

MINUTES
ORLANDO UTILITIES COMMISSION
April 10, 2018
2:00 P.M.

Present:

COMMISSIONERS:

Cesar E. Calvet, First Vice President
Britta Gross, Second Vice President
Buddy Dyer, Mayor

Clint Bullock, General Manager & Chief Executive Officer
Jan Aspuru, Chief Operating Officer
Luz Aviles, Linda Ferrone, Roseann Harrington, & Chip Merriam, Vice Presidents
Jerry Sullivan, Vice President & Chief Information Officer
Mindy Brenay, Vice President & Chief Financial Officer
W. Christopher Browder, Vice President & General Counsel
Nanci Schwartz, Recording Secretary

Commissioner Calvet asked German Romero to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:03 P.M.

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On a motion by Mayor Dyer, seconded by Commissioner Gross and unanimously carried, the reading of the minutes of the March 13, 2018 Commission Meeting was waived and the minutes were approved.

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Jan Aspuru presented a 30-year service award to Bruce Battaglia, Project and Maintenance Support Coordinator, Electric and Water Production.

Clint Bullock presented a 20-year service award to Mindy Brenay, Vice President and Chief Financial Officer, Financial and Support Services.

Chris Browder presented a 20-year service award to German Romero, Director of Human Resources, Office of the General Counsel.

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Roseann Harrington announced that OUC is participating in sixteen events to celebrate April as Water Conservation Month and Earth Month. The largest of these is the Watercolor Project, which includes a calendar contest in elementary schools and a rain barrel decorating contest in middle and high schools. Over 70 OUC employees will participate in an Earth Day event on Saturday, April 14. Ms. Harrington noted that the Commissioners received invitations to OUC's various Earth Day events. She thanked Karlene Santiago, Melissa Dukes, Queen Massaline, Lisa Curran, and Madison Wilson for their efforts during these events.

Ms. Harrington also announced that OUC received the Tree Line USA recognition. Jeff Mann and Erin Givins were present to receive the award.

Commissioner Calvet read aloud a Proclamation declaring April to be Water Conservation Month.

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Mr. Bullock asked LeMoyne Adams to provide a presentation on Affirmative Item A-5 regarding the Colonial Town Utility Improvements Project and A-6 regarding the Lake Davis Utility Improvements Project. The City of Orlando is undertaking two roadway improvement projects. Phase One of the Colonial Town Utility Improvements Project is located along Oregon Street, with Phase 2 and Phase 3 performed at a later date. The Lake Davis Utility Improvements Project is located on Elmwood Street and Hyer Avenue between Lake Davis Drive and State Road 408. Both projects include replacement of City of Orlando sanitary and storm water collection systems. Within the scope of the City's project, OUC has aged water mains and water infrastructure that need to be replaced as well. OUC will partner with the City through a Joint Project Agreement process, allowing the City's contractor to install OUC's infrastructure.

Mayor Dyer expressed his appreciation for the good working relationship between OUC and the City of Orlando.

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Mr. Bullock asked Chris Browder to provide a presentation on Affirmative Item A-13 regarding the Mercy Drive Release of Easements. Mr. Browder stated this agenda item was ratified in order to support the City of Orlando's closing date on the City's housing project. The impacted easements were located on sites that were transferred to Ability Housing as part of a redevelopment project. He explained where the nine easements were located in the sites, and how OUC has been working with Ability Housing to release and relocate these easements.

Five easements for water and electric facilities, as well as five Service Agreements for Lighting Service, were released as part of this project.

Mayor Dyer stated that the City of Orlando broke ground on the project the previous week and expressed his appreciation for OUC expeditiously moving through the legal process.

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Commissioner Calvet presented the Affirmative Items for approval. On a motion by Commissioner Gross and seconded by Mayor Dyer, Affirmative Items A-1 through A-15:

1. Ratification of the fuel procurements to the low bidders in January 2018 in the aggregate amount \$4,907,043.83 as follows:

NATURAL GAS PURCHASES:

January 2018	Southwest Energy	\$ 180,377.68
January 2018	Tenaska Marketing Ventures	\$ 4,611,941.15
January 2018	Texla Energy Management, Inc.	\$ 114,725.00

