

**MINUTES FROM A REGULAR MEETING OF THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA, HELD AT 5:00 P.M. ON JUNE 16, 2010 AT THE WILLIAM ARNOLD SERVICE BUILDING LOCATED AT 1001 JAMES STREET, KEY WEST, FLORIDA**

The above referenced meeting of the Utility Board of the City of Key West, Florida, convened at 5:00 P.M., on the above date and location and was called to order by Chairman Hernandez. Present and answering to the roll call were Utility Board members: Charles Bradford and Mona Clark. Also present at the meeting: Nathan Eden, Board Attorney; Jack Wetzler, Assistant General Manager & CFO; Alex Tejada, Customer Services Director; Suzanne Greager, Management Services Director; David Price, Director of T&D; Eddie Garcia, Director of Generation; and Stan Rzas, Compliance Administrator.

**AGENDA ITEM #4 – SET AGENDA**

There were no changes to the agenda and the agenda was set.

**AGENDA ITEM #5 – INFORMATIONAL ITEMS**

**Agenda Item #5a – Power Supply Report**

Mrs. Tejada informed the Board that the Power Supply Report is included in the Board meeting packet and staff is prepared to answer any questions they may have.

**Agenda Item #5b – Generation Report**

Mrs. Tejada informed the Board that the Generation Report is included in the Board meeting packet and staff is prepared to answer any questions they may have.

**Agenda Item #5c – Rate Comparison**

Mrs. Tejada informed the Board that the Rate Comparison is included in the Board meeting packet and staff is prepared to answer any questions they may have.

**Agenda Item #5d – Financial & Operational Indicators**

Mrs. Tejada informed the Board that the Financial & Operational Indicators is included in the Board meeting packet and staff is prepared to answer any questions they may have.

### **High Speed Diesel Black Start**

Mrs. Tejada stated that KEYS retired the old Three High Speed Diesels (HSD's) and replaced with one HSD, which is operational.

Mrs. Tejada informed the Board that KEYS completed a successful black start last night, which was the fastest historical black start and took about 12 seconds. She said that the Generation staff was extremely pleased with the process and the results of the black start.

Mrs. Tejada said that Mr. Eddie Garcia, Director of Generation; Mr. James Barry, Generation Supervisor and Mr. Dave Gerstenkorn, Project Engineer, were great project managers and very happy that the unit is available in time for hurricane season.

### **Rebate Program Update**

Mrs. Tejada stated that the Rebate Program was closed in May because the program oversold. She said that staff thought closing the program in May would provide the customers enough time to submit rebates without being oversold but unfortunately the program was oversold by \$11,836.

Mrs. Tejada informed the Board that KEYS exhausted funds provided by Florida Municipal Power Agency (FMPA) and KEYS paid the oversold amount of \$11,836 to customers.

### **Fishbusterz Update**

Mrs. Tejada stated that at the last Utility Board meeting the Board voted to terminate the Real Estate Purchase Agreement related to the Sale of Parcel-A (BAMA leased) property, Bid #21-08, with Fishbusterz, LLC, which passed unanimously.

Mrs. Tejada reported that after the Board terminated the real estate purchase agreement, she spoke with Fishbusterz and they informed her they wanted to resurrect the purchase agreement. Mrs. Tejada informed Fishbusterz that KEYS would not entertain the possibility of bringing the purchase agreement back before the Board unless KEYS received payment and to date KEYS has not received payment.

Mrs. Tejada said that at this time Fishbusterz is current with lease payments.

Mrs. Clark asked about the non-refundable deposit associated with the sales contract. Mrs. Tejada said that the \$500,000 deposit was retained and placed in the revenue account.

### **Transmission & Distribution (T&D) Crew**

Chairman Hernandez stated he recently observed a line crew install a concrete pole from start to finish and said the crew worked extremely hard and it was a pleasure to see them work. He commended the crews for their work.

Mr. Price thanked Chairman Hernandez for his remarks and said he would share his comments with the crews.

### **AGENDA ITEM #6 – CONSENT AGENDA**

- a) Approve Minutes – Strategic Planning Workshop May 19-20, 2010 and Approve Minutes Regular Meeting – May 26, 2010
- b) Approve Disbursements Report
- c) Approve the Upgrade of Existing Avaya Telephone System, Purchase of Associated Material, and Professional Services
- d) Declare Non Stock Items as Surplus

Motion was made by Mr. Bradford and seconded by Ms. Clark to Approve the Consent Agenda. The motion passed unanimously.

### **AGENDA ITEM #8 – ACTION ITEMS**

#### **Agenda Item #8a – Approve Change Order #1 to Software House International (SHI) for True-Up of licenses with the existing Microsoft three (3) Year Enterprise Agreement Software Package**

Mrs. Tejada informed the Board that this item usually occurs at the General Manager's level but due to KEYS increasing the amount of additional server installations the General Manager's spending threshold is exceeded.

Mrs. Tejada said the Change Order will increase the original cost by more than five (5) percent and therefore needs to come before the Board for approval.

Mrs. Tejada stated that Change Order #1 to Software House International (SHI) is for \$8,851.74 for the remaining two (2) years of the contract (Fiscal Year 2010-2011).

Mrs. Tejada said it is the recommendation of staff to approve Change Order #1 to SHI.

Motion was made by Ms. Clark and seconded by Mr. Bradford to Approve Change Order #1 to Software House International (SHI) for True-Up of licenses with the existing Microsoft three (3) Year Enterprise Agreement Software Package. The motion passed unanimously.

**OTHER BUSINESS**

There was no other business to come before the Board

**ADJOURNMENT**

Motion was made by Mr. Bradford to adjourn the Regular Utility Board meeting of June 16, 2010 at 5:08 p.m.

APPROVE:

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Lou Hernandez, Chairman

ATTEST:

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Lynne E. Tejeda, General Manager/CEO & Secretary

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