

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY HELD
WEDNESDAY, OCTOBER 26, 1994, AT 6:00 PM, BOARD ROOM, ADMINISTRATION
BUILDING, 1701 WEST CARROLL STREET, KISSIMMEE, FLORIDA

Present at the meeting were Chairman Gant, Vice-Chairman Walter, Secretary Bobroff, Assistant Secretary Lowenstein, Director Guthrie, Mayor Pollet, Attorney Brinson, President & General Manager Welsh, and Recording Secretary Rundio.

A. MEETING CALLED TO ORDER at 6:00 PM by Acting Chairman Gant.

1. OATH OF OFFICE - KENNETH B. GUTHRIE

Mr. Ken Guthrie took the Oath of Office pledge from KUA Attorney Edward Brinson following his appointment by the City Commission for a five-year term, effective October 1, 1994. (Copy of signed pledge attached to Minutes.) Acting Chairman Gant and the members congratulated and welcomed Director Guthrie to the Board of Directors.

2. ELECTION OF OFFICERS

Following the expiration on September 30, 1994 of Chairman Richard L. Hord's term of office, his replacement was chosen.

Director Bobroff nominated Dr. George Gant as Chairman. He felt Dr. Gant was the most qualified who has been connected with the electric system longer than anyone else in the room and he has devoted a great deal of effort to make the electric system a good system while it was with the City of Kissimmee and an even better system as KUA.

Nomination by Director Bobroff to appoint Vice-Chairman Gant as Chairman. Seconded by Director Guthrie.

There were no other nominations for Chairman.

Vice-Chairman Gant said that he would entertain a motion that the nomination for Chairman be closed. Seconded by Director Lowenstein.

Motion carried 5 - 0

The Chairman directed the Secretary to pass a unanimous vote for the single nominee for Chairman, Vice-Chairman George Gant.

Chairman Gant said he appreciated being chosen Chairman and he affirmed he would run the meetings to the best of his ability.

Nomination by Director Lowenstein that the position of Vice-Chairman be given to Director Larry Walter. Seconded by Director Guthrie.

Director Lowenstein moved that the nominations for Vice-Chairman cease. Seconded by Director Guthrie.

Motion carried 5 - 0

Chairman Gant directed Secretary Bobroff to close the unanimous ballot for the one nominee, Director Walter, for Vice-Chairman.

Motion by Director Lowenstein that the office of Secretary be retained by Director Bobroff. Seconded by Director Walter.

Motion carried 5 - 0

Motion by Director Bobroff that the office of Assistant Secretary be retained by Director Lowenstein. Seconded by Director Walter.

Motion carried 5 - 0

B. AWARDS AND PRESENTATIONS

1. 20-YEAR SERVICE AWARD - TOMMY THOMASON

Tommy Thomason, Electrician, was unable to be present to accept his award from the Board; however, his Supervisor Dave McGinty will present it to him at a later time.

2. 15-YEAR SERVICE AWARD - T.J. PALMER

T.J. Palmer joined KUA 15 years ago on October 15, 1979 and has contributed very significantly at the Power Plant. He is on the maintenance crew and has been chosen Employee of the Year in 1989. He is very straightforward and is always willing to assist others. T.J. was congratulated by the members and accepted a knife as his service award.

3. 10-YEAR SERVICE AWARD - JOHNNIE BENN

4. 10-YEAR SERVICE AWARD - CAROLE MORGRET

Johnnie Benn and "C.J." Morgret have given much of themselves in Customer Service aiding our customers with whatever services they required. Johnnie recently transferred to Credit & Collections Department dealing with customers who have special payment needs. C.J. moved to the Billing Section in 1989 and helps process about 45,000 bills a month. Both Johnnie and C.J. were thanked for their contributions to this organization and to our customers. Johnnie was presented with a clock and C.J. with a 7-piece beverage set. The Board offered their best wishes to each.

