

**MINUTES
ORLANDO UTILITIES COMMISSION
MARCH 10, 2009
2:00 P.M.**

Present:

COMMISSIONERS:

Katie Porta, President
Maylen Dominguez Arlen, First Vice President
Dan Kirby, Second Vice President
Craig McAllaster, Commissioner

Kenneth P. Ksionek, General Manager & Chief Executive Officer
Jan Aspuru, Clint Bullock, Alvin Frazier, Roseann Harrington, Byron Knibbs,
Denise Stalls, Thomas Tart, Robert Teegarden, Vice Presidents
John Hearn, Vice President & Chief Financial Officer
Gregory T. Rodeghier, Vice President & Chief Information Officer
W. Christopher Browder, Vice President & General Counsel
Beth Mason, Recording Secretary

President Porta asked Thomas Tart 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.

* * *

On motion by Commissioner McAllaster, seconded by Commissioner Dominguez Arlen, and unanimously carried, the reading of the minutes of the January 27, 2009 Commission Meeting was waived and the minutes were approved as written.

* * *

Byron Knibbs presented a 30-Year Service Award to Patrick E. Powers, Construction Coordinator, Energy Delivery Business Unit.

Clint Bullock presented a 25-Year Service Award to Naida T. Marquez, Conservation Analyst, Customer Relations & Sustainability.

Jan Aspuru presented a 20-Year Service Award to Claston A. Sunanon, Fuel & Power Marketing, Power Resources Business Unit.

John Hearn presented a 20-Year Service Award to Evelyn Velazques, Senior Accounting Specialist, Financial Services.

Doug Spencer was unable to attend the March 10, 2009 Commission Meeting and will be presented with his service award at the April 14, 2009 Commission Meeting.

* * *

Roseann Harrington introduced Byron Knibbs to discuss the Florida Municipal Electric Association's (FMEA) 9th Annual Florida Lineman's Competition, which was held on February 29, 2009. Mr. Knibbs introduced James Alexander, Richard Boley and Chris Hosier, whose team took first place overall against teams from 15 Florida cities. The team received a \$2,500 check from the FMEA, which can be used to pay expenses if the team competes in the International Lineman's Rodeo in Kansas City in October. Ms. Harrington noted that Commissioners Dominguez Arlen and McAllaster were in attendance at the competition.

Ms. Harrington presented the Commissioners with copies of news articles that were published since January 2009. She also provided the Commissioners with business cards to present to the general public with contact information regarding scheduling tours or meetings at the Reliable Plaza.

Ken Ksionek commented on Affirmative Item A-19 regarding the new radio communication system with Orange County and Osceola County. Mr. Ksionek stated the radio system is critical to OUC's reliability and safety and asked Byron Knibbs to provide additional information about the system. Mr. Knibbs provided a presentation outlining the capabilities of the existing radio system and proposed radio system, including the evaluated options, cost and coverage area.

The existing General Electric 900MHz two-way radio system has been in service and reliable for over 16 years, although the expected life of the system was only 10 years. However, the manufacturer no longer supports the software, the portable radios, mobile dash mount radios and base station equipment. Replacement parts for the current radio system are no longer available. The alternatives are to build a new 900MHz two-way radio system or utilize Orange and Osceola Counties Motorola 800MHz public radio systems. The advantages of utilizing the Orange and Osceola Counties Motorola 800 MHz public radio systems include considerable savings; the capability to work with both digital and analog two-way radios; it is a multiband radio system which is compatible with the future 700 MHz spectrum; it is designed for first responders; is highly reliable; provides extensive coverage in the Central Florida area; and has the capability of interconnecting with other agencies. The new portable radios are also ruggedized, water and shock resistant.

Commissioner McAllaster inquired about the age of the Orange County system and whether the \$3.23 million would include installation of the radios in the OUC vehicles. Mr. Knibbs reported that although the system is fairly new, an upgrade is being conducted, which will make the system virtually new and the cost includes installation.

Commissioner Porta asked if the system would also be used by the Water Business Unit (WBU). Mr. Knibbs confirmed that the WBU would also utilize the system.

Commissioner Kirby asked if there would be any training costs. Mr. Knibbs stated the system has a few more features than the previous system and minimal training would be required.

Ken Ksionek directed the Commissioners to Affirmative Item A-20 regarding the Project RENEW/Reclaimed Water Agreement between the City of Apopka and OUC. Mr. Ksionek asked Chris Browder to address the Commission regarding the agreement.

