

**MINUTES
ORLANDO UTILITIES COMMISSION
May 8, 2018
2:00 P.M.**

Present:

COMMISSIONERS:

Gregory D. Lee, President
Cesar E. Calvet, First Vice President
Britta Gross, Second Vice President
Larry Mills, Commissioner

Clint Bullock, General Manager & Chief Executive Officer
Jan Aspuru, Chief Operating Officer
LeMoyne Adams, Luz Aviles, Linda Ferrone, Wade Gillingham, Roseann Harrington, Chip Merriam, & Ken Zambito, 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 2:05 P.M.

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On a motion by Commissioner Calvet, seconded by Commissioner Gross and unanimously carried, the reading of the minutes of the April 10, 2018 Commission Meeting was waived and the minutes were approved.

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LeMoyne Adams presented a 25-year service award to Dave Bramlett, Senior Engineer Distribution, Electric and Water Distribution.

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Roseann Harrington introduced Chris Browder to discuss wellness and workplace awards. Mr. Browder announced that OUC received the Best

Wellness Employer Gold Certification award from Wellness Workdays, in collaboration with Harvard Medical School. OUC completed a four-part certification program in order to receive the award. He recognized Kate Powers, Jill Rainford, Alie Roy, and Naz Somji for their work to receive the certification.

Mr. Browder announced that OUC also received the award for Best Workplaces for Commuters in 2018. OUC has worked with reThink Your Commute in order to develop ideas to help road congestion and give employees alternatives for their commute. He thanked Alie Roy and Brandy Graham for their work on the program.

Ms. Harrington discussed OUC's partnership with UCF and the Orlando City Soccer Club (Orlando City) on the Solar Sculpture project. She recognized OUC's longstanding partnership with Orlando City and thanked the organization for carving out a piece of land on which to build the solar sculpture. She also thanked staff from Orlando City, including Alex Leitao, Kevin Coulhart, Chris Lahey, Jessica Beers, and Kasondra Lee.

Justin Kramer discussed OUC's partnership with UCF and recognized Mark Steiner, Bob Hoekstra and Robert Reedy for their leadership. He acknowledged Team Rise, Team Impact, and the winning team, Team Gyration. Two representatives from Team Gyration, Ramin Ragbir and Kealey Keepers, discussed their solar sculpture design and its key features. The idea for the design was to honor Orlando's connection to soccer, test and extend the boundaries of the dedicated space, make fans a part of the sculpture, and bring solar technology closer to the community. The goal for the solar sculpture is to offset the power consumed by an electric vehicle charging station, and it is estimated that this design will create a net power generation of 1264 kWh per year. They recognized the other members of their team, James Exum, Erin Dudley, Joel Zorowitz, Joel Rouff, and Gabby Mancini.

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Mr. Bullock asked LeMoyne Adams to provide a presentation on Affirmative Item A-8 regarding East Airfield Park, located on Dowden Road west of Narcoossee Road, and A-9 regarding Laureate City Park, located at the intersection of Kellogg Avenue and Hartwell Road. Both parks are currently under construction and the City of Orlando has entered into OUConvenient lighting contracts to provide sports lighting. The sports lighting partnership between OUC and the City of Orlando has been in effect for 17 years with 7 sports lighting contracts currently in effect. East Airfield Park will consist of the installation of 12 70-foot steel poles, 4 80-foot steel poles, and 166 LED lights. Laureate City Park will consist of the installation of 10 70-foot steel poles and 104 LED fixtures.

Commissioner Calvet asked for clarification regarding the location of East Airfield Park. Mr. Adams responded that East Airfield Park is located on the north side of Dowden Road at the dead-end; just east of the Orlando International Airport.

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Mr. Bullock asked Jerry Sullivan and Eddie Fee to provide a presentation on Affirmative Item A-10 regarding the Connexo Head End System Upgrade Project. Mr. Sullivan explained that the head end system resides on OUC-owned hardware in the OUC data center, connects the mesh network of AMI digital meters with nearly all OUC systems, and filters and compiles AMI meter data for consumption by many other system applications.

