

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

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

A. MEETING CALLED TO ORDER

Chairman Cumbie called the meeting to order at 3:30 p.m.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

C. AWARDS AND PRESENTATIONS

1. 10-YEAR SERVICE AWARD – ROBERT R. TREASURE, SUBSTATION ELECTRICIAN, POWER SUPPLY
2. 20-YEAR SERVICE AWARD – LISA M. DAVIS, RISK MANAGEMENT ADMINISTRATOR, FINANCE & RISK MANAGEMENT
3. 25-YEAR SERVICE AWARD – WILLIAM CLARK, JR., CERTIFIED SYSTEM OPERATOR, ENGINEERING & OPERATIONS
4. 25-YEAR SERVICE AWARD – DAVID C. PEREZ, POWER PLANT OPERATOR/MECHANIC, POWER SUPPLY
5. EMPLOYEE OF THE MONTH FOR SEPTEMBER – JERRY TRIPP, ELECTRICIAN, POWER SUPPLY

D. HEAR THE AUDIENCE - None

E. CONSENT AGENDA

**ACTION:** Director Kasper made a motion, seconded by Director Hardee to approve consent agenda items 1 – 3.

**Item #4 was pulled for additional discussion.**

**MOTION CARRIED 5-0**

1. APPROVAL OF MINUTES FOR AUGUST 13, 2008 REGULAR MEETING
2. IFB #036-08 PAD MOUNT TRANSFORMERS

Recommendation: Award of Bid IFB#036-08 to Delta Y Transformers for the total amount of \$138,804.

3. CANE ISLAND DEMINERALIZER CONTROL UPGRADE

Recommendation: Approve the upgrade of the Cane Island demineralizer controls by Emerson Process Management Company and integrate into the existing control system at a cost not to exceed \$235,000 for equipment, software and engineering, plus a \$5,000 allotment for travel for a total of \$240,000.

4. SUBORDINATION OF UTILITY INTERESTS AGREEMENT WITH FDOT

Recommendation: Approval of the Subordination of Utility Interests Agreement with FDOT and authorize the Chairman and Secretary to execute same.

Director Hardee was not sure if this item may be a conflict of interest since he is an active employee of the FDOT. General Manger Welsh advised the Board that he spoke with General Counsel Grant Lacerte only briefly due to his bereavement. Mr. Lacerte

advised the General Manager to contact counsels Fred Bryant and Jody Lamar of FMPA/FMEA. They advised that there is no conflict of interest. In the conflict of interest law there is specific exemption for public agencies such as the Department of Transportation.

**ACTION: Director Hardee made a motion, seconded by Director Gemskie to approve consent agenda item 4.**

**MOTION CARRIED 5-0**

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS - None

I. NEW BUSINESS

1. MISCELLANEOUS FEE - TARIFF UPDATE

Susan Postans, Vice President of Customer Service provided the Board with an overview on the tariffs that require immediate attention to increase KUA's efficiency reduce KUA's financial risk and deter tampering.

Mayor Swan asked how long has it been since these fees have been updated. General Manager Welsh said approximately 4 years.

Director Gemskie asked when and how will KUA inform customers of these changes in fees. Mrs. Postans stated that staff would inform the customers upfront. Director Gemskie suggested a bill stuffer to advise customers of the changes.

Chairman Cumbie asked under what conditions would KUA have to disconnect at the pole or transformer. Mrs. Postans advised if there has been tampering or if there is a dangerous situation.

Director Gemskie asked if the PSC has a ceiling on how high a rate change can be. Mrs. Postans stated that they do not have a cap.

Director Hardee questioned who is most impacted by KUA's decision with regards to the disconnect fees. He stated that many KUA customers are falling on hard economic times and could be impacted with these fees. Mrs. Postans advised him that KUA continues to work hard with the customers. She also informed the Board that the fees they are reviewing are fees based on the customers that either made no effort to work with KUA, have broken payment arrangements or bounced checks.

Director Hardee suggested to the Board that all other fees be revised however; the fee for meter disconnections without tampering will continue to be \$35.00 for same day if paid before 2:00 and an additional \$50.00 for after hours.

**ACTION: Director Hardee made a motion, seconded by Director Gemskie to approve to send tariffs to the Florida Public Service Commission for review and the scheduling of the public hearing for October 1, 2008; allowing the meter disconnects to remain the same.**

**MOTION PASSED 5 - 0**

Director Kasper requested a copy of the presentation that detailed all of the fees.

J. STAFF REPORTS

1. SEMI-ANNUAL PROGRESS REPORT ON INFORMATION TECHNOLOGY DEPARTMENT PROJECTS

Jef Gray, Vice President of Information Technology provided an update to the Board on the progress of the wireless Mesh Project, which is nearing completion of testing. The City of Kissimmee and Toho Water Authority have signed off on the acceptance and noted performance above expectation.

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

General Manager Welsh informed the Board that staff was asked to find a creative way to give back the savings from the review of utility advertising and sponsorships agenda item.

**ACTION: Director Gemskie made a motion, seconded by Director Gant to place this on the agenda for discussion and action.**

**MOTION PASSED 5 – 0**

Director Hardee informed the Board of his rough idea of randomly choosing a residential KUA account number and pay that bill and then move on to another. Director Gemskie expressed her appreciation towards Director Hardee for his idea, however, she does not agree with this as it would not serve the utility well.

Chairman Cumbie felt the savings should go into the general fund.

**ACTION: Director Gemskie made a motion, seconded by Director Gant to place the savings in the general fund which would beneficially affect future rates.**

**MOTION PASSED 5 – 0**

General Manager Welsh informed the Board that the he is working on the CEO review process and will bring this item to the Board at the October meeting.

General Manager Welsh advised the Board that Grant Lacerte's father passed away. Chairman Cumbie suggested a \$100.00 donation be sent from the Board's behalf to the Longevity fund.

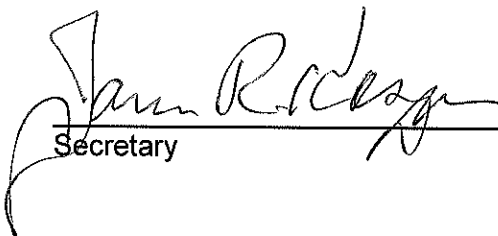
General Manager Welsh provided the Board with IDs that must be worn to enter the building.

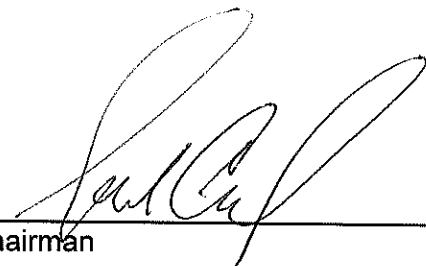
He also mentioned that Reginald Hardee has been asked to apply for the Florida Energy Commission. Director Gemskie and Mr. Welsh congratulated Director Hardee and wished him luck on this.

Director Gemskie had a request from a retail establishment to see if KUA can take the last 12-24 month's bills; average them out; customer to pay the average over the next 11 months and in the 12<sup>th</sup> month review the account and make any adjustments necessary. Mrs. Postans stated that KUA is working on a levelized billing program for residential customers. KUA is looking at a rolling average and a small pilot will be implemented this fall to test the program and make sure the system works appropriately.

**L. ADJOURNMENT**

Meeting adjourned 5:15pm.

  
Secretary

  
Chairman