

**MINUTES OF A REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY,
WEDNESDAY, NOVEMBER 4, 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 James Kasper, Director Reginald Hardee, Director George Gant, Mayor Jim Swan, General Counsel Grant Lacerte, General Manager James Welsh and Recording Secretary Leticia Rivera.

A. MEETING CALLED TO ORDER

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

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the Pledge of Allegiance.

C. ELECTION OF OFFICERS

ACTION: Director Kasper made a motion, seconded by Director Gant to nominate Director Cumbie for Chairman.

**Motion failed 2 - 3
Fred Cumbie voted nay
Nancy Gemskie voted nay
Reginald Hardee voted nay**

Discussion on the nomination process took place.

ACTION: Director Hardee made a motion, seconded by Director Gant to nominate Director Nancy Gemskie for Chairperson.

Motion carried 5 - 0

ACTION: Director Hardee a motion, seconded by Director Kasper to nominate Director Fred Cumbie for Vice Chairperson of the KUA Board of Directors.

Motion carried 5 - 0

ACTION: Director Hardee made a motion, seconded by Director Gant to nominate Director Jim Kasper for Secretary of the KUA Board of Directors.

Motion carried 5 - 0

ACTION: Director Gemskie made a motion, seconded by Director Kasper to nominate Director Reginald Hardee for Assistant Secretary of the KUA Board of Directors.

Motion carried 5 - 0

Mr. Welsh recommended that a nomination procedure be placed in the bylaws for clarification on what process to follow for future elections. Mr. Welsh advised that at next month's board meeting, staff will have a draft nomination procedure for the Board's review.

D. AWARDS AND PRESENTATIONS

1. APPA ANNUAL REPORT AWARD

Chris Gent, Vice President of Corporate Communications advised that for the fourth year in a row, Kissimmee Utility Authority's annual financial report has been honored in a national annual report contest conducted by the American Public Power Association (APPA). The award was presented at the association's annual Customer Connections Conference in Colorado Springs, Colorado, October 28, 2009.

2. DEGREE RECOGNITION – JENNIFER ATHEY, ASSOCIATE DEGREE IN SCIENCE FROM VALENCIA COMMUNITY COLLEGE

Jim Welsh, President & General Manager congratulated Jennifer on her accomplishment and presented her with a plaque.

3. 5-YEAR SERVICE AWARD – MARTIN MADDOCK, WAREHOUSE CLERK, ENGINEERING & OPERATIONS
4. 5-YEAR SERVICE AWARD – DANIEL GOICOECHEA, FIELD SERVICE SPECIALIST, CUSTOMER SERVICE
5. 5-YEAR SERVICE AWARD – RICHARD PEREZ, APPRENTICE LINEMAN, ENGINEERING & OPERATIONS
6. 10-YEAR SERVICE AWARD – ROBERT CRISP, SUBSTATION ELECTRICIAN, ENGINEERING & OPERATIONS
7. 10-YEAR SERVICE AWARD – RANDY JAMES, RELAY TECHNICIAN II, SYSTEM COMPLIANCE & OPERATIONS
8. 15-YEAR SERVICE AWARD – RICHARD WARD, SUBSTATION ELECTRICIAN, ENGINEERING & OPERATIONS
9. 20-YEAR SERVICE AWARD – TERRY HICKS, UTILITY WORKER, POWER SUPPLY
10. 20-YEAR SERVICE AWARD – DAVE MANHARAN, MANAGER OF FLEET OPERATIONS, ENGINEERING & OPERATIONS
11. 20-YEAR SERVICE AWARD – NEIL BEVILLE, LEAD FLEET SERVICE MECHANIC, ENGINEERING & OPERATIONS

Mr. Welsh thanked and congratulated each of the employees for their combined 110 years of service.

12. EMPLOYEE OF THE MONTH FOR NOVEMBER – JASON BORDERS, ISP NETWORK ADMINISTRATOR, INFORMATION TECHNOLOGY

Jim Welsh, President and General Manager and the Board congratulated Jason on being chosen employee of the month for November 2009.

