

MINUTES
ORLANDO UTILITIES COMMISSION
July 9, 2019
2:31 P.M.

Present:

COMMISSIONERS:

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

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
 Latisha Thompson, Chief Employee Experience Officer
 Greg Rodeghier, Interim Managing Director, Information Technology
 LeMoyne Adams, Luz Aviles, Wade Gillingham, & Ken Zambito,
 Vice Presidents
 Nanci Schwartz, Recording Secretary

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President Calvet asked German Romero to give the invocation. President Calvet invited Roberto DeMarquez and Donna Kinley to lead the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:35 P.M.

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On a motion by Commissioner Gross, seconded by Commissioner Mills and unanimously carried, the reading of the minutes of the June 11, 2019 Commission Meeting was waived and the minutes were approved.

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LeMoyne Adams presented a 35-year Service Award to Jody Rodgers, Line Supervisor, Electric and Water Distribution.

LeMoyne Adams presented a 20-year Service Award to Wardell Peterson, Business Support Specialist, Electric and Water Distribution.

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Jenise Osani stated that OUC takes great pride in serving and supporting veterans, who comprise of 10 percent of the workforce. Because of this commitment, OUC is proud to present and accept honors from the Employer Support of the Guard and Reserve (ESGR). This program, within the U.S. Department of Defense (DOD), promotes cooperation and understanding between Guard or Reserve members and their civilian employers. OUC was nominated for the prestigious award by Florida Army National Guard Lieutenant Colonel Roberto DeMarquez, who works as a Continuous Improvement Coordinator. Mr. DeMarquez served 5 years active duty in the Army and 22 years in the Florida Army National Guard. In the nomination, he expressed how supportive his co-workers and leaders have been during his absence and OUC's support of other employees who are veterans.

Ms. Osani introduced Zeynep Portway with ESGR. Ms. Portway presented Mr. Bullock with the Above and Beyond Award, which recognizes employers at the state level who have gone above and beyond the requirements of the Uniformed Service Employment and Reemployment Rights Act federal statute that protects service members' and veterans' civilian employment rights.

Ms. Portway also presented Patriot Awards, which reflect efforts made by the leadership team to support citizen warriors, to President Calvet, Commissioner Lee, Latisha Thompson, Linda Ferrone, Elizabeth Paul, and Maggie Burdette.

On behalf of all OUC veterans, Mr. DeMarquez thanked the company for its support.

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Mr. Bullock asked LeMoyne Adams to provide a presentation on OUC's Water Distribution System as well as Affirmative Item A-5 regarding the Lift Station 2 Force Main Project. Mr. Adams explained that OUC currently serves approximately 126,000 customers in the water service area and 1,872 miles of pipeline. OUC averages 8 breaks per 100 miles per year, which is less than the national average of 15 breaks. Due to the large number of valves in the system, staff is able to isolate the breaks down to smaller segments in order to impact the least number of customers. Line losses per year are four percent and the average age of water mains is 40 years. Only four percent of water mains are greater than 75 years old. Because of this, OUC is able to maintain water rates of 42 percent lower than the peer average. Mr. Adams explained the three keys to managing OUC's water system: Plan, Build, and Monitor.

Mr. Adams discussed the City of Orlando's scope of work for the Lift Station 2 Force Main Project. The City of Orlando is the lead entity while OUC is a participating entity. OUC will be installing raw water mains, water distribution

pipeline, and less than a mile of manhole and duct-bank installation for the transmission system. The benefits of the Joint Participation Agreement includes cost sharing, reduced community impact, allowing the City to manage construction, and taking advantage of electric distribution upgrades. The project also prepares OUC for future optimization and lays the groundwork for future projects.

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Mr. Bullock asked Mindy Brenay and Jan Aspuru to provide a presentation on Affirmative Item A-10 regarding the Greater Orlando Aviation Authority Project. Mr. Bullock acknowledged Kathleen Sharman from GOAA who was in attendance as well as Phil Brown and Stan Thornton who were not able to attend the meeting but played a key part in in this effort. He also acknowledged Chris Browder, Ms. Brenay, Mr. Aspuru, and their teams for their work on the project.

