

**MINUTES
ORLANDO UTILITIES COMMISSION
December 13, 2016
2:10 P.M.**

Present:

COMMISSIONERS:

Gregory D. Lee, President
Cesar E. Calvet, First Vice President
Dan Kirby, Second Vice President
Buddy Dyer, Mayor

Kenneth P. Ksionek, General Manager & Chief Executive Officer
Jan Aspuru, Clint Bullock, Maggie Duque, Linda Ferrone, Roseann Harrington,
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 Lee asked Debbie Bradshaw to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:10 P.M.

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On a motion by Commissioner Calvet, seconded by Commissioner Kirby and unanimously carried, the reading of the minutes of the November 8, 2016 Commission Meeting was waived and the minutes were approved.

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Clint Bullock presented a 30-year service award to Danny Hatmaker, Division Meter Technician, Electric and Water Delivery.

Ken Ksionek presented a 20-year service award to Beth Mason, Assistant to the General Manager & CEO.

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Roseann Harrington announced that OUC recently held the 40th Annual OUC Half Marathon. Over 6,000 runners participated in the event, including approximately 150 OUC employees and family members. OUC began the sponsorship 17 years ago as a way to showcase great-tasting tap water along the race route. Ms. Harrington presented President Lee with one of the medals and thanked him for his participation in the event.

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Commissioner Kirby asked for clarification on Affirmative Item A-17 regarding the Payment Services for St. Cloud. He inquired if the number of payments processed per day at that location is trending up or down. Ms. Willis responded that OUC is seeing a downward trend in processed payments from an estimate of 5,000 to 3,500.

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

1. Ratification of the fuel procurements to the low bidders in September 2016 in the aggregate amount \$10,915,401.68 as follows:

NATURAL GAS PURCHASES:

Sep 2016	Infinite Energy	\$ 348,899.60
Sep 2016	NJR Energy Service Company	\$ 412,976.96
Sep 2016	Occidental Energy Marketing	\$1,183,624.11
Sep 2016	Sequent Energy Management	\$ 786,480.27
Sep 2016	Southwest Energy	\$ 167,070.16
Sep 2016	Southwestern Energy	\$ 199,249.95
Sep 2016	Tenaska Marketing Ventures	\$4,485,388.13
Sep 2016	Texla Energy Management, Inc.	\$1,661,071.40

COAL PURCHASES:

Sept 2016	Consolidation Coal Company	\$980,080.00
Sept 2016	Santee Cooper	\$690,561.10

2. Approval of a sole source Purchase Order to Breen Energy Solutions, LLC to provide maintenance and support services for the dry sorbent injection monitoring systems at the Stanton Energy Center in the amount of \$134,600, pending final contract negotiations and OUC legal review. The contract term is five years;
3. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Units 1 & 2 Steam Turbine Generator Valves Project in the amount of \$675,750. Approval of a sole source Purchase Order to Siemens Energy, Inc. to provide equipment and technical field assistance for the Stanton Energy Center Units 1 & 2 steam turbine

generator valves in the amount of \$1,200,000, pending final contract negotiations and OUC legal review;

