

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, NOVEMBER 1, 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, Mayor Goodwin-Nichols, General Manager Welsh, Vice President and General Counsel Lacerte, and Recording Secretary Ambrosi.

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

B. **PLEDGE OF ALLEGIANCE**

The Board and staff recited the Pledge of Allegiance.

C. **AWARDS AND PRESENTATIONS**

1. **RECOGNITION OF IT EMPLOYEES' PROFESSIONAL ACHIEVEMENT**

Jef Gray, Vice president of Information Technology recognized Mark Coffman and Rob Morris who were both named Microsoft MVPs. The Board presented framed articles to both employees.

2. **15-YEAR SERVICE AWARD – CAROLYN SCOTT, EXECUTIVE ASSISTANT TO THE PRESIDENT, EXECUTIVE OFFICE**

3. **EMPLOYEE OF THE MONTH FOR NOVEMBER – CHARLES LEE, MANAGER-FINANCIAL ANALYSIS, FINANCE & RISK MANAGEMENT**

Charles was recognized as a dedicated employee and as an asset to KUA. Chairman Gemskie presented Charles with a plaque; Director Toro presented him with a day off with pay; Director Hart gave him a check; Director Cumbie presented him with certificates for special parking and a free tire rotation; Director Kasper presented Charles with a dinner for two from Sonny's and Mayor Goodwin-Nichols gave Charles two tickets to the Osceola Center for the Arts.

D. **HEAR THE AUDIENCE** - none

E. **CONSENT AGENDA**

ACTION: Director Kasper made a motion, seconded by Director Hart to approve items #1 through 7 on the consent agenda as written.
MOTION CARRIED 5-0

1. **APPROVAL OF MINUTES FROM REGULAR MEETING OF OCOTBER 4, 2006**

2. **VIVA OSCEOLA FESTIVAL LATINA SPONSORSHIP**

Recommendation: Staff recommends approval of a \$7,500 sponsorship to support the 2006 Viva Osceola Festival Latina. This is a worthwhile effort and worthy of the KUA's consideration as part of our sponsorship program.

3. **KISSIMMEE PARKS & RECREATION SPONSORSHIP**

Recommendation: Staff recommends KUA's sponsorship of the City of Kissimmee's Parks & Recreation Department programs and events in the amount of \$21,300.

4. **AWARD OF BID IFB #001-07, 2 YEAR REQUIREMENT FOR FUEL**

Recommendation: Award of Bid #001-07 to Mansfield Oil Company for an annual estimated amount of \$249,254. Funding will come from various KUA departments.

5. **AWARD OF BID IFB #003-07, TYPE 4 JUNCTION BOXES**

Recommendation: Award of Bid #003-07 to WESCO for a total amount of \$132,900.

6. **AWARD OF BID IFB #006-07, PAD-MOUNT TRANSFORMERS**

Recommendation: Award of bid IFB 006-07 to Gresco Utility Supply in the amount of \$444,167 and John Carter & Associates in the amount of \$184,322.

7. **PURCHASE OF VEHICLES**

Recommendation: Award of purchase of vehicles to Classic Chevrolet for \$29,945 and Alan Jay Chevrolet/Buick/GMC for \$90,099.

F. **PUBLIC HEARING** - none

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

H. **OLD BUSINESS**

1. **APPROVAL & EXECUTION OF SECOND AMENDMENT TO TRANSFER AGREEMENT & QUITCLAIM DEED CONVEYING FORMER HANSEL DIESEL BUILDING & RELATED PROPERTY TO THE CITY OF KISSIMMEE**

General Manager Welsh explained that the City has already executed their portion of the agreement and noted that although the quitclaim deed will be signed tonight, it will be held until the property is ready to officially be transferred. Director Cumbie asked the mayor if there are any plans for the property yet. Mayor Linda Goodwin-Nichols noted that this will be part of the downtown redevelopment project but no specific plans have been made.

Grant Lacerte, Vice president and General Counsel advised the Board that KUA will still be held accountable for any environmental issues that may arise from the property. Director Cumbie asked if any environmental studies have been done yet. Ben Sharma, Vice president of Power Supply stated that the DEP has been monitoring oil clean-up for the past several years.

Director Cumbie questioned KUA's accountability for any environmental issues. Ben Sharma stated that KUA is responsible, even though ownership of the property goes back to the City.

ACTION: Director Kasper made a motion, seconded by Director Toro to approve staff recommendation of the Amendment to Transfer Agreement & Quitclaim Deed conveying the former Hansel Diesel Building and related property to the City of Kissimmee and that the Board authorizes the Chairman and Secretary to execute the attached Second Amendment to the Kissimmee Utility Authority Transfer Agreement and Quitclaim Deed.

