

**MINUTES  
ORLANDO UTILITIES COMMISSION  
July 13, 2021  
2:36 P.M.**

**Present:**

**COMMISSIONERS:**

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

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 & Marketing Officer  
Latisha Thompson, Chief Employee Experience Officer  
Manju Palakkat, Chief Transformation & Technology Officer  
LeMoyne Adams, Luz Aviles, Wade Gillingham & Jenise Osani, Vice Presidents  
Nanci Schwartz, Recording Secretary

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The July 13, 2021 Commission Meeting was held in person and virtually via WebEx.

President Gross asked Jill Rainford to provide the moment of reflection.

President Gross asked Greg Ross to lead the Pledge of Allegiance to the Flag.

The Commission Meeting was called to order at 2:41 P.M.

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On a motion by Mayor Dyer, seconded by Commissioner Calvet and unanimously carried, the reading of the minutes of the June 8, 2021 Commission Meeting was waived and the minutes were approved.

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Latisha Thompson announced that OUC has been named as one of the Orlando Business Journal's (OBJ) healthiest employers in Central Florida. Out of dozens of companies with 500 to 1,499 employees, OUC took 3rd place. Ms. Thompson stated that workplace wellness programs have become one of the many benefit offerings that support healthy behaviors in the workplace and improve health outcomes. In the past few years, OUC's Wellbeing Program has grown and is included as a major component of the Connected 2025 Strategic Plan. The OBJ award recognizes companies that have policies and initiatives in place to promote the health and wellbeing of their employees, and is part of a growing list of honors for OUC's program. The program focuses on primary, secondary, and tertiary prevention efforts that will enable long-term, sustainable behavior changes. During COVID-19, the program was transitioned online and includes virtual yoga sessions, on-demand video workouts, and multiple weekly mindful moments, which provide a safe forum for participants to openly discuss factors impacting their mental wellbeing. Through OUCwellbeing.com, OUC employees can accumulate Wellness Watts for various activities, and earn up to \$300 annually for modeling healthy behaviors. Since 2019, the program has increased from 260 registered users to over 760 registered users, with over 500 actively earning participation watts. The Wellbeing Program has also resulted in a decrease in high- and medium-risk claimants, and increase in preventive health activities, and a smaller increase in yearly medical expenses than national benchmarks.

Ms. Thompson thanked Wendy Reynolds, Alison Roy, and Jill Rainford for working hard to provide this program, as well as the Wellness Champions in each area of the Commission who volunteer to motivate their coworkers to live a healthier life. She also praised all the employees who take time to participate in these great programs.

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Sam Choi announced that the American Public Power Association (APPA), presented OUC with the Energy Innovator Award for the "Nanogrid" Project during the annual APPA Conference in Orlando on June 22. The award recognizes utilities that either develop or apply creative, energy-efficient techniques and technologies that provide better service to electric customers, or launch projects that increase the efficiency of utility operations. Mr. Choi and Clint Bullock received the award at the conference.

Mr. Choi explained that the nanogrid is located outdoors at the Gardenia Operations Center. The nanogrid is a small-scale power grid that can operate independently from the main grid, and is comprised of a variety of distributed energy resources such as floating solar, vanadium redox flow batteries, and hydrogen. The purpose of the nanogrid is to help OUC mitigate demand on the grid from high-speed EV chargers, and to provide customers with a resilient power source for EV charging.

Mr. Choi thanked the Emerging Technologies team including Justin Kramer, Rubin York, Tim Remo, Robert Brooker, Samir Sahasrabudhe, and Tyler McKinnon. He also thanked Chris Browder, Linin Deally, Roberto Dymond, Daniel Rucci, Mike Boslet, and Gary Thomas for their contributions to the project.

President Gross congratulated Mr. Choi and the team on this impressive project and award.

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President Gross presented the Affirmative Items for approval. On a motion by Mayor Dyer and seconded by Commissioner Lee, Affirmative Items A-1 through A-19 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in April 2021 in the aggregate amount \$12,121,318.04 as follows:

**NATURAL GAS PURCHASES:**

April 2021	Clarke-Mobil Counties	\$ 354,000.00
April 2021	ConocoPhillips	\$1,042,098.64
April 2021	EDF Trading	\$1,964,854.07
April 2021	Koch Energy	\$ 279,867.52
April 2021	Macquarie Energy	\$ 256,251.11
April 2021	Mansfield Power & Gas LLC	\$ 202,880.40
April 2021	Municipal Gas Authority of Georgia	\$ 748,980.00
April 2021	Southwest Energy	\$ 214,310.12
April 2021	Tenaska Marketing Ventures	\$ 707,014.92
April 2021	Texla Energy Management	\$ 241,323.29

**COAL PURCHASES:**

April 2021	Crimson Coal Corporation	\$3,472,675.66
April 2021	Foresight Coal Sales, LLC	\$2,470,735.89

