

REGULAR MEETING OF THE KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,
APRIL 2, 2014 AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION BUILDING,
1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

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

A. MEETING CALLED TO ORDER

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

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the pledge of allegiance.

C. AWARDS AND PRESENTATIONS

1. 20-YEAR SERVICE AWARD – JOHN (LOGAN) MURPHY, LINE CREW SUPERVISOR, ENGINEERING & OPERATIONS

2. EMPLOYEE OF THE MONTH APRIL 2014 – NILDA MEDINA, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERVICE

Mr. Welsh congratulated Nilda for being chosen employee of the month for April and the Board offered their congratulations as well.

D. HEAR THE AUDIENCE

Director Hardee asked if there was anyone who would like to address the Board.

Mr. Tom Walker, 3175 Pioneer Ct, 407-344-1020 came forward to address the Board. Mr. Walker advised that he has a couple of suggestions that KUA should look into. The two items that were brought up were that KUA should charge per kilowatt and also those who do not live in the City should not have to pay taxes to the City of Kissimmee.

Director Hardee thanked Mr. Walker for his comments and advised that staff will reach out to him to discuss further.

Mr. Welsh advised that he will follow up with Mr. Walker with a letter and copy the Board.

E. CONSENT AGENDA

Director Hardee asked to pulled item 2 for further discussion.

ACTION: Director Van Meter made a motion, seconded by Director Thacker to approve item 1.

MOTION PASSED 5 – 0

1. APPROVAL OF MINUTES FOR MARCH 5, 2014 REGULAR & SPECIAL BOARD MEETING

2. SUBORDINATION OF EASEMENT 215.2 TO FLORIDA DEPARTMENT OF TRANSPORTATION – COMMUTER RAIL TRANSIT PROJECT

Director Hardee advised that he requested counsel with Grant Lacerte due to his position at the turnpike. Director Hardee stated that since he is an employee with the

Turnpike Authority which is a sub-agency within the Florida Department of Transportation, he wants to be sure he may vote on this item. Mr. Lacerte advised that in the Code of Ethics for public officers and employees, the voting conflict rules do not apply to an individual that serves in a public office; there is no conflict.

RECOMMENDATION: Approve revised subordination agreement with F.D.O.T. for Parcel 215.2R and authorize the President & General Manager to execute said agreement.

ACTION: Director Van Meter made a motion, seconded by Director Gant to approve item 2.

MOTION PASSED 5 – 0

F. PUBLIC HEARING –

NET METERING DEMAND CREDIT AND ADMINISTRATIVE CHANGES TO THE MISCELLANEOUS TARIFF

Chairman Hardee announced that this is a public hearing. Larry Mattern, vice president of Power Supply provided a brief review on the net metering tariff change.

The public was asked if anyone had any questions or issue to discuss on this item. In seeing none a motion was made.

After some clarification on the voting process a motion was made.

ACTION: Director Thacker made a motion, seconded by Director Van Meter to approve the Net Metering Demand Credit and Administrative Changes to the Miscellaneous Tariff effective May 1, 2014.

MOTION PASSED 5 – 0

G. INFORMATION PRESENTATION (REQUIRING NO ACTION) – None

At this time, Director Van Meter recommend to move old business to the last item on the agenda as the item may require some additional time for discussion.

ACTION: Director Van Meter made a motion, seconded by Director Thacker approve to move item I1 and J1 up on the agenda so item H1 will occur thereafter.

MOTION PASSED 5 – 0

I. NEW BUSINESS

1. HANSEL REMEDIATION CHANGE ORDER

Larry Mattern, vice president of Power Supply provided an update on the Hansel Diesel Plant soil remediation. Mr. Mattern informed the Board that the soil remediation continues and a much broader remediation area was discovered after the concrete removal. The project has now reached the point where soil removal will end with nearly all of the soil test results returning below EPA/FDEP limits. Staff is now able to estimate the actual additional amount needed to complete the total remediation of the site to EPA/ FDEP requirements.

ACTION: Director Van Meter made a motion, seconded by Director Urbina to approve change order for project PS00155631. D. H. Griffin Wrecking Company for the completion of remediation (Disposal, Fill, Water, & Labor) in the amount \$322,165.32.

MOTION PASSED 5 - 0

J. STAFF REPORT

1. POWER SUPPLY SEMI ANNUAL REPORT

Larry Mattern, vice president of Power Supply provided an overview of ongoing projects within the department.

