

**MINUTES  
ORLANDO UTILITIES COMMISSION  
January 19, 2010  
2:00 P.M.**

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**Present:**

**COMMISSIONERS:**

Katie Porta, President  
Maylen Dominguez Arlen, First Vice President  
Dan Kirby, Second Vice President  
Craig McAllaster, Commissioner  
Mayor Buddy Dyer

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 Kirby, seconded by President Porta and unanimously carried, the reading of the minutes of the December 8, 2009 Commission Meeting was waived and the minutes were approved.

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President Porta announced that the Orlando City Council affirmed Commissioner Kirby's reappointment to the Orlando Utilities Commission board.

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President Porta called for the election of officers to serve on the 2010 Commission. Mayor Dyer moved to nominate Katie Porta as President and the motion carried unanimously.

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Commissioner Kirby moved to nominate Maylen Dominquez Arlen as First Vice President and the motion carried unanimously.

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Commissioner Maylen Dominquez Arlen moved to nominate Dan Kirby as Second Vice President and the motion carried unanimously.

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Mayor Dyer moved to reappoint Ken Ksionek as General Manager & CEO and Secretary of the Commission and the motion carried unanimously.

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Mr. Ksionek recommended W. Chris Browder be reappointed as General Counsel.

Mr. Ksionek also recommended that John Hearn, Beth Mason and Chris Browder be appointed as Assistant Secretaries to the Commission.

Commissioner Dominquez Arlen moved that Mr. Ksionek's recommendations be approved and the motion carried unanimously.

Mr. Ksionek stated that, without objection, Commissioner McAllaster will serve as Chair of the Audit Committee with President Porta as a member. No objection was offered.

Mr. Ksionek stated that without objection, Commissioner Dominguez Arlen will serve as Chair of the Finance Committee with Commissioner Kirby as a member. No objection was offered.

Mr. Ksionek also provided proposed dates for the 2010 Audit and Finance Committee Meetings for review by the respective Commissioners.

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Alvin Frazier presented a 25-Year Service Award to Carol S. Brewer, Senior Collections Analyst, Customer Service.

Mr. Frazier presented a 25-Year Service Award to Marilyn A. Hoag, Commercial Services Representative I, Customer Service.

Clint Bullock presented a 25-Year Service Award to Cassandra S. Jefferson, Administrative Specialist II, Energy Delivery Business Unit.

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Roseann Harrington distributed copies of the 2009 Annual Report and the 2010 Water Conversation calendars. Ms. Harrington also introduced the 2009 PROUD Volunteers of the year and presented awards to Cindy Connors, Mike Weiner and Julio Navarro. These employees volunteered over 2,771 hours during the past year. Ms. Harrington also recognized Sheridan Becht, Senior Media Relations Coordinator, who is retiring after 23 years of service to the OUC.

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

1. Ratification of fuel procurements to the low bidders in October and November 2009 in the aggregate amount of \$14,309,495.31 as follows:

**NATURAL GAS PURCHASES:**

|           |                                       |                 |
|-----------|---------------------------------------|-----------------|
| Oct. 2009 | Anadarko Energy Services              | \$ 892,160.25   |
| Oct. 2009 | BG Energy Merchants, LLC              | \$ 1,386,254.48 |
| Oct. 2009 | Chevron Natural Gas                   | \$ 1,011,153.44 |
| Oct. 2009 | City of Lakeland                      | \$ 199,237.75   |
| Oct. 2009 | EDF Trading (Formerly Eagle Energy)   | \$ 282,754.49   |
| Oct. 2009 | Infinite Energy                       | \$ 290,934.06   |
| Oct. 2009 | Louis Dreyfus Energy                  | \$ 1,468,592.38 |
| Oct. 2009 | National Fuel Marketing               | \$ 608,660.46   |
| Oct. 2009 | Rainbow Energy                        | \$ 433,120.90   |
| Oct. 2009 | Shell Energy                          | \$ 1,142,925.77 |
| Oct. 2009 | Texla Energy Management, Inc.         | \$ 885,573.41   |
| Oct. 2009 | Virginia Power Energy Marketing, Inc. | \$ 574,275.00   |
| Nov. 2009 | Anadarko Energy Services              | \$ 221,187.22   |
| Nov. 2009 | BG Energy Merchants, LLC              | \$ 277,317.25   |
| Nov. 2009 | BP Energy Company                     | \$ 259,380.00   |
| Nov. 2009 | Chevron Natural Gas                   | \$ 332,380.41   |
| Nov. 2009 | City of Lakeland                      | \$ 190,491.93   |
| Nov. 2009 | ConocoPhillips                        | \$ 141,029.98   |
| Nov. 2009 | EDF Trading (Formerly Eagle Energy)   | \$ 363,595.82   |
| Nov. 2009 | Florida Gas Utility                   | \$ 587,751.65   |
| Nov. 2009 | Louis Dreyfus Energy                  | \$ 360,919.82   |
| Nov. 2009 | National Fuel Marketing               | \$ 406,365.08   |
| Nov. 2009 | Shell Energy                          | \$ 384,060.75   |
| Nov. 2009 | Virginia Power Energy Marketing, Inc. | \$ 525,035.23   |

