

MINUTES
ORLANDO UTILITIES COMMISSION
December 8, 2009
2:00 P.M.

Present:

COMMISSIONERS:

Katie Porta, President

Maylen Dominguez Arlen, First Vice President (via telephone)

Dan Kirby, Second Vice President

Craig McAllaster, Commissioner

Kenneth P. Ksionek, General Manager & Chief Executive Officer

Jan Aspuru, Clint Bullock, Alvin Frazier, Roseann Harrington, Byron Knibbs,
Robert Teegarden, Denise Stalls, Vice Presidents

John H. Hearn, Vice President & Chief Financial Officer

Gregory T. Rodeghier, Vice President & Chief Information Officer

W. Christopher Browder, Vice President & General Counsel

Kathleen Plajstek, Recording Secretary

President Porta asked Sheridan Becht to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:00 P.M.

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On motion by Commissioner McAllaster, seconded by Commissioner Kirby, and unanimously carried, the reading of the minutes of the October 13, 2009 Commission Meeting was waived and the minutes were approved.

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Alvin Frazier presented a 25-Year Service Award to Ralph L. Creek, Service Order Specialist, Customer Service.

Alvin Frazier presented a 25-Year Service Award to Althea H. Robinson, Team Supervisor, Customer Service.

Alvin Frazier presented a 20-Year Service Award to Theresa M. Torres, Director of Revenue Assurance and Quality Management, Customer Service.

Jan Aspuru presented a 25-Year Service Award to Edwin D. Mittan, Maintenance Supervisor, Power Resources Business Unit.

John Hearn presented a 20-Year Service Award to Mary E. James, Senior Accounting Analyst, Financial Services.

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Roseann Harrington reported the OUC Charity Golf Tournament, which was held on November 14, 2009 raised \$20,000. She noted that Commissioners Kirby and McAllaster participated in the event. President Porta presented \$10,000 checks to Brent Trotter, President & CEO of the Coalition for the Homeless, to benefit the Women's Residential and Counseling Center; and David Kripco, President of the Second Harvest Food Bank. Ms. Harrington gave special thanks to Luz Ruiz for her two years of dedication to OUC's community events. Ms. Harrington also introduced Gaby Ortigoni, the new Community Relations Manager.

Ms. Harrington reported the United Way campaign raised \$134,000 and recognized Michael Matthews for his efforts in running the United Way campaign. In addition, she reported that 51 OUC employees and family members participated in the American Heart Association Walk, raising \$5,000. She recognized Mary Perez, Audrey Brown, Michelle Ward, Janie Wallace, Maria Scott and Paul Kunz for acting as team captains for the event.

Alvin Frazier reported on the 2009 Circle of Excellence Award, which recognizes the very best customer service representatives based on their customer service, sales, help desk and collections skills. Mr. Frazier recognized Yajaira Christophers, Jennifer Carver and Cristina Faria as recipients of this year's award and commended them for their excellent customer service skills.

Mr. Frazier also reported OUC was recognized for the Corporate Leadership Award for 2008 by the Florida Minority Business Opportunity Center, which recognizes corporations for providing business opportunities for minority owned businesses. OUC was recognized for its assistance and participation in helping the Center secure a \$212,000 two-year Federal grant, which will increase business opportunities for minority owned businesses.

Rob Teegarden reported the Association of Metropolitan Water Agencies presented OUC with the Platinum Award for excellence in utility management on October 26, 2009. Mr. Teegarden recognized everyone in the Water Business Unit for earning this prestigious award and thanked Christine Russell, Sheridan Becht, Kathy Houlahan, Burt Collier, Randy Halley, Tom Gross, Roger DeVore, Keith Browning, Debbie Bradshaw, Joe Chessa and Brad Jewell for their time and assistance with the application for this award.

Commissioner Dominiguz Arlen joined the meeting via telephone.

