

FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.,  
HELD IN THE BOARD ROOM AT FKEC TAVERNIER HEADQUARTERS  
TAVERNIER, FLORIDA, ON MONDAY, MARCH 30, 2009 PURSUANT TO NOTICE

President Ritz called the meeting to order at 1:05 p.m.

The following directors were present:

H. B. Barrett  
Craig Belcher  
James J. Boilini  
Frank N. Hawkins, Jr., Treasurer  
Gretchen Holland, Vice President  
George Hertel  
Michael H. Puto, Secretary  
David C. Ritz, President  
Karl Wagner

Also present:

Scott Newberry, Chief Executive Officer  
John H. Haswell, Esq., Counsel to the Board  
John Stuart, Chief Operating Officer  
Cris Beaty, Chief Financial Officer  
Susan Kohlhofer, Recording Secretary

Members and Guest:

Thomas M. Dillon  
Joseph Ziomek

1           President Ritz announced that a quorum was present and that the business of the Cooperative  
2 could be conducted.

3           The Pledge of Allegiance was recited.

4           These minutes are provided as a general account of the meeting and are not intended as a  
5 verbatim record; only motions and pertinent discussions are recorded herein. Due notice of the time,  
6 date, and location of this meeting has been provided by publication of such notice in four papers of  
7 general circulation in the service area of FKEC.

1 **ACTION ON MINUTES**

2 *A motion was made by M. Puto and duly seconded, that the Board approve the minutes of*  
3 *the Regular Board Meeting held on February 23 2009. Motion carried without objection.*

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5 *Congratulations were extended to Board Vice President Gretchen Holland and Treasurer*  
6 *Frank Hawkins who recently were both re-elected to serve three-year terms.*

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8 **INTRODUCTION AND COMMENTS BY MEMBERS AND GUESTS**

9 President Ritz welcomed and introduced Thomas M. Dillon and invited his comments at this time.  
10 Thomas M. Dillon shared comments with the Board on meetings of the Board of Directors and  
11 Cooperative records being open to inspection.

12 President Ritz also welcomed and introduced Joseph Ziomek and invited his comments at this  
13 time. Joseph Ziomek shared comments with the Board on technical matters related to engineering in the  
14 automotive and commercial-vehicle industries.

15 President Ritz thanked Thomas M. Dillon and Joseph Ziomek for their input and for attending  
16 today's meeting.

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18 **TARGETED GOALS OF CHIEF EXECUTIVE OFFICER**

19 S. Newberry reported on his eleven targeted goals. A question and answer session followed.

20 *The purpose of this report was for discussion of the issues only; no action was taken or*  
21 *recommended.*

22  
23 **COMMITTEE MEETINGS**

24 Audit Committee Meeting

25 The Audit Committee, consisting of all Board Members, had met to receive and review the Annual  
26 Audit Report and Accompanying Financial Statements, notes and additional documents for the years  
27 ended December 31, 2008 and 2007, as presented by Jeff Marshall of Bolinger, Segars, Gilbert & Moss,  
28 CPA.

1 Florida Keys Electric Cooperative Association, Inc. (FKEC) received an opinion without  
2 qualification (a "clean" report) from the auditors. Jeff Marshall also reported that they encountered no  
3 significant difficulties in dealing with management in performing and completing their audit. ***A motion***  
4 ***was made by K. Wagner and duly seconded, that the Board accept the 2008-2007 Audit Report and***  
5 ***Accompany Financial Statements. Motion carried without objection.***

6 President Ritz along with the entire Board congratulated S. Newberry and C. Beaty for another  
7 clean audit.

8

9 Relations and Member Services Committee Meeting

10 Chairman H. B. Barrett reported that a Relations and Member Service Committee Meeting was  
11 conducted on Monday, March 30, 2009. The Committee members, directors and staff met to review and  
12 discuss various election related items. Other topics for discussion included the redesigning of FKEC's  
13 website and the inclusion of approved board meeting minutes and agendas. ***The purpose of this***  
14 ***meeting was for discussion of the issues only; no action was taken or recommended.***

