

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,
JULY 14, 2010 AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

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

A. MEETING CALLED TO ORDER

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

B. PLEDGE ALLEGIANCE TO THE FLAG

The Board and staff recited the pledge of allegiance.

Mr. Welsh recommended moving Item F, Installation of New Board Member at this time in the meeting. Vice Chairman Cumbie swore in Kathleen Thacker to the KUA Board of Directors. All Board members congratulated and welcomed Ms. Thacker.

C. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD – MINH SON, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERVICE
2. 10-YEAR SERVICE AWARD – DERRICK BATES, CERTIFIED SYSTEM OPERATOR, SYSTEM COMPLIANCE & OPERATIONS
3. 15-YEAR SERVICE AWARD – TERRI BILLER, ADMINISTRATIVE ASSISTANT, CPS, ENGINEERING & OPERATIONS
4. 15-YEAR SERVICE AWARD – JOHN JOHNSON, SUPERVISOR OF SUBSTATION MAINTENANCE, ENGINEERING & OPERATIONS
5. EMPLOYEE OF THE MONTH FOR JULY – JOHN MAIN, HELP DESK SUPPORT SPECIALIST, INFORMATION TECHNOLOGY

General Manager Welsh congratulated all of the employees that were recognized this month for their dedicated years of service.

6. PRESENTATION TO NANCY GEMSKIE – MEMBER OF THE KUA BOARD OF DIRECTORS FROM OCTOBER 1, 2000 THROUGH JULY 14, 2010

Vice Chairman Cumbie and the rest of the Board members presented Nancy Gemskie with a proclamation, naming the Cane Island Combustion Turbine 4 as the Nancy F. Gemskie Turbine 4.

Nancy Gemskie thanked the Board for their support and thanked Jim Welsh personally. Mrs. Gemskie said she is grateful to have had the opportunity to serve on the KUA Board to represent KUA, the employees and the community.

Mrs. Gemskie was presented with a KUA photo and a lamp. The Board members thanked Nancy for her 10 years of service on the KUA Board.

A short recess was granted at 3:47pm.

Meeting resumed at 3:57pm.

D. HEAR THE AUDIENCE - None

E. CONSENT AGENDA

ACTION: Director Kasper made a motion, seconded by Director Hardee to approve items 1- 5 on the consent agenda.

MOTION PASSED 5 – 0

1. APPROVAL OF MINUTES FOR JUNE 9, 2010 REGULAR MEETING
2. APPROVAL OF MINUTES FOR JUNE 30, 2010 BUDGET MEETING
3. CANE ISLAND 3 & CANE ISLAND 4 REAL PROPERTY CONVEYANCES TO FMPA

Recommendation: Staff recommends the Board approve the conveyance of the Cane Island Unit 4 footprint and fifty percent (50%) interest in the Cane Island Unit 3 footprint to FMPA pursuant to warranty deed and authorize the Board Vice-Chair and Secretary to execute the deeds and affidavits necessary to accomplish these conveyances.

4. AWARD OF BID ITB-06/08/2010-#17-CB – 75 KVA PAD MOUNT – TRANSFORMERS

Recommendation: Award of bid ITB-6-08-2010-17-CB to Electric Supply for the total amount of \$101,136

5. IFB #011-10 UTILITY CHEMICALS

Recommendation: Staff recommends to the KUA Board of Directors to accept bids from Allied Universal and Shrieve Chemical to supply the annual requirements for the generating utility at an annual cost of \$111,944 for Allied Universal and \$73,150 for Shrieve Chemical for a total of \$185,094, based on estimated annual usage and the attached cost chart for each chemical.

F. INSTALLATION OF NEW BOARD MEMBER

This item was moved and completed at the beginning of the meeting.

G. ELECTION OF OFFICERS

ACTION: Director Kasper made a motion, seconded by Director Hardee to nominate Director Cumbie for Chairman of the KUA Board of Directors.

Motion carried 5 - 0

ACTION: Director Cumbie made a motion, seconded by Director Hardee to nominate Director Kasper for Vice Chairman of the KUA Board of Directors.

