

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, MARCH 5, 2008 at 3:30 P.M., BRINSON BOARD ROOM,
ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

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

A. MEETING CALLED TO ORDER

B. PLEDGE OF ALLEGIANCE TO THE FLAG

C. AWARDS AND PRESENTATIONS

1. APPA HONOR ROLL AWARD

Chris Gent, Vice President of Corporate Communications, presented plaques and congratulatory letters from APPA President & CEO Mark Crisson to the following individuals: James C. Welsh, President & General Manager; Kenneth L. Davis, Vice President of Engineering & Operations; Chris M. Gent, Vice President of Corporate Communications; Joseph Hostetler, Vice President of Finance & Risk Management; Larry W. Mattern, Vice President of Power Supply; Carolyn Scott, Acting Vice President Customer Service.

2. RECOGNITION OF METER READERS OF THE YEAR

Carolyn Scott, Acting Vice President Customer Service, honored Matt Myers for Meter Reader of the Year. Angel Quiles was acknowledged for coming in as the runner up for 2007. Ricky Johnson, Manager of Support Services presented trophies to Matt and Angel.

3. 5-YEAR SERVICE AWARD – MARILYN L. KARL, TELLER I, FINANCE & RISK MANAGEMENT DEPARTMENT

4. EMPLOYEE OF THE MONTH FOR MARCH – GARY HUNTER, LINE LOCATOR, ENGINEERING & OPERATIONS

D. HEAR THE AUDIENCE

E. CONSENT AGENDA

ACTION: Director Cumbie made a motion, seconded by Director Hardee to approve items 1-2 on the consent agenda.

MOTION PASSED 4 - 0

1. APPROVAL OF MINUTES FOR FEBRUARY 6, 2008 REGULAR MEETING

2. AWARD OF BID IFB # 010-08 THREE PHASE PADMOUNT TRANSFORMERS

Recommendation: Authorize award of bid IFB 010-08 to Delta Y for a total contract amount of \$414,901.

F. PUBLIC HEARING

1. PROBLEM SOLVING WORKSHOP – IMPLEMENT STANDARD 11 OF THE PUBLIC UTILITIES REGULATORY POLICY ACT (PURPA) OF 1978 (as amended by the Energy Policy Act of 2005)

Larry Mattern gave an overview on Standard 11 to the Board. Standard 11 governs the provision of net metering service by utilities to customers at the customer's request. Net metering service would require KUA to measure electricity generated by a customer's eligible on-site self generating facility and to credit such generation against any electric energy provided to the customer by KUA. However,

under a contractual agreement with FMPA, all bulk power entering into the KUA system is to be provided by FMPA under the All Requirements Project. KUA staff has been in contact with FMPA staff and anticipates the FMPA should come up with a net metering standard, during the summer of 2008.

Mr. Thomas Walker, 3175 Pioneer Court Kissimmee stated he concurred with KUA's position. Grant Lacerte re-confirmed Mr. Walker's position and asked if he opposed staff's efforts to work with KUA's power supplier to get a net metering standard. Mr. Walker informed the Board that he does not oppose staff's efforts thanked the Board for listening to him. Director Hardee asked when the ARP contract is up for. Mr. Mattern advised him that it is a 30 year contract. Grant Lacerte clarified since no one from the public opposed, if the Board adopts staff position tonight working with FMPA to get the net metering adopted, would not have to wait until August 2008.

ACTION: Director Kasper made a motion; seconded by Director Cumbie to adopt the attached position concerning PURPA Standard 11, net metering.

MOTION PASSED 4 - 0

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. TRUE ALL REQUIREMENTS PROJECT (TARP)

Larry Mattern, Vice President of Power Supply supplied a brief overview on the True all Requirements Project (TARP). KUA and FMPA staff have been working together to provide a better, more equitable method of payment for the generation that KUA owns within the ARP. In the past the ARP participants have been divided into two categories, generating and non-generating. As the need for power has grown among the ARP membership, FMPA has begun to build generation that is jointly owned by all ARP participants. The True All Requirement approach puts all participants together as a generating utility.

