

**MINUTES
ORLANDO UTILITIES COMMISSION
May 12, 2020
2:00 P.M.**

Present:

COMMISSIONERS:

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

Clint Bullock, General Manager & Chief Executive Officer
Jan Aspuru, Chief Operating Officer
W. Christopher Browder, Chief Legal Officer
Linda Ferrone, Chief Customer & Marketing Officer
Latisha Thompson, Chief Employee Experience Officer
Greg Rodeghier, Interim Managing Director, Information Technology
LeMoyne Adams, Luz Aviles, Wade Gillingham, Jenise Osani, & Ken Zambito,
Vice Presidents
Nanci Schwartz, Recording Secretary

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The May 12, 2020 Commission Meeting was held virtually via WebEx in accordance with Section 286.011, Florida Statutes, and Governor DeSantis' Executive Orders 20-51 and 20-52 in compliance with a declared public health emergency and state of emergency, and Executive Order 20-69 in compliance with Section 120.54(5)(b)2, Florida Statutes, regarding Sunshine Laws temporarily put in place during the COVID-19 pandemic. On May 4, 2020, the above Executive Orders were extended to July 8, 2020 via Executive Order 20-114.

The Recording Secretary read a statement into the record regarding the virtual meeting, quorum requirements, and public participation. The Recording Secretary performed a roll call of the Commissioners. All Commissioners were present. The Commission Meeting was called to order at 2:05 P.M.

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On a motion by Commissioner Mills, seconded by Commissioner Lee and unanimously carried, the reading of the minutes of the April 14, 2020 Commission Meeting was waived and the minutes were approved.

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The Recording Secretary polled virtual public attendees for any comments prior to asking for a motion for the board to vote on the approval of Affirmative Items. No comments were provided.

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Clint Bullock asked Linda Ferrone to provide a presentation on Affirmative Item A-13 related to the Master Interlocal Cooperation Agreement and Interlocal Project Agreement No. 1 with the Central Florida Regional Transportation Authority d/b/a LYNX. Ms. Ferrone stated that LYNX and OUC have been partners on unique, sustainable projects for many years and have installed solar-powered bus shelters and solar sculptures together. On May 14, 2019, the Board approved the LYNX eBus pilot program as part of a grant application, which OUC won, that would allow OUC to supply charging infrastructure and operational support of fleet electrification. At the time, OUC and LYNX were focused on that project and not fully aware of the potential scale of the partnership. Since then, LYNX has committed 100 percent of the LYMMO line and 50 percent of the remaining fleet, to be electric within six years — which is more than half of its fleet of 300 busses.

As OUC and LYNX worked through the program, it was determined that an interlocal agreement would allow for the expansion of other OUC sustainable programs such as EV Charging, Lighting, and Chilled Water, starting with the eBus Pilot Program. The pilot includes eight electric buses on the downtown LYMMO route. An agenda item for the charging infrastructure is expected to be presented in the Fall.

Because the LYMMO line serves the downtown corridor, this will take a significant step toward reducing air pollution in low and fixed income communities. This will also enable OUC and LYNX to better understand what will be required for LYNX to electrify its fleet through real time operational learning and data analysis.

On February 18, 2020, the Board approved one of OUC's key strategic initiatives to expand partnerships with community businesses by providing innovative products and services. During the same workshop, OUC committed to invest \$45 million by 2030 for infrastructure to expand electrification. This interlocal agreement and project meet both of those objectives and accelerate the diversification of OUC's EV offerings in the fleet space. This is important as mass transit has the best cost per person conversion factor for EVs. Each dollar spent

to convert a bus positively affects more people than the dollars spent to convert residential homes.