The following employees were called forward at one time and Mr. Welsh stated that normally employees are given personalized treatment and he briefly highlighted their services at KUA.

5. 5-YEAR SERVICE AWARD - ALAN BURKHARDT

6. 5-YEAR SERVICE AWARD - MARTHA CARROLL

7. 5-YEAR SERVICE AWARD - LARRY CROUCH

8. 5-YEAR SERVICE AWARD - STEVE DEESE

9. 5-YEAR SERVICE AWARD - CATHY MICKEL

10. 5-YEAR SERVICE AWARD - BRUCE THOMPSON

11. 5-YEAR SERVICE AWARD - PETE VALDELLON

Martha Carroll joined KUA in November 1985 as a Customer Service Rep for 2½ years and then briefly left KUA. She was rehired in October of 1989 as Clerical Assistant II. She works in the Support Services Division and is an alternate on the Employees Organization Committee.

Cathy Mickel's career with KUA lines up with Martha's. She had left the City in November, 1987 to work in her husband's business and was rehired by KUA in October, 1989. Cathy has received many letters of commendation from customers and has been selected Employee of the Month and Employee of the Year in 1992.

Alan Burkhardt came on board as Groundman and now works with the Line Crews in T&D. He is detail-oriented in dealing with troubleshooting, has good work habits and has attended several electronics classes to heighten his job skills. Alan has been contributing very significantly and is well liked by others.

Bruce Thompson started here in 1986 as Groundman. He had resigned and joined the Sheriff's Department but returned to KUA in October, 1989. A month later he was promoted to Apprentice Lineman. He is a diligent worker and has proven himself as a competent team player.

Larry Crouch was initiated as a Meter Reader Trainee in October, 1989 and became Meter Reader in 1990. He was Employee of the Month in May, 1993 and promoted to Field Service Specialist in August, 1994.

Steve Deese was initially a Meter Reader Trainee in October, 1989 and moved up to Meter Reader shortly thereafter. Steve was October, 1991 Employee of the Month and is presently a Field Service Specialist in the Customer Relations Department.

Pete Valdellon, KUA's Manager of Internal Audit, is doing a great and valued service to this organization. He was responsible for starting the monthly Luncheon Seminars at KUA several years ago, with numerous in-house speakers giving presentations. Pete assists our external auditors, Coopers & Lybrand, in their yearly audit of KUA and is responsible for conducting internal audits within our departments. Pete has a very pleasant disposition and is respected throughout KUA. Mr. Welsh referred to him as being the extra set of "eyes and ears of management" and also called his function as a continual self-evaluation in keeping us on our toes, so to speak.

Mr. Welsh thanked each of the above-noted employees. Chairman Gant and the members congratulated them individually and each was presented with a service award.

The following five employees were unable to attend tonight's meeting and they will be presented their award by their respective Supervisors or Department Directors at a later time. All are congratulated for their contributions to KUA.

9. 5-YEAR SERVICE AWARD - STANLEY DELONJAY
10. 5-YEAR SERVICE AWARD - SCOTT FERGUSON
12. 5-YEAR SERVICE AWARD - WAVERLY PADGETT
14. 5-YEAR SERVICE AWARD - DEBRA WHITE
15. 5-YEAR SERVICE AWARD - TONY WILSON
17. EMPLOYEE OF THE MONTH - RICHARD MEAD

Mr. Welsh stated this was a very special award, being nominated Employee of the Month by fellow employees. The nominees are reviewed and selected by the Employees Organization Committee. He noted that Richard Mead, Accountant, came on board in January, 1994. This is a significant time because we just brought on line a program that is very key and critical in which he was involved. This is the new Work Order System with its associated software which is extremely complicated. Other departments are also greatly involved in this System. It will bring much more accuracy to our jobs and accounting system and facilitate our operations and management. It's a difficult process which changes every aspect of our operations. Richard has been in the focus of this system which became operational on October 1st. Mr. Welsh stated that he couldn't think of a better person for it to happen to or for a more fitting time to happen. He thanked Richard for his contributions and additional time spent in accomplishing this system.