Motion carried 5 - 0

ACTION: Director Kasper made a motion, seconded by Director Cumbie to nominate Director Hardee for Secretary of the KUA Board of Directors.

Motion carried 5 – 0

ACTION: Director Hardee made a motion, seconded by Director Kasper to nominate Director Gant for Assistant Secretary of the KUA Board of Directors.

Motion carried 5 – 0

H. PUBLIC HEARING

1. RESOLUTION NO. 10-01 FISCAL YEAR 2011 BUDGET

Joe Hostetler, Vice President of Finance & Risk Management provided a review of the 2011 budget.

After a brief review of the 2011 budget, Chair Cumbie asked if anyone from the public has any comments or would like to speak on this issue. Seeing none a motion was made.

ACTION: Director Kasper made a motion, seconded by Director Gant to approve Resolution No. 10-01.

**Motion carried 5 - 0
Fred Cumbie voted yes
Reginald Hardee voted yes
Jim Kasper voted yes
Dr. George Gant voted yes
Kathleen Thacker voted yes**

I. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

J. OLD BUSINESS - None

K. NEW BUSINESS

1. KUA BOARD ATTORNEY CONSIDERATION

General Manager Welsh advised this item is being reviewed tonight per Commissioner Gemskie. Mayor Swan added Commissioner Gemskie brought this issue up at a commission meeting two months ago. Commissioner Gemskie asked that KUA review the legal counsel position. The mayor had requested that board minutes from the meeting when the position of KUA's on-staff general counsel was first considered, be provided for his and the rest of the KUA Board's review. General Manager Welsh read to the Board the motion that was passed at the July 24, 2002 meeting regarding this same topic. Mr. Welsh then read a range of 5 options that was in the board back up material for the board's consideration in this matter. These 5 options were:

1. HIRE AN ADDITIONAL INTERNAL COUNSEL SOLELY FOR BOARD DUTIES AND CONSULTATION

This is probably the most expensive of the alternatives detailed here due to the cost of personnel payroll cost and benefits and their support staff payroll cost and benefits.

2. HIRE AN ADDITIONAL EXTERNAL COUNSEL SOLELY FOR BOARD DUTIES AND CONSULTATION

This alternative would most likely be more economical than option 1 above in that we would only be paying for the amount of time external counsel would spend on board meetings and needed consultation for members of the Board of Directors.

3. KEEP KUA'S GENERAL COUNSEL AS IT CURRENTLY IS

Currently KUA's General Counsel is responsible for all of KUA's legal needs. This includes the ongoing business activities of the KUA as well Board responsibilities such as attending meetings and advising the Board. This employee, as all employees of KUA, is hired by KUA's President & General Manager. This employee however, has a unique status in that this is the only employee other than the KUA General Manager who is required to attend Board meetings and is required to report directly to the Board at each and every Board meeting as is our current practice. With this alternative, the KUA Board of Directors definitely does have its own attorney. These Board duties and reporting responsibilities and relationships should be emphasized if this alternative is taken. This alternative would have no additional cost.

4. FULLY AND FORMALLY SPECIFY REPORTING RESPONSIBILITIES AND JOB DUTIES OF

KUA'S GENERAL COUNSEL

This alternative is similar to alternative #3 however; these reporting duties and responsibilities would be specified formally and legally as a policy directive of the KUA Board of Directors. The only additional cost of this alternative would be the time required to draft the actual policy directive for the Board's consideration. This time would be minimal. The policy directive should specify that the KUA General Counsel is the Board's attorney and would be required to report directly to the Board at every meeting and be available to the Board for any consultations that they may require.

5. ASSUME THE HIRE/FIRE RESPONSIBILITIES FOR KUA'S GENERAL COUNSEL

Under this alternative, the KUA Board of Directors would assume the hire/fire responsibilities for KUA's General Counsel. This would be a deviation from KUA Board philosophy and practice that has been in place since KUA's inception to the present day. This current policy is to have the President & General Manager report directly to the Board and have the Board responsible for the hiring and firing of the General Manager. This also entails having the General Manager responsible for hiring and firing all other KUA employees including the General Counsel. This action could also be done by a policy directive. The cost would be minimal and only include the man hours taken to draft a policy directive for the Board's consideration.