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President Calvet presented the Affirmative Items for approval. With a motion by Commissioner Gross and seconded by Commissioner Lee, the Affirmative Items were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in January 2020 in the aggregate amount \$10,108,644.44 as follows:

NATURAL GAS PURCHASES:

February 2020	City of Lakeland	\$ 118,000.53
February 2020	ConocoPhillips	\$ 244,010.50
February 2020	EDF Trading	\$ 805,132.38
February 2020	Macquarie Energy	\$ 435,204.82
February 2020	Mansfield Power & Gas, LLC	\$ 426,343.50
February 2020	Municipal Gas Authority of Georgia	\$ 489,462.00
February 2020	Southwestern	\$ 132,325.00
February 2020	Tenaska Marketing Ventures	\$2,649,265.98
February 2020	Texla Energy Management, Inc.	\$ 290,400.46

COAL PURCHASES:

February 2020	Crimson Coal Corporation	\$2,612,186.84
February 2020	Foresight Coal Sales, LLC	\$1,906,312.43

2. Ratification of an OUC initiated scope change and conforming Change Order No. 1 to Flowserve US, Inc. in the amount of \$62,680 to provide off-site repair, and technical guidance during on-site installation and startup services for the Stanton Energy Center Unit 1 startup boiler feed pump repairs, increasing the total Purchase Order amount to \$125,000;
3. Approval of a Capital Expenditure Estimate for the Indian River Plant Substation Relay Upgrade Project in the amount of \$577,906. Approval of a Purchase Order to Leidos Engineering, LLC to provide engineering, consulting, and support services in the amount of \$165,210. Approval of a Purchase Order to KEMCO Industries, LLC to provide relays, components, and panel fabrication in the amount of \$139,202;
4. Approval of Change Request No. 2 to the Capital Expenditure Estimate for the Stanton Energy Center Combined Cycle Unit B Auxiliary Power System Project in the amount of \$1,400,000, increasing the total project cost to \$6,800,000. Approval of RFP #4849 – Contract award to Rayco Industrial, Inc., the lowest, most responsive, and responsible

supplier, to provide construction services for the project in the amount of \$3,300,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Powell Electrical Systems, Inc. in the amount of \$66,000 to provide switchgear field services and a circuit breaker for the project, increasing the total Purchase Order amount to \$161,000;

5. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Potable Water Distribution Pipeline Replacement Project in the amount of \$555,000. Approval of RFP #4831 – Contract award to SanPik Incorporated, the lowest, most responsive, and responsible supplier, to provide labor and materials for the potable water distribution pipeline replacement and underground construction in the amount of \$380,000;
6. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Quicklime Storage and Conveying System Project in the amount of \$1,292,900. Approval of RFP #4851 – Contract award to Nol-Tec Systems, Inc., the lowest, most responsive, and responsible supplier, to provide startup support and equipment for a storage silo and conveying system in the amount of \$766,900;
7. Approval of a Purchase Order to Daikin Applied Americas Inc. to provide a replacement chiller required for the Stanton Energy Center Unit 2 Main Control Room in the amount of \$122,574;
8. Approval of an OUC initiated scope change and conforming Change Order No. 2 to CPH, Inc. in the amount of \$731,019 to continue providing permitting services through September 7, 2021, increasing the total Purchase Order amount to \$1,764,167;
9. Approval of Change Request No. 2 to the Transmission Capital Expenditure Estimate for the Downtown 230kV Transmission Line Project, Pershing to Weber in the amount of \$5,461,073, increasing the total project cost to \$14,336,073. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Pece of Mind Environmental, Inc. to continue providing clearing and underground demolition services at Lake Highland in the amount of \$1,603,808, increasing the total Purchase Order amount to \$4,600,000. Approval of a Purchase Order to Petrotech Southeast, Inc. to provide field environmental services in the amount of \$700,000. Approval of a Purchase Order to Tetra Tech, Inc. to provide environmental engineering and support services in the amount of \$325,000;
10. Approval of an OUC initiated scope change and conforming Change Order No. 1 to A. K. Holcomb Construction, Inc.; Bishop Construction

Group, Inc.; Ironrock Commercial Construction, LLC; JMD Global Developers; McCree General Contractors, Inc.; and The Watauga Company in the amount of \$440,000 to continue providing general contracting services through May 31, 2021, increasing the total Purchase Order amount to \$1,940,000;

11. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Johnson Controls Fire Protection LP in the amount of \$194,760 to continue providing fire alarm, sprinkler, and suppression system services through June 31, 2021, increasing the total Purchase Order amount to \$776,347;
12. Approval of an OUC initiated scope change and conforming Change Order No. 1 to The Doctors Center Health Services, Inc. in the amount of \$15,000 to continue providing on-site mobile medical services through November 6, 2020, increasing the total Purchase Order amount to \$112,256;
13. Authorization for the General Manager & CEO to execute the Master Interlocal Cooperation Agreement and Interlocal Project Agreement No. 1 with the Central Florida Regional Transportation Authority d/b/a LYNX; and
14. Authorization for the General Manager & CEO to execute the Release of Easements for Pineloch Center Street, LLC for property located south of East Pineloch Avenue and east of South Orange Avenue.

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Commissioner Gross reported that the Finance Committee (Committee) conducted its regular meeting on April 28, 2020 virtually via WebEx pursuant to the provisions of Section 286.011 and Governor DeSantis' Executive Orders 20-51, 20-52, and 20-69 in an effort to control the spread of COVID-19 and to ensure the health, safety, and welfare of the community.

The Committee reviewed the Energy Risk Management Report for the quarter ending March 31, 2020, including an update on executed prepaid natural gas agreements. A recommendation was presented to revise the Energy Risk Management Policy (Finance Committee Charter, Exhibit E) to authorize the Finance Committee to approve recommendations for fuel hedge financial position limits beyond the current defined five-year period. Pending Commission approval, this would provide the Finance Committee with the authority to extend fuel hedge financial positions for three additional years in declining 5 percent increments from current levels (6th year - 15 percent; 7th year - 10 percent; and 8th year - 5 percent of forecasted annual retail fuel budget). The Committee

recommends Commission approval of the Energy Risk Management Policy revision.

An informational overview of the impact of COVID-19 on the municipal markets and its direct impact on OUC was presented to the Committee. Following this overview, the Treasury Report for the quarter ending March 31, 2020 was presented, including steps taken to mitigate COVID-19 impacts.

A recap of the results of the competitively bid 2020 forward swap were presented, along with an overview of the upcoming financing related activities. In anticipation of the upcoming expiration of the Series 2015B Standby Bonds Purchase Agreement (SBPA), the Committee agreed to evaluate extending the existing SBPA scheduled to expire on October 23, 2020. The final results of this evaluation will be presented at the July 7, 2020 Finance Committee Meeting.

The Committee also reviewed a recommendation by management to present the annual Budget Workshop prior to the August Commission Meeting. This includes recommending Commission approval of the Fiscal Year 2021 Operating Budget and 5-Year Capital Plan immediately following the Budget Workshop at the August 11, 2020 Commission Meeting. The Finance Committee provided no objection to this recommendation.

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

PRES-1a Adoption of the revision to the Energy Risk Management Policy included in Exhibit E of the Finance Committee Charter.

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Mindy Brenay presented a preliminary review of April 2020 revenues, which were impacted by COVID-19. Retail sales slipped approximately \$700,000 compared to budget, leading to a deficit of \$4 million for the fiscal year. While April's weather was warmer than normal, there was an increase in potential for bad debt. Wholesale and other revenues also slipped \$200,000. OUC has taken action to defer disconnects for non-payment and waive late fees, which is a further spread in revenue related to those projections. There was a slight increase in Chilled Water revenues of approximately \$200,000, reflecting the warmer than normal weather, and focused mostly on commercial customers. As a point of reference, in February there was a 10 percent variance in weighted average degree days. This is now closer to 3.5 percent. However, in the month of May, it is anticipated this will slide further toward the negative due to the cooler than normal weather during the beginning of the month.

Ms. Brenay stressed that there continues to be a decrease in commercial usage, focused in the tourism, education, and travel sectors. Those three sectors comprise more than 15 percent of retail sales. OUC has been challenged by

state, federal, and local agencies to continue to provide essential services, but is also attempting to educate state Representatives and Senators that these services are being provided on extended credit with no federal assistance. Disconnects have been suspended for non-payment. Prepaid customers have been allowed to go negative. This creates a potential for an increase of bad debt write-off, which is estimated to be between 1-1.5 percent of total revenues. There has also been a slight increase in residential usage, but not enough to overcome the projected \$22 million decrease in revenues in 2020.

