MINUTES
ORLANDO UTILITIES COMMISSION
May 8, 2007
2:00 P.M.

Present:

COMMISSIONERS:
Lonnie C. Bell, President
Katie Porta, First Vice President
Tommy Boroughs, Second Vice President
Maylen Dominguez Arlen, Commissioner
Mayor Buddy Dyer

Kenneth P. Ksionek, General Manager & Chief Executive Officer
Jan Aspuru, Clint Bullock, Alvin Frazier, Roseann Harrington,
Byron Knibbs, Doug Spencer, Robert Teegarden,
Vice Presidents
John Hearn, Vice President & Chief Financial Officer
Gregory T. Rodeghier, Chief Information Officer
Thomas B. Tart, Vice President & General Counsel
Beth Mason, Recording Secretary

President Bell asked Thomas Tart to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:11 P.M.

* * *

On motion by Commissioner Porta, seconded by Mayor Dyer, and unanimously carried, the reading of the minutes of the April 10, 2007 Commission Meeting was waived and the minutes were approved as written.

* * *

Greg Rodeghier presented a 35-Year Service Award to Leon E. (Gene) Hart, Database Administrator, Information Technology.

Byron Knibbs presented 20-Year Service Awards to Michael P. Galloway, Associate Engineer and David John Meyer, Line Technician/Cable Splicer 1, Energy Delivery Business Unit.

John Hearn presented a 20-Year Service Award to Theresa Rose (Terri) Roach, Senior Customer Account Analyst, Accounts Receivable Management.

* * *

Roseann Harrington introduced Brent Trotter, President & CEO of the Coalition for the Homeless, to recognize Doug Spencer for his involvement with the Coalition and its annual golf tournament for the past 11 years. Mr. Spencer raised $25,900 in this year's golf tournament held on April 20, 2007. Mr. Trotter presented Mr. Spencer with a framed photograph collage and thanked him for serving on the Coalition's Board of Directors for the past nine years. Mr. Trotter also announced that the future golf tournaments will be named the *Doug Spencer Golf Challenge for the Homeless*.

Ms. Harrington recognized Alvin Frazier for acting as Corporate Recruitment Chair for the Juvenile Diabetes Research Foundation (JDRF) Walk for the Cure event held on March 3, 2007. Martin Bernstine, Executive Director of JDRF, presented a gold sponsor plaque to the Board and announced that OUC employees contributed over $24,119 to the JDRF Walk. Mr. Frazier introduced and thanked the OUC volunteers, their family members and friends, who participated in the JDRF Walk.

Ms. Harrington requested that Byron Knibbs introduce the 2007 American Public Power Association (APPA) National Lineworkers Rodeo champions. Mr. Knibbs introduced James Alexander, Richard Boley and Chris Hosier. This team placed first in the "Top Journeyman Award" with a perfect score and best overall time at the national competition held in Marietta, Georgia. Mr. Knibbs presented the rodeo team with copies of APPA's Public Power Weekly publication and framed copies of an Orlando Sentinel article featuring OUC's rodeo team.

* * *

Mr. Ksionek distributed a map outlining the Elba Island liquefied natural gas (LNG) pipeline which began operating on May 1, 2007 and requested that Jan Aspuru provide comments regarding Affirmative Item #2. Mr. Aspuru commented that OUC receives natural gas that is regasified LNG, which comes in a liquefied form to Elba Island, Georgia, is regasified and piped down to Florida in the Cypress Project Pipeline. This is another example of how OUC is able to diversify its fuel supply.

Mr. Ksionek distributed photographs and a layout regarding Affirmative Item #11 regarding Stanton Energy Center's (SEC) Unit 2 Boiler Secondary Superheat Outlet Tube Bank Project. Mr. Ksionek also provided a section of an actual tube that experienced scaling. Jan Aspuru provided an update regarding the extended SEC outage, extent of repairs, the difficulties encountered and the root cause of the two tube failures.