Richard was congratulated on this honor and presented with a plaque and a \$50 check. He will also receive a day off with pay and a reserved parking space for November.

C. HEAR THE AUDIENCE - There was no response.

D. PUBLIC HEARING - None

E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)

1. MONTHLY CONSTRUCTION PROGRESS REPORT OF CANE ISLAND PROJECT

Mr. Greg Harrington, KUA's Owner's Rep, gave a detailed presentation, via visual aids, of our gas metering station and its location, as well as the emissions monitoring testing.

We are scheduled for commercial operation on November 1st.

Black & Veatch will be testing the noise level at Cane Island due to several complaints voiced a while back by local citizens. Staff ascertained the noise level was not that significant and we are within and have passed the decibel rating requirements. Some noise is heard due to prevailing winds on occasion.

Mr. Harrington noted that the firm OHM presented their proposal for doing the contamination assessment report on the oil spill, addressed at an earlier meeting. We are under budget and their proposal is being reviewed for a subsequent presentation to the Board.

Mr. Welsh responded to Director Bobroff's question on gas transportation. He said that our pipe is connected to the main pipeline and the capacity of that is taken up in terms of firm transportation. It is being expanded and that expansion is targeted to be done in January, possibly later. We can purchase gas from it if its available on a spot purchase basis, but it will not be firm guaranteed transportation until the expansion is complete.

Mr. Harrington also stated that we do have insurance coverage on Unit 1.

A brief video was shown on Unit 2 with an update report. No major changes have taken place since the last meeting and percentages of completion were noted.

Mr. Harrington stated that at this point we are negotiating a claim submitted last month by Frucon. Last month we met with Frucon and Black & Veatch (B&V) and KUA upper management twice. It was agreed upon that Black & Veatch and Frucon would pick one non-partisan member of the company and come to Cane Island to negotiate among themselves and to come up with an equitable arrangement for proceeding with the work. This was done. B&V sent a Project Specialist for an October 3rd meeting to discuss the claim, and an analysis was received which is being evaluated. At yesterday's meeting a request was made of B&V and Frucon for more procedure by both before we could present a resolution to the claim.

F. OLD BUSINESS

1. ALTERNATIVE INVESTMENTS OF DEBT SERVICE FUNDS

At a previous meeting, the Board gave approval to go out for some non-binding proposals to give us some direction of the market.

Joe Hostetler, Director of Finance, addressed what was discussed at

the August meeting. He summarized the process he goes through in investing our monies and what interest rates we receive on it. Accounting entries are made on our books to satisfy the bond covenant, which requires these funds be segregated. Instead of leaving the money in the SBA (State Board of Administration), he would wire money to a third party (one of the six noted in the Agenda Item). In turn they would wire securities or treasury bills to a third party or trust bank to avoid any loss of funds. Those investments would mature on the next principal and interest payment. They are betting that the interest rate will increase to the point where they will make a profit. They are contracting with still another party to guarantee that the rate offered us will be offered to them.

Mr. Hostetler showed, via overheads, the results of the RFQ (Request For Quotes) process. He highlighted comparisons for a 3, 5 and 7 year term for the 1987 bonds. He explained the percentages and savings available. Mr. Hostetler said he was more comfortable going on a three-year term than going out farther because the interest rates can move out more in a longer period of time. Brief questions by the Board were responded to by Staff.

Mr. Hostetler recommended that we go out and possibly price this and see what we do receive. Discussion followed. The interest rate monies could be spent however way we want because all the other bond covenants are satisfied.

Director Lowenstein was concerned about our locking ourselves in for a three-year period and a specific amount.

Mr. Craig Dunlap, Evensen Dodge, Inc. of Orlando, briefly addressed this by saying that we could go shorter than three years, but he questioned the economics of the transaction.