Ms. Brenay stated that this partnership was based on the OUC and GOAA Interlocal Cooperation Agreement. The Comprehensive Partnership Letter of Intent allowed OUC to expand the services beyond the traditional electric and water services. GOAA approved the Global Agreement on June 19, 2019. The Global Agreement establishes a 20-year partnership to leverage OUC's focus on reliability and sustainability in the areas of energy services. These include chilled water, back-up generation and emergency distribution, electric vehicle charging, and floating solar system installation and maintenance. Ms. Brenay noted that there are several additional agreements with GOAA that will be approved in the future. She thanked the Emerging Technologies team for their work on the project.

Mr. Aspuru explained the two segments of the project. The Reliable Utility Services include turnkey large infrastructure acquisition for chilled water, backup generation, and emergency distribution with 24/7 staffing at airport facilities. The Sustainability Services include 135 kWp of floating solar facilities to support the building LEED certification and 67 designated electric vehicle charging connections.

Mr. Aspuru stated that this was a team effort involving several departments at OUC. He thanked Chris Browder, Wade Gillingham, LeMoyne Adams, Ken Zambito, Erick Rocher, Keith Mutters, Brad Chase, and Gina Johnson for their work on the project. He also thanked the GOAA team for their partnership.

Mayor Dyer congratulated both OUC and GOAA on the partnership.

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Mr. Bullock asked Linda Ferrone to provide a presentation on Affirmative Item A-19 regarding the Orlando City Soccer Club Solar Sculpture Project. Ms. Ferrone explained that this is the result of a partnership between OUC, Orlando City

Soccer, and UCF. The iconic, one of a kind solar sculpture will be located on the corner of Church Street and Glenn Lane. This is a high traffic area and will create more than 1.8 million impressions over three seasons. Three teams of engineering and art students from UCF designed three prototypes. The winning design will be 15 feet, 9 inches tall, and features the Orlando City Soccer Club's Lion logo which can be seen during the day and night. At night, controllable LED lights will project the logo onto the ground. The solar sculpture more than offsets the consumption by these LEDs. A vendor has been selected and site planning visits will begin by late August, with construction to begin in the Fall. Final installation will take place shortly before the end of 2019. Ms. Ferrone thanked the Emerging Technologies team including Sam Choi and Justin Kramer, the MCCR team including Jenise Osani and Lisa Curran, and Luz Aviles and her team, for their work on the project.

Mayor Dyer asked for clarification regarding the location. Ms. Ferrone confirmed it would be located diagonally across from Stonewall.

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President Calvet presented the Affirmative Items for approval. With a motion by Mayor Dyer 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 April 2019 in the aggregate amount \$9,014,612.79 as follows:

NATURAL GAS PURCHASES:

April 2019	ENI Trading & Shipping	\$1,325,092.76
April 2019	Macquarie Cook Energy, LLC	\$ 605,416.60
April 2019	Municipal Gas Authority of Georgia	\$ 555,300.00
April 2019	Southwestern Energy	\$ 195,057.87
April 2019	Tenaska Marketing Ventures	\$3,169,957.69

COAL PURCHASES:

April 2019	Crimson Coal Corporation	\$3,163,787.87
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2. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Unit 2 Expansion Joints Project in the amount of \$510,000. Approval of a Purchase Order to TEi Construction Services, Inc. to provide labor and equipment to perform inspections, repairs, and capital upgrades for the Stanton Energy Center Units 1 & 2 and Combined Cycle Unit B steam generator during the 2019 Fall Outages in the amount of \$2,713,680. Approval of a Purchase Order to AirTek Construction, Inc. to provide labor and equipment to perform inspection and repair services for the Stanton Energy Center Unit 2 precipitator during the 2019 Fall outage in the amount of \$537,760. Approval RFP #4737 – Contract award to Frenzeli, Inc., the lowest, most responsive

and responsible vendor, to provide material and labor for nine expansion joints for Stanton Energy Center Unit 2 during the 2019 Fall Outage in the amount of \$150,969;