KUA and FMPA staffs are presently constructing a written agreement reflecting and memorializing the TARP concepts to be recommended at the April ARP Executive Committee meeting and at the May KUA Board Meeting.

H. OLD BUSINESS - None

I. NEW BUSINESS

1. KUA/OUC EASEMENT USE AGREEMENT FOR PROPOSED OSCEOLA PARKWAY SUBSTATION

Bill Hart stated a conflict of interest on this topic. Chairman Hart filled out a conflict of interest form. He abstained from voting but was able to participate in discussions.

Ken Davis, Vice President Engineering & Operations presented for approval the KUA/OUC Easement use Agreement for Proposed Osceola Parkway Substation.

ACTION: Director Cumbie made a motion, seconded by Director Kasper to approve the agreement for the use of OUC's easement for access to future Osceola Parkway Substation.

MOTION PASSED 3 - 0

2. CALL CENTER WORK-FROM-HOME EXPANSION

Carolyn Scott, Acting Vice President Customer Service provided the Board with an overview for the Call Center Work from Home Expansion project. The call volume remains high with an average total offered calls at 5,515 per week. Additional Customer Service Representatives (CSRs) are critical in meeting customer demands.

The approach is to recruit six CSRs and monitor the affect the additional personnel have in reducing call wait time and abandoned calls. If the results indicate the CSR's are effective but the wait times are still unacceptable, additional CSRs will be recruited. A budget amendment to cover the expense of equipment, salaries and benefits related to additional personnel is recommended for approval.

Director Cumbie questioned if KUA has researched having calls transferred out of the country to save some money. Carolyn Scott informed the Board that staff has not researched that option. Jim Welsh informed the Board that it would not be cost effective due to the size of our operation. Chairman Hart questioned who makes the decision to add additional customer service reps. Carolyn Scott informed him that the statistics that are reviewed by the head of the department and the call center manager.

ACTION: Director Hardee made a motion, seconded by Director Cumbie to approve additional employees in the call center by 12 part time Customer Service Representatives and approve budget amendment in the amount of \$266,095 for expenses related to additional personnel.

MOTION PASSED 4 – 0

J. STAFF REPORTS

BOND UPDATE

Joe Hostetler, Vice President Finance & Risk Management provided an update on the bond situation. Mr. Hostetler stated that staff is working with our financial advisor, bond counsel and investment banking firms regarding alternate financings for the current M-STARS program.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, Vice President and General Counsel informed the Board of the outcome of a ten day long trial that has just ended and awaiting determination on the issue of sovereign immunity. Also, a representative from Vero Beach wants to subject municipal utilities that serve 50% or more of their customers outside the city limits to PSC jurisdiction. This bill will have a great deal of harmful potential. KUA is working on this issue.

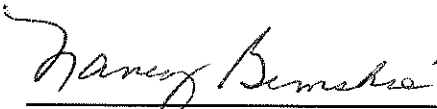
Mr. Welsh, reminded the Board of upcoming events. Mayor Swan requested that some research be done by KUA in regards to removal of the tanks that are out of service.

Chairman Hart questioned KUA's response to the statewide power outage on February 26th. Jim Welsh informed him that the disturbance in the system took off Cane Island Unit #3 because of its sensitive controls; it was restored and is back in service.

L. ADJOURNMENT

Meeting adjourned at 6:30pm.


Chairman


Secretary

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME <i>Hart, William</i>	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE <i>KISSIMMEE UTILITY AUTHORITY</i>
MAILING ADDRESS <i>1701 W. Carroll St</i>	THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:
CITY COUNTY <i>Kissimmee Osceola</i>	<input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY
DATE ON WHICH VOTE OCCURRED <i>03-05-08</i>	NAME OF POLITICAL SUBDIVISION: MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, William Hart, hereby disclose that on March 5, 2008:

(a) A measure came or will come before my agency which (check one)

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, _____;
- inured to the special gain or loss of my relative, _____;
- inured to the special gain or loss of Legacy Resorts, by whom I am retained; or
- inured to the special gain or loss of _____, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

Date Filed


Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.