

**MINUTES  
ORLANDO UTILITIES COMMISSION  
July 10, 2018  
2:38 P.M.**

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**Present:**

**COMMISSIONERS:**

Gregory D. Lee, President  
Cesar E. Calvet, First Vice President  
Britta Gross, Second Vice President  
Larry Mills, Commissioner  
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 Officer  
Jerry Sullivan, Chief Information Officer  
Luz Aviles, Wade Gillingham, Roseann Harrington, Byron Knibbs, Chip Merriam,  
& Ken Zambito, Vice Presidents  
Nanci Schwartz, Recording Secretary

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President Lee asked Jill Rainford to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:38 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 June 12, 2018 Commission Meeting was waived and the minutes were approved.

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Ken Zambito presented at 25-year service award to Melvin Liwag, Senior Engineer Operations, Transmission.

Luz Aviles presented a 20-year service award to Eddie Fee, Director of Customer Service Field Operations, Customer Service.

Luz Aviles presented a 20-year service award to Nancy Lugo, Senior Call Center Representative, Customer Service.

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Mr. Bullock asked Wade Gillingham to provide a presentation on Affirmative Items A-3 through A-7 regarding the Direct Injection Upgrade Project. Mr. Gillingham provided a history of the Water Project 2000, which converted the water treatment plants (WTPs) from using aeration to ozone for hydrogen sulfide removal. Mr. Gillingham provided a background for the Ozone Generation Replacement Project, which was approved by the Commission on January 18, 2011. This included a Direct Injection Upgrade from diffusers to Mazzei injectors. Three companies were qualified to provide Construction Manager at Risk (CMAR) services. The Ozone Generator Replacement Project will reduce confined space exposure during maintenance activities to employees in an ozone generated environment, replace obsolete electrical components, replace fine bubble diffusers with direct injection for improved efficiency, and replace ozone generators only when necessary to maximize life of assets. Due to time requirements, staff will start the design and construction of the direct injection systems in advance. The overall project will consist of a four-phased approach, with the direct injection upgrade design occurring in Phase I and construction in Phase II. Each WTP has a separate Capital Expenditure Estimate and Purchase Order.

Commission Mills inquired about the risk to employees during maintenance, as well as why approval is not being requested for all four phases at this time. Mr. Gillingham responded that maintenance risks are due to the lack of oxygen. The maintenance also requires the WTP to shut down. The phased approach is being utilized because costs will escalate over time, and staff wishes to manage the project over several years.

Commissioner Gross asked if the first generation ozone generators met their life expectancy. Mr. Gillingham answered affirmatively. The new generators have a life expectancy of twenty years.

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

1. Ratification of the fuel procurements to the low bidders in April 2018 in the aggregate amount \$6,304,602.87 as follows:

**NATURAL GAS PURCHASES:**

April 2018	BP Energy	\$ 109,575.00
April 2018	EDF Trading	\$ 1,024,569.31

April 2018	NJR Energy Service Company	\$ 882,640.00
April 2018	Shell Energy	\$ 623,617.60
April 2018	Southwest Energy	\$ 237,267.00
April 2018	Tenaska Marketing Ventures	\$ 3,426,933.96

2. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Siemens Industry, Inc. in the amount of \$355,574, to continue providing standard parts for proprietary equipment, maintenance services, and software upgrades through August 31, 2019, increasing the total Purchase Order amount to \$1,439,806;
3. Approval of a Capital Expenditure Estimate for the Lake Highland Water Plant Ozone Generator Replacement Project, Phase 1, Direct Injection Upgrade in the amount of \$749,815. Approval of a Purchase Order to CDM Smith, Inc. to provide engineering design and support services for the Lake Highland Water Plant Direct Injection Upgrade required for the Ozone Project in the amount of \$749,815;
4. Approval of a Capital Expenditure Estimate for the Conway Water Plant Ozone Generator Replacement Project, Phase 1, Direct Injection Upgrade in the amount of \$749,815. Approval of a Purchase Order to CDM Smith, Inc. to provide engineering design and support services for the Conway Water Plant Direct Injection Upgrade required for the Ozone Project in the amount of \$749,815;
5. Approval of a Capital Expenditure Estimate for the Navy Water Plant Ozone Generator Replacement Project, Phase 1, Direct Injection Upgrade in the amount of \$749,815. Approval of a Purchase Order to CDM Smith, Inc. to provide engineering design and support services for the Navy Water Plant Direct Injection Upgrade required for the Ozone Project in the amount of \$749,815;
6. Approval of a Capital Expenditure Estimate for the Kirkman Water Plant Ozone Generator Replacement Project, Phase 1, Direct Injection Upgrade in the amount of \$749,815. Approval of a Purchase Order to CDM Smith, Inc. to provide engineering design and support services for the Kirkman Water Plant Direct Injection Upgrade required for the Ozone Project in the amount of \$749,815;
7. Approval of a Capital Expenditure Estimate for the Sky Lake Water Plant Ozone Generator Replacement Project, Phase 1, Direct Injection Upgrade in the amount of \$749,815. Approval of a Purchase Order to CDM Smith, Inc. to provide engineering design and support services for the Sky Lake Water Plant Direct Injection Upgrade required for the Ozone Project in the amount of \$749,815;

