

Gather 'Round

NINE STORIES
that MATTER





GATHER 'Round

9 STORIES that MATTER

Gather 'round and we'll tell you stories about essential investments. Investments in KUA's electric system. Investments in our employees. Investments in our community. Investments in our neighbors.

These investments make an important difference in your life.

KUA is owned by its customers. That means we focus first, last and always on what our customer-owners need and want.

It's been that way for the 30 years that KUA has been a stand-alone utility authority governed by an independent board of directors. Dick Hord, who was intimately involved in that, discusses the importance of being a locally owned utility on pages 2-3 of this report.

As an electricity supplier, our job is to provide customers with a reliable, safe and affordable supply of electricity. If the lights don't stay on, there's not much else to talk about. Electric reliability isn't a static thing either, particularly in Central Florida, where we get our share of severe weather.

We worked hard during Fiscal Year 2015 to improve the reliability of our electric network. We replaced poles and wires. We extended and strengthened our system. And we completed our largest capital project ever, the Roy E. Hansel Substation, to ensure Kissimmee's downtown and business district continues to receive reliable power.

There are several remarkable features to the Hansel Substation, but we won't steal Matt Wetzel's thunder. He'll tell you the story of the Hansel Substation on pages 8-9 of this report.

Our national trade association, the American Public Power Association, recognized KUA's performance in providing our customer-owners with safe and reliable electricity by awarding us the Reliable Public Power Provider platinum award. Less than

10 percent of customer-owned utilities receive this award, but KUA has received it continuously since 2007. Winning this prestigious award is a reflection of our top-to-bottom commitment to the safe and reliable delivery of electricity.

In the same way we invest in our network, we also invest in our employees. We believe their health is their greatest wealth. Healthy employees also make better, more productive employees. That's why we continued to expand our employee wellness programs during 2015. Cindy Herrera has led our employee wellness efforts for several years, and on pages 22-23 she shares a heartfelt story about how those programs make a difference in the lives of employees. Florida Hospital recognized our efforts by giving KUA a Healthy 100 Workplace Wellness Award.

When you live a healthy life, you become more aware of your surroundings. You can more easily step outside yourself, which can give you a greater appreciation for all you have. But you also recognize that not everyone is doing so well.

Miguel Sierra is your neighbor. He's working hard, but his family isn't getting ahead. In fact, sometimes they fall behind. Customer contributions to the Good Neighbor Utility Assistance Fund helped Miguel's family, and others in our community, make ends meet. His story, told on pages 24-25, will move you. Nearly 900 KUA customers contributed to the Good Neighbor Utility Assistance Fund in 2015, and that number continues to grow. Thank you for your generosity.

We hope you're as moved as we are with Miguel's, Cindy's, Matt's and Dick's stories. The stories we share in this annual report are but a small part of the larger tapestry of our community. KUA's mission is to provide reliable and economical services to our customers while partnering with the community and the environment. We hope you agree the nine stories in this annual report show just that.


Reginald Hardee
Chairman


James C. Welsh
President and General Manager



TOWNSMEN

Tales

WITH DICK HORD

For Dick Hord, the benefits of KUA being a locally owned utility are evident every month, when the KUA board has its public meeting. There’s always an opportunity for customers to tell the board and KUA staff what’s on their minds. And each month, more than a few take advantage of that public comment opportunity.

Having a publicly elected board of directors that holds open monthly meetings is one of the hallmarks of a locally owned utility like KUA. Across the country, there are more than 2,000 public power utilities that are owned by the people they serve. All of those utilities are committed to improving the lives of their communities. Service, not profit, is the hallmark of locally owned utilities.

“Managers and staff at public power utilities pay very close attention to customer needs,” Dick comments. “It’s kind of like Publix vs. Wal-Mart. Publix is local but Wal-Mart is global. As more and more companies expand, they risk losing that local touch that made them successful in the first place. Bigger isn’t always better.”

Dick should know. He was instrumental in transitioning KUA into an independent utility authority in the mid-1980s. Before KUA’s independence in 1985, it was governed as a department of the city of Kissimmee, which meant electric issues were handled by the same elected officials who were considering road repairs, civic center, park upkeep and hiring new police officers.

But since achieving independence as a stand-alone utility authority 30 years ago, KUA’s board has been able to focus exclusively on electricity issues: electric reliability, quality of service, customer-responsive programs and low electric prices.

After spending two years in the early 1980s as part of an ad hoc committee investigating whether and how KUA could be more effectively governed as a stand-alone utility, Dick then served 14 years on the KUA board. His service to KUA came as he was running Kissimmee’s Custom Plastic Developments manufacturing plant located near the intersection of John Young Parkway and Carroll Street.

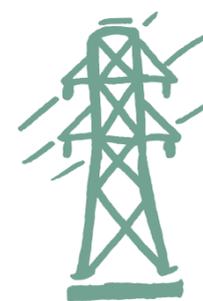
“KUA is focused on offering competitive electricity prices, energy-saving programs and excellent service to our customers,” Dick said. “Our money stays in Kissimmee – it goes to Main Street, Clay Street and Columbia Avenue. We reinvest it in the community. We don’t send it to shareholders in New York or Los Angeles. It stays right here, where it can do the most good for our customer-owners.”



6th LARGEST
MUNICIPALLY-
OWNED UTILITY IN
FLORIDA.



70,000
KUA CUSTOMERS
IN KISSIMMEE AND
SURROUNDING AREA.



85
SQUARE MILE
SERVICE
TERRITORY IN
OSCEOLA COUNTY.

STORIES OF SERVICE

WITH KAREN



“IN MANY CASES, WE SPEND TIME TO EXPLAIN HOW FLORIDA’S WEATHER CAN AFFECT THEIR ENERGY CONSUMPTION. WE ALSO SHARE INFORMATION ABOUT WAYS CUSTOMERS CAN LOWER THEIR BILLS.”