Mr. Hostetler requested the authority to go ahead, if we deem it in the best interests of KUA to do it or to contract on the day that we get the quotes, because the market moves so fast they will not guarantee it for more than several hours.

Mr. Welsh stated that a judgment must be made when the quotes are received. Are they high enough to justify locking yourself in for three years and guaranteeing you that interest. They can make money and we can make money at the same time. The higher interest rates offered is that they may bet the interest rates will go up, which cannot be predicted. Another way they make money where we both win is they are more efficient in their investment practices and have the staff to do it. Mr. Hostetler said he lacks the staff and time to work this during the five months he has in which to invest our funds.

Director Lowenstein asked what kind of guarantee we would receive from this. Mr. Hostetler stated this would be done by a wire transfer within several hours. Director Lowenstein asked that in order to gain \$240,000 how much do we have to invest? Mr. Hostetler said it's on a present value basis. Our current deposit is around \$800,000 to \$900,000 per month being paid as debt service every year. Discussion continued.

Bill Jahnes, Merrill-Lynch, responded to a question by Director Lowenstein, that being, "Assuming you were chosen to be the representative company, would you feel comfortable with doing this?" Mr. Jahnes said he would be comfortable because what they would be giving us in return for our money would be treasury bills, basically, that would come due the day before the interest payment date so you would have cash

to pay your debt service. What generates the yields above the 4.19% is a certainty of cash flows in the future; they know for the next three years they'll receive this money from Mr. Hostetler to invest. He elaborated on the process and answered additional questions. Discussion followed.

Mr. Jahnes said we should make sure that when Mr. Hostetler wires the money, that it's in a process known as "delivery versus payment", a simultaneous transaction--you get the bills back on the other side and they mature on or before the interest payment date involved. This ensures security.

Director Walter moved to accept Staff's recommendation to the proposers outlined in the agenda item, with the term being the shorter of three years or the next call date and we do not select the up front payment option. In addition, in conjunction with our Financial Advisor, to decide whether it is in the best interest of KUA, and if so to allow the President & General Manager to award the contract. The decision to award the contract must be made the same day as the RFP's (Request For Proposals) are due. Seconded by Director Lowenstein.

Director Walter stated that Mr. Hostetler, given enough time, could do just as well. We're in business as a utility and if we invest money we should get professionals to invest it for us. He agreed on the short term.

In response to Director Lowenstein, Mr. Dunlap replied that if we go out for bids, those bids would be good for 15-30 minutes. Their traders are going to hedge their bets and must execute the transaction immediately and will want to know right away if the award is made.

Chairman Gant said what he heard is that we would enter into a program for three years, then we would sit down again and decide that we want to continue with the program but with new interest rates. Mr. Dunlap confirmed that. Chairman Gant reiterated that we would be committing ourselves to deposit from these funds into that account up until that third year.

Motion carried 5 - 0

G. NEW BUSINESS

1. SCHEDULING A PUBLIC HEARING DATE TO CONSIDER CERTAIN FEDERAL STANDARDS UNDER ENERGY POLICY ACT OF 1992

Staff asked the Board to schedule a Public Hearing tonight for sometime later in this fiscal year under the terms of the Energy Policy Act.

Mr. Ben Sharma, Director of Power Supply, stated that under this Act, the governing body should make the decision to consider certain parallel government standards related to electric rate making and also conservation issues. That has to be done within the next year prior to October 25, 1995. The decision to have the Public Hearing has to be done as of yesterday. At the Public Hearing meeting, the Board must decide whether the electric rates should be based on cost of service, not one customer subsidizing the other. He elaborated in more detail. He also said, and Staff agreed, that we would prepare details of each of these standards to be submitted to the Board which will be at a Public Hearing and recorded. Mr. Sharma stated that the purpose of today's agenda is to schedule a Public Hearing during the regular meeting on March 22, 1995. By that date we hope to compile the details for presentation.