Mr. Ksionek commented that Affirmative Item #14 is for a lighting estimate for the City of Oviedo and asked Doug Spencer to provide details regarding the contract. Mr. Spencer reported that OUC approached the City of Oviedo with an Interlocal Agreement to provide decorative lighting based on requests from contractors working in Oviedo. Although Oviedo's City Council originally rejected the proposal, it later asked OUC to provide decorative lighting for new developments that was not available through their local provider.

Mr. Ksionek commented that Affirmative Item #18 is for a Change Request for the Feeder Circuit No. 9-34 Upgrade Project in order to reconcile the cost of the project after completion.

Mr. Ksionek asked Doug Spencer to provide an update on Affirmative Item #30 regarding OUC's new Administration Building. Mr. Spencer reported that the gross maximum price for Skanska's price is $1,000,000 less than what was originally budgeted due to eliminating some items from the contract and doing some architectural changes to the building in order to save material costs. The look of the building will not change.

In addition, Mr. Spencer reported that the Minority and Women Business Enterprises (MWBE) participation in the pre-construction part of the project was approximately 30%. The subcontractor component of MWBE participation is anticipated to be 25% and Skanska's goal is 30% MWBE participation. OUC also requires the contractor and sub-contractors to adhere to the City's living wage policy. Mr. Spencer continues to investigate other options to further utilize MWBE services in order to meet the goal of 30% MWBE participation.

Further, Mr. Spencer reported on the LEED (Leadership in Energy and Environmental Design) component of the building. He outlined the point system relating to the requirements to be designated as a LEED facility. It is anticipated that the new OUC Administration Building will be 27% more energy efficient than the South Florida Building Code requires. The foundation work should start on May 29, 2007, the 240-foot tower crane will be erected in the middle of June, will "top out" in March 2008 with the flag on top of the building and will be dried in by June 2008, with an anticipated move-in date of October 2008.

President Bell presented the Affirmative Items for approval. On motion by Commissioner Porta, and seconded by Commissioner Boroughs, the Affirmative Items were approved as follows:

1. Ratification of fuel procurements to the low bidders in February, 2007 in the aggregate amount of $8,708,989.88 as follows:

NATURAL GAS PURCHASES:

Feb. 2007	Adams Resources Marketing, Ltd.	$ 149,958.49
Feb. 2007	BP Energy Company	$ 282,748.00
Feb. 2007	Chevron Natural Gas	$ 251,922.00

Feb. 2007	City of Lakeland	$ 656,758.00
Feb. 2007	Eagle Energy Partners	$1,023,265.59
Feb. 2007	Florida Gas Utility	$ 163,469.37
Feb. 2007	Glencore Ltd.	$ 687,139.31
Feb. 2007	LouisDreyfus	$ 768,196.13
Feb. 2007	Magnus Energy Marketing, Ltd.	$ 601,922.14
Feb. 2007	Murphy Gas Gathering	$ 624,110.14
Feb. 2007	Oneok Energy Services Company, L.P.	$ 328,105.60
Feb. 2007	Peoples Gas System	$ 310,175.24
Feb. 2007	Virginia Power Energy Marketing, Inc.	$2,728,011.37
Feb. 2007	Western Gas Resources	$ 133,208.50

2. Ratification of gas purchase awards for the Stanton Energy Center Combined Cycle Unit A to BG Energy Merchants, LLC at an estimated cost of $70,795,200 for a three-year period through April 30, 2010 and BP Energy Company at an estimated cost of $11,750,304 for a three-year period through March 31, 2010, at a total aggregate cost of $82,545,504;

3. Approval of the Stanton Energy Center Unit 1 Air Quality Control System Upgrade Project for a total cost of $1,150,000, which includes a sole source Purchase Order to Invensys Process Systems to provide the Foxboro Control System in the amount of $797,149;

4. Approval of the Stanton Energy Center Air Compressor Control System Upgrade Project in the amount of $340,000, which includes a sole source Purchase Order to Ingersoll-Rand Air Solutions for the compressor controls in the amount of $188,101;

5. Approval of Purchase Orders to TAW Orlando Service Center, Stewarts Electric Motor Works, Inc. and Flanders Electric Motor Services, Inc. for five-year contracts for electric motor repairs at the Stanton Energy Center for an aggregate amount not to exceed $200,000;