4. Approval of RFP #4290 - Contract award to AirTek Construction, Inc., the lowest, most responsive and responsible proposal to provide inspection and maintenance services for the Stanton Energy Center Unit 1 precipitator in the amount of \$363,336, pending final contract negotiations and OUC legal review;
5. Approval of RFP #4254 - Contract award to TAW Orlando Service Center, Inc., the most responsive and responsible vendor, to provide new variable frequency drive equipment for Unit 2 forced draft fan motors at Stanton Energy Center in the amount of \$820,000, pending final contract negotiations and OUC legal review;
6. Approval of RFP #4241 - Contract award to Mineral Labs, Inc., the lowest, most responsive and responsible vendor, to provide fuel quality testing services in the amount of \$918,000, pending final contract negotiations and OUC legal review. The contract term is five years;
7. Approval of Change Request No. 1 to the Capital Expenditure Estimate to include the dewatering and fly ash elevators for the Stanton Energy Center Unit 2 Chimney Elevator Mast Refurbishment Project in the amount of \$925,000, increasing the total project cost to \$1,241,500. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Alimak Hek, Inc. in the amount of \$910,000 to provide labor and equipment for the dewatering and fly ash elevator upgrades at Stanton Energy Center, increasing the total Purchase Order amount to \$1,196,500; and a sole source Purchase Order to Alimak Hek, Inc. for a maintenance services contract for the Stanton Energy Center rack and pinion elevators in the amount of \$300,000, pending final contract negotiations and OUC legal review. The contract term is three years with contract extensions to be negotiated;
8. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Reiss Engineering, Inc. to provide engineering services necessary for Phase 2 of the Water Quality Modeling Project in the amount of \$439,407, increasing the total Purchase Order amount to \$689,175;
9. Authorization for the General Manager & CEO to execute the Joint Participation Agreement with the City of Orlando for the Central Boulevard Streetscape Improvements Project. Commission approval of two Electric Distribution Construction Estimates for the installation of a manhole and duct-line system along Central Boulevard from Hughey Avenue to Glenn Lane; and the installation of underground feeder

cable, switchgear, transformers and the removal of overhead facilities required for the Central Boulevard Streetscape Improvements Project in the aggregate amount of \$3,162,152.29. Commission approval of a Purchase Order to the City of Orlando for reimbursement of construction costs in the amount of \$2,956,364.32;

10. Approval of RFP #4218 - Contract awards to Stage Door II, Inc. and All Terrain Tractor Service, Inc., the most responsive and responsible vendors, to provide asphalt and concrete surface restoration services in the aggregate amount of \$824,845. The contract terms are three years with two one-year renewal options;
11. Approval of a Purchase Order to Presidio Networked Solutions, Inc. to provide network implementation and consulting services required for the Identity Services Engine Production Deployment Project in the amount of \$209,000;
12. Approval of an OUC initiated scope change and conforming Change Order No. 5 to Emergent, LLC in the amount of \$51,819.17 for Red Hat Enterprise Linux annual renewal subscriptions for the period February 26, 2017 through February 25, 2018, increasing the total Purchase Order amount to \$119,903.21;
13. Approval of an OUC initiated scope change and conforming Change Order No. 4 to EMC2 Corporation for the SAN storage capacity upgrade and three years of maintenance and support in the amount of \$244,239.62, increasing the total Purchase Order amount to \$3,459,914.72;
14. Approval of a single source Purchase Order to GuidePoint Security LLC for Varonis software modules, professional services and one year of maintenance and support in the amount of \$350,605.88;
15. Approval of RFP #4275 - Contract awards to Jarrett Gordon Ford for nine vehicles in the amount of \$374,602 and Don Reid Ford for twenty-two vehicles in the amount of \$691,803; the most responsive and responsible vendors, for an aggregate amount of \$1,066,405;
16. Approval of RFP #4178 - Contract awards to IQuest Concepts, LLC d/b/a IQ Painters, Inc.; Picasso Painting; and Vice Painting, LLC, the most responsive and responsible vendors, to provide painting services in the aggregate amount of \$660,000. The contract terms are three years with two one-year renewal options;
17. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Global Express Money Orders, Inc., d/b/a Global Express Financial, in the amount of \$25,200 to provide payment

services at the St. Cloud Utilities Center through September 30, 2017, increasing the total Purchase Order amount to \$103,100;

