

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, MAY 3, 2006 at 3:30 P.M., BRINSON BOARD ROOM,
ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

Present were Chairman Gemskie, Vice Chairman Toro, Director Hart, Director Cumbie, Director Kasper, General Manager Welsh, Vice President and General Counsel Lacerte, and Recording Secretary Ambrosi. Mayor Linda Goodwin-Nichols was absent.

A. MEETING CALLED TO ORDER at 3:30 p.m. by Chairman Gemskie.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the Pledge of Allegiance.

C. AWARDS AND PRESENTATIONS

1. PRESENTATION FOR 2006 FLORIDA LINEMAN COMPETITION

Ken Davis, Vice president of Engineering & Operations recognized the outstanding job that KUA Linemen did at the Florida Lineman Competition, the APPA Lineworker's Rodeo, and at the World Championship Lineman's Rodeo. Those recognized included: Chris Ketner, Dustin Kelley, David Wolfe, Luis Santiago, Gary Guinan, Mike Fulmore, Alberto Mercado, Paul Therriault, Jeff Powell, Eddie Gluc, Aaron Haderle, Logan Murphy and David Wolfe. A special thank you was given to Michelle Scharfenberg and Henry Kurnick for their help in coordinating the Florida event which was held at Osceola Heritage Park.

Ken Davis also presented the Board with a plaque from FMEA thanking them for their efforts in coordinating this year's event.

2. RECOGNITION OF EMPLOYEE LIFE-SAVING ACT

Mr. Welsh recognized Martin Garcia for saving the life of Steve "Toe" McClaughtery by performing the Heimlich Maneuver after "Toe" choked on a piece of pizza. Certificates were presented to both. Ben Sharma, Vice president of Power Supply noted that, "This proves our training works."

3. "IN PLAIN VIEW" – RECOGNITION OF BOB STAGGS, POWER PLANT OPERATOR/MECHANIC

Mr. Welsh thanked Bob and Robin Staggs for their hard work in sinking the computer monitors in the Brinson Board Room to better enable the Board and audience to see each other. Chairman Gemskie presented Mr. and Mrs. Staggs with a proclamation.

4. 5-YEAR SERVICE AWARD – JEFF FLAMMER, POWER PLANT SUPERVISOR, POWER SUPPLY

Jeff was unable to attend so Mr. Welsh stated that his award would be presented by his supervisor at a later date.

5. 10-YEAR SERVICE AWARD – PEDRO DIAZ, METER READER, CUSTOMER SERVICE & MARKETING

Pedro was unable to attend so Mr. Welsh stated that his award would be presented by his supervisor at a later date.

6. 15-YEAR SERVICE AWARD – BOB VIELE, LINEMAN FIRST CLASS, ENGINEERING & OPERATIONS

Mr. Welsh recognized Bob as being a top-notch lineman who is respected by fellow coworkers. Chairman Gemskie stated that he will be presented with a forecast weather station at a later date.

7. EMPLOYEE OF THE MONTH FOR MAY – BILL CLARK, CERTIFIED SYSTEM OPERATOR, ENGINEERING & OPERATIONS

Mr. Welsh read a letter from one of Bill's fellow employees who recognized Bill as a respectful and courteous employee who keeps the linemen in the field safe and well-informed. Chairman Gemskie presented Bill with a plaque; Director Toro presented him

with a check; Director Hart gave Bill a certificate for a day off with pay; Director Cumbie presented him with a certificated for a premium parking spot and a tire rotation; Director Kasper presented Bill with two tickets to the Osceola Center for the Arts and a gift certificate to Sonny's.

D. **HEAR THE AUDIENCE** - none

E. **CONSENT AGENDA**

ACTION: Director Hart made a motion, seconded by Director Toro to approve items #1, #2, #3 and #4 on the consent agenda as written.

MOTION CARRIED 5-0

1. **APPROVAL OF THE MINUTES FOR APRIL 5, 2006 REGULAR MEETING**
2. **APPROVAL OF THE MINUTES FOR APRIL 20, 2006 SPECIAL MEETING**
3. **KUA NETWORK OPERATING SOFTWARE PURCHASE**

Recommendation: Staff recommends 3-year software purchase.

4. **SQL SOFTWARE LICENSE PURCHASE**

Recommendation: Staff recommends 3-year software purchase.

F. **PUBLIC HEARING** - none

G. **INFORMATIONAL PRESENTATION (REQUIRING NO ACTION)** - none

H. **OLD BUSINESS** – none

I. **NEW BUSINESS**

PURCHASING LIMITATIONS – RESOLUTION 06-01

Joe Hostetler, Vice president of Finance & Risk Management explained the request to raise purchasing limitations on purchase orders and credit cards from \$999.99 to \$1,999.99; changing formal quote limits from \$999.99 to \$1,999.99 and a change in purchases requiring Board approval for purchases in excess of \$100,000 rather than the current \$50,000 limitation.

Also discussed was a clarification of Resolution 99-9 allowing the President & General Manager to approve purchases without Board approval during operational emergencies. The president would report such purchases in an expeditious manner to the Board as well as at their next meeting.

ACTION: Director Cumbie made a motion, seconded by Director Kasper to approve Resolution 06-01 and authorize the Chairman and Secretary to execute the resolution.

MOTION CARRIED 5-0

J. **STAFF REPORTS**

1. **MONTHLY PROGRESS REPORT ON ENGINEERING & OPERATIONS DEPARTMENT PROJECTS**
2. **MONTHLY PROGRESS REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**
3. **MONTHLY PROGRESS REPORT ON INFORMATION TECHNOLOGY DEPARTMENT PROJECTS**
4. **QUARTERLY FINANCIAL REPORT, JANUARY-MARCH 2006**

Joe Hostetler, Vice president of Finance & Risk Management presented the quarterly financial report to the Board.

5. **CUSTOMER SERVICE PERFORMANCE AREA INDICATOR**

Mike Geraghty, Vice president of Customer Service & Marketing presented performance indicators used by the APPA to measure such attributes as customer research and outreach, flexibility of services, custom services and wait times. Mr. Geraghty remarked that the average wait time over the past 60 days in the call center has been only 25 seconds which is unprecedented in the industry.

Mr. Geraghty responded to questions from the Board about bad debt coming, in part, from this area having many transient residents; financing commercial deposits and the steady increase in payments being made at 7/11 and Publix.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

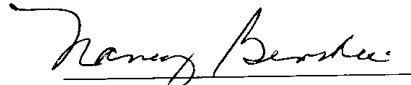
Grant Lacerte, Vice President and General Counsel advised the Board on current legislation regarding nuclear power plants and telecommunications issues. Mr. Lacerte also advised the Board on New Smyrna officially voting to abandon the telecommunications business. Mr. Lacerte advised the Board that staff is working with New Smyrna to make the transition as smooth as possible from both a legal perspective as well as from a public relations perspective.


General Manager Welsh advised the Board that an interlocal agreement for the downtown wireless system is being worked on by the City of Kissimmee and Toho Water Authority. The issue will be brought to the KUA Board at the June meeting.

Mr. Welsh reminded the Board of the Applicant Review special meeting on Wednesday, May 10, 2006 at 3:30 p.m.

Director Toro questioned current rates and asked when customers could look forward to lower rates. David Siegel, Accountant/Analyst explained that plans are being made to use the rate stabilization fund if prices do not come down soon.

Meeting adjourned at 5:00 p.m.


Chairman


Secretary