Chairman Gant inquired if we should have a Special meeting with a workshop as he felt that with new Board members on board we might require additional time to go over this issue. Mr. Welsh suggested going with Mr. Sharma's recommendation; however, if it becomes too drawn-out, that a Special meeting be held. Chairman Gant stated that some details will be necessary for new members regarding these rates.

Director Lowenstein noted that this is government mandated and asked if a pamphlet was available for their perusal. Mr. Sharma stated he would make this available to them.

The Public Hearing would be advertised in the media to consider certain federal standards under the Energy Policy Act of 1992.

It was agreed to have this Public Hearing during the March 22, 1995 Regular meeting.

Motion by Director Lowenstein to accept Staff's recommendation for the Board to schedule a Public Hearing during its Regular meeting on March 22, 1995 to consider certain federal standards as required by the Energy Policy Act of 1992. Seconded by Director Walter.

Mr. Jim Scott, Buenaventura Lakes (BVL) asked if this was covered under the Load Management mandate.

Mr. Sharma stated that the federal rules and the Public Service Commission encourage Load Management, so we are already under compliance. Mr. Welsh noted that we are considering some changes to the Load Management and other rebate programs. Load Management will remain, but changes will be considered. He added that the whole rebate program may be restructured. Additional rebates may be offered to go along with other energy conservation. No specific amounts could be given to Mr. Scott at this time.

Mr. Sharma said the question is whether we should include Load Management or not. Mr. Welsh said, yes, we should have it on our system.

Motion carried 5 - 0

2. AWARD OF CONTRACT - API 653 ENGINEERING AND INSPECTION SERVICES, RFP #003-94

Mr. Welsh pulled this item from the Board's consideration. Additional information requires clarification and investigation and this would be brought back to the Board next month.

H. STAFF REPORTS

Chairman Gant briefed the two new Board members of the procedure under Staff Reports. If the reports are accepted as written, no discussion was necessary. Questions are welcomed.

1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

The report was accepted as submitted in the Agenda Item.

2. CONDENSED FINANCIAL REPORT - SEPTEMBER, 1994

Finance Director Joe Hostetler stated that we had a good month. He highlighted his usual comparison of budget and actual figures, giving explanations where necessary.

He said we ended un 4.8% above the projected sales. Dollarwise, reinvested earnings are \$815,000 and for the year \$5.5 million. This is close to 8 or 9%. All the entry figures have not been done yet, but he is close to this \$5.5 million right now.

At the June 1, 1994 Budget meeting, Staff had discussed with the Board changes in accounting for the combined cycle accrual where we were estimating an expense based on the number of hours they ran the combined cycle. This was recorded based on the usage versus based on cash payments. We switched to a cash basis method. Our external auditors wanted to discuss this in the near future to consider the effect of this.

We may recommend that we change that method and revert to the previous one. If we do, it may cause the net reinvested earnings to go down somewhat, perhaps in the range of \$1 million. It would be an accounting-type recognition of expense; it would not affect our cash basis at all. He was uncertain at this time if this would be done. There are some administrative problems in budgeting for that kind of process. Therefore, he recommended they stop doing that and he would take another look at it.

Director Guthrie questioned (3) on page 1, "Current month COPA is a debit (negative) as a result of the current month's billed energy cost exceeding the total actual energy costs", whether that would be an increase rather than a debit. Mr. Hostetler said it's a debit as to how we record revenues. On the COPA (Cost of Power Adjustment) sheet, we billed \$3.3 million but our actual energy costs are only \$2.6 million, so from recognizing COPA revenues its opposite of what it normally is because of the change from going from a positive to a negative on the balance sheet. It's a decrease in the revenue. Due to the big difference, it caused that fluctuation showing a negative.

Evaluation for the year is estimated to be about 4.8% to 5.0%.

3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

The report was accepted as included in the Agenda Item.

