

MINUTES OF REGULAR MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD WEDNESDAY, DECEMBER 13, 1995 AT 6:00 PM, BOARD ROOM, ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE, FLORIDA

Present at the meeting were Chairman Gant, Vice-Chairman Walter, Secretary Lowenstein, Assistant Secretary Guthrie, Director Hord, Vice-Mayor Dorsett, Attorney Brinson, President and General Manager Welsh, and Recording Secretary Scott.

A. MEETING CALLED TO ORDER at 6:00 p.m. by Chairman Gant.

B. AWARDS AND PRESENTATIONS

1. COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AWARD FOR FY 94

Mr. Welsh said this was the eighth year in a row that KUA has won the Governmental Financial Officers Association Annual Award for our 1994 Comprehensive Annual Financial Report. He said that this is the highest form of recognition in the area of government accounting and financial reporting. This attainment is representative of all the hard work our whole finance and accounting department puts into developing our annual report. Ann Johnston, Manager of Accounting, accepted the award on behalf of the whole department. Mr. Welsh said this award is one that gets progressively more difficult to achieve each year. The members of the Board congratulated the staff on this accomplishment.

2. AWARD FOR ACHIEVEMENT - JONATHAN SCHAEFER

Mr. Welsh said this is a new award given for special achievement and this month we are awarding it to Jonathan Schaefer. He said that Jonathan had completed the thesis requirement in November and received his Master of Science Degree in Industrial Engineering. Chairman Gant presented Jonathan with a beautiful plaque to commemorate this accomplishment and the Board members joined Chairman Gant in congratulating Jonathan on having received his degree. Mr. Welsh commented that the plaque was made by burning the wood and that this is symbolic of the midnight oil Jonathan had burned to get this done. Jonathan thanked the Board and staff for having been given the opportunity to complete his degree here. He said that the last company where he had worked had an education assistance program that reimbursed 50% and that it is rare that a company would reimburse 100%. Jonathan said this was a wonderful benefit and that he appreciated it very much.

3. EMPLOYEE OF THE MONTH - DOUG TONER

Mr. Welsh said Doug was here for a very special award in that he has been selected as Employee of the Month. He said this award is given to someone who is spontaneously nominated by his fellow employees and chosen through the selection process. He said that 35 fellow employees put Doug's name in and wrote that in the past year Doug has learned an entirely new and different power plant and all its complex systems. Doug has mastered two new and completely different computer control systems and that he has complete confidence in everything he attempts. His reliability is demonstrated on a daily basis and that Doug has had a perfect attendance since 1990. Mr. Welsh said that we are proud of Doug

and that he would like to echo what his fellow employees have said about him.

Chairman Gant congratulated Doug and presented him with a beautiful plaque and Director Lowenstein gave him a savings bond. The other Board members joined them in congratulating him. Doug will receive a day off with pay and a special parking place for the month of January.

**C. HEAR THE AUDIENCE**

Mr. Tony Costanza of Buena Ventura Lakes said that now that KUA has reduced the rebate from \$15 to \$7.50 and now down to \$1.75 he requested that his computer be taken off his house.

Mr. Harry Robinson of Buena Ventura Lakes said he was the first one to sign up for the SAVE program and promoted the program to others in BVL. He said that when he found out it was being reduced to \$1.75, he resented it and felt he was misled. He said that he wanted to see something done in reinstating the rebate. He explained that he did not say anything at the time, but was not happy with the way the box was originally installed. He added he did not think the program was a benefit to anyone at \$1.75 and that he agreed with Mr. Costanza and did not want the box outside his house.

Chairman Gant said the program has the benefits we originally thought it had, except the financial application is not consistent with what our original rebate was. Chairman Gant said that if the decision is made to change the rebate, it would not be effective until October 1, 1996. He asked Mr. Robinson if he wanted to receive the current rebate until that time, or did he want the box removed at this time. Mr. Robinson said that when it was reduced to \$1.75, he wanted it taken out but he hoped we would rethink this.

Mr. Jim Scott of Buena Ventura Lakes said that he would like to have the wires disconnected. He said that he just had a climate control system installed so the box cannot be removed, but he does want the wires disconnected.

Chairman Gant said that this program may save everyone some money on the coldest day we have this winter. If we have severe weather and the system is restricted in some way, we may have to purchase power at a very expensive rate. The chance to use this system and avoid buying very expensive power to replace it is where this program will come in the best. Mr. Welsh added that there are a lot of systems where there is a high percentage of customers using load management and it is completely on a voluntary basis without a rebate.

