

MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, WEDNESDAY, JUNE 4, 2008 at 3:30 P.M., BRINSON BOARD ROOM, ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.

Present were Chairman Fred Cumbie, Vice Chairman Nancy Gemskie, Director Reginald Hardee, Director Jim Kasper, General Manager James Welsh, Vice President and General Counsel Grant Lacerte, and Recording Secretary Leticia Rivera. Mayor Jim Swan was not present.

A. MEETING CALLED TO ORDER

Chairman Cumbie called the meeting to order at 3:34pm.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the pledge of allegiance.

C. AWARDS AND PRESENTATIONS

1. BILL HART RECOGNITION

Chairman Cumbie read and presented a proclamation to Tracy and Donna Hart. A plaque with the Board picture and chairman's gavel was presented to the family. Jim Welsh, President and General Manger informed the family members that a conference center will be named in honor of Bill Hart. Photos were displayed and Jef Gray, Vice President of Informational Technology provided a tour of the conference center to the family.

Donna Hart informed the Board that Bill enjoyed serving on the KUA Board and thanked all the members of the Board.

A second presentation at 4:45pm was made by Chairman Cumbie. Chairman Cumbie read and presented the proclamation to Bill Hart's mother, Judy Hart and Bill Hart's girlfriend, Marla McNear. Jim Welsh, President and General Manger informed the family members that a conference center will be named in honor of Bill Hart. Photos were displayed and Jef Gray, Vice President of Informational Technology provided a tour of the conference center to the family.

All members of the Board expressed their fond memories of working with Bill.

2. 10-YEAR SERVICE AWARD – JEFFREY L. BILLER, FIELD SERVICE SPECIALIST, CUSTOMER SERVICE DEPARTMENT
3. EMPLOYEE OF THE MONTH FOR JUNE – LARRY OLSON, CREW COORDINATOR, POWER SUPPLY DEPARTMENT

General Manager Welsh congratulated Larry for being chosen as Employee of the Month for June 2008. Chairman Cumbie presented Larry with a plaque, Director Kasper presented Larry with tickets to the Osceola Center of the Arts, Director Gemskie presented Larry with a check, and Director Hardee presented Larry with a certificate for one day off with pay and special parking certificate.

D. HEAR THE AUDIENCE - None

E. BOARD MEMBER APPLICANT INTERVIEWS

At 3:50 p.m. Dr. George Gant began his interview for the vacant Board member position.

General Manger Welsh presented the standard questions to Dr. Gant. Dr. Gant has served on the KUA board previously and brings an enormous amount of experience.

The Board thanked Dr. Gant and he left the meeting at 4:01 p.m.

At 4:02 p.m., Ms. Wanda Rentas was introduced to the Board.

General Manger Welsh presented the standard questions to Ms. Rentas. Ms. Rentas stated it has been her desire to learn more about KUA and be able to assist the Hispanic community.

The Board thanked Ms. Rentas and she left the meeting at 4:20 p.m.

At 4:21 p.m., Mr. William Brouillard began his interview.

General Manager Welsh presented the standard questions to Mr. Brouillard. He stated that he would like to do something with public service and would like to contribute his extensive experience and knowledge to the Board.

The Board thanked Mr. Brouillard and he left the meeting at 4:40p.m.

At 4:55 p.m., Mr. Lacerte escorted Ms. Trim into the boardroom.

General Manager Welsh presented the standard questions to Ms. Trim. Ms. Trim stated she has been active in her community for many years and has considered this position before. She has many years of experience and has knowledge of the electric field and she feels she can be an asset to the KUA Board.

The Board thanked Ms. Trim and she left the meeting at 5:15 p.m.

Chairman Cumbie asked if deliberations shall commence at this point or after the staff portion of the agenda. The Board held discussions and reviewed notes and comments. After lengthy discussions a motion was given.

ACTION: Chairman Cumbie made a motion, seconded by Director Kasper to nominate George Gant to serve the remaining time of a five-year term to the Kissimmee Utility Authority Board of Directors.

MOTION; SPLIT VOTE 2-2

Split Vote; Director Gemskie and Director Hardee voting nay.

ACTION: Director Hardee made a motion, seconded by Director Gemskie to nominate William Brouillard to serve the remaining time of a five-year term to the Kissimmee Utility Authority Board of Directors.

MOTION; SPLIT VOTE 2-2

Split Vote; Director Kasper and Chairman Cumbie voting nay.

The Board requested a 5 minute break.

Meeting resumed at 5:51 pm.

Grant Lacerte, Vice President & General Counsel advised the Board if they request to bring back one of the candidates that have been defeated due to a tied vote, the proper move to reconsider the motion that was denied, is to request for the motion to be reconsidered by the prevailing party.

Jim Welsh, General Manger offered some insight and thoughts to the Board to assist them in their deliberations.