6. Approval of Change Order No. 1 to Mikon Corporation for the expanded scope of services associated with Global Position System surveys of the Stanton Energy Center for the remainder of the contract term through the end of Fiscal Year 2009 in the amount of $102,970, increasing the total Purchase Order amount to $196,930;

7. Approval of Bid #2238 – Contract award to W.G. Yates & Sons Construction Company, the lowest, most responsive and responsible bidder, in the amount of $679,096 to provide equipment and labor necessary for the construction of the Dibasic Acid Injection System required for Phase 1 of the External Modifications to the Stanton Energy Center Units 1 and 2 Flue Gas Desulfurization Scrubber Upgrade Project;

8. Approval of Bid #2239 – Authorization for the General Manager & CEO to execute a contract with McCartney & Company, Inc., the sole bidder, for the construction of a Forced Oxidation Blower Building required for the Stanton Energy Center Flue Gas Desulfurization Scrubber Upgrade Project, Phase 1, for a not to exceed price of $550,000, subject to final pricing, resolution of contract issues and final legal review;

9. Approval of Bid #2298 – Contract award to Industrial Conveyor Belt Systems, the lowest, most responsive and responsible bidder, for the purchase of a new Coal Conveyor No. 3 belt for the Stanton Energy Center at a total cost of $166,664;

10. Approval of Bid #2304 – Contract award to Nolan Power Group, LLC, the lowest, most responsive and responsible bidder, for 120 Main Direct Current Station Batteries for the Stanton Energy Center Unit 1 at a total cost of $134,768.40;

11. Approval of the Stanton Energy Center Unit 2 Boiler Secondary Superheat Outlet Tube Bank Replacement Project at an estimate total cost of $6,400,000. Approval of Bid #2324, including the award of a Purchase Order for tube material to the successful bidder for a not to exceed price of $3,900,000, pending completion of final bid evaluations and final legal review;

12. Approval of a Lighting Construction Estimate for Veranda Park, Building 4, in the amount of $131,587.07; which includes $64,688.85 for lighting equipment from OUC's stock inventory and $66,898.22 for installation of poles, fixtures and conduit by Terry's Electric, Inc., OUC's lighting contractor. Veranda Park Commercial Property Owners' Association, Inc. has entered into a 20-year service agreement with OUC for this lighting installation and will be responsible for the monthly billing;

13. Approval of a Lighting Construction Estimate for Village of Imagine, Phase 1, in the amount of $233,828.75; which includes $139,446.34 for lighting equipment from OUC's stock inventory and $94,382.41 for installation of poles and fixtures by Terry's Electric, Inc. Imagine Phase One Development Limited Partnership has entered into a 20-year service agreement with OUC for this lighting installation and will be responsible for the monthly billing;

14. Approval of a Lighting Construction Estimate for the City of Oviedo in the amount of $382,513.77; which includes $245,487.48 for lighting equipment from OUC's stock inventory and $137,026.29 for installation of poles and fixtures by Terry's Electric, Inc. The City of Oviedo has entered into a 20-year service agreement with OUC for this lighting installation and will be responsible for the monthly billing;

15. Approval of an Electric Distribution Construction Estimate for the installation of an underground electric distribution system to serve The Fountains at Millenia, located at Millenia Boulevard and Oak Ridge Road in the Orlando service territory, in the amount of $300,466.99. Commission approval shall be predicated upon the customer entering into a contract for provision of electric service by OUC or an agreement to reimburse OUC for $300,466.99 of the above referenced capital costs;

16. Approval of an Electric Distribution Construction Estimate for the installation of an underground electric distribution system to serve the Lago Buendia Subdivision, Phase 2, located on Partin Settlement Road east of the Florida Turnpike in the St. Cloud service territory, in the amount of $226,414.38.

