

**MINUTES OF A SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, JUNE 10, 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 Gemskie, Director Reginald Hardee, Director James Kasper, 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 pm.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the Pledge of Allegiance.

C. BUDGET REVIEW

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

Mr. Welsh informed the Board staff will provide a brief summary of each department's budget.

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

Joe Hostetler, Vice President of Finance & Risk Management gave an overview of the budget. Mr. Hostetler thanked all the ambassadors who worked on the Budget. In March 2009 the Board approved a 10% budget cut and through the end of May KUA has come in 6% lower than forecasted.

Dr. Gant shared his ideas with staff. Dr. Gant suggested due to the economy, is it possible to take the growth from the RFFCO fund and put that money back into operations or the rate stabilization fund and also, lowering the self insurance fund and filtering that in the rate stabilization fund to ensure we have adequate funds to maintain or lower the rates.

Director Gemskie offered that the reserves are very healthy and we should not continue to grow the funds at this time. Dr. Gant reiterated his suggestions are only due to the economy at this time.

Mr. Welsh advised staff will review the whole concept and bring back to the Board two or three types of scenarios regarding the rate stabilization funds at the August meeting.

3. HUMAN RESOURCES OVERVIEW

Wilbur Hill, Vice President of Human Resources stated that there is a proposed reduction of three positions; one in the Power Supply area and two in the Information Technology area. If approved it would bring staffing at 308 full time equivalent positions.

Mr. Hill advised the Board that at this time staff is not recommending a market level adjustment for FY 2010. In lieu of this, staff is recommending a one-time payment of \$600 for each employee below the vice presidential level.

4. DEPARTMENTAL O&M AND CAPITAL BUDGETS

a. POWER SUPPLY

Larry Mattern, Vice president of Power Supply gave an overview of the department.

b. INFORMATION TECHNOLOGY AND ISP

Jef Gray, Vice President of Information Technology provided an overview of the department.

Director Hardee inquired about the existing phone service. Mr. Gray advised that stall will take historical costs into consideration when returning with a business plan for a voice over IP.

c. **SYSTEM COMPLIANCE & OPERATIONS**

Greg Woessner, Vice President of System Compliance & Operations gave an overview of the department's budget. Mr. Woessner provided more details on the replacement fire system for the department as per Dr. Gant's request. Due to the economic situation, this project has been pushed to FY 2011.

d. **ENGINEERING & OPERATIONS**

Ken Davis, Vice President of Engineering & Operations provided a brief summary of the department's budget.

e. **CUSTOMER SERVICE**

Susan Postans, Vice President of Customer Service provided a brief summary of the department's budget. Mrs. Postans advised the Board that vehicles are being requested for 2010. As stated in the pre-budget meeting in March, the type of vehicles each staff member requires was scrutinized and researched before any decision was made.

f. **FINANCE & RISK MANAGEMENT AND EXECUTIVE**

Joe Hostetler, Vice President of Finance and Risk Management gave an overview of the finance and executive department's budgets.

g. **HUMAN RESOURCES – WILBUR HILL**

Wilbur Hill, Vice President of Human Resources advised the Board that there are no organizational structure changes or capital items.

Chris Gent, Vice President of Corporate Communications provided an overview of possible sponsorships for next year. Director Gemskie requested a subtotal to be provided for each sponsorship. Mr. Welsh reiterated that the information provided for the sponsorships are estimates as to what was requested in previous years. The sponsorships are provided at a first come first serve basis.

D. OTHER

E. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, Vice President and General Counsel thanked Judy Ambrosi, Leticia Rivera and Ray Eady for ensuring the safety and upkeep of the building while maintaining the costs for this area under budget.

The Board as a whole thanked staff for their work on the budget process. Director Hardee suggested purchasing new vehicles this year due to the deals that car dealerships are currently offering. Mr. Hostetler advised that a purchase order for the vehicles can be made now with a delivery date for October 2009.

F. ADJOURNMENT

Meeting adjourned at 5:25 pm.


Chairman


Secretary