

MINUTES
ORLANDO UTILITIES COMMISSION
July 12, 2016
2:16 P.M.

Present:

COMMISSIONERS:

Linda Ferrone, President
Dan Kirby, Immediate Past President
Cesar E. Calvet, Commissioner
Mayor Buddy Dyer

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
Mindy Willis, Vice President & Chief Financial Officer
W. Christopher Browder, Vice President & General Counsel
Nanci Schwartz, Recording Secretary

President Ferrone asked German Romero to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:16 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 14, 2016 Commission Meeting was waived and the minutes were approved.

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Jan Aspuru presented a 25-year service award to Anthony Eddy, Watch Engineer, Electric and Water Production.

Maggie Duque presented at 25-year service award to Nora Gonzalez, Meter Operations and Maintenance Manager, Customer Service.

Ms. Duque presented a 20-year service award to Connie Bradley, Sr. Customer Account Analyst, Customer Service.

Chris Browder presented a 20-year service award to Zoila Easterling, Deputy General Counsel, Office of the General Counsel.

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On behalf of OUC, President Ferrone honored Mayor Dyer for his leadership in the aftermath of the recent Pulse tragedy. She thanked him and the City of Orlando for helping survivors and the families of the victims, for assisting first responders and for starting the OneOrlando Fund. She announced that OUC is donating \$25,000 to the fund, will match all employee and retiree gifts, and will provide assistance to OUC customers impacted by the tragedy through the Project Care utility assistance fund.

Mayor Dyer thanked everyone at OUC for their assistance in the aftermath of the tragedy. He stressed the importance of the City of Orlando standing against hate and embracing diversity and equality.

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Mr. Ksionek asked Lemoyne Adams to provide a presentation on Affirmative Item A-6 regarding the Parramore K-8 School. Mr. Adams provided background information on the project, which is located on the southwest corner of Amelia Street and Parramore Avenue, just west of Creative Village. The installation consists of underground cable, two switchgear and one transformer. OUC worked closely with Orange County Public Schools (OCPS) regarding the design of the electric distribution system. By removing and relocating overhead, OUC helped OCPS reach the goal of not having any overhead on the same side of the street as the school. Mr. Adams spoke about the educational and youth development programs that will be included in the first-of-its-kind community school.

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Commissioner Kirby requested clarification regarding the vendors on Affirmative Item A-4, Limestone Slurry Additive Feed and Coal Material Handling Systems Maintenance Agreement. Mr. Aspuru responded that both Rubber Applications, Inc. and Maclan Corporation will be performing work for this project.

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Commissioner Kirby announced a conflict of interest with Affirmative Item A-6. President Ferrone presented the remaining Affirmative Items for approval. On a motion by Mayor Dyer and seconded by Commissioner Kirby, the Affirmative Items were approved as follows:

1. Ratification of the fuel procurements to the low bidders in April 2016 in the aggregate amount \$5,624,789.41 as follows:

NATURAL GAS PURCHASES:

Apr 2016	ENI USA Gas Marketing	\$ 112,517.38
Apr 2016	Macquarie Cook Energy, LLC	\$ 585,670.72
Apr 2016	NJR Energy Service Company	\$ 473,185.13
Apr 2016	Occidental Energy Marketing	\$ 476,804.37
Apr 2016	Shell Energy	\$ 307,254.75
Apr 2016	Tenaska Marketing Ventures	\$2,869,606.69
Apr 2016	Texla Energy Management, Inc.	\$ 372,774.37

COAL PURCHASES:

Mar 2016	Consolidation Coal Company	\$426,976.00
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2. Ratification of a single source Purchase Order to GE Mobile Water, Inc. to provide Stanton Energy Center with a portable reverse osmosis and filtration system in the amount of \$679,371.13, pending final contract negotiations and OUC legal review. The contract term is 75 days;
3. Ratification of an OUC initiated scope change and conforming Change Order No. 1 to Siemens Energy, Inc. in the amount of \$575,000 for the additional emergent work relating to the Steam Turbine Generator Overhaul and Valve Outage, increasing the total Purchase Order amount to \$2,575,000;
4. Approval of RFP #4135 - Contract award to Rubber Applications, Inc. and Maclan Corporation, the most responsive and responsible vendors, for repairing and refurbishing rubber-lined piping and conveyor pulleys and installing new scrubber module floor liners at Stanton Energy Center in the aggregate amount of \$785,000, pending final contract negotiations and OUC legal review. The contract term is three years with two one-year renewal options;
5. Approval of the Electric Distribution Construction Estimate for the rebuild of the overhead electric distribution system for Circuit Number 18-24 in the amount of \$943,310;
6. Pulled for separate vote;
7. Approval of Change Request No. 1 to the Lighting Construction Estimate in the amount of \$1,321,347.04 for an additional 3,873 LED fixtures in order to complete the LED Residential Roadway Lighting project, increasing the total project cost to \$6,256,949.57;
8. Approval of Change Request No. 1 to the Transmission Capital Expenditure Estimate for engineering, procurement, easement acquisition and construction support necessary to complete the Holden to Michigan 115kV Relocation and Upgrade Project in the amount of \$2,405,000, increasing the total project cost to \$2,500,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to

Power Engineers, Inc. in the amount of \$335,000 to provide design engineering and construction management services, increasing the total Purchase Order amount to \$430,000;

