

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, AUGUST 1, 2007 at 3:30 P.M., BRINSON BOARD ROOM,
ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

Present were Chairman Nancy Gemskie, Vice Chairman Domingo Toro, Mayor Jim Swan, Director William Hart, Director Fred Cumbie, Director Jim Kasper, General Manager James Welsh, Vice President and General Counsel Grant Lacerte, and Recording Secretary Leticia Rivera.

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 – GEORGE BLAIR, LINE CREW SUPERVISOR, ENGINEERING & OPERATIONS**
2. **5-YEAR SERVICE AWARD – MATT GLAD, APPRECTICE LINEMAN, ENGINEERING & OPERATIONS**
3. **5-YEAR SERVICE AWARD – ENRIQUE CANDELARIA, POWER PLANT OPERATOR/MECHANIC, POWER SUPPLY**
4. **30-YEAR SERVICE AWARD – EARL SWEENOR, CERTIFIED SYSTEM OPERATOR, ENGINEERING & OPERATIONS**
5. **EMPLOYEE OF THE MONTH FOR AUGUST – NEIL BEVILLE, LEAD FLEET SERVICE MECHANIC, ENGINEERING & OPERATIONS**

Neil was recognized by a fellow employee for all the efforts he made in his two years as EOC leader as well as for his hard work and leadership in designing and building the new overhang for the wash bay area. He is a tremendous asset to KUA.

D. HEAR THE AUDIENCE

John Swift, 1373 Boulder Drive, Kissimmee asked the Board where KUA is going in light of the Governor's recent environmental conference, specifically with regards to the net metering policy. Chairman Gemskie noted staff would be discussing some of these items at today's meeting. Larry Mattern, Vice president of Power Supply answered several of Mr. Swift's questions. The net metering project is one of the PURPA standards that is currently under review. Staff recommendations will be presented to the Board at the December meeting and a public hearing on net metering is set for March of 2008. General Manager Welsh advised Mr. Swift that staff will notify him with dates of meetings when the issue of net metering is scheduled to be discussed.

E. CONSENT AGENDA

ACTION: Director Toro made a motion, seconded by Director Kasper to approve items on the consent agenda.

MOTION PASSED 5 TO 0

1. **APPROVAL OF MINUTES FROM REGULAR MEETING OF JULY 9, 2007 SPECIAL MEETING**
2. **APPROVAL OF MINUTES FOR JULY 11, 2007 REGULAR MEETING**
3. **IFB #208-07 FIRE PROTECTION UPGRADES**

Recommendation: Staff recommends acceptance of the proposal from Grunau Company Inc. to perform the fire protection upgrades at the Roy E. Hansel Power Plant, the Cane Island Power Plant, and the Lackey Distribution Center at a cost of \$690,328.00.

4. **AWARD OF BID IFB# 028-07 – PADMOUNT SWITCHGEAR**

Recommendation: Approve award of bid IFB #028-07 to Gresco Utility Supply for the total amount of \$248,000.

F. PUBLIC HEARING – None

G. INFORMATIONAL PRESENTATION (REQUIRING NO ACTION) - None

H. OLD BUSINESS – None

I. NEW BUSINESS

1. **RESOLUTION AFFIRMING KUA'S COMPLIANCE WITH STANDARD 13 (10 YEAR PLANS TO ENCOURAGE FOSSIL FUEL EFFICIENCIES) OF THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978**

Larry Mattern, Vice President of Power Supply explained that Standard 13 governs the development and implementation of 10 year plans to increase the efficiency of utility fossil fuel generation. Staff recommended the adoption of Resolution 07-05 affirming KUA's compliance with PURPA Standard 13.

ACTION: Director Toro made a motion, seconded by Director Kasper to approve staff's recommendation on the attached Resolution Affirming KUA's Compliance with Standard 13 of PURPA as codified by the EAct.

MOTION PASSED 5 TO 0

2. **GOOD NEIGHBOR ENERGY FUND CAMPAIGN**

Carolyn Scott, Acting Vice President Customer Service & Marketing addressed the Board and recommended an increase in the fund to \$2 for every dollar received in January, February and March of 2008.

