

**MINUTES
ORLANDO UTILITIES COMMISSION
September 13, 2022
2:29 PM**

Present:

COMMISSIONERS:

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

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 & Marketing Officer
Latisha Thompson, Chief Employee Experience Officer
LeMoyne Adams, Luz Aviles, Wade Gillingham, Jenise Osani, & Ken Zambito, Vice Presidents
Frances Johnson, Recording Secretary

Voting members not present:

Buddy Dyer, Mayor

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The September 2022 Commission Meeting was held in person.

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President Gross asked Kevin Noonan to provide the moment of reflection. President Gross asked Joe Reilly to lead the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:29 P.M.

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On a motion by Commissioner Calvet, seconded by Commissioner Lee and unanimously carried, the reading of the minutes of the August 9, 2022 Commission Meeting was waived and the minutes were approved.

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Latisha Thompson presented the first community recognition and announced the Orlando

Business Journal (OBJ) named OUC as the second place honoree in the OBJ's healthiest employer in Central Florida program, an improvement from last year's third place ranking. OUC has consistently placed in the Top 5. She recognized that along with OUC's number one core value of "Make Safety First," the wellbeing program focuses on the whole being, especially in regard to mental health. Ms. Thompson described OUC's comprehensive approach to wellness and detailed the wellbeing program accomplishments. Ms. Thompson thanked the wellbeing team, management team, and wellness champions for their support, as well as the wellbeing participants for striving to achieve their health goals.

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Linda Ferrone announced that OUC was recognized as the Most Trusted Brand among U.S. electric-only providers by Escalent, this being the second time OUC receives this recognition in three years. She stated OUC placed first in the nation among electric-only utilities in the 2022 Cogent Syndicated Utility Trusted Brand & Customer Engagement Residential Study. Additionally, Escalent had named OUC a 2022 Environmental Champion in May 2022. She thanked the Board for their support.

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Ms. Ferrone provided an updated on OUC's deep commitment to sustainability through the Artificial Reef project, stating that OUC helped create a manmade marine habitat, Starship II Reef, located about three miles off the coast of Ponce Inlet in Volusia County. This is the second reef OUC has helped build with recycling materials from the St. Cloud Operations & Maintenance Center currently under construction. OUC partnered with the Coastal Conservation Association, Building Conservation Trust, Volusia County, and Shell USA, Inc. on this project. She recognized Terry Torrens, Vince Preston, Gary Baynon, Mike Tompkins, Joshua Ball, Frank Cruz, Barry Koontz, Millard Long, Randy Buckingham, the team at Indian River Plant, and OUC's communication team, including Michelle Lynch, Mike Boslet, and Stephanie Cameron. Ms. Ferrone concluded by thanking everyone who helped bring sustainability beyond the edges of OUC's service territory for the betterment of all of Central Florida.

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Mr. Bullock asked Chris Browder, Chief Legal Officer, to provide a presentation on Affirmative Item A-25 regarding the Sale and Purchase Agreement for OUC's Jetport Property. Mr. Browder gave background details, stating this property was deeded to OUC in 2007 from Southern Company-Jetport LLC as part of a settlement associated with the discontinuance of a prior joint power project. He explained OUC has determined the property unsuitable for operational plans and monetizing it would be more beneficial. Property was listed with commercial broker Colliers, and OUC received 14 offers, of which Prologis LP was selected. OUC and Prologis LP have negotiated sale terms and a Purchase Agreement for the Jetport property.

Mr. Browder provided details regarding the property location and described the primary agreement points, including the sales price and closing contingencies.

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President Gross presented the Affirmative Items for approval. On a motion by Commissioner Lee and seconded by Commissioner Mills, Affirmative Items A-1 through A-25 were approved

as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in May 2022 in the aggregate amount of \$38,570,886.70 as follows:

NATURAL GAS PURCHASES:

May 2022	Clarke-Mobil Counties	\$ 1,083,450.00
May 2022	EDF Trading	\$ 4,775,361.83
May 2022	Florida Power & Light	\$ 900,335.00
May 2022	Gas South	\$ 2,887,294.55
May 2022	Koch Energy	\$ 513,142.66
May 2022	Macquarie Energy	\$ 1,391,137.50
May 2022	Municipal Gas Authority of Georgia	\$ 2,326,116.00
May 2022	Southwest Energy	\$ 2,914,690.62
May 2022	Tenaska Marketing Ventures	\$10,356,571.36
May 2022	Tecla Energy Management	\$ 5,304,993.23

