

REGULAR & SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY, MARCH 7, 2012 AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

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

A. MEETING CALLED TO ORDER

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

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board members and staff recited the pledge of allegiance.

C. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD – MARGARITA COSTAS, TREASURY ANALYST, FINANCE & RISK MANAGEMENT
2. 5-YEAR SERVICE AWARD – CLARIBEL MARRERO, TELLER I, FINANCE & RISK MANAGEMENT
3. 5-YEAR SERVICE AWARD – SHAELLA PEREZ, CUSTOMER SERVICE REPRESENTATIVE I, CUSTOMER SERVICE
4. 10-YEAR SERVICE AWARD – BARNEY THOMPSON, LINEMAN, ENGINEERING & OPERATIONS
5. 15-YEAR SERVICE AWARD – RUTH LENTZ, MANAGER OF ACCOUNTING, FINANCE & RISK MANAGEMENT
6. 30-YEAR SERVICE AWARD – EDDIE BUCKMAN, GIS TECHNICIAN, ENGINEERING & OPERATIONS

Mr. Welsh thanked all the employees for their dedication and hard work throughout the years. Those employees who were not able to attend will be acknowledged by their department heads at a later date.

7. EMPLOYEE OF THE MONTH FOR MARCH – STEVEN OXENRIDER, FIELD SERVICE SPECIALIST, CUSTOMER SERVICE

Mr. Welsh congratulated Steven for being chosen employee of the month for March 2012.

At this time, Chairman Cumbie asked to move the Hear the Audience section to occur now.

Chairman Cumbie asked if anyone from the public would like to address the Board.

Dick Snyder, 384 Button Wood Drive Buenaventura Lakes, Kissimmee advised that he has a favorable report to give on the KUA energy audit program. Mr. Snyder started by advising that last year he noticed that his electrical consumption seemed to be on the rise. He then received KUA's notice to perform an energy audit free of charge. He felt this was a great opportunity to get an unbiased audit. Mr. Snyder set up an appointment and Pete Perez came out. Mr. Perez had a lot of information on the home and did a thorough audit. There was a short-term critical list that was provided and a list of long-term items.

Pete Perez and Scott Grieves worked with Mr. Snyder to set a long-term plan on how to invest into the home to achieve the maximum return in terms of energy efficiency. Mr. Snyder advised that one of the most valuable aspects of the audit process was that KUA has a list of certified contractors.

Mr. Snyder advised that he currently has two months of data on his energy reduction. In January, his bill went down 35% and in February went down 22%.

Mr. Snyder reiterated that KUA's energy conservation program is nothing short of outstanding for the consumers and thanked KUA, Pete Perez and Scott Grieves for their hard work.

Mr. Snyder requested KUA to contact Huff's contracting as they did a phenomenal job throughout the whole process.

Chairman Cumbie thanked Mr. Snyder for his comments and thanked Carolyn Scott, Pete Perez and Scott Grieves for their hard work.

Chairman Cumbie asked if anyone else from the public would like to address the Board on an item that is not on the agenda. In seeing none, the Board moved to the next item.

8. 2012 CALENDAR CONTEST WINNER RECOGNITION

Chris Gent, vice president of Corporate Communications provided a brief background on KUA's calendar contest. Mr. Gent announced the winners and asked for a recess to unveil the winning picture on KUA's Energy Conservation vehicle.

At 3:53 pm, Chairman Cumbie recessed the meeting.

Meeting resumed at 4:03 pm.

D. HEAR THE AUDIENCE

This item occurred earlier in the meeting.

E. CONSENT AGENDA

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

MOTION PASSED 5 – 0

1. APPROVAL OF MINUTES FOR FEBRUARY 8, 2012 REGULAR MEETING

2. FOUNDATION FOR OSCEOLA EDUCATION SPONSORSHIP

RECOMMENDATION: Staff recommends approval of a \$15,000 sponsorship to support the Foundation for Osceola Education. This is a worthwhile effort and worthy of the KUA's consideration as part of our ongoing investment in the community we serve.

