

**MINUTES
ORLANDO UTILITIES COMMISSION
March 12, 2019
2:00 P.M.**

Present:

COMMISSIONERS:

Cesar E. Calvet, President
Britta Gross, First Vice President
Larry Mills, Second Vice President
Gregory D. Lee, Immediate Past President
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, & Ken Zambito,
Vice Presidents
Nanci Schwartz, Recording Secretary

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President Calvet asked Pete Westlake to give the invocation. President Calvet invited Maggie Burdette and David Guerra to lead the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:06 P.M.

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On a motion by Commissioner Gross, seconded by Commissioner Lee and unanimously carried, the reading of the minutes of the January 22, 2019 Commission Meeting was waived and the minutes were approved.

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LeMoyne Adams presented a 30-year service award to JP Campbell, Line Technician I, Electric and Water Distribution.

LeMoyne Adams presented a 20-year service award to William Munson, Water Meter Technician, Electric and Water Distribution.

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Mr. Adams stated that during the first weekend in March, OUC participated in the Annual Florida Lineman Competition in Gainesville, which promotes safety and best practices and prepares for mutual aid situations. He invited Dewey Harvey, Steven Ramos, Mark Fisher, Nick Rawlings, and Mitchel Coakley to be recognized for their participation. The event brings together public power line techs from across Florida to demonstrate their skills and knowledge. Three journeyman teams competed and eight apprentices competed individually. OUC received three honors: Zach Rochester, Line Technician III, placed third during the Apprentice Mastery Event; OUC was presented with a Safety Award for having one of the best safety records in the Large Utility Category; and OUC received a Building Strong Communities Award for the amazing work the electric and water crews did in the Panhandle following Hurricane Michael. Mr. Adams presented a short video with some highlights of the Lineman Competition.

Mr. Adams announced that OUC has been named a Tree Line USA utility for the 20th straight year. This honor from the Arbor Day Foundation comes from OUC's best practices in ensuring proper care for the beautiful tree canopy that lines the service territory. To receive the award, OUC must adhere to five core standards: follow industry standards for quality tree care; provide annual employee training in best tree-care practices; sponsor a tree-planting and public education program; maintain a tree-based energy conservation program; and participate in an Arbor Day celebration. These efforts are led by OUC's Vegetation Management Specialist, Erin Givens. He congratulated and thanked Ms. Givens for her hard work improving the vegetation management program and interacting with the community.

Linda Ferrone announced that OUC has been the title sponsor of the Orlando Half Marathon since 1999. After the 2015 half marathon, OUC challenged its partner, Track Shack, to take the next step in sustainability and work toward OUC's goal to make the OUC Orlando Half Marathon Florida's only sustainable race. In 2017, OUC earned the Silver Certification from the Council for Responsible Sport for the 2016 race, which is valid for two years. For the 2018 race, OUC applied for and received the Gold Certification. She invited Jon and Betsy Hughes, co-owners of Track Shack Events, Natalie Casey, Vice President of Communications, and Sarah Brown, Director of Marketing and Business Development, to come up for a special presentation.

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

1. Ratification of the fuel procurements to the most responsive and responsible bidders in November and December 2018 in the aggregate amount \$17,169,875.91 as follows:

NATURAL GAS PURCHASES:

November 2018	EDF Trading	\$ 301,650.13
November 2018	Macquarie Cook Energy, LLC	\$ 400,838.18
November 2018	Shell Energy	\$ 416,708.09
November 2018	NJR Energy Services Company	\$1,022,715.55
November 2018	Tenaska Marketing Ventures	\$2,854,588.80
December 2018	EDF Trading	\$ 132,412.56
December 2018	Florida Power and Light	\$ 397,800.00
December 2018	Macquarie Cook Energy, LLC	\$ 713,046.65
December 2018	NJR Energy Services Company	\$ 164,681.39
December 2018	Tenaska Marketing Ventures	\$3,291,488.20

COAL PURCHASES:

November 2018	Crimson Coal Corporation	\$2,905,676.00
December 2018	Crimson Coal Corporation	\$3,358,984.00
December 2018	Foresight Coal Sales LLC	\$1,209,286.36

