

**MINUTES
ORLANDO UTILITIES COMMISSION
June 8, 2021
2:00 P.M.**

Present:

COMMISSIONERS:

Britta Gross, President
Larry Mills, First Vice President
Gregory D. Lee, Second Vice President
Cesar E. Calvet, Immediate Past President
Buddy Dyer, Mayor

Clint Bullock, General Manager & Chief Executive Officer
Jan Aspuru, Chief Operating Officer
Mindy Brenay, Chief Financial Officer
W. Christopher Browder, Chief Legal Officer
Linda Ferrone, Chief Customer & Marketing Officer
Manju Palakkat, Chief Transformation & Technology Officer
Latisha Thompson, Chief Employee Experience Officer
Luz Aviles, Wade Gillingham, Jenise Osani, & Ken Zambito, Vice Presidents
Nanci Schwartz, Recording Secretary

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The June 8, 2021 Commission Meeting was held in person and virtually via WebEx.

President Gross asked Pete Westlake to provide the moment of reflection.

President Gross asked Anthony Cunningham to lead the Pledge of Allegiance to the Flag.

The Commission Meeting was called to order at 2:04 P.M.

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On a motion by Commissioner Calvet, seconded by Commissioner Lee and unanimously carried, the reading of the minutes of the May 11, 2021 Commission Meeting was waived and the minutes were approved.

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Jenise Osani provided a presentation on OUC's Empowerment Zone. Ms. Osani explained that the Empowerment Zone is considered the most disadvantaged area of OUC's service territory due to having a high level of disconnects as well as the lowest amount of energy and water efficiency program participation. The Empowerment Zone was established in 2017 to support broad-based economic prosperity and community support in the 32805 zip code. There is a two-sided approach to the Empowerment Zone, including community partners and an Employee Task Force. Ms. Osani stated that in partnership with the Central Florida Foundation, Inc. and the Parramore Asset Stabilization Fund, OUC funded the renovation of 83 residential dwellings with attributes such as roofing, insulation, air conditioning, and much more, including opportunities for future pilot programs.

Ms. Osani discussed the Empowerment Zone Employee Task Force, which was established in March 1, 2020 by Clint Bullock. Alandus Sims is the Project Manager for the initiative, which consists of a 5-member governance committee and 25 task force members. The task force partnered with Elevate Orlando to donate laptops to 20 students, participate in a Career Day, and develop a math tutoring program with the help of Janet Pinder. Another project was installing Free Little Libraries on May 15 at four locations throughout the zip code, with books donated by OUC employees. The Pre-Apprenticeship Program is a new workforce development program that will create career opportunities in carpentry, plumbing, electrical, and maintenance. On May 4, 16 residents began the four-month training program, which focuses on vocational safety and soft skills. Students were recruited from Frontline Outreach, and iBuild Central Florida is conducting the training. Employers that hire graduates as apprentices are required to pay for their continuing education at Orange Technical College to help ensure that they earn necessary certifications, and Mr. Sims is working with Human Resources with the goal for OUC to hire two people from the program.

Ms. Osani thanked the members of the Empowerment Zone Task Force, especially Alandus Sims, Corey Johnson, Astrid Washington, and Rubin York, who serve on the executive committee.

Mayor Dyer commended the Empowerment Zone initiatives, and noted that the participants in the Pre-Apprenticeship Program should be eligible for the City of Orlando's Blueprint 2.0 Program stipend.

Commissioner Mills inquired about the age of the participating students. Mr. Sims stated they range from 16-24 years old.

President Gross commended the training program. She inquired about the biggest efficiency need for the homes upgraded in the Central Florida Housing Trust Project. Ms. Osani stated that the entire homes need upgrading as the buildings are not well-constructed and in need of repair. Mayor Dyer added that they are slum-rental housing.

President Gross requested to have a discussion regarding transportation needs. Ms. Osani stated that transportation is a consideration and OUC has been working with the City to develop opportunities in that area.