When Karen answers a KUA customer’s call, she has a smile in her voice. More often than not, by the time the call is finished, the caller is smiling, too.

“People will tell you when they have a problem,” Karen, a KUA customer service representative, tells us. “Lately, though, we’re getting a lot more calls where people also tell us we’re doing a good job. It’s nice to hear people say that.”

Spending eight hours a day on the phone talking to customers is no one’s idea of a day at the beach. Customers typically don’t call to say you’re doing a good job. Many callers have questions or concerns about their bills. More than a few are hard-pressed to pay. Some are pretty upset.

Karen’s been with us for seven years. She’s one of about 40 phone-based customer service representatives who work directly with customers. Another half-dozen work in our walk-in center. They all seek solutions that balance the needs of the customer as well as KUA. During 2015, KUA’s phone representatives handled about 350,000 customer calls.

“A lot of people who call don’t understand their bills,” Karen said as she took a break between calls. “In many cases, we spend time to explain how Florida’s weather can affect their energy consumption. We also share information about ways customers can lower their bills. The weather and the way customers use electricity are the critical drivers in the monthly bill.”

“If the customers are interested, we provide a free, on-site energy audit to make sure they’re using electricity as efficiently as possible,” she continues. During 2015, KUA conducted 721 no-cost, on-site energy audits for its customer-owners.

KUA has worked hard over the last few years to make more information available to customers about their bill-payment options, energy efficiency tips and ways they can squeeze every drop of value out of their electricity.

Karen and her colleagues handle nearly 1,000 calls per day from customers. Our phone representatives take as much time as necessary to answer customer questions. That way, customers won’t have to call back with the same question next month.

“If it takes 10 minutes to answer a customer’s questions, then it takes 10 minutes,” Karen said of her phone interactions with customers. “We want to make sure a customer’s questions are answered fully. We think one-to-one communication is important. People want to do business with people who care. Being able to speak with a person is one way to show we care about customers.”

Providing top-quality customer service is part of the way KUA does business, Karen notes. “As a call-center rep, how I do my job affects the way customers view KUA. As employees, we support each other. That keeps morale up and helps us do our best for our customers and our community.”

Customers are noticing the improved service. In a satisfaction survey, customers said our service had improved in various dimensions during 2015. Customers gave us particularly high marks for the timely answering of calls and our ability to meet their needs on the first call or visit.

"We aspire to be better than we were yesterday," Karen said about the customer satisfaction survey results. "That's a mission that we live for, and actions speak louder than words. Continuous improvement is part of our DNA. We're here to serve our customer-owners, and it's nice to know they feel they're getting good value."



One customer call in particular stands out in Karen's mind. A senior citizen living on a fixed income was frustrated because she was unable to pay her electric bill. Karen and the customer explored several possible bill payment arrangements, but to no avail. "This customer was really at the end of her rope," Karen recalls. "Before we hung up, she said, 'Do what you have to do, but I don't have any money and can't pay the bill.'"

That customer probably thought KUA would disconnect her electric service. Instead, Karen got in touch with some local human-service agencies, and those agencies not only provided the customer with financial assistance to pay her bill, the agencies also came to her home, cut her lawn and helped her clean up her yard.

"It can be so hard for people who have been self-reliant all their lives to be in a position of not being able to pay their utility bills," Karen said. "It can be a real barrier to reaching out and getting help. We are more than willing to grant bill payment extensions or come up with an alternate payment plan as long as the customer stays in touch with us. We are here to help."

Each year, our Good Neighbor Utility Assistance Fund collects thousands of dollars from customers and employees to help financially pressed customers pay their electric bills.

Phone agents like Karen are available to answer calls from 7 a.m. to 8 p.m. Monday thru Friday. "It's important that we are here to speak with customers when it's convenient for them," Karen adds.

"A lot of customers prefer to pay their bills at our walk-in center, and that's fine, too," she continues. "Some utilities are closing off those direct personal connections with customers, but that's not our way. We think it's important to do business with customers in ways they prefer."

"Some calls start out with customers upset at us, but many end up apologizing," Karen tells us. "I believe people respond in kind to the way they're treated. That's why I try to start each conversation by asking customers how their day has been."

Customer Focused



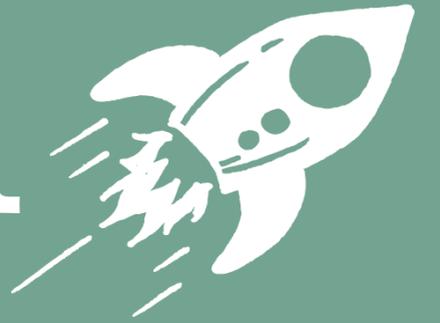
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**WAS OUR OVERALL
CUSTOMER SATISFACTION
SCORE IN 2015 - THE
SECOND HIGHEST IN A
DECADE.**

41

SECOND

**AVERAGE CALL CENTER
WAIT TIME – WELL BELOW
THE NATIONAL AVERAGE.**



21,010

**CUSTOMERS HAVE SIGNED
UP FOR OUR ELECTRONIC
BILL PAYMENT SERVICE.**

Recreation

WITH MATT WETZEL

RE*ENVISIONED



The Kissimmee Lakefront Park draws hundreds of thousands of visitors each year. Today, visits to the park are more enjoyable for everyone — people as well as raccoons, ducks, birds and squirrels. People tell us the park is more visually attractive now that KUA removed an old electrical substation. And because the new substation is housed inside a building, they no longer worry about the dangers of electrocution.

