

MINUTES
ORLANDO UTILITIES COMMISSION
March 13, 2018
2:00 P.M.

Present:

COMMISSIONERS:

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

Clint Bullock, General Manager & Chief Executive Officer
Jan Aspuru, Chief Operating Officer
Luz Aviles, Linda Ferrone, Roseann Harrington, & Chip Merriam, Vice Presidents
Jerry Sullivan, Vice President & Chief Information Officer
Mindy Brenay, Vice President & Chief Financial Officer
W. Christopher Browder, Vice President & General Counsel
Nanci Schwartz, Recording Secretary

President Lee asked German Romero to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:03 P.M.

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President Lee welcomed Dr. Larry Mills to the Commission, who was confirmed by the Orlando City Council on February 12, 2018.

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On a motion by Mayor Dyer, seconded by Commissioner Gross and unanimously carried, the reading of the minutes of the January 23, 2018 Commission Meeting was waived and the minutes were approved.

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Mindy Brenay presented a 30-year service award to Steve Lassiter, Fleet/Facilities Coordinator, Financial and Support Services.

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Roseann Harrington announced that OUC received the 2018 Florida Municipal Electric Association (FMEA) Restoring Communities Award in recognition of the extraordinary efforts and dedication to restore power to the community during emergency situations.

OUC also received the FMEA Safety Award for the continued commitment to safe working practices during the year. Ms. Harrington recognized Troy Morris and Jeff Mann for the awards.

Jan Aspuru announced that OUC participated in the 18th Annual Florida Lineman Competition, hosted by KUA in Kissimmee. The event brings together public power line workers from across the region to demonstrate their skill and knowledge in the craft of line work. The event promotes safety, best practices and prepares municipal utilities for mutual aid situations, which was demonstrated last fall in Hurricane Irma. He recognized Nick Rawlings and Chris Irvine for receiving first and third place honors on the written test, respectively, as well as placing in the Top 10 overall out of 72 apprentices.

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Mr. Bullock asked Kate Powers to provide a presentation on Affirmative Item A-20 regarding the Wellness Program Software Licenses & Support Services. Chris Browder provided background information about OUC's benefits program and the wellbeing initiatives. Ms. Powers stated that the Wellbeing Program was created in September 2016 and the Wellbeing website was launched in March 2017. The program's objective is to create a sustainable Wellbeing culture to successfully attract, motivate, and retain employees while achieving organizational growth and success. Participants can earn Wellbeing points for participating in activities such as completing assessments and screenings, scheduling preventive appointments, staying motivated by tracking weekly actions, watching educational videos or attending on-site sessions, increasing physical activity, participating in for community events, and engaging in programs designed to help participants stay fit. Wellbeing communications include employee meetings, invitations to specific programs, the Wellbeing landing page, the Wellbeing digest, and home mailings. The Wellbeing Program has recruited 53 leads and champions to influence other employees to participate, and will be recruiting 69 more. Ms. Powers thanked the champions for their hard work and support. She shared several success stories from the Wellbeing program. This agenda item is requesting approval of Change Order No. 2 through September 30, 2018.

Commissioner Mills asked for clarification regarding OUC's absenteeism rate. Ms. Powers clarified that OUC has approximately 1200 employees and 3900 covered lives on the health plan. She stated that the absenteeism rate metric has not yet been developed for this program, but it will be associated with metrics related to preventive care.

Commissioner Mills asked if the partnership with the YMCA offered a reduced membership rate. Ms. Powers stated it did not. The grant money received for the three-year program provided lifestyle coaches to meet with employees and provide biometric screenings. The additional staffing helped launch the Wellbeing Program. Ms. Powers added that each OUC location has gyms for employee use.

Commissioner Gross asked if there has been any data regarding preventive screenings positively influencing overall health costs. Ms. Powers said there has only been a year and a half of data, which is not long enough to trend. However, in regards to health stratifications, there has been a one percent decrease in high risk, a four percent decrease for medium risk, and a five percent increase for low risk.