**D. PUBLIC HEARING**

**E. INFORMATIONAL PRESENTATIONS (REQUIRING NO ACTION)****1. CHALLENGES OF COMPETITION**

Mr. Welsh said that Mr. Fred Bryant was scheduled to give this presentation tonight, however, his flight was canceled, he was unable to get a seat on a later flight and will not be here for the meeting. The presentation will be rescheduled.

**2. COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FY 95**

Mr. Welsh said that included in the Board's packets is the Comprehensive Annual Financial Report. He added that we are really proud because of the timing as it was completed in record time. He complimented the finance and accounting staff on this. He said that Mr. Joe Hostetler, Director of Finance, would start off this presentation.

Mr. Hostetler also thanked his staff for all the hard work during October and November in putting the numbers together in preparation for Coopers & Lybrand to come in and do their audit work.

He gave a brief overhead presentation on the revenue and expense sheets and the adjustments made. He commented on this year's numbers being the closest to what the final numbers had come in than any previous year.

Director Hord asked about the positive difference in the operating revenues of 1995 as compared with 1994. Mr. Hostetler explained that this was mainly due to the ECCR which was effective four months in 1994 and the whole year in 1995. It also consists of new revenues this year from the wheeling agreement with St. Cloud.

Mr. Hostetler introduced Mr. Jim Hanlon, an Audit Partner of Coopers & Lybrand. Mr. Hanlon covered some of the financial highlights of 1995 stating this was a great year in terms of the financial and audit department and everyone assisting in getting the audit done. This is the first year that we have not posted an audit adjustment and this is a tremendous complement to Mr. Hostetler and his staff.

Mr. Hanlon said that in terms of opinion, the audit was a clean unqualified opinion which is the highest opinion we can give. He said this means that the financial statements as you see them here are fairly stated in accordance with governmental accounting principles with no inconsistencies, any violations or compliance issues with laws and regulations.

Mr. Hanlon said this was a very strong year and without a rate increase the operating income was more than \$11 million and the debt coverage at 3.2. He said that Cane Island coming on line was a very commendable performance and that the accumulated reinvested earnings of over \$10 million was outstanding. He added that we were doing the right things such as the Board's decision to redesignate the bond proceeds. Effectively what this did was to take excess construction money, transfer those monies to the two fiscal years through 1997 to pay the interest on the debt service on Cane Island. This alleviates any kind of rate increase associated with the Cane Island Units coming into service.

Mr. Hanlon said the only changes in the footnotes were related to disclosure of the transfer agreements with Homestead and Lake Worth and the refinement of the Amtrak contingency based on the final report by the transportation board and additional clarification from the attorneys.

He reiterated what a great job had been done by the finance department's involvement. Pete Valdellon and his group did a great job in terms of the internal audit, and the assistance provided us. He concluded by stating this audit was the most efficient audit done to date.

Ms. Kathy Rismiller, Audit Manager with Coopers & Lybrand, walked through some of the recommendations made in the management letter. She said although we did not post any audit adjustments, there were some recommendations made which include a more detail review to ensure proper approvals on the voucher documents, the accrual of sales tax on inventory purchases when preparing some of the detail as items go into inventory, and additional security of the computer system. She added that some of the recommendations have already been implemented.

Ms. Rismiller said that based on Coopers & Lybrand's observances, KUA should also look into putting a system in place to improve the amount of time it takes Information Systems to address changes requested by users of the AS/400 system.

Director Lowenstein said that he felt the recommendations were good and should be implemented and asked Mr. Hanlon if we were doing everything in every aspect that other utilities are doing or if we needed to do more. Mr. Hanlon said that in terms of the internal control structure, he thought the authority is as noted here in good shape in financial and accounting controls. He said that he had talked to both Mr. Welsh and Mr. Hostetler regarding the strategic issues the authority is looking at in terms of competition and getting into some of the technological aspects of that such as automated meter reading, load management, a time-of-day pricing rate for customers. Mr. Hanlon said that management is focused and moving on this and that he encouraged them to proceed along that path.

### 3. FINAL REPORT BY BLACK & VEATCH ON CANE ISLAND PROJECT

Mr. Welsh said Cane Island became commercial in May of this year and of course with any big project of \$150 million plus, it goes on and on. There are a few things that still need to be wrapped up, but essentially 99.99% of that project has been completed.

