

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, MARCH 4, 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, Director James Kasper, Director Reginald Hardee, Director George Gant, General Counsel Grant Lacerte, General Manager James Welsh and Recording Secretary Leticia Rivera. Mayor Jim Swan was not present.

A. MEETING CALLED TO ORDER

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

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the Pledge of Allegiance.

C. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD – DAVID SOTO, APPRENTICE LINEMAN, ENGINEERING & OPERATIONS
2. 5-YEAR SERVICE AWARD – DAVID WOLFE, LINEMAN, ENGINEERING & OPERATIONS
3. 10-YEAR SERVICE AWARD – ROSA RODRIGUEZ, UTILITY BILLING REPRESENTATIVE II, CUSTOMER SERVICE
4. 20-YEAR SERVICE AWARD – ROGER WISLER, PP OPERATOR/MECHANIC, POWER SUPPLY

Jim Welsh, President and General Manager advised the Board and staff that Roger passed away this morning. Mr. Welsh informed the Board that Roger will be missed. Mr. Welsh requested a moment of silence.

5. 25-YEAR SERVICE AWARD – PHIL SENTER, PP SHIFT SUPERVISOR O/M, POWER SUPPLY
6. EMPLOYEE OF THE MONTH FOR MARCH – SEAN JANSON, FIELD SERVICE SPECIALIST, CUSTOMER SERVICE

Jim Welsh, President and General Manager and the Board congratulated Sean on being chosen employee of the month for March 2009.

D. HEAR THE AUDIENCE - None

E. CONSENT AGENDA

ACTION: Director Kasper made a motion, seconded by Director Hardee to approve items 1 - 3 on the consent agenda.

Motion Passed 5 - 0

Item number 4 was pulled from the consent agenda.

1. APPROVAL OF MINUTES FOR FEBRUARY 4, 2009 REGULAR MEETING
2. RFP #126-09 PROPERTY INSURANCE RENEWAL

Recommendation: Staff recommends award of the bid to AEGIS in the amount of \$161,162.

3. IFB #038-08 CANE ISLAND UNIT 2 COOLING TOWER REFURBISHMENT

Recommendation: Staff recommends approval of the expenditure \$161,038 to GEA Power Cooling Inc., for the replacement of structural components of cell # 2 of the Cane Island 2 cooling tower, to be reimbursed in full by the FMPA All Requirements Project.

4. FOUNDATION FOR OSCEOLA EDUCATION, INC. SPONSORSHIP

Recommendation: Staff recommends approval of a \$15,000 sponsorship to support the Foundation for Osceola Education, Inc. This is a worthwhile effort and worthy of the KUA's consideration as part of our sponsorship program.

Vice Chairman Gemskie informed the Board that she would abstain from voting on item 4 on the consent agenda as it is a conflict of interest and was given Form 8B to fill out stating the conflict.

ACTION: Director Hardee made a motion, seconded by Director Kasper to approve item 4 on the consent agenda.

Motion Passed 4 - 0

Mayor Jim Swan arrived at 4:00 p.m.

F. PUBLIC HEARING - NONE

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - NONE

H. OLD BUSINESS

1. REVISED FY 2009 BUDGET RESOLUTION NO. 09-03

Joe Hostetler, Vice President of Finance and Risk Management provided the Board with three major changes that have occurred including load forecast changes, TARP contracts with the ARP and the sale of a transmission Line segment as well as MW capacity at the Cane Island site. Mr. Hostetler detailed each of these items to the Board.

Mr. Hostetler advised the Board that staff is recommending a change to Resolution No 09-03 to include the ability of staff to transfer excess funds into the Rate Stabilization account to be used to build up the fund for future periods.

Director Hardee asked if a public hearing would need to be held when requesting this amendment. Mr. Welsh advised a public hearing is not a requirement within the Charter. Mr. Hostetler stated that a public hearing was done for the initial Budget.

ACTION: Director Kasper made a motion, seconded by Director Gemskie to authorize and approve revised budget resolution 09-03.

**Motion Passed 5 – 0
Fred Cumbie voted yes
Nancy Gemskie voted yes
Jim Kasper voted yes
Reginald Hardee voted yes
Dr. George Gant voted yes**

Jim Welsh, President and General Manager advised the Board that the budgetary operating expenses are being picked up by All- Requirements Project for Cane Island and the overhead. Mr. Welsh informed the Board every hourly wage and benefit at the Cane Island facility is paid by the All Requirements Project. Mr. Welsh advised the Board that this is a significant benefit that has come out of the TARP agreement.

Grant Lacerte, Vice President and General Counsel confirmed to the Board that KUA is not required to hold a public hearing for an amendment or the underlining budget.

2. BOND UPDATE

Joe Hostetler, Vice President of Finance and Risk Management provided the Board with a monthly bond update. Mr. Hostetler informed the Board that Resolution No. 09-02 which was approved at the February meeting was denied by the bond insurance company. Mr. Hostetler advised that staff has eliminated this option and continues to investigate the various options.

Director Gemskie suggested providing authorization to allow staff to complete the official statement (OS) to have flexibility to issue fixed rate bonds and to 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 until the June 3, 2009 Board Meeting .

The Board agreed to receive bond updates on a quarterly basis.

ACTION: Director Gemskie made a motion, seconded by Director Kasper to authorize staff to complete the official statement (OS) to have 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 until the June 3, 2009 Board Meeting .