**FUEL OIL PURCHASES:**

|           |                                       |               |
|-----------|---------------------------------------|---------------|
| Nov. 2009 | TransMontaigne Products Services Inc. | \$ 146,837.78 |
|-----------|---------------------------------------|---------------|

**COAL PURCHASES:**

|           |                     |               |
|-----------|---------------------|---------------|
| Nov. 2009 | Eastern Coal & Coke | \$ 937,500.00 |
|-----------|---------------------|---------------|

2. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Nuclear Level Detectors Upgrade Project in the amount of \$160,000, which includes a sole source Purchase Order to Thermo Process Instruments, L.P. for replacement of Stanton Energy Center nuclear source detectors and housings in an amount not to exceed \$156,000;
3. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Ovation Turbine Controls Upgrade Project in the amount of \$470,000, which includes a sole source Purchase Order to Emerson Process Management for project management, engineering and installation services in the amount of \$417,479, pending final contract negotiations and OUC legal review;
4. Approval of Bid #2772 – Contract award to RMI Consulting, Inc., lowest, most responsive and responsible bidder, to provide comprehensive consulting services for the Energy Risk Management Program for a three-year period at a total cost not to exceed \$166,500, subject to final OUC legal review;
5. Approval of Bid #2837 – Contract award to Southeastern Mechanical Services, Inc., the lowest, most responsive and responsible bidder, to perform the installation of the Mist Eliminator Vanes and Fixed Grid Wash System required for Phase 2 of the Stanton Energy Center Unit 1 Flue Gas Scrubber Upgrade Project in an amount not to exceed \$760,000, pending final contract negotiations and OUC legal review;
6. Approval of the OUC initiated scope change and conforming Change Order No. 1 to RMB USA, Inc. for additional asset management and consulting services to implement asset management systems for Stanton Energy Center Units 1 and 2 in the aggregate amount of \$144,230, increasing the total Purchase Order amount to \$457,510;
7. Approval of Phase III of additional funding for the Orange County Landfill Gas to Energy Project and conforming Change Order No. 2 to Sterns Conrad & Schmidt Consulting Engineers, Inc. for procurement and installation of the landfill gas treatment and conveying system equipment in an amount not to exceed \$8,218,395, increasing the total Purchase Order amount to \$10,310,613;
8. Approval of an OUC initiated scope change and conforming Change No. 9 to Black & Veatch Corporation for engineering services in the