18. Approval of a single source Purchase Order to FIS AvantGard, LLC to provide Treasury Management system software services in the amount of \$136,000. The contract term is five years;
19. Approval of Change Request No. 1 to the Capital Expenditure Estimate for Phase 2 of the Landfill Horizontal Expansion Haul Road in the amount of \$3,888,908, increasing the total project cost to \$4,058,100. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Ferguson Enterprises, Inc. in the amount of \$95,000, to provide TX5 geogrid material, increasing the total Purchase Order amount to \$190,292.96. Approval of a Purchase Order to Headwaters Resources, Inc. for haul road construction services in the amount of \$525,000. Approval of RFP #4258 - Contract award to Preferred Materials, Inc., the most responsive and responsible vendor, to provide asphalt paving in the amount of \$115,000; and RFP #4262 - Contract award to Allen E. Smith Ranch & Farming, Inc., the most responsive and responsible vendor, for seeding and soil stabilization services in the amount of \$340,000;
20. Approval of RFP #4088 - Contract award to Agile 1, the most responsive and responsible vendor, to provide temporary staffing support and management services for calendar year 2017 in the amount of \$13,500,000;
21. Authorization for the General Manager & CEO to execute the Partial Release of Easement for property located north of South Street and west of South Orange Blossom Trail;
22. Authorization for the General Manager & CEO to execute the Partial Release of Easement for property located south of Wakulla Way and west of South Orange Blossom Trail;
23. Authorization for the General Manager & CEO to execute the Partial Release of Easement for property located south of East Vanderbilt Street and west of Formosa Avenue;
24. Authorization for the General Manager & CEO to execute the Partial Release of Water Line and Access Easement Agreement for Parcel 15, located west of Lake Nona Boulevard and south of Lake Nona Gateway Road; and
25. Approval of the 2017 Commission Meeting dates on January 31, March 14, April 11, May 9, June 13, July 11, August 22, October 10, November 14 and December 12.

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Commissioner Kirby inquired how many customers are impacted by NB-1 regarding the Cancellation of Pilot Solar Thermal Credit Rider Rate Schedule/Modification of Commercial Solar Service Agreement. Luz Aviles responded that six large commercial customers were impacted. OUC paid them the appropriate rebate amount to offset the cancellation of that incentive.

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

NB-1 Adoption of the new Economic Development Rider Rate Schedule and Commercial/Industrial Service Rider Rate Schedule, both effective August 1, 2014, pending Florida Public Service Commission review.

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President Lee asked if there were any comments for New Business Item 2 regarding the Commissioner nomination. The City of Orlando's Nominating Board submitted three candidates for consideration of the position currently held by President Gregory D. Lee, which expires December 31, 2016.

President Lee announced a conflict of interest, inasmuch as this matter considers his own appointment. He stated that he will refrain from the discussion and not vote on this item, per Florida State Statute, in that no member of a municipal council should vote on a motion regarding their right as a member.

Mayor Dyer moved to enable President Gregory D. Lee, 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, 2017. Commissioner Calvet seconded the motion and it was approved on a vote of 3-0. President Lee abstained from the vote.

Commissioner Kirby thanked President Lee for his service on the Board and congratulated him on his re-appointment.

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Commissioner Kirby announced that the Finance Committee held its regular meeting on November 28, 2016.

The Committee reviewed a presentation on the proposed issuance of the Series 2017A Revenue Refunding Bonds in an amount of approximately \$100 million. The Series 2017A Revenue Refunding Bonds will refund OUC's outstanding Series 2011A Windows bonds and pay for a partial unwind of the underlying

Morgan Stanley swap. Also included in the presentation was an update on market dynamics impacting the net cost of the bond transaction, a description of the partial unwind of the swap and a review of the 2017A supporting bond documents.

Upon motion and Committee approval, the Committee recommends bringing forward for Commission approval the authorization of the 2017A Series Resolution for the issuance of the 2017A Revenue Refunding Bonds.

The Committee reviewed the Treasury and Energy Risk Management Reports for the quarter and year-ending September 30, 2016.

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

PRES-1a A resolution of the Orlando Utilities Commission authorizing the issuance of not exceeding \$100,000,000 utility system revenue refunding bonds, Series 2017A; authorizing the refunding of all outstanding Orlando Utilities Commission utility system revenue refunding bonds, Series 2011A; setting forth the terms of said bonds; providing for the disbursement of funds; appointing a paying agent, registrar and tender agent 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 execution and delivery of an official statement and the preparation, deeming final and distribution of a preliminary official statement; creating and establishing a cost of issuance account; authorizing the execution and delivery of a continuing disclosure agreement; authorizing the execution and delivery of an escrow deposit agreement and the designation of an escrow agent thereunder; authorizing the amendment and partial termination of the interest rate swap pertaining to the Series 2011 A bonds and the execution and delivery of an emended confirmation with respect thereto; authorizing the appointment of a verification agent and a bidding agent; authorizing proper officials to do all other things deemed necessary or advisable in connection with the issuance, sale and delivery of said bonds and the refunding of the Series 2011A bonds; providing certain other matters in connection therewith; and providing an effective date.

