

**MINUTES
ORLANDO UTILITIES COMMISSION
May 14, 2013
2:00 P.M.**

Present:

COMMISSIONERS:

Dan Kirby, President
Craig McAllaster, First Vice President
Linda Ferrone, Second Vice President
Maylen Dominguez, Immediate Past President

Kenneth P. Ksionek, General Manager & Chief Executive Officer
Jan Aspuru, Clint Bullock, Roseann Harrington, Byron Knibbs, Chip Merriam,
Denise Stalls and Rob Teegarden, Vice Presidents
Jerry Sullivan, Vice President & Chief Information Officer
John H. Hearn, Vice President & Chief Financial Officer
W. Christopher Browder, Vice President & General Counsel
Nanci Schwartz, Recording Secretary

President Kirby asked Debbie Bradshaw to give the invocation, followed by the Pledge of Allegiance to the Flag. The Commission Meeting was called to order at 2:05 P.M.

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On a motion by Commissioner Dominguez, seconded by Commissioner Ferrone and unanimously carried, the reading of the minutes of the April 9, 2013 Commission Meeting was waived and the minutes were approved.

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Greg Rodeghier presented a 25-year service award to Margaret Blunt, Administrative Specialist III, Information Technology.

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Roseann Harrington announced that OUC recently received the Florida Public Relations Association's Image Award for Superstorm Sandy news releases. She recognized Tim Trudell and Lisa Curran for their work on the project.

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

1. Ratification of the above fuel procurements to the low bidders in February 2013 in the aggregate amount \$8,714,076.81 as follows:

NATURAL GAS PURCHASES:

Feb. 2013	BP Energy	\$ 295,607.55
Feb. 2013	Chevron	\$ 310,667.36
Feb. 2013	Conoco Phillips	\$1,335,382.31
Feb. 2013	EDF Trading (Formerly Eagle Energy)	\$ 718,140.57
Feb. 2013	Enbridge Marketing, LP	\$ 159,963.00
Feb. 2013	Florida Gas Utility	\$ 725,808.98
Feb. 2013	Infinite Energy	\$ 159,532.76
Feb. 2013	Macquarie Cook Energy, LLC	\$ 586,259.88
Feb. 2013	National Energy & Trade	\$ 274,186.88
Feb. 2013	Shell Energy	\$ 207,418.80
Feb. 2013	Southwestern Energy	\$ 957,520.76
Feb. 2013	Tenaska Marketing Ventures	\$ 427,986.84
Feb. 2013	Texla Energy Management, Inc.	\$ 498,715.07

COAL PURCHASES:

Feb. 2013	Crimson Coal Corporation	\$ 889,790.04
Feb. 2013	Consol Sales Energy Company	\$1,167,096.01

2. Approval of RFP #3468 – Contract award to Garney Companies, Inc., the lowest, most responsive and responsible vendor, to provide valve installation and shoring construction services for the Sky Lake Water Treatment Plant Valve Replacement Project in the amount of \$371,450, subject to final contract negotiations and OUC legal review;
3. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Unit 2 Chimney Upgrade Project in the amount of \$2,300,000. Approval of RFP #3445 – Contract award to Pullman Power, LLC, the lowest, most responsive and responsible vendor, for labor, materials and equipment to perform the Stanton Energy Center Unit 2 chimney upgrades in the amount of \$2,162,050, subject to final contract negotiations and OUC legal review;
4. Approval of RFP #3467 – Contract award to Energy Erectors, Inc., the most responsive and responsible vendor, to perform substation construction work required for the Airport Substation D Unit Addition Project in the amount of \$1,023,439;
5. Approval of Change Request No. 1 to the Substation Capital Expenditure Estimate for all engineering, procurement, and construction necessary to complete the Airport Term-Site Upgrade and Pumping Plant Project in the amount of \$2,717,300, increasing the

total project cost to \$2,763,300. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Power Engineers, Inc. to provide engineering, design and construction management services for the Airport Term-Site Upgrade and Pumping Plant Project in the amount of \$756,800, increasing the total Purchase Order amount to \$792,800. Approval of a Purchase Order to MAC Products, Inc. for one high pressure pumping plant for the Airport Term-Site Upgrade and Pumping Plant Project in the amount of \$642,000.