9. Approval of the Electric Distribution Construction Estimate for the installation of an underground electric distribution system to serve the Downtown West Central Chilled Water Plant in the amount of \$143,362.70;
10. Approval of the Electric Distribution Construction Estimate for the installation of an underground electric distribution system to serve the Edgewater High School Expansion, Phase 1 of 3, in the amount of \$364,327.48;
11. Approval of the Electric Distribution Construction Estimate for the underground electric distribution system upgrade for the Majestic Oaks Subdivision in the amount of \$153,317.49;
12. Approval of the Electric Distribution Construction Estimate for the underground electric distribution system upgrade for The Willows Subdivision, Phase 1 of 4, in the amount of \$124,828.66;
13. Approval of the Electric Distribution Construction Estimate for the overhead electric distribution system upgrade for Circuit No. 28-223 in the amount of \$856,108.04;
14. Approval of Bid #2746 – Contract award to HVB AE Power Systems, Inc. and ABB Power T&D Co. Inc., the most responsive and responsible bidders, for five-year Purchase Agreements to provide power circuit breakers, field installation services and spare parts for an estimated aggregate cost of \$1,900,000. Approval of Purchase Orders to HVB AE Power Systems, Inc. for six power circuit breakers in the amount of \$352,000 and ABB Power T&D Co. Inc. for two power circuit breakers in the amount of \$152,000, including field installation services and spare parts required for the Southwood Substation Upgrade Project;
15. Approval of a Capital Work Order for water distribution improvements for the Nela Isles Subdivision Pipeline Project in an amount not to exceed \$194,463.71;
16. Approval of Bid #2840 – Contract award to Southern Specialties 1, Inc., the lowest, most responsive and responsible bidder, to provide contract labor for the Fire Hydrant Painting Project for a three-year period in an amount not to exceed \$104,500;
17. Approval of the Capital Expenditure Estimate for the Consumption Datamart Project in the amount of \$463,070. Approval of RFP #2852 – Contract award to The Revere Group LTD, the most responsive and

responsible bidder, to provide consulting services for the project analysis, development and implementation of the Consumption Datamart Project in the amount of \$370,570, pending final OUC legal review;

18. Approval of an OUC scope change and conforming Change Order No. 1 to Hooah Interactive Communication, Inc. in the amount of \$250,000 to provide creative program development and web-related technical support of OUC web-based applications for a one-year period, increasing the total Purchase Order amount to \$340,000;
19. Ratification of Bid #2827 – Contract awards to the three most responsible and responsible bidders, to provide three-year landscape maintenance contracts: Mac’s Lawn Maintenance, Inc. in the amount of \$328,760; Elite Grounds Management, Inc. in the amount of \$442,840; and Carol King Landscape Maintenance, Inc. in the amount of \$248,800, for a total amount of \$1,020,400;
20. Approval of Bid #2841 – Contract award to Ring Power Lift Trucks, a division of Ring Power Corporation, the most responsive and responsible bidder, to purchase one 2010 diesel powered 31,000 lb. capacity forklift in the amount of \$157,921.
21. Approval of additional funding in the amount of \$105,000 with conforming Change Order No. 3 to Allen E. Smith Ranch & Farming, Inc. to continue to provide the required controlled burning of the Red-Cockaded Woodpecker management zone, increasing the total Purchase Order amount to \$491,000;
22. Approval of Bid #2764 – contract award to Christensen Associates, the lowest, most responsive and responsible bidder, to provide professional consulting services for a three-year period in the amount of \$300,000, subject to final OUC legal review and approval;
23. Approval of a Purchase Order to CH2M HILL to provide consulting services for the Water Integrated Resource Plan in the amount of \$215,000; and
24. Approval of additional funding in the amount of \$226,000 with conforming Change Order No. 1 to de la Parte & Gilbert, PA to provide additional legal services related to OUC’s five-year Consumptive Use Permit and future district water policy and regulation, increasing the total Purchase Order amount to \$300,000.

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Commissioner Kirby reported that the Audit Committee met on December 10, 2009 to review the 2009 audited financial statements. Ernst & Young completed the annual audit and provided an unqualified opinion. Income before contributions for 2009 was \$72.5 million, with total assets of \$3.1 billion as of September 30, 2009. The Committee reviewed the audited financial statements, ten-year statistical report, supplemental audit reports, including the report on internal controls inclusive of the management letter. A copy of the 2009 audited financial statement and ten-year statistical report was provided to all Commissioners.

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President Porta asked John Hearn to provide the financial report. Mr. Hearn reported that net Income before contributions for the first quarter is \$20 million. Operating revenues are ahead of budget and expenses continue to be under budget. Mr. Hearn reported that these numbers do not reflect the recent cold temperatures.

