

**MINUTES OF A SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, MARCH 12, 2008, 3:30 PM IN THE BRINSON BOARD ROOM,
ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA**

Present were Chairman William Hart, Vice Chairman Fred Cumbie, Director Nancy Gemske, 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.

A. MEETING CALLED TO ORDER

B. BUDGET REVIEW

1. INTRODUCTION – JAMES C. WELSH, PRESIDENT & GENERAL MANAGER

Mr. Welsh gave a brief overview of the preliminary budget review to the Board. Mr. Welsh informed the Board that a recommendation of a 3% market level increase would be presented for budget planning purposes only. Mr. Welsh informed the Board of four additional positions would be proposed.

2. FINANCIAL OVERVIEW – JOE HOSTETLER, VICE PRESIDENT, FINANCE & RISK MANAGEMENT

Joe Hostetler, Vice President of Finance & Risk Management advised the Board that 4 additional positions would be proposed for staffing in the next fiscal year. Mr. Hostetler stated that KUA is projecting a 2.5% energy sales growth for 2009.

3. HUMAN RESOURCES OVERVIEW – WILBUR HILL, VICE PRESIDENT, HUMAN RESOURCES

Wilbur Hill, Vice President of Human Resources presented an overview of current personnel. He advised the Board that staff will recommend an increase in Engineering & Operations by three positions and Customer Service by two positions. The adjusted 2008 budget will increase from 312.5 FTEs to 316.5 FTES if the board approves the additional four positions.

Mr. Hill advised the Board that a survey was submitted to 17 municipalities to retrieve information on the municipal market level average. Mr. Hill informed the Board that the municipal average of market level increases is 3.5% however; staff is currently recommending a 3% market level adjustment for planning purposes only.

Chairman Hart questioned would the 3% be applied to those positions that are not filled. Mr. Welsh informed the 3% will be applied to all salary ranges within our pay plan.

ACTION: Director Gemske made a motion, seconded by Director Cumbie to approve staff's recommendation of a 3% market level adjustment (MLA) for planning purposes.

Motion carried 5 – 0

4. DEPARTMENTAL OVERVIEW – PERSONNEL & CAPITAL

a. POWER SUPPLY – LARRY MATTERN

Mr. Mattern gave an overview of his budget. He advised the Board of the reduction of staff by one employee. Also, there will be a generation expansion on KUA property at Cane Island. KUA's cost will be 19% of the total cost derived through the energy and demand use that KUA does through FMPA.

Chairman Hart questioned if the rail cars are needed due to CSX upgrade requirements. Mr. Mattern will research this with OUC. Mayor Swan asked for assistance on

the fuel tanks on the lakefront. Mr. Mattern has received one of three inquiries on the removal of the tanks. This information will be brought to the Board at a later meeting.

b. INFORMATION TECHNOLOGY AND ISP – JEF GRAY

Jef Gray, Vice President of Information Technology presented an overview of his budget. No additional staff is being requested for the IT department. WIFI is the largest capital project expense split by the ISP and KUA. The pilot is in progress and will go live pending satisfactory completion of the pilot from all parties (COK and Toho).

Mr. Gray also informed that the servers are aged and due for upgrade. Director Hardee asked if new blade server technology is an option. Mr. Gray advised him that it has not been ruled out.

KUA will require an email retention system that will store emails in a compressed format that allows users to see but not delete. Grant Lacerte informed the Board that KUA.net customer emails are not public records.

Director Hardee questioned if KUA was aware that records retention laws have been changed from 3 year retention to 5 year for the Turnpike Authority. Grant Lacerte advised Director Hardee that he will recheck to see if this law applies to all local governments. Director Hardee also asked if there is a policy in place for public records requests. Grant Lacerte informed the Board that KUA has a policy in place for public records requests.

c. ENGINEERING & OPERATIONS – KEN DAVIS

Ken Davis, Vice President of Engineering & Operations stated that three additional employees are being recommended for the Transmission distribution and operations area.

d. CUSTOMER SERVICE – CAROLYN SCOTT

Carolyn Scott, acting Vice president of Customer Service presented an overview of the organizational chart. Mrs. Scott stated that 2 full time positions are being recommended for the support services area.

Mrs. Scott informed the Board that KUA will purchase vehicles to replace aged vehicles. Director Kasper questioned why KUA purchases all its vehicles together. Mrs. Scott stated that KUA uses a state contractor to purchase vehicles.

e. FINANCE & RISK MANAGEMENT AND EXECUTIVE – JOE HOSTETLER

Joe Hostetler Vice president of Finance & Risk Management presented an overview of the organization chart. No additional staff is being requested.

f. HUMAN RESOURCES – WILBUR HILL & CHRIS GENT

Wilbur Hill, Vice president Human Resources reviewed the departmental organizational chart. No additional staff is being requested.

Chris Gent, Vice president Corporate Communications reviewed community sponsorships. The ISP has funded previous sponsorships; however this fund will not be available for this next budget year due to the community WIFI rollout project.

Mayor Swan noted many projects that KUA and the city jointly supported in prior years may be terminated due to the budget restraints the City is under. Mr. Gent informed the Board that if the City does away with an event and KUA is part of that event, event fees and overtime costs will come out on KUA's side.


C. OTHER

D. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

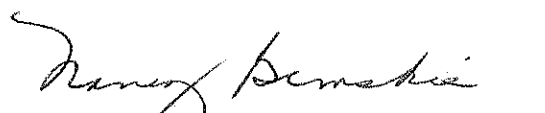
Mr. Welsh advised the Board of the next regular Board meeting and upcoming events.

E. ADJOURNMENT

Meeting adjourned at 6:30 p.m.



Chairman



Secretary