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Clint Bullock asked Jan Aspuru and Chris Browder to provide a presentation on Affirmative Item A-15 regarding the Greater Orlando Aviation Authority (GOAA) agreement. Mr. Aspuru announced that after four years, OUC has reached a major milestone in its partnership with GOAA. He recognized Kathleen Sharman, the Chief Financial Officer of GOAA, and Chris Wilson, the lead attorney in the negotiations with Marchena and Graham, P.A., who were in attendance at the meeting.

Mr. Aspuru provided background information for the partnership between OUC and GOAA. In September 2017, the Interlocal Agreement was executed and in November 2018, the Commission approved the Letter of Intent which authorized negotiations for the Global Agreement. The Global Agreement was approved in July 2019 and outlines the turnkey acquisition and maintenance of chilled water, back-up generation, and 12kV utility services at the newly constructed South Terminal Complex (STC). Beyond providing the non-traditional utility services, the partnership also included an OUC-grid connected airport-sited floating solar, electric vehicle charging services, and waiver of a portion of the STC infrastructure costs. The Amended and Restated Global Agreement will exclude OUC provisions for electric vehicle charging stations to enable GOAA to self-perform this amenity. It also defines service level, terms of closing, conditions precedent to closing, termination provisions, risk allocation, and other deal points for the remainder of the agreements. The agreement also provides for a 20-year term with estimated annual revenue of \$10 million for chilled water service and backup generation service when fully operational.

Mr. Aspuru provided brief explanations of the Chilled Water, Back-up Generation, and Solar Generation Agreements. Mr. Aspuru thanked Erick Rocher, Wade Gillingham, LeMoyné Adams, Millard Long, Juan Diaz, Manju Palakkat, and their respective staffs for their work on these agreements.

President Gross inquired if there was any estimate for how often GOAA will need to utilize the back-up power generation system. Mr. Aspuru said this will depend on how many interruptions occur. The system will run for testing purposes. If there is a power interruption, the airport will count on those units starting up to keep operations going. Historically over ten years, the system has switched over to the back-up system 11 times so there was not a full outage. Mayor Dyer estimated the last full outage happened during the 2004 hurricane season, when the airport was shut down.

Mr. Browder detailed additional Supporting Agreements, including Access and Use License and Ancillary Services Agreements. Subject to the conditions

precedent, at closing in 2022, OUC will acquire the systems from GOAA in the amount of \$55,065,191, inclusive of the capital reserve. OUC will establish a Capital Reserve fund in the amount of \$2,647,000 which will be maintained by OUC in a restricted account to address capital and maintenance repair costs over the 20-year term. Finally, OUC will take over ownership, care, custody, and control of each Project Facility. Mr. Browder detailed the five recommended actions for this agenda item.

Mr. Bullock acknowledged Mindy Brenay for her work on the agreement. He thanked Ms. Sherman and Mr. Wilson, as well as Phil Brown, the CEO of GOAA. Mr. Bullock stated he is excited for the partnership and confident OUC will meet expectations.

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President Gross presented the Affirmative Items for approval. On a motion by Mayor Dyer and seconded by Commissioner Lee, Affirmative Items A-1 through A-17 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in March 2021 in the aggregate amount \$10,831,445.68 as follows:

NATURAL GAS PURCHASES:

March 2021	City of Lakeland	\$ 286,617.00
March 2021	Clarke-Mobil Counties	\$ 410,750.00
March 2021	EDF Trading	\$1,882,257.82
March 2021	Koch Energy	\$ 174,793.56
March 2021	Mansfield Power & Gas LLC	\$ 555,902.50
March 2021	Municipal Gas Authority of Georgia	\$ 867,504.00
March 2021	NJR Energy Services Company	\$ 377,790.25
March 2021	Texla Energy Management	\$ 102,697.50

COAL PURCHASES:

March 2021	Crimson Coal Corporation	\$3,982,795.67
March 2021	Foresight Coal Sales, LLC	\$1,708,892.08
March 2021	City of Lakeland	\$ 481,445.30