2. Approval of a single source Purchase Order to AVP Valve, Inc. to provide valve inspections, repairs and mechanical services for the Stanton Energy Center Units 1 & 2, Combined Cycle Unit B and Indian River Plant combustion turbines in the amount of \$1,145,000. The contract term is five years;
3. Approval for the General Manager & CEO to execute the Second Amendment to Appendix B-2 of the Coal Supply Agreement with Foresight Coal Sales, LLC for 200,000 tons for Calendar Year 2018 and 2019 coal deliveries in the amount of \$16,775,000;
4. Approval of the Electric Distribution Construction Estimate for the installation of underground electric distribution facilities to serve Universal Studios Islands of Adventure in the amount of \$1,761,836.80, with customer contributions in the amount of \$270,000;
5. Authorization for the General Manager & CEO to execute the Joint Participation Agreement with the City of Orlando for Phase 1 of the Colonial Town Utility Improvements Project. Approval of a Water Distribution Construction Estimate in the amount of \$289,625 for construction, administration, and inspection costs necessary to complete Phase 1 of the project. Approval of a Purchase Order to the City of Orlando to provide engineering, construction management, and construction services for Phase 1 of the project in the amount of \$240,000;

6. Authorization for the General Manager & CEO to execute the Joint Participation Agreement with the City of Orlando for the Lake Davis Utility Improvements Project. Approval of a Water Distribution Construction Estimate in the amount of \$430,810 for construction, administration, and inspection costs necessary to complete the project. Approval of a Purchase Order to the City of Orlando to provide engineering, construction management, and construction services for the project in the amount of \$360,100;
7. Approval of a sole source Purchase Order to Southern States, LLC for parts and installation support necessary to retrofit 24 disconnect switches required for the Taft to Stanton 230kV Transmission Corridor Upgrade Project in the amount of \$330,000;
8. Approval of a sole source Purchase Order to ABB, Inc. to provide and install four switchgear circuit breakers and upgrade the arc flash protection in the amount of \$500,000;
9. Approval of RFP #4459 - Contract award to Yash Solutions, the most responsive and responsible vendor, to provide IT infrastructure support services for the Energy Management System and Water Production Plant SCADA systems for one year in the amount of \$218,400;
10. Approval of RFP #4511 - Contract award to Orlando Freightliner, Inc., the lowest, most responsive and responsible vendor, for the purchase of one road tractor in the amount of \$132,879;
11. Approval of a Capital Expenditure Estimate in the amount of \$1,483,308.50 for the Gardenia Facility Roof Replacement Project. Approval of RFP #4502 - Contract award to Precision Roofing Solutions, Inc., the lowest, most responsive and responsible vendor, to furnish and install replacement roofs for the office, warehouse and fleet buildings located at the Gardenia Facility in the amount of \$1,473,308.50;
12. Approval of an OUC initiated scope change with conforming Change Order No. 1 to Origin Consulting, LLC. to provide billing operations support services in the amount of \$150,000, increasing the total Purchase Order amount to \$249,360;
13. Ratification of the General Manager & CEO's execution of the termination and release of Easements for property located west of Mercy Drive and south of West New Hampshire Street;
14. Approval of an OUC initiated scope change with conforming Change Order No. 1 to Gray Robinson P.A. to continue providing general legal

services through Fiscal Year 2018 in the amount of \$250,000, increasing the total Purchase Order amount to \$600,000; and

15. Approval of an OUC initiated scope change and conforming Change Order No. 4 to Cornerstone OnDemand to enable additional functionality and user licenses and to continue providing system support for the talent management system through April 23, 2019 in the amount of \$185,000, increasing the total Purchase Order amount to \$653,368.

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Commissioner Gross stated that The Audit Committee conducted its regular meeting on March 14, 2018.

Internal Audit activities were presented, including an overview of recently completed Internal Audit reports.

A legislative and financial update was provided on the status of the Federal Emergency Management Agency (FEMA) reimbursement process for Hurricanes Matthew and Irma and mutual aid support for Hurricane Maria.

The Committee reviewed proposed rate changes to the Net Metering Policy designed to align with the Community Solar Farm rates. The proposed changes are scheduled to be presented to the Finance Committee at the April 12, 2018 meeting before being presented to the Board for approval at a future Commission Meeting.

Proforma financial results as of February 2018 were presented for the Fiscal Year 2018 with Income Before Contributions projected to \$95.3 million, or \$1.5 million below budget.

The Committee also reviewed the results of the recently completed competitive process to secure external audit services for the five-year period beginning in August 2018, utilizing criteria established by the State of Florida Auditor General. Based on management's recommendation and review of the selection process results, the Audit Committee recommends the reappointment of Ernst & Young.