Chris Browder reported that the Project RENEW Agreement between the City of Apopka and OUC is for a term of 40 years. OUC shall be required to provide to the City of Apopka 3.0 mgd of reclaimed water no later than October 8, 2011. The second phase of the agreement requires OUC to provide 8.55 mgd of reclaimed water to the City of Apopka no later than October 8, 2015. OUC will design, permit and build the reclaimed water main line between the Conserve II Wastewater Reclamation Facility (WRF) and the City of Apopka. OUC and the City of Apopka will share the cost of the project based on a 50/50 sharing arrangement. OUC will operate and maintain the project facilities and deliver the required flows of reclaimed water. OUC and the City of Apopka will share equally in the operating costs of the facility. The agreement also includes provisions for early termination by either OUC or the City of Apopka. The City of Orlando shall also execute an agreement acceptable to OUC to provide the required flows of reclaimed water at no charge and complete all necessary facility improvements on the Conserve II WRF in order to allow production and delivery.

President Porta asked where the facility would be located in Apopka. Mr. Teegarden stated that it is located on Cleveland Street and Sheeler Road.

Commissioner Dominguez Arlen asked about the contingency with the City of Orlando. Mr. Browder reported that the City of Orlando and OUC are close to working out the design details.

Commissioner Kirby requested an update on the Indian River Combustion Turbine C (CTC) repair. Jan Aspuru responded that repairs to the unit are complete and the CTC is available, but it has not been utilized due to the mild weather.

President Porta presented the Affirmative Items for approval. On motion by Commissioner Kirby, and seconded by Commissioner McAllaster, the Affirmative Items were approved as follows:

1. Ratification of fuel procurements to the low bidders in December 2008 in the aggregate amount of \$3,161,671.78 as follows:

NATURAL GAS PURCHASES:

Dec. 2008	City of Lakeland	\$ 305,390.80
Dec. 2008	Eagle Energy	\$ 246,503.81
Dec. 2008	Florida Gas Utility	\$ 348,314.25
Dec. 2008	Infinite Energy	\$ 420,585.36
Dec. 2008	LouisDreyfus Energy	\$ 133,308.25
Dec. 2008	National Energy & Trade	\$ 257,569.53
Dec. 2008	National Fuel Marketing	\$ 163,017.84
Dec. 2008	Southern Company	\$ 102,000.00
Dec. 2008	Virginia Power Energy Marketing, Inc.	\$ 1,184,981.94

2. Ratification of Change Order No. 1 to Siemens Energy, Inc. for the Indian River Combustion Turbine C Inspection and repair in an amount not to exceed \$1,707,656, increasing the total Purchase Order amount to \$4,809,498;
3. Ratification of the General Manager & CEO's execution of the Reimbursement Agreement with Florida Gas Transmission Company LLC, which included a Purchase Order to Florida Gas Transmission Company LLC in an amount not to exceed \$350,000;
4. Approval of a sole source Purchase Order to Ingersoll-Rand Company to replace Stanton Energy Center Unit 1 Air Compressors A and B with factory remanufactured equipment in the amount of \$258,530;
5. Approval of the Lighting Construction Estimate for Enclave at Moss Park in the amount of \$238,251.16; which includes \$68,360.02 for lighting equipment from OUC's stock inventory and \$169,891.14 for the installation of poles, fixtures and conduit by Terry's Electric, Inc., OUC's lighting contractor. Enclave at Moss Park Home Owners Association has executed a 20-year service agreement with OUC for this lighting system and will be responsible for the monthly billing;
6. Approval of the Electric Distribution Construction Estimate for voltage regulation improvements to Circuit Nos. 17-14, 17-24 and 17-25 required for the existing overhead electric distribution system along the OUC transmission right-of-way east of Alafaya Trail, located in the Orlando service territory, in the amount of \$275,104.91;
7. Approval of the Electric Distribution Construction Estimate for the upgrade of the existing overhead electric distribution system along