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Mindy Willis stated that there was a slight trailing in revenues for November as compared to the budget. Impacts from Hurricane Matthew are being evaluated and will be summarized in the December financial statements.

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Jonathan Sebastian Blount, an OUC customer, thanked OUC for its contribution to the recent Caribbean American Heritage Festival. He invited everyone to attend the Alive at Five carnival at Church Street and offered OUC a complimentary booth during the event.

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Mr. Ksionek asked Roseann Harrington to provide an Economic Development Update. In 2013, OUC's Senior Management team recognized the need to become proactively engaged in economic development in the community. OUC has worked to recruit, retain and expand business within the service territory. To accomplish this OUC has approved several economic development rates to appeal to commercial customers.

KPMG, headquartered in New York City, is seeking a new 800,000 square feet worldwide corporate training facility in Lake Nona. This project was the culmination of two years of work in partnership with local governments and corporations. Construction is scheduled to begin in 2017. Once operational, the facility is estimated to utilize 4.5 MW of electricity, 50 million gallons of water annually, and an estimated \$2 million in annual sales for electric and water. There is also the opportunity for KPMG to utilize other products and services such as electric vehicle charging stations, OUCooling and OUConvenient Lighting.

Ms. Harrington discussed OUC's commercial rates. KPMG qualified for the Electric Economic Development Rider, which is available to commercial or industrial customers with new or expanding businesses with additional loads of 500 kW or greater, as well as the Commercial/Industrial Service Rate Rider, which is available to commercial or industrial customers with new or expanding businesses with additional loads of 2 MW or greater with a load factor of 50 percent or greater.

Ms. Harrington recognized Bobby Collins, Mindy Willis, Debbie Eichen, Lawrence Strong, Clint Bullock, Lemoyne Adams and Alandus Sims for their work on the project.

Commissioner Calvet inquired about the housing for trainees. Ms. Harrington responded that trainees will be housed inside KPMG's resort-style facility.

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Mr. Ksionek presented the 2016 Year in Review video, created by Steve Triggs and the MCCR team. He thanked the Commissioners for their support in all OUC initiatives and invited everyone to attend the Holiday Reception.

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Commissioner Calvet congratulated the Service Award recipients and Ms. Mason for her assistance with the Board. He thanked Ms. Harrington for the Economic Development Update and the work to bring KPMG to the Orlando area. He wished everyone a Merry Christmas and Happy Holidays.

Mayor Dyer wished everyone a Merry Christmas and Happy Holidays.

Commissioner Kirby congratulated President Lee and all the half marathon participants. He praised Ms. Harrington and Mr. Triggs for creating the Year in Review video and all OUC staff for their hard work over the year. He remarked that he recently traveled to Washington, D.C. to participate in the governance week for the American Institute of Architects, and noted that he will be co-chair for the 2017 national convention that will be held in Orlando. While in Washington, D.C. he helped present the AIA gold medal to Paul Revere Williams. He was pleased to represent OUC during Mayor Dyer's State of Downtown address. He recognized Ms. Mason for her Service Award and her work with the Board. He encouraged everyone to drive safely and be careful during the holiday season. He wished everyone a Happy Holidays and Merry Christmas.

President Lee congratulated the Service Award recipients and thanked Ms. Mason for her work with the Board. He praised OUC's work on the KPMG project. He thanked OUC staff for the half marathon medal and the Board for an approval of an additional term. Finally, he thanked Mr. Ksionek and his staff for all the hard work in 2016. He wished everyone a Happy Holidays.

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President Lee adjourned the meeting at 3:14 P.M.

President

Secretary