

**MINUTES OF THE REGULAR BOARD MEETING OF KISSIMMEE UTILITY  
AUTHORITY, WEDNESDAY, NOVEMBER 17, 2004 AT 5:30 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 Domingo Toro, Director Fred Cumbie, Director James 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 5:30 p.m. by Chairman Gemskie.

B. **PLEDGE OF ALLEGIANCE**

The Board and staff recited the Pledge of Allegiance.

C. **ELECTION OF OFFICERS**

**ACTION:** Director Hart made a motion, seconded by Director Toro to nominate Nancy Gemskie for Chairman of the KUA Board of Directors.

**Motion carried 5-0**

**ACTION:** Director Hart made a motion, seconded by Director Cumbie to nominate Domingo Toro for Vice-chairman of the KUA Board of Directors.

**Motion carried 5-0**

**ACTION:** Director Toro made a motion, seconded by Director Cumbie to nominate Bill Hart for Secretary of the KUA Board of Directors.

**Motion carried 5-0**

**ACTION:** Director Toro made a motion, seconded by Director Hart to nominate Fred Cumbie for Assistant Secretary of the KUA Board of Directors.

**Motion carried 5-0**

D. **AWARDS AND PRESENTATIONS**

1. **OSCEOLA HIGH SCHOOL KOWBOY JAKE RECOGNITION**

Osceola High school cheerleaders and their mascot, Kowboy Jake thanked the Board for their sponsorship of a new mascot costume and various other school activities. Cheerleaders presented the Board with a plaque and led a KUA cheer.

2. **APPA ANNUAL REPORT AWARD**

Chris Gent, Manager of Corporate Communications presented an award to the Board from APPA for winning the national award for best annual report among utilities with gross annual revenues of \$100-\$199 million.

3. **5- YEAR SERVICE AWARD – RANDY JAMES, RELAY TECHNICIAN, ENGINEERING AND OPERATIONS**

General Manager Welsh introduced Randy James and stated that he is not only an exemplary employee, but quite a vocalist. He even beat Mr. Welsh in a singing competition. Chairman Gemskie presented Randy with a clock.

4. **5- YEAR SERVICE AWARD – ROBERT CRISP, APPRENTICE ELECTRICIAN, ENGINEERING & OPERATIONS**

Mr. Welsh complimented Robert for his fine work at KUA, but also recognized him for his tremendous efforts as a United States Marine Reservist who served in Operation Iraqi Freedom. Chairman Gemskie presented Robert with a fruit basket.

5. **5-YEAR SERVICE AWARD – JASON SMALLEY, IT SYSTEM SPECIALIST, INFORMATION TECHNOLOGY**

Mr. Welsh recognized Jason as a past Employee of the Month who has saved both himself and the Board on many occasions with his computer expertise. Chairman Gemskie presented Jason with a clock radio.

6. **10-YEAR SERVICE AWARD – RICK WARD, ELECTRICIAN, ENGINEERING & OPERATIONS**

General Manager Welsh complimented Rick for promoting high morale with his cheerful disposition. Chairman Gemskie presented Rick with a telescope.

7. **15-YEAR SERVICE AWARD – MIKE GERAGHTY, VICE PRESIDENT OF CUSTOMER SERVICE & MARKETING**

Mr. Welsh introduced Mike and recognized him as a fine employee and trusted advisor. Mr. Welsh related a story about interviewing many people for the vice president position but realizing that the best person for the job was Mike, an in-house applicant. Chairman Gemskie thanked Mike for his service and stated that a watch would be delivered to him soon.

8. **15-YEAR SERVICE AWARD – NEIL BEVILLE – LEAD FLEET SERVICE MECHANIC, ENGINEERING & OPERATIONS**

Mr. Welsh thanked Neil and complimented him for his motivation and dependability. He then related that his father, Bill Beville taught Neil a strong work ethic from when he worked at the City many years ago. Chairman Gemskie presented Neil with a barbeque set.

9. **15-YEAR SERVICE AWARD – DAVE MANHARAN – MANAGER OF FLEET OPERATIONS, ENGINEERING & OPERATIONS**

Mr. Welsh recognized Dave as managing one of the best fleet shops around and stated that Dave literally built KUA's fleet maintenance system and is constantly improving it. Chairman Gemskie presented Dave with a barbeque set.

10. **15-YEAR SERVICE AWARD – TERRY HICKS, UTILITY WORKER, POWER SUPPLY**

Mr. Welsh recognized Terry as a quality person and a quality employee, both when he began his career at the Lackey Center and today in his position for Power Supply. Chairman Gemskie presented Terry with a c.d. player.

11. **EMPLOYEE OF THE MONTH FOR DECEMBER – NILS TARANGER**

Mr. Welsh introduced Nils and read a letter from one of his co-workers which stated that Nil's quick response to a recent alarm at Cane Island helped to save the company thousands of dollars in damage prevention to Unit 2. Chairman Gemskie presented Nils with a plaque; Vice Chairman Toro gave him a day off with pay; Secretary Hart presented him with a check; Director Cumbie, a parking space; Director Kasper a Sonny's certificate and Mayor Gant presented Nils with a one year membership to the Osceola Center for the Arts.

E. **HEAR THE AUDIENCE - None**

F. **CONSENT AGENDA**

**ACTION:** Vice-chairman Toro made a motion, seconded by Director Cumbie to approve items #1, 2, 3, 4 and 5 on the consent agenda as written.