3. Approval of a sole source Purchase Order to General Electric International, Inc. to provide assistance for onsite field engineering and repair services, and replacement parts for the Stanton Energy Center Unit 2 boiler feed pump turbine in the amount of \$300,000. Approval of a sole source Purchase Order to Flowserve US, Inc. to provide technical assistance, offsite repairs, materials, and emergent weld repairs and services for the Stanton Energy Center Unit 2 boiler feed pump and booster boiler feed pump in the amount of \$245,000;
4. Approval of RFP #4723 – Contract awards to Orange Industrial Services, LLC; FECC, Inc.; and Deep South Industrial Services, Inc., the lowest, most responsive and responsible vendors, to provide industrial vacuum and pressure washing services at Stanton Energy Center Units 1 & 2, and Combined Cycle Unit B in an aggregate amount of \$2,000,000. The contract terms are five years with two one-year renewal options;
5. Authorization for the General Manager & CEO to execute the Joint Participation Agreement with the City of Orlando for the Lift Station 2 Force Main Project. Approval of Change Request No. 1 to the Capital Expenditure Estimate for the Lift Station 2 Force Main Project for water engineering, construction, administration and inspection costs in the amount of \$20,687,826.78, increasing the total project cost to \$20,794,160.24. Approval of a Purchase Order to the City of Orlando to provide construction management services for the Lift Station 2 Force Main Project in the amount of \$1,408,721.09;
6. Approval of a Purchase Order to KEMCO Industries, LLC for substation switchboard panels in the amount of \$475,000;
7. Approval of a Purchase Order to Dis Tran Steel, LLC for tubular steel poles, anchor bolts and casings in the amount of \$270,000;
8. Authorization for the General Manager & CEO to execute the second five-year renewal option for the Interlocal Agreements with Orange and Osceola Counties. Approval of Purchase Orders to Orange and Osceola Counties for radio system access to their public safety radio systems in the amounts of \$900,000 and \$550,000, respectively, for an aggregate amount of \$1,450,000;
9. Approval of RFP #4729 – Contract award to Southeast Power Corporation, the most responsive and responsible vendor, to provide

overhead transmission line construction, maintenance and storm support services in the amount of \$35,000,000. The contract term is five years;

10. Authorization for the General Manager & CEO to execute the Global Agreement with the Greater Orlando Aviation Authority. Approval of a Capital Expenditure Estimate for the acquisition of the South Terminal chilled water plant, back-up generation facilities, and 12kV emergency distribution system in the amount of \$54,983,191. Approval of a Capital Expenditure Estimate for the OUC installed and maintained South Terminal Floating Solar Photovoltaic System in the amount of \$500,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to D3Energy, LLC for the engineering, procurement and construction of the South Terminal Floating Solar Photovoltaic System in the amount of \$387,000, increasing the total Purchase Order amount to \$410,000;
11. Approval of a Capital Expenditure Estimate for Computer Equipment in the amount of \$791,000. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Dell Marketing LP in the amount of \$1,148,500 for the ongoing replacement of computer equipment through April 30, 2021, increasing the total Purchase Order amount to \$3,148,500;
12. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Red Clay Consulting, Inc. in the amount of \$520,000 to provide managed support services for Customer Care & Billing and Meter Data Management through September 30, 2020, increasing the total Purchase Order amount to \$2,180,000. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Origin Consulting LLC in the amount of \$940,000 to provide managed support services for Customer Care & Billing and Meter Data Management through September 30, 2020, increasing the total Purchase Order amount to \$4,622,044;
13. Approval of an OUC initiated scope change and conforming Change Order No. 1 to BMC Software, Inc. in the amount of \$20,347.63 to provide software maintenance and support for 12 Control-M licenses for the period of September 1, 2019 through August 31, 2021, increasing the total Purchase Order amount to \$102,866.32;
14. Approval of an OUC initiated scope change and conforming Change Order No. 1 to AdvizeX Technologies LLC to continue providing special server patching services through July 31, 2020 in the amount of \$128,000, increasing the total Purchase Order amount to \$286,500;