17. Approval of Change Request No. 1 to the Electric Distribution Construction Estimate for the installation of new overhead electric distribution facilities on Circuit No. 28-214 along Narcoossee Road in the amount of $844,879.25, increasing the total project cost to $1,631,873.63;

18. Approval of Change Request No. 1 to the Electric Distribution Construction Estimate for the installation of additional overhead electric distribution facilities on Circuit No. 9-34 along Raeford Road, Ferncreek Avenue, Pershing Avenue and Summerlin Avenue in the amount of $518,479.25, increasing the total project cost to $1,002,912.28;

19. Approval of Change Order No. 1 to Southeast Power Corporation for an extension to the Transmission Line Maintenance and Construction contract to continue providing transmission line services through December 31, 2007 in an amount not to exceed $1,500,000, increasing the total Purchase Order amount to $4,200,000;

20. Approval of Change Order No. 3 to MACTEC Engineering & Consulting, Inc. for the first one-year renewal option for wetland delineation services in the amount of $125,000, increasing the total Purchase Order amount to $200,000;

21. Approval of Change Request No. 1 to the Capital Expenditure Estimate to provide security equipment for the Southeast Water Treatment Plant's permanent plant entrance in the amount of $55,000, increasing the total Capital Expenditure Estimate amount to $145,000;

22. Approval of Change Order No. 1 to Arcadis U.S. Inc. to provide Consumptive Use Permit related groundwater modeling services and

alternative analyses in the a mount of $213,000.00, increasing the Purchase Order amount to $292,802.32;

23. Approval of Change Order No. 2 to Utility Partners of America, Inc. for the installation of water meters/backflow preventers, backflow testing and repair, and meter exchange services through October 31, 2007 in the amount of $230,000, increasing the total Purchase Order amount to $1,134,000;

24. Ratification of Change Order No. 1 to Oracle-SPL, Inc. for completion of the Customer Information System implementation services and support required through May 31, 2007 in the amount of $245,975, increasing the Purchase Order amount to $1,102,375;

25. Ratification of Change Order No. 4 to Alliance Data Systems, Inc. to provide complete Customer Information System implementation and post go-live technical support services through May 31, 2007 in the amount of $451,732, increasing the total Purchase Order amount to $7,634,447;

26. Approval of Change Order No. 5 to MAK Solutions, Inc. to provide Customer Information System Bill Presentation Project Management services in the amount $40,138, increasing the total Purchase Order amount to $546,618;

27. Approval of Change Order No. 2 to Embarcadero Technologies, Inc. for the renewal of the Annual Software License Maintenance Agreement for database development tools for the period of June 23, 2007 through June 23, 2008 in the amount of $52,047.20, increasing the total Purchase Order amount to $138,968.54;

28. Approval of a Capital Expenditure Estimate for the Outage Management System Upgrade Project, which includes a sole source Purchase Order to CGI Technologies & Solutions, Inc. in the amount of $1,187,013 for implementation of the upgrade and replacement of the current mobile dispatch solution;

29. Approval of a Bid #2306 – A contract award to Optimus Solutions, the lowest, most responsive and responsible bidder, to provide the implementation of the Intrusion Protection System in the amount of $112,610;

30. Authorization for the General Manager & CEO to execute the Amendment to the General Construction Contract with Skanska JCB to complete the construction of the new OUC Administration Building; including approval of Change Order No. 3 to Skanska JCB in the amount of $33,412,412, increasing the total Purchase Order amount to $40,327,466;

31. Approval of Bid #2281 – A contract award to Costa DeVault, the most responsive and responsible bidder, to provide communications, media and graphics services for a three-year period commencing May 1, 2007 in the amount of $240,000, with two, one-year renewal options;

32. Approval of Change Order No. 3 to the Bartech Group, Appleone Employment Services and Personnel One in the amount of $160,000 for the fourth, one-year renewal option for temporary administrative staffing services, effective August 1, 2007 through July 31, 2008, increasing the total Purchase Order amount to $780,000;

33. Approval of Change Order No. 4 to Service Painting Corporation for the second, one-year renewal option for general painting support services in the amount of $90,000.00, increasing the total Purchase Order amount to $620,062.40;

34. Approval of Change Order No. 2 to Standard Parking for leasing temporary parking space and purchasing validation vouchers in the amount of $90,000, increasing the total Purchase Order to $314,000. Approval of a Purchase Order to CNL Dickinson, LTD for 106 temporary parking spaces at the CNL Dickinson Lot for an 18-month period in the amount of $100,000; and

35. Approval of the Fuel Management System Capital Project and approval of Bid #2287 – A contract award to E.J. Ward, Inc., the most responsive and responsible bidder, for installation, implementation, training and software maintenance of the Fuel Management System in the amount of $132,146.