On a motion by Commissioner Gross and seconded by Mayor Dyer, PRES-1a was approved as follows:

PRES-1a Approval of RFP #4353 - Contract award to Ernst & Young, the most responsive and responsible vendor, to provide external audit services in the amount of \$1,800,000. The contract term is five years with two one-year renewal options.

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Mindy Brenay stated that there is a continued trend of revenues being slightly below budget. Under the heading of "other assets," OUC has secured and executed the funding agreement related to Hurricane Matthew. OUC is continuing to work with the State of Florida on the release and pending execution of the funding agreement related to Hurricane Irma.

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Carol Davis, an OUC customer, spoke about the need to make sustainability initiatives more affordable for renters.

Laura Betts spoke about environmental concerns on behalf of residents who live near the Stanton Energy Center (SEC).

Pete Dunkelberg, an OUC customer, spoke about the need to switch from fossil fuels to renewable energy sources.

Susanna Randolph, an OUC customer, discussed the need to increase sustainability efforts among low-income households, as well as setting a retirement date for the SEC. She thanked Mr. Bullock, Ms. Harrington, and Ms. Ferrone for meeting with her previously.

Georgiana Holmes, an OUC customer, spoke about setting a retirement date for the SEC and the desire for a clean environment by all Florida citizens.

Michael Cohen, an OUC customer, spoke about working with OUC to set a retirement date to close the SEC and increasing the use of solar in Central Florida. He also praised OUC for being easy to work with compared to other utilities.

Jonathan Sebastian Blount, an OUC customer, shared an article from the Caribbean American Passport regarding Dr. Larry Mills joining the Board.

James Callahan, an OUC customer, spoke about the need to set a retirement date for the SEC and the desire for OUC to transition to solar and other forms of renewable energy.

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Mr. Bullock asked Jan Aspuru to update the Board on OUC's Reliability Award. OUC is celebrating 20 years as the Most Reliable Utility in Florida as compared to investor-owned utilities (IOU). Mr. Aspuru explained the two indices that are used by the Public Service Commission to gauge reliability of IOUs: the System Average Interruption Duration Index (SAIDI) and the L-Bar (average duration of outage events). OUC had both the lowest SAIDI and L-Bar in 2017.

Mr. Bullock thanked Brad Chase, Keith Mutters, LeMoyne Adams, Troy Morris, Ken Zambito, and Orlando Alancastro for contributing to OUC's reliability.

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Mr. Bullock announced that OUC has selected three new Vice Presidents: Wade Gillingham for Electric and Water Production; LeMoyne Adams for Electric and Water Distribution; and Ken Zambito for Transmission.

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Mr. Bullock stated that OUC has moved forward to the last phase of signing the Solar Power Purchase Agreement with FMPA. FMPA has received approvals from its member municipal cities to sign the contracts. A signing ceremony will be held during the first week of May.

Mr. Bullock also stated that he, Ms. Harrington, and Ms. Ferrone have met with several of the public speakers. OUC is very proud of leading the state with its conservation efforts. OUC is willing to challenge its business models and investigate new opportunities for conservation. Mr. Bullock also stated that OUC is moving forward with the Electric Integrated Resource Plan (EIRP) and cannot lose focus on affordable rates.

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Commissioner Gross thanked the speakers for their comments. She noted that OUC discusses these conservation and sustainability themes at every meeting and with every initiative. She acknowledged that OUC needs to continue focusing on disadvantaged communities.

Mayor Dyer congratulated Mr. Gillingham, Mr. Adams, and Mr. Zambito on their promotions to Vice President. He congratulated OUC on 20 years of being the Most Reliable Utility in Florida as compared to the IOUs. He commented that the City of Orlando is ten years into the Greenworks Program and commended OUC on the Tree Line USA recognition. He thanked the public speakers from the First 50 Coalition. He also thanked OUC for being a good partner in the City of Orlando's sustainability efforts.

Commissioner Calvet congratulated the Service Award recipients. He congratulated Mr. Gillingham, Mr. Adams, and Mr. Zambito for their promotions to Vice President. He thanked the public speakers and is glad OUC is considered a good community partner. He expressed the importance of focusing on low-income renters in the service territory. He praised OUC's Watercolor Project.

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Commissioner Calvet adjourned the meeting at 3:36 P.M.

First Vice President

Secretary