

*\*Due to technical difficulty with the equipment there is no audio\**

MINUTES FROM A REGULAR MEETING OF THE UTILITY BOARD OF  
THE CITY OF KEY WEST, FLORIDA,  
HELD AT 5:00 P.M. ON WEDNESDAY, JULY 12, 2017  
KEYS ENERGY SERVICES BOARD ROOM  
1001ES STREET, KEY WEST, FLORIDA

The Minutes below are in DRAFT Format & will be Approved at the next regularly scheduled Utility Board Meeting and will be reposted at that time.

1. Pledge of Allegiance
2. Invocation
3. Mission and Vision
4. Roll Call

**Present:** Mr. Charlie Bradford, Ms. Mona Clark, Mr. Timothy Root, Mr. Steven Wells, Chairman Peter Batty.

**Also present at the meeting:**

Lynne Tejeda, General Manager & CEO; Nathan Eden, Utility Board Attorney; Dale Finigan, Engineering & Control Center Director; Dan Sabino, Generation Director; Fred Culpepper, Transmission & Distribution Director; Julio Torrado, HR & Communications Director; Erica Zarate, Customer Services Director and Stan Rząd, Compliance Administrator.

5. Set Agenda

6. Recognition and Presentation:

- a) KEYS Organizational Structure Analysis – Baker Tilly Virchow Krause, LLP  
Mrs. Tejeda stated that on February 8, 2017, the Board approved hiring Baker Tilly Virchow Krause, LLP to complete an Organizational Structure Analysis of Keys Energy Services. Since then Baker Tilly completed a thorough analysis of KEYS positions functions, functional needs and functional relationships. KEYS was provided with a report and recommendations, which is included in the Board packet along with Managements response to the recommendations.

Mrs. Tejeda stated that later in the meeting staff will ask the Board to expand Baker Tilly Virchow Krause, LLP, scope to include an update of job descriptions for all existing positions and create job descriptions for the new positions. Also, to complete a compensation analysis which be the next step to implementing

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many of the recommendations.

Mrs. Tejada introduced Ms. Caitlin Humrickhouse and Mr. Brian Kim with Baker Tilly Virchow Krause, LLP to provide their report. (A copy of the power point presentation is available upon request)

During the presentation, Mr. Bradford and Chairman Batty indicated their desire to move forward with the Energy Advisor position in the near future rather than waiting two to three years. Additionally, Mr. Wells, Mr. Bradford and Chairman Batty, indicated their strong desire to move forward with Generation staffing improvements in order to ensure reliability of the generating units.

b) State of Florida Municipal Power Agency – Jacob Williams

Mrs. Tejada introduced Mr. Jacob Williams, Florida Municipal Power Agency (FMPA) General Manager & CEO. She said that one of Mr. Williams goals is to visit each of the All Requirements Projects (ARP) cities twice a year. This is Mr. Williams second visit to Key West since he started with FMPA in September 2017.

Mr. Williams informed the Board that earlier today KEYS Stock Island Generation Facility received the Highly Protected Risk (HPR) Award, which is given to FM Global clients that achieve the highest level of risk protection. The award is based off the completion of FM Global recommendations and other risk mitigation measures. Currently all FMPA Generating Stations are considered Highly Protected Risk facilities.

Mr. Williams then provided the Board with a power point presentation. (A copy of the power point presentation is available upon request)

7. Informational Items

a) Power Supply Report – June 2017 - Mrs. Tejada informed the Board that the Power Supply Report is included in the Utility Board Packet and staff is prepared to answer any questions they may have. There were none.

b) Generation Report – June 2017 - Mrs. Tejada informed the Board that the Generation Report is included in the Utility Board Packet and staff is prepared to answer any questions they may have. There were none.

c) Financial and Operational Indicators – May 2017 - Mrs. Tejada informed the Board that the Financial and Operational Indicators are included in the Utility Board Packet and staff is prepared to answer any questions they may have. There were none.

d) Quarterly Safety Report - Mrs. Tejada informed the Board that the Quarterly Safety Report is included in the Utility Board Packet and staff is prepared to answer any questions they may have. There were none.