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16 FECA / Statewide

17 C. Belcher presented a brief Statewide update: (1) Reported that climate change legislation  
18 continues to be pushed by the White House and the EPA may pursue carbon dioxide regulation on its  
19 own through its apparent authority under the Clean Air Act. President Obama included a \$20/ton carbon  
20 tax in his 2012 budget. The leaders have decided to combine the energy and climate change into one bill  
21 which will make the bill much more complex and should slow everything down; (2) Reported that there  
22 was testimony on feed-in-tariffs in the Senate but it does not appear that there is any serious support for  
23 this concept; (3) Reported that Statewide is watching closely a memorial that would ask Congress to  
24 expedite permitting for new nuclear plants. It suggests that new reactor applicants can work through the  
25 permitting process in half the time without sacrificing safety and security; (4) Reported that Statewide is  
26 also watching a bill that would direct DEP to implement a plan to cut in half the time it takes to permit a  
27 nuclear plant. The bill also would require DEP to develop a plan to implement an offshore drilling program  
28 and to submit the plan to the President and the Speaker by December 31, 2009; (5) Reported on the  
29 success of the 2009 Florida Legislative Cookout which was held on Wednesday, March 4<sup>th</sup>, 2009. He

1 noted that there had been a much better turn out this year, than in the past, having legislators and staff  
2 attending the cookout. FKEC served its renowned “conch chowder, conch fritters and key lime cake,” and  
3 he wished to thank Eddie Dudley, Jason Richards, and Maria Jones for all of their hard work and  
4 dedication. He noted that they showed outstanding character and represented FKEC favorably; and (6)  
5 Reported that the June Board and Committee meetings will be held on Thursday, June 4, 2009, as it was  
6 determined to try a new concept by having the meetings go from a two-day format to a one-day format.

7 Next S. Newberry presented a brief overview regarding the federal economic stimulus package.

8

### 9 **EXECUTIVE SESSION REPORT**

10 President Ritz reported that there had been an Executive Session held earlier in the day to  
11 discuss various topics with Jeff Marshall of Bolinger, Segars, Gilbert & Moss, CPA. ***He noted that the***  
12 ***purpose of this meeting was for discussion of the issues only; no action was taken or***  
13 ***recommended.***

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### 15 **MONTHLY REPORTS**

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17 S. Newberry’s report covered the routine monthly topics and also included the following:

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19 1. Reported that there were no transmission outages in the month of February however FKEC  
20 did experience one distribution feeder outage. The Marathon N and C feeders relayed out  
21 when a Mylar balloon entered into the lines.

22

23 2. The year-to-date average outage out number for February is 45 minutes. The rolling 12  
24 month number is 1.28 hours.

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26 3. The move into the Tavernier Operations Center is complete. Demolition of the old operations  
27 building is expected to commence in a few weeks. Anticipating completion of all construction  
28 in the next six to eight weeks.

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30 4. Osmose continues to inspect poles and are on the island of Key Largo now.

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32 5. On the safety side of things, there were no lost time accidents reported during the month of  
33 February.

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35 6. Marathon and the Crawl Key solar arrays are complete. FKEC staff participated in the GLEE  
36 Expo on March 28<sup>th</sup>.

37

38 7. The new SCADA system installation is underway. The Geographical Information System  
39 (GIS) and the Millsoft Dispatch Outage Management System (OMS) are working well.

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41 8. C. Beaty presented the monthly financial and statistical reports (through February). The  
42 Operating Statement Critique was presented and discussed along with the monthly Form 7  
43 Comparative and the Actual to Budget Comparison by Activity Code.