COAL PURCHASES:

May 2022	Armstrong Resources	\$1,094,227.62
May 2022	Crimson Coal Corporation	\$4,274,487.32
May 2022	Foresight Coal Sales, LLC	\$ 749,079.01

2. Approval of a Purchase Order to TEi Construction Services Inc. to provide labor and equipment to perform inspections, repairs, and equipment upgrades to the steam generator at the Stanton Energy Center Combined Cycle Unit B during the 2022 Fall Outage; and emergent work for Stanton Energy Center Units 1 & 2 in the amount of \$548,446;
3. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Suez WTS Services USA, Inc. in the amount of \$1,803,000 to continue providing materials, services, and equipment for the Stanton Energy Center Portable Reverse Osmosis & Filtration Systems, increasing the total Purchase Order amount to \$4,345,000;
4. Approval of a Purchase Order to Daikin Applied Americas Inc. to provide heating, ventilation, and air conditioning equipment for the Stanton Energy Center Unit 1 Control Center Building in the amount of \$180,000;
5. Approval of a Capital Expenditure Estimate for the Downtown Chilled Water District Pipeline Extension Project in the amount of \$2,702,840. Approval of a Purchase Order to S.I. Goldman Company, Inc. to design and construct the Downtown Chilled Water District Pipeline Extension to serve Church Street Plaza Phase 2 in the amount of \$2,532,840;
6. Approval of the Capital Expenditure Estimate for the installation of the underground electric distribution system to serve the Buena Lago Subdivision – Phases 1 & 2 in the amount of \$714,733.97, with a customer contribution in the amount of \$159,766;

7. Approval of additional funding in the amount of \$12,500,000 with conforming Change Orders No. 2 to Central Florida Underground, Inc. and The Fishel Company to continue providing installation, removal, and repair services for underground conduit and manhole systems, increasing the total Purchase Orders to the aggregate amount of \$28,241,440;
8. Authorization for the General Manager & CEO to execute a Joint Project Agreement Task Order No. 2 with the City of Orlando for the Hughey and Garland Avenues Water Main Replacement Project, Phase 2 of 2. Approval of Change Request No. 4 to the water Capital Expenditure Estimate in the amount of \$8,006,377.85 for additional construction cost necessary to complete the Hughey and Garland Avenues Water Main Replacement Project Phase 2 of 2; and Commission approval of Change Request No. 1 to the electric Capital Expenditure Estimate in the amount of \$455,242.25 for additional inspection, administration, and construction services necessary for the Livingston Street and Central Boulevard electric duct bank installation between Hughey and Garland Avenues, increasing the Hughey, Division, & Garland Avenues Water Main Replacement Project total cost to \$20,770,197.49. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Cathcart Construction Company – Florida LLC in the amount of \$7,420,380.81 for additional construction services for Phase 2, increasing the total Purchase Order amount to \$15,503,595.05. Approval of an OUC initiated scope change and conforming Change Order No. 4 to CPH, Inc. in the amount of \$896,635.48 for additional inspection and construction services for Phase 2, increasing the total Purchase Order amount to \$2,613,837.14;
9. Authorization for the General Manager & CEO to execute Real Estate Purchase Agreements and associated closing documents, subject to final legal review, as necessary for the purchase of easements as required for the 16-mile segment between Magnolia Ranch substation and the proposed Storey Bend substation in an amount not to exceed \$12,500,000;
10. Approval of RFP #4964 – Contract award to Elite Construction of Ocala, LLC; Emerald Electrical Consultants, LLC; Energy Erectors, Inc.; Great Southwestern Construction, Inc.; Overland Contracting, Inc.; Power Line Services, Inc.; Terry's Electric, Inc.; and TIC - The Industrial Company Inc., the most responsive and responsible proposals, to provide substation construction, installation, and repair services in the aggregate amount of \$32,000,000;
11. Approval of RFP #5175 – Contract award to M.D. Henry Co., Inc., the lowest, most responsive, and responsible proposal, for substation structures and equipment required for the Convention Center Transformer Unit Additions Project; St. Cloud 230kV Transmission Line Project; Storey Bend Solar Interconnection Project; and the Harmony II Solar Interconnection Project in the amount of \$3,750,000;

