

**MINUTES**  
**ORLANDO UTILITIES COMMISSION**  
**October 11, 2011**  
**2:00 P.M.**

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**Present:**

**COMMISSIONERS:**

Maylen Dominguez, President  
Dan Kirby, First Vice President  
Craig McAllaster, Second Vice President  
Linda Ferrone, Commissioner  
Buddy Dyer, Mayor

Kenneth P. Ksionek, General Manager & Chief Executive Officer  
Jan Aspuru, Clint Bullock, Roseann Harrington, Byron Knibbs, Denise Stalls,  
Rob Teegarden, Vice Presidents  
Chip Merriam, Chief Legislative & Regulatory Compliance Officer  
Greg Rodeghier, Chief Information Officer  
W. Christopher Browder, Vice President & General Counsel  
Nanci Werline, Recording Secretary

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

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On a motion by Commissioner McAllaster, seconded by Commissioner Ferrone and unanimously carried, the reading of the minutes of the August 23, 2011 Commission Meeting was waived and the minutes were approved.

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Clint Bullock presented a 25-year service award to Steve Stough, Operations Technician, Energy Delivery Business Unit.

Clint Bullock presented a 20-year service award to Julie Leininger, Administrative Specialist I, Energy Delivery Business Unit.

Byron Knibbs presented a 20-year service award to Harold Walker, Supervisor, Logistics, Sustainable Services.

Jan Aspuru presented a 20-year service award to Sam Griffin, Manager, PRBU Construction, Power Resources Business Unit.

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Ken Ksionek asked Randy Halley to provide a presentation on Affirmative Item A-13, regarding the Electric Vehicle Charging Station Rate Tariff. Mr. Halley stated that OUC has been participating in the ChargePoint America Program, using grant money to pay for the charging stations themselves. OUC will contribute a comparable amount for the installation and maintenance of the charging stations. The logical next step is to provide a rate for customers to utilize the charging stations.

Mr. Halley distributed a proposed rate schedule and explained the methodology used to calculate the fixed rate fee of \$2.25 per charging station. The rate has been submitted to the Florida Public Service Commission (PSC) for review and approval. It is anticipated that an upcoming software update on the charging stations will allow OUC to adjust the rate structure. Mr. Halley stated that this is the first application for this type of tariff before the PSC for approval in the entire State of Florida. Because of that, the rate approval process has been extended.

Mayor Dyer asked about the method of payment and utilization of the charging stations. Mr. Halley responded that customers can use debit or credit cards as well as ChargePoint America cards for payment.

Commissioner McAllaster asked about the number of charging stations currently installed. Jennifer Szaro responded that 16 units have been installed and 4 are under construction. Mr. Halley confirmed that the average time per charge has been two hours. Ms. Szaro responded that the latest report indicated seven individual users.

Commissioner Kirby stated that there is a high level of sensitivity among customers as to the cost of utilizing the charging stations. He inquired about the calculation of the flat fee based on the assumption of the length of charge which could vary by vehicle. He stated that there would be a need to consider future adjustments to the rate once a greater data set is available. He stated that it would be preferable to charge peak and off-peak rates, and discussed the possibility of having ChargePoint America card customers paying taxes directly via that account based on actual use rather than a flat fee at the charging station itself. Mr. Halley stated that OUC must collect and submit the taxes from OUC-owned charging stations. Commissioner Kirby stated that he would like to see a comparison of equivalent gas costs versus electric vehicle charging costs. Mr. Halley commented that a portion of the grant is used to study information collected from customers utilizing the charging stations.

Commissioner Ferrone asked if OUC's goal is to create a new revenue stream or to subsidize and encourage the use of charging stations, and if OUC has access to data from other cities involved in the ChargePoint America program. Mr. Halley responded that the rate tariff will cover OUC's costs for the charging station project. Ms. Szaro responded that OUC does have access to information collected by other cities participating in the program.

Commissioner Dominguez asked about OUC’s progress in the program as compared to other cities, and a possible timeframe for when OUC would reevaluate data from other cities. Ms. Szaro responded that OUC ranks in the middle of progress in comparison to the entire United States. The grant program provides a two-year installation and monitoring process, with data being analyzed on a quarterly basis. Therefore, for the next two to three years OUC will be monitoring usage patterns, workplace patterns, and ensuring that public charging stations are being utilized. A website is being created for commercial and residential markets.

Commissioner Kirby asked if any other locations have utilized a flat fee. Ms. Szaro responded that all Walgreens stores across the United States utilize a flat fee charge between \$2 and \$4. Mr. Browder commented that while it is not necessary for the PSC to approve OUC’s rate tariff, the PSC will review the proposed tariff to determine if it unfairly burdens another rate class.

Commissioner Ferrone asked if Coulomb Technologies, the manufacturer of OUC’s charging stations, also provides the charging stations for other cities involved in the program, and whether their fee is consistent with the other markets. Ms. Szaro replied affirmatively and stated that the fee is anticipated to decrease.

