

REGULAR MEETING OF THE KISSIMMEE UTILITY AUTHORITY HELD
WEDNESDAY, AUGUST 1, 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 Kathleen Thacker, Director George Gant, Mayor Jim Swan, General Counsel Grant Lacerte, General Manager James Welsh, and Recording Secretary Leticia Rivera. Director Jeanne Van Meter participated via telephone.

A. MEETING CALLED TO ORDER

Director Cumbie called the meeting to order @ 6:08 pm.

Director Cumbie provided a brief overview of the tour for Director Van Meter.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board members and staff recited the pledge of allegiance.

C. AWARDS AND PRESENTATIONS

1. 35-YEAR SERVICE AWARD – EARL SWEENOR, LEAD SYSTEM
OPERATOR, SYSTEM COMPLIANCE & OPERATIONS

Mr. Welsh recognized Earl for his 35 years of service. The Board congratulated and thanked Earl for his hard work and dedication through the years.

Kathleen Thacker arrived @ 6:12 pm.

Director Cumbie advised that the other awards for this month have been rescheduled to be presented at the September 12, 2012 board meeting due to the unusual scheduled time of this meeting.

D. HEAR THE AUDIENCE

Director Cumbie asked if anyone from the audience would like to address the Board. In hearing none, the Board moved on to the next item.

E. CONSENT AGENDA

ACTION: Director Hardee made a motion, seconded by Director Gant to approve item 1 on the consent agenda.

MOTION PASSED 4 – 0

1. APPROVAL OF MINUTES FOR JULY 18, 2012 REGULAR & SPECIAL
BOARD MEETING

F. PUBLIC HEARING

1. RESOLUTION NO. 12-03 FISCAL YEAR 2013 BUDGET

Joe Hostetler, vice president of Finance & Risk Management provided a brief overview of the 2013 budget.

Director Gant asked if the fuel cost and the purchase power be separated. Mr. Hostetler advised that this detail is available.

Director Cumbie asked if anyone from the public would like to address the Board on this item. In seeing none, the following motion was made.

ACTION: Director Hardee made a motion, seconded by Director Gant to approve Resolution No. 12-03.

**MOTION PASSED 4 – 0
Fred Cumbie voted yes
Reginald Hardee voted yes
Kathleen Thacker voted yes
Dr. George Gant voted yes**

Director Van Meter did not vote as the telephone connection dropped before the voting was recorded.

Mr. Welsh telephoned Director Van Meter however, there were connection issues, the meeting continued without her participation.

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) – None

H. OLD BUSINESS

1. KUA'S COMMERCIAL LINE EXTENSION FEE WAIVER

Ken Davis, vice president of Engineering & Operations KUA Staff has met with City Staff to discuss and work out the terms of the proposed amendment to the Policy Directive. In order to comply with the request of the City, staff has prepared the 2nd Amendment to Policy Directive D11-03.

Mayor Swan commented that these waivers have created jobs and commended the KUA Board for its willingness to help the City improve the economic status for the citizens in the City.

Director Hardee asked if other entities contributing the the City's efforts. Belinda Ortiz Kirkegard, Economic Development Director advised yes.

Director Gant wanted clarification on the replenishing amount, and how is this managed and added that he would like to look at it yearly. Mr. Davis provided clarification on this issue. Director Thacker recommended keep rolling the balance of the \$600K and if it runs out come back.

After a short discussion, the revised motion was made.

ACTION: Director Thacker made a motion, seconded by Director Hardee to amend the Policy Directive D11-03 in accordance with the original \$600K to roll over and the City will provide an update as to dispersement of the funds on an annual basis until the \$600K is exhausted.

MOTION PASSED 4 – 0

Mr. Welsh clarified that KUA tracks who receives the exemptions so staff is able to bring this back to the Board. Director Cumbie advised to bring this item back during the yearly budget meeting.

2. RECONSIDERATION OF POWER PLANT SUBSTATION REBUILD OPTIONS

ACTION: Director Cumbie made a motion, seconded by Director Hardee to reconsider the motion made at last month's board meeting and propose Option 3.

Director Cumbie publicly thanked OUC for their assistance with the tours of the substations. Director Cumbie directed staff to draft a letter from the Board to all of the OUC staff members that were present today.

Director Cumbie advised that he would amend his original motion to reconsider last month's motion at this time.