12. Approval of a Capital Expenditure Estimate for Computer Equipment Purchases in the amount of \$1,233,713.80. Approval of a Purchase Order to Dell Marketing LP to provide computer equipment and accessories in the amount of \$1,398,713.80;
13. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$312,368.14 for 360 terabytes of storage for the Data Domain Capacity Upgrade Project, increasing the total capital cost to \$547,797.14. Approval of an OUC initiated scope change and conforming Change Order No. 1 to AHEAD, Inc. in the amount of \$440,729.48 to add 360 terabytes of storage to the Data Domain environment, including implementation services and maintenance and support, increasing the total Purchase Order amount to \$674,330.14;
14. Approval of a Capital Expenditure Estimate for equipment and labor for the installation of the security equipment in the amount of \$507,510.07. Approval of a Purchase Order to Optiv Security Inc. for security equipment, software, and maintenance and support in the amount of \$1,099,509.47;
15. Approval of an OUC initiated scope change and conforming Change Order No. 1 to LeanIX Inc. in the amount of \$78,785.14 for Enterprise Architecture management subscription of 200 application modules, increasing the total Purchase Order amount to \$128,765.14;
16. Approval of additional funding in the amount of \$241,200 with conforming Change Order No. 1 to KONE Inc. to complete the upgrade of the Pershing Engineering Building elevators, increasing the total Purchase Order amount to \$949,888;
17. Approval of RFP #2201 – Contract award to Asphalt365 Inc., the lowest, most responsive, and responsible proposal, to furnish all sealcoating and restriping labor, materials, equipment in the amount of \$104,605;
18. Approval of Purchase Orders to All Around Access; Aviate Enterprises Inc.; Beck Ford; Bozard Ford; Crown Lift; Cumberland International (Maudlin); Cypress Supply, Inc.; Duvall Ford; Everglades Equip.; Federal Contracts Corp; Jarrett Gordon Ford; Jeffrey Allen Inc.; National Lift Truck; Right Trailers; Ring Power; Step One Automotive d/b/a Ford Crestview; Synergy (Bobcat) Equipment; Team Fenex; Technology International; Trail Saw & Mower; and Tropical Ford to provide fleet vehicles and equipment in the aggregate amount of \$3,099,228;
19. Approval of a single source Purchase Order to Lyons Commercial Data dba Autoscribe Corporation to provide enhanced eCheck cybersecurity banking system compliance services in the amount of \$216,000;
20. Approval of SOQ #5144 – Contract award to All Sunshine Crane Rental Corp; Alta Equipment Company; Bryson Crane Rental Service, LLC; H&E Equipment Services; Herc Rentals Inc.; Linder Industrial Machinery Company; Maxim Crane Works, L.P; National Equipment Dealers, LLC; Ring Power Corporation; Sims

Crane & Equipment Co.; Sky Limit Equipment, LLC; Sunbelt Rentals Inc.; Synergy Rents-Bobcat Orlando and United Rental, the most responsive and responsible responses, to provide heavy equipment rentals in the aggregate amount of \$5,400,000;

21. Approval of a Purchase Order to Aetna Life Insurance Company for a total estimated medical program cost of \$33,504,253 effective January 1, 2023;
22. Approval of additional funding in the amount of \$50,000 with conforming Change Order No. 2 to Custom Drilling Services, Inc. to continue providing well-drilling services, increasing the total Purchase Order amount to \$145,000;
23. Approval of Purchase Orders for OUC's 2023 property and casualty insurance premiums in an amount not to exceed \$6,668,072;
24. Approval of a Purchase Order to de la Parte & Gilbert, P.A. to provide legal services for water resource and Consumptive Use Permit issues in the amount of \$160,000. Approval of a Purchase Order to Gray Robinson, P.A. to provide legal services for litigation matters, condemnation actions, and Other Post-Employment Benefit and Pension Plan updates in the amount \$300,000; and
25. Authorization for the General Manager & CEO to execute the Sale & Purchase Agreement with Prologis, L.P. for the Jetport Property in the amount of \$44,809,335 and all related closing documents subject to satisfaction of any closing contingencies and final legal review.