15. Approval of a sole source Purchase Order to Altec Industries, Inc. for fifteen aerial tower truck leases in the amount of \$3,982,416;
16. Approval of a Purchase Order to KONE Inc. for elevator maintenance and repair services through November 30, 2024 in the amount of \$708,688. The contract term is five years with five one-year renewal options;
17. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Building Maintenance Services, Inc. in the amount of \$439,121 to continue providing janitorial services through August 31, 2020, increasing the total Purchase Order amount to \$1,812,992;
18. Approval of RFP #4656 – Contract award to Gabriel, Roeder, Smith & Company, the lowest, most responsive, and responsible vendor, for actuarial services for the period of October 1, 2019 through September 30, 2024 in the amount of \$150,000;
19. Approval of RFP #4716 – Contract award to J. Costa Group, LLC, the most responsive and responsible vendor, to provide turnkey solar sculpture detailed design, construction, and installation services in the amount of \$177,100;
20. Approval of a sole source Purchase Order to J.D. Power & Associates for access to the annual results of three Utility Customer Satisfaction Studies through May 7, 2023 in the amount of \$314,790;
21. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Franklin Energy in the amount of \$400,000 to exercise the final one-year renewal option and continue providing a customer based home energy and water reporting through October 22, 2020, increasing the total Purchase Order amount to \$1,825,900;
22. Approval of an OUC initiated scope change and conforming Change Order No. 2 to BPA International, Inc. in the amount of \$124,500 to continue providing quality monitoring services through August 31, 2020, increasing the total Purchase Order amount to \$729,360; and
23. Approval of an OUC initiated scope change and conforming Change Order No. 1 to CH2M Hill Engineers, Inc. in the amount of \$266,476.18 to provide annual groundwater monitoring and reporting services through August 31, 2021, increasing the total Purchase Order amount to \$315,205.22.

President Calvet reported that the Finance Committee conducted its regular meeting on June 11, 2019.

An update of the proposed Procurement Policy was presented to the Finance Committee. The Proposed Policy changes will be reviewed again by the Audit Committee at a future meeting.

An opportunity to amend the Goldman Sachs 2015B interest rate swap agreement was presented to the Finance Committee. The amendment, based on current market conditions, would provide an opportunity to either reduce the fixed rate on the interest rate swap or secure a cash payout in conjunction with deferring the October 1, 2020 par call option. The Committee recommends adoption of the interest rate swap with Goldman Sachs under the parameters in Section 1 of the authorizing resolution.

In addition, the Finance Committee reviewed the 2020 Capital Plan noting that cash generated from operations and the use of cash reserves are projected to meet the 2020 Capital Plan funding requirements. The Finance Committee was also provided with background information on management's preliminary evaluation of the benefits and costs associated with securing a bank line of credit. Follow-up information will be provided to the Finance Committee as management evaluates its next steps to securing a bank line of credit through a competitive procurement process.

An informational overview of the 2020 Electric and Water Pricing Plan was presented, including a review of historical and projected net income and return on equity.

Management reports for the quarter ending March 31, 2019 were reviewed along with the results of executed prepaid natural gas supply agreements.

The Chief Employee Experience Officer provided an overview of the Glint employee engagement survey, as well as an action plan to address the results.

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

PRES-1a Adoption of the 2015 Goldman Sachs Swap Amendment Resolution.

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Commissioner Mills reported that the Audit Committee conducted its regular meeting on June 27, 2019.

Results of the annual Benefit Plan audits were provided to the Committee by management and by Ernst & Young, OUC's external auditors. Unqualified audit opinions are expected to be rendered pending final confirmation procedures.

Additional information related to the financial statement recognition of benefit expenses was provided to the Committee, for the recommendation of Commission regulatory actions to be considered in the future.

A proposed 2020 Operating Budget and pricing update was provided to the Committee in advance of the Budget Workshop held prior to the July Commission Meeting.

Financial results for the eight-month period ending May 2019 were presented to the Committee. Overall operating revenues were \$4.2 million unfavorable to budget, while operating and non-operating expenses were \$4.0 million favorable to budget. In total, net income before contributions was \$0.2 million lower than budget.

Internal Audit activities were presented, including an overview of a recently completed Internal Audit report. The Committee also reviewed the 2019 Internal Audit Plan and the 2020 Internal Audit budget.

The Chief Employee Experience Officer provided an overview of the Glint employee engagement survey, as well as an action plan to address the results.

There were no actions taken at this meeting.

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Mindy Brenay provided the Financial Report through June 30, 2019. Ms. Brenay explained that OUC reached a new record for the number of cooling degree days this year. Ms. Brenay shared that the warmer than normal weather in the fall coupled with the recent hot weather has cumulatively set an historic high for the number of cooling degree days in a fiscal year. Ms. Brenay also shared that there has not been any extended pattern with weather, but rather from year to year the pattern remains erratic. This year has seen a warmer trend. OUC is currently at budget for revenues and growth in retail services.