- Arlington Street between Parramore Avenue and Westmoreland Drive, in the Orlando service territory, in the amount of \$168,346.74;
8. Approval of the Electric Distribution Construction Estimate for the installation of an underground electric distribution system to serve Water's Edge at Lake Nona, located within the Northlake Park Subdivision in the Orlando service territory, in the amount of \$192,708.84;
 9. Approval of the Electric Distribution Construction Estimate for the installation of an underground electric distribution system to serve the additions to MetroWest Elementary School, located on Lake Vilma Drive in the Orlando service territory, in the amount of \$102,026.06;
 10. Approval of the Electric Distribution Construction Estimate for the installation of an underground electric distribution system to serve the Walgreens Distribution Center, located on Ringhaver Drive in the Orlando service territory, in the amount of \$100,676.06;
 11. Approval of the Electric Distribution Construction Estimate for the upgrade of the existing underground electric distribution system to serve Raintree Condominiums, located in Ventura County Club in the Orlando service territory, in the amount of \$100,342.33;
 12. Approval of the Electric Distribution Construction Estimate for the installation of an underground feeder cable for Circuit No. 11-45 along Lake Baldwin Lane, in the Orlando service territory, in the amount of \$116,457;
 13. Approval of the Electric Distribution Construction Estimate for the installation of underground feeder cable and switchgear for Circuit No. 6-311 along McCoy Road approximately one mile from State Road 528 to Hazeltine National Drive, in the Orlando service territory, in the amount of \$467,873.39;
 14. Approval of the Electric Distribution Construction Estimate for the installation of underground feeder cables for Circuit Nos. 20-11 and 20-32 along Narcoosse Road between Lake Nona Boulevard and Dowden Road, in the Orlando service territory, in the amount of \$426,229.29;
 15. Approval of the Electric Distribution Construction Estimate for the conversion of existing overhead electric distribution facilities to underground for the City of Orlando's Division Avenue Streetscape Project, from State Road 408 to Church Street in the Orlando service territory, in the amount of \$236,430.70, with a payment of \$133,823.48 from the City of Orlando;

16. Approval of a Substation Capital Expenditure Estimate for the Weber to Country Club Substation Transmission Line High Pressure Fluid Filled (HPFF) Pumping Plants at an estimated cost of \$835,000. This includes approval of a Purchase Order to MAC Products, Inc. to provide the HPFF Pumping Plants at the Weber and Country Club substations in an amount not to exceed \$664,000;
17. Approval of Change Request No. 3 to the Transmission Capital Expenditure Estimate for the construction of the Osceola to Cane Island Segment of the Taft to Lakeland McIntosh Transmission Line Reconductor Project at a cost of \$3,593,960, increasing the total project cost to \$42,093,960. This includes approval of Change Order No. 3 to the Purchase Order to Black & Veatch to provide permitting, design engineering and construction management services for the Osceola to Cane Island Segment in an amount not to exceed \$538,150, increasing the total Purchase Order amount to \$5,715,950;
18. Approval of a sole source Purchase Order to M.D. Henry Company, Inc. for an aluminum bus bar and steel structures in the amount of \$180,736.30. Approval of a Purchase Order to HVB AE Power Systems, Inc. for one 230kV power circuit breaker, field installation services and spare parts in the amount of \$119,000 required for the Stanton to Bithlo 230kV Transmission Line Project;
19. Approval of a Communications Capital Expenditure Estimate for a two-way radio system including all engineering, procurement and installation services to replace the existing radio system at an estimated cost of \$3,230,000, which includes a Purchase Order to Motorola, Inc. to provide portable radios, mobile dash mount radios and consoles in an amount not to exceed \$3,000,000. Approval to enter into five-year Interlocal Agreements with Orange County and Osceola County in the amounts of \$840,000 and \$120,000, respectively, for radio system access of their public safety radio systems for a total amount of \$960,000;
20. Ratification of the General Manager & CEO's execution of the Project RENEW Reclaimed Water Agreement between the City of Apopka and OUC;
21. Authorization for the General Manager & CEO to execute a Joint Participation Agreement with the City of Orlando for the Church Street Streetscape Improvements Project along West Church Street, from South Westmoreland Avenue to South Terry Avenue. Approval of a Capital Work Order in an amount not to exceed \$431,163.05 for the water distribution improvements portion of the project, which includes a Purchase Order to the City of Orlando in the amount of \$378,162.32;