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Prior to requesting a motion from the Board to adopt New Business Item 1, President Gross asked members of the public if they had any comments. No comments were provided.

On a motion by Commissioner Mills and seconded by Commissioner Calvet, New Business Item 1 was adopted and accepted as follows:

NB-1 Adoption of the proposed electric prices changes effective October 1, 2022 and community solar farm program changes effective September 13, 2022, pending Florida Public Service Commission review.

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President Gross called a recess to the meeting at 2:56 p.m. due to a medical emergency incident which took place in the Commission Chambers.

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President Gross reconvened the meeting at 3:28 p.m.

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Commissioner Calvet the Audit-Finance Committee stated the Audit-Finance Committee (Committee) conducted a Special Meeting on August 17, 2022 in person.

The Committee reviewed the July 2022 financial results including a \$23.6 million favorable variance in total revenues, excluding electric fuel revenues. To align this variance with foundational rate-making principles, the Committee voted to recommend Commission approval for the deferral of \$25.0 million of retail and resale non-fuel revenues to offset a portion of the proposed customer fuel price increase.

The Committee was also provided with an update of electric fuel revenues, noting an unfavorable variance to budget of \$103.7 million including advanced customer reserves of \$41.7 million. An overview of current and forecasted commodity fuel pricing was also provided to the Committee.

As electric fuel revenues are billed to customers as a pass-through of actual costs, the Committee reviewed a recommendation to be presented at the September 13, 2022 Pricing Workshop to increase electric fuel prices \$16.50 for the average residential customer using 1,000 kWh per month. In tandem with this increase, the Committee also reviewed a recommendation to be presented at the September 13, 2022 Commission meeting for the approval to decrease electric base energy revenues \$3.50 for the average residential customer using 1,000 kWh per month for a net increase of \$13.00 for the average residential customer using 1,000 kWh per month effective October 1, 2022.

The Committee was also provided with an update on the community solar farm program and a recommendation to be presented at the September 13, 2022 Pricing Workshop to close the program to new subscriptions, allowing for all customers to benefit from this program while also allowing ample time to consider future program pricing modifications.

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

PRES-1a Approval to defer \$25 million of retail and wholesale non-fuel energy revenue to the electric base rate reserve fund to be used to offset a portion of the proposed retail electric fuel price increase.

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Ms. Brenay presented the July 2022 Financial Report indicating total revenues, excluding the deferral of \$25.0 million of retail and resale electric non-fuel energy revenues to offset retail electric fuel price increases, were \$2.1 million ahead of budget as a result of stronger than projected customer growth and warmer than normal weather.

Total expenses, excluding fuel and purchased power, were \$0.9 million lower than budget

as a result of labor and supply chain constraints impacting project completion timelines. Ms. Brenay also shared that \$119.8 million of fuel reserves have been utilized during the fiscal year of which \$59 million is receivable from customers.

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Mr. Bullock congratulated the current CEO of the Orlando International Airport (MCO), Kevin Thibault, and former CEO, Phil Brown, on the expansion of Terminal C. Mr. Bullock stated MCO is OUC's second largest customer and emphasized how proud and honored OUC is to serve MCO with electric and water, chilled water, backup generation, and floating solar.

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Commissioner Calvet echoed Mr. Bullock's comments about MCO's expansion of terminal C, stating the expansion is incredible and he, as well as Mayor Dyer, were proud of OUC's involvement in the expansion process. He expressed excitement for the various Community Recognitions. Lastly, he wished Commissioner Mills well.

Commissioner Lee concurred with Commissioner Calvet. He thanked the OUC staff for all their hard work and wished the best for Commissioner Mills.


President Gross thanked the OUC team for reacting quickly and recognizing what actions needed to be taken to assist Commissioner Mills. Additionally, President Gross thanked Mr. Bullock for offering to address a question by a member of the public during the Pricing Workshop about assessing the Inflation Reduction Act. She also thanked Mr. Bullock for acknowledging that the EIRP is a living document that will be reassessed every five years. She concluded by congratulating OUC for receiving the Escalent award.

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President Gross adjourned the meeting at 3:38 P.M.



Recording Secretary



President



Secretary