Ken Ksionek asked Jan Aspuru to discuss Affirmative Item A-5 regarding the Solar/Biomass Hybrid Project at Harmony. Mr. Aspuru reported that this project

will create a unique partnership for OUC, the Harmony community and Florida State University. The project, referred to as the Osceola Renewable Energy Project at Harmony, is a 5 MW hybrid solar/biomass plant located in Harmony. This project combines the attributes of solar energy with the reliability and the economics of biomass energy. The main components consist of 30 acres of solar troughs and 10 acres for fuel storage and power block, which will include four to five biomass gasifiers. Mr. Aspuru reiterated that OUC is not going to build or maintain this project, but will be buying power from it through a 20-year Power Purchase Agreement which will contain energy and fuel rate caps. OUC will retain all renewable energy credits for solar and biomass and will receive a commission for every MW licensed or installed. Mr. Aspuru reported that hybrid solar/biomass is very competitive with other renewable sources at about \$120 to \$150 per MWh and the advantages of solar/biomass over direct fired biomass include its modular design, gasification technology and solar Renewable Energy Credits (REC's). This project will be an important addition to OUC's renewable energy portfolio.

Mr. Ksionek asked Chris Browder to discuss Affirmative Item A-43 regarding the potential sale of OUC's previous Administration Building. Mr. Browder reported that a developer has shown significant interest in the building and entered into a Purchase and Sale Agreement with OUC. This will be an "as is" sale and provides an attractive offer due to the proposed reuse of the building. It is also the least intrusive to OUC's operations at the Reliable Plaza. Additionally, this offer is not contingent upon locating off-site parking for its tenants. The developer will also pursue LEED certification for retro-fitting the building. If the conditions to the sale are met, the estimated closing date would be June 30, 2010.

Commissioner Kirby stated that OUC has a continuing interest in both the use and the final design of the old Administration Building due to its close proximity to the Reliable Plaza.

Commissioner McAllaster stated that he reviewed the diagrams and drawings and is impressed with the proposed use of the building and believes it will be an asset to downtown Orlando.

Commissioner Kirby inquired about Affirmative Item A-37 regarding the Meter Reading System Upgrade Project with Itron, Inc. Specifically, Commissioner Kirby asked about the relationship of this item and any proposed smart metering technology.

Mr. Ksionek responded that currently OUC has approximately 40,000 electric customers and 2,000 water customers which utilize the smart grid meter reading technology. This upgrade will allow for the transition of additional electric and water customers to the smart grid meter reading system. Mr. Ksionek stated

that converting all OUC customers to a smart grid system will take approximately five years and will provide the ability for electric and water meters to be read electronically. Mr. Ksionek asked Clint Bullock to provide additional information.

Mr. Bullock provided a Smart Grid Committee update. The elements of the stimulus funding application continue to be evaluated and OUC has requested Statements of Qualifications and Requests for Proposals related to the Meter Data Management System (MDMS), which is the foundation of progressing forward in smart grid. In order to expand services, having a MDMS available to store all the data is required. This item will allow the meter data to interface with the current billing system in order to generate bills. This system is used both for the traditional system and the electronic system.

Commissioner Kirby commented this is a capital intensive project and it should be provided the capital funding required to accelerate the program.

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

1. Ratification of fuel procurements to the low bidders in August, September and October 2009 in the aggregate amount of \$13,549,139.41 as follows:

NATURAL GAS PURCHASES:

Aug. 2009	Anadarko Energy Services	\$ 485,385.63
Aug. 2009	BG Energy Merchants, LLC	\$ 1,007,000.00
Aug. 2009	Chevron Natural Gas	\$ 659,393.61
Aug. 2009	Louis Dreyfus Energy	\$ 765,716.25
Aug. 2009	National Fuel Marketing	\$ 961,388.59
Aug. 2009	Shell energy	\$ 1,086,723.35
Aug. 2009	Texia Energy Management, Inc.	\$ 583,583.14
Aug. 2009	The Energy Authority	\$ 461,012.61
Aug. 2009	Virginia Power Energy Marketing, Inc.	\$ 530,327.00
Sep. 2009	Anadarko Energy Services	\$ 643,273.88
Sep. 2009	BG Energy Merchants, LLC	\$ 916,377.14
Sep. 2009	Chevron Natural Gas	\$ 624,667.50
Sep. 2009	Louis Dreyfus Energy	\$ 561,077.81
Sep. 2009	National Fuel Marketing	\$ 738,933.20
Sep. 2009	Peoples Gas	\$ 970,725.00
Sep. 2009	Shell energy	\$ 862,906.81
Sep. 2009	Texia Energy Management, Inc.	\$ 525,365.27
Sep. 2009	Virginia Power Energy Marketing, Inc.	\$ 499,445.10