Director Gant informed that the Board has the right to hire outside counsel at any time should an event occur and the Board feels it is necessary.

Director Hardee asked within KUA's current bylaws or charter, does it restrict the general counsel in interacting with the Board to provide counsel. Mr. Lacerte advised no and added that he is available to the Board to provide counsel when needed. Director Hardee then asked if it restricts the Board from interacting with the general counsel directly. Mr. Lacerte advised no.

After discussion, it was the the consensus of all the board to choose option 3 emphasizing that KUA's vice president and general counsel is the attorney for all of KUA which most definitely includes KUA's board of directors. It was thought that a motion was not needed on this since option 3 keep things as they are currently.

Mayor Swan suggested that a letter from Chairman Cumbie be sent to the City Commissioners describing the consideration given by this Board to this matter at their request. The Mayor said that the KUA Board has given good thought and consideration to this matter and had complied with the request of Commissioner Gemskie and the City Commission.

ACTION: Director Hardee made a motion, seconded by Director Kasper to have the General Manager draft the appropriate communication for the Chairman's approval and signature and then forward to the City regarding KUA's responsiveness to their suggestion and as well as that the Board does have the vice president and general counsel as their general counsel as well as the vice president and general counsel being general counsel to all of KUA.

Motion carried 5 – 0

Director Cumbie requested that the information on the Board's insurance coverage be sent to each member. Mr. Welsh advised that this information will be made available by the end of the meeting.

2. REVIEW OF 2009-2010 AND ESTABLISHMENT OF 2010-2011 GOALS FOR KUA'S CEO AND FOR KUA AS A WHOLE

General Manager Welsh reviewed the goals. Earlier in the year, the KUA Board of Directors developed and established goals for KUA's CEO and for KUA as a whole for 2009-2010. These detailed goals gave specific directions and priorities. Of the 10 detailed goals, 8 have been fully achieved. The proposed goals for 2010-2011 have been submitted for the boards review and consideration.

Director Cumbie recommended the parameter for goal #5, customer satisfaction, be moved from 7.0 to 7.8.

After some discussion a motion was made.

ACTION: Director Gant made a motion, seconded by Director Thacker to adopt the proposed goals for the 2010-2011 year for KUA's CEO and KUA as a whole and revising the goal # 5 parameter from 7.0 to 7.8.

Motion carried 5 - 0

Mayor Swan shared a customer phone call he received with the Board. An irate customer called the Mayor regarding a letter he received from KUA advising him they were going to shut off his power. Mayor Swan asked him if he had contacted KUA's customer service department. The customer answered no. Mayor Swan advised him to call KUA and if KUA can't figure out a way to assist, then call him back. The customer has not called back. Mayor Swan advised it says a lot of the customer service department's effort that is put forth.

Mayor Swan excused himself from the meeting at 4:47pm.

L. STAFF REPORTS

ENGINEERING & OPERATIONS QUARTERLY REPORT

Ken Davis, Vice President Engineering & Operations provided a quarterly report on pertinent issues in the department. Mr. Davis reviewed and compared the reliability and operational benchmark study that APPA puts out every two years.

M. OTHER – None

N. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Mr. Lacerte advised it is a privilege and a great honor to represent the KUA Board.

Mr. Welsh advised the Board of next month's meeting and of upcoming events. Mr. Welsh informed the Board that the second Customer Gathering was last night and there are two additional gatherings coming up.

Mr. Welsh advised that staff is working on the issues and problems of retrieving the board packet online.

All board members congratulated and welcomed Ms. Thacker.

O. ADJOURNMENT

Chairman Cumbie adjourned the meeting at 5:03 pm.


Chairman, Fred Cumbie


Secretary, Reginald Hardee