22. Ratification of Change Order No. 1 to Siemens ICN to provide telephone communication switches and telephones to the Stanton Energy Center Unit B 300 Mw Combined Cycle Plant Project in the amount of \$50,050, increasing the total Purchase Order amount to \$137,871.73;
23. Approval of Change Order No. 2 to Starwood Vacation Ownership, Inc. for 72 new guest unit chilled water connection allowances at the Vistana Resort in the amount of \$252,000 in accordance with the Chilled Water Services Agreement, increasing the total Purchase Order amount to \$1,459,500;
24. Approval of a Purchase Order to Westbrook Service Corporation to Design/Build the Downtown West Central Energy Plant in the amount of \$7,800,000;
25. Ratification of Change Order No. 4 to SunGard Treasury Systems, Inc. for investment software license renewal fees in the amount of \$20,000, increasing the total Purchase Order amount to \$118,826;
26. Authorization for the General Manager & CEO to execute the Subordination of Encumbrances to Property Rights to Orange County along Holden Avenue, subject to final legal review; and
27. Authorization for the General Manager & CEO to execute the Subordination Agreement to Polk County, subject to final legal review.

* * *

Commissioner Kirby reported that the Audit Committee met on February 20, 2009 and agenda packets were provided to each Commissioner prior to the meeting. Internal Audit presented the results of its annual risk assessment and proposed 2009 work plan. Income before contributions through January 31, 2009 was \$15.5 million, which represents a favorable variance from the amended budget in the amount of \$4.4 million. In addition, a discussion was held with the external auditors from Ernst & Young regarding an expansion of tasks to include services in conjunction with the annual finance statement audit which are currently performed by Internal Audit. It is anticipated that this change will require an additional \$43,000 for the Fiscal Year 2009 Audit. It is also recommended that OUC extend Ernst & Young's contract for an additional two-year period through Fiscal Year 2011. The recommended changes and increased contract result in an increase in the aggregate amount of \$533,000.

On motion by Commissioner Dominguez Arlen, seconded by Commissioner McAllaster, PRES-1A was approved as follows:

PRES-1A Approval of Change Order No. 3 to Ernst & Young to provide additional auditing services through Fiscal Year 2011 in the

aggregate amount of \$533,000, increasing the total Purchase Order amount to \$1,191,880.

* * *

President Porta reported that the Finance Committee held a Special Meeting on March 6, 2009 to consider modification of several existing interest rate swaps. Agenda packets were provided to each Commissioner. President Porta noted that Commissioners McAllaster and Kirby also attended the meeting.

The Commissioners received a brief training at the meeting on different types of interest rate swaps. The Committee reviewed the current swap portfolio and a recommendation to modify the basis upon which interest is calculated for several swaps from a tax exempt SIFMA rate to a percent of taxable LIBOR rates. The estimated savings to OUC would be \$500,000 or more per year. The Committee reviewed the risks and benefits of the modification and recommends approval of a Swap Resolution to accomplish this task.

OUC expects to issue bonds to fund a portion of the project in the 2009 and 2010 capital plan over the next 60 days. OUC will use a portion of the renewal and replacement fund to pay for projects until those bonds are issued. The Committee considered a Reimbursement Resolution to reimburse OUC renewal and replacement funds from bond proceeds, which allows all renewal and replacement funds used from 60 days prior to adoption of the Reimbursement Resolution to be reimbursed by bond proceeds. The Audit Committee recommends approval of the Reimbursement Resolution to meet Treasury requirements.

On motion by President Porta, seconded by Commissioner Dominguez Arlen, the Swap Resolution and Reimbursement Resolution were adopted as follows:

- PRES-2a A Resolution of the Orlando Utilities Commission (“OUC”) authorizing the amendment of one or more of OUC’s fixed payer interest or one or more of OUC’s fixed payer interest rate swap agreements related to converting the index upon which amounts paid to OUC are determined and other administrative provisions; authorizing the assignment of certain swap agreements, or portions thereof to qualified counterparties; delegating authority to the General Manager and Chief Financial Officer to negotiate, execute and deliver such amendments or assignments relating thereto; providing for incidental action; and providing for an effective date and sunset.
- PRES-2b A Resolution declaring the official intent of the Orlando Utilities Commission to reimburse itself from the proceeds of debt for expenses to be incurred with respect to certain projects; and authorizing certain incidental actions.

* * *

John Hearn reported that revenues are on track with the revised forecast through February 2009. Expenses are under budget. Income before contributions through February 28, 2009 is \$18 million, which continues to be ahead of budget.

Commissioner McAllaster asked if Mr. Hearn foresees anything in the future that could impact this negatively. Mr. Hearn replied that the chief concern is whether the sales forecast will be met as the economy continues to show signs of weakness.