Motion Passed 5 - 0

3. RESOLUTION NO. 09-05 ESTABLISHING A NET METERING PROGRAM FOR CUSTOMER OWNED RENEWABLE GENERATION

Ken Davis, Vice President of Engineering and Operations presented an overview of Resolution No 09-05. Mr. Davis informed the Board that staff has been working with FMPA to develop a program for net metering of customer owned renewable generation. This program will allow customers with qualifying renewable generation to sell excess energy to FMPA through KUA's electric system.

ACTION: Director Gant made a motion, seconded by Director Gemskie for staff to adopt resolution no. 09-05 establishing a Net Metering Program for Customer-Owned Renewable Generation.

**Motion Passed 5 – 0
Fred Cumbie voted yes
Nancy Gemskie voted yes
Jim Kasper voted yes
Reginald Hardee voted yes
Dr. George Gant voted yes**

I. NEW BUSINESS

1. FLORIDA 7 ALLIANCE FOR JOINT PURCHASE OF WIRE AND CABLE

Ken Davis, Vice President of Engineering and Operations provided information on KUA joining the alliance for joint purchase of wire and cable. This agreement is structured whereby the group of utilities purchases all wire and cable covered under the agreement from the supplier, Electric Supply throughout the term of the agreement.

Director Hardee inquired what the terms of the agreement are if KUA decides to withdraw. Mr. Davis stated that this is a three year agreement and KUA has the ability to withdraw from the agreement without any penalty.

ACTION: Director Hardee made a motion, seconded by Director Gemskie to approve the entry into contract with Electric Supply, Inc for the purchase of wire and cable and authorize the President & General Manager to execute the contract documents, both initially and going forward as necessary. (all contingent on developing a satisfactory agreement with Electric Supply).

Motion Passed 5 - 0

2. BOARD MEMBER WELCOME PACKET

Judy Ambrosi, Executive Assistant to the General Manager and Leticia Rivera, Executive Secretary, CPS provided an overview of the newly revised welcome packet for new and current board members.

ACTION: Director Hardee made a motion, seconded by Director Gemskie to accept the new board member welcome packet.

Motion Passed 5 - 0

3. RENEWABLE ENERGY RESOURCES REPORT TO THE FLORIDA PUBLIC SERVICE COMMISSION

Larry Mattern, Vice President Power Supply advised the Board that law requires electric utilities to take certain measures to encourage renewable resources. FMPA has worked with the ARP's member cities to develop a report that meets the statutory requirement. FMPA has recommended each city obtain a board member adoption of the report prior to filing with the Florida Public Service Commission.

ACTION: Director Kasper made a motion, seconded by Director Gant to adopt the attached report identifying the development of renewable energy and energy conservation and efficiency standards for the reporting year ending March 31, 2009 and authorize staff to file this report with the Florida Public Service Commission by the statutory deadline (April 1, 2009).

Motion Passed 5 - 0

J. STAFF REPORTS

1. INFORMATION TECHNOLOGY DEPARTMENT REPORT

Jef Gray, Vice President of Information Technology provided the Board with the semi-annual departmental report. Mr. Gray informed the Board that staff had hoped to have Version 3 of the CIS software live by March however, Advanced would like to have the summer to test and perfect the upgrade so KUA agreed to have Version 3 go live in the fall.

2. FRCC BOARD PRESENTATION

Greg Woessner, Vice President of System Compliance and Operations provided a presentation on FRCC's statement of its activities, achievements and effectiveness in carrying out its delegated responsibilities.

Mayor Swan excused himself from the meeting at 5:20 pm. He thanked KUA for their assistance with the Lakefront Project. Mayor Swan also informed the Board that City Manager, Mark Durbin's father passed away this morning.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, Vice President and General Counsel thanked the Board for their participation at the Legislative Rally event last month

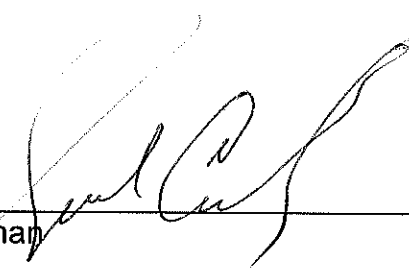
Jim Welsh, President and General Manager advised the Board of next week's Pre-budget meeting and next month's regular board meeting. Mr. Welsh informed the Board of upcoming events and advised the Board that staff will send a remembrance on behalf of the Board to Mark Durbin.

Director Gant commented on the rising cost of power and suggested that staff should be concentrating on conservation. Director Gemske reminded that Board that KUA has an energy audit program in place. Chairman Cumbie suggested changing the lights in the boardroom to promote energy efficiency.

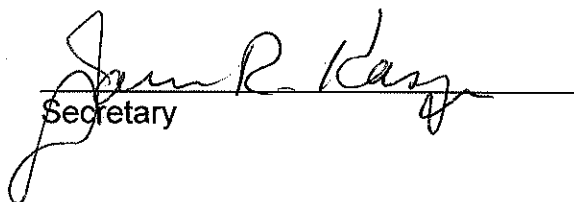
L. ADJOURNMENT

Meeting adjourned at 5:32 pm.

Chairman

A handwritten signature in black ink, appearing to be "Paul Cumbie", written over a horizontal line.

Secretary

A handwritten signature in black ink, appearing to be "James R. Casey", written over a horizontal line.

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

LAST NAME—FIRST NAME—MIDDLE NAME <i>Gemskie, Nancy</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: <input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY
CITY COUNTY <i>Kissimmee Osceola</i>	NAME OF POLITICAL SUBDIVISION:
DATE ON WHICH VOTE OCCURRED <i>03-04-09</i>	MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTEE

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, Nancy Gemskie, hereby disclose that on March 4, 2009:

(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 Foundation for Osceola Education, Inc, 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:

3-4-09
Date Filed

Nancy Gemskie
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.