

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, FEBRUARY 7, 2007 at 3:30 P.M., BRINSON BOARD ROOM, ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

Present were Chairman Gemskie, Director Toro, Director Hart, Director Cumbie, Director Kasper, Mayor Jim Swan, 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. **5-YEAR SERVICE AWARD – JIM HARNOIS, SCADA/COMMUNICATIONS TECH, ENGINEERING & OPERATIONS**
2. **5-YEAR SERVICE AWARD – MARIBEL URREA, IT SYSTEM TECHNICIAN, INFORMATION TECHNOLOGY**
3. **15-YEAR SERVICE AWARD – ROBERT MILLER, MANAGER, BULK SYSTEM PLANNING, POWER SUPPLY**
4. **20-YEAR SERVICE AWARD – JAY TAYLOR, LINEMAN FIRST CLASS, ENGINEERING & OPERATIONS**
5. **EMPLOYEE OF THE MONTH FOR FEBRUARY – BEN RADFORD, LEAD METER READER, CUSTOMER SERVICE & MARKETING**

General Manager Welsh recognized Ben as someone who always has a positive attitude and as someone who takes pride in his work. The Board presented Ben with a plaque, a certificate for a day off with pay, a check, tickets to the Center for the Arts, a good parking space, a meal at Sonny's and a free tire rotation .

**D. HEAR THE AUDIENCE**

Jay Wheeler of the Osceola County School Board advised the Board that a proposal by Take Stock in Children will be presented at the March 7 Board meeting. The proposal models a pilot program in place at JEA which allows customers to designate money for scholarships for Duval County students. Mr. Wheeler gave a brief overview of the program which includes matching funds from the State of Florida, per Senator Wise.

Mayor Swan asked if the promise of matching funds is a long term commitment or something that will soon be taken away. Mr. Wheeler stated that he would bring an answer back to the Board at next months presentation. General Manager Welsh stated that Grant Lacerte, Vice President and General Counsel has tried to contact JEA about this, but their legal department is being restructured. Chairman Gemskie asked that Mr. Wheeler get with Jim Welsh on any questions prior to coming back to the Board.

**E. CONSENT AGENDA**

**ACTION:** Director Hart made a motion, seconded by Director Cumbie to approve items #1 through 4 on the consent agenda as written.  
**MOTION CARRIED 5-0**

1. **APPROVAL OF MINUTES FROM REGULAR MEETING OF JANUARY 3, 2007**
2. **PLEASANT HILL SUBSTATION PROJECT AWARD OF BID IFB 008-07 – STEEL POLES**

Recommendation: Authorize award of Bid IFB 008-07 to Thomas & Betts for the amount of \$380,237, contingent on negotiation of a satisfactory contract; authorize the Chairman and Secretary to execute the necessary contract documents.

3. **PLEASANT HILL SUBSTATION PROJECT AWARD OF BID IFB 009-07 – CONCRETE POLES**

Recommendation: Authorize award of Bid IFB 009-07 to Newmark International Inc. for the amount of \$1,028,372, contingent on negotiation of a satisfactory contract; authorize the Chairman and Secretary to execute the necessary contract documents.

**4. APPOINTMENT OF KUA REPRESENTATIVE TO FLORIDA GAS UTILITY'S (FGU) VARIOUS COMMITTEES**

Recommendation: Authorize the President & General Manager to nominate himself or a designee to the Board of Directors and the GSAP No. 1 committee effective April 1, 2007 along with an alternate KUA representative to those two bodies.

**F. PUBLIC HEARING** - none

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

**H. OLD BUSINESS** - none

**I. NEW BUSINESS**

**1. TEMPORARY STORAGE OF TREASURE COAST TURBINE SPARE PARTS AT CANE ISLAND**

Ben Sharma, Vice President of Power Supply advised the Board that FMPA is building a power plant for ARP participants. Mr. Sharma stated that GE wants to start delivering spare parts valued at approximately \$14 million immediately. Cane Island has space available and is able to house these parts until the warehouse is ready in 2008.

Director Toro asked if there is any liability for storing this. Grant Lacerte, Vice President and General Counsel clarified that FMPA insurance is covering everything. Director Hart asked if GE charges extra for transportation. Mr. Sharma stated that this is FMPA's responsibility. Director Cumbie asked if KUA is making any money from this. Mr. Lacerte stated that KUA is saving money in that FMPA does not have to pay for additional storage.

**ACTION:** Director Hart made a motion, seconded by Director Kasper to approve the agreement, which will allow FMPA the temporary storage of the ARP Treasure Coast project combustion turbine capital spare parts in the Cane Island warehouse until the completion of the Treasure Coast warehouse and authorize the Chairman and the Secretary to execute the agreement.  
**MOTION CARRIED 5-0**

**2. PROPOSED CHANGES TO MONTHLY STAFF REPORTS**

Jef Gray, Vice President of Information Technology advised the Board that the reports that are currently given include a large amount of information that does not necessarily show trends. The proposed changes cut down on written reports but give more verbal reports from various staff members.