FUEL OIL PURCHASES:

Jul. 2009	TransMontaigne Products Servicers Inc.	\$ 196,471.30
Oct. 2009	Automated petroleum & Energy co	\$ 469,366.22

2. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Unit B 300 Mw Combined Cycle power block spare parts in the amount of \$8,000,000;
3. Approval of Bid #2741 – Contract award to SPX Cooling Technologies, Inc., the most responsive and responsible bidder, to provide the Stanton Energy Center Unit 1 Cooling Tower Spray Nozzle Replacement and Repairs in an amount not to exceed \$400,000;
4. Approval of Bid # 2819 – Contract award to Southeastern Mechanical Services, Inc., the most responsive and responsible bidder, to perform the Stanton Energy Center Unit 1 Steam Generator Inspection and Repair Services scheduled for Spring 2010 in an amount not to exceed \$2,800,000;
5. Authorization for the General Manager & CEO to execute the Renewable Power Purchase Agreement with Osceola Renewable Energy Company, LLC, subject to final OUC legal review and approval. Approval of an Electric Distribution Construction Estimate for the interconnection facilities associated with the Osceola Hybrid Solar/Biomass Renewable Energy Project at Harmony in the amount of \$1,725,000;
6. Ratification of the Lighting Construction Estimate for Orlando Gateway in the amount of \$168,142.04; which includes \$103,480.63 for lighting equipment from OUC's stock inventory and \$64,661.41 for the installation of poles, fixtures and wires by Terry's Electric, Inc., OUC's lighting contractor. Orlando Gateway PA, LLC has executed a twenty-year service agreement with OUC for this lighting system and will be responsible for the monthly payments;
7. Ratification of a sole source Purchase Order to Reinhausen Manufacturing Inc. to provide and install a new Load Tap Changer, three new oil compartments, protective relays and filtration system for the Southwood Substation Upgrade Project in the amount of \$300,000;
8. Ratification of Bid #2808 – Contract award to Southeast Power Corporation, the most responsive and responsible bidder, for transmission line construction required for the Stanton to Bithlo 230kV Transmission Line Project in the amount of \$2,700,000;
9. Ratification of Change Request No. 1 to the Capital Expenditure Estimate for engineering, procurement and construction necessary to complete the Stanton to Curry Ford Transmission Line Project in the amount of \$5,307,814, increasing the total project cost to \$5,392,814; which includes: Ratification of an OUC initiated scope change and

conforming Change Order No. 1 to Power Engineers to provide design engineering, permitting and construction management services for the project in an amount not to exceed \$332,012, increasing the total Purchase Order amount to \$402,012. Ratification of Bid #2820 – Contract award to Valmont Newmark, Inc., the most responsive bidder, for the fabrication and supply of steel poles necessary for the transmission line project in the amount of \$1,060,000;