Chairman Cumbie suggested this item be moved to the end of the meeting.

F. CONSENT AGENDA

ACTION: Director Kasper made a motion, seconded by Director Hardee to approve items 1 through 6 on the consent agenda.

MOTION PASSED 4 - 0

1. APPROVAL OF MINUTES FOR MAY 7, 2008 REGULAR MEETING
2. APPROVAL OF MINUTES FOR MAY 14, 2008 SPECIAL MEETING
3. IFB #021-08 SPUN CONCRETE POLES

Recommendation: Award of bid IFB #021-08 to Accord Industries for the amount of \$192,112.00

4. IFB #022-08 PAD MOUNT TRANSFORMERS

Recommendation: Award of bid IFB 022-08 to John Carter and Associates for the amount of \$31,190 and Gresco Utility Supply for the amount of \$97,090.

5. IFB #024-08 DISTRIBUTION TRANSFORMERS

Recommendation: Award of bid IFB 024-08 to various bidders as shown above.

6. ITB#4/29/08- 4-CB LIGHTING POLES AND FIXTURES

Recommendation: Award of bid ITB-4/29/2008-4-CB to HD Supply Utility for the amount of \$191,307.

G. PUBLIC HEARING

1. RATE RESTRUCTURE

Joe Hostetler, Vice President of Finance and Risk Management advised the Board as per the May 7th approved recommendation that KUA has submitted tariffs to the Florida Public Service Commission (FPSC) for their review and comment. KUA received no adverse comments and is therefore recommending approval of the tariffs.

ACTION: Director Kasper made a motion, seconded by Director Hardee to approve the revised tariffs.

MOTION PASSED 4 - 0

H. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. CIS PROJECT UPDATE

Jef Gray, Vice President of Information Technology and Steve Hammond provided an update to the Board on the issues identified at the February 2008 Board meeting that Advance Harris Computer Systems has been working with KUA on.

Joe Hostetler, Vice President of Finance & Risk Management advised the Board there are three critical items that have to be corrected before he, the general manager and general counsel can sign off on the representation letter. The representation letter states KUA has disclosed everything on the financial statements. Joe Hostetler has had communications with Advanced and is confident that Advanced can square away two or three of the critical items that have to be corrected within two months before the end of the fiscal year.

Susan Postans, Vice President of Customer Service provided her experience with the CIS system. Susan advised the list has been narrowed down to two that focus on billing and collections. There are still items that require attention but she is confident that working together, KUA and Advance can solve many of these issues.

Jef Gray, Vice President of Information Technology provided an in depth review of the 17 items on the list. Jef reviewed with the Board what was completed, the status of open items and the three new items.

Steve Hammond Executive Vice President of Advanced advised the Board he will work with KUA to solve those issues needed to make sure there are no problems in regards to the audit.

Director Gemskie asked if the drop batches are the day to day monies coming in and out and should that be balanced at the end of the day. Joe Hostetler advised the Board he was not sure which batch it was but it would not affect actual cash collected. Director Gemskie asked if the three additional items placed on the list would incur any additional costs. Jef Gray advised the Board that there would not be any additional costs.

I. OLD BUSINESS - NONE

J. NEW BUSINESS - NONE

K. STAFF REPORTS

1. SEMI -ANNUAL REPORT BY HUMAN RESOURCES

Wilbur Hill, Vice President of Human Resources provided a report on employee generations in the workplace. Wilbur Hill provided a chart with the breakdown of the generations within KUA.

2. 2008 BOND UPDATE

Joe Hostetler, Vice President of Finance & Risk Management provided an update on the Bond issue. Staff has negotiated this agreement with Morgan Keegan and will be presenting it to the Board at the June 11, 2008 Budget meeting along with documents that are required to be executed. Based on the time frame required to provide notice to the current bond holders and the bonds current reset date, KUA needs to move forward as soon as possible. This will allow KUA to obtain its most effective interest cost and not delay the bond conversion. KUA expects to have the conversion of the Bond to the weekly mode occur on or about July 17, 2008.

The Board requested a 5 minute break.

Meeting resumed at 7:15pm

Discussions resumed for the vacant Board position. After additional lengthy discussions and deliberations a motion was given.

ACTION: Chairman Cumbie made a motion, seconded by Director Kasper to nominate George Gant to serve the remaining time of a five-year term to the Kissimmee Utility Authority Board of Directors.

MOTION PASSED 4 - 0

L. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, Vice President & General Counsel advised the Board of ongoing legal issues.

Jim Welsh President & General Manager advised the Board of next week's Budget meeting. Jim Welsh thanked the Board for all of their assistance and discussion on choosing a new board member.

Chairman Cumbie thanked the Board for their assistance in choosing a new board member.

M. ADJOURNMENT

Chairman Cumbie adjourned the meeting at 7:40 p.m.


Chairman


Secretary