I. CONSENT AGENDA

Chairman Gant explained the nature of the Consent Agenda, that any item can be removed for discussion, otherwise when a motion is made and seconded it won't be in discussion.

Motion by Director Lowenstein to approve items 1, 2, 3 and 5 of the Consent Agenda. Item 4 was pulled by General Manager Welsh. Seconded by Director Walter.

- 1. APPROVAL OF MINUTES OF SEPTEMBER 28, 1994, REGULAR MEETING**
- 2. APPROVAL OF CHANGE ORDER TO METRIC CONSTRUCTORS' UNIT 1 GENERAL CONSTRUCTION CONTRACT**
- 3. APPROVAL OF CHANGE ORDER TO WESTINGHOUSES'S CONTRACT TO SUPPLY DISTRIBUTED CONTROL SYSTEM TO INCLUDE SPARE PARTS**
- 5. CHANGE ORDER TO POWER GENERATION TECHNOLOGIES' PERFORMANCE TESTING CONTRACT**

Motion carried 5 - 0

4. CHANGE ORDER TO BRADEN MANUFACTURING'S CONTRACT FOR FURNISHING HANSEL CC DAMPER/SILENCER

For the record, Mr. Welsh stated that a technical change was omitted from the recommendation which needs to be added to the recommendation, the phrase being:

"...and to authorize the transfer of this amount from the Reserve for Future Capital Outlay".

Moved by Director Lowenstein, seconded by Director Bobroff, to add the above phrase to the recommendation of item 4.

Motion carried 5 - 0

J. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh noted several items of interest. The first, a Proclamation to be given to former KUA Chairman, Richard L. Hord, by the City Commission at their meeting on Tuesday, November 1st, at 6:00 p.m. Members were invited to attend.

We have put out an RFP (Request for Proposal) for Supervisory Training Services. We received 10 very good proposals, five of which we interviewed. These were a consulting firm with professors from the University of Central Florida, Valencia College, Rollins College, Central Florida Tech, and Orlando College. Valencia so far offers the best program but several items still need to be clarified. Another presentation will be made here next Tuesday and a decision may be finalized to settle on Valencia.

General Manager Welsh stated we are working with the Florida League of Cities to rectify a situation brought to our partners, FMPA (Florida Municipal Power Agency) concerning Cane Island. They hired a consultant to review their risk management situation and he is advising them that one area they want to "beef up" is the area of liability.

KUA has been relying on our sovereign immunity statute for about \$200,000 in our risk management package. The consultant pointed out to FMPA and KUA that sovereign immunity can be eliminated by legislative action and it does not apply in federal courts. So, in discussions with FMPA as our partners we are contractually obligated to have them adequately covered. This may not be adequate enough and we are seeking additional coverage in terms of liability for all KUA, including Cane Island, and have it worded to cover our partners and FMPA will share in our cost on a prorated basis per what the contract states. This will probably be brought back to the Board at the November meeting. We are looking at \$24 million in coverage and a sandlot figure of a \$100,000 premium which at this time is unknown for certain. We are limited to our liability of \$200,000 due to sovereign immunity but that can be taken away by legislative action. It also does not hold in federal courts. We have \$1 million in coverage.

Attorney Brinson stated that one problem FMPA has is they deal in investor-owned utilities who they don't have the protection that sovereign immunity utilities have.

Mr. Welsh reminded the Board of the Quarter Century Club Dinner on Thursday evening, October 27th, at 6:30 p.m. at the Elks Club to honor employees with 25 years of service with KUA.

The Beaucroatic Bash has been rescheduled for Saturday at 9:00 a.m. at Denn John Ball Field. Everyone was asked to participate and cheer on the teams.

A reminder that the KUA employees will hold their Halloween Costume Extravaganza on Monday, October 31st.

Next month's Board meeting will be held early, on Wednesday, November 16th, at 6:00 p.m., due to the Thanksgiving holidays.

On Saturday, December 3rd, 6:00 to 10:00 p.m., we will have our annual holiday party to be held at the new Holiday Inn (formerly Larson's Lodge).