* * *

Chris Browder provided an update on the TECO Coal litigation, which is moving forward. It is in the middle of discovery and there is no indication of a settlement at this point.

Mr. Browder also provided a status report on the Levy Nuclear Project negotiations. The Joint Ownership Agreement is 99 percent complete. A second draft of the Operation and Maintenance Agreement is approximately 90 percent complete. There are a few remaining issues that the parties are working to finalize. The Interconnection Agreement has been drafted and is approximately 90 percent complete. Additionally, the financial analysis of the project is continuing.

Mr. Browder commented that OUC operates the Florida Municipal Power Pool. In its capacity as the Pool operator, OUC forecasts generation needs and dispatches the nominated Pool resources of OUC, the City of Lakeland and Florida Municipal Power Agency (FMPA). OUC also acts as FMPA's generation resource dispatcher under a separate dispatch agreement which dates back to 1985. In December 2008, Florida Power & Light (FP&L) billed FMPA \$5.8 million in transmission costs and penalties under its Open Access Transmission Tariff (OATT) for the alleged use of unreserved transmission capacity over FP&L's transmission system. The OUC legal staff is finalizing an internal evaluation with the Pool personnel to determine the potential causes. OUC and FMPA staff took immediate measures in January 2009 to assure no further issues arise under the FP&L OATT and it appears that no further claims of OATT violations have been made by FP&L since January.

Mr. Browder reported on litigation regarding Lamb vs. CSX Transportations, Inc. Mr. Lamb was a CSX employee who was injured while getting off the train at OUC's Stanton Energy Center site. Mr. Lamb claims he slipped on the ballast material around OUC's track. OUC has a Track and Operating Agreement with CSX. Under the terms of the Operating Agreement, which are typical of this type of CSX Agreement, OUC must defend and hold CSX harmless against claims of injury by persons (including CSX or OUC employees) while on or near

the track on OUC's property, except where such injury is the negligence of CSX in the operation of the trains. It appears the case may be settled and Mr. Browder advised the Board that they may be asked to ratify an emergency settlement agreement and payment if the opportunity to settle arises.

Commissioner Dominguez Arlen asked if OUC is responsible for any sort of accident on the tracks even if the material is not OUC related. Mr. Browder confirmed this is correct; however, OUC would still have the normal defenses available to it.

Commissioner McAllaster asked what OUC's insurance coverage is on this matter and how this type of incident can be prevented in the future. Mr. Browder explained that OUC is self insured and has a high deductible and any settlement would come out of the deductible. There is no way to prevent this type of litigation in the future.

Commissioner McAllaster asked whether the FP&L fine was the result of a system-wide issue or if the path had to be reserved. Mr. Browder responded that there were unexpected electric loads on a number of occasions transmitted over a specific path on the FP&L transmission system for which inadequate transmission capacity was reserved.

* * *

Ken Ksionek commented that Thomas Tart and President Porta attended the Legislative Rally in Washington, D.C. on February 23-26, 2009 and asked Mr. Tart to provide a state and federal perspective related to the Legislative events.

Mr. Tart provided a presentation outlining pending Florida legislative matters affecting energy efficiency, renewable or clean energy portfolio standards (RPS, CPS), cap and trade for greenhouse gas (GHG) reduction, as well as federal bills. Mr. Tart reported that the Florida Public Service Commission's (FPSC) final rules on energy efficiency (renewable portfolio) are scheduled for adoption in November 2009, to go into effect in January 2010. OUC will be required to meet the new standards of energy efficiency. The Department of Environmental Protection is in the rulemaking process for GHG cap and trade and the GHG reduction targets were outlined. OUC will be required to comply with the GHG requirements. Florida's Renewable Portfolio Standard was outlined, which includes a 2 percent rate impact cap for ratepayers for the cost of renewable energy. In addition, the Florida legislature and the FPSC are looking at only using Florida resources and spending that money for resources in Florida. Municipal utilities are not presently in the mandatory renewable portfolio bill, but will be required to report yearly to the FPSC. Mr. Tart also provided information regarding State Bill 2328 regarding the 20 percent Clean Energy/Clean Portfolio Standard. This Bill allows for nuclear, as well as efficiency and renewables to count towards the 20 percent renewable power. Municipal and cooperative utilities are included in this proposed legislation.