Mr. Fee stated that the upgrade will allow OUC to better manage the data entering the system and stay compatible with changing AMI technology, such as 4G mobile data capacity, proactive equipment failure detection, and over-the-air programming. The upgrade also sets a strong foundation for the evolution of Smart Grid technology, including increased data gathering, improved data analytics, and time of use rate analysis and billing.

Mr. Sullivan provided financial and background information for the upgrade. The timeline for the go-live is February 2019.

Commissioner Mills asked for clarification regarding the sole source Purchase Orders. Mr. Sullivan stated that he knows of no other head end system that could easily connect with the Elster metering system.

Commissioner Gross asked if the upgrade would allow for customer information to be analyzed based on specific appliances instead of for the entire home. Mr. Fee stated that current set up provides the aggregate load for the meter for the whole dwelling or house. There are some analytic models that could be applied to disaggregate the load into individual appliances. The upgrade will also allow OUC to connect with internet-enabled devices such as thermostats and smart appliances.

Commissioner Calvet inquired about the life expectancy for the current AMI meters. Mr. Fee stated that the depreciation model is for a ten-year expected life capacity.

Commissioner Calvet inquired when the smart meters were deployed. Mr. Sullivan stated that electric meters were deployed in late 2012 and 2013 and water meters were deployed in 2013-2014.

Mindy Brenay confirmed that the depreciation cycle of the AMI meters have a ten-year life span and are currently not in the Capital Plan to be replaced.

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Mr. Bullock asked Jerry Sullivan and Luz Aviles to provide a presentation on Affirmative Item A-11 regarding the OUC Consumption Online Replacement Project. Mr. Bullock explained that OUC Consumption Online is a cloud-based software that is targeted to high-level commercial customers. Based on the age of the software, it was decided to go out to bid for a replacement. Ms. Aviles explained how the software helps commercial customers manage their facilities more efficiently. The current cloud application has been provided by a third party vendor since 2000. Replacement software will be easier to use, allow for added visibility for energy, water, chilled water, and solar meter points, assist building owners in meeting the Building Energy and Water Efficiency Strategy (BEWES) standards, and provide better administration tools and reports. OUC's marketing group will be able to customize the energy portals and dashboards, which provide access to customer information.

Commissioner Gross asked if OUC is the only source for sustainability data for building owners, and if owners have to subscribe to a data service to receive this data. Ms. Aviles explained that customers can get data from their bills. Customers will have to subscribe to the tool. OUC currently pushes information into Energy Star for its own tracking purposes. The new tool will allow OUC to transfer data to customers in a format easier to upload into Energy Star.

Mr. Sullivan stated that Leidos was the selected vendor. The cloud-based replacement software will be in place in November 2018. Future opportunities for the software include all commercial and residential meter points, an analytics module, and a geographic information system interface module.

Commissioner Mills asked for clarification regarding with the connection with the head end system. Ms. Aviles stated that this tool is currently unable to show interval hourly data. Once the head end system is upgraded, which is scheduled for February 2019, interval hourly data will be available.

Commissioner Gross and Commissioner Mills requested more updates regarding lessons learned and good news stories related to customer data analysis and energy usage tools. Mr. Bullock stated that staff is currently formalizing data governance within the organization. Ms. Sullivan stated there will be a future presentation regarding Customer Care and Billing, Meter Data Management, and moving data forward from an analytics perspective.

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Commissioner Gross inquired about Affirmative Item A-15 and if it addresses the known water meter issues. Ms. Aviles stated that this agenda item provides for an upgrade to version 3 cables. Mr. Fee stated that this agenda item will allow data regarding meter events and exceptions to be leveraged for analytics, as well as hourly meter information. Ms. Aviles confirmed that the problems have been mostly with the cables and not the water meters. A discussion ensued about the

life expectancy of meters and when they should be replaced. Mr. Sullivan assured that the head end system should not be hindered by out-of-date meters.