10. Ratification of an OUC initiated scope change and conforming Change Order No. 1 to Tech USA for the continuation of IT technical support services in the amount of \$125,000, increasing the total Purchase Order amount to \$158,600;
11. Approval of the Electric Distribution Construction Estimate for the upgrade of the underground electric distribution system that serves the Bryn Mawr Subdivision, Phase 2 of 14, located in the Orlando service territory, in the amount of \$103,974.67;
12. Approval of the Electric Distribution Construction Estimates for the underground electric distribution system upgrade for the Winter Run Subdivision, Phase 2 of 4, located in the Orlando service territory, in the amounts of \$101,412.96 and \$134,463.71 for conduit and distribution systems respectively, for a total amount of \$235,876.67;
13. Approval of the Electric Distribution Construction Estimate for the upgrade of the overhead electric distribution system for Circuit 9-34, Phase 2A of 7, located in the Orlando service territory, in the amount of \$119,480.89;
14. Approval of the Electric Distribution Construction Estimate for the upgrade of the overhead electric distribution system for Circuit 9-11, Phase 3 of 7, located in the Orlando service territory, in the amount of \$328,239.18;
15. Approval of the Electric Distribution Construction Estimates for the addition of Circuit No. 12-34, located in the Orlando service territory, in the amounts of \$110,632.88, \$204,210.03 and \$371,204.55 for overhead facilities, conduit system and underground facilities respectively, for a total amount of \$686,047.46;
16. Approval of a Substation Capital Expenditure Estimate for the Kaley to Michigan Substation Transmission Line High Pressure Fluid-Filled Pumping Plants Replacement Project at an estimated cost of \$909,000, which includes approval of a sole source Purchase Order to MAC Products, Inc. to provide and replace the HPFF Pumping Plants at the Kaley and Michigan substations in an amount not to exceed \$632,850;

17. Approval of a Transmission Capital Expenditure Estimate for the St. Cloud East to Holopaw Transmission Line Project at an estimated cost of \$704,529;
18. Approval of Bid #2791 - Contract award to HD Supply Utilities, Ltd., the lowest, most responsive and responsible bidder, to be OUC's lighting material supplier for the period of January 1, 2010 through December 31, 2012. Approval of a Purchase Order to HD Supply Utilities, Ltd. to provide on-site support staff for the three-year contract period in the amount of \$275,000;
19. Approval of Bid 32801 – Contract award to Central Florida Underground, Inc., the lowest evaluated, most responsive and responsible bidder, to provide the installation of underground conduit and manholes for a three-year contract period of January 1, 2010 through December 31, 2012 in an amount not to exceed \$9,000,000;
20. Approval of a Capital Work Order for water distribution improvements associated with the Florida Department of Transportation's Sand Lake Road Improvement Project in the amount of \$266,862.24, which includes a Purchase Order to ARCADIS U.S., Inc. to provide engineering design services in an amount not to exceed \$235,506.70;
21. Authorization for the General Manager & CEO to execute a Joint Project and Reimbursement Agreement with Orange County for the Sky Lake-Oak Ridge Subdivision Sewer and Water System Improvements Project. Approval of a Capital Work Order in an amount not to exceed \$466,095.32 for the water distribution improvements portion of the project, which includes a Purchase Order to Orange County in the amount of \$384,632.28;
22. Approval is requested for additional funding in the amount of \$47,435 with conforming Change Order No. 1 to Diffused Gas Technologies, Inc. to supply additional replacement ozone diffuser bases, increasing the total Purchase Order amount to \$108,285;
23. Approval for additional funding in the amount of \$1,114,374 with conforming Change Order No. 3 to Air Liquide Industrial U.S. LP to continue providing liquid oxygen to OUC through October 31, 2010, increasing the total Purchase Order amount to \$4,742,247;
24. Ratification of a Capital Expenditure Estimate for the Enterprise Storage Area Network Replacement Project, which includes ratification of RFP #2763 – Contract award to Coleman Technologies Inc., the most responsible and responsive bidder, for the purchase of a new Storage Area Network infrastructure in the amount of \$2,994,350.28;