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

1. Ratification of the fuel procurements to the low bidders in November and December 2017 in the aggregate amount \$12,954,822.40 as follows:

NATURAL GAS PURCHASES:

November 2017	Infinite Energy	\$ 584,988.44
November 2017	Tenaska Marketing Ventures	\$ 3,425,650.84
December 2017	Shell Energy	\$ 412,500.00
December 2017	Southwest Energy	\$ 124,256.73
December 2017	Tenaska Marketing Ventures	\$ 1,381,884.86

COAL PURCHASES:

November 2017	Armstrong Resource Management	\$ 2,009,561.41
November 2017	Foresight Coal Sales, LLC	\$ 884,353.79
December 2017	Crimson Coal Corporation	\$ 2,694,531.91
December 2017	Foresight Coal Sales, LLC	\$ 1,437,094.42

2. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Unit 1 Distributed Control System Upgrade Project in the amount of \$7,000,000. Approval of a single source Purchase Order to Emerson Process Management Power & Water Solutions, Inc. to provide equipment and labor for the Stanton Energy Center Unit 1 distributed controls system upgrade in the amount of \$6,000,000;
3. Approval of the Stanton Energy Center Unit 2 Scrubber Inlet Damper Seals Upgrade Project in the amount of \$660,000. Approval of a sole source Purchase Order to SPX Heat Transfer, LLC to provide the labor and equipment for the modified seal components in the amount of \$340,000;

4. Approval of RFP #4404 - Contract award to CDW Government LLC, the lowest, most responsive and responsible vendor, to provide hardware, software, licensing and support services for the Water Production SCADA Network Hyper-Converged Integrated System Project in the amount of \$159,246.15. The contract term is three years;
5. Approval of the Electric Distribution Construction Estimate for Phase 1 of the installation of a new manhole duct-line system along the existing Dowden Road in the amount of \$2,170,745.18;
6. Approval of Change Request No. 1 to the Water Distribution Capital Expenditure Estimate for construction, administration and final engineering design services in the amount of \$4,187,817 for the Bass Lake Subdivision Rebuild Project, increasing the total project cost to \$4,224,616. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Atkins North America, Inc. for engineering and construction management services in the amount of \$419,683, increasing the total Purchase Order amount to \$451,089;
7. Approval of Change Request No. 1 to the Substation Capital Expenditure Estimate in the amount of \$10,605,000 for engineering, procurement and construction support necessary to complete the Holden, Grant and Pershing Switchgear Replacement Project, increasing the total project cost to \$10,700,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Black & Veatch in the amount of \$1,325,000 to provide design engineering and construction management services, increasing the total Purchase Order amount to \$1,420,000. Approval of RFP #4429 - Contract Award to AZZ, the lowest, most responsive and responsible vendor, for three switchgear in the amount of \$2,370,000. The contract term is three years with two one-year renewal options;
8. Approval of Change Request No. 1 to the Transmission Capital Expenditure Estimate in the amount of \$1,000,000 for engineering and construction support necessary to complete the Southwood to Convention Center 230kV Transmission Upgrade Project, increasing the total project cost to \$1,400,000. Approval of an OUC Initiated scope change and conforming Change Order No. 1 to Black & Veatch in the amount of \$905,000 to provide design engineering and construction management services, increasing the total Purchase Order amount to \$1,000,000;
9. Approval of RFQ #4491 - Contract award to Jamco Industrial, Inc. d/b/a/ Jamco, Inc., the lowest, most responsive and responsible vendor, for the purchase of four 6,000 lb. forklifts in the amount of \$127,672;