Ms. Brenay stressed the impact of the closures in the tourism industry on OUC's revenues. In April, there was a 17 percent decrease in revenue from the top 25 commercial customers. While the medical, defense, government, manufacturing, and retail sectors have remained stable, they have not been able to overcome the significant decrease in the tourism related revenues. She pointed out that while electric revenues have decreased approximately 30 percent for commercial customers, water revenues have experienced an even steeper decrease of over 50 percent.

Ms. Brenay explained the importance of the Budget Recovery Task Force, which is a cross functional team that will work to bridge the \$22 million gap in 2020 revenues. The Budget Recovery Task Force will also be working on the 2021 revenue gap. The financial team is also proposing moving the Fiscal Year 2021 Budget Workshop to August to allow the team additional time to prepare.

President Calvet and Commissioner Gross stressed the importance of the Budget Recovery Task Force and looking ahead to Fiscal Year 2021.

Mayor Dyer noted that other local agencies are going through similar processes due to severe dips in revenue. Ms. Brenay stated that OUC is collaborating with local agencies.

Commissioner Lee stated it is important to take time to gather additional data and supports moving the Fiscal Year 2021 Budget Workshop to August.

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The Recording Secretary polled virtual public attendees for any comments under the General Appearances portion of the meeting agenda.

Jeff Hayward, President and CEO of Heart of Florida United Way, and an OUC customer, thanked OUC for its efforts assisting its customers during the COVID-19 pandemic, and especially for the outreach for customers who qualify as the acronym ALICE—Asset Limited, Income Constrained, Employed.

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Mr. Bullock provided an update on the impact of COVID-19 on the OUC workplace. On March 3, OUC went into Activation Level 3 for COVID-19 Monitoring. Less than two weeks later, approximately 60 percent of the workforce transitioned to working remotely for the first time ever, and OUC moved to Activation Level 2 for operating under the Incident Command Structure in a virtual environment. Mr. Bullock thanked the OUC team for the dual roles that many are serving to balance normal operations and pandemic operations, and working countless hours in an effort to serve customers, employees, and the community. He also specifically thanked the Stanton Energy Center team that has successfully completed the Unit 1 outage under circumstances never experienced before. President Calvet and Commissioner Mills had the chance to visit Stanton during the first week of March to see this massive undertaking first-hand, and the team certainly appreciates that.

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Mr. Bullock stated that the one-time \$7.5 million fuel rate decrease approved last month as part of the \$12.5 million customer relief COVID-19 package is now in effect. However, as a result of the stay-at-home order and rising temperatures, residential customers are beginning to receive higher-than-normal bills. The Marketing & Communication teams are informing customers about ways to use less energy and water as well as providing information about assistance programs—including the \$2.6 million contribution to Project CARE, OUC's utility assistance program—through traditional communications and virtual community engagement. It is great to leverage OUC's existing partnership with United Way under the leadership of Jeff Hayward to develop a unique community program unlike any other utility in the state to truly assist those in need.

Mr. Bullock asked Jenise Osani, Incident Command Deputy Public Information Officer and Vice President of Marketing & New Products, to share some of those efforts as well as the increase in internal communication.

Ms. Osani stated that communicating with employees has never been more important or as difficult. She stated that the stay at home orders have created additional load on residential customers, which has created new issues and solutions that must be communicated to customers. In Community Relations, 58 events were canceled between March 14 and May 30. Currently, 61 percent of the workforce is telecommuting. This has created a need for more virtual communications.

The Public Information Office has used its experience with hurricanes to plan communications during this pandemic. The goal remains to create awareness and amplify messages, for example of assistance programs and ways to save, through social media and other communication channels in both English and Spanish. Employees have received communications through OUC360. OUC is also sponsoring virtual events.

Ms. Osani explained that OUC has created a campaign called Here With You to communicate assistance programs to customers. The communications team has also created a new webpage called the High Bill Solution, which walks customers through four basic steps to reduce their bills.