8. Approval of the Electric Distribution Construction Estimate for the installation of underground electric distribution facilities along Lake Nona Boulevard in the amount of \$1,297,261.63;
9. Approval of an Electric Distribution Construction Estimate for the installation of switchgear, capacitor banks and underground feeder cable to serve Universal Studios Orlando in the amount of \$920,092.58, with customer contributions in the amount of \$715,500.00. Approval of Change Request No. 1 to the Electric Distribution Construction Estimate for the Metrowest Substation Circuit Additions in the amount of \$5,954,238.09, to provide engineering, procurement and construction support necessary to complete the manhole duct-line system, increasing the total project costs to 6,053,988.65. Approval of an OUC initiated scope change and conforming Change Order No. 1 to GAI Consultants, Inc. in the amount of \$389,521.10 to provide design engineering and construction plans, increasing the total Purchase Order amount to \$484,521.10;
10. Approval of a Purchase Order to Power Grid Engineering, LLC to provide support services for relay installation, testing and commissioning services required for multiple transmission capital improvement projects in the aggregate amount of \$1,600,000;
11. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Southeast Power Corporation to continue providing overhead transmission line construction, maintenance and storm support services during the second one-year renewal option in the amount of \$9,000,000, increasing the total Purchase Order amount to \$32,000,000;
12. Approval of an OUC initiated scope change and conforming Change Order No. 2 to InsightSoftware.com, Inc. in the amount of \$118,339.50 for annual software maintenance and support of the Hubble software for the period of September 30, 2018 through September 29, 2019, increasing the total Purchase Order amount to \$355,018.50;
13. Approval of a Capital Expenditure Estimate for the Dell Computer Equipment Purchases in the amount of \$500,000. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Dell Marketing LP in the amount of \$650,000 for the ongoing replacement of computer equipment through September 30, 2019, increasing the total Purchase Order amount to \$2,000,000;
14. Approval of an OUC initiated scope change and conforming Change Order No. 2 to NTT Data, Inc. to continue providing Salesforce support and development services for the period of October 1, 2018 through

September 30, 2019 in the amount of \$239,200, increasing the total Purchase Order amount to \$571,800;

15. Approval of RFP #4494 - Contract award to CSS International, the lowest, most responsive, and responsible vendor, to provide JD Edwards EnterpriseOne Managed Support Services in the amount of \$615,270. The contract term is three years with two one-year renewal options;
16. Approval of RFP #4543 - Contract award to Fence Direct, Inc., lowest, most responsive and responsible vendor, for fencing installation and repair services in the amount of \$125,000. The contract term is three years with two one-year renewal options; and
17. Approval of RFP #4519 - Contract awards to Essence Partners; Evok Advertising & Design Inc.; Prismatic; Diane Meiller & Associates, Inc.; and Costa Communications Group, the most responsive and responsible vendors, to provide marketing, advertising, and communication services in the aggregate amount of \$900,000. The contract term is three years with two one-year renewal options.

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Commissioner Gross stated that the Audit Committee conducted its regular meeting on June 13, 2018.

A Procurement Continuous Improvement Program update was presented to the Committee including an overview of the project accomplishments, current projects, and Commission-wide communication initiatives supporting the continuous improvement effort.

The results of the September 30, 2017 Defined Benefit Pension Trust and Other Post-Employment Benefit Trust reports were presented, including Ernst & Young's unmodified audit opinions.

Projected annual financial results for 2018 were reviewed. Income before contributions including the potential use of reserves are expected to be in line with the 2018 approved budget of \$96,800,000.

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

The Audit Committee also received an update on the likelihood of reimbursement for the mutual aid support provided to Puerto Rico.

The Audit Committee recommends approval of a regulatory action to defer \$1,600,000 of long-term benefit related costs for future rate recovery through the

rate-making process. Long-term benefit costs are projected to be recovered over an eight-year period and have been accrued in accordance with new accounting guidance.

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

PRES-1a Approval to defer \$1,600,000 of additional non-qualified pension benefit costs to be systematically recognized beginning in Fiscal Year 2019 through 2025.

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Mindy Brenay provided the Financial Report. She stated that reserves will be utilized to meet projected net income. Weather continues to be mild and wetter. However, it is anticipated that budget will be met for the month of June.

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Cynthia Harris, an OUC customer, spoke about streetlight issues in her neighborhood.

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Mr. Bullock updated Commissioners on the Electric Car Guest Drive (ECGD) event at Camping World Stadium. The event was designed specifically for attendance of OUC commercial customers on Friday, June 15 and residential customers on Saturday, June 16. Over the two-day event, 140 guests attended with 304 test drives. Electric Car Insider will conduct four follow-up surveys to track the number of electric vehicles purchased. Typically, 25 percent of attendees convert to an EV after attending an ECGD event. OUC Commercial Services will follow up with eight customers about OUC's Commercial EV Charging Station Program.

Mr. Bullock introduced a video created by the Marketing, Communications, and Community Relations team summarizing the event.

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Mr. Bullock provided an update on the Leadership Forum. On June 29, approximately 120 leadership team employees met at an off-site event to discuss strategic planning, vision, mission, and direction of the organization. One of the focuses was on rebranding the strategic plan as Connected 2025.

Mr. Bullock introduced a video summarizing the event. He thanked Ms. Ferrone, Ms. Harrington, and their teams for supporting the event.

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Mayor Dyer had no comments.

Commissioner Gross expressed excitement about Connected 2025. She thanked Mr. Gillingham for his presentation. She praised the ECGD event and urged OUC to continue the event in the future.

Commissioner Mills praised Mr. Gillingham's presentation and the phased approach to the Ozone Generator Replacement Project. He requested feedback on Ms. Harris' lighting issue.

Commissioner Calvet congratulated the Service Award recipients. He praised Connected 2025 and the Leadership Forum. He thanked the public speakers for their comments during the Budget Workshop.

President Lee congratulated the Service Award recipients. He thanked Ms. Johnson for the Budget Workshop presentation, Mr. Gillingham for the Ozone Generator Replacement Project presentation, and Mr. Bullock for his updates. He thanked Lisa Curran and Melissa Dukes for inviting him to a recent Orlando Pride Soccer game.

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President Lee adjourned the meeting at 3:31 P.M.

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President

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Secretary