

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,  
WEDNESDAY, JUNE 3, 2009 at 3:30 P.M., BRINSON BOARD ROOM,  
ADMINISTRATION BUILDING, 1701 W CARROLL STREET, KISSIMMEE, FLORIDA.**

Present were Chairman Fred Cumbie, Vice Chairman Nancy Gemskie, Director Reginald Hardee, Director James Kasper, Director George Gant, , General Counsel Grant Lacerte, General Manager James Welsh and Recording Secretary Leticia Rivera. Mayor Jim Swan was not present.

A. MEETING CALLED TO ORDER

Chairman Cumbie called the meeting to order at 3:30 p.m.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the Pledge of Allegiance.

C. AWARDS AND PRESENTATIONS

1. 5-YEAR SERVICE AWARD – MAGDALENA FERNANDEZ, ENGINEER II  
ENGINEERING & OPERATIONS
2. 5-YEAR SERVICE AWARD – GEORGE RICHARDS, MANAGER OF  
MATERIALS MANAGEMENT, ENGINEERING & OPERATIONS
3. 10-YEAR SERVICE AWARD – FRANK COLE, POWER PLANT  
OPERATOR/MECHANIC, POWER SUPPLY

Jim Welsh, President & General Manager acknowledged and thanked Magdalena, George and Frank for the years of service respectively.

4. EMPLOYEE OF THE MONTH FOR JUNE – AMY HERNANDEZ,  
CUSTOMER SERVICE REPRESENTATIVE, CUSTOMER SERVICE

Jim Welsh, President & General Manager General Manager congratulated Amy for being chosen as Employee of the Month for June 2009. Chairman Cumbie presented Amy with a plaque. The Board also presented Amy with a check, a certificate for a day off with pay and two tickets to Osceola Center of the Arts.

D. HEAR THE AUDIENCE - None

E. CONSENT AGENDA

**ACTION: Director Kasper made a motion, seconded by Director Hardee to approve items 1-4 on the consent agenda.**

**Motion Passed 5 – 0**

1. APPROVAL OF MINUTES FOR MAY 6, 2009 REGULAR MEETING
2. APPROVAL OF MINUTES FOR MAY 13, 2009 SPECIAL MEETING
3. IFB# 014-09 METER PURCHASING

Recommendation: Authorize award of bid #014-09 to Stuart Irby for all meters except METERERT1516S in which they did not qualify since they do not manufacture this meter. This equates to \$499,716 over the five years. Authorize award of bid IFB #014-09 to HD Supply for the purchase of the METERERT1516S. This equates to \$33,120 over the five year period.

#### 4. CANE ISLAND IV ON-SITE TRANSMISSION LINE RELOCATION PERMITTING AMENDMENT

Recommendation: Approval of the Amendment of the Conservation Easement by South Florida Water Management District and authorize the Chairman and Secretary to execute the necessary Amendment documents.

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

##### 1. QUARTERLY BOND UPDATE

Joe Hostetler, Vice President of Finance and Risk Management provided the Board with the quarterly bond update. Mr. Hostetler informed three to four options had to be eliminated. Currently there are three options: Include the Commercial Paper Program in a fixed rate bond deal; Include the Swap Termination Fee in a fixed rate bond deal; or enter into a Reverse Swap arrangement. The latter is a new option.

Mr. Hostetler advised the Commercial Paper program has done very well even with the market conditions. KUA staff is recommending not to fix the commercial paper. Also, staff recommends to dispose of the VDRB Program and move into a fixed rate deal.

Mr. Hostetler explained to the Board the last option, the reverse swap arrangement. Mr. Hostetler advised, staff will bring a resolution next month to fix out the VDRB Program and keep the commercial paper as is. Mr. Hostetler advised between now and the next Board meeting a decision may be made.

Dr. Gant asked what happens when rates either go up or down. Craig Dunlap, Financial Adviser informed the Board that if the swap rates were to go up, the termination amount would decline.

**ACTION: Director Kasper made a motion, seconded by Director Gemskie to authorize staff to terminate the swap agreement and unwind the credit facility at any time the financing team determines it is advantageous to do so up until the September Board Meeting.**

**Motion Passed 5 - 0**

##### 2. BOARD RECRUITMENT ADVERTISING

Jim Welsh, President & General Manager reviewed with the Board the fees for newspaper advertising that is used to recruit new board members. Mr. Welsh informed the Board of a few options available.

Chairman Cumbie suggested cutting the size of the newspaper ad from 1/4 of a page to a 1/8 of a page. Director Gemskie along with the other Board members were keen on the idea of using KUA's monthly newsletter to inform the public.

It was the consensus of the Board to use KUA's monthly newsletter, KUA's website, the City and County websites along with 1/8 newspaper ads in the Osceola Star and News Gazette for the next Board recruitment. The next Board recruitment schedule will be brought to the Board for approval early next year.

### 3. BOARD APPLICANT INTERVIEW QUESTIONS

Jim Welsh, President & General Manger asked the Board for their input in revising the interview questions. Chairman Cumbie would like the questions to promote conversation.

Mr. Welsh requested the members of the Board to forward any suggestions to him and he will have the updated questions for the Board's review at next month's Board meeting.

I. NEW BUSINESS - NONE

J. STAFF REPORTS

1. SEMI ANNUAL REPORT BY HUMAN RESOURCES

Wilbur Hill, Vice President Human Resources provided a semi-annual report to the Board.

Chairman Cumbie requested a copy of the generations in the workplace write up. Mr. Hill advised the Board that he would have this information to them tomorrow.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Jim Welsh, President & General Manager advised the Board of the upcoming events and reminded the Board of next week's special Board meeting.

L. ADJOURNMENT

Meeting adjourned at 4:21pm.



Chairman



Secretary