25. Ratification for disbursement of funds for the Data Center Facility Construction Project, which includes: Approval of RFP #2809 – contract award to Building Management Systems, Inc. to serve as the General Contractor for the construction of the Orlando Emergency Operations Center in the amount of \$271,800. Approval of RFP #2806 – Contract award to Innovative Support Systems, the most responsible and responsive bidder, in the amount of \$243,628.65 for the purchase of the Orlando Emergency Operation Center’s electrical, HVAC and remote monitoring equipment;
26. Ratification of RFP #2812 – Contract award to Southern Computer Warehouse, the most responsive and responsible bidder, to provide the Cisco Smartnet Annual Maintenance Renewal, in the amount of \$122,904.74;
27. Approval of an OUC initiated scope change with conforming Change Order No. 2 to Hewlett Packard Company in the amount of \$125,475.69 for Unix hardware and software maintenance and support services for the period of November 1, 2009 through October 31, 2010, increasing the total Purchase Order amount to \$917,762.05;
28. Ratification of RFP # 2820 – Contract award to Orlando Freightliner, Inc., the lowest, most responsive and responsible bidder, for the purchase of two 2010 International 7400 4x4 crew cab utility body or equivalent units in the amount of \$212,822. Ratification of RFP #2830 – Contract award to Tropical Ford for the purchase of six vehicles in the amount of \$126,492;
29. Approval of additional funding in the amount of \$73,876 with conforming Change Order No. 1 to Signature Systems of Florida to provide Fire and Burglar Alarm Inspection, Monitoring and Maintenance Services through September 16, 2010, increasing the total Purchase Order amount to \$154,750;
30. Approval of additional funding in the amount of \$119,210 with conforming Change Order No. 5 to Coelectric Partners, Inc. for a twelve-month renewal as an Associate Member, increasing the total Purchase Order amount to \$773,697;
31. Approval of a Purchase Order to Reliance Standard Life Insurance Company for Group Life Insurance for active and retired employees, and Accidental Death & Dismemberment, Short Term and Long Term Disability Insurance for active employees for a three-year period at a total projected cost of \$1,880,377, effective January 1, 2010;
32. Approval of a Purchase Order to Industrial Medicine Professions/ Corphealth and Hebni Nutrition Consultants, Inc., the most responsive

- and responsible proposal, to provide components of OUC's wellness program to include Health Risk Appraisals, educational programs and a physical and training campaign in the aggregate amount of \$142,000;
33. Approval of RFP # 2802 – Contract award to Solantic of Orlando, LLC, the most responsive and responsible bidder, to provide occupational medical services for a three-year period commencing January 1, 2010 in the amount of \$150,000;
 34. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Burgess Chambers & Associates, Inc. to continue providing retirement benefit consulting services for the Defined Contribution Pension Plan and two Deferred Compensation Programs for January 1, 2010 through September 30, 2011 in the amount of \$145,000, increasing the total Purchase Order amount to \$205,000;
 35. Approval of additional funding in the amount of \$400,000 with conforming Change Order No. 1 to Golder Associates, Inc. to provide environmental engineering services through J, increasing the total Purchase Order amount to \$250,000;
 36. Approval of additional funding in the amount of \$200,000 with conforming Change Order No. 1 to SWS Environmental First Response to provide environmental response services through September 30, 2011, increasing the total Purchase Order amount to \$250,000;
 37. Approval of a Capital Expenditure Estimate for the Meter Reading System Upgrade Project in the estimated amount of \$523,000, pending final OUC legal review; which includes an OUC initiated scope change and conforming Change Order No. 2 to Itron, Inc. for software, hardware, licenses, data conversion, implementation services and five years of annual maintenance beginning in 2011 in the amount of \$777,000, increasing the total Purchase Order amount to \$1,278,750;
 38. Ratification of RFP #2816 – Contract awards to Say It Loud, Appleton Creative and Hooah Interactive Communications, which provided the most creative, cost appropriate and responsive proposals, to provide video production services for a three-year period in the aggregate amount of \$350,000;
 39. Approval of a Purchase Order to Mac Paper, Redd Paper, Xpedx, Unisource (Paper Plus), Xerox, Florida Envelope and The Right Equipment Company for the Commission-wide purchase of paper for a three-year period from December 2009 through December 2012 in the aggregate amount of \$360,000;