- 1 9. The FPL bill and billing summary for last month has been included for the director's  
2 information. There was a negative \$98,962 fuel adjustment true up for the month.  
3
- 4 10. In the monthly Rate Comparison, FKEC is in the number thirteenth position; FKEC came in  
5 seventeenth in the 12 month rolling average with a cost of \$136.06.  
6
- 7 11. On the SCADA bar graph, FKEC shows a peak on February 5 at 8:00 a.m. at 118.72 MW.  
8
- 9 12. The Energy Report was provided to the directors for their information. A question and answer  
10 session followed.  
11
- 12 13. On the Unsolicited Breaker Operation Report, FKEC had a total of 30 operations for the  
13 month of February.  
14
- 15 14. On the Service Order Report, FKEC completed 1119 service orders for the month of  
16 February with 124 account transfers.  
17
- 18 15. Safety meetings were held this month on March 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> in Tavernier and Marathon,  
19 respectively.  
20
- 21 16. The Workers' Compensation report indicates one bruise for the month of February.  
22
- 23 17. The March Staff Meeting agenda was provided to the directors for their information.  
24
- 25 18. A copy of February's Consumer Price Index (CPI) was provided to the Board for their  
26 information.  
27
- 28 19. A copy of Keys Energy Services Utility Board Meeting Minutes (February 11, 2009) were  
29 provided to the directors for their information.  
30
- 31 20. The approved February minutes from the FKEC Members Charitable Trust (Operation  
32 Round-Up®) were provided to the directors along with a copy of the accompanying financial  
33 reports.  
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- 35 21. A copy of the Construction Work in Progress summary was provided to the Board for their  
36 information.  
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#### 39 **ITEMS FOR ACTION**

- 40 1. Acceptance of Audit Report:  
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42 See Audit Committee Meeting (Pages 2 and 3 of 7)  
43
- 44 2. Ratification of the 2009 Formula Revenue Requirement:

45 ***A motion was made by K. Wagner and duly seconded, that the Board ratify and***  
46 ***approve the filing of the 2009 Rate Rider as presented and reviewed by the Board at its' February***  
47 ***Board meeting. Motion carried without objection.***

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1 **REPORT OF BOARD COUNSEL**

2 J. Haswell prefaced his remarks with the caveat that he would not discuss matters of legal advice  
3 with the Board that would be privileged and confidential.

4 J. Haswell's update included: (1) Discussions with S. Newberry pertaining to the lawsuit filed just  
5 before the District 1 election; (2) Update on current bankruptcies that were filed; (3) Reported on new  
6 Legislative Bills that are currently being monitored by FECA/Statewide; (4) Update on the D'Asign Source  
7 mutual release issue; and (5) Discussions with FKEC's Member Service Representatives on various  
8 issues.

9 J. Haswell reported on his routine work, including capital credit matters, on behalf of FKEC.

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11 **UNFINISHED BUSINESS**

12 None

13 **NEW BUSINESS**

14 **ANNUAL MEETING**

15 S. Newberry reported this year; FKEC is holding its 68<sup>th</sup> Annual Meeting. FKEC's Annual Meeting  
16 offers members a chance to learn about the Cooperative's progress and future plans. This year's meeting  
17 date is Saturday, April 18<sup>th</sup>, and will again be held in conjunction with the Sun 103.1 Kids Show, making it  
18 a day the whole family can enjoy. The day's events will be held at the Coral Shores High School on  
19 Plantation Key. The Kids Show, which opens at 10:00 a.m., will be in the high school's gymnasium and  
20 will feature booths with interactive, creative and educational products all geared to parents and children  
21 ages 1 through 14. FKEC Registration begins at 11:00 a.m.; an entertaining pre-show by humorous  
22 motivational speaker Bill Chitwood will begin approximately at 12:15 p.m. in the school's auditorium  
23 followed by the Annual Meeting at 1:00 p.m. The Annual Meeting will be followed by FKEC's annual prize  
24 raffle for home electronics and appliances.

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26 **NOMINATING COMMITTEE**

27 J. Boilini accepted the President's appointment to be chairman of the Nominating Committee for  
28 the Election of Officers having C. Belcher and H. B. Barrett assisting.

29

1 **OTHER BUSINESS**

2 None

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4 **ANNOUNCEMENTS**

5 The April Regular Board Meeting will be held on Monday, April 27, 2009 at 1:00 p.m.

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7 **ADJOURNMENT**

8 The meeting was adjourned at 3:25 p.m.

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David C. Ritz, President

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Michael H. Puto, Secretary