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Ken Ksionek asked Chip Merriam to provide a legislative update. Mr. Merriam reported that a non-binding accord was formed in Copenhagen, Denmark between the United States, China, India and Brazil that will enable continuing discussions on greenhouse gas effects. Additionally, Mr. Merriam reported that national legislation regarding the environment and clean energy is so complicated that passing any new legislation is not likely. On the state level, there are several legislative initiatives including foreclosure and lien actions, public meeting changes, cell phone texting while driving, garnishment of wages, and bottled water.

Ken Ksionek asked Steve Langley, Director of Risk Management, Safety and Technical Training, to provide information regarding a new college degree program for line technicians. Mr. Langley reported that Valencia Community College, in cooperation with OUC, is offering an Associate of Science degree in Industrial Management to line technicians. This degree requires 60 credits. Candidates will earn 20 credits through OUC's line training program. It will also require 15 credit hours of general education courses and 25 credit hours in general business and management courses. This program was developed for individuals who want to explore management positions within OUC. Additionally, Mr. Langley reported that the Associate of Science degree will transfer to the University of Central Florida, where individuals can earn a Bachelor of Applied Science degree.

Commissioner Dominguez Arlen asked if this program is designed for individuals currently working for OUC or to recruit new employees, and how the program will be marketed. Mr. Langley stated the program is geared to keep employees within the organization so that they can advance, but it will also be used as a recruiting tool. The program will also be presented to area high schools.

Commissioner Kirby asked if any other utilities within the state have similar programs. Mr. Langley replied that TECO offers a program in association with Hillsborough Community College.

Mr. Ksionek asked Dan Holverson to discuss the Enterprise Resource Planning Upgrade Project. Mr. Holverson provided a brief history of the project, including the phased project approach, business unit involvement in the implementation process, and the amount of testing and training required for the successful rollout of the project. Mr. Holverson also stated that the project was delivered on time and under budget. He attributed the success of the project to the hard work of the project team and the OUC employees impacted by the new project.

Mr. Ksionek distributed charts regarding the 13 Days of Winter. During the first 13 days of January, 7 days were at or below freezing, which is not typical for Central Florida. During this time, Orlando set four new all time system peaks, including 1,191 MW on January 11 and experienced 58 isolated outages, 25 of which were less than one hour. St. Cloud set three new peaks, including 167 MW on January 12 and experienced 15 outages, 5 of which were less than one hour. Overall, OUC provided all necessary power and all generation systems operated without fail. Mr. Ksionek noted that OUC's water system also performed exceptionally well during the cold weather. The Water Business Unit handled 50 cold weather related calls and experienced one cast iron water main break which required replacement of an 18-foot section of pipe. Mr. Ksionek concluded by saying that the electric and water systems performed remarkably well under the recent extreme winter conditions.

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Commissioner McAllaster thanked all those involved in his training and education during his first year as a Commissioner. He also praised OUC for its recent performance during the cold weather, and for being proactive in replacing and upgrading equipment in order to prevent potential failures. He commented that a city he was visiting during a recent trip experienced a water system outage that required the closing of schools, hotels and businesses for several days.

Commissioner Dominguez Arlen stated that we have a lot to be grateful for as the result of living in this country and all the services that are provided. She thanked OUC for keeping its customers warm during the recent cold weather, and is also pleased with the line technician college degree program and the opportunities it will create.

Commissioner Kirby commented on the tragic conditions in Haiti, especially regarding the massive numbers of orphans in the country. He stated how proud he is of OUC and its employees for their effort to help Haiti. Commissioner Kirby congratulated Greg Rodeghier and his team for their efforts with the Enterprise Resource Planning Upgrade Project and also recognized Sheridan Becht for his role as OUC's spokesman for the past 23 years.

Mayor Dyer congratulated the Board members on their re-elections.

President Porta thanked everyone for her election as President of the Board and stated that electric and water services are often taken for granted and it is important that OUC maintains its reliability. She thanked Sheridan Becht for his tireless efforts during his tenure at OUC and recognized Marilyn Hoag as being a wonderful spokesperson for people with disabilities. She also thanked Chip Merriam for the legislative update and Greg Rodeghier and his team for their hard work on the Enterprise Resource Planning Upgrade Project.

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Commissioner McAllaster moved to adjourn the meeting. President Porta adjourned the meeting at 3:30 P.M.

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President

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Secretary