

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY TO BE HELD  
WEDNESDAY, JANUARY 9, 2013 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, Mayor Jim Swan, General Counsel Grant Lacerte, General Manager James Welsh, and Recording Secretary Leticia Rivera. Director Jeanne Van Meter was not present.

A. MEETING CALLED TO ORDER

Director Cumbie called the meeting to order @ 3:30 pm.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board members and staff recited the pledge of allegiance.

C. AWARDS AND PRESENTATIONS

1. 10-YEAR SERVICE AWARD – KAREN BAKER, ADMINISTRATIVE STAFF ASSISTANT II, HUMAN RESOURCES
2. 25-YEAR SERVICE AWARD – HENRY KURNICK, ENGINEERING TECHNICIAN II, ENGINEERING & OPERATIONS
3. 25-YEAR SERVICE AWARD – RONNIE HARDEE, LINEMAN FIRST CLASS, ENGINEERING & OPERATIONS
4. EMPLOYEE OF THE MONTH FOR JANUARY 2013 – ADAM SMITH, SCADA/COMMUNICATIONS TECHNICIAN II, SYSTEM COMPLIANCE & OPERATIONS

Mr. Welsh advised that Adam will be recognized by his department head at a later date as Adam was not able to be in attendance this afternoon.

5. EMPLOYEE OF THE YEAR FOR 2012 – CINDY HERRERA, ASSISTANT VICE PRESIDENT OF HUMAN RESOURCES, HUMAN RESOURCES

Mr. Welsh congratulated Cindy for being chosen KUA's 2012 Employee of the Year and thanked Cindy for her hard work and dedication.

D. HEAR THE AUDIENCE

Donna Sines with Community Vision thanked KUA on behalf of the organization and on behalf of the community as well. Mr. Welsh and the Board thanked Donna for her comments.

E. CONSENT AGENDA

**ACTION:** Director Gant made a motion, seconded by Director Thacker to approve items 1 through 3 on the consent agenda.

**Motion carried 4- 0**

1. APPROVAL OF MINUTES FOR DECEMBER 5, 2012 REGULAR MEETING
2. CIS ANNUAL MAINTENANCE AGREEMENT

**RECOMMENDATION:** Authorize the President and General Manager to approve the \$199,595.98 expenditure for Harris/Advanced Software maintenance.

### 3. COMMUNITY VISION SPONSORSHIP

#### **RECOMMENDATION: Approve Sponsorship of Community Vision at the \$10,000 Level of Sponsorship for 2013.**

At this time, Director Cumbie advised that Director Van Meter is not feeling well and will not be able to participate at the meeting.

#### F. PUBLIC HEARING - None

#### G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

##### 1. AUDITED FINANCIAL STATEMENTS

Joe Hostetler, vice president of finance and risk management thanked his staff for a successful completion of the audit cycle. Mr. Hostetler advised that he covered the financials last month however highlighted a couple of numbers for the Board.

Mr. Hostetler introduced Mark White, Phil Gessner and Bob Dale, KUA's leadership audit team. Mr. Gessner briefly reviewed the auditor's reports.

Director Cumbie asked what is the auditor's obligation to inform the Board of Directors of any issues that occur during the first phase of the audit. Mr. Gessner advised that their auditing standards require proactivity so if any issues were to arise staff would be informed and it would not wait until this evening's presentation to inform the Board.

Director Hardee asked if the auditors have any suggestions concerning the recommendation that KUA consider an IT audit. Mr. Gessner advised that a few years back KUA had a very thorough audit from their predecessor. This year KUA had a health check-up by Microsoft, which looked at certain levels of security but not necessarily all levels therefore, the recommendation is that KUA have a more thorough IT audit.

Director Hardee recommended that staff produce an agenda item relating to IT Auditing to be brought back to the Board to review. Mr. Welsh asked if its the Board's decision an item would be ready for next month's meeting. Mr. Welsh advised that staff would formulate a response with a recommendation to proceed.

Mr. Hostetler clarified that the formal response KUA has sent concurred with the decision and an audit will be done. Staff has already made plans to move forward with the RFO and it has been placed in the budget. Director Hardee recommended that the scope of the RFP be brought back to the board next month as an informational item.

Mr. White thanked KUA staff for their full cooperation during the audit process.

#### H. OLD BUSINESS

##### 1. REVIEW OF SURVEY QUESTIONS REGARDING TELEVISION BOARD MEETINGS

Mr. Welsh advised that KUA is asking its customers to participate in an online survey to gather feedback on the broadcast of its monthly board of directors meetings. The estimated start-up cost to broadcast the meetings is \$73,500. Director Thacker recommended to add the question, would you watch if made available.

**ACTION:** Director Hardee made a motion; seconded by Director Thacker to approve staff recommended approval of the attached survey questionnaire adding the additional question, would you watch meeting if made available.

**MOTION PASSED 4 - 0**

I. NEW BUSINESS - None

J. STAFF REPORTS

1. ENGINEERING & OPERATIONS SEMI-ANNUAL REPORT

Ken Davis, vice president of engineering & operations provided an overview of on-going and upcoming projects with the department.

2. SYSTEM COMPLIANCE & OPERATIONS SEMI-ANNUAL REPORT

Greg Woessner, vice president of system compliance & operations, reviewed projects occurring within his department including, NERC Compliance and Reliability costs.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president & general counsel provided updates on legislative issues.

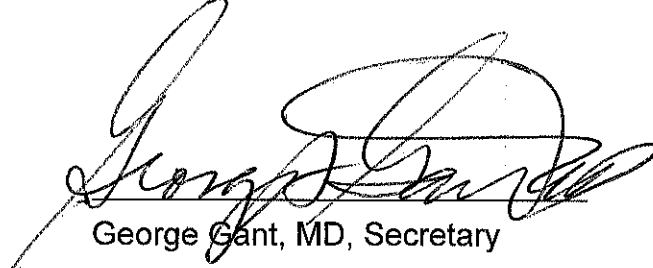
Mr. Welsh shared a calendar of upcoming events and asked if the Board is interested in touring the St. Lucie plant. The Board members expressed interest and staff will make arrangements.

Mr. Welsh advised that he will report during his goals portion later in the year that the general counsel has provided counsel to the board members individually on various matters. Director Hardee thanked Grant for his assistance when called on.

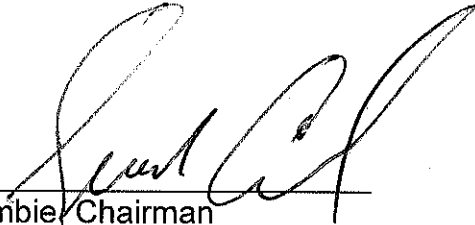
Dr. Gant thanked Greg for his work on the report on compliance and reliability costs.

L. ADJOURNMENT

Chairman Cumbie adjourned the meeting at 4:51 pm.



George Gant, MD, Secretary



Fred Cumbie, Chairman