

REGULAR & SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY TO BE HELD WEDNESDAY, MARCH 6, 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, 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 @ 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. 5-YEAR SERVICE AWARD – NICHOLAS BRIGHT, SENIOR REVENUE PROTECTION SPECIALIST, CUSTOMER SERVICE
2. 5-YEAR SERVICE AWARD – SUSAN POSTANS, VICE PRESIDENT OF CUSTOMER SERVICE
3. 10-YEAR SERVICE AWARD – MARILYN KARL, TELLER II, FINANCE & RISK MANAGEMENT
4. EMPLOYEE OF THE MONTH FOR MARCH 2013 – JORGE URREA, FIELD SERVICE SPECIALIST, CUSTOMER SERVICE

Mr. Welsh introduced Jorge to the Board and congratulated him for being chosen employee of the month for March 2013.

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 Van Meter made a motion, seconded by Director Thacker to approve items 1 and 2 on the consent agenda.

MOTION PASSED 5 – 0

Director Gant wanted clarification on the purpose of the software agreement. Jef Gray, vice president of information technology advised it is for software maintenance.

1. APPROVAL OF MINUTES FOR FEBRUARY 6, 2013 REGULAR MEETING
2. MICROSOFT SOFTWARE ASSURANCE AGREEMENT

RECOMMENDATION: the Board authorizes the President and General Manager to approve the Enterprise Enrollment Form, Program Signature Form, Document Revision Authorization and purchase amount of \$721,206.90 payable in 3 annual installments of \$240,402.30.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS - None

1. REVIEW OF ACCESS OSCEOLA SURVEY RESULTS

Chris Gent, vice president of corporate communications provided an overview of the Access Osceola survey results.

Director Van Meter asked which method customers used the most to respond to the survey. Mr. Gent advised online was the most popular. Director Gant advised that the Board asked staff to conduct a survey and even though his personal response would be no, he would most likely recommend to move forward with this.

Director Thacker noted that many comments suggested streaming the meeting on You Tube. She then asked what are the advantages or disadvantages of Access Osceola. Mr. Gent advised one advantage is that Access Osceola is already equipped for these types of meetings.

Director Cumbie asked about staffing requirements. Mr. Gent advised that Access Osceola staff would train existing KUA employees on this task.

Director Thacker offered the suggestion of posting the auditory file of the board meetings on the KUA website so the public can access it. Mr. Gray advised that this would be easy to accomplish.

ACTION: Director Thacker made a motion, seconded by Director Van Meter to make KUA Board meetings available in auditory format on the KUA website.

Director Hardee requested clarification on the wording of the motion to be certain that the method would not limit staff.

Mr. Gent asked for clarification in terms of airing these broadcasts. Director Thacker advised that meetings could be posted after the fact.

Director Hardee was satisfied with the clarification and the vote took place.

**Motion Passed 4 – 1
Director Gant voted nay**

Director Gant stated that with over 50% of those surveyed being in favor of the broadcast, he still feels that televising meetings should be supported.

Director Cumbie added that this item could be revisited sometime in the future. Director Hardee also added that another survey could be conducted in a year, or 6 months to see if the audio option is enough.

I. NEW BUSINESS - None

J. STAFF REPORTS

1. QUARTERLY FINANCIAL REPORT

Joe Hostetler, vice president of finance & risk management reviewed the quarterly condensed financial report.

2. FMPA OPEN ACCESS TRANSMISSION TARIFF PRESENTATION

Greg Woessner, vice president of system compliance & operations advised the Board that in order to enable KUA to meet the ever-changing regulatory requirements of

the different federal government organizations and possibly make some additional revenue for both entities in the process, KUA and FMPA staffs have combined efforts towards composing a joint Open Access Transmission Tariff (OATT). Mr. Woessner explained the concept of the proposed joint Open Access Transmission Tariff (OATT) and why KUA staff may be bringing a recommendation for approval at the April 3, 2013 Board meeting.

3. LOCAL VENDOR PREFERENCE POLICY

At the request of the Board, Joe Hostetler, vice president of finance & risk management gave a brief report on KUA's Local Vendor Preference Policy that sunset on September 1, 2012.

