

REGULAR MEETING OF THE KISSIMMEE UTILITY AUTHORITY HELD
WEDNESDAY, JUNE 6, 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, Mayor Jim Swan, General Counsel Grant Lacerte, General Manager James Welsh, and Recording Secretary Judy Ambrosi. Directors Kathleen Thacker and Jeanne Van Meter were absent.

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 members and staff recited the pledge of allegiance. Mayor Swan advised the Board that Jeanne Van Meter called to say she was in a minor car accident and would not be able to attend the meeting.

C. AWARDS AND PRESENTATIONS

1. RECOGNITION FOR RELAY FOR LIFE

City Commissioner, Jerry Gemskie and Carly Sullivan of the American Cancer Society recognized Grant Lacerte, team captain and all of the members of Kissimmee Utility Authority's Relay for Life Team Cure who raised a total of \$4,314. Mr. Gemskie also recognized Fred Cumbie's team for the top amount raised of \$5,335. Mr. Gemskie concluded by stating that Nancy would have been proud.

2. 5 YEAR SERVICE AWARD – LARESSA HALL, CUSTOMER SERVICE REPRESENTATIVE I, CUSTOMER SERVICE
3. 5 YEAR SERVICE AWARD – SONIA VELEZ, RECEPTIONIST, CUSTOMER SERVICE
4. 5 YEAR SERVICE AWARD – ADAM SMITH, SCADA/COMMUNICATOINS TECHNICIAN II, SYSTEM COMPLIANCE & OPERATIONS
5. 10 YEAR SERVICE AWARD – MIKE SURRENCY, PP/MECHANIC/WELDER/OPERATOR, POWER SUPPLY
6. 10 YEAR SERVICE AWARD – MARK CHABROL, PP/MECHANIC/WELDER/OPERATOR/, POWER SUPPLY
7. 15 YEAR SERVICE AWARD – CHERYL MEARS, MANAGER OF NETWORK OPERATIONS, INFORMATION TECHNOLOGY
8. EMPLOYEE OF THE MONTH – NEIL BEVILLE, FLEET SERVICE COORDINATOR, ENGINEERING & OPERATIONS

Mr. Welsh congratulated Neil for being chosen employee of the month for June, 2012.

Mr. Welsh congratulated the employees noted above for their continued hard work and dedication.

D. HEAR THE AUDIENCE

Director Cumbie asked if anyone from the audience would like to address the Board. Kathy Carr the Executive Director for the Education Foundation of Osceola County thanked the Board for being one of the greatest long- time supporters of the Foundation.

E. CONSENT AGENDA

Director Hardee asked that item 2 be removed for discussion of a potential conflict.

ACTION: Director Gant made a motion seconded by Director Hardee to approve items 1 and 3 on the consent agenda.

MOTION PASSED 3 – 0

1. APPROVAL OF MINUTES FOR MAY 9, 2012 REGULAR & SPECIAL BOARD MEETING

3. ENGINEERING SERVICES FOR KUA-ST. CLOUD TRANSMISSION LINE UPGRADE PROJECT

RECOMMENDATION: Authorize Black & Veatch to proceed with engineering work for the Carl Wall-St. Cloud Transmission Line Upgrade Phase II for a not-to-exceed amount of \$337,700.

Director Hardee asked if being an employee of the State of Florida's Turnpike Authority could present any conflicts with his voting on the FDOT Subordination Agreements. Grant Lacerte, vice president and general counsel advised he would research and have an answer shortly. The item was tabled until the answer could be researched.

F. PUBLIC HEARING - None

G. INFORMATION PRESENTATION (REQUIRING NO ACTION) – None

Chairman Cumbie made a request to move item J3, 2012 Customer Satisfaction Survey Results to this portion of the meeting.

2012 CUSTOMER SATISFACTION SURVEY RESULTS

Chris Gent, vice president of corporate communications introduced Mrs. Kathy Gonat of PMG Associates, Inc. Mrs. Gonat gave an overview of the 2012 Customer Satisfaction Survey and passed an executive summary out to the Board. Mrs. Gonat stated the overall satisfaction of the utility was 8.59 and the satisfaction rating regarding rates came in at 8.59.

Dr. Gant suggested singling out two or three of the lower areas and using them as a tool to improve over the next year. Mayor Swan suggested that the vast majority of residents do not know how rates here compare to other areas of the state. Mayor Swan felt that unless consumers know these facts, the rate portion would not improve.

Chairman Cumbie asked how many attempts are generally made to get one complete survey. Mrs. Gonat stated that approximately 2.89 attempts are made for each valid survey.

Chairman Cumbie was disturbed by the mark in "following through on promises," as he doesn't think this is the case. Mayor Swan suggested this has more to do with the overall economy.

Mr. Welsh asked what the margin of error was. Ms. Stated + or – 5%. Mr. Welsh stated that sustaining high numbers year to year is very difficult.

