

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY, AUGUST 31, 2011 (**SEPTEMBER BOARD MEETING**) AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Director Reginald Hardee, Director George Gant, Director Kathleen Thacker, Mayor Jim Swan, General Counsel Grant Lacerte, General Manager James Welsh, and Recording Secretary Leticia Rivera. Director Cumbie was not present.

A. MEETING CALLED TO ORDER

Director Hardee called the meeting to order @ 3:30 pm.

At this time, Director Hardee requested a moment of silence for former vice-chair, Jim Kasper who passed away Sunday, August 28, 2011.

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board and staff recited the pledge of allegiance.

Director Hardee advised that per staff's request, agenda items H and I were moved up to occur at this time. The Board approved this request.

H.

1. BOARD RECRUITMENT ADVERTISING

Mr. Welsh advised that due to the unanticipated vacancy on the Board, staff is recommending that the Board approve the procedures for recruitment of a new board member, which includes the questions and the advertising. The interviews will be conducted October 5th during the next regularly scheduled board meeting.

ACTION: Director Dr. Gant made a motion, seconded by Director Thacker to approve the proposed Board member nomination process.

MOTION PASSED 3 – 0

I.

1. 1ST AMENDMENT TO POLICY DIRECTIVE D11-03 PROVIDING A NEW EFFECTIVE DATE

Ken Davis, vice president of engineering & operations advised that at the June meeting, the Board adopted Policy Directive D11-03 providing for the waiver of line extension fees for qualified customers certified by the City of Kissimmee as meeting the defined criteria for economic development. This policy directive established an effective date for contracts entered into on or after October 1, 2011.

A business being proposed within the City of Kissimmee apparently meets the criteria of being a qualified target industry. The business is desirous of starting up prior to October 1, 2011. The attached letter from the City Manager, Mike Steigerwald, is requesting that KUA consider implementing the waiver policy prior to October 1, 2011.

ACTION: Director Thacker made a motion, seconded by Director Gant to approve the attached 1st Amendment to Policy Directive D11-03 to make the effective date of the policy September 1, 2011.

MOTION PASSED 3 – 0

At 3:40 pm Mayor Swan thanked the Board for moving this item up as he must leave to another meeting. Mayor Swan also thanked KUA for its support on this item as everyone is working together to create new jobs.

C. AWARDS AND PRESENTATIONS

1. TOP 100 COMPANIES FOR WORKING FAMILIES AWARD PRESENTATION

Wilbur Hill, vice president of Human Resources presented the award to the KUA Board.

2. 25-YEAR SERVICE AWARD –JOHN TALLEY, PP SHIFT SUPERVISOR O/M, POWER SUPPLY

Mr. Welsh advised that John was not able to attend tonight but he will be recognized by his department head at a later time.

3. EMPLOYEE OF THE MONTH FOR SEPTEMBER - DAVID SIEGEL, SUPERVISOR OF ACCOUNTING, FINANCE & RISK MANAGEMENT

Mr. Welsh congratulated David for being selected employee of the month for September 2011.

D. HEAR THE AUDIENCE

Director Hardee asked if anyone from the public would like to address the Board on an item that is not on the agenda; hearing none the Board moved forward to the next item.

E. CONSENT AGENDA

ACTION: Director Gant made a motion, seconded by Director Thacker to approve items 1, 2 and 3 on the consent agenda.

MOTION PASSED 3 – 0

1. APPROVAL OF MINUTES FOR AUGUST 3, 2011 REGULAR MEETING

2. ANNUAL CONDUIT INSTALLATION BID

Recommendation: Award of IFB 013-11 to the following two (2) firms: Mastec North America and The Fishel Company for the estimated amounts of \$250,000 for FY 2012; \$100,000 for FY 2013; and \$100,000 for FY 2014.

3. UNIT 4 TRANSMISSION & SWITCHYARD INTERCONNECTION AGREEMENT SUPPLEMENT NO. 1

Recommendation: Approve Supplement No. 1 of the Unit Transmission and Switchyard Interconnect Agreement.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS – This item was moved and reviewed at the beginning of the meeting.

I. NEW BUSINESS - This item was moved and reviewed at the beginning of the meeting.

J. STAFF REPORTS

1. CLAY STREET INCIDENT UPDATE

Ken Davis, vice president of Engineering & Operations provided a brief update.

2. SEMI-ANNUAL REPORT ON INFORMATION TECHNOLOGY
DEPARTMENT PROJECTS

Jef Gray, vice president of information technology provided an overview of current projects.

Director Hardee asked when will e-bill be available to the customers. Mr. Gray advised e-bill will be up in October for testing and available in November to the customers.

3. FINANCE & RISK MANAGEMENT DEPARTMENTAL QUARTERLY REPORT

Joe Hostetler, vice president of finance & risk management reviewed the department's financial quarterly reports.

Dr. Gant suggested during the planning process with regard to the rate stabilization fund, KUA should decide what level to peek at.

Dr. Gant advised he attended an FMPA meeting and shared that Moody's is developing a new criteria for evaluating the level of the bond market. Mr. Hostetler advised that FMPA has charged one of its committees, the Business Model Working Group committee to review the ratings and the effect on FMPA. This committee will come back with recommendations and insights on this problem.

Mr. Hostetler advised that Larry Mattern sits on the Business Model Working Group Committee and he will be able to report back. Mr. Welsh added that all the cities representatives on that committee elected Larry Mattern as Chairman.

4. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

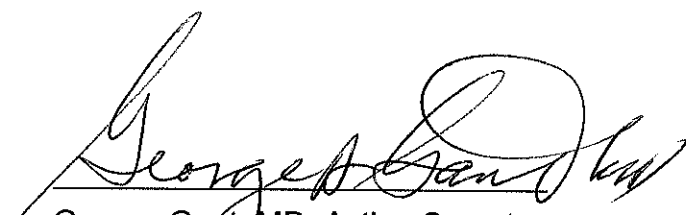
Grant Lacerte, vice president & general counsel advised that he did not have any updates this month.

Mr. Welsh advised that on October 5th KUA will hold its annual employee appreciation luncheon. Mr. Welsh welcomed the Board of Directors to help in serving lunch to the employees that day. Director Hardee suggested inviting past board members to assist on this day if they are available.

K. ADJOURNMENT

Secretary Hardee adjourned the meeting at 4:32 pm.


Reginald Hardee, Acting Chairman


George Gant, MD, Acting Secretary