- 40. Ratification is requested of an OUC initiated scope change and conforming Change Order No. 3 to Ventyx Energy, LLC to extend the software licensing agreement through September 30, 2010 in the amount of \$30,000, increasing the total Purchase Order amount to \$120,000;
- 41. Authorization for the General Manager & CEO to execute the partial Release of Utility Easement, for property located east of South Division Avenue and south of West Kaley Street, for Lowrie Brown Investment Co.;
- 42. Approval of the Subordination of Utility Interests between the Florida Department of Transportation and OUC for Parcel 278.3, located south of Underwood Street and west of South Orange Avenue;
- 43. Authorization for the General Manager & CEO, or his designee, to execute the Agreement for Sale and Purchase of the OUC Administration Building with Damien Madsen for a purchase price of \$2,600,000, subject to final legal review; and
- 44. Commission approval of the 2010 Commission Meeting dates at 2:00 p.m. on the following dates: January 19, March 9, April 13, May 11, June 8, July 13, August 17, October 12, November 9 and December 14. No meetings will be held in February and September.

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Ken Ksionek reported on the Public Utility Regulatory Policies Act (PURPA) Standards. Mr. Ksionek stated that a PURPA Workshop was held on October 13, 2009 to discuss the four new PURPA standards in order to determine whether the new standards should be implemented at OUC. It is recommended that OUC not adopt the four new PURPA standards since OUC currently operates under comparable self imposed standards which will allow OUC to make decisions based upon the best interest of its customers.

On a motion by Commissioner McAllaster, seconded by Commissioner Kirby, New Business Item 1 was approved as follows:

NB-1 Based on the determination process, it is recommended that OUC not adopt and implement the four new PURPA Standards related to the Integrated Resource Planning, Rate Design to Promote Energy Efficiency, Smart Grid Investments and Smart Grid Information.

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President Porta asked if there were any comments for New Business Item 2 regarding the Commissioner nomination. The City of Orlando Nominating Board

submitted three candidates for consideration of the position currently held by Commissioner Dan Kirby, which expires December 31, 2009.

Commissioner Kirby announced a conflict of interest, inasmuch as this matter considers his own appointment. He will refrain from the discussion and vote on this item, per Florida State Statute that no member of a municipal council should vote on a motion regarding their right as a member.

Commissioner McAllaster moved to enable Commissioner Dan Kirby, an OUC customer and qualified elector, to succeed himself as a Commission member, as is allowed by the Charter of the Commission, and that his name be submitted for consideration as the Commission's nomination to the Orlando City Council for election to serve a term of four years, effective January 1, 2010. President Porta seconded the motion and it was approved on a vote of 3-0. Commissioner Dan Kirby abstained from the vote

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Commissioner Kirby reported that the Audit Committee met on October 29, 2009 to review the work of Internal Audit and the preliminary year-end financial performance. The favorable variance from budget for Income before contributions is estimated at \$5.9 million.

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President Porta asked John Hearn to report on the work of the Finance Committee. Mr. Hearn stated that the Finance Committee met on November 19, 2009 to discuss annual reports, review prior transactions, a new money transaction and other related business. The Finance Committee recommends the approval of five Resolutions as presented.

On motion by Commissioner Dominguez Arlen, seconded by Commissioner Kirby, the Series 2010A/B Bond Resolution was adopted as follows:

PRES-2a A Resolution of the Orlando Utilities Commission authorizing the issuance of not exceeding \$200,000,000 Utility System Revenue Bonds, Series 2010A and Utility System Revenue Bonds, Series 2010 (federally taxable Build America Bonds – direct payment) for the purpose of funding capital improvements to its water and electric system; setting forth the terms of said Bonds; providing for the disbursement of funds; appointing a paying agent and registrar for said Bonds; authorizing the negotiated sale of said Bonds; delegating certain authority to the General Manager and other officers, including authorizing the execution and delivery of a Bond Purchase Agreement; authorizing the preparation, deeming final and distribution of a Preliminary Official Statement and the execution and delivery of

an official statement; creating and establishing a Series 2010A/B construction account and cost of issuance account; authorizing the execution and delivery of a continuing disclosure undertaking; authorizing proper officials to do all other things deemed necessary or advisable in connection with the issuance, sale and delivery of said Bonds; providing certain other matters in connection therewith; and providing an effective date.