2. Ratification of a sole source Purchase Order to Circuit Breaker Sales, LLC to provide labor and materials required for the Stanton Energy Center switchgear replacement in the amount of \$160,000;
3. Ratification of Change Request No. 1 to the Capital Expenditure Estimate for the Stanton Energy Center Combined Cycle Unit B Hot Gas Path and Steam Turbine Valve Inspection in the amount of \$1,167,771.07, increasing the total project cost to \$1,998,311.07. Ratification of an OUC initiated scope change and conforming Change Order No. 1 to General Electric International, Inc. in the amount of

\$1,167,771.07 for the additional owner responsible and emergent work, increasing the total Purchase Order amount to \$1,998,311.07;

4. Approval of a Purchase Order to Reiss Engineering, Inc. to develop a Potable Water Distribution System Master Plan in the amount of \$267,980;
5. Approval of a sole source Purchase Order to Gray Matter Systems, LLC to provide SCADA network software licensing, maintenance, and support in the amount of \$166,201.02;
6. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Interrail Signal Incorporated in the amount of \$755,963 to upgrade signalization crossing systems at five OUC railroad crossings, increasing the total Purchase Order amount to \$1,804,297;
7. Approval of additional funding in the amount of \$797,500 with conforming Change Order No. 1 to AVP Valve, Inc. for continued valve inspections, repairs, and mechanical services for Stanton Energy Centers Units 1 & 2, Combined Cycle Unit B, and Indian River Plant, increasing the total Purchase Order amount to \$1,942,500;
8. Approval of the Lighting Construction Estimate for Holden Avenue from John Young Parkway to Orange Blossom Trail in the amount of \$547,551.94, which includes \$132,417.73 for lighting equipment from OUC's stock inventory and \$415,134.21 to Terry's Electric, Inc. for the installation of the poles, fixtures, concrete bases, conduit, and wires, with upfront customer contributions from Orange County Public Works for the entire cost of the project;
9. Approval of Change Request No. 1 to the Water Distribution Construction Estimate in the amount of \$1,047,440 for OUC construction labor and materials necessary to complete the Holden Avenue Improvement Project, increasing the total project cost to \$1,209,309.23;
10. Authorization for the General Manager & CEO to execute a Joint Participation Agreement with the City of Orlando for the Ivanhoe Boulevard Improvements Area 6 Project. Approval of Change Request No. 1 to the Water Distribution Construction Estimate in the amount of \$1,389,339 for final engineering, construction, administration, and inspection costs necessary to complete the Ivanhoe Boulevard Improvements Area 6 Project, increasing the total project cost to \$1,470,724.04. Approval of an OUC initiated scope change and conforming Change Order No. 1 to the City of Orlando in the amount of \$1,110,810.08 to provide final engineering, construction, and

administration services for the Ivanhoe Boulevard Improvements Area 6 Project, increasing the total Purchase Order amount to \$1,175,918.11;

11. Approval of RFQ #5011 – Contract award to Flycast Partners, the lowest, most responsive, and responsible supplier, for software maintenance and support for the FootPrints, Client Management, and Control-M software products in the amount of \$274,153.59;
12. Approval of an OUC initiated scope change and conforming Change Order No. 5 to Hewlett Packard Enterprise in the amount of \$134,188.80 for HP-Unix annual maintenance and support, increasing the total Purchase Order amount to \$599,085.86;
13. Approval of an OUC initiated scope change and conforming Change Order No. 2 to A.B. Closing Corporation d/b/a Kavaliro in the amount of \$216,984 for additional Information Technology professional and managed services, increasing the total Purchase Order amount to \$275,592;
14. Approval of an OUC initiated scope change and conforming Change Order No. 1 to the City of Orlando in the amount of \$217,312 for the Orlando Operations Center lease agreement through August 31, 2028, increasing the total Purchase Order amount to \$315,633;
15. Authorization for the General Manager & CEO to execute the Amended and Restated Global Agreement with the Greater Orlando Aviation Authority. Authorization for the General Manager & CEO to execute the Service Agreements with the Greater Orlando Aviation Authority, including the Chilled Water Plant Service Agreement, the Back-Up Generation Facility Service Agreement, the Access and Use License Agreement, and the Ancillary Services Agreement, subject to final legal review. Authorization for the General Manager & CEO to execute all related closing documents with the Greater Orlando Aviation Authority associated with the acquisition of the Chilled Water Plant, Back-Up Generation Facilities, and 12kV emergency distribution system, subject to final legal review. Approval of a Purchase Order to S.I. Goldman Company, Inc. to provide labor and materials necessary to re-route the existing chilled water by-pass line in the amount of \$125,000. Approval of a single source Purchase Order to the Greater Orlando Aviation Authority for the acquisition of the Chilled Water Plant, Back-Up Generation Facilities, and 12kV emergency distribution system in the amount of \$55,065,191, inclusive of a designated maintenance capital reserve fund, and upon satisfaction of conditions precedent being completed;