10. Approval of RFP #4477 - Contract awards for landscape maintenance services to AmeriScapes Landscape Management Services, Inc. in the amount of \$370,828 and Carol King Landscape Maintenance, Inc. in the amount of \$597,800, the most responsive and responsible vendors, for an aggregate amount of \$968,628. The contract terms are three years with two one-year renewal options;
11. Authorization for the General Manager & CEO to execute the Release of Easements for property located south of East Pineloch Avenue and east of South Orange Avenue;
12. Authorization for the General Manager & CEO to execute the Release of the Service Agreement for Lighting Service, for property located north of Tavistock Lakes Boulevard and west of Narcoossee Road;
13. Authorization for the General Manager & CEO to execute the Subordination of Encumbrance to Property Rights to Orange County for property located east of South Texas Avenue and south of Americana Boulevard;
14. Approval of the appointment of Luz Aviles and John Hearn to the Board of Trustees of the OUC Pension Plan, effective April 1, 2018, for a term ending on December 31, 2022 and December 31, 2023, respectively;
15. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Slover & Loftus LLP in the amount of \$150,000 to continue providing legal services related to rail transportation matters through September 30, 2018, increasing the total Purchase Order amount to \$245,000;
16. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Gabriel, Roeder, Smith & Company in the amount of \$70,000 to meet new reporting requirements under the Government Accounting Standards Board, new electronic filing requirements and creation of a new trust for the payment of excess benefit payments, increasing the total Purchase Order amount to \$165,500;
17. Approval of an OUC initiated scope change and conforming Change Order No. 5 to MTM Recognition Corporation in the amount of \$40,000 to continue administering the Employee Service Award and Recognition Program through January 31, 2019, increasing the total Purchase Order amount to \$520,000;
18. Approval of an OUC initiated scope change and conforming Change Order No. 1 to P&A Group in the aggregate amount of \$350,000 to continue providing Health Reimbursement Account administration

- services and claim reimbursement payments through May 31, 2019, increasing the total Purchase Order amount to \$1,115,000;
19. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Solantic of Orlando, LLC in the amount of \$30,000 to continue providing occupational medical services through March 31, 2019, increasing the total Purchase Order amount to \$104,000;
 20. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Inspired Perspectives LLC in the amount of \$32,000 to continue providing Wellness Program software licenses and support through September 30, 2018, increasing the total Purchase Order amount to \$130,000;
 21. Approval of RFP #4450 - Contract award to W2 Technologies, Inc. and Hi-tech Optical, Inc., the most responsive and responsible vendors, to provide safety prescription eyeglass services through March 31, 2021 in the aggregate amount of \$150,000;
 22. Approval of a sole source Purchase Order to Atos IT Solutions and Services, Inc. for Interactive Voice Response software maintenance and support through March 31, 2021, in the amount of \$355,890;
 23. Approval of an OUC initiated scope change and conforming Change Order No. 4 to Oracle America, Inc. in the amount of \$465,820.29 for renewal of all Oracle database license maintenance and support for the period of April 30, 2018 through April 29, 2019, increasing the total Purchase Order amount to \$1,993,376.36;
 24. Approval of an OUC initiated scope change and conforming Change Order No. 2 to AdvizeX Technologies LLC for additional disaster recovery documentation for new applications and system upgrades in the amount of \$41,596, increasing the total Purchase Order amount to \$117,876;
 25. Approval of an OUC initiated scope change and conforming Change Order No. 4 to Software AG USA, Inc. in the amount of \$126,595.58 for Enterprise Service Bus annual software maintenance and support through March 31, 2019, increasing the total Purchase Order amount to \$447,330.36; and
 26. Approval of an OUC scope change and conforming Change Order No. 2 to Kellton Tech Solutions, Inc. in the amount of \$897,400 to continue providing integration support and project services for the Enterprise Service Bus through April 30, 2019, increasing the total Purchase Order amount to \$3,961,282.

Mindy Brenay stated that the Financial Report for February is trailing behind budget in retail electric revenues due to cooler, moderate weather.

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Jonathan Sebastian Blount, an OUC customer, congratulated Commissioner Mills on his appointment to the Board.