“The park really is the heartbeat of Kissimmee,” said Matt Wetzel, KUA’s substation supervisor. “But our old substation marred the landscape. The substation was built a long time ago for a functional purpose. But as the Lakefront Park became more popular, we were being asked to make the substation disappear.”

The old substation was built more than 40 years ago, and it was showing its age. Maintenance costs were rising. Replacement parts were getting harder to find. But that substation kept the lights on in Kissimmee’s historic downtown district, and we couldn’t route power to downtown through other substations.

Our cheapest option would have been to rebuild the old substation where it was. But we took a different, more holistic approach that considered the requests of our customer-owners; we decided to build a new substation in a different place in the park. We used a space-saving design and placed it inside a building that was landscaped to blend into the surroundings. We shrunk the footprint of the new substation by 70 percent, and we donated nearly two acres of land back to the city.

Placing the new Roy E. Hansel Substation inside a building will reduce customer power outages. “The old outdoor substation was more vulnerable to power interruptions,” Matt points out. “Six times a year, on average, our customers had power outages because animals got inside the fence, touched the wrong equipment and got electrocuted. Severe weather can blow palm fronds and other debris into outdoor substations, which also causes power outages.”

To further minimize the visual impact of the new substation, we buried the transmission lines that came into the substation. That decision increased construction cost, but it improved sightlines at the park and responded to specific requests from the community.

“In building the new substation, we wanted to build something that was aesthetically pleasing and that accommodated customers’ requests,” Matt tells us. “We wanted to be a good partner with our customer-owners and the community.”



99.99%

SYSTEM RELIABILITY RATE
IN 2015



1 OF 191

UTILITIES OUT OF 2,000
NATIONWIDE TO EARN THE
RELIABLE PUBLIC POWER
PROVIDER AWARD FROM THE
AMERICAN PUBLIC POWER
ASSOCIATION.





ANECDOTES
of
Achievement
WITH BARBARA GONZALEZ

“IF WE DON’T CONTINUE TO INVEST IN OUR SYSTEM, RELIABILITY WILL GO DOWN, OUTAGES WILL GO UP AND CUSTOMER SATISFACTION WILL FALL OFF. THAT’S NOT THE FUTURE ANY OF US WANT.”

When it comes to utilities, customers often define high value as low prices. With that in mind, KUA set a goal to have the cost of our residential electricity be in the lower one-third of all Florida electric utilities. So far, we’re achieving our goal. When Fiscal Year 2015 ended, KUA’s residential electricity prices were well within our goal.

Part of that success was having the foresight to invest in power plants that generate electricity by burning natural gas, an abundant, low-cost fuel. In Fiscal Year 2015, more than 75 percent of KUA’s electricity came from natural gas, which also has positive environmental properties compared to other ways to generate electricity.

Of course, we don’t control fuel prices. But for the things we can control, we work hard to keep costs low. Today, we’re serving about 12,000 more customers than we did a decade ago. That’s a 22 percent increase in customers. But the number of employees increased only slightly during that time.

Some prudent management practices are helping us hold down costs. “If an employee leaves KUA, we don’t automatically fill that position,” explains Barbara Gonzalez, one of our financial analysts. “We examine the duties and responsibilities of the departing employee and then right size the department by reallocating or eliminating tasks.”

If the departing employee worked in our customer call center, we may reassign the former employee’s responsibilities among the

other part-time customer service representatives. KUA is unusual among utilities for its high utilization of part-time employees.

“In the call center, we have predictable peaks and valleys for customer calls,” Barbara tells us. “Calls go up each year during the summer, when increased use of electricity means higher bills. Conversely, the call volumes decline during the winter, when lower electric usage means lower bills.”

“We utilize our part-time CSRs during these seasonal peaks,” Barbara notes. “We also rely on part-time CSRs to help smooth the peaks and valleys of weekly customer call volumes.”

In order to be fair to all employees and keep morale high, these part-time CSRs receive many of the same full-time employee benefits, including medical, dental and vision insurance.

While fairly compensating our employees, KUA has been vigilant about controlling costs. KUA is taking the goal of doing more with less to a whole new level. And it’s paying off; KUA has not raised its base rates since 2005.

As a nonprofit utility, KUA is able to issue tax-exempt bonds to pay for construction projects like the Roy E. Hansel Substation at Lakefront Park. Tax-exempt bonds reduce our borrowing costs by about 25 percent, which benefits customers by keeping electric prices low. That’s another way customers benefit from KUA being a locally owned, nonprofit utility.

Speaking of debt, KUA is unusual in another way; it's nearly debt-free. In a few years, we expect to pay off all our long-term debt. Eliminating debt lowers our costs. The money we don't pay to lenders will be money we can invest in serving customers.

"We want to be one of the lowest-cost utilities in Florida, but not at the expense of service and reliability," Barbara notes. "Reliable and economical services are key. Utilities that want to be the lowest-cost provider sometimes attain that goal by cost cutting versus reinvestment in the system infrastructure, which can lead to more frequent power outages and higher costs later. We try to balance keeping costs low with the need to invest in our electric network."

Keeping electric prices low for our customer-owners helps them free up resources, which they can spend on other necessities or even on vacation getaways. "We want to help our customer-owners live the lives they want," Barbara said. "Having low electric prices helps them do that."

It also helps local businesses. Hotels and restaurants are two of the most competitive industries around. There are innumerable hotels and restaurants in the area that cater to travelers who visit the Walt Disney parks, play golf at Kissimmee's courses or fish at Lake Toho. Every dollar we save local restaurants and hotels gives them an advantage over hotels and restaurants in other communities where electric prices are higher.