Mr. Ben Sharma, Director of Power Supply, said we were at the podium approximately four years ago proposing this project and today Unit 2 is running at full capacity. He introduced Mr. Don Schultz, Partner-in-Charge of KUA's account, and Hobart Jacobs, the Project Manager for the Cane Island project, from Black & Veatch.

Mr. Schultz said he was happy to be here tonight to report on the final. He said the budget was originally \$162 million, in 1994 we reduced that to \$141 million, and the final numbers are not in but appear to be approximately \$120 million. Unit 1 was delayed about eight months due to licensing and the train accident. Unit 2 was put on a really aggressive schedule, but due to some licensing problems the decision was made to slow the schedule therefore some equipment was delivered later than scheduled. Even though the plants were late, KUA was not short of power since they made some plans early on when they saw the plant would be late.

He expressed the difficulty of getting licensing on this project that took approximately 16 months. Mr. Schultz said that some people in the state were saying we would not get it licensed, but we did and KUA staff was very helpful in this process.

Mr. Schultz said a few items were open such as the operating permit to be obtained in October 1996 at the latest, credits for the land, and a few contracts that were not closed out. We are retaining the money owed until such time the necessary documentation is received. He said we also have a few performance issues with a couple of contractors to negotiate.

He thanked the Board and the staff for their patience and helpfulness during this project, especially through the licensing and the bid protests.

Director Hord asked what significant things were contributable to the project coming in so much below budget. Mr. Schultz said it was mainly due to the prices of equipment, some big capital items, going down in cost at the time it was going out for bid.

Mr. Welsh complimented the whole team on the success of this project and said that there was a very important member of the team in the audience, Mr. Claud L=Engle representing FMPA. Mr. Welsh thanked Mr. L=Engle for his participation in and support during this project.

Mr. L-Engle said that it was always a pleasure to attend a KUA Board meeting. He said that he had come tonight as a spectator to hear the Black & Veatch report. He added that he never really had any doubts that we would get this project going and that this was a tremendous project. He said, in accordance with what Mr. Sharma was saying, Cane Island is being dispatched ahead of Stanton 1 and MacIntosh coal units. This is because of the excellent heat rate and the price of natural gas right now. He said that he had no doubt that when another unit goes into Cane Island, it would be a joint, KUA-FMPA, unit.

**F. OLD BUSINESS**

**1. APPROVAL OF ADDITIONAL REIMBURSEMENT TO FLORIDA GAS TRANSMISSION (FGT) FOR GAS METERING STATION CONSTRUCTION COST**

Mr. Welsh requested that this item be pulled from this evening's agenda and brought back to the Board at a later date.

**2. LOAD MANAGEMENT PROGRAM CHANGES**

Mr. Welsh said this is an item we had an extensive workshop type meeting on November 29th and at that time the Board asked that we bring this back at a regular meeting with a prepared calendar and tariff changes. Mr. Joe Hostetler, Director of Finance, was able to beat the original estimate in terms of getting the voluntary portion in place.

Mr. Hostetler said that the tariff, providing approval by Board, changes the mandatory requirement for wiring, equipment and participation to a voluntary basis effective February 1, 1996. He said the revised avoided cost methodology or 100% cost based is the fairest to all rate payers and would be effective October 1, 1996.

He said that if the Board approves the tariff changes tonight, they will be sent to the Public Service Commission (PSC) tomorrow and a public relations campaign to inform the public would be started. If the PSC has a problem with the tariff, staff would inform the Board at the January 24th meeting so that changes could be made.

He said that the actual rebate figure is unknown at this time and although the last study showed it to be \$1.75, a more detailed study is to take place to determine the actual rebate which may or may not be \$1.75.

Director Lowenstein asked if he was correct in understanding that being cost based means the rebate could be any figure. Mr. Hostetler said that was true and that when the study is done in approximately six months, the figure could be different from the \$1.75.

**Motion was made by Director Guthrie to approve the draft tariff changes and send to the Public Service Commission for their review, and to authorize staff to advertise for a Public Hearing on this subject to be held on January 24, 1996; motion seconded by Director Walter.**

**Motion carried 5 - 0**

**G. NEW BUSINESS**

**1. APPROVAL OF TRANSMISSION SERVICE AGREEMENTS WITH FLORIDA  
POWER CORPORATION (FPC)**

Mr. Welsh said these agreements are required by Florida Energy Regulatory Commission (FERC). These have been developed by FPC but have not been approved by FERC.