6. Approval of RFP #3461 – Contract award to Valmont Industries, Inc., the most responsive and responsible vendor, for steel transmission poles and anchor bolts required for the St. Cloud Facilities Upgrade Project and the Holden to Southwood Transmission Line Upgrade Project in the amount of \$1,297,675;
7. Approval of RFP #3478 – Contract award to Vision Meter Services, LLC, the most responsive and responsible vendor, to provide electric AMI meter testing services for a two-year period in the amount of \$180,000;
8. Approval of a Purchase Order to Presidio Networked Solutions, Inc. for computer support outsourced services for a five-year period starting June 1, 2013 in the amount of \$10,414,804.63;
9. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Altec Industries, Inc. in the amount of \$317,028.36 to continue the lease payments for five aerial tower units, increasing the total Purchase Order amount to \$8,072,017.07;
10. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Mansfield Oil Company of Gainesville, Inc. in the amount of \$2,875,000 for unleaded gasoline, low sulfur diesel and biodiesel fuel purchases for the period of June 7, 2013 to June 6, 2014, increasing the total Purchase Order amount to \$7,125,000;
11. Approval of a disbursement in the amount of \$400,000 from the St. Cloud Business Development Fund to provide renovations to the City of St. Cloud 17th Street building to house the proposed Premier Education Group facility in St. Cloud;
12. Authorization for the General Manager & CEO to execute the Release of Easement for Straubinger, Inc., for property located west of Boggy Creek Road and south of Tradeport Drive;

13. Authorization for the General Manager & CEO to execute the Release of Easement for Gross Investment Company, for property located east of Silverthorne Trail and south of Clay Whaley Road;
14. Authorization for the General Manager & CEO to execute the Release of Easements for Universal City Properties, for property located east of Universal Boulevard and south of Sand Lake Road; and
15. Authorization for the General Manager & CEO to execute all closing and transfer documents necessary to convey ownership of the Ginn Properties and KDS parcels, located south of Interstate 4 and east of Old Lake Wilson Road (CR 545), to the Florida Department of Transportation.

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President Kirby presented the New Business Item for approval. On a motion by Commissioner McAllaster and seconded by Commissioner Ferrone, NB-1 was approved as follows:

NB-1 Adoption of the new LED rate of \$6.57 per fixture effective May 14, 2013, pending Florida Public Service Commission review.

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John Hearn reported that OUC's budget for April 2013 was on target from a net income perspective. OUC is currently \$4.4 million under budget for Fiscal Year 2013. Commissioner McAllaster asked if staff expects to see an increase in power sales due to new construction. Mr. Hearn responded that staff has been encouraged by indications of growth, including the construction of new subdivisions. There has been measured growth between commercial and residential.

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Roseann Harrington updated Commissioners on how OUC is leveraging technology to improve customer satisfaction and lower costs. The upcoming launch of a new automated, mobile friendly website and an Interactive Voice Response (IVR) phone system will provide the convenient, self-service options customers have requested while further decreasing calls to customer service agents and allowing OUC to reduce costs and maintain rates. Ms. Harrington noted that OUC is one of only three utilities in the country to fully automate its customer service offerings on the website and phone.

Ms. Harrington stated the new website will go live in June, allowing customers to start, stop and transfer service, report an outage and make a payment without ever having to contact a customer service agent. Currently, it costs OUC \$5.73

for every call to a customer service agent, \$5 for a walk-in visit, 50 cents per IVR call and 5 cents for a web transaction. The new IVR, which will launch in late July, will provide customers with the same services as the website, providing a consistent experience for customers and the staff assigned to support them.

Jenise Osani assisted Ms. Harrington in demonstrating the functions of the new website. Commissioner McAllaster asked how customers could visit OUC's website if they did not have power. Ms. Harrington replied that customers use their smart phones and tablets in those situations.

Ms. Harrington stated that in addition to the website and IVR projects, OUC will add more than 400 third-party payment locations, allowing for the closure of its three walk-in service centers on September 27, 2013. The combined projects will allow OUC to eliminate 41.5 full-time positions either through attrition or transfers within the Commission. In addition to the reduction in labor costs, OUC also expects to save nearly \$2.9 million per year in operating costs. Ms. Harrington presented a diagram showing current walk-in and third-party location traffic.

