

REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD WEDNESDAY,  
DECEMBER 7, 2011 AT 3:30 PM, BRINSON BOARD ROOM, ADMINISTRATION  
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present were Director Fred Cumbie, Director Reginald Hardee, Director George Gant, Director Kathleen Thacker, Director Jeanne Van Meter, Mayor Jim Swan, General Counsel Grant Lacerte, General Manager James Welsh, and Recording Secretary Leticia Rivera.

A. MEETING CALLED TO ORDER

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

B. PLEDGE OF ALLEGIANCE TO THE FLAG

The Board members and staff recited the pledge of allegiance.

C. AWARDS AND PRESENTATIONS

1. FMEA 2011 COMMUNITY SERVICE AWARD

Chris Gent, vice president of Corporate Communications advised that the Kissimmee Utility Authority was presented with the FMEA 2011 Community Service Award.

2. 5-YEAR SERVICE AWARD – KEILA TORRES, ADMINISTRATIVE STAFF ASSISTANT II CPS, ENGINEERING & OPERATIONS

3. 10-YEAR SERVICE AWARD – SUZANNE FITZPATRICK, CUSTOMER SERVICE REPRESENTATIVE II, CUSTOMER SERVICE

4. 20-YEAR SERVICE AWARD – DAVID TREAT, LINE LOCATOR/INSPECTOR, ENGINEERING & OPERATIONS

5. 20-YEAR SERVICE AWARD – ROBIN WARD, SENIOR ADMINISTRATIVE ASSISTANT, POWER SUPPLY

6. EMPLOYEE OF THE MONTH FOR DECEMBER – DOCILY PERRY, SENIOR ADMINISTRATIVE ASSISTANT, CUSTOMER SERVICE

Mr. Welsh congratulated Docily for being selected employee of the month for December 2011 and thanked her for all her years of dedicated service.

D. HEAR THE AUDIENCE

Director Cumbie asked if anyone from the public would like to address the Board on an item that is not on the agenda reminding the public that there is a 3 minute limit to questions and comments.

At this time Sara Shaw came to the podium and introduced herself. Ms. Shaw thanked the Board for changing the tariff and putting some of her suggestions into action. She and the community appreciate it. The changes that were made in the tariff are positive. Ms. Shaw also advised that she has other suggestions concerning the deposit policy and that tariff. She suggested that KUA give back the deposits that were taken under the old guidelines and start fresh with the people that have the money taken under the old guidelines and if they run into difficulty again then the new guideline should be implemented. Ms. Shaw advised that she thinks this would be a good thing for the community.

Chairman Cumbie thanked Ms. Shaw for her comments.

Chairman Cumbie asked if anyone else would like to address the Board and noticed Commissioner Art Otero. Commissioner Otero provided handouts to Mr. Welsh to distribute to the Board. Commissioner Otero advised that he is very disappointed as an elected official and as a tax payor in serving the people of the City of Kissimmee and that he is real concerned. Mr. Otero expressed concerns on the following items, KUA's involvement in Tony Ferentinos' power theft and diversion case; the repayment by the City of County tax revenue sent to them in error; KUA employee raises; KUA's President & General Manger's salary, KUA's deposit policy and KUA's Inclusion of the increased transfer to the City on the utility bill. Mr. Otero then suggested the following: the resignation of KUA's President & General Manager, direct appointment of KUA's voluntary Board membership as opposed to confirming nominations sent to the City by the KUA Board and also eventually eliminating KUA and combining KUA's staff as City staff and employees.

In conclusion Mr. Otero thanked the Board for allowing him to speak. Mr. Otero advised that he is not looking for any answers as he did not come for that but came for action.

Chairman Cumbie thanked Commissioner Otero for his comments.

E. CONSENT AGENDA

Director Hardee asked that item 3 be pulled from the consent agenda.

**ACTION: Director Hardee made a motion seconded by Director Gant to approve items 1, 2, 4 and 5 on the consent agenda.**

**MOTION PASSED 5 – 0**

Director Hardee thanked Kissimmee Parks & Recreation for their hard work and taking the funds and continuing doing positives things throughout the community.

Steve Lackey, Assistant Director from Kissimmee Parks & Recreation thanked KUA and provided a brief outline of where the sponsorships are used and presented a plaque to the Board for their continued support.

**ACTION: Director Hardee made a motion seconded by Director Van Meter to approve item 3 on the consent agenda.**

**MOTION PASSED 5-0**

1. APPROVAL OF MINUTES FOR NOVEMBER 2, 2011 REGULAR MEETING
2. VIVA OSCEOLA SPONSORSHIP

**RECOMMENDATION:** Approve a \$10,000 sponsorship of the 2011 Viva Osceola festival

3. 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.