President Dominguez 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 below spot fuel procurements to the low bidders in July 2011 in the aggregate amount of \$7,928,688.34 as follows:

**NATURAL GAS PURCHASES:**

Jul. 2011	Chevron Natural Gas	\$ 880,147.96
Jul. 2011	EDF Trading (Formerly Eagle Energy)	\$ 185,212.78
Jul. 2011	Florida Gas Utility	\$ 784,110.00
Jul. 2011	Infinite Energy	\$ 641,083.79
Jul. 2011	Louis Dreyfus Energy	\$1,367,541.00
Jul. 2011	Macquarie Cook Energy, LLC	\$ 481,129.76
Jul. 2011	Southwestern Energy	\$ 224,313.73
Jul. 2011	Texla Energy Management, Inc.	\$1,470,602.71
Jul. 2011	Total Gas & Power	\$ 123,234.82
Jul. 2011	Virginia Power Energy Marketing, Inc.	\$1,771,311.79

2. Ratification of a single source Purchase Order to Black & Veatch Corporation to complete the Stanton Energy Center Environmental Compliance Assessment Study in the amount of \$152,500;
3. Approval of funding for Duke Energy, Southern Company and Progress Energy-Florida to perform transmission studies required to evaluate the potential for OUC to purchase capacity in the Catawba Unit 2 Nuclear Project in an aggregate amount not to exceed \$375,000;

4. Approval of RFP #3113 – Contract award to Tampa Armature Works Technical Field Services, Inc., the sole responsive and responsible vendor, for the removal of the existing non-segregated bus duct and the manufacturing and installation of a new cable bus duct at the Indian River Plant in an amount not to exceed \$235,000, subject to final contract negotiations and OUC legal review;
5. Approval of an OUC initiated scope change and conforming Change Order No. 2 to Orange Industrial Services, Inc. in the amount of \$400,000 to exercise the first one-year renewal option to provide industrial vacuum services at the Stanton Energy Center, increasing the total Purchase Order amount to \$1,442,000;
6. Approval of a sole source Purchase Order to Musco Lighting, LLC to provide warranty and maintenance services at the City of Orlando's Citrus Bowl complex for a ten-year period in the amount of \$120,000. The City of Orlando has executed a ten-year service agreement with OUC for this lighting system and will be responsible for the monthly billing;
7. Approval of additional funding in the amount of \$250,000 with conforming Change Order No. 1 to Motorola, Inc. to continue providing communications maintenance, support and repair services through 2014, increasing the total Purchase Order amount to \$341,500;
8. Approval of RFP #3139 – Contract award Valmont-Newmark Inc., the most responsive and responsible vendor, to provide six steel transmission poles required for the Pershing to Michigan Transmission Line Upgrade Project in the amount of \$257,040;
9. Approval of an OUC initiated scope change with conforming Change Order No. 2 to Power Engineers to provide additional environmental permitting, construction management and engineering support services for the St. Cloud North to Magnolia Ranch Transmission Line Project in an amount not to exceed \$149,120, increasing the total Purchase Order amount to \$564,642;
10. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Tetra Tech NUS, Inc. in the amount of \$18,939.80 to complete a limited soil and groundwater investigation for Phase I of the Water Main Improvement Project for the Secondary Water Main required for the Southeast Repump Facility, increasing the total Purchase Order to \$108,201.50;
11. Approval of an OUC initiated scope change and conforming Change Order No. 5 to Hewlett Packard Company in the amount of \$220,889.47 for Unix hardware and software maintenance for the

period of November 1, 2011 through October 31, 2012, increasing the total Purchase Order amount to \$1,338,563.09;

12. Approval of Purchase Orders to Aetna Life Insurance Company in the amount of \$17,200,000 and Express Scripts, Inc. in the amount of \$5,100,000 for a total estimated medical program cost of \$22,300,000, effective January 1, 2012;
13. Adoption of the new Electric Vehicle Charging Station Service rate tariff effective November 1, 2011, pending approval by the Florida Public Service Commission;
14. Approval of a Purchase Order to de la Parte & Gilbert, P.A. to provide continued legal services related to OUC's five-year Consumptive Use Permit and district water policy and regulation during Fiscal Year 2012 in the amount of \$225,000;
15. Authorization for the General Manager & CEO to execute a Joint Use Agreement for property located west of Highland Avenue and east of Magnolia Avenue; and
16. Authorization for the General Manager & CEO to execute the Partial Release of Underground Easement and Release of Underground Easement for property located north of Sturtevant Street, west of Orange Avenue and south of Underwood Street.

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Commissioner Kirby reported that the Finance Committee conducted its regular meeting on September 29, 2011 to review quarterly management reports and to discuss two recommended resolutions related to financing transactions.

OUC staff presented recommended changes to the General Bond Resolution. None of the changes were deemed to cause a material adverse affect on the current bondholders; therefore, bondholder consent is not required.

The Finance Committee recommends that the Commission adopt the proposed changes to the General Bond Resolution as outlined.

On a motion by Commissioner Kirby and seconded by Commissioner McAllaster, Presentation-1a was adopted as follows:

PRES-1a: A Resolution compiling, codifying, amending and restating in its entirety a restated General Bond Resolution adopted by the Orlando Utilities Commission on October 9, 2001 and effective November 12, 2003; as such resolution has been heretofore compiled, codified, amended and restated; and providing an effective date.