At the federal level, OUC is covered by three of the five proposed bills for Renewable Portfolio Standards (RPS), one of which requires a 20 to 25 percent reduction by 2025. Seven proposed GHG cap and trade proposed bills will require OUC compliance. The Obama administration has targets for GHG reduction, which is 14 percent below the national GHG levels in 2005 by 2020, and 83 percent below 2005 levels by 2050. This is based on an auction of allowances and is economy wide. In the 2012 budget, revenues from the cap and trade process will fund the stimulus tax credit of \$80 billion. None of the money raised from cap and trade will go towards research and development for the capture and sequestration of CO₂ or zero or low emitting technologies. A federal transmission bill has been filed giving preference to renewable resources, giving the federal government permission to build green transmission under authority of FERC. Charts showing the average cost of new generation by technology with the cost of reducing or capping carbon and estimated bill impacts were provided. These costs will increase significantly if the Governor's Executive Orders are achieved.

Commissioner McAllaster asked about the order regarding the federal mandates and anticipated costs to ratepayers. Mr. Tart responded that none of the bills for cap and trade were passed during the last legislative session. Due to its size, OUC will probably be included in future cap and trade and renewable portfolio mandates, but these costs are unknown at this time. Unless Florida's benchmarks are set higher than the federal mandates, the State of Florida must abide by the federal mandates.

Commissioner Dominguez Arlen asked whether the energy efficiency credits will be applied to the renewable requirements – can this be used again, or once it is used, it can't be counted as part of the renewable portfolio? Mr. Tart responded that this bill was just filed and he doesn't have all the details. However, it appears that energy efficiency, nuclear and landfill gas do not count. Under the bill filed by a Senator from Inverness, it will count towards part of the 20 percent reduction. President Porta commented that utilities do not get credit for energy that is not used by customers due to conservation efforts. Southeastern states do not have the same capabilities as other states regarding solar, wind and hydro. Some states would like to see the cap and trade bill passed in order to use Florida's money. However, Florida would like to keep money in the state for research.

Mr. Ksionek commented that the desire to keep all solar fabrication and installation within the state has its limitations and will increase the 2 percent per year cap for 20 percent renewables by 2020, which would have a significant rate impact to customers.

Commissioner Kirby commented on the impact of having a green grid as proposed in Senator Reid's transmission bill is one of the only things that makes the national view of renewables work. Mr. Tart responded that Senator Reid's bill is to fast-track transmission to get renewables to customers. Commissioner

Kirby questioned the proposed state legislation where they wanted specific Florida renewables? Mr. Tart provided the Gainesville example of building a plant to burn wood byproducts to produce biomass energy. Burning waste byproducts of sugar cane is another viable example of a biomass fuel. However, getting this energy to the customer is going to require transmission.

Mr. Ksionek asked Linda Howard to provide an overview of the American Recovery and Reinvestment Act (ARRA) of 2009, referred to in the Stimulus Bill.

Ms. Howard provided an overview highlighting energy and water, financing options, guidance and general timeframe, partnerships and programs already in place and the next steps for OUC. A summary of the total spending of the \$787 billion includes \$43 billion for electric energy and \$126 billion for infrastructure and science, where water funding is included.

The energy funds that could impact OUC the most include research and development, energy efficiency and conservation block grants, weatherization assistance grant program, state energy grant program and grid modernization. Within the \$2.5 billion allocated for research and development, \$800 million is allocated for biomass. The other areas all impact OUC which may be able to partner with other agencies on joint projects in order to assist customers.

Approximately \$6 billion will be allocated from the infrastructure and science funds to the State Revolving Loan Funds (SLRF), with a minimum of \$1.2 billion dedicated to energy efficiency measures such as clean water and drinking water state revolving funds. It is unlikely that OUC will be eligible to receive funding for Project RENEW since the total project is so large, estimated at \$53 million. However, the water staff will continue to monitor the status of the allocation of these funds.

Under the financing options, the Clean Renewable Energy Bonds (CREBs) may prove to be more lucrative for OUC to apply for borrowing money. Another option is the Build America Bonds, which may be advantageous for funding capital projects.

Technical guidance is expected in the near future. Funds must be obligated by 2010 and quarterly reports will be required from recipients. A tracking website has also been established.

Ms. Howard outlined current partnerships with OUC, which will enable OUC to be able to access more funds since some of the funding will go directly to governmental agencies. Community action agencies will receive a majority of the funding to assist low income, weatherization and energy efficiency programs. These agencies will be receiving a substantial infusion and will need partners to assist them in implementing programs. Renewable projects will also receive substantial funding.