ACTION: Director Cumbie made a motion, seconded by Director Kasper to approve Staff's recommendation to approve an increase to \$2 for every dollar contributed to the Good Neighbor Energy Fund between January 1 – March 31, 2008.

MOTION PASSED 5 to 0

J. STAFF REPORTS

1. **HANSEL OIL TANK RETIREMENT UPDATE**

Larry Mattern, Vice President of Power Supply advised the Board that the Roy E. Hansel Power Station would discontinue the use of distillate oil as secondary fuel on January 1, 2008. With the retirement of the fuel tanks, approximately 1.3 acres of land area will be available for other uses at the Hansel site. Costs for demolition and removal are \$627K.

Director Hart asked if any scrap metal could be salvaged. Larry Mattern advised the Board that he would look into this. Director Kasper asked if the tanks could be decommissioned sooner. Mr. Mattern stated that there is still fuel in one of the tanks and the cost would be too high to remove this.

2. **LANDFILL GAS DEVELOPMENTS UPDATE**

Larry Mattern, Vice President of Power Supply provided a status report on FMPA developing landfill gas fueled electric generation. FMPA staff has planned meetings with various vendors concerning the development of landfill gas fueled electric generation. Site selection and feasibility studies will include all ARP cities including Kissimmee.

Mayor Swan invited the Board on a tour of a landfill in Okeechobee that will be used to capture methane gases. Dates for the tour will be arranged with interested KUA Board members and FMPA staff.

**3. OPERATIONS & MAINTENANCE CONTRACT INFORMATION FOR
ARP/FMPA GREENFIELD GENERATION SITES**

Larry Mattern, Vice President of Power Supply advised the Board that staff is negotiating an agreement between KUA and FMPA to operate and maintain future All Requirement Project new generation on "green-field" sites. Staff is working to have an agreement for recommendation to the KUA Board of Directors before the end of 2007.

4. QUARTERLY REPORT ON CUSTOMER SERVICE & MARKETING

Carolyn Scott, Acting Vice President Customer Service & Marketing informed the Board that KUA has completed the customer information conversion. Some of the final stages of workflow, interface updates and various improvements needed to further enhance the system are being addressed. Mrs. Scott stated that overall the conversion went well.

K. HEAR ATTORNEY, GENERAL MANGER, DIRECTORS -

General Manger Welsh informed the Board that the energy conservation cost recovery information and undergrounding discussion will be included on the September agenda. Mr. Welsh advised the Board that photos will be taken at the September meeting. Mr. Welsh invited the Board to an FMPA All Requirements 101 Seminar which will be held September 18 -19 2007. The dedication for Ben Sharma - Unit 1 will be September 10th at 9am.

Chairman Gemskie called for a 15 minute recess at 5:00 p.m.

Meeting reconvened at 5:15 p.m.

L. MANAGEMENT REVIEW

Each of the board members rated Mr. Welsh. The weighted average was 3.0245 which equated to a 4.0735% increase based on the traditional process. Director Hart suggested that a 2% increase and 2% bonus be given. There was a brief discussion regarding giving bonuses rather than following the traditional formula.

ACTION: Director Hart made a motion, seconded by Director Cumbie to approve a 2.5% increase and a 1.5% bonus.

MOTION CARRIED 5-0

Mr. Welsh asked if the Board would consider raising his salary range and explained the importance of following past procedures based on these ranges and the pay plan used by all employees of KUA. Mr. Welsh stated that the formula has worked well in the past.

ACTION: Director Hart made a motion, seconded by Director Cumbie to reconsider the previous motion and open it up for further discussion.


MOTION CARRIED 5-0

ACTION: Director Toro made a motion, seconded by Director Cumbie to give General Manager Welsh a 4.0735% salary increase.

**MOTION CARRIED 3-2
Directors Kasper and Hart opposing**

M. ADJOURNMENT

Meeting adjourned at 6:13 p.m.


Secretary


Chairman