

**MINUTES
ORLANDO UTILITIES COMMISSION
January 22, 2019
2:00 P.M.**

Present:

COMMISSIONERS:

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

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 Officer
Jerry Sullivan, Chief Information Officer
Latisha Thompson, Chief Employee Experience Officer
LeMoyne Adams, Luz Aviles, Wade Gillingham, & Chip Merriam, Vice Presidents
Nanci Schwartz, Recording Secretary

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President Lee asked German Romero to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:03 P.M.

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On a motion by Commissioner Calvet, seconded by Commissioner Gross and unanimously carried, the reading of the minutes of the December 11, 2018 Commissioner Meeting (Lee and Calvet) was waived and the minutes were approved.

On a motion by Commissioner Mills, seconded by Commissioner Calvet and unanimously carried, the reading of the minutes of the December 11, 2018 Commission Meeting was waived and the minutes were approved.

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President Lee called for the election of officers to serve on the 2019 Commission. Mayor Dyer moved to nominate Cesar Calvet as President. Commissioner Calvet moved to nominate Britta Gross as First Vice President. Commissioner Calvet moved to nominate Larry Mills as Second Vice President. The motions carried unanimously. Commissioner Lee will become Immediate Past President.

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Commissioner Mills moved to reappoint Clint Bullock as General Manager & CEO and Secretary of the Commission and the motion carried unanimously.

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Mr. Bullock recommended that Chris Browder, Mindy Brenay and Beth Mason be appointed as Assistant Secretaries to the Commission. Commissioner Lee moved that Mr. Bullock's recommendations be approved and the motion carried unanimously.

Mr. Bullock stated that, without objection, Commissioner Mills will serve as Chair of the Audit Committee, with Commissioner Lee as a member. No objection was offered.

Mr. Bullock stated that without objection, President Calvet will serve as Chair of the Finance Committee, with Commissioner Gross as a member. No objection was offered.

Commissioner Lee passed the gavel to President Calvet.

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LeMoyne Adams presented a 20-year service award to Rick Collier, Lead Line Technician, Electric and Water Distribution.

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Linda Ferrone presented awards to OUC's Top 3 PROUD Volunteers of the Year for 2018: Alex Medina (480 hours); Lawrence Strawn (664 hours); and Gina Johnson (680 hours).

Ms. Ferrone announced that 656 employees contributed a total of \$208,089 for the OUCares campaign. She thanked Melissa Dukes for her work as campaign chair. OUC was included in the United Way's Champion Circle for the third year in a row.

Mayor Dyer congratulated Ms. Ferrone for presenting her first Employee/Community Recognition.

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President Calvet presented Commissioner Lee with a ceremonial gavel in recognition of his years of service as President. Commissioner Lee thanked President Calvet and the Commission for the recognition.

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Renee Rodriguez, an OUC customer, spoke about the lawsuit involving the Stanton Energy Center.

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Mr. Bullock provided remarks about Affirmative Item A-22 regarding the Litigation Counsel Services. On January 9, OUC was served with a putative class action lawsuit that contained serious allegations about the Stanton Energy Center's environmental record and its impacts on the health and wellbeing of the community. For almost 100 years, OUC has been committed to providing essential services to the Central Florida community. Because this is pending litigation, staff is just beginning to evaluate the allegations contained in the lawsuit. While these allegations cannot be discussed in detail at this time, Mr. Bullock stated that they are being taken very seriously. OUC recognizes this is causing concern among neighbors and employees and understands the stress these allegations cause for those living near SEC. However, staff strongly disagrees with the allegations and will vigorously defend OUC. The SEC operates under strict state, federal, and local rules. The putative class action lawsuit includes a range of detailed allegations and will take considerable time and effort to address.

Mr. Bullock asked Chris Browder to speak to update the Board regarding the lawsuit. Mr. Browder reiterated that OUC was served on January 9 and is one of several defendants in the lawsuit mentioned by Mr. Bullock. Mr. Browder stated that the plaintiff's claims include a theory that ash from the SEC coal units has drifted onto their properties. The complaint further indicates that the plaintiffs will seek class certification, which will bring in a number of other plaintiffs if the class is certified. The complexity of the case, which combines the class certification process with an elaborate theory of alleged pollution requires OUC to supplement both legal and public relations internal resources. Three law firms have been retained to act as OUC's legal defense team: Baker Botts, Greenburg Traurig, and Gray Robinson. These firms have specialty practices in the areas of environmental torts, class action, federal and state environmental permitting and compliance, and complex litigation strategy. In addition to those legal resources, the legal team will need to engage the services of other specialists in various disciplines. These will assist in handling the communications as well as the theories of the case, and the aggressive media campaign launched by the

plaintiffs so far. Agenda item A-22 is requesting Board approval of an initial legal defense fund to be used with the three firms.

