

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,  
FEBRUARY 4, 2015 AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION  
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Chairman Reginald Hardee, Vice-Chairperson 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.

At this time Mr. Welsh requested to modify the agenda to add a request from  
Commissioner Wanda Rentas and place under new business and also add an Overview  
of the FMPA Audit to be placed under staff presentations.

**ACTION: Director Van Meter made a motion, seconded by Director Urbina to  
modify the agenda,**

**MOTION PASSED 5 - 0**

Director Thacker asked if item number 2 under consent needs to be pulled since  
she is present. Mr. Welsh advised that yes it should be pulled as all on the Board cannot  
vote. Director Thacker cannot act on item number 2 under the consent agenda.

C. AWARDS AND PRESENTATIONS

1. STEPHEN (DAN) GOETZ, MASTER OF BUSINESS ADMINISTRATION,  
UNIVERSITY OF FLORIDA, JR. FINANCIAL ANALYST, FINANCE & RISK  
MANAGEMENT
2. TERRANCE (TERRY) FARLEY, MASTER OF BUSINESS ADMINISTRATION,  
ROLLINS CRUMMER GRADUATE SCHOOL OF BUSINESS,  
DATA/TELECOM SERVICES MANAGER, INFORMATION TECHNOLOGY
3. 5-YEAR SERVICE AWARD – A'STACEY BROWN, FIELD SERVICE  
SPECIALIST, CUSTOMER SERVICE
4. 10-YEAR SERVICE AWARD – CHRIS BLAIR, UTILITY BILLING  
REPRESENTATIVE II, CUSTOMER SERVICE
5. 10-YEAR SERVICE AWARD – JORGE URREA, FIELD SERVICE  
SPECIALIST, CUSTOMER SERVICE
6. 10-YEAR SERVICE AWARD – CHARLES FISH, MAIL CLERK, EXECUTIVE  
OFFICE
7. 20-YEAR SERVICE AWARD – ANTHONY DARNELL, LEAD SYSTEM  
OPERATOR/TRAINER, SYSTEM COMPLIANCE & OPERATIONS
8. 20-YEAR SERVICE AWARD – PAUL THERRIault, LINEMAN FIRST  
CLASS, ENGINEERING & OPERATIONS
9. 30-YEAR SERVICE AWARD – KEN BEVILLE, MANAGER OF GIS,  
ENGINEERING & OPERATIONS
10. EMPLOYEE OF THE MONTH FOR FEBRUARY 2015 – RICH PEREZ,  
LINEMAN FIRST CLASS, ENGINEERING & OPERATIONS

Mr. Welsh congratulated all the above listed employees for their continued dedication and hard work.

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.

Margaret Wallace representing the Osceola County Historical Society, 4155 W Vine St., Kissimmee thanked the KUA Board for their support. Ms. Wallace reported on the recent renovation, attendance record, summer camp, and upcoming events.

Director Van Meter shared that her husband has been on the Historical Society Board for almost a year and he is very impressed with the young people and what they have accomplished.

Kathy Karr, Education Foundation thanked KUA for their support. KUA has supported the Foundation for over 20 years. Director Van Meter thanked Ms. Karr as she has been there from the beginning.

E. CONSENT AGENDA

**ACTION: Director Van Meter made a motion, seconded by Director Urbina to approve items 1 and 3 through 7 under consent. Item number 2 was pulled for a separate vote.**

**MOTION PASSED 5 - 0**

1. APPROVAL OF MINUTES FOR JANUARY 07, 2015 REGULAR MEETING
2. SCHEDULE FOR BOARD MEMBER RECRUITMENT FOR TERM BEGINNING OCTOBER 1, 2015
3. CITY OF KISSIMMEE TALLAHASSEE RALLY INVITATION
4. FOUNDATION FOR OSCEOLA EDUCATION SPONSORSHIP

**RECOMMENDATION: Approve a \$15,000 sponsorship to support the Foundation for Osceola Education. This is a worthwhile effort and worthy of the KUA's consideration as part of our ongoing investment in the community we serve.**

5. KISSIMMEE PARKS & RECREATION SPONSORSHIP

**RECOMMENDATION: Approve KUA's sponsorship of the City of Kissimmee's Parks & Recreation Department programs and events in the amount of \$14,650.**

6. FLORIDA UTILITIES ANNUAL CONTRACT FOR WIRE AND CABLE

**RECOMMENDATION: Approve KUA participation in the Florida Utilities Annual Contract for Wire and Cable and KUA entering into a contract with Electric Supply for the purchase of wire and cable; authorize the President and General Manager to execute any necessary contract documents.**

