

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY TO BE HELD  
WEDNESDAY, DECEMBER 10, 2014 AT 3:30 PM, BRINSON BOARD ROOM,  
ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE,  
FLORIDA

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Present were Chairman Reginald Hardee, Vice-Chairperson Jeanne Van Meter, Director George Gant, Director Kathleen Thacker, Mayor Jim Swan, General Counsel Grant Lacerte, General Manager James Welsh, and Recording Secretary Leticia Rivera. Director Ethel Urbina was not present.

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.

At this time, Director Hardee asked the Board to consider modifying the agenda to add an invitation from the City of Kissimmee to accompany them with the League of Cities to the Tallahassee rally under new business.

**ACTION: Director Van Meter made a motion, seconded by Director Thacker to add the City of Kissimmee invitation to the agenda under new business.**

**MOTION PASSED 4 - 0**

C. AWARDS AND PRESENTATIONS

1. RECOGNITION OF 2015 ELECTRICAL SAFETY CALENDAR ART CONTEST WINNERS

Chris Gent, vice president of Corporate Communications advised the Board that the winners of the KUA calendar student contest are in the audience. Mr. Welsh provided each child with a certificate and a group picture with the Board of Directors was taken.

At this time, Mr. Gent advised that KUA has a long standing relationship with Osceola High School and that through the years this Board has supported Osceola High school in a variety of ways. This year KUA replaced the Osceola High School mascot costume through a contribution sponsorship. Kowboy Jack made his way in. A group photo with Mr. Welsh, the Board of Directors, the Osceola High School cheerleaders and Kowboy Jack was taken.

2. 10-YEAR SERVICE AWARD – NILDA MEDINA, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERVICE

3. 10-YEAR SERVICE AWARD – ROBERT PARR, WAREHOUSE CLERK, ENGINEERING & OPERATIONS

4. 15-YEAR SERVICE AWARD – EDISON CABRERA, SUBSTATION ELECTRICIAN, ENGINEERING & OPERATIONS

5. EMPLOYEE OF THE MONTH FOR DECEMBER 2014 – LETICIA RIVERA, EXECUTIVE ADMINISTRATIVE ASSISTANT, CAP, EXECUTIVE OFFICE

Mr. Welsh congratulated Leticia for being selected employee of the month for December 2014.

D. HEAR THE AUDIENCE

At this time, Director Hardee asked if anyone from the public would like to address the Board on an item that is not on the agenda. In hearing none, the Board moved to the next item.

E. CONSENT AGENDA

**ACTION:** Director Van Meter made a motion, seconded by Director Thacker to approve items 1 - 4 under consent.

**MOTION PASSED 4 - 0**

1. APPROVAL OF MINUTES FOR NOVEMBER 5, 2014 REGULAR MEETING
2. TERRY'S ELECTRIC – HANSEL PLANT PROJECT CHANGE ORDER

**RECOMMENDATION:** Approve change order #3 to Terry's Electric in the amount of \$199,843 and authorize the President and General Manager to execute the change order.

3. ADVANCED SOFTWARE MAINTENANCE AGREEMENT

**RECOMMENDATION:** Approve the \$219,529.57 expenditure for Harris/Advanced software maintenance.

4. PURCHASE OF VEHICLES

**RECOMMENDATION:** Authorize the purchase of vehicles per Solicitation PBA#15-004-CV from Alan Jay Chevrolet Buick GMC Cadillac, Inc. for a total amount of \$216,903.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS

1. REVIEW OF REVISED POLICY DIRECTIVE 89-1, DIRECTOR-EMPLOYEE INTERACTIONS

Mr. Welsh advised that during last month's meeting, the Board asked to consider and bring back some options regarding a policy directive currently in place that was adopted by the Board almost a quarter century ago. Mr. Welsh informed the Board that there are four options to choose from. Mr. Welsh recognized Director Thacker who worked with him on Option A and also, Dr. Gant who developed Option B. Mr. Welsh is looking for direction on this item from the Board.

Director Hardee advised that he is open to hear options but that he is leaning towards leaving the policy as is. Dr. Gant shared his view on this policy and if the Board does anything, it should be to continue with what we are doing. Dr. Gant made a motion not to change policy directive 89-1, seconded by Director Van Meter.