2. Approval of a Purchase Order to TEi Construction Services Inc. to provide labor and equipment to perform inspections, repairs, and equipment upgrades for the Stanton Energy Center Unit 1 and Combined Cycle Unit B steam generators during the 2021 Fall Outages, including emergent work for SEC Unit 2 in the amount of \$2,886,794. Approval of a Purchase Order to AirTek Construction, Inc. to provide labor and equipment to perform inspection and repair services for the Stanton Energy Center Unit 1 electrostatic precipitator during the 2021 Fall Outages in the amount of \$504,683.55;
3. Approval of a sole source Purchase Order to Governor Control Systems, LLC to provide hardware and engineering required for the Stanton Energy Center Emergency Diesel Generator Controls Upgrade Project in the amount of \$264,378;

4. Approval of a sole source Purchase Order to MIKON Corporation to perform global position system surveys and subsurface density testing of the Stanton Energy Center coal, limestone, and combustion by-product inventory piles in the amount of \$285,000;
5. Approval of the Electric Distribution Construction Estimate for the installation of the underground electric distribution system to serve the Edgewater Subdivision – Phase 1 Roadway and ED4 Lift Stations 1 & 2, in the amount of \$1,014,821.87, with a customer contribution in the amount of \$10,293;
6. Approval of a Purchase Order to Schuller Contractors, Incorporated to provide construction services for the Sand Lake Road Water Main Connection Project in the amount of \$298,595.80;
7. Approval of additional funding in the amount of \$250,296 with conforming Change Order No. 1 to KEMCO Industries, LLC for substation protection and control switchboard panels, increasing the total Purchase Order amount to \$315,000;
8. Approval of RFP #4989 – Contract award to Tomlinson Aviation, Inc., Aviation Services Unlimited, LLC, and The HeliTeam, the most responsive and responsible suppliers, to provide helicopter services for aerial transmission line inspections and damage assessments in the aggregate amount of \$217,500;
9. Approval of a single source Purchase Order to AT&T Business Systems, Inc. for internet bandwidth and Distributed Denial of Services protection in amount of \$165,190.08;
10. Approval of RFP #4965 – Contract award to Sodales Solutions, Inc., the most responsive and responsible supplier, to provide cloud-based environmental safety and health management services in the amount of \$231,000;
11. Approval of additional funding in the amount of \$752,400 with conforming Change Order No. 10 to Agile 1 to provide temporary staffing support and management services, increasing the total Purchase Order amount to \$20,463,693.02;
12. Adoption of the Defined Benefit Pension Plan updates and authorization for the General Manager & CEO to execute the amendment to the Orlando Utilities Commission Pension Plan;
13. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Civis Analytics, Datanautix, and Research America in the aggregate amount of \$380,000 to continue providing market

research and predictive analytics services, increasing the total Purchase Orders to the aggregate amount of \$730,000;

14. Approval of RFP #5001 – Contract award to Sterling Infosystems, Inc., d/b/a Sterling, the most responsive and responsible supplier, to provide driver’s license and background check services in the amount of \$125,000;
15. Approval of additional funding in the amount of \$75,000 with conforming Change Order No. 1 to Shutts & Bowen, LLP to continue providing legal services for Fiscal Year 2021, increasing the total Purchase Order amount to \$170,000;
16. Authorization for the General Manager & CEO to execute the Partial Release of Easement for property located south of Maguire Boulevard and west of Bennett Road;
17. Authorization for the General Manager & CEO to execute the Release of Easement for property located north of Altamira Drive and west of International Drive;
18. Authorization for the General Manager & CEO to execute the Release of Easement for property located west of South Kirkman Road and north of Vineland Road; and
19. Authorization for the General Manager & CEO to execute the release of easement granted under the Service Agreement for Lighting Services for property located north of Moss Park Road and west of the State Road 417.

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Commissioner Mills stated that the Finance Committee (Committee) conducted its regular meeting on June 28, 2021 in person and via WebEx.

The Committee reviewed the Energy Risk Management, Investment and Debt Compliance, and Portfolio Status reports for the period ending May 31, 2021.

The Committee also reviewed the annual financing plan, including the results from the Series 2021A, Series 2021B, and Series 2021C bond transaction, as well as the next steps to consider opportunities for prefunding outstanding pension liabilities through the issuance of taxable pension bonds.

The Committee was also provided with an overview of the Fiscal Year 2022 Operating Budget and 5-Year Capital Plan, and the real estate broker selection process for the potential sale of the Lake Ivanhoe property.

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Commissioner Calvet stated that the Audit Committee (Committee) conducted its regular meeting on June 30, 2021 in person and via WebEx.

In alignment with the Net Zero CO2 Emissions strategic goal, two actions were presented to the Committee for recommendation for Board approval.

- The Committee recommends Board approval of the proposed Economic Development Fund Policy changes to incorporate provisions for electrification initiatives.
- The Committee recommends Board approval to defer the McIntosh Unit 3 generation facility net costs of \$39.1 million and the systematic recognition of these costs over the span of the original useful life of 2024.