9. Approval of RFP #3997 - Contract award to Valmont Newmark, Inc., lowest, most responsive and responsible vendor, for steel transmission poles and anchor bolts required for the Stanton North to Grant 115kV Transmission Line Project in the amount of \$1,150,000;
10. Approval of a Purchase Order to Burns & McDonnell, Inc., the most responsive and responsible vendor, for transmission line routing and feasibility engineering services to determine full scope of the St. Cloud 230kV Transmission Line Project in the amount of \$350,000;
11. Approval is requested of Purchase Orders to Terry's Electric, Inc., Energy Erectors, Inc., and Mitchell G. Hancock, Inc., the most responsive and responsible vendors, to provide substation upgrades, replacements and maintenance support services in the aggregate amount of \$8,500,000. The contract term is three years with two one-year renewal options;
12. Approval of single source Purchase Orders to AT&T for cellular, voice and data services in the aggregate amount of \$4,092,472, pending final contract negotiations and OUC legal review;
13. Approval of an OUC initiated scope change and conforming Change Order No. 2 to SHI in the amount of \$549,535.20 for computer, server and database licenses and maintenance through July 31, 2017, increasing the total Purchase Order to \$2,001,180.94;
14. Approval of an OUC initiated scope change and conforming Change Order No. 3 to SimplexGrinnell LP in the amount of \$297,500 to upgrade six elevators at Stanton Energy Center and to continue providing fire and burglar alarm services and through September 16, 2017, increasing the total Purchase Order amount to \$600,246;
15. Approval of RFP #4057 - Contract award to Building Maintenance Services, Inc., the most responsive and responsible vendor, to provide janitorial services for various OUC locations, beginning September 1, 2016, in the amount of \$1,373,871. The contract term is three years with two one-year renewal options. Approval of an OUC initiated scope change and conforming Change Order No. 1 to KONE Inc. to provide eight elevator modernization upgrades in the amount of \$1,720,671.20, increasing the total Purchase Order amount to \$2,365,671.20;

- 16. Approval of Change Request No. 1 to the Capital Expenditure Estimate for the Stanton Energy Center Elevator Rebuild Project for eight elevator modernization upgrades in the amount of \$2,090,000.00, increasing the total project cost to \$2,491,775.37. Approval of an OUC initiated scope change and conforming Change Order No. 1 to KONE Inc. to provide eight elevator modernization upgrades in the amount of \$1,720,671.20, increasing the total Purchase Order amount to \$2,365,671.20; and
- 17. Ratification of an OUC initiated scope change with conforming Change Order No. 1 to Navigant Consulting, Inc. to continue consulting services for the documentation and optimization of Customer Service business processes for the Customer Care and Billing Project the amount of \$395,000, increasing the total Purchase Order amount to \$485,000.

On a motion by Mayor Dyer and seconded by Commissioner Lee, Affirmative Item A-6 was approved as follows:

- 6. Approval of the Electric Distribution Construction Estimate for the installation of underground electric distribution facilities to serve the new Parramore K-8 School, the removal of overhead electric distribution facilities and the relocation of existing overhead electric distribution facilities in the amount of \$539,744.61, with customer contributions in the amount of \$150,990.14.

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Mindy Willis stated that OUC has seen strong retail sales during the month of June. She noted that the timing of unit department expenses is beginning to reflect budgetary expectations.

Ms. Willis shared the results of the financing transaction priced at the end of June, which yielded a \$20.2 million savings on the refunding transaction. She presented a Year in Review video created by the Marketing, Communications, and Community Relations staff, which was used to launch OUC's presentations to the bond rating agencies.

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Nils Taranger, an OUC customer, spoke about changing OUC's water fluoridation policy and distributed information to the Board.

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Ted and Jan Sproul, OUC customers, also spoke about changing OUC's water fluoridation policy and distributed information to the Board.

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Gladys Heuer, an OUC customer, requested assistance regarding an incident that occurred on her property on August 28, 2014.

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Mr. Ksionek introduced the Focus on the Future video, which was presented at the 2016 Employee Meetings. He thanked the Marketing, Communications and Community Relations staff for creating the two videos and assisting with the meetings.

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Mr. Ksionek asked Chip Merriam to provide a Legislative Update. Mr. Merriam discussed the upcoming federal and Florida state elections, as well as statistics related to Florida voter registration. In the federal legislature, Congress is working to finish twelve pieces of major legislation before the end of the session. He discussed several bills that could impact OUC, including the Comprehensive Energy Bill, Energy and Water Appropriations Bill, Ozone Implementation Act, Toxic Substances Control Act, Coal Ash Bill and Pole Attachment Bill. He also discussed an Internal Revenue Service rule revision for municipal tax exemption.

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Mayor Dyer left the meeting at 3:45 P.M.

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Mr. Ksionek noted that OUC recently reached a peak of 3,661 MW in the power pool with Lakeland Electric and FMPA.

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Commissioner Calvet requested a copy of the Board's correspondence with the customers who spoke at the meeting. He also congratulated the staff that met with the bond rating agencies.

Commissioner Kirby congratulated the Service Award recipients, especially Nora Gonzalez and Zoila Easterling. He praised Mayor Dyer's response to the Pulse tragedy and thanked OUC for its commitment to the community and contributions to the OneOrlando fund. Commissioner Kirby thanked the customers who spoke at the meeting. He praised the two employee videos and the ability to bring forth these ideas in a creative way.

President Ferrone commended Gina Johnson and her staff for their work on the Budget Presentation. She praised the Service Award recipients, the rating

agency meeting results and the employee videos. She also thanked the members of the public who requested to speak at the meeting.

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President Ferrone adjourned the meeting at 3:55 P.M.

President

Secretary