Mr. Ben Sharma, Director of Power Supply, said the primary reason for this was the federal government proposed rulemaking for IOUs to unbundle all aspects of the electric utility. The old agreements with FPC are no longer valid due to their proposed filing. The agreements are in place subject to refund if the FERC does not approve their filing. He explained that we must have these contracts otherwise we would not be able to get power to our system. The General Manager signed the agreements and they were returned to FPC with our transmittal letter stipulating that the signing of the agreements was subject to approval by the Board.

**Motion was made by Director Walter to approve the Transmission Service Agreements with Florida Power Corporation for Point to Point Transmission, Non-Firm Transmission and Ancillary Services; motion was seconded by Director Lowenstein.**

**Motion carried 5 - 0**

**2. TIME PAYMENTS FOR LINE EXTENSION FOR ECONOMIC DEVELOPMENT**

Mr. Welsh said this concept was to determine whether there should be some economic incentive to encourage economic development. He said the purpose of the agenda item was to discuss some of these concepts and then to have staff determine some of the details and practicability. At this point staff would bring back to the Board some firm options for selection, approval or disapproval.

Mr. Welsh said the one highlighted tonight was the concept of providing some type of economic incentives to attract manufacturing type industries and jobs to the area, as opposed to service and retail type industries which would follow when there is economic development. He said Mr. John Krug has offered his services to help us define that in a legal way.

Mr. Ken Davis, Director of Engineering, said that he has been working with Mr. Krug, but had not put together any analysis yet, but various options were discussed; one option being for a customer to extend the payment for the line extension for possible three years, perhaps waiving the line extension costs for some customers, or to do away with line extension policies all together. We are seeking your direction on the time payment concept.

Director Lowenstein said that after he reviewed this item, he believed that this type of concept would be repaid quicker than we might expect and that the question was whether we wanted to expand the scope.

Director Hord said we all deal in business relatively as to what the competition is doing and in this case our competition would be OUC and Florida Power. Mr. Davis said that it was his understanding that companies such as OUC and FPC do not charge any line extension fees. Mr. Krug added that St. Cloud has also been working with a number of economic development policies and although they have not adopted anything formal as of this date they are looking to provide an electrical infrastructure at their cost. Mr. Krug said this is the type of activity we are seeing take place with state and local governments, regional agencies, and utility authorities and that they are becoming very aggressive on these fronts.

Director Walter said he felt this was part of the big picture for our county in development in the manufacturing and industrial base. He said that Osceola county and the cities of Kissimmee and St. Cloud are independently, on an ad hoc basis, trying to get some of the bigger industrial and manufacturing business into the county to establish a better job base. He suggested that staff come back with some recommendations for us to review.

Mr. Welsh said that a special meeting was scheduled for February 21, 1996 for our Goals & Objectives and that this item could also be scheduled for discussion. It was the general consensus of the Board to have staff look into incentive concepts. Chairman Gant asked whether staff could put together a short presentation of some concepts for the January meeting.

**It was the consensus that staff would make a broad-brush presentation of some concepts at the January meeting, and by the February 21st G&O workshop try to have the details of the concepts as directed by the Board for review.**

The meeting recessed at 7:50 p.m. and reconvened at 8:00 p.m.

### **3. EXCESS LIABILITY INSURANCE WITH AEGIS**

Mr. Welsh said our risk management consultant, Bill Brown, had made a presentation at our last meeting and recommended that we increase our liability to \$25 million.

Mr. Neville Turner, Director of Personnel & Risk Management, gave a short overhead presentation showing the costs of different levels of liability insurance. He said the quote for the \$25 million coverage is \$139,800 less a continuity credit percentage which has not been determined by AEGIS at this time.

Director Guthrie said that we need to go the \$25 million as it would be a form of malfeasance to not insure to some reasonable extent our possible losses.

**Motion was made by Director Guthrie to increase our excess general liability insurance with AEGIS to \$25 million at a cost of \$139,800 less the continuity credit; motion seconded by Director Hord.**

**Motion carried 5 - 0**

Chairman Gant said there was an item which needed to be placed on the agenda concerning the Boggy Creek Substation Site.

**Motion was made by Director Guthrie to place the item on agenda and seconded by Director Hord.**

**Motion carried 5 - 0**

**4. BOGGY CREEK SUBSTATION SITE - POTENTIAL SALE OF EXCESS PROPERTY**

Mr. Welsh said that we have had someone come to us regarding the purchase of a portion of the Boggy Creek property. He showed on the overhead drawing the parcel a third party was interested in purchasing.