"Our customer-owners have high levels of customer satisfaction," Barbara said. "When your prices are low, satisfaction comes from high reliability, excellent service and community involvement. If we don't continue to invest in our system, reliability will go down, outages will go up and customer satisfaction will fall off. That's not the future any of us want."

KUA also works hard to avoid customer disconnections, which benefit no one and disadvantage those least able to bear an additional cost. Many residents work in the service economy, mainly tourism and hospitality, where wages are not particularly high. We recognize that and craft policies that balance responsibility with compassion.

"In Fiscal Year 2015, for example, our customer service representatives worked out over 86,000 flexible payment arrangements," Barbara points out. "We really try to avoid disconnecting customers for nonpayment of their bills. If they're willing to create and fulfill a payment plan with us, we'll keep their lights on. That's one way we try to preserve a human touch in our business."

Another way is listening to, and acting on, requests from our customer-owners. We know the Lakefront Park is one of Kissimmee's most popular spots. Customers told us our substation at the park was an eyesore. So we demolished the old substation and built a new one in a different location, which enabled us to donate nearly two acres of lakefront property back to the city.

Taxes are low in Kissimmee and Osceola County in part because we send millions of dollars each year to those governments to approximate property and sales taxes we would pay if we were a profit-seeking entity. The city and county use those funds to repair roads, hire new police officers, maintain parks and pay for schools.

"Our status as a nonprofit, locally owned utility has generated a lot of benefits for Kissimmee residents," Barbara comments. "Low costs, high reliability and community involvement are what KUA is all about. Some locally owned utilities in Florida are thinking of selling their systems to profit-seeking utilities. We know that would hurt Kissimmee residents by reduction of local services and the loss of the utility cash transfers that help support many city services."

Paid in Full



2018
IS THE YEAR ALL
LONG-TERM DEBT
WILL BE PAID OFF BY
THE UTILITY.



11 **CONSECUTIVE YEARS**
WITHOUT A BASE
RATE INCREASE.



22%
INCREASE IN CUSTOMER
GROWTH SINCE 2005.

SCOOP on SENSORS

WITH DON FISHER



**THE OSCEOLA COUNTY/
UCF FLORIDA ADVANCED
MANUFACTURING RESEARCH
CENTER PROJECT WILL FOCUS
ON THE DESIGN AND TESTING
OF THE NEXT GENERATION OF
SMART SENSORS AND WILL
HOUSE THE INTERNATIONAL
CONSORTIUM FOR ADVANCED
MANUFACTURING RESEARCH,
THE WORLD'S FIRST INDUSTRY-
LED SMART-SENSOR
CONSORTIUM. THE CENTER IS
EXPECTED TO HAVE 250 HIGH-
TECH JOBS WHEN IT OPENS
IN 2017, AND THE ORLANDO
ECONOMIC DEVELOPMENT
COMMISSION SAYS THE FACILITY
COULD ESTABLISH A TECH
CLUSTER THAT COULD ATTRACT
UP TO 80,000 TOTAL NEW JOBS
AND \$482 MILLION IN TAX
REVENUE IN ITS FIRST 10 YEARS.**

“Sensors will be the biggest thing to hit Kissimmee and Osceola County since Walt Disney World opened more than four decades ago,” predicts Osceola County Manager Don Fisher. “Sensors are the next stage of the Industrial Revolution. They pick up where nanotechnology leaves off. The lab we are building could be the sensor-anchored economic cluster that transforms Central Florida’s economy.”

Typical smart phones have around 18 sensors which govern commands on the touch screen and whether the screen displays as vertical or horizontal. Each of the estimated 2.5 million smart phone applications relies on sensors. Cars have hundreds if not thousands of sensors that govern everything from engine performance to deployment of airbags during a crash.

These sensors and the analysis of the data they capture will affect every area of life: from how we grow, harvest and store food, to the way we drive (or are driven in) our cars, to the way we manage our health.

It’s a bold and exciting future, and Osceola County is right in the center of it. In the not-too-distant future, Don said, sensors could be used to fight cancer, boost crop yields, test water quality and support our soldiers.

But before those sensors can transform the world, they need to be designed and tested in a cutting-edge, clean-room setting. And that’s where the Florida Advanced Manufacturing Research Center project fits in. Jointly directed by Osceola County and the University of Central Florida, the nation’s second largest public university, this advanced sensor lab will enable sensor designers and testers to work in an integrated fashion, speeding up breakthroughs and driving the county’s economy forward.

The lab, currently under construction, will use a wide range of expensive and extremely power-sensitive equipment. That’s where KUA comes in; we pledged up to \$1 million to offset the costs of installing specialized electric infrastructure at the lab. If the lab grows as hoped, KUA has agreed to build a new substation near the plant at a cost of about \$10 million.

“The equipment the lab will use requires a pure, uninterrupted supply of electricity,” Don said. “If there’s a power interruption, it can take weeks to recalibrate the equipment and resume work as well as cause tens of thousands of dollars in damage to the sensors being produced. KUA is ensuring our lab will have an uninterrupted supply of electricity.”



“MY NEIGHBORHOOD DEFINED WHERE I LIVED, NOT WHO I WAS OR WHAT I COULD BECOME.”

Most people work to get a paycheck. And then there are those who get compensated in other ways for their labor.

Meet Shadrick “Shaggy” Alexander, service director at the Tupperware Brands Branch of Boys & Girls Clubs of Central Florida. The pay he receives for his work goes far beyond dollars and cents. And Shaggy’s passion benefits everyone in Kissimmee.