Mr. Welsh said that each year we have a KUA calendar and that this year Chris Gent, Communications Specialist, came up with a colorful and creative calendar. He had a contest for grades 3, 4 and 5 of local schools and the winners were awarded savings bonds. The top winner's poster became the cover of this year's KUA calendar. Mr. Gent was commended for his efforts on such a creative endeavor. Copies of the calendar were distributed to the members.

ATTORNEY - No comments

DIRECTORS

Director Lowenstein said something came to light tonight. That with the amount of money being invested on a daily/monthly basis and Joe Hostetler not having the time, he inquired about getting him an assistant to help in that and other areas.

Mr. Welsh stated that we, as do other organizations, continually ask ourselves whether its cost effective to do so, or can outside help be employed to make it a little more efficient. From the direction the Board's given Staff at this time it is the right time, but we're wanting to rightsize on the way up at all levels. In considering a new position, we examine if it's really needed and is it cost effective. We'll continue to examine this and keep them informed.

Director Lowenstein said his reason for commenting on that was because we're trying to make money on money.

Mr. Welsh stated that we do not have the level of activity to justify somebody full time in the investment arena.

Director Lowenstein suggested we keep this on the back burner for now and think about it.

Director Bobroff stated this was the beginning of his 10th and, unfortunately, his last year on the KUA Board. As he starts his tenth year and the other members carry on, the electric industry as we knew it when we started KUA is quickly dying and a new breed is coming in. New methods are coming in. New equipment. New philosophies. New regulations. New deregulations. So that, while we had a lot of excitement during the first nine years here, he felt that during the next 10 years it will be equally as exciting or even more so. It will be more challenging to the Board and to our management than they've ever faced.

The idea of competition with other utilities is going to be one of the difficult issues. It may not strike us right away but with the loosening of the territorial regulations, the ability of a firm which is not in the utility business to generate electricity will move on in at will. The ability of one electric utility company to move in on another

one's territory and steal customers, these are going to be problems that the Board will have to face and he will face for just one more year. It will be a challenging time. A wonderful time to be on the Board and be in management here if you're willing to accept the responsibilities. He said he has had nine good years. Sometimes he was in trouble, sometimes he wasn't, he joked. He hated to say he had to terminate at the end of this year because he's excited about the things he had mentioned but we have to continue to operate as a non-political business-oriented organization. He thinks if we take that attitude, even though we are a governmental agency and part of the City of Kissimmee, we can overcome most of the challenges. But the minute we get away from acting as business people, we can face multiple problems and, therefore, he urged the new members to his right and the old members surrounding him, to be ever watchful that KUA is a leader in public electric utilities. He thanked the Board for giving him nine years.

Director Guthrie said he's looking forward to working with the Board for the betterment of KUA and the City as well as all the Board members.

Chairman Gant thanked the members for electing him as Chairman.

K. ADJOURNMENT: Meeting adjourned at 7:55 p.m.


CHAIRMAN

ATTEST:


SECRETARY

OATH OF OFFICE

I, KENNETH B. GUTHRIE, do solemnly swear that I will support, protect and defend the Constitution and Government of the United States and the State of Florida against all enemies, domestic and foreign, and that I will bear true faith, loyalty and allegiance to the same; that I am entitled to hold office under the Constitution; that I will faithfully perform all the duties of the office of Director of the Kissimmee Utility Authority, on which I am about to enter. So help me God.

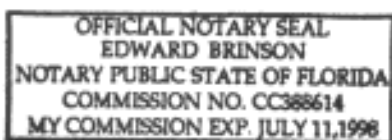
Kenneth B. Guthrie

KENNETH B. GUTHRIE

Sworn to and subscribed
before me this
26 day of Oct, 1994

Edward Brinson

Edward Brinson
Attorney for the
Kissimmee Utility Authority



Official Notary Seal

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