2. Approval of a sole source Purchase Order to Emerson Process Management Power & Water Solutions, Inc. to provide the maintenance and support contract for Stanton Energy Center Units 1 & 2, Combined Cycle Unit B and Indian River Plant Combustion Turbines C & D in the amount of \$924,953. The contract term is five years;
3. Approval of a single source Purchase Order to Sheppard T. Powell Associates, LLC to provide water chemistry consultant services for the Stanton Energy Center Units 1 & 2 and Combined Cycle B in the amount of \$339,453. The contract term is five years with two one-year renewal options;
4. Approval of an OUC initiated scope change and conforming Change Order No. 1 to King-Murray Operating Company, LLC in the amount of \$151,525 to continue providing maintenance associated with the Stanton Energy Center Units 1 & 2 and Combined Cycle Unit B natural gas meter stations through September 30, 2020, increasing the total Purchase Order amount to \$438,625;
5. Approval of RFQ #4595 – Contract award to Markair, Inc., the most responsive and responsible vendor, to provide the power roof ventilators required for the Power Roof Ventilators Replacement Project at the Stanton Energy Center Cooling Tower Blowdown Treatment Plant in the amount of \$189,135;

6. Authorization for the General Manager & CEO to execute the Joint Project Agreement with Orange County for the Texas Avenue Improvements Project, North Segment – Phase 1 of 2. Approval of Change Request No. 1 to the Water Distribution Construction Estimate for construction, administration and inspection costs necessary to complete the project in the amount of \$610,078.44, increasing the total project cost to 674,264.54. Approval of a Purchase Order to Orange County to provide engineering, construction management, and construction services for the project in the amount of \$333,363.80;
7. Approval of the Electric Distribution Construction Estimate for the installation of the underground electric distribution system to serve the Laureate Park Subdivision - Phase 10 in the amount of \$627,499.90, with customer contributions in the amount of \$33,053;
8. Approval of Change Request No. 1 to the Transmission Capital Expenditure Estimate in the amount of \$24,505,000 for engineering services, which will include a final design and construction package to complete the Azalea to Pershing Transmission Corridor Upgrade Project, increasing the total project cost to \$24,600,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Power Engineers, Inc. in the amount of \$3,345,000 to provide engineering, consulting, and support services, increasing the total Purchase Order amount to \$3,395,000. Approval of a Purchase Order to Dis Tran Steel, LLC to provide tubular steel poles in the amount of \$6,975,000;
9. Approval of a Purchase Order to CDW Government, LLC for Tripwire NERC Solution Suite software, deployment and implementation Services including installation, configuration, and training in the amount of \$198,860.71;
10. Approval of a Purchase Order to Eaton Corporation for one metal-clad switchgear and bus duct for the Pershing substation required for the Holden, Grant & Pershing Switchgear Replacement Project in the amount of \$530,000;
11. Approval of Change Request No. 3 to the Transmission Capital Expenditure Estimate in the amount of \$25,250,000 for procurement and construction necessary to complete the Southwood to Convention Center 230kV Transmission Upgrade Project, increasing the total project cost to \$30,500,000. Approval of RFP #4602 – Contract awards to Prysmian Cables and Systems USA, LLC to furnish and install high voltage underground cable in the amount of \$11,500,000. Approval of a Purchase Order to Hitachi HBV, Inc. for five 230kV circuit breakers and installation in the amount of \$520,000. Approval of a Purchase

Order to Dis Tran Steel, LLC for four tubular steel poles and riser structures in the amount of \$555,266;

12. Approval of Change Request No. 1 to the Substation Capital Expenditure Estimate in the amount of \$6,000,000 for property acquisition and associated costs for the Split Oak Substation Addition Project, increasing the total project cost to \$6,250,000. Authorization for the General Manager and CEO to execute a Land Purchase Agreement for the property in an amount not to exceed \$6,000,000. The land contract closing is subject to final negotiation and legal review;
13. Approval of a sole source Purchase Order to Sovereign Systems LLC for hardware, implementation services, and maintenance and support through June 28, 2022 in the amount of \$290,832.26;
14. Approval of an OUC initiated scope change and conforming Change Order No. 3 to Vendor No. 313201 in the amount of \$129,855.79 for hardware and software maintenance and support of existing information technology security products through February 25, 2021, increasing the total Purchase Order amount to \$226,809.31;
15. Approval of RFP #4590 – Contract award to Kellton Tech Solutions Inc, the most responsive and responsible vendor, to provide integration support, development and project services for the Enterprise Service Bus through March 31, 2022 in the amount of \$3,026,179. Approval of RFP #4590 – Contract award to CYAN360 Inc, the most responsive and responsible vendor, to provide integration support, development and project services for the Enterprise Service Bus through March 31, 2022 in the amount of \$522,500. Approval of RFP #4590 – Contract award to Sure Power Consulting LLC, the most responsive and responsible vendor, to provide development and project services for the Oracle Service Bus through March 31, 2022 in the amount of \$275,000;
16. Approval of a Capital Expenditure Estimate for the Network and Server Equipment Replacement Project, which includes hardware, software, and implementation services, in the amount of \$3,121,002. Approval of RFP #4580 – Contract award to Presidio Networked Solutions, Inc., the most responsive and responsible vendor, for network equipment, servers, software, and maintenance and support for the period of April 1, 2019 through March 31, 2024 in the amount of \$3,113,979.08;
17. Approval of additional funding in the amount of \$66,150 with conforming Change Order No. 1 to Chrome River Technologies, Inc. to continue providing business expense reporting services through