Mr. Ken Davis, Director of Engineering, said he used this drawing to determine if we should look at selling this piece of property. After our analysis, we came up with a strip we could sell of approximately 6.4 acres.

Mr. Ed Brinson, KUA Attorney, explained that this property needed to be declared surplus as a first step, which would be a Board action, and the public must be notified regarding the sale. He suggested that we need to have some type of procedure that we offer this parcel for sale, to not sell it for less than some sum that the Board selects, enter into a contract with the best bidder to the best advantage of KUA and authorize the Chairman and Secretary to sign the contract. He said we need to formulate some fair way to make it known that it is surplus and to give people the opportunity to make an offer.

Mr. Welsh said we could advertise it in the paper with a map showing the property and asking for bids starting at some specific bid price. He said that we feel comfortable with the price of \$497,000 which the analysis--starting with amounts paid for property, the appraisals, using escalation figure over the thirty-two months the property has been owned by KUA-- showed as a fair price. Discussion followed on the proper procedure to follow.

Chairman Gant said that although he would like to see an appraisal, he felt we should go ahead and declare the property as surplus and advertise the property for sale.

**Motion was made by Director Lowenstein to declare this parcel, indicated as Area 1 and Area 2 on drawing, as surplus property. Motion was seconded by Director Guthrie.**

**Motion carried 5 - 0**

Chairman Gant said that during the interim of advertising and receiving bids we should get an appraisal. Mr. Brinson added that we should stipulate that KUA has the right to reject any and all bids.

**Motion was made by Director Guthrie to advertise the property, indicated as Area 1 and 2 on drawing, for sale and to get an appraisal of the property.**

**Motion carried 5 - 0**

Mr. John Reich, Sales Associate with Schoolfield Properties, said the staff had done a very good job on their analysis and that he has found the property in that area is selling for \$40,000-\$60,000 an acre where the study Mr. Davis completed showed \$80,000 per acre. He said this is a situation where there is a potential buyer who has a specific need that this property meets and is willing to pay that amount.

Director Hord said that he would agree to issue a letter of intent contingent on the bid process. This was the general consensus of the Board.

**H. STAFF REPORTS**

**1. MONTHLY PROGRESS REPORT ON ENGINEERING PROJECTS**

Mr. Welsh said this was a written report and that Mr. Davis was available to answer any questions the Board may have. There were no questions or comments.

**2. CONDENSED FINANCIAL REPORT - OCTOBER, 1995**

Mr. Welsh said that Mr. Joe Hostetler, Director of Finance, would make a presentation on the October Condensed Financial Report.

Mr. Hostetler said that we have a complete report for October and an abbreviated report for November. The month of October is also year-to-date, we had projected megawatt sales of 77,299 and the actual sales were 81,796 or a 6% favorable variance. Also projected was \$721,000 in reinvested earnings, however we reported \$1.3 million, a variance of \$629,000 above the budget. This variance was mainly due to a pay period occurring in October that actually related to September's operations. He said that, historically, we do not incur the operating expenses on a one-twelfth basis. Mr. Hostetler said that megawatt sales in November were very good, 68,167 actual versus 66,227 estimated, and that the accumulated megawatt sales were 4% over budget.

Director Guthrie asked if the COPCA was in the negative again. Mr. Welsh responded that this was true and that this was the third consecutive month it was negative.

### **3. MONTHLY REPORT ON POWER SUPPLY DEPARTMENT PROJECTS**

Mr. Welsh said this is a written report and that Mr. Ben Sharma, Director of Power Supply, was here to answer any questions the Board may have. He congratulated Mr. Sharma and his department for their efforts in keeping the COPCA in the negative.

Director Lowenstein inquired about the liability that may be incurred when removing the load management equipment. Mr. Welsh explained that when the load management is deactivated the equipment is left in place as it may be used later on. He said that in the unusual circumstance where the customer wants it removed, we will try to accommodate that customer in any way we can.

Director Hord asked how many customers have requested their equipment be removed. Mr. Welsh replied that there were only three.

### **4. SELECTED DEPARTMENT HIGHLIGHTS - PERSONNEL & RISK MANAGEMENT**

Mr. Neville Turner, Director of Personnel & Risk Management, gave an informative overhead presentation and highlighted the daily operations.

He described individual functions of each staff member and presented information on some ongoing programs such as the Quarter Century Club, luncheon seminars, employee and family flu shots, and blood donations. He gave information on the amount of calls received by the switchboard out of all the calls received. Mr. Welsh commented on the efficiency of the telephone system we purchased that out of a total of 1150 calls, 200 calls a day are picked up by the switchboard.