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President Lee presented the Affirmative Items for approval. On a motion by Commissioner Calvet and seconded by Commissioner Mills, Affirmative Items A-1 through A-23 were approved as follows:

1. Ratification of the fuel procurements to the low bidders in February 2018 in the aggregate amount \$5,364,245.58 as follows:

NATURAL GAS PURCHASES:

February 2018	NJR Energy Service Company	\$ 516,734.03
February 2018	Shell Energy	\$ 363,977.99
February 2018	Southwest Energy	\$ 651,492.66
February 2018	Tenaska Marketing Ventures	\$ 3,832,040.90

2. Approval of a sole source Purchase Order to Metso Minerals Industries, Inc. to provide equipment for a ball mill no. 3 shell for the Stanton Energy Center Limestone Preparation Ball Mill Replacement Project in the amount of \$266,900;
3. Approval of a single source Purchase Order to Wunderlich-Malec Systems, Inc. to provide project management services for a one-year period, which are required for the Stanton Energy Center Unit 1 Distributed Controls System Upgrade Project in the amount of \$113,400;
4. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Rack & Pinion Elevators Project in the amount of \$1,440,000. Approval of RFP #4395 - Contract award to Alimak Hek, Inc., the sole responsive and responsible vendor, to provide the new rack and pinion elevator equipment, materials, and installation services for Stanton Energy Center Combined Cycle Unit B heat recovery steam generator and Brine Plant in the amount of \$1,190,000;
5. Approval of Change Request No. 2 to the Capital Expenditure Estimate to complete Phase 2 of the Ozone Generator Replacement Project for the Pine Hills Water Treatment Plant in the amount of \$5,556,982, increasing the total project cost to \$7,981,751. Approval of an OUC initiated scope change with conforming Change Order No. 1 to Wharton Smith Inc. to provide Construction Manager at Risk services required for Phase 2 of the Pine Hills Water Treatment Plant Ozone Generator Replacement Project in the amount of \$5,091,982, increasing the total Purchase Order amount to \$5,180,084. Approval of Change Request No. 2 to the Capital Expenditure Estimate for the

Pine Hills Water Treatment Plant Electrical Improvements Project in the amount of \$3,107,340, increasing the total project cost to \$3,604,299. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Wharton Smith, Inc. to provide Construction Manager at Risk services for the Pine Hills Water Treatment Plant Electrical Improvements Project in the amount of \$2,812,340, increasing the total Purchase Order amount to \$2,873,892;

6. Approval of the Electric Distribution Construction Estimate for Phase 3 of the Underground Cable Splice Replacement Project in the amount of \$556,115.80;
7. Authorization for the General Manager & CEO to execute the Joint Participation Agreement with the City of Orlando for Phase 2 of the Dowden Road Extension Project. Approval of an Electric Distribution Construction Estimate for construction, administration, and inspection costs necessary to complete Phase 2 of 3 for the Dowden Road Extension Project in the amount of \$659,445.92. Approval of a Purchase Order to the City of Orlando to provide construction management and construction services for the project in the amount of \$568,487.86;
8. Approval of a Lighting Construction Estimate in the amount of \$1,295,894.50 for construction, administration, and inspection costs for East Airfield Park. Approval of a single source Purchase Order to Musco Lighting, LLC to provide construction management and construction services for the project in the amount of \$1,167,825;
9. Approval is of a Lighting Construction Estimate in the amount of \$923,168.18 for construction, administration, and inspection costs for the Laureate City Park. Approval of a single source Purchase Order to Musco Lighting, LLC to provide construction management and construction services for the project in the amount of \$816,196.40;
10. Approval of a Capital Expenditure Estimate for the Connexo Head End System Upgrade Project in the amount of \$2,500,825. Approval of a sole source Purchase Order to Elster Solutions LLC for consulting, implementation services, and program management for the Connexo Head End System Upgrade Project in the total amount of \$1,149,891.75. Approval of a Purchase Order to Origin Consulting LLC including Work Order No. 3 for development and integration services in the total amount of \$387,205. Approval of an OUC initiated scope change and conforming Change Order No. 20 to CDW Government LLC for Cisco blade servers for the Connexo Head End System Upgrade Project, memory and software licenses and one year of

maintenance and support in the amount of \$141,196.70, increasing the total Purchase Order amount to \$1,702,578.64. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Agile1 in the amount of \$621,750 to provide temporary staffing support and management services, increasing the total Purchase Order amount to \$14,121,750;