Chairman Gemskie asked if staff members would still be available to answer any questions are raised. Mr. Gray stated that questions could still be answered at the meeting. Mr. Welsh stated that special reports could also be included if requested by either staff or by the Board. Mr. Welsh also stated that there is a great value of consistency and the Board is welcome to keep reports as they currently are.

Director Toro stated that he does not want any less than what he gets now. Mr. Welsh pointed out that the Board would still get monthly rate, reliability and customer service statistics.

Mayor Swan stated that the proposal looks less cumbersome than the previous one.

**ACTION:** Director Cumbie made a motion, seconded by Director Kasper to approve the proposed changes to reporting requirements.  
**MOTION CARRIED 5-0**

**J. STAFF REPORTS**

**1. MONTHLY PROGRESS REPORT ON ENGINEERING & OPERATIONS DEPARTMENT PROJECTS**

**2. 2006 FIVE YEAR DISTRIBUTION PLANNING STUDY**

Mike Simpson, Manager of Planning and Special Projects presented the study which showed that the Pleasant Hill area is heavily stressed and customer growth is at a 4% rate. Mr. Simpson gave a time frame for recommended projects which includes feeder upgrades, a Marydla Substation upgrade and two new substations on Neptune Road in 2010 and Osceola Parkway in 2011.

Director Hart asked about the Pleasant Hill Road Substation. Mr. Simpson stated that it is projected to be completed in December of this year. Director Toro asked about the easements. Mr. Simpson stated about 40 parcels have been named in the condemnation suit. Mr. Lacerite stated that the condemnation suit was filed on Friday for those who have not yet settled. Mr. Lacerite also stated that counter offers in general are significantly more than initial offers.

**3. MONTHLY PROGRESS REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**

Director Hart asked about the Triple R Mitigation Plan. Ben Sharma stated that RR&R wanted to create artificial wetlands near Cane Island. There has been a conflict between landowners and Mr. Sharma feels that this project has died.

Director Hart also requested information on the Perry, Florida plant to be included in reports. Mr. Sharma stated that he would advise Larry Mattern to include updates in his reports.

**4. MONTHLY PROGRESS REPORT ON INFORMATION TECHNOLOGY DEPARTMENT PROJECTS**

**5. QUARTERLY FINANCIAL REPORT – DECEMBER, 2006**

Mr. Hostetler, Vice President of Finance & Risk Management presented the quarterly report to the Board. Mr. Hostetler advised the Board that the information which was included in the Distribution Study will be used during the budgeting process.

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

Grant Lacerite, Vice President & General Counsel presented an update to the Board. Mr. Lacerite stated that the Pleasant Hill transmission line is a very complicated process as the condemnation suit is just beginning. Mr. Lacerite stated the number of cases was down last year but he had more complex cases such as the Pleasant Hill Road project, new mandatory reliability standards being implemented in June, and the Communications Assistance and Law Enforcement Act (CALEA). He will keep the Board advised of developments in each of these cases. Mr. Lacerite stated that pole attachment agreements are also being renegotiated and updated.

Director Cumbie asked about the Emergis law suit. Mr. Lacerite advised the Board that OUC is currently involved in a law suit with them and KUA is monitoring it.

Mr. Welsh stated that the FMPA Governance Committee is improving and Grant Lacerite has been instrumental in this. Mr. Welsh also congratulated Joe Hostetler who was recognized as one of 300 professionals nationwide in Finance.

Mr. Welsh stated that Director Toro suggested we combine the February 28 Budget meeting and March 7 Board meeting. The Board agreed with the incorporation of both meetings into the March 7 meeting.

Mr. Welsh gave employees the 2006 Annual Report. Chris Gent, Manager of Corporate Communications presented a brief overview of the report. He stated that printed editions will be mailed in about two weeks.

Chairman Gemskie welcomed our new mayor, Jim Swan.

Director Kasper stated that Iris Larson called to thank him for KUA employee's excellent response when she needed a new security light.

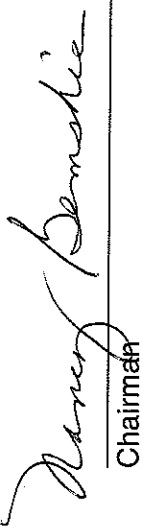
Director Cumble stated that he read in the newspaper a story about the Hansel Plant. Mayor Swan stated that it is his understanding, although the commission has not reached a final conclusion that much of the original building will remain in tact. The commission has not indicated any plans to raise the building.

L. ADJOURNMENT

Meeting adjourned at 5:16 p.m.



Secretary



Chairman