Shaggy’s passion, and his job, is helping at-risk children and teens in Kissimmee find a better path to adulthood by giving them the tools to leave behind violence and dysfunction. The club, located at 2411 Dyer Boulevard, is a beehive of potential and positivity.

“We have a simple goal: saving our children,” Shaggy tells us. “Success in life and in a career is within everyone’s grasp, no matter where they start life. And success is a function of academic achievement, good character and a healthy lifestyle. Every day, we work with 300 kids from our community to get there.”

The dedication of people like Shaggy is one reason KUA is pleased to support the Boys & Girls Clubs of Central Florida. We share the desire for a better community and a better tomorrow, and we believe in lighting as many candles as it takes to get us there.

“Nearly all of our 300 members come from disadvantaged circumstances,” Shaggy points out. “That can mean anything from drugs or violence in the home, teen pregnancies, gangs, an absentee father or parents who never finished high school. The specifics matter less than our belief that everyone has the potential to become a productive member of our community.”

Shaggy knows a thing or two about growing up in an at-risk home. Raised in a fatherless home in nearby Eatonville, his mother

worked two jobs to provide for Shaggy and his two siblings. His mother and grandparents ensured he had a safe place to go after school. They also instilled in him a sense of accountability and responsibility to be a positive influence to society.

“My neighborhood defined where I lived, not who I was or what I could become,” he said.

Not everyone is as lucky as Shaggy. He knows from experience that great tomorrows don’t just happen. They are the result of careful planning and thoughtful execution. Boys & Girls Clubs of Central Florida works with participants today to intentionally build their better tomorrow.

“Every single day I have a member tell me, ‘If it wasn’t for the club, I couldn’t make it through,’” he recalls. “That really pulls at your heartstrings.”

“We exist to inspire and empower young people to become responsible citizens,” he continues. During the school year, participants spend several hours a day after school in structured programs designed to promote academic achievement, build character and instill healthy behavior.

But the summer months are a particularly challenging time for Boys & Girls Clubs members. Without the structure and focus of the school year, many lose the progress they made in reading, writing and arithmetic. So each summer, Boys & Girls Clubs of Central Florida mentors focus on academics, to make sure the members don’t lose ground. That way, they can return to school in August ready to pick up where they left off in June.

But first, before all that instruction can take place, the students need to eat. “For many of our participants, the meal we feed them

Yarns about **YOUTH**
with SHADRICK ALEXANDER

**“I’M PROUD TO SAY
MOST OF OUR MEMBERS
ACHIEVE NEARLY ALL OF
THEIR GOALS.”**



at 3 p.m. is the first meal they have eaten all day,” Shaggy said. “Kids can’t learn if they’re hungry. So we start by feeding them before instruction and goal setting.”

Healthy eating and regular exercise may come as second nature to you, but it’s rarely part of the lives of the youth who come to the Tupperware Brands Branch. Eating healthy food and getting enough exercise are indispensable life skills for learning and advancing. Steering clear of fast food, sugar and salt in favor of lean protein and whole grains are important lifestyle choices that will serve participants well when they become adults.

After a healthy meal, elementary school students participate in modules like “Power Hour” and “21st Century Learning,” which help build academic skills and behaviors critical for advancement in the school system. Participants receive help with their homework if they need it.

Other modules, like “Smart Girls,” focus on beliefs and actions that lead to personal growth. Then there’s “Smart Play,” where young people blow off steam in athletics while learning critical life skills like teamwork and cooperation. They learn that success on the baseball field, or basketball court, or the workplace, depends on teamwork.

Shaggy notes that teamwork is rarely highlighted in today’s “me, me, me” culture. So the mentors at the club work to instill that vital character trait through sports.

High-school participants at Boys & Girls Clubs of Central Florida also receive career-oriented guidance to help them prepare for what comes after high school, whether it’s joining the military, entering the workforce or enrolling in a technical school or college. Programs like “Strength Finders” and “Career Launch” help participants uncover the interests and skills that can lead to a rewarding career.

“The other day a former participant, Rosa, stopped by,” Shaggy said. “When she was in high school, she was part of our Career Launch program. We helped her write a resume, research potential employers and prepare for her interview. She came back to tell us she got her desired job at Panera Bread, where she’ll be doing customer service.”

“Rosa now has a starting place her parents never had,” he continues. “She was overjoyed, her parents were overjoyed and we were overjoyed. The joy you get from helping another person is almost indescribable. You have to feel it in your heart. And once you feel it, you’ll never forget it.”

In addition to his duties as program director for Boys & Girls Clubs of Central Florida, which entails supervising 23 staff mentors and program managers, Shaggy also drives the bus that brings participants to the club and then returns them home at the end of each day. That’s how he stays connected to each of the 300 young people who come to the club each day.

The club works with each participant to set individual goals, such as graduating from high school, not committing crimes, staying out of gangs, avoiding drugs and preventing pregnancies. Participants undergo pre- and post-program testing to document their progress in achieving their goals.

“I’m proud to say most of our members achieve nearly all of their goals,” Shaggy said with a smile. “Each year, we can document a significant brain gain in their academics. But we also witness the kind of character development that warms your heart.”

“Saving children and improving communities are noble goals, but we couldn’t do either without the generous support of individuals and companies,” he comments. “Our programs are free to our participants, so we must rely on other sources of funding.”

“KUA has been a dependable partner with us since 2001, and they provide cash funding and a whole lot more,” he adds. “They donate equipment and in-kind services. They also host career exploration events at their power plants, where our teenage members can learn about potential future jobs in the utility industry.”

“Getting a 40-foot lift into the air in a KUA bucket truck gives you a different perspective on a future career. It’s an awesome way to explore potential future careers.”

“One of our participants, Abraham, has been accepted to college,” Shaggy said. “Abraham plans to study electrical engineering. He wants to work at KUA.”