October 31, 2020, increasing the total Purchase Order amount to \$136,650;

18. Approval of RFQ #4661 – Contract award to DeLand Nissan, the lowest, most responsive and responsible vendor, for eight vehicles in the amount of \$162,732. Approval of RFQ #4662 – Contract awards to Bozard Ford Company, the most responsive and responsible vendor, for two vehicles in the amount of \$114,362; Duval Ford, LLC, the most responsive and responsible vendor, for seven vehicles in the amount of \$319,512; Jarrett Gordon Ford, Inc., the most responsive and responsible vendor, for eight vehicles in the amount of \$245,332; and Prestige Ford, Inc., the most responsive and responsible vendor, for sixteen vehicles in the amount of \$498,344; for an aggregate amount of \$1,340,282;
19. Approval of a sole source Purchase Order to Orlando Sports Holdings, LLC to provide a Utility-Exclusive Sustainability and Customer Education Sponsorship for a three-year period in the amount of \$470,800;
20. Approval of a single source Purchase Order to MTM Recognition Corporation to continue administering the Employee Service Award and Recognition Program through April 1, 2022 in the amount of \$387,500;
21. Approval of a Purchase Order to PayFlex Systems USA, Inc. to provide Health Reimbursement Account administration services and claim reimbursements for the period of June 1, 2019 through December 31, 2023 in the amount of \$2,895,000;
22. Approval of a single source Purchase Order to Cornerstone OnDemand to continue administration of talent management programs and enable online learning functionality through April 23, 2021 in the amount of \$319,735;
23. Authorization for the General Manager & CEO to execute an easement to the Greater Orlando Aviation Authority, for property located adjacent to the intersection of Wetherbee Road and Boggy Creek Road, subject to final legal review;
24. Authorization for the General Manager & CEO to sell easement rights and grant an easement to TECO/Peoples Gas, located west of Magnolia Woods Boulevard and south of Wewahoottee Road, subject to final legal review;
25. Authorization for the General Manager & CEO to execute the Release of Easement for Universal City Development Partners, LTD. contingent

upon Universal providing OUC a new easement, for property located south of International Drive and west of Universal Boulevard; and

26. Authorization for the General Manager & CEO to execute the Release of the Service Agreement for Lighting Service for Rio Grande Acquisition Company, for property located south of Grand Street and west of South Orange Blossom Trail.

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Mindy Brenay provided the Financial Report for February. Ms. Brenay stated that milder weather caused lower electric revenues. The other revenue lines were favorable or at budget. Overall, it is anticipated that net income before contributions will be on target with budget for the five months ended February 2019 as a result of expense savings. * * *

Chris Browder provided an update on the Stanton Lawsuit. On February 8, OUC filed a notice of removal from state court in Orange County to federal district court in Orlando. The case has been assigned to Judge Dalton.

Mr. Browder stated that on March 4, the parties held an in-person case management conference consistent with the federal rules and the court's direction. This meeting was for the purpose of discussing agreed dates, discovery parameters and other procedural matters.

Mr. Browder stated that on March 11, the parties jointly filed a case management report with the federal court proposing a mutually agreed upon scheduling proposal for the case developed during the case management conference. Under that proposal, the plaintiffs and defendants have agreed on a proposed schedule for the case that would provide for a trial in the case, if necessary, in approximately 2.5 years. This time period is typical for complex class action cases of this type and is necessary due to the technical and scientific issues that likely will involve reports and testimony by multiple experts on both sides.

Mr. Browder stated that the gathering of discovery materials is continuing. An electronic discovery firm has been hired to assist in the discovery effort led by the legal team. The internal evaluation of issues raised by the plaintiff is continuing. The OUC team has made multiple public records requests regarding the communications and data around the cancer cluster claims made by plaintiffs.