E. HEAR THE AUDIENCE - None

F. CONSENT AGENDA

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

Motion carried 5 - 0

1. APPROVAL OF MINUTES FOR OCTOBER 7, 2009 REGULAR MEETING
2. KISSIMMEE PARKS & RECREATION SPONSORSHIP

Recommendation: Staff recommends KUA's sponsorship of the City of Kissimmee's Parks & Recreation Department programs and events in the amount of \$14,640.

3. WORKER'S COMPENSATION INSURANCE

Recommendation: Board approves the Workers' Compensation insurance to Liberty Mutual effective December 1, 2009 for a not-to-exceed amount of \$184,356 and authorize staff to renew in future years based on favorable renewal terms.

4. AURSI #5 JUNCTION BOX 6A

Recommendation: Authorize award of bid ITB – 9/2/09-5-CB for Type 6A junction boxes to WESCO for the amount of \$103,091.

G. PUBLIC HEARING - None

H. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

I. OLD BUSINESS

1. GENERAL SERVICE CONSERVATION RATE CHANGE

Jim Welsh, President & General Manager advised that Chairman Gemskie requested to place this item back on the agenda. Chairman Gemskie was one of the prevailing voters on this issue and she advised that this needed to be revisited to reconsider what the Board had approved.

Mayor Swan commented that businesses should be responsible for services they receive and the kilowatt hours they use. Director Cumbie advised that his position on this topic is not to continue the increase for customers in excess of 1,500 kWh for the General Service Rate (GS) nor continue the reduction for less than 1,500 kWh.

Chairman Gemskie clarified to the Board that the open discussion was to apply the discount conservation rate to those customers using 1,500 kWh or under and those using over 1,500 kWh would not change. Mr. Welsh advised that the discount has already been applied.

Mayor Swan requested clarification. The discussion that was taking place was to determine if the reduction and the increase should go away and return to the rate restructure that existed prior.

Mr. Hostetler advised that as of November 1st, the conservation rate took effect which decreased the rate for those commercial customers utilizing 1,500 kWh or under by 10% and increasing the Energy Charge for commercial customers utilizing over 1,500 kWh by 2.9%.

Director Hardee if some rate payers have benefited from the reduction. Mr. Welsh advised yes, their rate is 10% lower than what it was previously. Director Hardee asked if we undo the last action, then will it effectively raise the rate back to what it was previously. Mr. Welsh advised yes. Director Gemskie advised this would possibly take effect, January 1, 2010.

Director Gant asked if KUA goes back to the past rate (for only the over 1,500 kWh per month General Service customers) would it be an increase for KUA. Mr. Welsh advised yes and provided an estimate cost per customer but that cost would not be passed onto the customers at this time. Director Gant advised that he would like to move forward with this but would want to readdress this issue in six months.

Director Gemskie advised that this will not behoove KUA going back and forth to the PSC nor have repeated rate changes.

Mayor Swan offered his comments and advised the question is what is fair and equal to the rate payers and everyone paying the same rate is equal.

ACTION: Director Kasper made a motion; seconded by Director Hardee to direct staff to take steps to eliminate the 2.9% increase, and to establish an 11% increase to bring the rate back to where it was previously and to send the proposed revised rate to the Florida Public Service Commission for review and advertise for a public hearing for December 9, 2009 with the rate to be implemented on bills going out in January, 2010 if approved by the Board subsequent to the December 9th public hearing.

Motion carried 5 – 0

J. NEW BUSINESS

1. HEALTH CARE REVIEW AND BID RESULTS

Wilbur Hill, Vice President of Human Resources reviewed the bid results received for health care. Mr. Hill first thanked everyone who sat on the panel who assisted with the process of review the bids.