Shaggy praised KUA’s longtime support for the club. “They say the right thing, but more importantly they do the right thing,” he said. “Where I come from, actions speak louder than words, and KUA is in the top tier of our corporate supporters. Without their support, we could not do what we do. KUA truly is a community partner.”

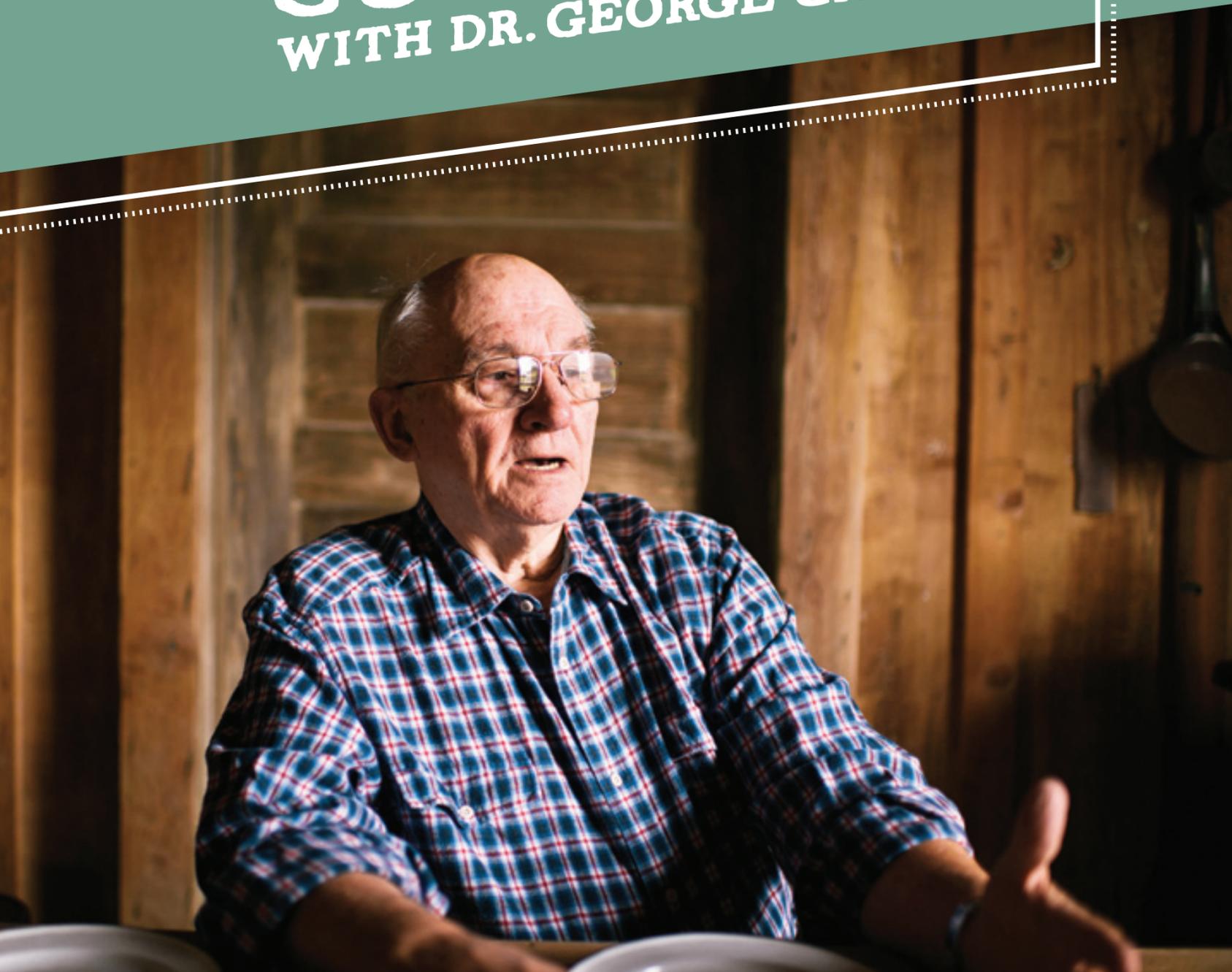
*Community
Driven*



\$227,097

**IN SPONSORSHIPS
WAS DISTRIBUTED
BY KUA TO THE
COMMUNITY IN 2015.**

Commentary **on**
«COMMUNITY»
WITH DR. GEORGE GANT



As a medical doctor, Dr. George Gant holds the distinction of delivering the most babies in Osceola County. His delivery skills also came in handy 30 years ago, when KUA was born as a self-governing utility, separate from the city of Kissimmee.

“I delivered about 1,500 babies between 1959 and 1985, when I was in private practice,” George tells us. “Then, when I became a public health manager for Osceola County, I oversaw the care of at least 5,000 pregnant women over the next two decades. I run into people all the time who say, ‘Hey, thanks for delivering me.’”

Between delivering babies and overseeing public health, George found time to serve as mayor of Kissimmee, a member of the ad hoc committee that helped give birth to KUA, and then a member of KUA’s board. In all, he’s logged 25 years of service to KUA in addition to his decades of service as a medical and public-health practitioner.

“I have loved every minute of service,” he said. “Whether it’s delivering babies or voting on proposals as a member of KUA’s board, nearly 60 years of public service has validated my belief that it’s far better to give than receive.”

“When you serve, in any capacity, you get back more than the person receiving service,” he continues. “Serving others lifts your spirit and adds purpose to your life.”

George’s life has made him a big believer in the power of education to transform a person, a family and an entire community. That’s why the KUA board honored his service by putting his name on the Gant Scholarship, a \$2,500 per year award given to an outstanding college student residing in the KUA service territory.