Commissioner Lee noted that all three firms have good reputations.

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Mr. Bullock asked Luz Aviles to provide a presentation on Affirmative Item A-16 regarding the Customer Transactional Survey Services. Ms. Aviles stated that customer transactional surveys are conducted to assess and measure residential and commercial customer satisfaction levels up to seven days after interacting with OUC via multiple channels. The surveys help identify opportunities to learn and improve processes. The annual sample size is approximately 3,200 for residential and small/mid-size commercial customers. Ms. Aviles discussed survey results from the past five fiscal years and noted OUC's areas of improvement. Market Strategies International (MSI) was selected through a competitive bid process to provide customer transactional survey services. MSI has recently partnered with Qualtrics for data analytics and robust online dashboard reporting. New features will include text surveys and web intercepts, field visit surveys, close loop/case management reporting, and survey overload management.

Commissioner Mills asked how long MSI has partnered with Qualtrics. Terry Torres answered they have at least a ten year partnership with Morpace. Ms. Aviles clarified that OUC had not solicited Qualtrics' services in the past.

President Calvet commented on OUC's high quality of customer service.

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Mr. Bullock asked Garr Williams to provide a presentation on Affirmative Item A-17 regarding the Data and Analytics (D&A) Governance Consulting Services. Mr. Williams provided an industry perspective for D&A and explained the growth of D&A at OUC. There are many independent efforts across multiple departments. In June 2018, a Data and Analytics Center of Excellence (DACE) was created to address Commission-wide needs and promote consistency and collaboration across multiple departments as well as project alignment. The DACE is focused on four areas: data, analysis, insights, and actions. Mr. Williams explained that D&A governance are the common policies, practices, and skills across the Commission. The current DACE governance structure includes the Executive Committee, Steering Committee, and D&A Employee Community. Mr. Williams discussed PA Consulting's assessment, recommendations, and deliverables, as well as the 10-week project timeline.

Commissioner Gross asked if benchmarking would play a role under this governance activity. Mr. Williams clarified that D&A is a part of benchmarking and not the other way around, and there is a component of D&A in

benchmarking. Ms. Brenay added that she and Matt Lopez are working on a two-phase initiative to utilize financial data and benchmark best practices and industry standards, as well as operational and compliance benchmarking.

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Mr. Bullock asked Linda Ferrone to provide a presentation on Affirmative Item A-18 regarding the Smart City Consulting Services. Ms. Ferrone explained that “Smart Cities” start with outcomes identified to benefit citizens and visitors. OUC has identified the following outcomes: mobility, security, connectivity, sustainability, energy, and resiliency. Smart Cities can be thought of in three layers. The bottom layer consists of the infrastructure required to support the smart city model. The middle layer is the data and technology required to connect the smart city. The top layer consists of the applications, tools, and services that customers interact with, for example a parking app or smart street lighting. Smart street lighting could provide data connectivity, video surveillance, crowd analytics, first responder notifications, air quality and environmental information, and electric vehicle charging. Smart City is important now because customers are interested in these outcomes and want to install infrastructure during development instead of retrofitting. To date, a competitively bid Purchase Order was issued to Leidos Engineering for consulting services. Leidos has engaged key customers through interviews to understand interests, assessed capabilities through document review and internal interviews, drafted a Smart City strategy, and designed a delivery roadmap.

Commissioner Lee inquired about the time frame for this project. Ms. Ferrone stated that the project is scheduled for the next 12 months. However, staff needs to work with customers to determine their timelines for pilot programs within this timeframe.

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Lewis Oliver, an OUC customer, spoke about the lawsuit involving the Stanton Energy Center.