Once the technical guidance is received, staff will review and communicate information to internal staff in order to assign resources to potential projects. Financing provisions will be coordinated with the Treasury Services Division and all program launches will be coordinated with the Marketing Department. The next steps include reviewing potential projects with partners, taking advantage of CREBs and completing applications in order to receive Department of Energy notices regarding Requests for Proposals and grant opportunities. It will also be necessary to procure grant or technical writers in order to proactively apply for available funding opportunities.

While there are many unanswered questions regarding the Stimulus Bill, staff will continue to evaluate information as it is received in order to best benefit OUC and its customers.

Commissioner Porta commented that it will be interesting to see if any of the programs or funds will be allocated to rental properties in order to assist those customers who rent.

Commissioner Kirby asked how far the bill has gone in defining weatherization and whether it includes any hurricane preparedness. Ms. Howard responded that weatherization appears to include almost anything that helps customers reduce energy usage in the home, pertaining to the day-to-day upkeep of the home. The limits of eligibility for weatherization have also increased from 150 percent of poverty level to 200 percent and the tax benefits have also increased.

* * *

Commissioner McAllaster commented that it has been very enlightening to see the complexity and multi-faceted aspects of this industry. He attended the Lineman's Rodeo and saw first-hand the amount of work it takes for a lineman to perform his work safely and efficiently, and experienced the attitude and enthusiasm that exists between the linemen. In addition, he watched the replacement of a 35 kv switch installed in the 1970's, which cost \$103,000. People do not realize the huge cost involved to run a power system. The issue of energy conservation is absolutely essential and OUC must continue to make energy more efficient and greener in Florida. While solar may be an option, it is only 17 percent efficient. He is hopeful that federal stimulus money will help in these areas.

Commissioner Dominguez Arlen commented that she also attended the Lineman's Rodeo and was very proud and impressed with the OUC team, especially in their performance in the hurt man rescue. She commented on the February revenues, the bond swap training and OUC's efforts to recover in this tough economy. On the state and federal level, the focus must remain on keeping jobs and money in Florida for economic growth and business development. Solar may only be 17% efficient today, but is getting more

efficient. It is also important to gain energy efficiency and include biomass as a renewable and keep focused on all opportunities.

Commissioner Kirby commented that everything that has been discussed shows that we are in the midst of a constantly changing regulatory environment. If legislation is passed at the federal level, it is going to dictate the future. What happens at the federal level will dictate OUC and Florida's future. We must keep making the point that there is a Florida perspective because our geography dictates that we are in a unique place living on a peninsula and OUC must continue to show leadership in expanding the use of renewables. This is where the future is headed and OUC must expand its renewables portfolio and show customers the way in conservation efforts in both what is done here and with our partnerships with other entities. Hopefully, the stimulus money will help achieve some of these efforts. Commissioner Kirby thanked Roseann Harrington for the work communicating OUC's green programs efforts. Most people probably do not realize what OUC and the City are doing regarding these efforts. Success is not defined by the amount of electricity and water consumed by our customers, but rather is defined by how well we manage resources and how well we are good stewards of resources. He also commended the linemen in their success, which is a testament of the experience of OUC staff and the training they go through.

Commissioner Porta thanked the OUC staff for their leadership and knowledge. She commented that when she travels throughout Florida, as well as Washington, DC and other places, people look up to what OUC does on a daily basis. While we must tighten belts during a tough economy, it is also important to build and plan for the future in order to provide reliable, cost efficient service for our customers.

Mr. Ksionek commented on the hurt man rescue maneuver that is performed at the Lineman's Rodeo. He commented that several years ago, an OUC lineman accidentally made contact with a primary line and 7,200 volts travelled through his body. Another lineman recovered him from the top of a pole and saved his life. OUC linemen are continuously trained and prepared for such incidents. While the rodeo events may be competitive, skill and safe work practices are always at the forefront.

* * *

OUC customers Nelson Betancourt, Jason Misner and Matt DiVlieger addressed the Board in opposition to nuclear power generation and requested that more public dialogue be held regarding this matter.

* * *

Commissioner Dominguez Arlen moved to adjourn the meeting. Commissioner McAllaster seconded the motion and President Porta adjourned the meeting at 4:25 P.M.

President

Secretary