For his inaugural scholarship, he selected Anna Hall, a promising young woman who wants to study education at Valencia College’s Osceola campus. Anna’s goal is to become an elementary school teacher.

In addition to Anna’s academic excellence, George selected Anna because she exemplifies the character traits he believes are critical to success in any career. “If you’re honest, if you have integrity and if you’re willing to learn, there’s no limit to what you can accomplish,” he said. “You can learn a particular skill on the job, but you can’t learn honesty and integrity — either you have them or you don’t. Anna has them.”



4 STUDENT COLLEGE SCHOLARSHIPS ARE PROVIDED EACH YEAR BY THE UTILITY.



17 CONSECUTIVE YEARS WE HAVE BEEN HONORED FOR COMMUNITY SERVICE BY THE FLORIDA MUNICIPAL ELECTRIC ASSOCIATION



HERALDING *Healthy Living* with CINDY HERRERA



“KUA UNDERSTANDS EMPLOYEES HAVE A LIFE OUTSIDE WORK. YOU HAVE TO DO MORE THAN TALK THE TALK ABOUT A FAMILY-FRIENDLY WORKPLACE. YOU NEED TO WALK THE WALK.”

Every time Cindy Herrera sees Sam, a fellow KUA employee, she smiles because she knows her work has made a difference in his life.

Cindy is our assistant vice president of human resources. During the eight years she’s been with us, she’s played a key role in implementing important procedures and program improvements, making KUA one of Central Florida’s most sought-after employers. The Orlando Sentinel has named us a Top 100 company for working families for many years. We also won awards from the American Heart Association and other organizations for being a workplace that encourages employee wellness.

Each spring and fall, KUA employees can be heard asking each other, “You want to know my numbers?” They’re not trying to swap phone numbers. They’re referring to the free biometrics screening KUA offers. That five-minute screening provides powerful insight into health risk factors, including cholesterol, diabetes and high blood pressure.

KUA’s wellness initiative led an employee, Sam (not his real name), to make important changes in his lifestyle. “Since KUA sponsors employees to participate in local biking and running events, Sam entered one of our 5K runs, which I also ran,” Cindy said. “I passed him in the race and later he told me I became his inspiration, with a goal of passing me one day. Now he looks forward to participating in these events with his son. How great is that?”

Cindy’s not doing a lot of running these days. An injury has temporarily sidelined her from racing events. But she’s keeping plenty busy watching her son Diego play football and soccer. Bianca, her daughter, plays competitive soccer and percussion in the middle school band.

“KUA understands employees have a life outside work,” Cindy tells us. “You have to do more than talk the talk about a family-friendly workplace. You need to walk the walk. Offering employees flexible scheduling options is one way we do that.”

“If you invest in your employees, they’ll invest in the company,” she continues. Another way KUA invests in its employees is covering the costs of medical, dental, vision and life insurance benefits for all eligible employees.

That’s a strategic investment that benefits everyone, including customers, Cindy said. “The research is clear; employees who are engaged mentally and physically are more focused and effective on and off the job,” she notes. “That translates into lower employee absenteeism, lower turnover and fewer insurance claims — all of which help us hold down the cost of electric service. And a healthier workforce also holds down annual increases in the cost of insurance.”

“Supporting employees and their families is the right thing to do, and it also saves customers money,” Cindy comments. “Sometimes the answer really is that simple.”



OBSTACLES
Overcome
WITH MIGUEL SIERRA

We caught up with Miguel Sierra early one morning before he reported for work at Westgate Resorts. An immigrant from Venezuela, Miguel's native language is Spanish, but at the resort he asked to work with English-speaking guests so he could practice the language of his new country.

At the end of the workday, as the Westgate guests were sipping their first cocktails, Miguel would be going to his second job, selling vacation properties. It's not an easy life, but Miguel is not one to complain. Instead, he gives thanks. "I love this country," Miguel said. "Thank God for this country."

Five years ago, Miguel left the chaos and violence of Venezuela to come to America. Since then, he has put his proverbial nose to the grindstone, working about 60 hours a week between two jobs. But both jobs are in highly cyclical, low-wage industries, so the money he takes home doesn't reflect the time and effort he puts in. His combined salary of about \$32,000 per year doesn't go far to feed, clothe and house his wife, five children and one grandchild.

"We struggle sometimes, but life here is nothing like Venezuela, where you fear for your safety," he said. "There, the police are corrupt, food is hard to find and inflation is more than 100 percent a year. Our life here is sometimes difficult, but it's so much better than Venezuela."

Despite his hard work, Miguel sometimes has trouble making ends meet. "Between car payments, food, rent and the electric bill, sometimes we have to choose which bills to pay," he tells us.

Miguel has been a KUA customer for five years. When he fell behind on his electric bill, we referred him to the Council on Aging which manages our Good Neighbor Utility Assistance Fund. He's grateful for their financial assistance with rent and the electric bill. "My family is very blessed. The Council is helping me get on a solid financial footing. I'm so thankful."

"Right now, I'm studying for my real-estate license," he continues. "If I pass the test, I can earn a commission when I sell a property. That will help get us on our feet. And when that happens, I'll be making donations to KUA's Good Neighbor Utility Assistance Fund to help other families in need."

In this country, we call that paying it forward.



NEARLY
\$70,000

IS DISTRIBUTED EACH YEAR FROM
KUA'S GOOD NEIGHBOR FUND.



229

FAMILIES WERE ASSISTED
THROUGH THE GOOD NEIGHBOR
FUND IN 2015.