H. OLD BUSINESS

1. TRANSITION AGREEMENT & PLAN

Chairman Hardee welcomed former KUA Board Chairman, Fred Cumbie to join the board members as he is assisting the Board as special counsel for this matter. Mr. Cumbie advised that he is honored to be part of this procedure.

Director Hardee asked the Board to review this item and take action today if possible. Mr. Hardee opened the floor for discussion.

Director Gant asked if it was necessary to include the retirement system in the transition plan. Director Hardee advised it was not necessary but it was the only way to agenda the item and discuss it in accordance with the Sunshine Law and through prior discussions with Mr. Welsh this item was acceptable to him.

Director Urbina stated that since Mr. Welsh was not included in the pension plan, it has to be addressed. Director Gant advised he has a retirement system.

Director Van Meter advised that the history of this is when Mr. Welsh came on board he was presented with the option of going onto the retirement plan but he opted out of it and took the cash to handle his own retirement plans. With the discussion of transitioning and retirement, Mr. Welsh is now asking to join the plan. She asked if the board now wants to add to the \$45 K a year he gets in cash for his own retirement plan or should they consider adding \$112,157 to the plan for 30 years to get him on the retirement plan.

Director Thacker stated that the Board could use the pension as a negotiating tool when hiring someone new. Director Thacker added that all the discussions over this plan that she has had with Mr. Welsh have been very uncomfortable and this points out why the CEO should not be included in the retirement system.

Director Urbina advised she was not aware that Mr. Welsh selected a plan prior to this.

Director Thacker added that there are buy out options. Director Van Meter advised that she represents the rate payer and cannot justify going with this at all.

After additional discussion, a motion was made.

ACTION: Director Gant made a motion, seconded by Director Van Meter to continue with our present plan and retirement system as is.

Mayor Swan added that Mr. Welsh serves as the pleasure of this Board and maybe this Board needs to figure out when that retirement date will be and go about recruiting someone to move into a second seat. He added that Don Smallwood and Mark Durbin bought their way into the City's retirement plan years ago and it was done relatively early in their service to the City.

Director Hardee advised that there is a motion on the floor that has been properly seconded however, Mr. Cumbie added that Director Thacker mentioned a buyout option but this is strictly prohibited by Florida Statue. Mr. Cumbie advised that there is also a limit that can be paid by for by him as a severance package.

Director Gant restated his motion as follows:

ACTION: Director Gant made a motion, seconded by Director Van Meter to continue with the present retirement system as it is as far as our CEO is concerned and to continue with the transition as it is.

Director Thacker clarified that with this motion, nothing will be changed; the CEO will continue to get his money to plan as he wants. Director Hardee advised yes as this is the current plan.

MOTION PASSED 5 - 0

Director Gant stated that the transition plan could be brought back to the Board at some point in the future. Director Hardee stated that, if in the future there are additional discussions regarding transitioning that the Board continue to retain Fred Cumbie on an as needed basis. Mr. Cumbie advised that he is honored to be asked to help KUA out. Mr. Cumbie stated that he would like to resolve who he represents in this transitioning item, the Board or KUA. Mr. Welsh advised that Mr. Cumbie represents the Board.

Mr. Cumbie has prepared a retainer agreement with modifications which states that his employer is KUA, but would like to have it clarified to KUA Board.

Mayor Swan added that he thought in reading the document that was sent, Fred Cumbie works for the KUA Board; Mr. Welsh signed it on behalf of the KUA Board but it may be clearer to redo it and change the title and specifically who you work for.

Mr. Welsh added that his interpretation is that the Board is KUA but if Mr. Cumbie would like to be more specific that is fine. Director Hardee advised he would not want the existing agreement between the Board and Mr. Cumbie to be terminated without the consent of the Board.

Director Urbina added that the Board is not a legal entity and cannot sign a contract with somebody. She also asked about payments. It was clarified that KUA is the legal entity.

Additional discussion took place and a motion was offered.

ACTION: Director Van Meter made a motion, to move forward to review the agreement and clarify the contract and have the Chairman sign it.

Director Hardee asked if Director Van Meter would amend her motion to include to send the agreement to General Counsel for review. Director Van Meter agreed and restated her motion as follows:

ACTION: Director Van Meter made a motion, seconded by Director Thacker that Counsel Fred Cumbie submit a contract that he represents the Board only and then present the agreement to General Counsel for review. At such time the Chairman of the Board and Secretary should sign off on the contract dealing with the transition item.