16. Approval of RFQ #4987 – Contract award to Principle Merchants Leasing d/b/a Merchants Fleet, the lowest, most responsive, and responsible supplier to provide six electric vehicle leases in the amount of \$139,091. Approval of a Purchase Order to Altec Industries, Inc. to purchase two off-lease rear lot machines with trailers in the amount of \$114,000; and
17. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Johnson Controls Fire Protection LP in the amount of \$126,691 to continue providing fire alarm, sprinkler, and suppression system services, increasing the total Purchase Order amount to \$903,038.

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Ms. Brenay provided a summary of the effects of COVID-19 on electric and water sales and revenues, noting that while there has not been a significant change in residential sales and revenues, commercial customer sales and revenues have been unfavorably impacted. From 2019 to 2020, the pandemic decreased commercial electric and water sales 4.4 percent and 3.8 percent, respectively. From 2020 to 2021, there were additional decreases in commercial electric and water sales of 3.5 percent and 7.5 percent, respectively. On a cumulative basis, commercial electric and water sales decreased 7.8 percent and 11 percent, respectively.

For the two-year period from 2019 to 2021, there was an overall 2.1 percent increase in retail electric and water net revenues; however, this included a 3.3 percent electric and 6.2 percent water price increase effective October 2019. Ms. Brenay stated that the pandemic effect equates to approximately the loss of a year of revenue growth. Both wholesale and other revenues, as well as chilled water revenues declined from 2019 to 2021 due to the pandemic.

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Mr. Bullock asked Jenise Osani to provide a presentation regarding OUC's Storm Season Campaign. Ms. Osani stated that the summer forecast is for hot, stormy weather. She noted that OUC suspends disconnects when temperatures are forecasted to be equal to or greater than 96 degrees. In addition, 13-20 named storms are predicted for the Atlantic hurricane season, with 3 to 5 major hurricanes.

Ms. Osani summarized the key customer messages to customers for the Hot Weather Campaign, explaining why hot weather causes higher utility bills and actions that can help reduce energy usage. OUC will be leveraging social media, digital, radio, events, an enhanced OUC web page, earned media, and on-bill messaging for this campaign.

In addition, Ms. Osani summarized the key customer messages for storm safety. OUC prepares all year long by strengthening the electric and water infrastructure, training employees, investing in new technologies, and conducting tabletop readiness exercises. Customers can prepare by updating contact information and signing up for alerts, stocking up on essential items, trimming trees, and being safe around power lines. Storm safety messaging will be present on social media, digital, radio, events, billboards, an enhanced OUC web page, earned media, and on-bill messaging. OUC featured its own line technicians in the campaign, including Salvador Magana, Spencer Barnes, and Chris Irvine. Additional storm safety information focuses on how to stay safe with downed power lines.

Mayor Dyer asked for clarification regarding disconnect for non-payment suspensions. Ms. Osani clarified that customers scheduled to be disconnected for non-payment on a day forecasted to be 96 degrees or higher will not be disconnected that day, but will be disconnected when the temperature decreases. Customers who have been disconnected will also not be reconnected on those hot days.

Commissioner Mills encouraged OUC to expand the suspension of disconnects due to hot weather to a one-week or two-week period.

Mayor Dyer asked whether OUC has backup power generation for all water facilities, and inquired why customers are instructed to fill up bathtubs to not be out of water during hurricane preparation. Mr. Bullock confirmed that OUC has backup generation for all water plants. Customers are instructed to fill bathtubs with water due to the possibility of low pressure or water pipe interruption issues, either on the OUC or customer side.