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Mr. Bullock asked Chip Merriam to provide a Legislative Update. Mr. Merriam provided information about the State of Florida legislative session, which lasted from January 9 to March 11. He recognized Kevin Noonan for working in Tallahassee during the sixty-day session. Mr. Merriam stated that 3,192 bills were filed during the session with only 200 bills passing both chambers. OUC's two top priorities passed while several pieces of harmful legislation did not. The two bills that passed involved public records and linear facilities. Other bills of interest that passed involved environmental regulations and emergency power for nursing homes. Bills of interest that did not pass involved storm hardening and the energy grid, the Energy 2040 Task Force, medically essential electric services, public meetings, public electric utility rates, electric vehicles, private property rights, water management, county and municipal public officers and employees, texting while driving, impact fees, and the land acquisition trust fund. He provided an update on the Constitutional Revision Committee (CRC), which occurs every twenty years. The CRC is currently considering 37 active proposals and is conducting a statewide listening tour for public input. The group will meet in Tallahassee from March 19 to May 10 to finalize constitutional amendments placed on the ballot. Only one proposal, regarding Proposal 29 for the Employment Authorization Program, has the potential to impact OUC.

Mr. Merriam discussed several issues in the federal government, including the Federal Communications Commission and pole attachments, Clean Power Plan repeal and replacement, tax changes (municipal bond exemption, advanced refunding, and electric vehicle incentives), and an increasing focus on cyber security.

Commissioner Mills inquired about OUC's supply chain management philosophies and risk mitigation. Mr. Merriam explained the mindset behind the cybersecurity procedures.

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Mr. Bullock asked Mindy Brenay to update Commissioners on a heroic action taken by OUC employee Trevor Williams. Ms. Brenay stated that on February 15, Mr. Williams was dispatched to assist a co-worker with a broken-down vehicle. En route to assist the other employee, he was involved in a three-car accident, which was not his fault. Mr. Williams assisted the driver out of the first vehicle before utilizing his fire extinguisher to help put out the flames engulfing the

second vehicle. Mr. Williams and another bystander then helped pull the driver out of that vehicle.

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Mr. Bullock provided an update on the Solar Purchase Power Agreement. He stated that the negotiations have been completed with NextEra Florida Renewables, LLC (NextEra). All Florida Municipal Power Agency (FMPA) members have gained approval from their boards to participate in these solar projects. The FMPA and FPL boards will vote to approve the deal at future meetings. It was determined that NextEra will build three 74.5 MW solar farms on sites in rural Orange and Osceola Counties, totaling 223.5 MW. OUC will be the anchor buyer and purchase the largest portion of the solar farms with 108.5 MW. Construction on the solar farms will begin in 2020 with the goal to begin generating power in 2021. It is estimated that the solar cost will be between \$30-40 per MWH. He thanked Ms. Ferrone, Mr. Knibbs, Mr. Browder, Mr. Aspuru, and their team members for their hard work on this project.

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Mr. Bullock thanked the Board for his appointment to General Manager and CEO.

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Mayor Dyer praised Trevor Williams for his heroic actions and congratulated the Service Award and the FMEA award recipients. He welcomed Commissioner Mills to the Board.

Commissioner Gross welcomed Commissioner Mills to the Board. She congratulated the FMEA award recipients. She praised OUC and the rest of the utility industry for cooperating with each other during these events as well as during times of crisis. She thanked Mr. Williams for his heroic actions.

Commissioner Calvet congratulated Steve Lassiter on his Service Award. He praised Trevor Williams for his heroic actions. He thanked Ms. Powers for her enthusiasm on the Wellbeing presentation. He congratulated the recipients of the FMEA awards.

Commissioner Mills thanked everyone for the warm reception and briefings. He anticipates providing input throughout the organization, and praised the Wellbeing and Solar Programs. He praised the recipients of the FMEA awards.

President Lee echoed the previous Commissioners' comments. He praised the Wellbeing Program and thanked Ms. Powers for the presentation. He thanked Mr. Merriam for the legislative update. He congratulated Mr. Bullock on his first meeting as General Manager and CEO. He welcomed Commissioner Mills to the Board.

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President Lee adjourned the meeting at 3:21 P.M.

President

Secretary