11. Approval of RFP #4468 - Contract award to Leidos Engineering, LLC, the most responsive and responsible vendor, to provide the Smart Grid Select - Energy Management Portal for the OUConsumption Online Replacement Project, which includes professional services, support and training subscription services and data storage for a 5-year period, in the amount of \$2,376,753. Approval of a Purchase Order to Origin Consulting LLC including Work Order No. 4 for development and integration services for the OUConsumption Online Replacement Project in the amount of \$236,952. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Agile1 in the amount of \$183,480 to provide temporary staffing support and management services for the OUConsumption Online Replacement Project, increasing the total Purchase Order amount to \$14,305,230.;
12. Approval of RFP #4459 - Contract award including Work Order No. 1 to AdvizeX Technologies LLC, the most responsive and responsible vendor, to provide IT infrastructure support services for the Special Server Patching Project through May 31, 2019 in the amount of \$158,500;
13. Approval of a sole source Purchase Order to OpenText, Inc. for implementation services, Retention Manager and Case Manager software, and one year of maintenance and support through June 3, 2019 required for the Email Retention & Compliance Software Upgrade Project in the amount of \$255,620;
14. Approval of Capital Expenditure Estimates for the Gardenia and Pershing Emergency Back-up Generators Project in the aggregate amount of \$699,155. Approval of RFP #4513 - Contract award to Zabatt, Inc., the lowest, most responsive and responsible vendor, to furnish and install two emergency back-up generators at the Gardenia and Pershing facilities in the aggregate amount of \$674,155;
15. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Utility Partners of America, LLC in the amount of \$1,010,000 to continue providing water meter field services through July 9, 2020, increasing the total Purchase Order amount to \$3,037,251;

16. Approval of an OUC initiated scope change with conforming Change Order No. 1 to Deloitte Consulting, LLP to provide change management consulting services for the Execution Phase in the amount \$149,859 increasing the total Purchase Order to \$244,509;
17. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Nexant, Inc. to continue providing rebate and audit automation software through December 13, 2019 in the amount of \$270,500, increasing the total Purchase Order amount to \$938,000;
18. Approval of a Change Request No. 3 to the Capital Expenditure Estimate for Phase 2 of 2 for the Stanton Energy Center Lined Pond System Project in the amount of \$2,390,000, increasing the total project cost to \$33,930,569. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Ardaman & Associates, Inc. - a Tetra Tech, Inc. Company, in the amount of \$1,340,000 to continue providing Quality Assurance/Quality Construction services through the completion of the project, increasing the total Purchase Order amount to \$6,714,059. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Thalle as contingency funding for potential scope of work revisions through completion of the project in the amount of \$1,000,000, increasing the total Purchase Order amount to \$27,116,510;
19. Approval of RFP #4509 - Contract award to Propel, Inc., the most responsive and responsible vendor, to provide implementation, support services, and software licenses required for the Wellness Program Software Upgrade Project in the amount of \$234,410. The contract term is three years with two one-year renewal options;
20. Authorization for the General Manager & CEO to execute the Release of Easement for property located on the southwest corner of South Kirkman Road and Raleigh Street;
21. Authorization for the General Manager & CEO to execute the Release of Easement on a property located on the west side of South Orange Avenue and north of Holden Avenue;
22. Authorization for the General Manager & CEO to execute the Release of Easements for Orange County Public Schools sites Ventura Elementary School and Rock Lake Elementary School; and
23. Authorization for the General Manager & CEO to execute the Subordination of Encumbrance to Property Rights to Orange County for easements located east and west of South Texas Avenue and north of Americana Boulevard.

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President Lee stated that the Finance Committee conducted its regular meeting on April 12, 2018.

The Committee reviewed the Treasury and Energy Risk Management Reports for the month ending February 28, 2018 and quarter ending December 31, 2017 respectively.

The Committee also reviewed the results of the Series 2018A bond transaction which garnered the highest investor participation rate as well as the tightest pricing spreads in OUC history.

A legislative and financial update was provided to the Committee on the status of the Federal Emergency Management Agency (FEMA) reimbursement process for Hurricanes Matthew and Irma.

The Committee reviewed proposed rate changes to the Net Metering Policy designed to align with the Community Solar farm rates. Approval of these proposed changes will be presented to the Board for approval later in the year.