3. IFB #006-12 55 FT HYDRAULIC AERIAL DEVICE

RECOMMENDATION: Award of Bid IFB # 006-12 to Altec Industries, Inc. for the amount of \$234,989.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS - None

I. NEW BUSINESS

1. SCHEDULE FOR BOARD MEMBER RECRUITMENT FOR TERM
BEGINNING OCTOBER 1, 2012

Jim Welsh, General Manager advised that the board recruitment procedure has been brought back. Director Thacker suggested a change to question 12. Staff will update and finalize the questions.

ACTION: Director Van Meter made a motion, seconded by Director Thacker to approve the schedule, advertising and questions to be asked of the candidates for recruiting a nominee to fill the upcoming vacancy with the changes suggested by Board members.

Mr. Welsh advised that Director Hardee abstained from the discussion due to the Charter.

MOTION PASSED 4 - 0

J. STAFF REPORTS

1. QUARTERLY FINANCIAL REPORT

Joe Hostetler, vice president of Finance & Risk Management provided a quarterly financial update. Director Gant asked if it would be to KUA's advantage to do a budget transfer at this time. Mr. Hostetler advised that at this time no however, staff will bring a recommendation to the Board if a budget transfer is necessary. Director Cumbie asked about Crystal River fuel costs. Larry Mattern, vice president of Power Supply advised the cost is for the replacement power as stated in the contract.

2. SEMI ANNUAL REPORT ON INFORMATION TECHNOLOGY PROJECTS

Jef Gray, vice president of Information Technology provided an overview of ongoing and upcoming projects within the IT department. Mr. Gray advised that KUA has recently negotiated a contract with FMPA to provide IT services.

Director Hardee asked about emergency operations preparations. Mr. Gray advised that KUA has its DDD scheduled for April 5.

K. PRELIMINARY BUDGET DIRECTION

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

Mr. Welsh advised that staff would provide preliminary budget presentations for their respective areas for budgeting purposes only.

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

Mr. Hostetler advised that the strategy for developing load forecast was done by FMPA they use an econometrical model and estimate in 2013 customer growth will be 2.3% and electrical sales growth 2.9%.

Mayor Swan asked if the customer growth was conservative enough. Mr. Hostetler advised that these projections were discussed with FMPA. Mayor Swan added that he is just being overly cautious.

3. HUMAN RESOURCES OVERVIEW – WILBUR HILL, VICE PRESIDENT,
HUMAN RESOURCES

Wilbur Hill, vice president of Human Resources presented an overview of current personnel. Mr. Hill advised the Board that the organizational structure has remained unchanged. In FY 2013 Engineering & Operations will recommend a reduction of 3 positions and Customer Service will recommend a reduction of 2.5 positions, if approved this will bring staffing to 305.5.

Mr. Hill advised that staff is recommending a 3% market level adjustment for planning purposes only.

Director Cumbie asked if the 3% was approved tonight how easy is it to adjust if the board decreased that percent at the actual budget meeting. Mr. Hill advised it would be easy to readjust. Mayor Swan added that one of the top priorities the City Commission is working on during the annual planning process is to provide a salary adjustment for the City employees the first time in 4 years.

ACTION: Director Van Meter made a motion, seconded by Director Hardee to approve staff's recommendation of a 3% market level adjustment (MLA) for planning purposes only.

MOTION PASSED 5 - 0

4. DEPARTMENTAL OVERVIEW – PERSONNEL & CAPITAL
a. POWER SUPPLY – LARRY MATTERN

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

b. INFORMATION TECHNOLOGY AND ISP – JEF GRAY

Jef Gray, vice president of Information Technology provided an overview of the department

c. SYSTEM COMPLIANCE & OPERATIONS – GREG WOESSNER

Greg Woessner, vice president of System Compliance & Operations gave an overview of the department's budget.

d. ENGINEERING & OPERATIONS – KEN DAVIS

Ken Davis, vice president of Engineering & Operations provided a brief summary of the major projects within the department's budget.