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

1. Ratification of the fuel procurements to the low bidders in October 2018 in the aggregate amount \$14,960,588.07 as follows:

NATURAL GAS PURCHASES:

October 2018	BP Energy	\$ 285,524.17
October 2018	EDF Trading	\$ 806,490.85

October 2018	NJR Energy Service Company	\$1,318,709.38
October 2018	Shell Energy	\$ 840,010.04
October 2018	Southwest Energy	\$ 479,893.87
October 2018	Tenaska Marketing Ventures	\$7,037,854.46
October 2018	Texla Energy Management, Inc	\$ 166,850.00

COAL PURCHASES:

October 2018	Crimson Coal Corporation	\$4,025,255.30
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2. Approval of a Capital Expenditure Estimate for the International Drive District Chilled Water Expansion Project in the amount of \$48,830,000, contingent upon the execution of the Chilled Water Service Agreement;
3. Approval of a Capital Expenditure Estimate for the Chilled Water Distribution System Extension Project in the amount of \$2,300,000, contingent upon the execution of an amendment to the existing Chilled Water Service Agreement. Approval of a Purchase Order to Kenyon & Partners, Inc. to design and build the chilled water pipeline extension to serve Lockheed Martin in the amount of \$2,285,000;
4. Approval of the Electric Distribution Construction Estimate for the installation of a manhole duct-line system extending south from the Airport Industrial Park Substation in the amount of \$3,226,850.13;
5. Approval of the Electric Distribution Construction Estimate for the rebuild of the overhead electric distribution system for Circuit No. 12-26 in the amount of \$4,488,606.25;
6. Approval of the Electric Distribution Construction Estimate for the installation of the underground electric distribution system to serve the Live Oak Lake Subdivision – Phases 1 and 1A, in the amount of \$500,311.78, with customer contributions in the amount of \$12,992;
7. Approval of an OUC initiated scope change and conforming Change Order No. 2 to AZZ in the amount of \$675,000 for one metal-clad switchgear and bus duct for the Pershing substation required for the Holden, Grant & Pershing Switchgear Replacement Project, increasing the total Purchase Order amount to \$3,835,000;
8. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Yash Solutions, LLC in the amount of \$447,200 to provide two resources for system and server administration services to support the Energy Management System and Water Production Plant systems for one year, increasing the total Purchase Order amount to \$665,600;
9. Approval of an OUC initiated scope change and conforming Change Order No.1 to BMC Software, Inc. for 12 Control-M software licenses,

and maintenance and support through August 31, 2019 in the amount of \$57,826.54, increasing the total Purchase Order amount to \$147,978.61;

10. Approval of a sole source Purchase Order to Oracle America, Inc. for DataRaker AMI Smart Grid Analytics software and support services for the period of February 27, 2019 through February 26, 2020 in the amount of \$527,283.99;
11. Approval of an OUC initiated scope change and conforming Change Order No. 5 to Software AG USA Inc. in the amount of \$112,498.23 for Enterprise Service Bus annual software maintenance and support through March 31, 2020, increasing the total Purchase Order amount to \$559,828.59;
12. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Sciforma Corporation in the amount of \$35,967 for additional licenses, maintenance and support through May 15, 2021, increasing the total Purchase Order amount to \$125,785;
13. Approval of a sole source Purchase Order to Emergent LLC for Red Hat Enterprise Linux software subscriptions, maintenance, and support through February 25, 2024 in the amount of \$700,751.55;
14. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Power Engineers, Inc. in the amount of \$137,088 to provide development services for interfacing ARM360 and Outage Management Systems, increasing the total Purchase Order amount to \$159,264;
15. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Mechanical Services of Central Florida, Inc., the most responsive and responsible vendor, in the amount of \$604,000 to continue providing HVAC maintenance, repair, and replacement services through January 28, 2020, increasing the total Purchase Order amount to \$3,018,872.15;
16. Approval of RFP #4611 - Contract award to Market Strategies International, the most responsive and responsible vendor, to conduct customer transactional survey services in the amount of \$943,950. The contract term is five years with two one-year renewal options;
17. Approval of RFP #4635 - Contract award to PA Consulting Group, the most responsive and responsible vendor, to provide data and analytics governance consulting services for a ten-week period in the amount of \$192,500;

18. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Leidos Engineering, LLC in the amount of \$175,000 to continue providing Smart City consulting services, increasing the total Purchase Order amount to \$268,020;
19. Approval of RFP #4523 - Contract awards to Appleton Creative, Inc.; Creative Alliance d/b/a Scoppechio; GFX, LLC; Hooah, LLC; Push Button Productions, LLC; Richmond Gibbs Photography, LLC; and Studio Say So, Inc., the most responsive and responsible vendors, in the aggregate amount of \$660,000. The contract terms are three years with two one-year renewal options;
20. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Allied Universal Security Services in the amount of \$1,189,325 to continue providing security officer services through June 30, 2019, increasing the total Purchase Order amount to \$6,485,763.60;
21. Authorization for the General Manager & CEO to execute the Partial Release of Easement for Tavistock Development Company for property located south of the Central Florida Greenway and west of Narcoossee Road; and
22. Approval of Purchase Orders to Baker Botts, P.A., Greenberg Traurig, PA and Gray Robinson, PA for litigation counsel services for the Stanton Energy Center class action lawsuit in the aggregate amount of \$2,000,000.

