

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD WEDNESDAY, AUGUST 27, 1997 AT 6:00 PM, BRINSON BOARD ROOM, ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE, FLORIDA.

Present at the meeting were Vice-Chairman Walter, Secretary Guthrie, Director Ralston, Director Lowenstein, Mayor Attkisson, Attorney Brinson, General Manager Welsh, and Recording Secretary Fizer. Chairman Hord was absent.

A. MEETING CALLED TO ORDER at 6:00 PM by Vice-Chairman Walter.

B. AWARDS AND PRESENTATIONS

1. 20-YEAR SERVICE AWARD - EARL SWEENOR

General Manager Welsh said that the first order of business would be to recognize Earl Sweenor for 20 years of service with KUA. Mr. Sweenor began working for the City of Kissimmee in August 1977 as an Equipment Operator. Mr. Welsh noted that through several promotions, Mr. Sweenor became a System Load Dispatcher and was selected as Employee of Month in 1981. Mr. Sweenor was unable to attend the meeting and Mr. Welsh said his twenty year service award would be given to him later.

2. 20-YEAR SERVICE AWARD - SARAH TOMPKINS

General Manager Welsh presented Sarah Tompkins with a 20-year Service Award. He commented on Ms. Tompkins' abilities and dedication. Mr. Welsh reported that Ms. Tompkins started with KUA as a dispatcher/clerk on August 2, 1977, and she is working in the Marketing Department as a Customer Service Representative. Mr. Welsh noted that she is the "first woman to achieve 20 years with this utility" and he stated that he is hopeful that she will be a Quarter Century Club member in a few years. Mr. Welsh also noted that at one time Ms. Tompkins keyed in every utility bill that went out of Kissimmee Utility. She was introduced to the Board and was presented with a service award gift.

3. 5-YEAR SERVICE AWARD - CANDY LANCASTER

Candy Lancaster was asked to come forward and receive a 5-year service award. General Manager Welsh reported that Ms. Lancaster started with KUA in 1992 as a night AS400 operator and while in that position excelled in all functions of her job. Ms. Lancaster was promoted to an end-user support specialist in the Information Systems Department. Mr. Welsh explained how critical Ms. Lancaster's position is to all employees at KUA who work on the network and user systems. He personally thanked Ms. Lancaster and introduced her to the Board members. She was presented a service award gift by Vice-Chairman Walter.

4. EMPLOYEE OF THE MONTH - STAN DELONJAY

General Manager Welsh introduced Stanley Delonjay as Employee of the Month as selected by fellow employees. Mr. Welsh read comments from Mr. Delonjay's co-workers on

his dedication, professionalism and giving attitude. Mr. Welsh said that Mr. Delonjay has been with KUA for eight years. Mr. Delonjay was congratulated by Mr. Welsh and introduced to the Board members. Vice-Chairman Walter presented Mr. Delonjay with a plaque and Director Guthrie presented him with a \$50 check. It was also noted that the Employee of the Month will receive a day off with pay and a special parking space for the month.

5. FEMA ANNUAL SAFETY AWARDS

General Manager Welsh said there were two safety awards given by FMEA to KUA. The first one was for zero lost time in the Power Plants and related facilities. Vice-chairman Walter presented this award to Ben Sharma, Director of Power Supply. The second award for safety in Personnel, Administration, Directors Board, Engineering, Planning, Public Information and Purchasing, was presented to Ken Davis, Director of Engineering.

C. HEAR THE AUDIENCE

Richard Herring, of 514A Verona Street, Kissimmee, addressed the Board. Mr. Herring brought to the Board's attention the Line Extension Cost that was charged to Give Kids The World. He reported that 37% of the bill is for built-in overhead charges. Mr. Herring said with deregulation at least five years away, he did not know if KUA has the customer base to reduce the extension charges, but said "I encourage you to look very carefully at overhead charges." He thanked the Board for the opportunity to speak.

D. PUBLIC HEARING - None.

**E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)
None.**

F. OLD BUSINESS

1. PUBLIC SERVICE COMMISSION (PSC) REVIEW OF RATE CHANGE

Mr. Welsh noted that the Board has asked for a 2.5% across the board rate reduction. He said this has been discussed with the Public Service Commission staff which proposed some minor modifications that they suggested would be more in line. The Public Service Commission's suggestions only came to 2.3%, but the Finance Staff made a minor change to make up the full 2.5%. Joe Hostetler, Director of Finance, displayed a chart which detailed how the distribution will be made to KUA customers. General Manager Welsh said that staff's recommendation is to incorporate the Florida Public Service Commission's (FPSC) modifications and an additional change to the General Service Demand (GS) class. He said this additional adjustment will allow KUA to realize the full 2.5% rate reduction as intended.

Vice-Chairman Walter noted that this adjustment appears to be minor and asked for a motion.