Director Thacker advised that she does not know the history as to why it was put in place but was surprised that a board member could not communicate with employees and influencing employees was not her intent however, at times it could be helpful able to talk with someone without having to feel like Mr. Welsh is looking in on the situation.

Director Thacker advised that she thought this would have been helpful when Director Hardee was reviewing the retirement item for Mr. Welsh if he could have sought advice in other places.

Another question, that was discussed in the past is, if Mr. Lacerte is the Board's attorney as well as the KUA attorney, how do we have attorney client privilege with him as a board member if he is bound by this policy.

Mr. Lacerte advised that he is the attorney for the Authority which includes the Board but not in an individual capacity. He reports to the President and General Manager and, if a board member approaches him and says they need to speak with him that involves his role as the attorney and asks to keep it confidential then through the requirements of the law, he would have to honor that. At the same time, if a board member discusses something with him and it is not clear to him that it is required to be confidential and it is not requested to keep it confidential, he will then share with Mr. Welsh. Mr. Lacerte added that the policy, as it is written legally is fine but clarified that in some very narrow whistleblower circumstances it would not apply.

Additional comments and discussion took place.

Director Hardee advised that with regards to Mr. Welsh's retirement situation, the Board was allowed to seek outside council. Mayor Swan added that the KUA Board signed to have Fred Cumbie on an as needed basis so maybe this could be an avenue to look at instead of changing the policy if the agreement is still intact.

Director Thacker advised she is fine with talking to the attorney through the client privilege manner however felt should be in writing so that new board members understand that. Mr. Welsh advised that new board members sit with Mr. Lacerte and he will clarify that.

**ACTION: Dr. Gant made a motion, seconded by Director Van Meter not to change policy directive 89-1; Option C- Do nothing and leave Policy Directive D89-1 in effect.**

**MOTION PASSED 3 – 1  
Reginald Hardee voted yes  
Dr. Gant voted yes  
Jeanne Van Meter voted yes  
Kathleen Thacker voted no**

I. NEW BUSINESS

1. ADMINISTRATIVE TARIFF CHANGES

Joe Hostetler, vice president of Finance & Risk Management advised that there are two administrative tariff changes requesting to be changed. In June, 2011, staff presented potential deposit options which included the option to sign up for "Bank Drafting" in lieu of paying a deposit. Staff has been monitoring and tracking this option since that time. A table with years 2012 through 2014 was shown to the Board. The collection agencies are currently recovering approximately 53% of the write-off fees from these losses which impact the rates our customers must pay for service. Staff is recommending that KUA "Grandfather" in all customers utilizing this deposit option under the current tariff and close this option going forward.

Director Van Meter asked if customers who are going to be grandfathered are current in their payment. Mr. Hostetler advised as of right now they are.

Director Hardee advised that this would be acting in the best interest of our rate payers. Director Hardee asked about the time frame before implementation. Mr. Hostetler advised that a public hearing will be scheduled for next month and it will be effective February 1<sup>st</sup>.

**ACTION: Director Gant made a motion, seconded by Director Van Meter to authorize staff to send the tariff sheets to the Florida Public Service Commission for review and advertise for a public hearing on January 7, 2015. Tariff changes to be effective February 1, 2015 contingent on approval at the public hearing.**

**MOTION PASSED 4 - 0**

2. CITY OF KISSIMMEE INVITATION WITH THE LEAGUE OF CITIES

Grant Lacerte, vice president & General Counsel advised that Don Smallwood, City Attorney contacted him on Monday to extend an invitation to the KUA Board members to accompany City Commissioners and staff to the League of Cities rally March 18 & 19 in Tallahassee. Depending on how many people go transportation will be included, but there is an overnight stay that is not included.

Mayor Swan advised that he does not have any objections but is not sure if there is any value for KUA to participate but it is up to staff and the board to determine if there is value. Mayor Swan advised that he is not sure what is on the agenda but he is going.

Director Hardee asked when the FMEA Legislative Rally is scheduled for. Mr. Lacerte advised March 30 – 31<sup>st</sup>. Director Hardee advised that he plans on attending the FMEA Legislative Rally.

Dr. Gant advised that it is good to keep an open mind as we may not know what legislation is available and to go both times would be beneficial if there is an issue that affects KUA.