Mr. Bullock added that OUC has been working with its legal team in an effort to vigorously defend OUC against the allegations that have been made by the plaintiffs. As Mr. Browder stated, the most substantive legal action since the January 22 Commission Meeting was taken by OUC on February 8, when attorneys filed a Notice of Removal with the United States District Court for the Middle District of Florida. OUC's public statement regarding this filing, and others like it, have been posted on a new Update page that has been created on the

OUC website. In addition to the update page, there has been outreach to several community leaders who have been eager to learn more about SEC.

Mr. Bullock asked Ms. Ferrone to provide a presentation on OUC's Stanton Energy Center Lawsuit Updates website. Ms. Ferrone stated that the Stanton Update page includes public statements and other information regarding the lawsuit specifically. Since the page went live on February 8, about 1,500 people have viewed it. She noted that an educational section has been in place since the SEC website went live in 2013. The most recent additions include a link to the Lawsuit update page and conservation information about prescribed burns that help protect the red cockaded woodpecker and other wildlife. In January, 12,000 postcards were sent to inform residents and commercial businesses within a three-mile radius of the prescribed burns. The burns will be happening now and into June or July depending on weather.

Ms. Ferrone noted that OUC has also engaged in community outreach to several community leaders who have been eager to learn more about the SEC. Over the past few weeks, staff has taken several leaders on tours and talked to them about operations and best practices.

Ms. Ferrone stated that OUC will launch a blog and begin sending digital eNews emails to cover Good News topics. A new Community Responsibility Report, instead of an annual report, will showcase all the ways that OUC is a reliable, sustainable, responsible, and connected community partner.

Commissioner Gross asked about the timeline associated with providing regular official statements. Ms. Ferrone responded that OUC has no specific schedule, but the site will be updated on a regular basis and as official statements are made.

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Mr. Bullock asked Chip Merriam to provide a Legislative Update. Mr. Merriam discussed the State of Florida legislative session from March 5 to May 3. Staff is tracking 142 bills that may impact OUC. He mentioned that the governor's proposed budget includes \$40 million for Alternative Water Supply projects statewide. He explained key statewide issues and bills of interest to OUC, including Medically Essential Electric Service; Communication Services; Public Utility Storm Protection Plans; Public Construction; Impact Fees; Private Property; Social Media Accounts Privacy; Public Records/Public Utility Held Customer Data; Public Electric Utility Rates; Fleet Vehicle Rebate Programs; Renewable Energy Standards; Sales Tax Holiday for Disaster Preparedness Supplies; Heat Illness Prevention; and Traffic Offenses. He provided an update on the proposed deregulation measure, which would introduce a competitive market for electric power by allowing consumers of IOUs to choose their utility provider. He also provided an update on the 2020 Conservation Goals Filing.

Mr. Merriam discussed several federal issues, including the Federal Communications Commission; Clean Power Plan Repeal and Replacement; New Source Review; Tax Changes; Mercury Air Toxics Rule; and the new EPA administrator. Mr. Merriam noted that in October 2018, OUC successfully modified the Stafford Act to place a three-year limitation on deobligation of funds by FMEA associated with disaster recovery and storm hardening. In the 116th Congress, language is being circulated by OUC to allow local/state procurement policies to be a surrogate for federal procurement policies.

President Calvet asked if the number of bills being tracked is typical, and asked for clarification regarding bill sponsors. Mr. Merriam stated that in previous years OUC tracked only 30-40 bills, however this year has more items of note. He explained how bills are heard in committee and gain sponsors. OUC is tracking bills that started being discussed as early as September 2018.

President Calvet asked for more explanation regarding the proposed investor-owned deregulation. Mr. Bullock discussed how OUC reacted to previous efforts at deregulation, and why managing rates and customer service continue to be important. Mr. Merriam provided information about the groups supporting the deregulation efforts.

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Mr. Bullock asked Ms. Ferrone to provide a presentation regarding Mayor Bloomberg's visit to Orlando and the American Cities Climate Challenge. Ms. Ferrone stated that the American Cities Climate Challenge is a Bloomberg Philanthropies initiative that aims to accelerate and deepen U.S. cities' efforts to create the greatest climate impact through 2020 and showcase the benefits—good jobs, cleaner air, and cost savings—that climate solutions bring. The \$2.5 million investment for 25 winning cities potentially includes: a team member to facilitate high impact policies; resources to help design and deliver bold programming; leadership development support; implementation coaching to drive results; citizen engagement support; polling and communications support; and robust peer-to-peer learning and networking among 20 leadership cities. The City of Orlando program objectives include: aggressively reducing building energy use; expanding renewable energy generation; exceeding emissions reduction targets; and pushing for EV adoption. The next steps include: determine definition of success; meet with city to refine goals and OUC roles; assign ownership; and design roadmaps. Ms. Ferrone presented a video with highlights of Mayor Bloomberg's visit.