MOTION PASSED 5 – 0

Mr. Welsh asked for clarification once the agreement is signed if staff (he) would administer the contract. Director Hardee advised yes as this is the consensus of the Board to do so.

Director Urbina advised that she was not in agreement with an assistant. It is unnecessary and this person would have the upper hand over other candidates.

Director Thacker advised that Mr. Welsh has been here so long. He is centered in this and a nationwide search can be done to find a replacement when the time comes; a

coach in waiting is not necessary. She stated that there are people who may be qualified who may not want to come into a position of working with the outgoing person.

Director Van Meter advised that it was her understanding that this person would not come from the outside but it would be an internal vice president who would have additional duties as an assistant. She does not think this is a good idea because Mr. Welsh advised that many of his vice presidents could step in and do a good job. She stated that she would like to leave it that way and not to single anyone out.

Director Thacker added that the Board should be making this decision, not Mr. Welsh.

Dr. Gant advised that he has known Mr. Welsh since he has been in the City of Kissimmee, he is confident that Mr. Welsh will inform the Board of his retirement date and that he will provide this Board plenty of time to move forward. Mr. Welsh advised he will provide the Board as much notice as possible. Mr. Welsh advised that his retirement plan is about 20 years from today.

Mr. Cumbie advised if it is the pleasure of the Board at this time, then there is nothing to be done. Director Hardee recommended having the agreement in place in case one is needed in the future.

Director Thacker recommended there are practices that can be done transition wise. Director Van Meter suggested to keep everything as it is currently at this time. Mayor Swan added that the concern is as one ages one begins to think about how long one will be able to perform duties. It would be a good idea every five or six months to introduce the vice presidents in greater depth.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president & General Counsel thanked Kathleen Thacker and Ethel Urbina for traveling to Tallahassee on behalf of KUA. Mr. Lacerte advised that the Board members may receive additional documents regarding the Ferentinos case which all must be retained.

Mr. Welsh shared upcoming event dates and thanked the Board for all they do for the community. He also thanked them for their work with the transitional item. Mr. Welsh provided an extra special thanks to Chairman Hardee who burned the midnight oil so that the Board can have something on the agenda. Mr. Welsh stated that he is very pleased that the Board wants to stick with the current plan for transition.

Mr. Welsh handed out new renderings of the Hansel plant.

Director Van Meter advised that this was a very difficult meeting as she has known Jim since he came to town. She added that she shared with Jim that it is hard not to put friendship over the work of the KUA Board but it has to be done this way. She stated that he has done a fantastic job and this is not anything personal. She also wanted to thank him for his services and friendship.

Mr. Welsh thanked Jeanne for her comments and friendship.

Director Thacker agrees it has been difficult to look at this and take Mr. Welsh out of the equation.

Mayor Swan thanked KUA staff for taking part at the event that occurred at the lakefront this past weekend.

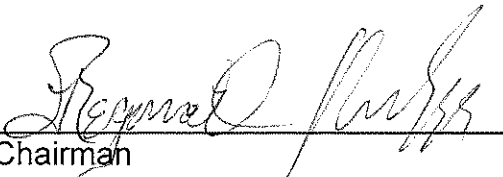
Director Hardee thanked staff for a successful meeting. He also thanked the Board members that traveled to Tallahassee as it was the first trip he has missed since 2007.

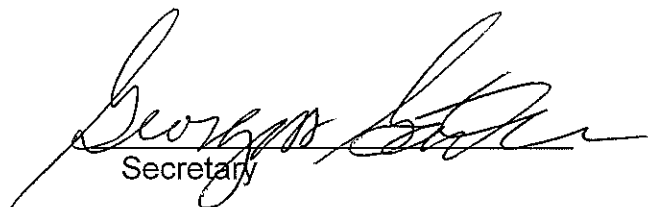
Director Hardee reiterated to the Board that the transition item was brought to the Board by Mr. Welsh. Director Hardee stated that it was very challenging being the youngest person on the Board to discuss retirement. The Board does what they have to do to prepare for the future.

Director Hardee thanked Jim for his insight.

L. ADJOURNMENT

Director Hardee adjourned the meeting at 5:05 pm.


Chairman


Secretary