Mayor Swan provided background on how this topic came about as he mentioned to a local vendor that KUA has local vendor preference policy not knowing it had already sunset.

Director Gant asked if there was an economic advantage proven in the community when this policy was in place. Mr. Hostetler advised that the policy had no effect on local vendors when it was in place.

Director Cumbie added that this item could be revisited if there is further interest in the future.

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 gave a financial overview and advised how load forecasts are done.

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 corporate organizational structure has remained unchanged. In FY 2014 Customer Service will recommend a reduction of 1.0 position; Information Technology will recommend an increase of 0.5 position and System Compliance and Operations will recommend an increase of 1.0. The net value of what is being recommended is an increase of .5 full time equivalent positions.

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

Director Cumbie asked if a change is made in the percentage when the budget is brought back for approval, if this change would affect anything other than raises. Dr. Hill advised no.

(Later in the meeting Mr. Welsh noted- Mr. Welsh clarified Director Cumbie's previous question regarding whether or not the market level adjustment changes would affect anything else. Mr. Welsh advised there are some contract levels that are driven by the market level adjustment, mainly in the Toho contract. Mr. Welsh wanted to clarify and apologized for the interruption.

ACTION: Director Van Meter made a motion, seconded by Director Hardee to use a 3% market level adjustment 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 and a recommendation for an additional part-time position.

c. SYSTEM COMPLIANCE & OPERATIONS – GREG WOESSNER

Greg Woessner, vice president of system compliance & operations gave an overview of the department's budget and a recommendation for a full time position.

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.

e. CUSTOMER SERVICE – SUSAN POSTANS

Susan Postans, vice president of customer service provided a brief summary of the department's budget and a recommendation for a reduction of 1.0 full time equivalent position.

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 the history of requested sponsorships.

Director Van Meter asked how funds are allocated in the Good Neighbor fund. Susan Postans, vice president of customer service advised that KUA leaves the actual fund distribution up to the social service agency to decide on distribution. There is also less of a need for funds in the milder weather months.

L. OTHER - None

M. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president and general counsel provided an update on EEOC claims.

Mr. Welsh informed the Board of upcoming events and advised that because of the new federal legislation on health care scheduled to begin in January of 2014, there could be additional impacts to KUA.

Director Van Meter congratulated Chris Gent on the arrival of his new baby.

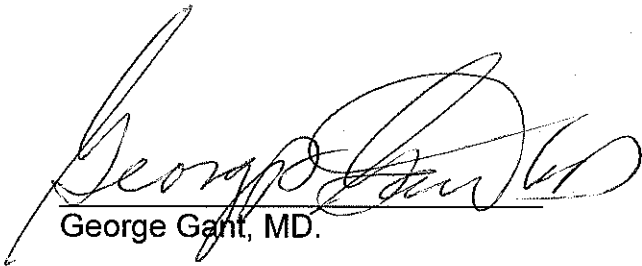
Director Cumbie advised that he will not be present during next month's board meeting.

Director Cumbie commented that staff should possibly rethink spending funds by inviting City commissioners to the legislative rally and/or the annual statewide meeting. Director Van Meter recommended continuing the invite to the local annual statewide meeting. Director Gant added that representatives in Washington and Tallahassee take a closer look at elected officials. Mr. Welsh advised that City commissioners could be particularly helpful in lobbying efforts this year.

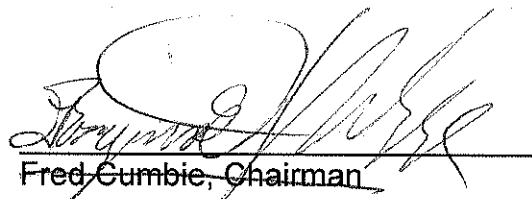
Mr. Welsh wanted clarification to move forward and continue to invite local officials to the annual statewide meeting; it was the consensus of the Board to move forward with this and reserve guidance from the board in the future.

N. ADJOURNMENT

Chairman Cumbie adjourned the meeting at 5:33 pm.



George Gant, MD.



Fred Cumbie, Chairman

REGINALD HARDEE, VICE CHAIRMAN