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Mr. Bullock asked Luz Aviles to provide an Energy and Water Efficiency update. Ms. Aviles stated that as part of the community input received during the Electric Integrated Resource Plan, she was asked to lead a committee to analyze OUC's energy efficiency programs, especially those available for low-income customers. For the past few months, the committee has been working through what should be included in an energy efficiency programs' evaluation request for proposal. The committee is made up of various OUC employees throughout the organization, including Kevin Noonan (Legislative Affairs), Harmonie Wilson (Community Engagement), Mia Torres (Electric & Water Production), and Tim Remo (Emerging Technology); as well as three external individuals: Chris Castro (City of Orlando), Jeff Benavides (Orange County), and Marjorie Craig (City of St. Cloud).

Ms. Aviles explained the requirements for the supplier that will be selected, including reviewing the current customer facing programs and recommending

alternative programs; exploring innovative technology that is deployable and commercially available; assisting with redesigning current programs; expanding OUC's Efficiency Delivered programs; and designing a Stakeholder Engagement, Customer Education, and Advocacy plan. It is expected that an agenda item will be presented for approval during the August Commission Meeting.

Parallel to this work, OUC is also leading a review of its customer-facing water efficiency programs. Bill Alexander and Melissa Lucas have been driving this effort in collaboration with Water Production including Brad Jewell, Chris Russell, and Alyson Byrne Escribano. The work accomplished through this project will help improve and expand OUC's offerings, as well as contribute toward the Consumptive Use Permit compliance commitment. OUC is looking to consultants of record to respond on this project. The selected supplier will be expected to establish near term OUC water conservation Key Performance Indicators, including ways to measure programs; provide program suggestions for new residential and commercial water conservation measures including savings estimates; provide water conservation program concepts for new construction; and review OUC's current water conservation programs for viability and compare with other utility offerings. To date, OUC has received five responses to this solicitation and the responses are currently under review. A supplier is expected to be selected in late June, with the review of programs completed by September and implemented during Fiscal Year 2022.

President Gross inquired if these programs would contribute to the 1 percent conservation goal. Ms. Aviles confirmed that these customer-facing energy programs contribute to the 1 percent conservation goal and may exceed it. The goal is to maximize participation in customer programs. Commissioner Mills noted that these programs are not being driven by the 1 percent requirement, but rather encouraging customer participation.

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Mr. Bullock stated that after nearly three years of preparation, the customer pilot phase of OUC's Time of Use program began this April. This residential and small commercial Time of Use rate structure will contribute to ensuring OUC's power generation facilities can continue to meet the needs of the service territory well into the future, by balancing customer demand with energy usage. This offering is consistent to the pricing option that exists for mid and large commercial customers. More than 700 customers from the seven defined residential market segments, and one small commercial segment were selected as pilot participants after responding to the voluntary enrollment request last fall. In January, before the pilot program began, participants received educational materials explaining the program, which included welcome letters (printed and electronic), brochures, e-newsletters, a special website, and dedicated customer support staff. Mr. Bullock stated that OUC has a standard rate for residential and small commercial customers. While this rate is not time differentiated, this program offers lower

pricing during off-peak hours, which is before 2:00 P.M. and after 8:00 P.M. daily and also offer on-peak pricing between 2:00 P.M. and 8:00 P.M.

The Time of Use Program is designed to be net revenue neutral for OUC and seeks to encourage participants to use electricity when the price of producing electricity is at a lower cost. Besides having the opportunity to lower their monthly bill, during the pilot program participants can earn bill credits up to \$200 by remaining on the program for 12 monthly billing cycles and completing quarterly online surveys. Results from the pilot program will be measured by reviewing participant total usage and usage by time period, comparing bills prior to the pilot program and during the pilot program, Customer Service interactions, and participant customer surveys.

The first pilot program bills were sent to participants in April for their March usage. The pilot will continue for one year through March 2022. OUC intends to make Time of Use available to all OUC residential and small commercial customers following completion of the pilot.