MOTION CARRIED 5-0

I. **NEW BUSINESS**

1. **CANE ISLAND DISTRIBUTED CONTROL SYSTEM UPGRADE**

Ben Sharma, Vice president of Power Supply explained that the system controls the entire Cane Island distribution system, rather than individual parts, with the exception of turbines. Mr. Sharma stated that the system is now seven years old and can be upgraded periodically for a lesser price rather than replacing the entire system at once.

Director Toro asked if there is a maintenance policy with this. Director Sharma stated that this is not a maintenance contract but a partial hardware upgrade. Larry Mattern, Manager of Power Production, stated that some of the system hardware and a controller are being replaced.

ACTION: Director Cumbie made a motion, seconded by Director Hart to award the contract to Emerson Process Management to upgrade the existing Cane Island Distributed Control System for Cane Island Units 1, 2 & 3 and replace the historian for a total cost of \$151,000 as per the attached proposal.

MOTION CARRIED 5-0

2. RFP #118-06 BANKING SERVICES

Joe Hostetler, Vice president of Finance & Risk Management explained the process of using lockboxes and the criteria used in the evaluation of the Banking Services RFP. Mr. Hostetler stated that cost is not the only issue to address in banking services as issues such as overall services and lockbox location are also important to evaluate.

Mr. Hostetler stated that the banking contract includes an indemnity clause that needs to be addressed. Grant Lacerte will work with AmSouth to try to modify the language and the recommendation is contingent on successful contract negotiation.

Director Cumbie asked if an analysis has been done to determine if KUA could give depository services to SunTrust and give AmSouth lockbox services. Mr. Hostetler stated that these items were broken out in the original bid.

ACTION: Director Hart made a motion, seconded by Director Cumbie to authorize staff to award RFP #118-06 to Am-South contingent upon successful negotiation of a Banking and Lockbox Service contract for the period February 1, 2007 to January 31, 2010 with an optional renewal by mutual consent for up to two (2) additional years; authorize the chairman and Secretary to execute the contract documents.

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. PRE-AUDIT FINANCIAL REPORT – SEPTEMBER, 2006**

Joe Hostetler, Vice president of Finance & Risk Management presented the pre-audit financial report. Chairman Gemskie asked if we still have ARP credits remaining. Mr. Hostetler stated that we still have credits coming to KUA. Mr. Hostetler stated that rates still remain dependent on gas prices and the severity or mildness of the winter.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Mr. Lacerte, Vice president and General Counsel stated that he looked at the original Transfer of Assets Agreement with the City of Kissimmee which stated that the parties could have negotiated a price on the Hansel Plant transfer, but that did not take place. Director Cumbie questioned that if KUA did not convey the property to the City, would KUA still assume the liability of possible contamination. Mr. Welsh stated that KUA has not knowingly created any environmental issues at the plant and he feels that KUA would always be responsible for environmental issues on the property, even if it was bought by a private individual.

Director Hart stated that he is concerned that the City may eventually decide to sell the property to a private developer at a profit, and KUA would still be held liable for any environmental issues. Mayor Goodwin-Nichols stated that selling the property has never been discussed. Director Cumbie asked the procedure on reconsidering a motion.

ACTION: Director Cumbie made a motion to reconsider the APPROVAL & EXECUTION OF SECOND AMENDMENT TO TRANSFER AGREEMENT & QUITCLAIM DEED CONVEYING FORMER HANSEL DIESEL BUILDING & RELATED PROPERTY TO THE CITY OF KISSIMMEE.

MOTION FAILED FOR LACK OF A SECOND

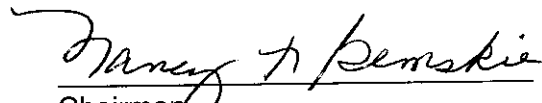
Mr. Lacerte stated that in January, he will present a brief summary to the Board on personal injury claims.

General Manager Welsh reminded the Board of the EOC dinner on November 2; the Holiday party on Saturday, December 2 at Dixie Stampede; the site tour of Lake Cecile property will be rescheduled; ARP 101 training has been scheduled for November 13 and 14 at FMPA. Mr. Welsh recognized Chris Gent for excellent coverage of rate reductions.

Chairman Gemskie deferred to General Manager Welsh who read a proclamation presented to Mayor Linda Goodwin-Nichols for her work on the KUA Board as an ex-officio member. Mayor Goodwin-Nichols thanked the Board and General Manager Welsh.

L. ADJOURNMENT

Meeting adjourned at 4:51.


Secretary
Chairman