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Commissioner Gross reported that the Audit Committee conducted its regular meeting on December 11, 2018.

The minutes from the previous meeting on September 11, 2018 were approved.

The results of the September 30, 2018 financial statement audit were presented along with Ernst & Young's unmodified audit opinion. Income before contributions for the year ended September 2018 was \$97.8 million and total assets were \$3.6 billion. The five-year financial and statistical report was also presented.

Ernst & Young presented a summary of their audit results for 2018, including the manner in which risks were addressed. Additionally, they presented reports regarding internal controls and management letter comments, each with no findings.

The Audit Committee reviewed Internal Audit activities, including an overview of two recently completed reports.

No official actions were presented or approved.

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Mindy Brenay provided the Financial Report for December. OUC and St. Cloud electric retail revenues were favorable at \$1.5 million ahead of budget, as a result of cooler than normal weather in November. Wholesale energy and water revenues were on track although rainfall during the first quarter was higher than normal.

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Mr. Bullock stated that the Water Color Project is a water conservation-themed art project sponsored by OUC—The *Reliable One*, and is designed to help Orange County students learn about water conservation and appreciate the value of this natural resource. The project includes a calendar art contest for elementary school students and a rain barrel painting contest for middle and high school students. More than 5,000 calendars were distributed this year including 20 participating Orange County Public Schools, the Ronald Blocker Educational Leadership Center and OUC employees. Over the past twelve years, more than 100 elementary schools and more than 25,000 fourth and fifth graders have participated in the annual calendar contest. Each school selects its 10 best entries for submission into the contest, and OUC employees choose 13 submissions overall—one for each month of the year and one for the cover—to be included in the water conservation calendar. Mr. Bullock distributed the Water Conservation Calendars to the Commissioners.

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Mr. Bullock asked Justin Kramer to update the Board on OUC's weather stations. Mr. Kramer stated that solar energy has the ability to fluctuate up to 70 percent in a matter of seconds. As solar penetration increases in OUC's electric grid, accommodations must be made to deal with these fluctuations. Situational awareness of weather in the service territory will help staff address these fluctuations and predict future fluctuations. A total of 25 weather stations will be dispatched throughout the entire grid, primarily at substations, to collect data regarding fluctuations on the solar and load sides.

Mr. Kramer introduced a video from Channel 9 news about the weather stations. He explained that a network of weather stations are needed across OUC's service territory to monitor weather as clouds roll over specific locations. The goal is to install these weather stations at substations, watch how the weather changes and fluctuates from a historical standpoint, and make some predictive analytics.

Mr. Kramer explained how the weather stations work using one of the stations on display. Weather stations will be installed at twenty substations initially, including

two higher-end units. Also, staff is also considering installing some weather stations at Chilled Water Plants.

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Mr. Bullock thanked the Board for his reappointment as General Manager and CEO.

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Mayor Dyer praised the quality of the presentations. He thanked Commissioner Lee for his service as president and congratulated President Calvet on his new term. He congratulated Commissioner Mills on his recent lifetime achievement award at the annual Arthur "Pappy" Kennedy Breakfast. Regarding the SEC lawsuit, he hopes OUC develops a communication strategy in tandem with a litigation strategy.

Commissioner Gross expressed enthusiasm for all the presentations and requested a draft plan for the Smart City. She is excited to see more benchmarking.

Commissioner Mills echoed the previous comments. He stressed the importance of connecting all information and not having it be too independent. He stated all of these new technologies, benchmarking, and data analytics will affect organizational structure in the future, and OUC should begin recruiting for future skills needed.

Commissioner Lee congratulated Mr. Collier on his Service Award. He praised the staff presentations and OUC's continuing focus on technology and sustainability. He is excited about the weather stations. He thanked Ms. Rodriguez and Mr. Oliver and echoed Mayor Dyer's remarks on a communication strategy. He congratulated President Calvet and thanked the Board again for recognition of his service as President.

President Calvet congratulated Mr. Collier on his Service Award and commented on OUC's second generation employees. He congratulated the PROUD Volunteers. He praised the quality of the presentations. He thanked Ms. Rodriguez and Mr. Oliver for their comments. He is very proud to serve as President of the Board.

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President Calvet adjourned the meeting at 3:40 P.M.

President

Secretary