Chairman Gant thanked Mr. Turner and commented on the helpfulness of these presentations in keeping the Board apprised of various activities in the departments.

**I. CONSENT AGENDA**

Chairman Gant asked if there were questions or comments on, or if any items needed to be removed from the Consent Agenda.

Director Lowenstein asked that item 3 and item 5 be pulled from the consent agenda.

- 1. APPROVAL OF MINUTES OF NOVEMBER 15, 1995, REGULAR MEETING**
- 2. APPROVAL OF MINUTES OF NOVEMBER 22, 1995, SPECIAL MEETING**
- 4. CHANGE ORDER TO AMERICAN COMPLIANCE TECHNOLOGY-S CONTRACT FOR REMOVAL OF PETROLEUM CONTAMINATED SOIL**
- 6. AWARD OF BID 001-96 SUBSTATION SWITCHBOARDS HANSEL PLANT SUBSTATION IMPROVEMENTS PROJECT**
- 7. GENERAL BANKING SERVICES CONTRACT WITH SUNTRUST BANK**

Motion made by Director Lowenstein, seconded by Director Guthrie to approve the Consent Agenda.

Motion Carried 5 - 0

- 3. AWARD OF CONTRACT TO BLACK & VEATCH FOR CARRYING OUT 1996 COMPLIANCE ACTIVITIES**

Mr. Lowenstein if Mr. Schultz of Black & Veatch would like to explain anything to say in reference to this item.

Mr. Schultz explained that the contract actually covered the continuing of licensing and environmental activities. He explained that these compliance activities would occur annually for the first three years.

Motion made by Director Lowenstein to approve the award of contract to Black & Veatch to perform the 1996 compliance activities as detailed in the attached proposal for a not-to-exceed fee of \$76,190; seconded by Director Walter.

Motion carried 5 - 0

- 5. INTERCHANGE SERVICE CONTRACT BETWEEN KUA AND KOCH POWER SERVICES, INC.**

Director Lowenstein said that we have several other people we have purchased power contracts with and asked whether this was the same type of contract. Mr. Sharma explained that there are no costs incurred until such time that we purchase power and that there were no wheeling charges.

Motion made by Director Lowenstein approve the Interchange Service Contract between KUA and Koch Power Services, Inc. and authorize the Chairman and the Secretary to execute the contract; motion seconded by Director Guthrie.

Motion carried 5 - 0

J. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh reminded the Board of the upcoming holiday party on Saturday, December 16th at 6:00 p.m. at the Hyatt and said that he hoped to see them there.

He informed the Board that his assistant, Rosemary Klinge has announced her retirement that she has been planning for some time now will be effective the 29th of this month. He also said that we have gone through selection process, and would like to congratulate Carolyn Scott, who will be my assistant effective as of January 1st.

Mr. Welsh also informed the Board that we are looking into a turn lane at the KUA Carroll Street entrance; the cost and feasibility of doing this in conjunction with the transmission line we already have planned and we will keep the Board informed as we know more.

ATTORNEY - No comments.

DIRECTORS

Chairman Gant asked if there were any comments.

Vice-Mayor Dorsett said that he would like to say that he appreciated the opportunity to serve on the Board and that he had great respect for this Board and the staff.

Director Lowenstein said this subject has been brought up several times, but that we need to look at lighting. Some of the crime we have now, we need to put great effort into lighting certain areas or roadways. Mr. Welsh agreed and said that the approach in the past has been we will provide lighting if you want lighting. He said we are now looking at taking a proactive approach to this. He said that T&D is now doing a survey, discussed this with the engineering department, and looking at what the costs may be. We will then approach the city and county with the surveys and let them know it can be enhanced if they are interested in following up with this.

Director Hord said that he would like to compliment Black & Veatch on getting Cane Island on-line and also compliment our staff who helped out a lot. This speaks highly of our staff in that they could intercede with state and local authorities during the licensing process and lessens our expenses.

Director Guthrie commented that he believed that items should not be added to the agenda unless it is established a true emergency.

Director Walter wished everyone Happy Holidays.

Director Hord asked whether Mr. Welsh had heard anything further on the Wall Street Journal article stating a plan would be announced December 6th about deregulation of California utilities. Mr. Welsh said that he had not heard anything further on this, but would look into it.

K. **ADJOURNMENT:** Meeting adjourned at 9:30 p.m.

  
CHAIRMAN

ATTEST:

  
SECRETARY