Commissioner Dominguez asked if the \$1.25 convenience fee will be the same at every third-party payment locations, and Ms. Harrington replied affirmatively. Commissioner Dominguez also asked how many third-party locations currently exist, and Ms. Harrington replied 30 or 35 locations. Commissioner Dominguez emphasized the importance of rolling out all third-party payment locations at the same time and communicating the information to customers. Ms. Harrington replied that most locations will roll out in July; however, payment locations at smaller businesses will be rolled out at a later date. She explained that OUC has developed a comprehensive plan to communicate all of these changes to customers, particularly those most impacted by the closing of the service centers. Customer outreach will include articles in the monthly newsletters, direct mail pieces, messaging on the website and IVR, signage and informational booths in the service centers.

Commissioner McAllaster asked about the rationale behind the convenience fee. Ms. Harrington replied that the fee does not come to OUC, and was part of the agreement with different third-party payment locations. She stated that similar fees are used by other utilities, and described it as similar to an ATM fee.

Commissioner Ferrone asked about the knowledge learned from working with Amscot, a current third-party payment location. Ms. Harrington replied that customers are looking for convenience, and that real-time payments are convenient. Terry Torres responded that OUC has not received any negative feedback regarding customer service. Rather, customers have responded positively to the convenience of making a payment in their neighborhoods. The majority of foot traffic in OUC's walk-in centers is to make a payment, so allowing customers to make payments at third-party payment centers allows for increased convenience.

Commissioner Kirby asked how escalation of specific issues to OUC's customer service representatives would take place. Ms. Harrington responded that customers will be able to fill out forms on the website, and OUC is anticipating implementing chat functions in the future. Customers will always be able to call OUC if they prefer. Commissioner Dominguez asked about the time frame for responding to customers. Ms. Osani responded that an expected time frame for a response is given to customers when they call or submit a form. Ms. Harrington stated that OUC also updated its outage map for website and mobile devices.

Commissioner Kirby asked if OUC is implementing an integrated survey to provide feedback. Ms. Osani replied that a feedback feature will be implemented during Phase 2 in the fall.

Commissioner Ferrone asked why the spikes in customer service inquiries parallel each other in all channels. Mr. Knibbs replied that the spikes result from seasonal requests, such as during the hot summer months and cold winter months. Ms. Harrington explained that customers will be able to use the consumption dashboard to see how much energy they are utilizing.

Ms. Harrington recognized the project team members for the website redesign, IVR upgrade, and St. Cloud migration: Marie Gursky, Jenise Osani, Luz Aviles, Morgan Knezovich, Pauline Furfaro, Nadime Nader, Ashish Smart, Bobby Nelson and Michael Parlor.

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Mr. Ksionek asked Chip Merriam to provide a legislative update from the previous session. Mr. Merriam commented on issues with transparency in the Environmental Protection Agency. During the State of Florida's previous legislative session, more than 1,900 bills were filed, 312 bills were enrolled, 41 bills were signed, 23 bills are awaiting signature, and 1 bill was vetoed. He explained various bills and their effect on OUC. SB 50 regarding Public Meetings allows members from the public to speak at any point in time during the meeting. HB 85 regarding Private Public Partnerships requires the Board to exercise a municipal exemption to opt out of unsolicited Private Public Partnership opportunities. HB 649 regarding Sunshine Due Diligence allows for new technologies to be reviewed by OUC without exposing them to Sunshine Laws by utilizing an exemption. Finally, Mr. Merriam discussed the struggle to propose a Utility Worker Protection act.

Mr. Ksionek recognized Mr. Merriam and his team for their work on the Strategic Plan. He advised Commissioners of an upcoming workshop to discuss the plan and Mr. Merriam spoke to the Board about the progress.

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Mr. Ksionek recognized Denise Stalls, Vice President of Human Resources, and congratulated her on her retirement after 24-years of service at OUC.

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President Kirby read aloud a Resolution of Appreciation honoring former OUC Commissioner Royce B. Walden, who passed away on April 26, 2013 at the age of 84. Mr. Walden served on OUC's Board from 1983 to 1992 and was Commission President in 1986 and 1987.

