

**MINUTES
ORLANDO UTILITIES COMMISSION
December 8, 2015
2:00 P.M.**

Present:**COMMISSIONERS:**

Linda Ferrone, President
Gregory D. Lee, First Vice President
Dan Kirby, Immediate Past President
Buddy Dyer, Mayor

Kenneth P. Ksionek, General Manager & Chief Executive Officer
Jan Aspuru, Clint Bullock, Maggie Duque, Roseann Harrington, Byron Knibbs
and Chip Merriam, Vice Presidents
Jerry Sullivan, Vice President & Chief Information Officer
John H. Hearn, Vice President & Chief Financial Officer
W. Christopher Browder, Vice President & General Counsel
Nanci Schwartz, Recording Secretary

President Ferrone asked Debbie Bradshaw to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:10 P.M.

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On a motion by Mayor Dyer, seconded by Commissioner Lee and unanimously carried, the reading of the minutes of the November 10, 2015 Commission Meeting was waived and the minutes were approved.

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Commissioner Kirby arrived at the meeting at 2:12 P.M.

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Chip Merriam presented a 25-year service award to Jim Shoemaker, Sr. Chemist, Legislative and Regulatory Compliance.

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President Ferrone recognized Roseann Harrington for receiving the Women of Distinction award at the I-4 Business Entrepreneur of the Year ceremony.

Roseann Harrington announced that OUC hosted the OUC Half Marathon on December 5. The event had over 50,000 runners, including 109 employees and family members.

Clint Bullock congratulated participant Ken Zambito for completing his goal of running a marathon in all fifty states.

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Mr. Ksionek asked Byron Knibbs to provide a presentation on Affirmative Item A-10 regarding the Solar Sculpture Project. The solar sculptures, manufactured by Spotlight Solar, are a means to demonstrate solar technology and educate customers in high-visibility areas. Each sculpture has a 1-3 kW capacity. Energy will be placed on the distribution grid to offset electric vehicle charging and portable device charging stations. Mr. Knibbs showed renderings of and discussed the various sculptures that will be installed at the Citrus Bowl, Orange County Convention Center, Florida Hospital SunRail station, and LYNX bus SunRail station. All sculptures are scheduled to be installed by March 2016. Future solar sculptures will be placed at the Orlando City Soccer Club Stadium and additional sites to be determined. Mr. Knibbs discussed the University Solar Art Design Partnership, in which engineering students will design solar sculptures based on OUC's specifications. The winning sculptures will be installed in Lake Nona and Downtown Orlando.

President Ferrone emphasized OUC's goal of installing the sculptures at the Orange County Convention Center prior to the DistribuTECH Conference in February.

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Commissioner Kirby inquired about Affirmative Item A-2 regarding the Railroad Track Inspection and Maintenance Services. He asked why the dollar amount requested for the next five years was four times the previous five year expenditures.

Mr. Aspuru explained that expenses over the past five years were not characteristic of the typical maintenance due the past recession recovery and budget constraints. Over the next five years OUC will catch up on deferred maintenance and replacement of wooden ties. An increase in railcar traffic and installation of street crossings in the Lake Nona and Medical City areas, as well as SunRail and the All Aboard Florida projects, also necessitate the increase in costs. OUC expects to be reimbursed for most of the capital costs associated with SunRail, All Aboard Florida and new rail crossings but funds are necessary to issue a Purchase Order and begin work on various projects.

Commissioner Kirby expressed concern about the dollar amount requested for approval and requested that the Commission approve three years of funds as opposed to five years. President Ferrone concurred with Commissioner Kirby

and asked for staff to provide itemized budgetary details about the requested funds. Discussion ensued about the possibility of postponing the Affirmative Item until the March 2016 Commission Meeting. It was determined that enough funding was available and that Mr. Ksionek would sign a 90-day contract extension.

Affirmative Item A-2 was pulled from the agenda.

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Commissioner Kirby inquired about Affirmative Item A-12 regarding the Heavy Equipment and Crane Rentals and the use of single source language in the agenda item despite the selection of twelve vendors. Mindy Willis explained that OUC's Purchasing Policy allows for the selection of a pool of vendors who then submit bids and quotes for specific services. Because more than one vendor can provide the service, it is considered single source as opposed to sole source. This process of approving a pool of vendors creates transparency for the Commission, as individual Purchase Orders for specific services may fall under the Commission level approval threshold.

