

**BUDGET WORKSHOP MINUTES  
ORLANDO UTILITIES COMMISSION  
July 14, 2015  
2:00 P.M.**

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**Present:**

**COMMISSIONERS:**

Linda Ferrone, President  
Gregory D. Lee, First Vice President (via telephone)  
Dan Kirby, Immediate Past President  
Buddy Dyer, Mayor

Kenneth P. Ksionek, General Manager & Chief Executive Officer  
Jan Aspuru, Clint Bullock, Maggie Duque, Roseann Harrington, Byron  
Knibbs, Chip Merriam and Rob Teegarden, Vice Presidents  
Jerry Sullivan, Vice President & Chief Information Officer  
John H. Hearn, Vice President & Chief Financial Officer  
W. Christopher Browder, Vice President & General Counsel  
Nanci Schwartz, Recording Secretary

The Budget Workshop of the Orlando Utilities Commission was held Tuesday, July 14, 2014, at 2:03 P.M., at the Orlando Utilities Commission's Reliable Plaza Commission Chambers.

Ken Ksionek provided brief opening remarks describing OUC's vision to be the Best Utility in the Nation. Funding to achieve OUC's four strategic initiatives has been included in the proposed Operating Budget and Five-year Capital Plan. Mr. Ksionek also explained the purpose of the Workshop.

Mindy Willis explained how the Strategic Plan Initiatives were embedded into the proposed 2016 Operating Budget and Capital Plan.

Gina Johnson presented the proposed 2016 Operating Budget and Capital Plan.

The proposed Budget and Capital Plan will be presented to the Commission on August 25, 2015 for approval and adoption.

Commissioner Kirby asked if the delay in the water rate adjustment correlates with the digital water meter implementation.

Ms. Willis responded that OUC staff is waiting to evaluate how digital meters will impact the rate structure. She assured Commissioner Kirby that the rate increase will be ready to implement in 2016.

Commissioner Kirby also inquired if the one-time \$600,000 water stabilization cost is incurred because of changes in billing such as Power Pass. Ms. Johnson replied that the stabilization cost helps mitigate the one-time increase in operating expenses related to the implementation of the Customer Care and Billing Project. Any Customer Service related costs are divided between electric and water.

Commissioner Kirby asked for clarification regarding the decrease in operating expenses for Customer Service. Ms. Johnson replied that due to the implementation of the digital meters, meter readers have been able to be redeployed into different areas, therefore reducing salary costs in Customer Service.

Mayor Dyer announced that the City of Orlando will defer its scheduled 5 percent increase in wastewater rate this year.

President Ferrone inquired about the uncertainty of rate impacts related to water availability issues, and praised staff for being proactive in regards to rate impacts. Mr. Merriam responded that OUC expects to get more clarification regarding groundwater allocation in 2018 when the current Consumptive Use Permit will be reviewed by the St. Johns River Water Management District.

President Ferrone asked about the focus of research and development in Initiative 4. Mr. Knibbs responded that the research and development focus will explore alternative energy sources and technology in order to increase operational effectiveness and sustainability.

Mayor Dyer moved to adjourn the workshop and Commission Kirby seconded. The Budget/Rate Workshop adjourned at 2:39 P.M.