H. OLD BUSINESS - None

I. NEW BUSINESS - None

E. 2. FDOT SUBORDINATION AGREEMENTS

Mr. Lacerte advised that the FDOT is a parent organization of the Turnpike Authority and he feels that there is no conflict for Director Hardee to vote based on his research of the Florida Statutes. Director Hardee stated that his paycheck says FDOT. Mr. Lacerte stated that he is confident that the State Code of Ethics and Florida Statutes were clear in allowing Director Hardee to vote on the issue.

ACTION: Director Hardee made a motion, seconded by Director Gant to approve item J-2 of the consent agenda.

RECOMMENDATION: Approve the Subordination of Utility Interests Agreements with FDOT and authorize the President & General Manager to execute said agreements.

MOTION PASSED 3 – 0

Mayor Swan excused himself from the meeting at 4:15 p.m.

J. STAFF REPORT

1. FINANCE & RISK MANAGEMENT QUARTERLY REPORT

Joe Hostetler, vice president of finance and risk management gave an overview of the quarterly financials. Mr. Hostetler stated that sales continue to be down largely due to the mild weather this year but typically the summer months are the hottest months with the most sales. Mr. Hostetler stated that less overtime and costs such as fuel are reduced so the impact is not too bad overall.

Dr. Gant asked what KUA's projected increase was last budget year. Mr. Hostetler stated it was approximately 1 ½% based on KUA's load forecast.

2. DDD PRESENTATION

Jef Gray, vice president of information technology gave an overview of the Disaster Drill Day exercises that were held on April 5, 2012. Mr. Gray stated that the drill was successful and based on a Hurricane Gregory scenario.

Dr. Gant asked if we should coordinate with the Osceola County program to ensure that none of our disaster related items conflict. Ken Davis, vice president of engineering and operations stated that a new person is in charge of the Osceola County Emergency Management Committee and KUA has begun participating in a county-wide working group so everyone works together during disasters.

Director Hardee thanked staff for the Treasure Coast facility visit and asked if FMPA coordinates or readies for such issues as demarked location concerns which could cause loss of communications. This was a concern that Director Hardee noted at Treasure Coast. Mr. Welsh stated that he would specifically address this concern with FMPA to ensure that we have redundant communications with Treasure Coast. Mr. Welsh would also find out if FMPA conducts readiness drills. Jay Butters, Manager of

Power Supply stated that KUA helps with operations and readiness training but as Treasure Coast has their own utility, he was not immediately sure about training. Mr. Welsh stated that an informational item would be brought back to the July meeting with the answers to these concerns.

Chairman Cumbie asked if customers in the lobby are aware when drills are occurring. Mr. Gray stated that signs are put up and customers appreciate the drills. Mr. Cumbie asked if employees dread this. Mr. Gray stated that it is not a typical day at work but it is the only chance that someone new to KUA really has to prepare for a disaster.

Chairman Cumbie stated that there is a new addition to the staff reports regarding the downtown Kissimmee power outage that occurred yesterday. Ken Davis, vice president of engineering & operations stated that two events occurred. The first involved a squirrel getting into the line. The second involved an entire bus being taken out. Further investigation is being done to verify the problem and look for solutions.

Mr. Davis showed a picture of trees around the downtown substation that could be taken out, if the City approves. This would alleviate some of the squirrel problems at the substation.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president & general counsel discussed a few bills currently at a national legislative level per Director Hardee's request.

Mr. Welsh advised the Board that line extension waivers would be sun-setting on September 30; however, Belinda Ortiz with the City would like to have a meeting in July to possibly extend these waivers.

Mr. Welsh stated that customer informational gatherings have been scheduled for July and they would be sent out in future reminders. Chairman Cumbie asked if we could send out invites in addition to calendar reminders. Mr. Welsh advised that we would begin sending calendar invites as well as reminders.

Mr. Welsh stated that Director Hardee was concerned about continuity at the L&R Committee of FMPA upon the completion of his five year term. He stated that anyone interested in this committee should contact Mr. Welsh.

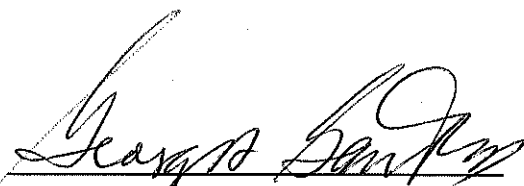
Mr. Welsh stated that we should send a basket to Director Thacker as she recovers from her illness.

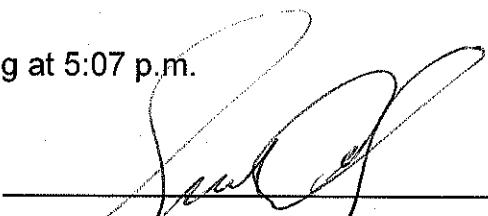
Director Gant stated that the Gant Plan is still in the works with FMPA. The plan would help to neutralize fuel prices.

Chairman Cumbie thanked and congratulated Chris Gent and his staff for facilitating so many awards for the utility. He also thanked Chris Gent for use of the grill at Relay for Life.

L. ADJOURNMENT

Chairman Cumbie adjourned the meeting at 5:07 p.m.


George Gant, MD, Secretary


Fred Cumbie, Chairman