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Commissioner Kirby announced a conflict of interest with Affirmative Item A-9. Commissioner Lee announced a conflict of interest with Affirmative Item A-11. President Ferrone presented the remaining Affirmative Items for approval. On a motion by Commissioner Kirby and seconded by Commissioner Lee, the remaining Affirmative Items were approved as follows:

1. Ratification of the fuel procurements to the low bidders in September 2015 in the aggregate amount \$8,655,255.66 as follows:

NATURAL GAS PURCHASES:

Sep 2015	BG Energy	\$1,091,876.22
Sep 2015	BP Energy	\$ 313,550.00
Sep 2015	EDF Trading (Formerly Eagle Energy)	\$1,111,100.22
Sep 2015	ENI USA Gas Marketing	\$ 642,091.92
Sep 2015	Infinite Energy	\$ 418,655.13
Sep 2015	Macquarie Cook Energy, LLC	\$ 131,426.75
Sep 2015	Sequent Energy Management	\$ 521,383.91
Sep 2015	Shell Energy	\$ 151,557.50
Sep 2015	Tenaska Marketing Ventures	\$2,678,680.46
Sep 2015	Texla Energy Management, Inc.	\$1,594,933.55

2. Pulled;
3. Approval of an OUC initiated scope change with conforming Change Order No. 1 to United Access, Sunbelt Rentals, Inc. and Brock Services, Ltd. in the aggregate amount of \$175,000 to continue providing scaffolding services at Stanton Energy Center through

December 2016, increasing the total Purchase Order amount to \$675,000;

4. Approval of a sole source Purchase Order to Breen Energy Solutions, LLC to provide gas igniters, equipment and engineering support for Stanton Energy Center Units 1 & 2 in the amount of \$910,000;
5. Approval of a Capital Expenditure Estimate for network equipment, servers, applications, software licensing and internal labor for the Energy Management System Data Center Infrastructure Project in the amount of \$848,447.28. Approval of a single source Purchase Order to CDW Government, LLC for network equipment, servers, and virtualization software in the amount of \$556,447.28;
6. Approval of a single source Purchase Order to Florida Transformer, Inc. to provide transformer repair services through June 14, 2017 in the amount of \$200,000;
7. Approval of RFP #3962 - Contract award to Hitachi HVB, Inc., the lowest, most responsive and responsible vendor, for four power circuit breakers required for the Turkey Lake Substation Breaker Replacement Project in the amount of \$275,000. The contract term is five years;
8. Approval of a Transmission Capital Expenditure Estimate for engineering, procurement and construction support necessary to complete the Pine Hills to Woodsmere 230kV Transmission Line Upgrade Project in the amount of \$3,050,000;
9. Pulled for separate vote;
10. Approval of additional funding in the amount of \$130,525 with conforming Change Order No. 2 to Spotlight Solar LLC to provide five solar structures for the Orange County Convention Center, increasing the total Purchase Order amount to \$170,525;
11. Pulled for separate vote;
12. Approval of single source Purchase Orders to All Sunshine Crane Rental Corporation; Crane Rental Corporation; Sims Crane & Equipment Company; Blue Line Rental, LLC; Bobcat of Orlando; Flagler Construction Equipment; Hertz Equipment Rental Corporation; Jeffrey Allen, Inc.; Linder Industrial Machinery Company; Neff Rental, Inc.; Ring Power Corporation; Sunbelt Rentals and United Rentals, Inc. for heavy equipment and crane rentals for a three-year period in the aggregate amount of \$2,500,000;

13. Approval of Purchase Orders to Hooah Interactive; Purple, Rock, Scissors, LLC; and Think Creative, Inc. to provide marketing and advertising services through June 10, 2017 in the amount of \$200,000;
14. Approval of Purchase Orders to Appleton Creative; Edgefactory; Filmscape Productions; Hooah Interactive; O2 Pictures; Skystorm Productions; TinMen; Brian Minnich Photography; Doug Scaletta Photography; Push Button; Richmond Gibbs; and Preston Mack to provide video and photography services through May 31, 2017 in the aggregate amount of \$400,000;
15. Approval of a sole source Purchase Order to IBM for Cognos software licenses and maintenance and support fees from January 1, 2016 through December 31, 2016 in the amount of \$226,280.89;
16. Approval of a Capital Expenditure Estimate for the Enterprise Resource Planning Upgrade Project in the amount of \$757,540. Approval of a Purchase Order to CSS International, Inc. to provide project management services in the amount of \$288,000;
17. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Prosys Information Systems for software, network and electrical equipment and three years of software maintenance and support for Phase 2 of the Network Redesign Project in the amount of \$1,005,248.51, increasing the total Purchase Order amount to \$2,107,381.28;
18. Approval of an OUC initiated scope change and conforming Change Order No. 4 to Persistent Systems, Inc. in the amount of \$213,240 to continue providing support services for Secure Account Management through December 2016, increasing the total Purchase Order amount to \$874,984; and
19. Approval of the 2016 Commission Meeting dates at 2:00 p.m. on the following dates: January 26, March 8, April 12, May 10, June 14, July 12, August 23, October 11, November 8 and December 13. No meetings will be held in February and September.