The Committee was provided with an overview of the Federal Grant Audit performed by Ernst & Young (EY), including an update on the status of emergency response expenses and pending reimbursements. EY also presented the results on the completion of the 2020 Pension and Other Post-Employment Benefit Trust Annual Reports with unmodified opinions.

A litigation update was provided to the Committee.

An update of the Strategic Sourcing strategic initiative was provided to the Committee.

The Committee reviewed Internal Audit activities, including an overview of the overall completed and in-process Fiscal Year 2021 projects. The Committee also reviewed the financial results for the eight-month period ending May 31, 2021, pro-forma results through September 30, 2021, and other Connected 2025 financial metrics.

On motion by Commissioner Calvet and seconded by Commissioner Mills, PRES-2a was approved as follows:

PRES-2a Approval of the proposed Economic Development Fund Policy changes to incorporate provisions for electrification initiatives.

On motion by Commissioner Calvet and seconded by Mayor Dyer, PRES-2b was approved as follows:

PRES-2b Approval to defer the McIntosh Unit 3 generation facility net costs of \$39.1 million and the systematic recognition of these costs over the span of the original useful life of 2024.

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Ms. Brenay presented an overview of net revenues from June 2019, June 2020, and June 2021. From 2019 to 2021, she noted that the net retail electric and water revenues have seen an approximate 5 percent growth driven primarily by the residential electric customer growth in both OUC and St. Cloud service territories. Commercial revenues during the same period have been relatively flat and water revenues are slightly below their two-year level, as well as the annual budget revenues. Wholesale and other revenues have shown an approximate 10 percent increase from 2019 excluding the impact from the approval of PRES-2b, allowing the deferral of excess wholesale from the newly executed McIntosh 3 wholesale agreement to mitigate earlier than anticipated generation facility closure costs. Chilled water is slightly behind budget and trending flat from the previous two years.

Commissioner Calvet asked if Lakeland's decision to close the McIntosh 3 facility early was a surprise or anticipated. Ms. Brenay stated that the closure was based on operational challenges, and was not surprising. However, OUC's rate-making was aligned to the original closure date of 2024. As such, the regulatory action presented in PRES 2b allows OUC to systematically recognize these costs while keeping customer pricing stable. Mr. Bullock added that there was constant communication with Lakeland Electric, the owner-operator of the McIntosh 3 generation facility, and acknowledged their continued transparent partnership and decision-making process.

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Clint Bullock stated that for the third consecutive year, OUC has been recognized by Southern Alliance for Clean Energy (SACE) as a "SunRiser," the nonprofit's designation of leading solar energy providers in the Southeast. OUC is one of only seven utilities in the Southeast region—and the only municipal utility in Florida—to earn the SunRiser distinction in SACE's 2021 Solar in the Southeast report. The report also ranked OUC as a leader in solar watts per customer, growing from 357 watts per customer in 2020 to a projected 1,134 by 2024.

Mr. Bullock reminded Commissioners that in June 2020, OUC added 108.5 megawatts (MW) of solar power with the opening of the Taylor Creek Solar Energy Center in east Orange County and the Harmony Solar Energy Center in Osceola County. In late 2020, OUC announced plans to more than double the solar energy capacity with an additional 149 MWs of solar with one solar farm in Harmony and a second in Storey Bend, both in Osceola County, in late 2023. Once those arrays are online, OUC's total solar output will reach 270.5 MWs, enough power for 50,000 typical Florida homes.

Mr. Bullock stated that OUC's clean energy efforts are a commitment to transition the two coal-fired units by 2027 to natural gas, followed by the closure of those units by 2040. The transition to renewable resources will help OUC reach a goal

of Net Zero CO<sub>2</sub> emissions by 2050, with interim goals of 50 percent and 75 percent emissions reductions by 2030 and 2040, respectively.

Mr. Bullock congratulated the OUC team for this competitive SACE SunRiser recognition.

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Commissioner Calvet praised OUC's Wellbeing Program and saving money from the lower number of claims. He congratulated Mr. Choi and the team on their award.

Commissioner Mills congratulated Ms. Thompson on her team on the Orlando Business Journal award and the cost-savings on medical expenses. He praised Mr. Choi and his team on the APPA award. He noted from this meeting and during the Finance Committee Workshop that non-traditional revenue goes directly to the customer and offsets costs, and encouraged OUC to continue this practice.

Commissioner Lee echoed the previous comments. He thanked Ms. Brenay on the Budget Workshop presentation. He commended OUC's Wellness Program and being proactive on healthcare. He also praised the SACE SunRiser recognition.

Mayor Dyer congratulated staff on the various recognitions and awards. He commented that the Board was seated at the dais together for the first time since March 2020, and thanked people who has already received the COVID-19 vaccination, and encouraged everyone to do so.

President Gross echoed the previous comments and stated that competition among utilities will help OUC.

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

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President

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Secretary