7. IFB-1/8/2015-1 AND IFB-1/9/2015-2 FOR PAD-MOUNT TRANSFORMERS

**RECOMMENDATION: Award of bids ITB-1/8/2015-1 and ITB-1/9/2015-2 to Gresco Utility Supply in the amount of \$66,870 and HD Supply in the amount of \$41,475; and authorize the President and General Manager to execute the necessary contract agreements.**

At this time, item number 2 under consent, Schedule for Board Member Recruitment for Term Beginning October 1, 2015 was voted on with Director Thacker abstaining from the discussion and vote per the KUA Charter.

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

**MOTION PASSED 4 - 0**

- F. PUBLIC HEARING - None
- G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None
- H. OLD BUSINESS

1. CENTRALIZED TRANSMISSION OPERATOR AGREEMENT

Greg Woessner, vice president of System Compliance & Operations informed the Board that the cost and risk of meeting compliance standards continues to grow at an ever increasing rate. In early 2013, KUA staff with the assistance of FMPA staff composed and distributed an outline of the concept of a centralized transmission operations arrangement.

Mr. Woessner advised that after several months of planning, organizing and negotiations, a mutual agreement has been reached among the three potential participating members, Orlando Utilities Commission (member/agent), Kissimmee Utility Authority (member) and Beaches Energy Services (member) for the adoption of the Transmission Operator Alliance Agreement (Alliance Agreement). This Alliance Agreement will serve to save thousands of dollars for the customers of all three members; it will significantly reduce the risk of operational and cyber security regulatory compliance violation penalties and averts the need for additional staff to deal with the growing compliance workload.

Director Hardee asked how other utilities are addressing the high regulatory costs. Mr. Woessner advised that others are spending the money and taking the liability. They may decide down the road to join. Director Hardee asked what the requirements are to join. Mr. Woessner advised they would have to reimburse a percentage of the initial cost.

After additional discussion took place a motion was made.

**ACTION:** Director Van Meter made a motion, seconded by Director Urbina to approve the Transmission Operator Alliance Agreement with an initial cost distribution of \$585,000 and authorize the President and General Manager to execute the agreement.

**MOTION PASSED 5 - 0**

I. NEW BUSINESS

1. CHILLED WATER SERVICE PROPOSAL CONSIDERATION

Larry Mattern, vice president of Power Supply advised that KUA was approached by the County on the expansion of the Judge property as large buildings will be erected and the an economical way to cool them would be to have a chilled system. Staff had started looking at costs and the question arose as to whether or not KUA could legally do this. To correctly do this, the City would have to pass a resolution that would allow KUA to get into the chilled water service business.

Director Van Meter asked why KUA should move forward with this. Mr. Mattern advised that it could be potentially a profit center. Director Van Meter asked if KUA would be able to go out of the service area to provide this. Mr. Mattern advised we would have to complete the study to see if this can be done first, but OUC maintains a chilled water system and does go out its service territory.

Director Hardee asked when staff will come back to the Board with the next course of action, if the City approves the change. Mr. Mattern advised it could be anywhere from one month to six months as there are many questions that need to be addressed with the County. Mr. Welsh added that staff may never come back and recommend anything if it is not cost effective for KUA.

Mayor Swan shared that a few weeks ago he and several members of county staff went to medical city and visited a chiller system that is up and running.

A discussion took place on how a chiller system operates.

Director Urbina asked if OUC can provide them with this service at this time. Mr. Mattern advised yes.

Director Gant added that a feasibility study will need to be brought back if approved by the City and also possibly OUC will give us there profit loss for that system. Mr. Mattern will provide a feasibility study to check if this is profitable if approved by the City.

Mayor Swan commented that a tour could also be set up for the Board to see a chilled water system and educate them on how it is operated.

**ACTION: Director Van Meter made a motion, seconded by Director Urbina to request the City of Kissimmee consider to designate by resolution the ability of KUA to participate in the production, purchase, sale, exchange, transmission and distribution of chilled water services.**

**MOTION PASSED 5 – 0**

Mr. Welsh advised that Mr. Mattern will arrange a tour of the Lake Nona facilities or OUC. Mr. Mattern asked if the tour should be scheduled only if the City approves it. The Board advised yes. Mr. Mattern advised that he recommends the tour of the new office building in Orlando as there is a chiller plant next to it.