On a motion by Mayor Dyer and seconded by Commissioner Lee, Affirmative Item A-9 was approved as follows:

9. Authorization for the General Manager & CEO to execute the Utility Work by Highway Contractor Agreement with the Florida Department of Transportation for the State Road 482 Sand Lake Road Widening Project. Approval of a Water Distribution Construction Estimate for construction, administration and inspection costs for the State Road 482 Sand Lake Road Widening Project in the amount of \$4,585,084.90. Approval of a Purchase Order to the Florida

Department of Transportation for reimbursement of construction costs in the amount of \$3,680,285.84.

Commissioner Kirby previously announced a conflict of interest and abstained from the vote.

On a motion by Mayor Dyer and seconded by Commissioner Kirby, Affirmative Item A-11 was approved as follows:

11. Approval of additional funding with conforming Change Order No. 1 to Ring Power Corporation in the amount of \$450,000 to continue to provide Caterpillar heavy equipment maintenance and repair services through March 2017, increasing the total Purchase Order amount to \$900,000.

Commissioner Lee previously announced a conflict of interest and abstained from the vote.

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Commissioner Kirby reported the Finance Committee held its regular meeting on November 17, 2015. The Committee reviewed the Annual Treasury and Energy Risk Management Reports.

The Committee reviewed key results from the Series 2015B synthetic fixed rate refunding of the outstanding 2009A bonds, which resulted in net present value savings of over 32 percent.

The Committee also reviewed revisions to the Energy Risk Management Policy which included clarifying policy objectives and language. The Finance Committee recommends that the Commission approve all revisions to the Energy Risk Management Policy.

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

PRES-1a Adoption of the proposed Energy Risk Management Policy as recommended by the Finance Committee.

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John Hearn stated that retail energy revenues are approximately \$1.3 million ahead of budget and wholesale energy revenues are approximately \$2.3 million ahead of budget. Net income is approximately \$4.2 million ahead of budget for the first two months of Fiscal Year 2016. Part of this variance is weather-related while another portion is related to customer growth.

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Jonathan Sebastian Blount, an OUC customer, spoke about the recent study on the commission on homelessness and encouraged OUC to support the purchase of mobile hygiene health units for the Orlando area. He also invited the OUC staff and Commissioners to attend the Caribbean American Chamber of Commerce's Holiday Party.

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Mr. Ksionek asked Chip Merriam to provide a legislative update. Mr. Merriam discussed the upcoming State of Florida legislative session, including 100 pieces of proposed legislation being tracked by OUC. Key components include the springs and aquifer protection, the Central Florida Water Initiative, Basin Management Action Plan (BMAP) enhancements, Minimum Flows and Levels (MFLs) enhancements and Regional Water Supply Plan modifications. Mr. Merriam also discussed issues related to cybersecurity, public records and climate change. At the Federal level, Mr. Merriam discussed the recent Paris Climate Change Conference, the North American Energy Security and Infrastructure Act, two proposed amendments related to community solar projects and the protection of customer information gathered from smart meters, the Transportation Bill, a continuing resolution to fund the Federal Government and EPA challenges and proposed rule changes.

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Mr. Ksionek wished everyone Happy Holidays and invited everyone to a reception following the Commission Meeting.

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Commissioner Lee congratulated Jim Shoemaker on his Service Award, Roseann Harrington on her recognition and Ken Zambito on his marathon accomplishments. He applauded OUC for the Solar Sculpture Project and its contributions to the community.

Commissioner Kirby echoed Commissioner Lee's comments and wished everyone Happy Holidays.

Mayor Dyer also wished everyone Happy Holidays.

President Ferrone echoed the previous Commissioners' comments and was glad to see the diverse group of recognition. She thanked Mr. Blount for his comments and stressed the importance of listening to members of the public. She encouraged OUC to continue placing an emphasis on sustainability with projects like the Solar Sculpture Project. She wished everyone a safe and happy holiday season.

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President Ferrone adjourned the meeting at 3:10 P.M.

President

Secretary