* * *

John Hearn reported that the March financials indicate that net income is in line with the budget and April's preliminary numbers indicate the same. It is anticipated that the budget will remain on target through the remainder of the fiscal year.

* * *

Thomas Tart reported that Governor Crist appointed Senator Nancy Argenziano and attorney Nathan A. Skop to the Public Service Commission. Mr. Tart announced that two energy bills were passed in the recent legislative session. One bill relates to Tampa Electric's clean coal plant and the plant depreciation. The other bill relates to alternative and renewable energy sources and policy initiatives. Mr. Tart will review the two final bills and provide further updates.

* * *

Ken Ksionek reported that he executed a Letter Agreement with the Southern Company regarding the Clean Coal Technology Project which was approved at the April 10, 2007 Commission meeting. A groundbreaking dedication will be announced at a later date.

Mr. Ksionek announced that the new Customer Information System (CIS) has been in place for approximately five weeks and is working well. Greg Rodeghier provided additional details regarding the CIS go-live, bill payment processing cycles, internet processing and customer call center functions. The new collections process will be implemented and monitored during the month of May.

Mr. Ksionek distributed framed photographs of the new OUC Administration Building groundbreaking held on April 10, 2007 to the Board members.

Mr. Ksionek announced that OUC is celebrating its 10-year anniversary of the Interlocal Cooperation Agreement with the City of St. Cloud. Mr. Ksionek will address the St. Cloud City Council at its meeting on April 12, 2007 to express OUC's appreciation for the power partnership that has been in place for the last 10 years. Mr. Ksionek outlined the accomplishments of the partnership where electric rates have been lowered, reliability has been improved, the City of St. Cloud has received a growing return, utility employees have been retained and representation has been provided through a contract committee. OUC will commemorate this anniversary with the distribution of 10-year anniversary t-shirts and brochures to all OUC and City of St. Cloud employees. Copies of the brochure were provided to the Board. He also announced that OUC has committed a $25,000 gift towards the building of an archway to downtown St. Cloud, along with many local businesses who will be donating to the project.

Mr. Ksionek commented that the Stanton Energy Center Unit 2 was completed in 1996 and was a $480 million project. He provided a synopsis of the project management commitments that were made during this construction project, which included the utilization of local work force, Central Florida vendors for consumables and miscellaneous supplies and MWBE contractors. OUC is committed to supporting the Central Florida community and economy during the construction of all capital projects and thanked the Board for allowing OUC to do so.

Without objection, the June 12, 2007 Commission meeting will be cancelled. No objections were offered. The next Commission meeting will be held on July 24, 2007 and will include a budget and PURPA workshop.

* * *

Commissioner Dominguez Arlen commented that OUC employees' and management commitment to the community is impressive and inspiring.

Commissioner Porta commented on the 10-year anniversary brochure and expressed her appreciation of OUC's community and living wage support.

President Bell commented on the “inclusiveness” of OUC - from employee service awards, community recognitions, the St. Cloud story and other projects - which is why he wanted to be involved with OUC as a Board member. He congratulated OUC on its inclusiveness and commitment to both employees and the community.

Commissioner Boroughs congratulated and thanked OUC’s journeyman lineworkers team for their excellent performance at the APPA Lineworkers Rodeo and commented that OUC should continue to support and encourage their efforts.

Mayor Dyer thanked Mr. Ksionek for highlighting the minority and local participation in OUC’s various projects.

* * *

Commissioner Boroughs moved to adjourn the meeting. Commissioner Porta seconded the motion and President Bell adjourned the meeting at 4:02 P.M.

_____
President

_____
Secretary