KUA *at a Glance*

KISSIMMEE UTILITY AUTHORITY

Kissimmee Utility Authority is Florida's sixth largest municipally owned utility providing electric and telecommunications services to 70,000 customers in Central Florida. KUA owns and operates the the Cane Island Power Park and has ownership interests in other generating stations, including coal, natural gas and nuclear sources.

KUA also provides billing for refuse and storm water services for the City of Kissimmee.

MISSION STATEMENT

To provide reliable and economical services to our customers while partnering with the community and the environment.

OUR VISION

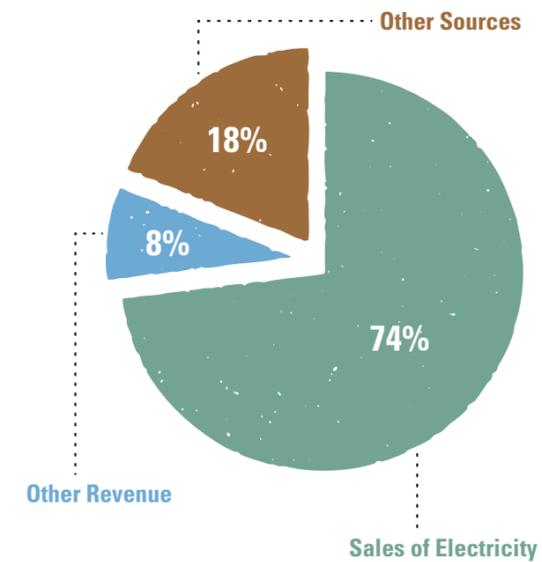
To be the right utility, providing the right services, at the right time.



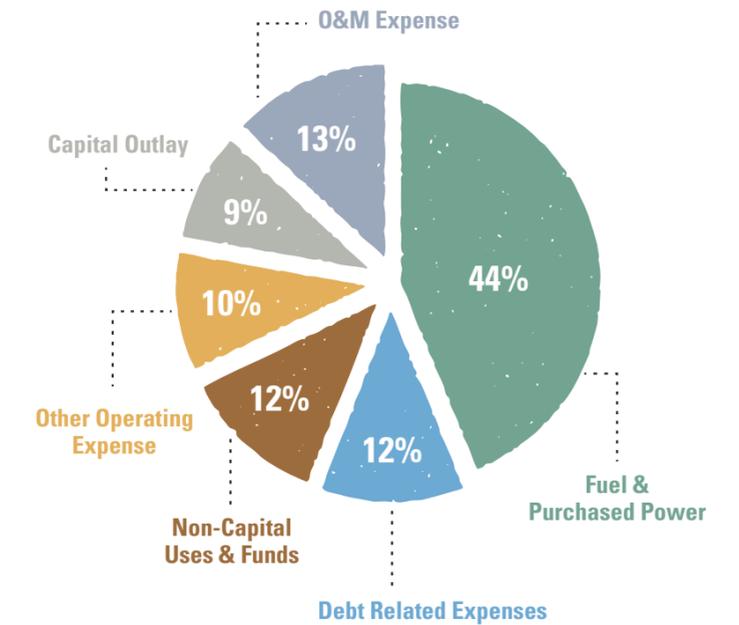
» **KISSIMMEE**
 Population: 59,682 (2010 Census)
 Geography: 17.3 square miles
 Location: 28°18'14"N, 81°24'46"W
 Incorporated: 1883

» **OSCEOLA COUNTY**
 Population: 287,416 (2012 Census)
 Geography: 1,506 square miles
 Incorporated: 1887

WHERE THE MONEY COMES FROM



WHERE THE MONEY GOES



OPERATING HIGHLIGHTS	FY2015	FY2014	% CHANGE
Operating Revenues	\$188,395,762	\$169,344,826	11.2%
Total Operating Expenses	\$156,829,768	\$166,779,945	(6.0%)
Other	(\$4,497,177)	(\$2,943,251)	52.8%
Net Position - End of Year	\$204,065,667	\$176,996,850	15.3%
Debt Service Coverage	2.1	1.3	66.4%

SYSTEM HIGHLIGHTS	FY2015	FY2014	% CHANGE
Customers (12 month average)	69,650	68,055	2.3%
Electricity Sales (megawatt hours)	1,443,719	1,381,011	4.5%
Peak Demand (megawatts)	335	327	2.4%
Change in Net Position	\$27,068,817	(\$8,541,654)	(416.9%)
Employees	302	305	(1.0%)

KUA BOARD OF DIRECTORS

Reginald L. Hardee, *Chairman*
Jeanne Van Meter, *Vice Chairman*
Dr. George Gant, *Secretary*
Kathleen Thacker, *Assistant Secretary*
Ethel Urbina, *Director*
Jim Swan, *Mayor of Kissimmee (Ex-Officio)*

KUA MANAGEMENT

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President & General Manager

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Vice President of Engineering & Operations

Joseph Hostetler
Vice President of Finance & Administration

Larry Mattern
Vice President of Power Supply

Susan Postans
Vice President of Customer Service

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Vice President of Information Technology

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Vice President of Human Resources

Chris M. Gent, APR, CPRC
Vice President of Corporate Communications

GATHER G'Round

9 STORIES
that MATTER

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PHOTO LOCATION

This year's annual report photos were taken at the Pioneer Village at Shingle Creek Regional Park in Kissimmee, where visitors can step back in time as they tour the fully restored dwellings of some of Osceola County's earliest settlers. The park also includes hiking, biking and paddling trails to get in touch with Florida's nature on the headwaters of the Everglades. KUA is a proud annual sponsor of the Osceola County Historical Society.

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SINCE 1901

KUA

KISSIMMEE
UTILITY
AUTHORITY