

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,  
WEDNESDAY, JANUARY 7, 2009 at 3:30 P.M., BRINSON BOARD ROOM,  
ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

Present were Chairman Fred Cumbie, Vice Chairman Nancy Gemske, Mayor Jim Swan, Director Jim Kasper, Director Reginald Hardee, Director Dr. Gant, General Counsel Grant Lacerte, General Manager James Welsh and Recording Secretary Leticia Rivera.

A. MEETING CALLED TO ORDER

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

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the Pledge of Allegiance.

C. AWARDS AND PRESENTATIONS

1. FMEA COMMUNITY SERVICE AWARD

Chris Gent, Vice President of Corporate Communications advised the Board that The Florida Municipal Electric Association has presented its 2008 Community Service Award to Kissimmee Utility Authority for its strong commitment to addressing community needs.

2. INDEPENDENT SOFTBALL ASSOCIATION SOFTBALL CHAMPIONSHIP AWARD

3. 5-YEAR SERVICE AWARD – CHRIS KETNER, LINEMAN, ENGINEERING & OPERATIONS

4. 5- YEAR SERVICE AWARD – JANA E TREACY, CUSTOMER SERVICE REPRESENTATIVE, CUSTOMER SERVICE

5. 5- YEAR SERVICE AWARD – MIKE SIMPSON, MANAGER OF PLANNING & SPECIAL PROJECTS, ENGINEERING & OPERATIONS

6. 10- YEAR SERVICE AWARD – DALE SWAUGER, FLEET SERVICE MECHANIC, ENGINEERING & OPERATIONS

General Manager Welsh congratulated Janae, Mike and Dale for their years of service respectively. Mr. Welsh congratulated Chris as well who was not present.

7. 25-YEAR SERVICE AWARD – TOM MALONEY, POWER PLANT MECHANIC/OPERATOR, POWER SUPPLY

General Manger Welsh and the Board congratulated Tom for his dedication and all of his years of service with KUA.

8. EMPLOYEE OF THE MONTH FOR JANUARY – CINDY BRYAN, SR. BUYER, FINANCE & RISK MANAGEMENT

General Manager Welsh congratulated Cindy for being chosen as Employee of the Month for January 2009. Chairman Cumbie presented Cindy with a plaque, Director Gemske presented Cindy with a check, and Director Hardee presented Cindy with a certificate for a day off with pay and with two tickets to the Osceola Center of the Arts.

9. EMPLOYEE OF THE YEAR FOR 2008 – RUSTY WHITE, LEAD METER TECHNICIAN, CUSTOMER SERVICE

General Manager Welsh congratulated Mr. White and recognized him for all his accomplishments, including being named 2008 Employee of the Year. The Board congratulated Mr. White.

D. HEAR THE AUDIENCE - None

E. CONSENT AGENDA

**ACTION: Director Kasper made a motion, seconded by Director Hardee to approve consent agenda items 1-2.**

1. APPROVAL OF MINUTES FOR DECEMBER 10, 2008 REGULAR MEETING
2. IFB #001-09, CONTROL AND RELAY PANELS

Recommendation: Authorize award of bid IFB #001-09 to KEMCO for the total amount of \$508,003 contingent on negotiation of a satisfactory contract; and authorize the Chairman and Secretary to execute the necessary contract documents.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. YEAR END AUDITED FINANCIAL REPORT FOR FY 2008

Joe Hostetler, Vice President of Finance and Risk Management provided the Board with the audited financial report for fiscal year 2008.

Mark White of Purvis & Gray provided the Board with a review of highlights of the audited financial report. Mr. White advised the audit went well. Mr. White thanked KUA finance staff for their assistance.

Chairman Cumbie asked how many hours were spent on this audit. Mr. White advised approximately 900 hours.

H. OLD BUSINESS

1. BOND UPDATE

Joe Hostetler, Vice President of Finance and Risk Management provided the Board with another update on the bond situation.

Mr. Hostetler informed the Board much of staff time has been spent on option 6 - investigating other government agencies for potential investment in each other's VRDO program and option 7 - investigating other government agencies for potential investment in each other's VRDB Program.

KUA is trying to identify other municipal entities that have FSA backed paper that may be having difficulty remarketing their paper.

Mayor Swan inquired if KUA would consider loaning any of the cash that is available. Mr. Hostetler advised no, staff would want to hold on to the paper with the bond situation being as it is.