On motion by Commissioner Dominguez Arlen, seconded by Commissioner Kirby, the Reimbursement Resolution was adopted as follows:

PRES-2b A Resolution expressing the intent of the Orlando Utilities Commission to incur costs related to capital improvements to its water and electric system; expressing the intent for purposes of compliance with United States Treasury Regulation Section 1.150-2 to reimburse with the proceeds of revenue bonds, including tax exempt bonds and/ or Build America Bonds, the capital expenditures made with respect to such improvements; providing for the issuance by the Orlando Utilities Commission of notes, bonds or other obligations in one or more series in an aggregate principal amount not exceeding \$200,000,000 to pay the cost of such projects; and providing an effective date.

On motion by Commissioner Dominguez Arlen, seconded by Commissioner McAllaster, the Current Amendatory Resolution for Amending the General Bond Resolution was adopted as follows:

PRES-2c A Resolution of the Orlando Utilities Commission amending Sections 2.1 and 10.3 of General Bond Resolution related to disposition of system property; making certain findings in connection therewith; authorizing the General Manager and other officers to do all other things deemed necessary or advisable in connection with such amendments; providing certain other matters in connection therewith; and providing an effective date.

On motion by Commissioner Dominguez Arlen, seconded by Commissioner McAllaster, the Prospective Amendatory Resolution for Amending the General Bond Resolution was adopted as follows:

PRES-2d A Resolution of the Orlando Utilities Commission amending Sections 2.1 and 12.01(k) of General Bond Resolution related to direct subsidy bonds, federal subsidy payments, the definitions of gross revenues and debt service requirement and permitted amendments to the general bond resolution; making certain findings in connection therewith; authorizing the General Manager and other officers, to do all other things deemed

necessary or advisable in connection with such amendments; providing that such amendments shall only become effective upon receipt of written bondholder consent; and providing certain other matters in connection therewith.

On motion by Commissioner Dominguez Arlen, seconded by Commissioner Kirby, the Amending Resolution amending Series 2009C Refunding was adopted as follows:

PRES-2e A Resolution of the Orlando Utilities Commission amending its Resolution adopted on October 13, 2009 relating to the issuance of not exceeding \$135,000,000 Utility System Revenue Refunding Bonds, Series 2009C to incorporate in the form of such Bonds and in the offering documents, bondholder consent to certain amendments to the General Bond Resolution that will become effective upon bondholder approval as described herein; authorizing proper officials to do all other things deemed necessary or advisable in connection with such amendments and the issuance, sale and delivery of said Bonds; providing certain other matters in connection therewith; and providing an effective date.

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Mr. Hearn reported that net Income before contributions through October 2009 is at \$11.9 million and through November 2009 is at \$16.9 million. Operating revenues are ahead of budget and expenses continue to be under budget.

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Mr. Ksionek reported that the Stanton B 300 Mw Combined Cycle power plant is almost complete. He also stated that the Power Supply Agreement with Vero Beach is about to begin and asked Jan Aspuru to comment on the Vero Beach contract.

Jan Aspuru stated that the contract with Vero Beach will begin January 1, 2010. This was a complex process integrating Vero Beach with OUC. The 20-year agreement is the result of a competitive bid process. OUC was selected by the City of Vero Beach to be its long-term wholesale power provider. Initially, OUC will provide approximately 95 Mw of capacity, which will escalate throughout the term of the contract. This agreement provides benefits to both OUC and the City of Vero Beach and OUC looks forward to a strong relationship with Vero Beach.

President Porta asked if Vero Beach employees will become employees of OUC. Mr. Aspuru responded no. The agreement is limited to providing the City of Vero Beach with some of its power needs on a wholesale basis.

Mr. Ksionek asked that Alvin Frazier and Zoila Easterling report on the Identify Theft Detection and Prevention Program.