Ms. Ferrone thanked Mayor Dyer and Chris Castro for their partnership. She thanked everyone from OUC who helped with the event and worked toward sustainability over the years.

Mayor Dyer stated that the City of Orlando is more than a decade into the Greenworks program and that the grant is additional validation of the work done through the program. He stated that the grant also illustrates the importance of a close partnership between the City of Orlando and OUC, which contributes to Orlando being ranked as #1 in the Southeast in sustainability surveys.

President Calvet noted that the grant is worth more than the dollars granted, as it puts the City of Orlando and OUC at the same level as the other 24 cities.

Commissioner Mills stated that Mayor Bloomberg's emphasis on consistency and sustainability highlights that sustainability is deeply-ingrained in the cultures of both OUC and the City.

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Mr. Bullock asked Luz Aviles to provide an update regarding three recent EV events. Ms. Aviles stated that on February 13, OUC hosted the second of a series of Florida Utility EV Roundtable events at Reliable Plaza. The event had more than 60 attendees from municipal and investor-owned utilities. Attendees heard presentations from OUC, Duke Energy, Florida Power & Light, Electrify America, XL Hybrid, and Florida Solar Energy. She invited Commissioners to attend the next roundtable, which will be hosted by OUC in September.

Ms. Aviles stated that OUC had the opportunity to place a tent at the 18th hole of the Arnold Palmer Invitational golf tournament. Over 145,000 people attended the event. Spectators got to see an OUC-wrapped Nissan Leaf EV and speak to employees about EVs and sustainability efforts. Over 300 attendees participated in a survey regarding their knowledge of EVs and barriers to ownership.

Ms. Aviles stated that OUC will host an electric vehicle test drive on April 13 at Valencia College West. OUC is partnering with Valencia and Enterprise Rent-A-Car to offer 60 test drives of various EVs, including the Tesla S. Members of the US Green Building Coalition and OUC commercial customers will receive invitations over the next week. This is a great opportunity to educate commercial customers on the EV charging station program. Ms. Aviles noted that over the past several weeks, OUC has signed three contracts in the Downtown area for customers to install charging stations. OUC plans to continue hosting EV drive events to increase education and adoption for customers.

Ms. Aviles thanked the EV Steering Committee for their efforts to educate the public through collaborative and engaging events that are changing the dialogue about EVs. These events are organized by members of the Education Subcommittee including Pete Westlake, Harmonie Wilson, and Desire Shepherd, as well as others in Community Relations, Sustainability, and Customer Service.

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Mr. Bullock congratulated Linda Ferrone on being honored as one of eleven women to receive the Business Executive of the Year award from the Orlando Business Journal.

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Commissioner Lee thanked everyone for a great meeting. He praised the Service Award recipients, the Lineman Rodeo participants, the Tree Line USA award recipients, Ms. Ferrone for her award from the Orlando Business Journal, and congratulated OUC on Gold certification for the half marathon. He appreciates the proactive approach to the SEC lawsuit and noted that the website is a great way to keep people informed and manage information. He thanked Mr. Merriam for the Legislative Update and Ms. Aviles for the EV events update, and congratulated everyone on the American Cities Climate Challenge grant.

Commissioner Gross thanked everyone for a dynamic meeting. She congratulated staff on the Tree Line USA recognition and would like to hear more from Erin Givens regarding OUC's vegetation management program. She praised the Lineman Rodeo and its emphasis on mutual aid. She noted the importance of consistency for Sustainability programs. She congratulated Mr. Bullock on being inducted into the UCF College of Business Hall of Fame.

Mayor Dyer echoed the comments from Commissioner Lee and Commissioner Gross.

Commissioner Mills also echoed the previous comments. He praised OUC's commitment to the community. He stressed OUC's consistent and proactive approaches to many areas, as well as the innovation. He praised the strong partnership between OUC and the City of Orlando and encouraged continued innovation and open lines of communication.

President Calvet echoed Commissioner Lee's comments regarding the SEC lawsuit and the American Cities Climate Challenge grant. He congratulated the Service Award recipients.

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President Calvet adjourned the meeting at 3:30 P.M.

President

Secretary