Director Van Meter asked if the poles on Neptune road will be going underground. Mr. Davis advised the transmission lines will remain above ground. Dr. Gant asked if the expansion of the pole yard will be done in phases or is the expense for the complete project. Mr. Davis advised the pole yard expansion is one project estimated to be completed in FY 2013. Dr. Gant suggested that with a capital project of this size it could be done in phases.

e. CUSTOMER SERVICE – SUSAN POSTANS

Susan Postans, vice president of Customer Service provided a brief summary of the department's budget.

Chairman Cumbie asked why the McGruff program was disbanded. Mr. Welsh advised that the National Safety Council disbanded the program and KUA was told to remove the logos. Mr. Davis advised there are still two components of the McGruff program active however; the part of the program to put the logos on the vehicles to call for assistance is what was eliminated. Director Van Meter asked if KUA is working with the other governmental entities on trying to keep some program going. Mr. Davis advised yes and staff if trying to get everyone together on this.

Mr. Welsh recognized Terri Biller. Terri is Ken's administrative assistant and she will continue to oversee the progress of the program. Mr. Davis advised that Terri has already had numerous conversations with the police department as they have always worked together on past McGruff events. Mr. Welsh added that there are so many complexities related with a program like this.

f. FINANCE & RISK MANAGEMENT AND EXECUTIVE – JOE HOSTETLER

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 & CHRIS GENT

Wilbur Hill, vice president of Human Resources advised the Board that there are no organizational structure changes.

Chris Gent, vice president of Corporate Communications provided an overview of possible sponsorships for next year. Mr. Gent advised that the information provided for the sponsorships are estimates as to what was requested by programs for two consecutive years.

Chairman Cumbie thanked Chris for arranging the KUA calendar event.

L. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president and General Counsel advised that he is KUA's team captain for the American Cancer Society the Relay for Life effort with the main event to be held May 18th at Gateway High School. There are 14 employees participating and the team has raised over \$1,100 with a goal of \$2,500. The Chairman of the Kissimmee Relay for Life effort this year is City Commissioner Jerry Gemskie and he is seeking sponsorships for his walk during the event. Commissioner Gemskie plans on walking 5-10 miles with a max of 10 miles and he has offered to allocate any money raised from sponsorships from KUA employees for his walk to KUA's team goal. Mr. Lacerte asked if the Board would be interested in sponsoring \$50 per mile in Nancy's memory and this would also contribute to KUA's team reaching its goal.

ACTION: Director Gant made a motion, seconded by Director Van Meter for KUA to sponsor Commissioner Jerry Gemskie at \$50 a mile with a maximum of ten miles or \$500.

MOTION PASSED 5 – 0

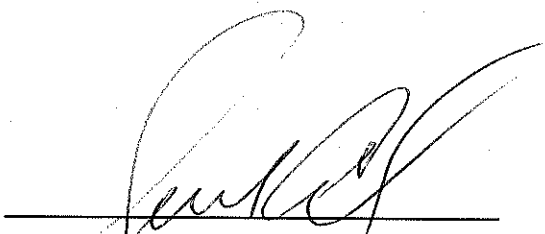
Mr. Lacerte thanked those Board members who attended the FMEA legislative rally in Tallahassee.

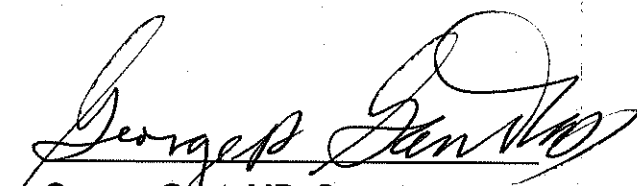
Mr. Welsh advised that the Kasper Conservatory is almost complete and a dedication is set for the next board meeting.

Dr. Gant provided a review of the last FMPA Liaison Committee meeting that he attended.

M. ADJOURNMENT

Chairman Cumbie adjourned the meeting at 5:36 pm.


Fred Cumbie, Chairman


George Gant, MD, Secretary