

**MINUTES**  
**ORLANDO UTILITIES COMMISSION**  
**July 13, 2010**  
**2:24 P.M.**

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**Present:**

**COMMISSIONERS:**

Katie Porta, President  
Dan Kirby, Second Vice President  
Craig McAllaster, Commissioner  
Mayor Buddy Dyer

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

President Porta asked Ron Toporek to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:24 P.M, immediately following the Public Budget Workshop that commenced at 2:00 p.m.

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On a motion by Commissioner Kirby, seconded by Mayor Dyer and unanimously carried, the reading of the minutes of the June 8, 2010 Commission Meeting was waived and the minutes were approved.

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Jan Aspuru presented a 30-Year Service Award to Sue Ann Ori, Manager, Fuel Services, Power Resources Business Unit.

Chris Browder presented a 20-Year Service Award to Wayne Morris, Deputy General Counsel, General Counsel.

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Ken Ksionek asked Roseann Harrington to provide additional information on Affirmative Item 11 regarding Project A.W.E.S.O.M.E., which stands for Alternative Water and Energy Supply: Observation, Methods and Education. Ms. Harrington stated this program is in conjunction with the Orlando Science Center in an effort to educate every fifth grade student in the OUC service

territory on water and energy conservation and alternative resources. Ms. Harrington presented a video that was filmed at Richmond Heights Elementary School and showed children taking part Project A.W.E.S.O.M.E. President Porta asked who teaches the programs. Ms. Harrington replied that the program instructors are employed by the Orlando Science Center.

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

1. Ratification of fuel procurements to the low bidders in April and May 2010 in the aggregate amount of \$9,930,961.05 as follows:

**NATURAL GAS PURCHASES:**

Apr. 2010	BG Energy Merchants, LLC	\$ 307,359.75
Apr. 2010	Chevron Natural Gas	\$ 721,118.16
Apr. 2010	ExxonMobil Gas & Power Marketing	\$ 556,332.00
Apr. 2010	Florida Gas Utility	\$ 131,121.02
Apr. 2010	Louis Dreyfus Energy	\$1,240,989.22
Apr. 2010	National Fuel Marketing	\$2,316,217.97
Apr. 2010	Sequent Energy Management	\$ 155,247.54
Apr. 2010	Shell Energy	\$ 953,850.49
Apr. 2010	Southwestern Energy	\$ 707,518.66
Apr. 2010	Texla Energy Management, Inc.	\$ 206,606.72
Apr. 2010	Total Gas & Power	\$1,125,710.27
Apr. 2010	Virginia Power Energy Marketing, Inc.	\$1,337,914.64

**NO. 6 FUEL OIL PURCHASES:**

May 2010	TransMontaigne Product Services Inc.	\$ 170,974.61
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2. Approval of a sole source Purchase Order to Control Components, Inc. to establish initial inventory of spare part components for Stanton Energy Center Combined Cycle Unit B power block steam valves in an amount not to exceed \$525,000;
3. Approval of an OUC initiated scope change with conforming Change Order No. 1 to Emerson Process Management to amend the SureService maintenance and support contract to include the Stanton Energy Center's Combined Cycle Unit B Ovation Controls System through March 31, 2014 in the amount of \$48,257.00, increasing the total Purchase Order amount to \$113,710.10;
4. Approval of RFP #2872 – Contract award to Aquilex SMS, Inc., the most responsive and responsible bidder, to perform the Stanton Energy Center Unit 2 steam generator inspection and repair services in an amount not to exceed \$2,800,000;
5. Approval of the Lighting Construction Estimate for State Road 50, from Old Cheney Highway to Forsyth Road located in Orange County, in the amount of \$673,013.73, which includes \$176,086.19 for lighting equipment from OUC's stock inventory and \$496,927.54 for the

installation of the poles, fixtures, conduit and wires by Terry's Electric, Inc., OUC's lighting contractor. The Florida Department of Transportation will pay OUC \$673,013.73 for the cost of the project and will be responsible for the monthly billing;

