

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 FRIDAY, MAY 22, 2009 PURSUANT TO NOTICE

President Ritz called the meeting to order at 8:00 a.m.

The following directors were present:

H. B. Barrett
Craig Belcher (arrived at 8:12 a.m.)
James J. Boilini
Frank N. Hawkins, Jr., Treasurer (via teleconferencing)
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:

None

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 President Ritz asked if there were any corrections to the minutes of the Regular Board Meeting,
3 held on April 27, 2009, which were previously provided to each Director, and hearing none, the minutes
4 were approved.

5

6 **INTRODUCTION AND COMMENTS BY MEMBERS AND GUESTS**

7 None

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9 **TARGETED GOALS OF CHIEF EXECUTIVE OFFICER**

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

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

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14 **COMMITTEE MEETINGS**

15 FECA / Statewide

16 C. Belcher presented a brief Statewide update: (1) Reported on the "Our Energy, Our Future"
17 campaign and website which encourages the consumer to contact their elected officials about the need to
18 keep electric bills affordable; (2) Reported on the Waxman-Markley Bill and it's proposed greenhouse gas
19 allowance allocation, noting that the cap and trade provisions apparently have just been solidified; and (3)
20 Reported that the next FECA / Statewide meeting will be held on Thursday, June 4, 2009 in which
21 S. Newberry, G. Holland and C. Belcher will attend.

22

23 **EXECUTIVE SESSION REPORT**

24 President Ritz reported that there had not been an Executive Session held since last month's
25 report.

26

27 **MONTHLY REPORTS**

28 S. Newberry's report covered the routine monthly topics and also included the following:
29

- 1 1. Reported that there were no transmission or distribution feeder outages in the month of April.
- 2
- 3 2. The year-to-date average outage out number for April is 46.39 minutes. The rolling 12 month
- 4 number is 1.24 hours.
- 5
- 6 3. The demolition of the old operations building is complete. Site work is well underway. The
- 7 employee parking area and front gate/driveway should be complete by the end of May.
- 8
- 9 4. Osmose has completed inspection of 3091 poles for this year. FKEC has 266 (8.6%) reject
- 10 poles, with 144 (4.7%) restorable rejects and 122 (3.9%) non-restorable rejects. FKEC plans
- 11 to C-Truss the restorable rejects and will commence with processing unit price bid packages
- 12 for pole change out on approximately 89 poles.
- 13
- 14 5. On the safety side of things, there were no lost time accidents reported during the month of
- 15 April.
- 16
- 17 6. Reported on the Marathon Solar Array Production as well as the Crawl Key Solar Array
- 18 Production for the month of April.
- 19
- 20 7. The new SCADA system installed and working. The outage management system is handling
- 21 all outage calls.
- 22
- 23 8. C. Beaty presented the monthly financial and statistical reports. A question and answer
- 24 session followed.
- 25
- 26 9. The FPL bill and billing summary for last month has been included for the director's
- 27 information. There was a negative \$315,014 fuel adjustment true up for the month.
- 28
- 29 10. In the monthly Rate Comparison, FKEC is in the number ninth position; FKEC came in
- 30 sixteenth in the 12 month rolling average with a cost of \$136.14.
- 31
- 32 11. On the SCADA bar graph, FKEC shows a peak on April 6th at 5:30 p.m. at 122.89 MW.
- 33
- 34 12. The Energy Report was provided to the directors for their information. A question and answer
- 35 session followed.
- 36
- 37 13. On the Unsolicited Breaker Operation Report, FKEC had a total of 6 operations for the month
- 38 of April.
- 39
- 40 14. On the Service Order Report, FKEC completed 1321 service orders for the month of April
- 41 with 177 account transfers.
- 42
- 43 15. Safety meetings were held this month on May 6th, 7th, and 8th in Tavernier and Marathon,
- 44 respectively.
- 45
- 46 16. The Workers' Compensation report indicates zero lost-time injuries for the month of April.
- 47
- 48 17. The May Staff Meeting agenda was provided to the directors for their information.
- 49
- 50 18. A copy of a Public Education Program report, submitted by Sara Hamilton, was provided to
- 51 the Board for their information. Sara presented information on Going Green in the
- 52 Classroom to formal and informal educators at the Florida Marine Science Educators
- 53 Association (FMSEA) Annual Conference in Sarasota, Florida. Her presentation focused on
- 54 getting students involved in the Green Movement. She provided educators with energy
- 55 saving information and ideas for their classrooms and facilities. She shared photos and
- 56 information on the steps FKEC has taken in going green, through both the building

1 construction, as well as the solar arrays. Her presentation was streamlined on the web and
 2 links to the online presentation were sent to the 500 members of FMSEA, as well as
 3 thousands of additional educators through the National Marine Educators Association and
 4 the National Science Teachers Association. Sara notes that she was asked to present this
 5 program again at the National Science Teachers Association conference in Ft. Lauderdale,
 6 FL this November.

- 7
- 8 19. A copy of April's Consumer Price Index (CPI) was provided to the Board for their information.
- 9
- 10 20. A copy of Keys Energy Services Utility Board Meeting Minutes (April 22, 2009) were
 11 provided to the directors for their information.
- 12
- 13 21. The approved April minutes from the FKEC Members Charitable Trust (Operation Round-
 14 Up®) were provided to the directors along with a copy of the accompanying financial reports.
- 15
- 16 22. A copy of the Construction Work in Progress summary was provided to the Board for their
 17 information.
- 18
- 19

20 **ITEMS FOR ACTION**

21 None

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23 **REPORT OF BOARD COUNSEL**

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

26 J. Haswell's update included: (1) Update on bankruptcy cases; (2) Update on current deposits; (3)
 27 Reported on worker's compensation litigation; (4) Update on the FPL rate increase and hearing dates
 28 issue; (5) Update on the D'Asign Source mutual release agreement; (6) Discussions and review of
 29 contract for truck auction; (7) Reported on new Legislative Bills that are currently being monitored by
 30 FECA/Statewide; (8) Update on new IRS rulings pertaining to capital credits; (9) Reported on pole
 31 attachment issues; (10) Discussions with S. Newberry and R. Callahan Newman pertaining to the final
 32 PURPA proposal; and (11) Discussions with FKEC's Member Service Representatives on various issues.

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

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35 **UNFINISHED BUSINESS**

36 None

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1 **NEW BUSINESS**

2 S. Newberry reported that the employee parking area and front gate / driveway should be
3 complete by the end of May. At this time, S. Newberry requested permission from the Board of Directors
4 to pave the employee parking area with 2 inch thick asphalt versus applying pea rock. Discussion
5 ensued; it was determined by the Board of Directors to have S. Newberry proceed with the paving of the
6 employee parking area and front gate driveway.

7 Next, it was the consensus of the Board to hold a Grand Opening / Open House of the new storm
8 hardened Tavernier Operations Center on Friday, June 19, 2009. All members and guests will be
9 welcome to tour the facility and enjoy free hamburgers and hot dogs any time between 10:00 a.m. – 7:00
10 p.m.

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13 **OTHER BUSINESS**

14 None

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16 **ANNOUNCEMENTS**

17 The June Regular Board Meeting will be held on Monday, June 29, 2009 at 1:00 p.m.

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19 **ADJOURNMENT**

20 The meeting was adjourned at 10:22 a.m.

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30 David C. Ritz, President

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Michael H. Puto, Secretary