

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, APRIL 4, 2007 at 3:30 P.M., BRINSON BOARD ROOM, ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

Present were Chairman Gemske, 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 Gemske.

**B. PLEDGE OF ALLEGIANCE**

The Board and staff recited the Pledge of Allegiance.

**C. AWARDS AND PRESENTATIONS**

**1. FMEA LINEMAN'S COMPETITION**

Ken Davis, Vice President of Engineering & Operations recognized the KUA linemen who brought home four trophies from the 2007 FMEA Lineman Rodeo held on March 17<sup>th</sup> in Ocala. The Board congratulated: Mike Taylor, Jerry Barton, Jon Latiolais, Luis Santiago, Eddie Gluc, Alberto Mercado, Jamie Boswell, Mike Fulmore, Aaron Haderle, Logan Murphy, Bruce Thompson, David Wolfe, Richard Perez, Jason Wright. Those helping at the rodeo were: Michelle Scharfenberg, Paul Therriault, Ed Carter and Chris Ketner.

**2. RECOGNITION OF METER READERS OF THE YEAR**

Mike Geraghty, Vice president of Customer Service & Marketing recognized Martin Dennis as full-time meter reader of the year and Angel Quiles as the runner-up meter reader of the year. Chairman Gemske presented Martin and Angel with a trophy and a plaque. Chairman Gemske stated how proud she is of the employees of KUA for their accomplishments.

**3. 10-YEAR SERVICE AWARD – KAREN BARNETT, ACCOUNTING TECHNICIAN II, FINANCE & RISK MANAGEMENT**

**4. EMPLOYEE OF THE MONTH FOR APRIL – KAREN BARNETT, ACCOUNTING TECHNICIAN II, FINANCE & RISK MANAGEMENT**

Karen was unable to attend the meeting but Mr. Welsh stated that her vice president would recognize her accomplishments at a later date.

**5. PROCLAMATION FOR NAMING OF CANE ISLAND UNIT #1 AS THE BEN SHARMA CANE ISLAND UNIT #1**

Mr. Welsh read a proclamation for recently retired Vice president of Power Supply, Ben Sharma. The proclamation named Cane Island Unit #1 as the Ben Sharma Cane Island Unit #1 and shall be referred to as such in all.

**ACTION:** Director Toro made a motion, seconded by Director Cumbie to rename Cane Island Unit #1 the Ben Sharma, Cane Island Unit #1.  
MOTION CARRIED 5-0

**D. HEAR THE AUDIENCE**

**E. CONSENT AGENDA**

Mr. Welsh asked that item E3 be pulled from the consent agenda for further discussion.

**ACTION:** Director Kasper made a motion, seconded by Director Hart to approve items #1, #2 and #4 on the consent agenda as written.  
MOTION CARRIED 5-0

**1. APPROVAL OF MINUTES FROM REGULAR MEETING OF MARCH 7, 2007**

**2. SCHEDULE FOR BOARD MEMBER RECRUITMENT FOR TERM  
OCTOBER, 2007 THROUGH SEPTEMBER, 2012**

Recommendation: Recommend the Board approve the schedule, advertising and questions to be asked of the candidates for recruiting a nominee to fill the upcoming vacancy.

**4. AWARD OF BID ITB-2/21/2007-3-CB 175 WATT METAL HALIDE LIGHTS**

Recommendation: Award of bid ITB-2/21/2007-3-CB to HD Supply for the total amount of \$193,599

**3. COMMUNITY VISION SPONSORSHIP**

Mr. Welsh introduced Donna Sines who gave the Board an overview of the non-profit organization. Ms. Sines detailed some of the events that Community Vision has participated in as well as programs that they sponsor such as the mobile health unit. Ms. Sines thanked KUA for their help and support in the past.

Mayor Swan commended Community Vision's latest core project which is helping people to become more self-sufficient. He stated there is a great need to help people get credit and acquire such things as an e-pass.

**ACTION: Director Toro made a motion, seconded by Director Kasper to approve staff's recommended sponsorship of Community Vision at the \$10,000 level of sponsorship.**

**F. PUBLIC HEARING - none**

**G. INFORMATIONAL PRESENTATION (REQUIRING NO ACTION)**

Chris Gent, Manager of Corporate Communications introduced Kathy Gonot, President of PMG Associates. Ms. Gonot stated that this year's survey consisted of 400 completions done in January of this year. The survey concluded a high overall satisfaction rate, improved customer service since the 2006 survey, the need to publicize infrastructure improvements and more promotion of the Good Neighbor Fund.

**H. OLD BUSINESS - none**

**I. NEW BUSINESS**

**1. MISCELLANEOUS TARIFF CHANGES**

Joe Hostetter, Vice president of Finance & Risk Management advised the Board of the proposed changes to include a change to the Service fee for dishonored checks and the providing of limitations of liability under the due diligence cause.