Mr. Frazier reported that The Fair and Accurate Credit Transaction Act (FACT Act) requires utilities to comply with the "Red Flag" rules. The enforcement date is June 1, 2010. Pursuant to the FACT Act, the Federal Trade Commission (FTC) requires that utilities develop and adopt a written identify theft program to detect, prevent and mitigate identity theft. The FACT Act requires that a senior management officer oversee, develop, implement and administer the program. OUC determined that the Vice President of Customer Service will be responsible for this role. The purpose of this program is to protect customers from the illegal use of their personal identity information. The Plan must include the establishment of guidelines to detect "red flags", respond appropriately to the red flags and ensure the proper management of the Plan. Mr. Frazier stated that the Red Flag Committee meets quarterly to evaluate information and/or reported incidents and reports findings to the proper individuals.

Mrs. Easterling reported that the goals for the program include different authentication techniques, discussions with identity theft prevention third party vendors and improvement of the quality of the reports used to track the incidents.

Commissioner Kirby asked Mrs. Easterling if the Committee has addressed the internal handling of customer data. Mrs. Easterling stated OUC has all the measures in place to insure that employees do not mishandle sensitive information. OUC's internal Information Technology Department developed an internal masking device so that OUC Customer Service Representatives are only able to view the last four digits of an individual's social security number.

Mr. Ksionek reported on the Florida Public Service Commission (PSC) setting ten-year conservation goals, which are very aggressive. Mr. Ksionek asked John Hearn to report on the new goals.

Mr. Hearn reported that OUC requested that it set its own conservation goals. The PSC did meet and set conservation goals for OUC, which are consistent with the goals already in place. If the PSC set strong and aggressive goals for OUC, this action would have increased rates for our customers. The PSC will finalize its opinion and we will have 90 days to complete our plan to meet the conservation goals. Mr. Hearn reported that OUC's solar programs were highlighted by the PSC due to the fact that the investor owned utilities did not have these programs.

President Porta stated that the PSC would like to have more authority over municipal utilities in the future.

Ken Ksionek asked Denise Stalls to report on EPA Administrator Lisa Jackson's recent press release on Green House Gases (GHGs).

Ms. Stalls reported that Administrator Jackson released the long awaited endangerment finding on carbon dioxide and GHGs. The finding stated that carbon dioxide and six other GHGs do pose a threat to human health and welfare. This was a direct response to the Supreme Court decision in the Massachusetts vs. EPA court case in 2007. This case was part of Title II of the Clean Air Act which only addressed mobile sources, not stationary sources. In the release, the Administrator also referred to stationary sources. This release sets the stage for further regulation that could impact the electric utilities.

Ken Ksionek introduced Lee "Chip" Merriam as OUC's new Director of Legislative Affairs.

Ken Ksionek then thanked the Commission for their leadership, direction and support through out the year.

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Commissioner Dominguez Arlen commented on the solar/biomass project. She indicated that it is very innovative and is thrilled that OUC is a leader in this type of collaboration. She also wished everyone Happy Holidays.

Commissioner McAllaster commented on the renewable program and stated the past year has been important in moving forward with solar/biomass programs. The challenge is that renewables are not inexpensive and we are pioneers in the program. He also stated that he believes the sale of the old Administration Building is a great value to the community and our rate payers. Commissioner McAllaster also recognized the efforts of the Finance Committee and commended them for their oversight and due diligence, which resulting in saving OUC a considerable sum of money. During this holiday season, we should all be thankful for employment, but keep in mind those less fortunate than ourselves. Additionally, he paid tribute to the military service men and women overseas.

Commissioner Kirby stated that as Commission members, it is our responsibility to represent the customers. He stated that he looks forward to serving another four years on the Commission and continuing the excellent work that the entire Commission provides to the community. In addition, he commented positively on the business that transpired at today's meeting, as well as OUC's leadership, green initiatives, water quality, and the safety and hard work of all OUC employees. He wished everyone Happy Holidays.

President Porta congratulated Commissioner Kirby on his appointment to serve another four years on the Board. She acknowledged the efforts of the employees for their United Way contributions and commented on the benefits OUC will gain from the Vero Beach contract. She also wished everyone Happy Holidays.

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Commissioner McAllaster moved to adjourn the meeting. Commissioner Kirby seconded the motion and President Porta adjourned the meeting at 4:00 P.M.

President

Secretary