**ACTION: The consensus of the Board was to authorize staff to complete the official statement (OS) to have the flexibility to issue fixed rate bonds. Also, authorize staff to terminate the swap agreement and unwind the credit facility at any time the financing team determines it is advantageous to do so up to the next regular Board meeting scheduled for February 4, 2009.**

I. NEW BUSINESS

1. RESCHEDULING WINTER HAVEN SOLAR INSPECTION TOUR

Grant Lacerte, Vice President and General Counsel advised the Board of concerns that this event, as presently arranged, could violate the Sunshine Law. The three issues are (1) the subject matter of the trip – and the possibility the subject matter could be discussed at a future meeting on net metering policies; (2) lack of public access to the tour, particularly with regard to the van transportation to and from the meeting and (3) opportunity for discussion of the project to take place in the van outside the sunshine.

Mr. Lacerte also advised that the 5<sup>th</sup> DCA has ruled that the opportunity itself can lead to a Sunshine Law violation, even with proof that no conversation has taken place.

**ACTION: Director Kasper made a motion, seconded by Director Hardee to abandon the idea of this site visit due to the considerations Mr. Lacerte has expressed.**

**Motion Carried 5-0**

2. INVESTMENT POLICY DIRECTIVE 09-01

Joe Hostetler, Vice President of Finance and Risk Management provided an overview on the Investment Policy Directive to the Board. The current policy directive D06-01, which provides for investment activities of the KUA, was approved by the Board of Directors on March 8, 2006. As a result of the dramatic events currently occurring in the capital market that affects KUA's investment and debt portfolio, staff is recommending modification of KUA's current investment policy.

Mr. Hostetler informed the Board that investment policies should be reviewed annually to recognize the current investment practices and trends, as well as review the universe of relevant investment instruments used in the industry. Mr. Hostetler stated the Investment Policy Directive will be brought to the Board for either a tweaking, major change or a reaffirmation to ensure we comply with the policy itself.

**ACTION: Director Dr. Gant made a motion, seconded by Director Gemskie to authorize Chairman and Secretary to execute Policy Directive D09-01 and to bring this item back to the Board one year from now.**

**Motion Carried 5-0**

J. STAFF REPORTS

1. PENSION FUND INVESTMENTS UPDATE

Joe Hostetler, Vice President of the Pension Board provided an update on the pension fund investments. Mr. Hostetler stated that the Pension board will receive the actuary report next month. The contribution level required will be incorporated into the budget and this will be brought to the Board at the budget direction meeting and the annual budget meeting.

2. ENGINEERING & OPERATIONS QUARTERLY REPORT

Ken Davis, Vice President of Engineering and Operations provided a quarterly update to the Board on the status of projects.

Mr. Davis advised in March staff will have a recommendation for the net metering policy and program for KUA. Mr. Davis provided a brief presentation on this.

### 3. SYSTEM OPERATIONS & COMPLIANCE SEMI-ANNUAL REPORT

Greg Woessner, Vice President of System Compliance and Operations provided the Board with a semi-annual report on various projects within the department which was formed in June 2008.

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

Grant Lacerte, Vice President and General Counsel informed the Board of the political rallies coming up.

General Manager Welsh advised item two from Awards and Presentations would be presented at this time.

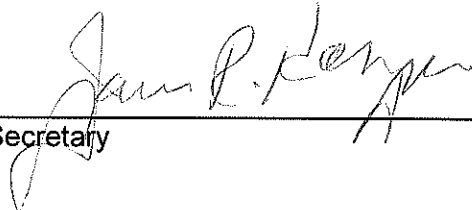
### 2. INDEPENDENT SOFTBALL ASSOCIATION SOFTBALL CHAMPIONSHIP AWARD

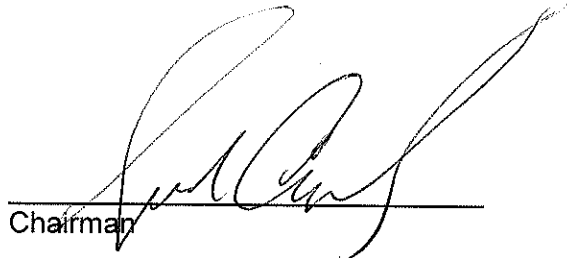
Ricky Johnson, Manager of Support Services and team captain for this season, presented the league trophy to the Board of Directors. The KUA team earned the top trophy in the league and ranked third in the ISA competitive league.

General Manager Welsh advised the Board of next month's meeting and also informed the Board of the dates of the upcoming APPA Legislative Rally, FMEA Legislative Rally and APPA National Conference.

### L. ADJOURNMENT

Meeting adjourned at 5: 24 p.m.

  
Secretary

  
Chairman