4. INVESTMENT POLICY – POLICY DIRECTIVE 11-01

**RECOMMENDATION:** Reconfirming Policy Directive 11-01

5. ENGINEERING SERVICES FOR CLAY STREET TRANSFORMER REPLACEMENT

**RECOMMENDATION:** Authorize Black & Veatch to proceed with the engineering work necessary for the replacement of the failed Clay Street Substation transformer for a not-to-exceed amount of \$543,000.

F. PUBLIC HEARING - None

G. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION) - None

H. OLD BUSINESS - None

I. NEW BUSINESS - None

J. STAFF REPORTS

1. UNAUDITED YEAR END FINANCIAL STATEMENTS

Joe Hostetler, vice president of Finance & Risk Management provided the Board with a brief update of the year end unaudited financial statements.

2. KUA IDENTITY THEFT PREVENTION PROGRAM POLICY ANNUAL REPORT

Susan Postans, vice president of Customer Service provided an overview of KUA's identity theft prevention program.

K. HEAR ATTORNEY, GENERAL MANAGER, DIRECTORS

Grant Lacerte, vice president & General Counsel provided an update on the upcoming FMEA Legislative Rally.

Director Gant suggested formalizing a form to use for Hear the Audience section of the agenda. Chairman Cumbie asked staff to draft a policy on this.

Director Thacker asked if a couple of meetings set for next year could be combined together; the May 9<sup>th</sup> and May 16<sup>th</sup> will be combined to occur May 9<sup>th</sup> and the July 11<sup>th</sup> & 18<sup>th</sup> will be combined to occur July 11<sup>th</sup>. It was the Board consensus to combine these meetings so staff will send out a revised board calendar.

Director Hardee advised he heard two items earlier and would like to get some feedback from staff; the first item is on the deposit policy for those who were under the old deposit policy and possible recommendations on that. The second item was from Commissioner Otero who had a great amount of information however, Director Hardee advised that he understood some but was unfamiliar with a few of the other items and would like staff to provide a small summary by going through the public record.

Dr. Gant and the other Board members advised that they do not require any additional information on this so Director Hardee will meet with Mr. Welsh to review.

Mayor Swan advised that this year's City of Kissimmee budget was adopted unanimously and in the budget was the repayment plan that was agreed upon of the overpayment. The transfer rate that was changed was changed at the request of the City of Kissimmee in writing and all five commissioners were aware of it. Mayor Swan said it would be irresponsible to mention the investigation because there is litigation that is potentially out there, and it was inappropriate to mention because of the risk.

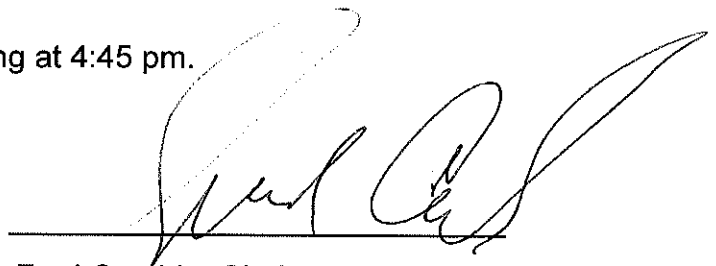
Additionally Mayor Swan added, about 6 -8 months ago an analysis was done comparing the CEO's salaries of the various utilities around the State and this was provided to the Board. The Board felt comfortable with the compensation and advised

that good leadership requires a healthy paycheck. Mayor Swan informed that he is becoming more informed of when the utility was run by the City of Kissimmee way back when. At that time when a business decision was made by the City elected officials that caused rates to increase, all the elected officials got beat and after once or twice then the elected officials did not do right and didn't make good sound business decisions. The voters were asked to create this authority in hopes of having sound business decisions made and long term planning done; the voters were right.

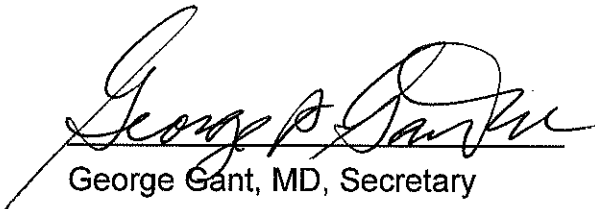
In conclusion Mayor Swan added that he moved to Kissimmee, February 10, 1972 and for the first 15-16 years rolling black outs day and night were very common and also had one of the highest utility rates in the entire State year after year. Kissimmee now has very inexpensive rates and a report which is sent to the commissioners monthly shows this.

L. ADJOURNMENT

Chairman Cumbie adjourned the meeting at 4:45 pm.



Fred Cumbie, Chairman



George Gant, MD, Secretary