

**MINUTES OF THE REGULAR BOARD MEETING OF KISSIMMEE UTILITY
AUTHORITY, WEDNESDAY, APRIL 6, 2005 AT 8:00 AM, BRINSON BOARD ROOM,
ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE, FLORIDA.**

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

A. MEETING CALLED TO ORDER at 8:00 a.m. by Chairman Gemskie.

B. PLEDGE OF ALLEGIANCE

The Board and staff recited the Pledge of Allegiance.

C. AWARDS AND PRESENTATIONS

1. YOUTH COTILLION SPONSORSHIP RECOGNITION

Chris Gent, Manager of Corporate Communications introduced Randy Schafer of the Kissimmee Parks and Recreation department. He told the Board a little about the Spring Cotillion at Chambers Park. Jackie Hunter, Recreation Coordinator at the City also spoke about the event, introduced some of the participants and thanked KUA for their sponsorship.

2. FLEE TO BE FREE PRESENTATION

Teresa Beverly gave an overview of the child abduction awareness program and thanked the Board for KUA's participation. She then presented the Board with a certificate of appreciation.

3. ANNUAL REPORT PARTICIPANTS RECOGNITION

Chris Gent thanked the participants whose silhouettes were included in the 2004 KUA Annual Report. Board members presented each employee with their framed picture. Director Kasper presented Jay Taylor, Scott Grieves and Fisher Gibson with their photos. Chairman Gemskie presented Sidney Mance and Chris Gent with photos. Vice chairman Toro presented Brandy Koss, Debbie and Garry Brandt with photos. Director Hart presented Jennifer Athey, Docily Perry and Kelly Jusino with photos and Director Cumbie presented Sam Kotwal and Tony Morelli with photos.

4. 10-YEAR SERVICE AWARD – SUSAN RAINES, MANAGER OF ACCOUNTING, FINANCE & RISK MANAGEMENT

Mr. Welsh commented that Susan is very easy to work with, well liked and does a fantastic job for KUA. Chairman Gemskie presented Susan with a watch.

5. 15-YEAR SERVICE AWARD – BARBARA CLARK, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERVICE & MARKETING

Mr. Welsh noted that Barbara is always willing to go that extra mile for KUA. Chairman Gemskie presented Barbara with a necklace.

6. 20-YEAR SERVICE AWARD – IVETTE MARTINEZ, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERVICE & MARKETING

Mr. Welsh introduced Ivette and thanked her for the many translation projects that she has done throughout the years. He also commented that in 2002 she was named as the Best Overall Team Player in her department. Chairman Gemskie presented her with a mixer.

7. EMPLOYEE OF THE MONTH FOR APRIL – MARILYN KARL

Marilyn was not able to attend, but Mr. Welsh noted that her department Vice-president would present the awards to her at a later date.

E. **HEAR THE AUDIENCE** - none

F. **CONSENT AGENDA**

ACTION: Director Kasper made a motion, seconded by Director Hart to approve the consent agenda as written.

Motion Carried 5-0

1. **APPROVAL OF MINUTES OF MARCH 16, 2005 REGULAR MEETING**

2. **APPROVAL OF AMENDMENT NO. 2 OF THE POWER PURCHASE AGREEMENT BETWEEN KUA AND SOUTHERN COMPANY, FLORIDA LLC**

Recommendation: Approve the Amendment No. 2 of the Power Purchase Agreement between KUA and Southern Company and authorize the Chairman and the Secretary to execute the same.

3. **AWARD OF BID IFB#013-05 PAD AND POLE TRANSFORMERS**

Recommendation: Award of bid IFB#013-05 for distribution transformers to Electric Supply of Tampa - \$23,594, Hughes Supply - \$208,775, Pauwels/John Carter Assoc. - \$135,194 for a total amount of \$367,563.

F. **PUBLIC HEARING** - None

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

H. **OLD BUSINESS** - None

I. **NEW BUSINESS**

1. **UPGRADE OF FIBER OPTIC EQUIPMENT**

Ken Davis, Vice president of Engineering & Operations gave an overview of plans to upgrade various fiber optic equipment to better utilize line capacity. Mr. Davis addressed questions from Director Toro about the services currently in place with fiber optic equipment and whether we recover expenses from other entities who utilize fiber optics. Mr. Davis stated that fiber optics is used both internally and externally by such entities as the school district, city and county governments and they do pay for installation.

ACTION: Director Hart made a motion, seconded by Director Cumbie to approve staff recommendation to purchase fiber optic equipment from Pulsar Technologies for the total price of \$105,565.

Motion carried 5-0

2. **SCHEDULE FOR BOARD MEMBER RECRUITMENT**

Chairman Gemskie abstained from any discussion of this item as it her first five year term which is expiring. General Manager Welsh detailed the schedule, advertising and questions for candidates for the upcoming vacancy on the Board of Directors. Mr. Welsh recommended that questions #9 and #10 be removed as they are redundant.

ACTION: Director Cumbie made a motion, seconded by Director Hart to approve the schedule, advertising and questions with the removal of questions #9 and #10 to be asked of the candidates for recruiting a nominee to fill the upcoming vacancy.

Motion carried 4-0
Chairman Gemskie abstained

J. **STAFF REPORTS**

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

This was a written report.

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

This was a written report.

3. **MONTHLY REPORT ON INFORMATION TECHNOLOGY DEPARTMENT PROJECTS**

This was a written report.

4. **CONDENSED FINANCIAL REPORT – FEBRUARY, 2005**

Joe Hostetter, Vice president of Finance & Risk Management presented the condensed financial report for February, 2005.

5. **INTERNAL AUDIT QUARTERLY REPORT**

Algertha Diggs, Manager of Internal Audit highlighted second quarter activities this included an inventory count at the warehouse and a surprise cash count. No major discrepancies were found.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, Vice president and General Counsel updated the Board on House Bill 1325 addressing telecommunications and the Department of Environmental Protection settlement for issues at the Lackey Service Center.

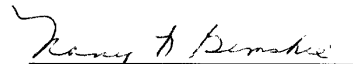
General Manager Welsh discussed the idea of developing a code of ethics for KUA with the help of an outside consultant. He asked board members if they would like to participate in a roundtable along with the executive staff to develop this code. Chairman Gemskie suggested that this issue be brought back at the May 4 board meeting after the directors have time to review a workbook on ethics.

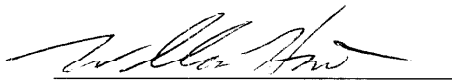
Director Kasper presented the Board with a trophy from the Boy Scout banquet that he recently attended.

Director Hart asked about the Lineman's rodeo and questioned how KUA received perfect scores yet did not win. Ken Davis advised the Board that in the event of a tie, the team with the best time wins.

L. ADJOURNMENT

Meeting adjourned at 9:10 a.m.


Chairman


Secretary