**MOTION CARRIED 5-0**

1. **APPROVAL OF THE MINUTES FOR OCTOBER 27, 2004**

**2. AWARD OF CONTRACT FOR KUA VEHICLES**

**RECOMMENDATION:** Staff recommends awards to be made to Classic Chevrolet in the amount of \$82,352 from the following projects: C05K07, C05K08, C05K10, D05K14; Garber Buick in the amount of \$107,221 from the following projects: C05K02, G05K01, C05K02, D05K01, D05K08; Alan Jay Toyota in the amount of \$16,438 from the following project: D05K11.

**3. GREAT OUTDOOR DAYS SPONSORSHIP**

**RECOMMENDATION:** Staff recommends approval of a \$5,500 sponsorship to support the 2004 Great Outdoor Days. This is a worthwhile effort and worthy of the KUA's consideration as part of our sponsorship program.

**4. AWARD OF CONTRACT TO INDUSTRIAL FIRE AND SAFETY, INC. FOR UPGRADING THE FIRE PROTECTION SYSTEM AT CANE ISLAND**

**RECOMMENDATION:** Award the contract to Industrial Fire and Safety, Inc. for the upgrading certain fire protection system at Cane Island Power Park as recommended by KUA's insurance carrier for the NTE price of \$56,700.

**5. KISSIMMEE PARKS AND RECREATION SPONSORSHIP**

**RECOMMENDATION:** Staff recommends KUA's sponsorship of the City of Kissimmee's Parks and recreation department programs and events in the amount of \$21,300.

**G. PUBLIC HEARING - None**

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

**I. OLD BUSINESS - None**

**I. NEW BUSINESS**

**1. HEALTH INSURANCE UPDATE**

Wilbur Hill, Vice-president of Human Resources updated the Board on United Health Care's new Plan #38 which included such enhancements as lower co-pays and free ambulance service. Mr. Hill pointed out that after negotiations, the increase in premiums is 16.6% for HMO coverage and 16.1% for POS coverage and a total cost of \$1,517,817.96. Because this is below the approved budget amount, staff recommended that KUA increase employees assistance with dependent coverage from \$80 to \$100 per month.

Director Hart asked that Mr. Hill research the cost of picking up the entire cost of dependent coverage, for informational purposes only.

**ACTION** Director Hart made a motion, seconded by Director Kasper to approve staff recommendation to participate in health plan #38 and increase KUA assistance of employee dependent coverage cost from \$80.00 to \$100.00.

**MOTION CARRIED 5-0**

**2. BUDGET AMENDMENT**

General Manager Welsh proposed that item K3 Condensed Financial Report be presented in conjunction with this item. Joe Hostetler, Vice-president of Finance and Risk Management presented the financial report and stated that KUA experienced a \$1.9 million loss during fiscal year 2003-2004. Because of this loss, the CR3 goal of meeting a positive net income was not met so bonuses would not be given this year.

Mr. Hostetler also explained that after discussing the loss with our financial advisor, rating agencies and liquidity provider, his initial recommendation is to leave \$3,000,000 in the rate stabilization fund for fiscal year 2005 and take the loss

for the year from \$1.9 to \$4.9 million. This should not affect KUA's ratings and will still give us a healthy rate stabilization fund. Mr. Hostetler will discuss the additional \$3 million loss with our financial advisor, rating agencies and liquidity provider to ensure our ratings will not be reduced.

Director Cumbie asked what he should tell KUA customers, if asked about the loss. Mr. Hostetler stated that KUA experienced a \$2,000,000 loss and has decided to put money away to stabilize rates in the future.

**ACTION** Director Toro made a motion, seconded by Director Cumbie to authorize staff to reduce the Rate Stabilization Fund Transfer up to \$3,000,000 depending on feedback from Rating Agencies and Liquidity Provider.

**MOTION CARRIED 5-0**

**J. STAFF REPORTS**

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

This was a written report, however, Ken Davis, Vice president of Engineering and Operations updated the Board on the progress of the Pleasant Hill substation project. Staff has reached a tentative agreement with a landowner of four acres south of Harbor Road and Pleasant Hill Road for \$55,000 per acre.

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

This was a written report.

**3. CONDENSED FINANCIAL REPORT – SEPTEMBER, 2004**

This was presented with the Budget Amendment, item J2.

**4. COMMUNITY GRILL REPORT**

Chris Gent, Manager of Corporate Communications gave a presentation on community grill usage.

**5. HURRICANE RESTORATION VIDEO**

Chris Gent showed a video produced by the FMEA as a thank you to all of the outside utilities and contractors who helped out during the hurricanes of 2004. He also stated that FMEA was sending each of the Board members copies of the video.

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

Algertha Diggs, Manager of Internal Audit had nothing to report on at this time.

Grant Lacerte, Vice-president and General Counsel gave a brief update of current cases that he is involved with.

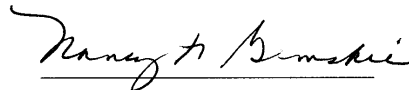
General Manager Welsh invited the Board to join the executive staff with serving Meals on Wheels on Thursday, December 2, 2004 at 10:30 a.m. Director Cumbie thanked KUA for getting involved with such a worthy cause.

Mr. Welsh then reminded Board members that they are invited to the KUA holiday party on Saturday, December 4, 2004 at Medieval Times.

Director Gant told everyone about a project that he is involved with which promotes exercise and diets in the schools by building safe walking tracks.

**L. ADJOURNMENT**

Meeting adjourned at 7:30 p.m.



2239  
November 17, 2004

Chairman



Secretary