Mr. Welsh advised that the cost would be relatively low as transportation is included. He advised that it could have some value in terms of redundancy and also in terms of helping out the City Commission with their lobbying efforts. He would not recommend a board member to choose the city event over the FMEA Rally. Mr. Welsh advised that his overall recommendation to the Board is since it could have some value, approve and leave it to the discretion of the individual board member as to whether they think if it has value for them and KUA as a whole, and pick up the travel expenses associated with it for them.

Director Van Meter asked since the City is no longer with OLEA, is this why they are gathering a group together to go to Tallahassee. Mayor Swan advised he is not sure as this is the first he is hearing of KUA being invited.

Director Thacker made a motion to respond to the City that the Board appreciates the invitation and will place this in the budget for some members to attend if it's appropriate when the Board knows more about the agenda of the meeting.

Mr. Lacerte advised he will provide an approximate head count of 1-2 as this information was requested by the City.

Director Van Meter advised that if ends up being utility directed, the Board may want to attend.

Director Van Meter added that we should look forward to our large legislative rally in Washington DC and have those pay their own way since they are not paying for us.

Director Hardee advised there is a motion on the floor. Director Van Meter offered a second. The motion is as follows:

**ACTION: Director Thacker made a motion, seconded by Director Van Meter to respond to the City that we appreciate their invitation, and place this in the budget for some members to attend if it is appropriate when the Board knows more about the agenda of the meeting.**

**MOTION PASSED 4 - 0**

J. STAFF REPORTS

1. UNAUDITED YEAR END FINANCIAL STATEMENTS

Joe Hostetler, vice president of Finance & Risk Management provided an overview of the unaudited year-end financial statements.

2. KUA IDENTITY THEFT PREVENTION PROGRAM POLICY ANNUAL REPORT

Susan Postans, vice president of Customer Service provided an update on the Identity Theft Prevention Program.

Dr. Gant asked if there is a new software that we can expect in the future. Jef Gray, vice president of Information Technology provided an overview of what option is forthcoming.

Dr. Gant shared an issue that occurred at home on his personal computer.

Director Hardee advised there are some applications that are being addressed but most of the security approach is to educate the end user.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president & General Counsel informed the Board that FEMA is wanting to change the way it reimburses local governments for disasters. APPA is on top of the issue and staff will keep the Board apprised.

Mr. Lacerte advised that there are blogs that state a "victory" for the Ferentino's appeal however, KUA feels confident on prevailing.

Mr. Lacerte wished everyone Happy Holidays.

Mr. Welsh shared with the Board upcoming dates and also congratulated the Mayor for being elected to the Metro Planning Board.

Mr. Welsh also informed the Board that if any Board member at any time feels they want to have a discussion with an employee and do not want the employee to have relate to the General Manager what they say to the board member to inform him. He will direct the employee to have that discussion and tell the employee that they do not have to inform him of the discussion if they do not want to.

Mr. Welsh also wished everyone Happy Holidays.

Dr. Gant shared with the Board a story on fracking and that an increased numbers of earthquakes could be due to the fracking process. If this is true, the cost of natural gas will go up faster that what we anticipated. If this proves to be true, legislation may come quickly.

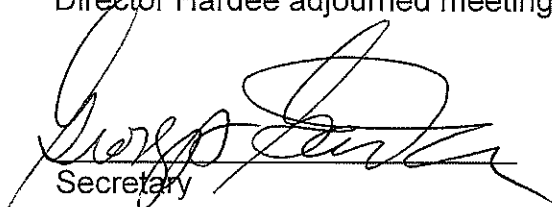
Dr. Gant wished everyone Happy Holidays.

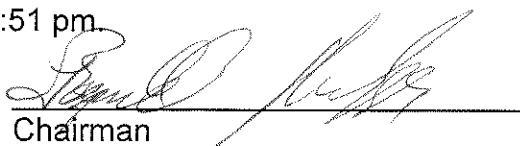
Mayor Swan wished all Happy Holidays and wished Jeanne a Happy Birthday.

Director Hardee invited the Board to the City of Kissimmee parade on Saturday. He thanked the Board for their continued work and support.

L. ADJOURNMENT

Director Hardee adjourned meeting at 4:51 pm.

  
Secretary

  
Chairman