Commissioner Calvet inquired if time period of before 2:00 P.M. and after 8:00 P.M. is due to limitations on equipment or for other reasons. Mr. Bullock responded that those times are determined by where there is a peak in the system, which drives investment into the system. Mr. Bullock explained that type of billing is standard on the commercial side, and the pilot program is meant to give customers additional incentives to lower bills, as well as to better utilize OUC assets.

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Mr. Bullock asked Latisha Thompson to provide a Re-Entry update. Ms. Thompson stated that the Re-Entry Task Force is diligently working on plans for Phase 1 of OUC's re-entry plan, which is targeted to begin in July. This phase will be voluntary and provides ample time for employees working remotely to adjust and make arrangements at home before moving to the hybrid re-entry phase on September 13. OUC has partnered with a supplier to implement a mobile enabled health screening application. This technology will be re-evaluated over the next few months along with other protocols. In addition to the immediate solution the enhanced technology provides, it also offers a long-term solution for OUC to quickly reinstate protocols without additional cost if variants present a health concern in the future.

Ms. Thompson stated that effective immediately, masks will no longer be required for employees working outside where physical distancing is possible. Employees who are working outside and are not able to distance are encouraged to continue to wear masks. The requirement to wear a mask while maneuvering through office buildings and high traffic areas where distancing is more difficult will remain in effect for the time being.

Ms. Thompson elaborated on OUC's hybrid model of remote work. Effective September 13, OUC will introduce a hybrid work model in which employees may elect to work up to 2 days per week remotely. It is anticipated that the hybrid schedule will allow employees more flexibility and teams to re-engage in person and improve collaboration across teams. A policy to support this new model is in draft and will be distributed next month.

Ms. Thompson stated that while vaccination is not required as a condition of employment, in order to ensure safety in OUC's workplace, vaccination has been strongly encouraged. To date, 22 percent of employees have notified Human Resources that they are fully vaccinated. Recently, changes to the travel policy have been made to support employees' time of rest, and rapid testing is now being offered to expedite return to work without loss of personal time. For employees who have received a full round of the COVID-19 vaccine, no testing or quarantine is required upon return from travel, as long as they are not experiencing symptoms.

Ms. Thompson stated that beginning in July, public meetings will resume in the Commission Room with increased occupancy. The first floor conference room will remain available for onsite public attendance in case the maximum occupancy limit for the Commission Room is exceeded. In July, the full Board will resume being seated at the dais, eliminating the need for additional spacing. It is anticipated that Commission Meetings will return to normal by October.

Commissioner Mills stated that in his experience, hybrid workplaces do not produce as much cost savings and workplace camaraderie as initially believed. He encouraged OUC to use this hybrid re-entry phase as a pilot program and to consider full-time telecommuting for support staff in the future. Ms. Thompson confirmed that this hybrid program will be a pilot and that there have been many discussions with employees about telecommuting options.

President Gross added that telecommuting would help contribute to sustainability goals.

Commissioner Calvet seconded Commissioner Mills' comments.

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Commissioner Mills praised Ms. Osani for the Empowerment Zone presentation and volunteered to assist with the project, especially the Pre-Apprenticeship Program. He commended the GOAA agreement and everyone involved.

Commissioner Calvet praised the Empowerment Zone, especially the Elevate part of the program. He applauded the GOAA agreement. He thanked Ms. Osani for the Storm Safety presentation and stressed the importance of educating residents, especially those new to the region.

Commissioner Lee echoed the previous comments. He was glad to see the thoughtful and strategic plans and steps toward re-entry.

Mayor Dyer praised the GOAA agreement and the perseverance of all involved. He thanked Ms. Osani for both presentations. He echoed Commissioner Mills' comments regarding suspending disconnects for a longer period of time due to hot weather. He noted that City Hall opened on June 1 and thanked everyone who has been vaccinated and urged everyone to get vaccinated.

President Gross thanked Mr. Westlake for the Moment of Reflection. She praised the Elevate Program. She commended the GOAA agreement, especially the floating solar installation at the airport. She thanked Ms. Osani for her Storm Safety presentation.

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President Gross adjourned the meeting at 3:33 P.M.

President

Secretary