Mr. Hill advised that Ron Wall of Brouchard Insurance and Kelly Reabe of Cigna were present and available to answer questions. Mr. Hill advised the following considerations were taken into consideration during the review process: identify and recommend the best health and dental coverage for the best possible price; identify a plan design to encourage more self-managed health care by participants (wellness) (3% rate reduction); cost containments (KUA/participants); KUA's past participant health utilization results; market trends for health coverage's offered by other local public sector organizations.

Mr. Hill informed that Cigna has an inviting incentive of a \$25K credit for a Wellness program. If KUA takes advantage of this plan, it would result in an overall 3% reduction in cost in KUA's overall health plan.

Mayor Swan left the Board meeting @ 4:45pm.

Mr. Hill advised that after the evaluation, the team selected the Cigna plan # 4. Mr. Hill advised it is a competitively priced plan that would continue to meet employee's health care needs. It encourages wellness and it is cost sensitive for cost containment.

Director Gant asked what the proposed \$25K incentive for and who runs it. Mr. Hill advised it is for a Wellness education program for employees to be more conscious about their health and improving health. A Wellness coordinator from Cigna will meet with Cindy Herrera who will schedule.

Ron Wall of Brouchard Insurance advised that Cigna's programs are 3-4% less expensive than United programs and also stated that Osceola County, the City of Kissimmee, School Board and the City of St. Cloud are now under Cigna. This is a very competitive company and they have showed this year after year.

ACTION: Director Hardee made a motion; seconded by Director Kasper to approve the award of Group Health coverage insurance to CIGNA (alternative plan #4) for one (1) year and Dental for two (2) years effective January 1, 2010 and authorize renegotiations for future renewals with a focus on price and service.

Motion carried 5 – 0

K. STAFF REPORTS

1. SEMI ANNUAL REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

Larry Mattern, Vice President of Power Supply provided an overview on various projects in the Power Supply department.

2. KUA IDENTITY THEFT PREVENTION PROGRAM POLICY ANNUAL REPORT

Susan Postans, Vice President of Customer Service advised the Board to achieve compliance with the Federal Trade Commission's (FTC) Federal Identify Theft Red Flag Regulations, KUA has established and implemented this program to prevent identify theft and protect KUA customer information utilizing the guidelines set forth in the Fair and Accurate Credit Transactions and in accordance with the Policy approved by the KUA Board of Directors with an effective date of 11/01/08.

L. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, Vice President and General Counsel informed the Board on open legal issues and a bankruptcy issue that he is handling.

Mr. Welsh advised the Board of upcoming events. Mr. Welsh also informed that staff will be bringing to the Board a recommended change to KUA's fiscal policy which will remove the cap on the rate stabilization fund.

Mr. Welsh suggested doing a pilot program on using a Kindle to access agenda packets. Chair Gemskie and Director Cumbie will participate in the pilot

Dr. Gant thanked everyone who participated in donating clothes to Peru.

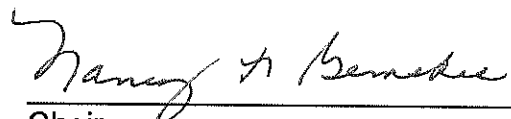
Director Hardee asked if staff had the savings amount that was requested at the last meeting. Mr. Welsh advised that staff has saved a total of \$677,323. Director Hardee thanked staff for their work on this.

Chair Gemskie noted that KUA's sponsorship funding was reduced and commented that it is good that KUA is being mindful to rate payer monies.

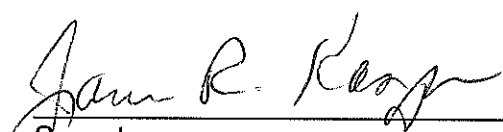
Chair Gemskie asked the status on the collection for food for the holiday that Gatorland is involved in. Chris Gent, Vice President of Corporate Communications advised that KUA has joined Gatorland and Centerstate Bank to support the Osceola County Basket Brigade.

M. ADJOURNMENT

Chair Gemskie adjourned the meeting at 5:33 pm.



Chair



Secretary