Motion by Director Lowenstein, seconded by Director Ralston to accept staff's recommendation and incorporate the modifications by the PSC and staff.

Motion Carried 4-0

G. NEW BUSINESS - None.

H. STAFF REPORTS

1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS

General Manager Welsh noted that the engineering report is a written one and there would not be an oral presentation. There were no questions.

2. MONTHLY FINANCIAL REPORT - JULY 31, 1997

Joe Hostetler, Director of Finance, handed out books from Merrill Lynch showing results of the closing of the refinancing. Mr. Welsh noted the gross savings in KUA's debt service is \$6.3 million.

Mr. Hostetler reviewed the KUA financial results for July 1997. He noted that the budget was not made that month and that year-to-date KUA is about 8% below. He noted that the budget was aggressive and this year was only .6% above last year. Mr. Hostetler said the weather played a large part in the lower figures. He said savings in the operating departments more than compensated for the revenue shortages.

Vice-Chairman Walter requested that Mr. Hostetler do a comparison of 1996 and 1997 budgets to verify that the decrease in budget revenue is because of the weather. Walter commented that part of this decrease could be due to customers conserving energy and probably the bulk of it is weather related. He asked that a closer look be given to this situation.

Director Lowenstein noted that the Morning Minute employee telephone message indicates that KUA is using more megawatts than in the past and would like that researched as well.

Mayor Attkisson asked if temperatures would be compared to last year. General Manager Welsh replied that KUA would attempt to do comparisons of weather factors to customer usage.

3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS

General Manager Welsh indicated that a written power supply report was provided and that Ben Sharma, Director of Power Supply, was available for questions.

Director Lowenstein wanted to know if KUA has enough reserve and Mr. Sharma assured him that there is.

5. SELECTED DEPARTMENT HIGHLIGHTS - TRANSMISSION & DISTRIBUTION

Ken Lackey, Director of Transmission & Distribution, gave a slide show presentation highlighting the aerial equipment that is used in the day-to-day operations of T&D. He noted that the age of the equipment ranges from 1984 to 1992, and although some of them have many miles, they are serviced well and are in good working condition.

I. CONSENT AGENDA

Vice-Chairman Walter removed item 5 from the Consent Agenda.

Motion by Director Lowenstein, seconded by Secretary Guthrie, to approve the consent agenda except for item #5.

- 1. APPROVAL OF MINUTES OF JULY 23, 1997 REGULAR MEETING
- 2. PURCHASE OF PARTS FROM GENERAL ELECTRIC FOR CANE ISLAND UNIT 2
- 3. 3-YEAR REQUIREMENT FOR GENERAL OFFICE SUPPLIES-BID #Y7-160-RW
- 4. WIRE AND CABLE AWARD - BID #FMPA-97-004
- 6. REPAIRS AND RESTORATION OF UNIT 22 STEAM TURBINE - BID#020-97
- 7. 1998 FOURTH OF JULY SPONSORSHIP
- 8. CONTRACT FOR INTERCHANGE SERVICE BETWEEN KUA & NP ENERGY, INC.

Motion Carried 4-0

5. ☐ ☐☐ ☐ ☐ ☐ ☐☐ ☐☐ ☐☐☐ ☐
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Vice-Chairman Walter asked about item #5, the bids received for the painting of Cane Island Power Plant. He questioned the high and low bids, which appeared out of line with the others. General Manager Welsh said the bids were reviewed again and references were checked on the companies. The one that KUA chose checked out through their references. Jeff Ling, production manager of the power plants, said he had called some of the power plant managers who had used the low bidder and they were very well pleased with the quality of work. The Mayor agreed with the Vice-Chairman and said it is usually questionable when there is that much difference between the bids.

After discussion, motion by Director Lowenstein, seconded by Director Ralston, to approve item #5 on the consent agenda as listed.

Motion Carried 4-0

J. HEAR GENERAL MANAGER, ATTORNEY AND DIRECTORS GENERAL MANAGER - No comments.

ATTORNEY - No comments.

MAYOR ATTKISSON

The Mayor reported that he had gone to the League of Cities meeting and one of the issues discussed was deregulation. He said the group was very concerned with this issue and they support FMPA's views on deregulation.

DIRECTOR LOWENSTEIN - No comments.

DIRECTOR RALSTON - No comments.

DIRECTOR GUTHRIE

Director Guthrie reminded everyone that at the next meeting the General Manager's annual performance review will be discussed.

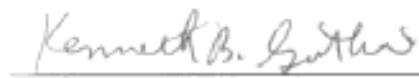
VICE-CHAIRMAN WALTER - No comments.

K. **ADJOURNMENT** - Meeting adjourned at 6:51 p.m.



CHAIRMAN

ATTEST:



SECRETARY