**2. 2015 APPA LEGISLATIVE RALLY – INVITATION TO CITY OF KISSIMMEE CITY COMMISSIONERS TO PARTICIPATE**

Grant Lacerte, vice president & General Counsel advised the Board that in 2013 the KUA Board extended an invitation to the Commissioners to attend the Rally to address a pressing need. It was a successful rally in which Commissioners' Shaw and Rentas attended. Thereafter the Board instructed staff to bring back future invitations to the APPA rally for Board decision, if staff perceived a need to have City Commissioner participation. Pursuant to this direction, KUA made a recommendation to the KUA Board to invite City Commissioners to participate in the 2014 APPA Legislative Rally.

Mr. Lacerte advised that Commissioner Rentas is requesting that the Board invite City Commissioners to attend the upcoming 2015 Rally and consider other benefits of city commissioner participation. Commissioner Rentas believes that the rallies in general provide a tangible and considerable benefit to the city and KUA because city commissioners get a fresh and more in-depth look at issues affecting the utility and the city it serves. Staff believes the previous participation of City Commissioners at the APPA Legislative Rally has been very beneficial to KUA.

Director Hardee shared that having a City Commissioner present is an added benefit. Director Van Meter asked if the Senate will be in session. Mr. Lacerte advised that it is not. Director Van Meter has a concern that they are not even in session.

Mayor Swan shared that the commission as a whole agreed to pay for the commissioners to go out of state once a year. If Commissioner Rentas would like to go to Washington he would support her request.

Further discussion took place. Mr. Welsh summarized the discussion that no motion was made to send the invitation. Commissioner Rentas is welcome to accompany the Board if it is done by the City's expense. Director Van Meter finished by stating KUA will not pay for a trip, but if Commissioner Rentas finds another way to pay for the trip, she could come with us to our meetings.

J. STAFF REPORTS

1. SEMI ANNUAL CUSTOMER SERVICE DEPARTMENTAL HIGHLIGHTS

Susan Postans, vice president of Customer Service provided an overview of KUA's conservation programs and the benchmarking survey. Ms. Postans also reviewed Customer Services' next steps with regards to staffing, electronic service orders, a mobile app and an update on the Good Neighbor fund.

Ms. Postans also informed the Board that last year 76 compliments came in from external customers.

Mayor Swan commented that staff should be proud of that.

2. FMPA AUDIT OVERVIEW

Larry Mattern, vice president of Power Supply provided an overview on the individual preliminary and tentative comments made by the audit general. Mr. Mattern advised that this report is politically motivated. FMPA was not audited due to something found or a complaint.

Grant Lacerte, vice president & General Counsel advised that no one at FMEA or FMPA takes the audit lightly. The findings have to be taken seriously, they have to be looked at closely and that is what is going to happen.

KUA needs to be prepared that the audit will be used as a justification for legislation that is hostile to FMPA that tries to bring FMPA under the regulation under the Florida Public Service Commission. This means that KUA rate payors will pay more.

Mr. Lacerte advised that we are under this attack because we do not want our rate payers to pay more or to be responsible for decisions that rate payers in another community make.

Additional discussion took place on this item before moving forward.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

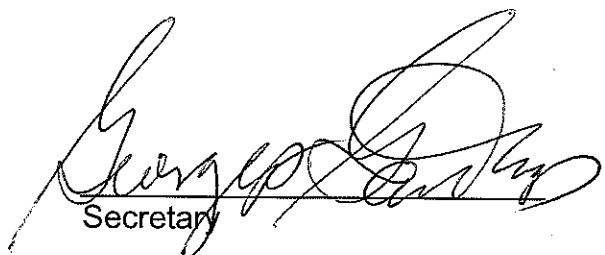
Grant Lacerte, vice president & General Counsel provided an update on the Keystone Pipeline bill.

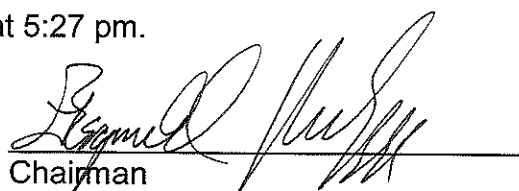
Mr. Welsh shared dates of upcoming events and handed out t-shirts for the upcoming February 10<sup>th</sup> Field Day event.

Director Hardee thanked staff for their hard work and also the City of Kissimmee for Lakefront experience.

L. ADJOURNMENT

Director Hardee adjourned meeting at 5:27 pm.

  
Secretary

  
Chairman