6. Approval of additional funding in an amount not to exceed \$1,750,000 with conforming Change Order No. 1 to Terry's Electric, Inc. for a one-year renewal option of the Lighting Installation and Maintenance Contract through July 31, 2011, increasing the total Purchase Order amount to \$13,750,000;
7. Approval of Change Request No. 1 to the Capital Expenditure Estimate for the St. Cloud North to Magnolia Ranch Transmission Line Project in the amount of \$5,415,442, increasing the total project cost to \$5,500,442. Approval of an OUC initiated scope change with conforming Change Order No. 1 to Power Engineers to provide design engineering, permitting and construction management services in an amount not to exceed \$345,522, increasing the total Purchase Order amount to \$415,522;
8. Approval of the Electric Distribution Construction Estimate for the upgrade of the underground electric distribution system to serve the Orlando International Airport Switchsite No. 4, to improve system reliability at the Orlando International Airport, in the amount of \$145,880.34;
9. Approval of the Electric Distribution Construction Estimate for the installation of the conduit system required for the overhead to underground conversion of the existing overhead electric distribution facilities at the intersection of Taylor Creek Road and Tootosahatchee Creek, located in the Orlando service territory, in the amount of \$145,490.95;
10. Approval of a Capital Expenditure Estimate for the Southeast Monitoring Wells Project in the amount of \$755,000, which includes a Purchase Order to Florida Design Drilling Corporation for installation of the Southeast Monitoring Wells in the amount of \$542,000;
11. Approval of additional funding in the amount of \$204,000 with conforming Change Order No.1 to the Orlando Science Center to continue the educational outreach program for fifth grade students in OUC's service territory for an additional one-year period, increasing the total Purchase Order amount to \$427,500;
12. Approval of additional funding in the amount of \$500,000 with conforming Change Order No. 7 to Interior Contract Services, Inc. for the purchase of Teknion office furniture, demountable wall systems

and space optimization services through March 1, 2011, increasing the total Purchase Order amount to \$2,085,146.64;

13. Approval of a sole source Purchase Order to Orange County Utilities Solid Waste Division for solid waste disposal services for a five-year period in the amount of \$625,000; and
14. Authorization for the General Manager & CEO to execute the Partial Release of Utility Easement for Florida Mall Associates for an easement located east of South Orange Blossom Trail and south of Sand Lake Road.

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John Hearn provided a financial update for May and June 2010. Mr. Hearn stated that retail electric sales and wholesale transactions were ahead of budget and operating revenues and expenses generated approximately \$2 million of positive net income. There was also a \$2 million positive impact from investment earnings. At the end of June, OUC was approximately \$9 million ahead of budget.

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Mr. Ksionek asked Chris Browder to provide an update on the sale of the old administration building. Mr. Browder stated that OUC and GDC Properties, LLC (GDC) have exchanged several drafts of the Purchase Agreement. OUC will enter into an extension letter with GDC, until which will provide additional time to finalize the Purchase and Sale Agreement. Mr. Browder expects the documents to be finalized for an upcoming Commission Meeting. Commissioner McAllaster asked where construction equipment will be stored during the reconstruction. Mr. Browder answered that OUC has informed GDC that any equipment will need to be stored at an offsite staging area. President Porta asked if the building exterior will be remodeled. Mr. Browder stated that the conceptual designs show only minor changes.

Mr. Ksionek asked Ms. Harrington to provide an update on the Green Neighborhoods program. Ms. Harrington reported that 74 customers registered for the program at the first neighborhood meeting. To date, OUC has completed upgrades in 124 residences with a total cost of approximately \$53,000. At the current expense rate, it is anticipated that more homes will be able to be upgraded than originally budgeted. The next neighborhood meeting will be held in the Malibu Groves neighborhood in District 5. Mayor Dyer asked if word of mouth encouraged additional sign-ups, and Ms. Harrington replied affirmatively. Commissioner McAllaster asked how OUC will track long-term savings that result from the program upgrades. Kevin Noonan replied that OUC will track this information in the Customer Information System. In addition, customers participating the program will be provided an estimate of expected savings after upgrades, which can be tracked by customers and OUC on a quarterly basis.

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Commissioner McAllaster congratulated staff on the budget proposal and is pleased that there will be no rate change. He praised OUC's focus on its customers and systems while continuing to invest for the future, as well as its reliable, cost-effective service.

President Porta also congratulated the staff on the budget and stated that customers will be pleased that electric and water rates will not be increased.

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Mayor Dyer moved to adjourn the meeting and Commissioner McAllaster seconded. President Porta adjourned the meeting at 2:54 P.M.

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President

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Secretary