OUC has approximately \$215 million dollars of Series 2002C, 2003A and 2003B bonds outstanding that are advance refundable or eligible for a taxable refunding. Based on current market conditions, OUC could refund these bonds and achieve significant net present value savings.

The Finance Committee recommends that the Commission adopt the Series 2011 C & D Revenue Refunding Bonds Resolution which allows for the refunding of these bonds if certain parameters are met.

On a motion by Commissioner Kirby and seconded by Mayor Dyer, Presentation-1b was adopted as follows:

PRES-1b: A Resolution of the Orlando Utilities Commission authorizing the issuance, in one or more series, of not exceeding \$240,000,000 utility system Revenue Refunding Bonds, Series 2011C and taxable utility system Revenue Refunding Bonds, Series 2011D for the purpose of refunding or purchasing certain outstanding utility system revenue bonds that satisfy the requirements described herein; setting forth the terms of said bonds; providing for the disbursement of funds; appointing a paying agent and registrar for said bonds; authorizing the negotiated sale of said bonds; delegating certain authority to the General Manager and other officers, including authority to execute and deliver one or more Bond Purchase Agreements; authorizing the execution and delivery of one or more Escrow Deposit Agreements; appointing an escrow agent; approving the form of a Preliminary Official Statement and delegating the authority to approve, execute, deliver and deem final one or more official statements; approving the form of and authorizing the execution and delivery of one or more continuing disclosure undertakings; creating and establishing a cost of issuance account; authorizing proper officials to do all other things deemed necessary or advisable in connection with the issuance, sale and delivery of said bonds; providing certain other matters in connection therewith; and providing an effective date.

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Linda Howard reported that Income Before Contributions for the eleven months ended August 31, 2011 was \$74 million, which is slightly ahead of budget. The financial staff is currently in the early stages of the year-end audit process.

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Mayor Dyer left the meeting at 3:00 P.M.

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Mr. Ksionek reported that the solar photovoltaic farm at the Stanton Energy Center became operational on Thursday, October 6, 2011. Two of the five circuits were energized to create 2.7 megawatts of the potential 5.9 megawatts. It is anticipated that the remainder will be energized by the end of October. Testing and certification will occur during the month of November. The solar farm dedication will take place in December.

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Mr. Ksionek asked Chip Merriam to provide a legislative update. Mr. Merriam discussed the Executive Branch's new stimulus plan as well as activities in Congress to balance the budget, including the Joint Committee on Deficit Reduction, the Budget Control Act of 2011 and the Balanced Budget Amendment. One possibility discussed has been to eliminate tax-exempt bonding, a tool that is important to OUC as we borrow money for capital projects.

At this time, nine states and thirty separate businesses have filed challenges against the Environmental Protection Agency for the Cross-State Air Pollution Rule (CSPAR), seeking additional time and allowances. OUC was recently invited to testify before the Congressional Committee on Science, Space and Technology on Thursday, September 15. Mr. Merriam participated on the panel with participants from Texas and Kansas. OUC was the only municipal utility to testify.

Mr. Merriam discussed current legislation being debated in Congress. He anticipates the only piece of legislation to move forward is the Cyber Security Grid Act.

In the State of Florida, the Governor has been planning further budget cuts, and it is anticipated that there will be a \$2.4 billion shortfall next fiscal year because of sales tax and lost revenue. As of October 11, there have been over 500 new pieces of legislation moving forward. An important issue in the legislature will be redistricting, especially in the Central Florida area. Mr. Merriam also discussed current legislation being debated in the state legislature including state sovereignty, use of personal credit for employment verification, assessments of residential real property, Water Management Districts' Minimum Flow Level (MFL) criteria for Consumptive Use Permits (CUP), repeal of cost recovery for nuclear and gasification combined cycle plants and renewable fuel repeal.

Mr. Merriam stated that OUC has been inviting elected officials to tour OUC's facilities, including the Stanton Energy Center (SEC). The incoming and outgoing Chairmen of the House Energy and Utilities Subcommittee recently toured the SEC.

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Commissioner Ferrone commended OUC's commitment to long-term issues and the benefits to employees, rate payers, OUC's assets and the environment. She encouraged OUC staff to continue their excellent work.

Commissioner Kirby stated that he spent the past several days involved in discussions regarding energy policy and trends, and commented on several of those issues including Smart Grid and offshore wind projects in the northeast.

Commissioner McAllaster stated that he is proud of OUC's presentation before the Congressional Committee on Science, Space and Technology as well as the

solar farm at SEC. He commended the service award recipients and stated that they exemplify the commitment of OUC staff to the organization.

President Dominguez stated that she is pleased with OUC's recent developments in the ChargePoint America Program and the solar farm. She congratulated the service award recipients and thanked Commissioner Kirby for his comments and suggestions. She commended OUC staff for their efforts during the weekend storms of October 8-9, 2011.

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President Dominguez adjourned the meeting at 3:16 P.M.

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President

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Secretary