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- e) Power Cost Adjustment (PCA) Update – Mrs. Tejada informed the Board that as discussed at the last Utility Board meeting, customers will see a four-percent increase this month on their energy bills, as a result of increased energy costs.

Mrs. Tejada said a press release regarding the increase was distributed Monday and it resulted in a front page article in the Key West Citizen on Tuesday.

- f) Keys Energy Services Conservation Calendars – Mrs. Tejada stated that the 2017-2018 Academic Calendar is now available and currently being distributed to schools and is available in the Service Building Lobby.
- g) Cost of Service Utility Board Workshop – Mrs. Tejada stated that all the material was not covered at the June 28<sup>th</sup> Cost of Service Workshop and a second workshop will be held on August 2<sup>nd</sup> at 9:30 a.m. New Gen will be present and have their model available to run several scenarios for the Board.

#### 8. Consent Agenda\*

- a) Approve Minutes – Regular Utility Board Meeting – June 28, 2017
- b) Request for Excused Absence for Timothy Root from the June 28, 2017 Regular Utility Board Meeting
- c) Approve Disbursements Report
- d) Award Sole Source Unit Purchase of Programmable Meters

**Motion:** To Approve Consent Agenda, **Moved by** Mr. Wells, **Seconded by** Ms. Clark. Motion passed unanimously.

#### 9. Action Items

- a) Approve Change Order #1 to Baker Tilly Virchow Krause, LLP, for Job Description Development and Compensation Analysis

Mrs. Tejada stated that staff initiated the change order before the Board and is asking Baker Tilly Virchow Krause, LLP, to add two task to their original scope. The first is to update and create job descriptions. Mrs. Tejada said it has been over two decades since KEYS job descriptions were professionally reviewed and updated. Additionally, the organizational study recommended several new positions, which job descriptions need to be created. Mrs. Tejada said it is staff's goal to have job descriptions that are consistent, cover the duties, qualifications and address labor law concerns. It is anticipated that the 89 job descriptions will be developed at a price of \$322 each for an estimated amount of \$28,658.00.

The second task is a compensation analysis. Mrs. Tejada said Baker Tilly Virchow Krause, LLP, will conduct a compensation analysis for each position and will include use of regional and industry data on like jobs as well as comparisons to peer groups. Baker Tilly Virchow Krause, LLP, will recommend a compensation structure with market ranges and provide an implementation plan for adjustments. KEYS last compensation study was about ten years ago. Mrs. Tejada stated that with the new

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positions and upcoming union negotiations the compensation study is needed. The Compensation Analysis and Travel Costs are for a not-to-exceed cost of \$35,825 for a total estimated cost of \$64,483.

**Motion:** To approve Change Order #1 to Purchase Order #17-0474 For Baker Tilly Virchow Krause for Job Description Development at the attached unit prices for an estimated cost of \$28,658 and for Compensation Analysis and Travel Costs for a Not-to-Exceed cost of \$35,825 for a total estimated cost of \$64,483, **Moved by** Mr. Bradford, **Seconded by** Mr. Wells.

**Vote:** Motion carried by unanimous roll call vote (**summary:** Yes = 5).

**Yes:** Mr. Charlie Bradford, Ms. Mona Clark, Mr. Timothy Root, Mr. Steven Wells, Chairman Peter Batty.

10. Public Input/ Other Business

11. Adjournment

**Motion:** To Adjourn the Regular Utility Board Meeting of July 12, 2017, at 6:17 p.m., **Moved by** Chairman Batty.

APPROVE:

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Peter Batty, Chairman

ATTEST:

\_\_\_\_\_  
Lynne E. Tejeda, General Manager & CEO

/ed