Director Cumbie asked how time consuming a bad check actually is. Mike Geraghty, Vice president of Customer Service & Marketing stated that any time a bad check comes in it takes time to pull the account up, take the payment out of the system and research the issue.

Director Kasper asked what our total bad debt loss was. Mr. Geraghty stated it is approximately \$1.1 million. Director Toro questioned repeat offenders. Mr. Geraghty stated after two bad checks the customer is put on cash only for one year. Chairman Gemskie asked what banks charge. Mr. Hostetter stated he believes banks charge \$30 for bad checks.

Director Hart asked if we pay for spoiled goods during extended power outages and would the limitations of liability clause affect that. Mr. Lacerite stated that unless KUA is at fault for an extended outage, KUA does not replace food. This tariff would make it more difficult to sue as a result of natural disasters such as hurricanes. Chairman Gemskie stated that most homeowner's insurance policies have provisions to pay for such things as spoiled food.

Director Hart asked if we should put a link to KUA tariffs on line. Mr. Welsh stated that there already is a link for this on KUA.com.

**ACTION:** Director Toro made a motion, seconded by Director Hart to send the revised tariffs to the Florida Public Service Commission for their review. If approved, the tariffs would be brought to the KUA Board at a Public Hearing May 2, 2007 and if approved, become effective June 1, 2007.

**MOTION CARRIED 5-0**

**2. AWARD OF CONTRACT TO GENERAL ELECTRIC FOR CANE ISLAND UNIT 3 COMBUSTION TURBINE COMPRESSOR REPAIR**

Larry Mattern, Vice president of Power Supply stated that there are catastrophic failures to the compressor section of the combustion turbine at Cane Island Unit 3. Mr. Mattern stated that this type of failure is rare and therefore not included under warranty work.

Director Hart asked if the same medals would be used for the replacement blades that were in the original part. Mr. Mattern stated that this material is all that is available.

**ACTION:** Director Hart made a motion, seconded by Director Kasper to award the contract to General Electric to replace the Cane Island Unit 3 combustion turbine compressor stator blade zero through five, row ten, new pinning shims, non-uniform vane spacing (NUVS) zero and one, consumable parts, compressor repair, disassembly and assembly as described in the scope of work at a not to exceed cost of \$2,031,846. Also, authorize a FY 2007 budget amendment in the amount of \$2,031,846.

**MOTION CARRIED 5-0**

**J. STAFF REPORTS**

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

Ken Davis, Vice president of Engineering & Operations briefed the Board on the status of the Pleasant Hill substation. Mr. Davis stated that contracts have been awarded for the substation and the DEP permit should be in next week. Mr. Davis stated that 36 of the 82 parcels for the transmission line have been settled.

Mr. Davis gave an overview of the number of outages reported yearly since 2001. He stated that most outages are related to animals.

**2. WEB SITE AND LIVE HELP OVERVIEW**

Chris Gent, Manager of Corporate Communications and Jef Gray, Vice president of Information Technology gave an overview of the KUA website in its current state. Mr. Gent highlighted items such as rate information, street light outage reporting, and KUA alerts which can be used to update customers during large outages.

Mr. Gent demonstrated the live support functions for both internet and customer service support. Mr. Gray stated that this is very useful for customers out of the area. Customer service representatives are also able to handle more than one customer at a time through this function.

Jef Gray asked if anyone would be interested in getting a broadband card through Verizon to communicate with KUA and receive information such as board packets. Director Hart, Director Cumbie and Chairman Gemskie stated that they are interested in testing this program.

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

Grant Lacerte, Vice president & General Counsel advised the Board of an issue involving the purchase of transformers twenty years ago. Chairman Gemskie asked about current provisions for the disposal of transformers. Ken Davis, Vice president of Engineering & Operations stated that we are required to inspect old transformers prior to disposal.

Mr. Welsh stated that he has a conflict with the proposed June 20, 2007 budget meeting. Mr. Welsh suggested Thursday, June 28, Friday, June 29 or Monday, July 9 for

the budget review meeting. The consensus of the Board was to move the meeting to Monday, July 9 at 3:30.

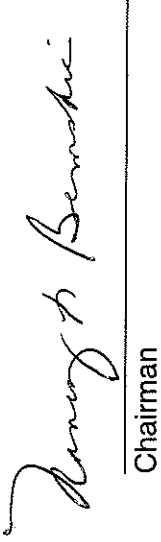
Mayor Swan stated that he received an update that the City's budget may be cut significantly depending on the state legislature. This would affect social service organizations.

**M. ADJOURNMENT**

Meeting adjourned at 5:45 p.m.



Secretary



Chairman