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Mindy Brenay stated that retail revenues for March were approximately \$1.8 million behind budget. She explained that a cross-functional team has been evaluating the drivers of the retail revenue shortfall including utilizing the enhanced Meter Data Management (MDM) system to analyze monthly retail customer consumption with net energy generation requirements. While metrics for this data have not yet been formalized, Financial Staff has been conducting research using the MDM data to determine the root cause of the revenue shortfall. The initial retail revenues amounts for the month of April show a budget to actual shortfall of approximately \$1.1 million. The data shows OUC's growth rate is slightly lower than forecasted, closer to the 2 percent rate. This is consistent with peer utilities in the state, and due to the lingering effects of Hurricanes Matthew and Irma.

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Jonathan Sebastian Blount, an OUC customer, invited Commissioners to attend the opening of the Bronze Kingdom museum at the Fashion Square Mall.

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Mr. Bullock updated the Board that OUC recently hosted a mutual aid workshop in cooperation with the Florida Coordinating Council. Over 150 members

attended from various utilities around the state. He thanked Ms. Harrington, Lisa Curran, Jenise Osani, and Steven Calamusa for their work on the event. Mr. Bullock stressed the importance on utilities working together during restoration efforts in order to best serve customers.

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Mr. Bullock asked Sam Choi to provide a presentation on OUCollective Solar and OUCommunity Solar, two key initiatives of OUC's various solar solutions. Mr. Choi explained that OUCollective was started to provide additional transparency to customers and to use economies of scale to lower the overall price of solar power. ESA Solar, Inc. was selected as the vendor providing a turnkey installation with base pricing of approximately \$2.50 per watt. OUC will receive a \$710 co-marketing fee per installation. OUCollective is directed at residential electric customers who own single-family homes with available south-facing roof space, and are willing to make an upfront payment. The website provides additional information to customers including site visits and potential savings.

For customers unable to participate in OUCollective, OUCommunity Solar allows customers to buy into community solar farms. It requires no capital investment and allows customers to determine how much solar energy they want to purchase. The new Florida Municipal Solar Project will lower Community Solar pricing. OUCommunity Solar is ideal for customers who do not own property or reside in a single-family home, and who lack the available south-facing roof space. Marketing has a multi-pronged approach including community outreach, targeted mail campaigns for residential programs, and outreach to target commercial customers.

Mr. Choi acknowledged Samir Sahasrabudhe, Jenise Osani, and Harmonie Wilson for their work on the programs.

Commissioner Gross asked for clarification regarding the benefits to residential solar programs. Mr. Choi responded that there is a demand for rooftop solar power, although there are issues with intermittency. However, as technology progresses especially with energy storage, such issues will decrease. There is also a possibility that distributed generation can be a dependable resource for OUC in the future.

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Mr. Bullock announced that OUC recently participated in a signing ceremony for the Solar Power Purchase Agreement with the Florida Municipal Power Agency. OUC's portion of the PPA is 108.5 MW, almost 50 percent of the total generation. He praised OUC for partnering with FMPA and engaging in such an innovative project. He thanked key members of the project including Byron Knibbs, Linda Ferrone, Jan Aspuru, Chris Browder, Sam Choi, Aaron Staley, Keith Mutters, and

Claston Sunanon. He thanked Roseann Harrington, Michelle Lynch, and the rest of the MCCR team for their help promoting the event. He introduced a video showing highlights from the signing ceremony.

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Commissioner Gross thanked Mr. Blount for his comments. She thanked Ms. Ferrone for her letter to address public comments presented at the April 10 Commission Meeting. She congratulated the UCF students who participated in the Solar Sculpture Project.

Commissioner Mills stated he was very encouraged by the partnership with UCF and Orlando City Soccer. He commended Mr. Sullivan and his team on the IT projects and focus on customers. He thanked staff for the other presentations and expressed positivity about OUC's direction.

Commissioner Calvet thanked Mr. Adams for his Service Award presentation and congratulated Mr. Bramlett on his award. He stressed the importance of OUC's partnership with UCF and Orlando City Soccer. He praised the OUCollective Program.

Commissioner Lee echoed the comments made by the previous Commissioners. He thanked everyone for their presentations. He acknowledged the Service Award and Community Recognition recipients. He congratulated the students who contributed to the Solar Sculpture Project.

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President Lee adjourned the meeting at 3:52 P.M.

President

Secretary