RESOLUTION OF APPRECIATION

Whereas, the ORLANDO UTILITIES COMMISSION wishes to recognize and honor ROYCE BERNARD WALDEN for his exemplary dedication and service to the Commission from 1983-1992 and, in the years that followed, for the friendship and support he showed to the Commission and the customers we serve; and

Whereas, Mr. Walden exhibited extraordinary leadership in his time as President of the Commission during 1986 and 1987; and

Whereas, Mr. Walden, a native Central Floridian—born in Sanford, educated at Florida A&M University and the University of Pennsylvania—devoted his life to the education of youths through the Orange County Public Schools; and

Whereas, the ORLANDO UTILITIES COMMISSION wishes to express our sincerest appreciation for the meritorious service of this loyal former Commissioner, devoted public servant and family man; and

Whereas, the Commission further gratefully recognizes the honor Mr. Walden brought to the Commission through his contributions and activities in civic affairs, including but not limited to leadership in such significant groups as the Rotary Club; NAACP; United Way Board of Directors; Board of Directors for the Guardian Care Nursing Home; the Greater Orlando Chamber of Commerce; and the Economic Development Commission.

Now, Therefore, Be it Resolved, by the ORLANDO UTILITIES COMMISSION, that it extends appreciation, posthumously, to Mr. Royce B. Walden for his years of steadfast service to the Commission and this community and for the significant contributions he made during his time on the Commission, a time of exceptional challenge and dramatic growth that included the planning and construction phases of the Curtis H. Stanton Energy Center Unit 1;

Be It Further Resolved, the ORLANDO UTILITIES COMMISSION and its employees extends its sympathy to the family of Mr. Royce B. Walden and decree that they be provided a copy of this Resolution as a symbol of the gratitude and respect of this Commission for Mr. Walden's outstanding service and leadership.

In Witness Whereof, Commission President Dan Kirby, Commissioners Craig McAllaster, Linda Ferrone, Maylen Dominguez and Mayor Buddy Dyer, and General Manager and CEO Ken Ksionek.

Dated this 2nd day of May, 2013.

/s/ Dan Kirby
Commission President

/s/ Craig McAllaster
First Vice President

/s/ Linda Ferrone
Second Vice President

/s/ Maylen Dominguez
Commissioner/Immediate Past President

/s/ Buddy Dyer
Mayor

/s/ Kenneth P. Ksionek
General Manager & CEO

On a motion by Commissioner Dominguez and seconded by Commissioner McAllaster, the Resolution was adopted as read.

Mr. Ksionek praised Mr. Walden's leadership and read aloud an excerpt of Mr. Walden's comments from the dedication booklet for the opening of the Stanton Energy Center, in which Mr. Walden praised OUC and its Board members for "building on a tradition of excellence" while making difficult decisions, based on sound reasoning to insure that OUC's customers would have a safe, reliable supply of power and water. He further stated that the Stanton Energy Center would insure that OUC's customers' needs would be met well into the future.

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Commissioner Ferrone recognized and thanked the website redesign and IVR update team. She stated that determining how to best serve customers is extremely important and commended the changes to the way OUC does business in order to appeal to customer needs and desires. She wished all the mothers a Happy Mother's Day.

Commissioner Dominguez also commended the website and IVR team. She stated that she was part of the Green Works Task Force with the City of Orlando. She emphasized the importance of being innovators in the area of renewables and encouraged OUC to utilize more solar energy. She also recommended OUC appoint a point person to work with the City and Orange County to ensure the needs and desires of the community in regards to renewable energy are being met.

Commissioner McAllaster stated the importance of recognizing Mr. Ksionek and OUC's management team, and commended the leadership team's progressive nature. He requested that Mr. Ksionek echo his thoughts throughout the organization, and also to emphasize that the Commission recognizes OUC's leadership and their attitude of not just being another utility, but also "the Reliable

one” and an important community resource. He ended by thanking Mr. Ksionek and his team.

President Kirby agreed with Commissioner Dominguez’s statements and stated he looks forward to discussions about sustainability and renewables in the Strategic Plan. He congratulated Commissioner Dominguez on her new role at Full Sail University. He stated the most important goal for OUC is to focus on customers and the community. He has been pleased to be a part of several community celebrations, including the Watercolor Project and the History Maker Celebration honoring Curt Stanton. He stated it is important for OUC to be upfront about policy changes, and commended staff on effectively communicating Customer Service changes. Finally, he commented on Senate Bill 50 about Public Meetings, and noted OUC’s already-existing policies welcoming guests to the meeting and allowing them to speak before any action is taken in the Commission Meeting.

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President Kirby adjourned the meeting at 3:43 P.M.

President

Secretary