Communicating with employees has changed due to telecommuting and employees in the field working split shifts. Initially, employees received daily FYIs when information was changing rapidly. The Powering Through series celebrates employees and how they are adapting to the new working environment. Mr. Bullock has taken the time to record important messages from home. She thanked Human Resources for creating the Wellbeing and Leadership series to help employees and managers adapt.

Community Relations has continued to provide community engagement virtually. For the annual watercolor event, a video tour of the rain barrels was created and shared on social media platforms. A virtual award show was also created to recognize students who created rain barrels. OUC is working with Orlando City Soccer to promote assistance programs on their website. During virtual Earth Day events, OUC was able to direct people to the Reliably Green page.

She recognized Justin Kramer, who was 3-D printing masks for the medical community from his home. She also recognized the Hard Hats Off campaign in order to celebrate and show solidarity with medical front line workers.

Ms. Osani thanked the Marketing and New Products team, Ms. Aviles, and everyone else in the Public Information Office.

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Mr. Bullock stated that as the City and County begin to reopen, OUC is also working to determine the new normal as employees start to come back to the offices. To do that, Latisha Thompson is leading the Re-Entry Task Force team. This team of employees will make recommendations on the new normal, looking at everything from telecommuting and hygiene, to workspace distancing and emotional wellbeing. Mr. Bullock has challenged the team to be creative in their work. This is a chance to not only make positive changes, but also to enhance the employee experience. Safety first is OUC's first value and it is critical that employees also feel safe during this re-entry.

Mr. Bullock asked Latisha Thompson, Incident Command Planning Section Chief and Chief Employee Experience Officer, to discuss the framework the task force is developing. Ms. Thompson recapped OUC's journey through the COVID-19 pandemic from January through May. She explained OUC's challenges in re-entry and the methodical approach that takes into consideration people, property, processes, and policies. The guiding principles to re-entry are keeping people safe and ensuring people feel safe. This will not be business as usual, but rather

a new normal with opportunities to enhance the employee experience. The phased, gradual re-entry will be guided by criteria and data. Ms. Thompson discussed the Re-Entry Task Force members and groups: phased re-entry, office and facility planning, communications, telecom/IT planning, and field operations. Finally, she explained the three different phases: initial re-entry, expanded re-entry, and full re-entry.

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Mr. Bullock stated that OUC remains committed to protecting against the effects of COVID-19 within the organization. Safety is always the primary focus. To date, more than 5,000 screenings have been conducted. OUC is proud to support local businesses, sourcing equipment and services from Central Florida providers. OUC has purchased sanitizers produced by local distilleries, face masks from a local tailor, locally 3-D printed ear savers and face shields, and even the mobile medical unit is Florida-based. OUC has been informed of only one positive employee case due to travel, and based on the policies, that employee was quarantined well before being diagnosed. Mr. Bullock is happy to announce that employee is now fully recovered and back to work.

As Florida is beginning to re-open, staff is looking further ahead to take action now to prepare for what's to come. These circumstances have left customers who once had no issue paying their bills into a position where they are struggling to make ends meet, and it is believed the amount of unpaid debt will continue to rise. While increased residential revenues are certainly part of the story, if they cannot be collected, it will have a significant impact on financial performance. As pointed out by Ms. Brenay, OUC is also looking at decreased revenue due to lower energy load with many of the large customers unable to operate for some time. Therefore, finding ways to cut costs is essential for moving forward. At the end of April, Mr. Bullock made the decision to freeze employee annual merit increases, as well as review any new position before it is posted until further notice. OUC will only hire positions that are critical and well-justified.

However, there is more to do. That is why OUC has formed a Recovery Task Force, led by Mindy Brenay and Linda Ferrone, to work toward achieving OUC's vision with a new lens—one that takes a more aggressive look at cost savings, operational plans, and revenue growth opportunities.