Commissioner Gross thanked Ms. Brenay for the additional weather pattern chart.

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Sara Isaac, speaking for Beverlye Neal, spoke about the OUC roadmap and community engagement survey.

Sara Isaac, an OUC customer, discussed OUC's energy efficiency goals reported to the Florida Energy Efficiency Conservation Act (FEECA).

Michael Cohen, an OUC customer, discussed OUC's community engagement survey.

Susannah Randolph, an OUC customer, discussed OUC's ten-year site plan.

Raquel Fernandez, an OUC customer, discussed OUC's FEECA goals, ten-year site plan, and the customer engagement survey.

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Mr. Bullock asked Michelle Lynch to provide a presentation regarding the Artificial Reef Project. Ms. Lynch stated that OUC recently had the opportunity to take the message of sustainability to new depths. Last year, OUC purchased land in St. Cloud for a future operations facility and substation. The previous land owner operated a concrete facility, that has since closed, on the land. The team, responsible for preparing the property for construction, was faced with the challenge of removing 2 million pounds of large concrete blocks that were scattered throughout the property. Several options were considered, including taking them to a concrete rendering plant to depositing them in a landfill. Dustin Catrett, Sr. Environmental Compliance Specialist, who is overseeing the property cleanup, and Terry Torrens, Sr. Legislative Representative, both of whom are avid anglers and boating enthusiasts, reached out to their colleagues who are involved with artificial reef projects that line Florida's coasts. Those conversations quickly turned to a project taking place off the coast of Fort Pierce in St. Lucie County, about two hours from Central Florida. The fuel cost was approximately \$1,100 and resulted in 200 tons of concrete blocks being removed from the land.

Ms. Lynch presented a video which showed the blocks being deposited into the artificial reef. She thanked Stephanie Cameron, Mike Boslet, Mike Tompkins, Joshua Ball, Mr. Catrett, and Ms. Torrens for their contributions to the project.

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Mr. Bullock stated that a new all-time power peak of 1,233 MW was reached on June 24. Less than one day later, on June 25, a new power peak of 1,285 MW was reached. St. Cloud customers also set a new record on June 25, consuming 208 MW of energy. The Florida Municipal Power Pool, which is operated from Pershing and controls municipal utility power supplies from across the state, tied an all-time peak from 2016 with 3,675 MW.

OUC launched an aggressive customer education campaign with local media and continued a large social media push to inform customers on how they can save both energy and money during a heat wave. Bill saving tips were shared on all local major media outlets. A web page with links to the tips, OUC's Usage Dashboard, and a list of customer rebates and incentives was enhanced at OUC.com/hotweather.

Mr. Bullock explained that consistent summer peaks are not seen year to year. It takes the right combination of day of week, temperature, and lack of clouds. OUC has historically experienced new summer peaks in late July or August, in the

middle of the week and when there are at least three consecutive days of clear, hot weather.

Mr. Bullock acknowledged Mr. DeMarquez and the rest of OUC's veterans, and thanked him for his nomination for the ESGR awards.

Mr. Bullock noted that staff is continuing to work diligently on the Electric Integrated Resource Plan.

Mr. Bullock stated that OUC continues to focus on conservation, and continues to be a leader in the state according to conservation per customer served.

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Commissioner Lee expressed his thanks for being able to participate in the meeting via telephone.

Commissioner Mills echoed Commissioner Lee's thanks for being able to participate in the meeting. He thanked the public speakers for their comments. He clarified that the EIRP impacts the entire enterprise.

Commissioner Gross thanked everyone for their work on the Budget/Rate Workshop. She thanked Mr. Adams for his presentation. She praised the GOAA project and appreciated all the various aspects. She commended Mr. Bullock on the weekly safety calls. She noted her struggles with ranking during the Customer Survey.

Mayor Dyer thanked everyone for their presentations. He thanked the members of the public for their comments.

President Calvet thanked everyone for a great meeting. He thanked the representatives from GOAA for attending the meeting and commended the project. He congratulated the Service Award recipients and thanked the ESGR for their recognition. He thanked Ms. Brenay for the Budget/Rate Workshop. He thanked the public speakers for the comments and noted the importance of serving low-income customers.

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President Calvet adjourned the meeting at 4:15 P.M.

President

Secretary