ACTION: Director Cumbie made a motion, seconded by Director Hardee to reconsider the motion that was made at the last month's board meeting.

MOTION PASSED 4 – 0

Director Hardee also wanted to thank KUA personnel who were present at the workshop. Mr. Welsh advised that staff would draft a letter to those employees as well.

Discussion on aesthetics and safety aspects occurred. Director Gant advised he is not ready making to make a decision for the City until the City's provides feedback.

Mayor Swan walked over and pointed to a picture of the Hansel plant displayed on the monitor and asked how much property will it take no matter what is done to the substation, is it going to take that same amount of property. Dr. Gant advised if 2 is selected yes, but if 3 is selected it could be moved closer to the railroad tracks and pushed back. Mayor Swan said then 3.

Mr. Welsh asked Ms. Gail Hamilton, Director Community Redevelopment Agency, City of Kissimmee, if she had information on the plan development. Ms. Hamilton advised that everything is still in draft mode as nothing has been presented to the City. Ms. Hamilton advised that the plans are to develop along Lakeshore, to connect Broadway, Ruby and the lakefront and having the additional space allows developing the Hansel property to provide an urban feeling.

Additional discussion took place. Director Gant recommended amending the motion to bring this item back if the City objects in any way to Option 3.

Director Cumbie amended his motion.

ACTION: Director Cumbie made a motion, seconded by Director Hardee for staff to make the necessary budgetary amendments and to develop Option 3, the enclosed SF6 substation to upgrade and replace the current Hansel Substation and bring this item back if the City objects in any way to Option 3.

MOTION PASSED 3 – 1

I. NEW BUSINESS

1. OSCEOLA HIGH SCHOOL SCORE BOARD SPONSORSHIP

Chris Gent, vice president of Corporate Communications informed the Board that earlier this year, Osceola High School completed a three-phase renovation of its school, including both classroom and athletic facilities. However, the stadium scoreboard was not replaced. It has been used for several decades, is now plagued with mechanical problems, and is no longer cost effective to maintain. A new scoreboard system would give KUA an exclusive branding opportunity at the facility, which is used for a variety of student and community events.

ACTION: Director Gant made a motion, seconded by Director to approve the sponsorship of a new scoreboard system for Osceola High School at a cost of \$22,673.12. The scoreboard would be funded through available contingency funds.

MOTION PASSED 4 - 0

Mr. Jim DiGiacomo, Principal of Osceola High School thanked KUA for their continued support and invited the Board and staff to a tour of the facility. Present from Osceola High School were also Bronsky Bryant, Assistant Principal and Doug Nichols, Physical Education Teacher/ Football Coach.

At 7:18 pm, Mayor Swan excused himself from the meeting.

J. STAFF REPORTS

1. SEMI-ANNUAL REPORT FOR CUSTOMER SERVICE

Susan Postans, vice president of Customer Service provided an overview on departmental issues that are ongoing within the department.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president & General Counsel provided an update on smart meters, cyber security, and the bond issue.

Mr. Welsh went over the calendar reminders.

Director Cumbie invited the board members and staff to attend a Council on Aging event, Thursday, August 8th. Susan Postans and Dr. Gant will attend. Director Cumbie congratulated Grant Lacerte for being elected as President of the FMEA board of directors.

At 7:46 pm, Board recessed; meeting reconvened at 7:54 p.m.

L. MANAGEMENT REVIEW

Each of the board members rated Mr. Welsh on the 10 goals that they had established for him using the established spreadsheet. This weighted average resulted in a 4.43% (out of a possible 5%) increase.

ACTION: Dr. Gant made a motion, seconded by Director Thacker to approve a 3% rate increase for this year due the fact that we are still in a "squeezed" market.

There was a brief discussion about averages and the pay plan overall. Dr. Gant stated that he personally thinks that Mr. Welsh does an outstanding job, but the economy is still in poor shape. Director Thacker amended her ratings resulting in a total weighted average of 4.81% (out of a possible 5%) based on a better understanding of the formula used to rate employees. Director Hardee stated that although 3% is less than the total weighting ratings, he feels this is conservative and therefore a defensible and justifiable action.

MOTION PASSED 4 – 0

M. ADJOURNMENT

Chairman Cumbie adjourned the meeting at 8:29 pm.


George Gant, MD, Secretary


Fred Cumbie, Chairman