Mr. Bullock stated that Hurricane Season begins June 1, 2020. The Colorado State University Tropical Meteorology Project team, through its use of predictive modeling, has forecasted 16 named storms for the Atlantic Hurricane Season. While OUC is no stranger to storms, this year will be different with COVID-19 if a major storm were to affect the area. OUC is having conversations with fellow utilities, FMEA, and LPPC about mutual aid and how restoration will work if the area is still in a pandemic mode. If OUC is unable to recruit mutual aid crews, or cannot provide appropriate lodging, longer restoration time may be possible.

OUC is monitoring the state and local agencies as they plan for the storm season with COVID-19 in how they plan to address evacuations and shelters. It is possible that both items could impact lodging for mutual aid resources coming outside of the region to help restore power. Even with the majority of the workforce working remotely, OUC will conduct a virtual hurricane drill that addresses the needs of each section and functional group under the lens of a pandemic. From operations to planning to logistics, staff are confident that the skills and expertise, along with focus on this effort, will allow OUC to meet the challenges posed by these events.

Mr. Bullock stated that COVID-19 has shifted OUC's focus, changed the way of working, and demanded attention in ways never expected. The right thing to do at this time for customers, employees, and the community is to focus on recovery, re-entry, and hurricane season prep activities in case there is a storm during the pandemic in the short-term.

Therefore, the Electric Integrated Resource Plan (EIRP) will be paused until staff can give the process the attention it deserves as well as time for the meetings to be held in-person. OUC has been committed to public engagement as part of this process and staff wants to ensure the public workshop is accessible to everyone. Mr. Bullock recognizes this is very important to the community and remains committed to announcing the plans as part of the final recommendation. While he could not present a new timeline, he will present an update in August, and stated his goal is to finish the EIRP before the end of the year. Upon conclusion of this meeting, OUC will inform the Advisory Council, post a notice on the EIRP website, and inform customers and community stakeholders through outreach efforts. He stated it is the only responsible decision to make based on the current situation.

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Commissioner Lee stated he appreciated Ms. Osani's and Ms. Thompson's presentations and thought they were very well done. He related a personal story regarding receiving communication from OUC regarding his water bill being high and the agents helping him fix the problem over the phone. He noted that this is indicative of OUC's customer engagement. He also praised Ms. Ferrone's guest column in the Orlando Sentinel.

Commissioner Mills stated that the meeting was very informative and everyone is beginning to master the strategy of virtual meetings. He thanked Ms. Ferrone for her guest column. He hoped that the members of the public listening to the meeting paid attention to the financial report and noted that despite the decrease in revenue, OUC is suspending disconnects and writing off bad debt. He commended the LYNX and OUC partnership. He thanked the staff of the Stanton Energy Center for assisting him on his recent tour and their hard work keeping the plant running. He commended Ms. Osani's presentation and how many

employees have transitioned to telecommuting. He also commended the IT Department for facilitating that transition. He commended Ms. Thompson for her presentation and the staff for being so proactive in its response to COVID-19 and planning a safe re-entry.

Commissioner Gross also thanked Ms. Ferrone for her thoughtful column. She thanked Mr. Bullock and the entire team for going beyond their regular jobs to focus on the re-entry and recovery task forces. She especially thanked Ms. Brenay, Ms. Osani, and Ms. Thompson for their presentations and work within OUC and the community. She commended the intentionality and focus on safety when creating these plans. She praised all OUC employees for doing their part not to bring COVID-19 into the workforce.

Mayor Dyer thanked Ms. Ferrone for her guest column and was glad to see a public response. He appreciated how much information was conveyed during the meeting, as well as it being easily digestible for the Board members and any members of the public who might be watching the meeting. He praised how much work, thought, and time went into all the presentations.

President Calvet echoed the previous comments about Ms. Ferrone's column. He thanked Mr. Hayward for his comments, which shows what OUC has been doing for the community. He commented on the importance of re-entry and having a detailed plan. He also commended the lack of COVID-19 cases among the organization, especially at the Stanton Energy Center during an outage. He praised the partnership with LYNX and was pleased that project has continued. He requested to speak to Ms. Brenay offline about financial information. He praised the detail of the presentations.

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

President

Secretary