

**REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY TO BE HELD
WEDNESDAY, DECEMBER 9, 2009 AT 3:30 PM, BRINSON BOARD ROOM,
ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE,
FLORIDA**

Present were Chairman Nancy Gemskie, Vice Chairman Fred Cumbie, Director James Kasper, Director Reginald Hardee, Director George Gant, General Counsel Grant Lacerte, Mayor Jim Swan, General Manager James Welsh and Recording Secretary Leticia Rivera.

A. MEETING CALLED TO ORDER

Chairman Gemskie 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 – ROBERT PARR, WAREHOUSE CLERK, ENGINEERING & OPERATIONS
2. 10-YEAR SERVICE AWARD – EDISON CABRERA, SUBSTATION ELECTRICIAN, ENGINEERING & OPERATIONS

Mr. Welsh congratulated and thanked both Robert and Edison for their hard work and dedication. Mr. Welsh presented each with a certificate.

3. EMPLOYEE OF THE MONTH FOR DECEMBER – DAVID TREAT, LINE LOCATOR, ENGINEERING & OPERATIONS

Mr. Welsh and the Board members congratulated David on being chosen employee of the month for December 2009.

D. HEAR THE AUDIENCE

E. CONSENT AGENDA

ACTION: Director Gant made a motion, seconded by Director Cumbie to approve items 1- 2 on the consent agenda.

MOTION PASSED 5 – 0

1. APPROVAL OF MINUTES FOR NOVEMBER 4, 2009 REGULAR MEETING
2. APPROVAL OF MINUTES FOR NOVEMBER 11, 2009 SPECIAL MEETING

F. PUBLIC HEARING

1. GENERAL SERVICE RATES

Joe Hostetler, Vice President of Finance & Risk Management provided a brief overview on this topic. Mr. Hostetler advised that at the October 7, 2009 Board meeting, a public hearing was held for the General Service Conservation Rate which was consequently approved for implementation on bills being sent out November 1, 2009. Subsequently, the Board reconsidered their position at the November 4th Board meeting and redirected staff to send a revised tariff to the FPSC. Also, the Board held a special meeting on November 11th to authorize crediting the customers accounts the 2.9% increase which was incurred by customers using over 1,500 kWh under the conservation

rate. The Board instructed staff to carry out the credits as soon as administratively practicable.

Chairman Gemskie announced that this is a public hearing and asked if anyone from the public would like to address this issue.

Tom Lanier of 108 Broadway, Kissimmee, Florida stated that he was very surprised that this item went as far as it did. He mentioned that it is difficult to pay for someone else's discount when one is trying to survive. Mr. Lanier advised that he hopes the Board revisits this issue in a positive way and eliminates it totally.

ACTION: Director Gant made a motion, seconded by Director Hardee to approve the revised GS Rate tariff to become effective on bills sent out January 1, 2010.

MOTION PASSED 5 – 0

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS (None)

I. NEW BUSINESS

1. BOARD OFFICE NOMINATION & ELECTION PROCEDURES

Grant Lacerte, Vice President and General Counsel reviewed the Board nomination and election procedure. Mr. Lacerte provided to the Board information on Robert's Rules of Order, KUA Charter and Bylaws and past KUA Board practices in conducting nominations.

After the Board had a lengthy discussion on current and past procedures a motion was made.

ACTION: Director Gant made a motion, seconded by Director Kasper to adopt Section 11 and not Section 10.

**MOTION FAILED 2 –3
Nancy Gemskie voted no
Fred Cumbie voted no
Reginald Hardee voted no**

Chairman Gemskie advised that the nomination process remains the same.

2. FISCAL POLICY CHANGE/RATE STABILIZATION

Joe Hostetler, Vice President of Finance advised the Board that staff is recommending the cap be removed on the rate stabilization fund. The current fiscal policy currently has a minimum and a maximum noted.

Chairman Gemskie asked if this would be a mechanism to keep rates affordable and competitive. Mr. Hostetler advised yes.

ACTION: Director Cumbie made a motion, seconded by Director Hardee to approve staff's recommendation to amend the fiscal policy to remove the cap on the Rate Stabilization Fund.

MOTION PASSED 5 – 0

J. STAFF REPORTS

1. ANNUAL REPORT ON CORPORATE COMMUNICATIONS

Chris Gent, Vice President of Corporate Communications provided an overview of KUA's current use of social media. Mr. Gent provided videos of examples of how damaging social media can be.

Mayor Swan excused himself from the meeting @ 4:41 pm and wished everyone a Merry Christmas.

2. UNAUDITED FISCAL YEAR 2009 FINANCIAL STATEMENTS

Joe Hostetler, Vice President of Finance and Risk Management provided a presentation to the Board to review the 2009 Financial Statements.

Chairperson Gemskie asked for clarification on a report located in the report section of the agenda packet which duplicated an entry for the Osceola Center for the Arts. Mr. Welsh advised that an email would be sent to the Board to advise why this is noted on the report as such.

Chairperson Gemskie also asked if there is a hold harmless agreement on file with Davey Tree. Ken Davis, Vice President of Engineering & Operations advised Davey Tree signed off on a statement that they do not hold KUA liable.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

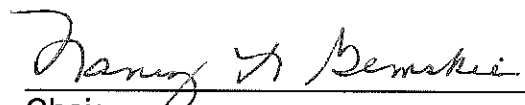
Mr. Welsh informed the Board of next month's Board meeting and of upcoming events.

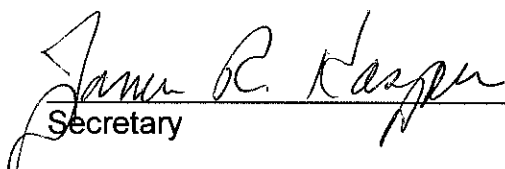
Director Hardee requested the links that Chris Gent noted in his presentation on social media be placed on the Board member intranet site for access. Director Hardee asked if there is any thought for technology to access bill payment or online account access on a PDA. Mr. Lacerte advised that KUA was looking at that but KUA is not ready to roll this out. Mr. Welsh advised that KUA will finalize where KUA is with this legally and proceed as quickly as possible to implement this on our system.

All Board members wished everyone a Merry Christmas.

L. ADJOURNMENT

Chairperson Gemskie adjourned the meeting at 5:03 pm.


Chair


Secretary