUTHORITY, WEDNESDAY, SEPTEMBER 8, 2004 AT 12:00 P.M., BRINSON BOARD  
ROOM, ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE,  
FLORIDA.**

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

**A. MEETING CALLED TO ORDER at 12:00 p.m. by Chairman Gemskie.**

**B. PLEDGE OF ALLEGIANCE**

Board and staff recited the Pledge of Allegiance.

**C. AWARDS & PRESENTATIONS - None**

**D. HEAR THE AUDIENCE**

Larry Walter, former Chairman of the KUA Board of Directors approached the Board and expressed his gratitude to the dedicated employees of the Kissimmee Utility Authority who left their families during two disasters to work to restore power. Mr. Walter also stated that he appreciated the Board, management and employees for all of their effort and was glad to be a customer of the Kissimmee Utility Authority.

**E. CONSENT AGENDA - none**

**F. PUBLIC HEARING - none**

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

**1. SPECIAL REPORT ON HURRICANE FRANCES**

General Manager Welsh gave a report detailing the sequence of events that occurred during Hurricane Frances. Mr. Welsh said that crews began working on Saturday night, before the eye of the storm even hit, restoring power to customers who lost power during the initial feeder bands. Mr. Welsh then advised the Board that 21,000 customers were out at 3:15 p.m. on Sunday, but this figure went down to 10,000 outages by 9:00 p.m.

Mr. Welsh then commended George Blair and Logan Murphy who worked on a trouble crew throughout the night restoring approximately 6,000 customers. He commented that this typifies the spirit of each of our employees, particularly the line crew.

Mr. Welsh advised the Board that we currently have sent crews to Lakeland and offered service crews to OUC. He also said that staff is trying to contact other utilities in the state who may need KUA assistance.

Mr. Welsh drew a diagram of the system and highlighted two major problems in the system. The first involves the reconstruction of the transmission lines for the Clay Street substation which will take approximately two more weeks. The second involves the BVL substation which is running on only one transformer, rather than the two that are needed for it. These will be replaced later this year. Contingency plans were discussed as to what would happen if the one transformer left at the substation malfunctioned.

Mayor Gant reminded staff to get billings into FEMA in a timely manner and discussed restoring the wood transmission poles with concrete poles. Mike Simpson will work on a policy for wood transmission pole replacement before the threat of Hurricane Ivan to satisfy FEMA requirements.

Chairman Gemskie referenced letters from Commissioner Shipley, Commissioner Ken Smith, Roger Fontes and a phone conversation with Frank Attkisson who all expressed their appreciation of the job that KUA employees have done during the restoration process.

**H. OLD BUSINESS - none**

**I. NEW BUSINESS**

**1. BOARD APPLICANT QUESTION REVIEW**

The Board decided to table this item until the January meeting at which time they will review the questions and make new recommendations.

**J. STAFF REPORTS - None**

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

Algertha Diggs, Manager of Internal Audit had nothing to report.  
Grant Lacerte, Vice-president and General Counsel stated how proud he was of the KUA work force.

Mr. Welsh thanked the Board for their assistance and patience during the two hurricanes.

Directors Toro and Hart expressed their desire to do something special for the employees. This was also the consensus of the remainder of the board. Mr. Welsh will present a day when the Board can cook for and serve KUA employees lunch to show their appreciation.

Chairman Gemskie recessed the meeting at 1:05 p.m. for a ten minute break.

**L. MANAGEMENT REVIEW**

General Manger Welsh explained the process that previous boards have used in the review of the General Manager as well as showing the spreadsheet that was developed. He then answered questions pertaining to weighting factors and market level adjustments of salaried employees of the Kissimmee Utility Authority.

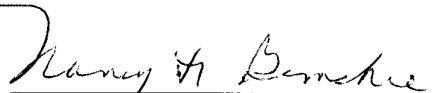
Chairman Gemskie questioned the General Manager of an electric utility's salary to that of other CEOs. Mr. Welsh gave his qualifications and stated the need for both a technical knowledge of engineering and business knowledge. He then showed the board the salary study of CEOs of other utilities throughout the state.

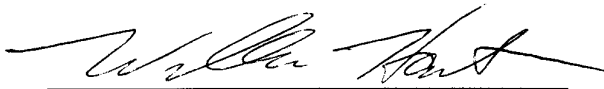
Director Kasper asked if he should abstain from the process as he is so new to the board, and everyone agreed that he should not.

Each of the board members rated Mr. Welsh. The weighted average was 3.0976 which equated to a 6.2928% increase. The new salary effective October 1, 2004 is \$170,025.

**M. ADJOURNMENT**

Chairman Gemskie adjourned the meeting at 2:05 p.m.

  
Chairman

  
Secretary