

**MINUTES**  
**ORLANDO UTILITIES COMMISSION**  
**November 11, 2014**  
**2:00 P.M.**

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**Present:**

**COMMISSIONERS:**

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

Kenneth P. Ksionek, General Manager & Chief Executive Officer  
 Jan Aspuru, Clint Bullock, Roseann Harrington, Byron Knibbs, Chip Merriam 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 Ron Toporek to give the invocation, followed by the Pledge of Allegiance to the Flag. President Kirby asked for a moment of silence in honor of Veteran's Day. The Commission Meeting was called to order at 2:05 P.M.

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On a motion by Mayor Dyer, seconded by Commissioner Ferrone and unanimously carried, the reading of the minutes of the October 14, 2014 Commission Meeting was waived and the minutes were approved.

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Clint Bullock presented a 30-year service award to Sergio Ruiz, Division Meter Technician, Electric and Water Delivery.

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Roseann Harrington presented checks from the OUC Charity Golf Tournament to Laura Heidrich and Clint Bullock from the Ronald McDonald House, Gary Cain from the Boys and Girls Club of Central Florida and Shanta Barton-Stubbs from the New Image Youth Center.

Coco Johnston, representing the Asian American Chamber of Commerce, presented the 2014 Diversity Champion award to Dr. Bridget Lee.

Maryann Barry, representing the Girl Scouts of Central Florida Citrus Council, presented the 2014 Woman of Distinction award to Roseann Harrington.

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Mr. Ksionek asked Wade Gillingham to provide a presentation on Affirmative Item A-3 related to Amendment No. 1 to the Stanton Energy Center Combined Cycle Unit B (SEC B) Contractual Service Agreement (CSA) to add compressor and rotor coverage. Mr. Gillingham stated that the Commission approved the CSA with General Electric on April 13, 2010 in the amount of \$50 million for a 14-year term. Coverage options for the CSA were selected based on a cost/benefit analysis using industry and unit-specific information available at the time, which indicated that OUC should select the limited to planned maintenance of the combustion turbine and the steam turbine only.

The 2013 Fall Outage identified stator rocking damage in the lower shell of the compressor. A detailed inspection revealed that Row 17 should be completely replaced at a cost of approximately \$1.12 million for parts and installation. An evaluation of the Row 17 incident as well as the latest industry and unit-specific data indicated that staff should re-evaluate the CSA coverage options. Therefore, it is recommended that OUC amend the CSA to add compressor and rotor coverage at a cost of approximately \$3.128 million.

President Kirby asked if the coverage is subject to a deductible charge. Mr. Gillingham responded that deductibles only apply to unplanned maintenance or catastrophic failure, not planned maintenance.

Commissioner Ferrone asked if the manufacturer has identified what caused the failure in Row 17. Mr. Gillingham responded that due to operational requirements, design issues are often identified as part of a continuous learning program. Because of this, the manufacturer may upgrade designs and materials that are then issued to the fleet. With the additional coverage, OUC will receive those upgrades at no cost, including the replacement of four more stages of blades.

Mr. Ksionek added that OUC has spent \$18 million to date on this CSA. Additional expenditures will continue to be brought back to the Commission for approval.

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

1. Ratification of the fuel procurements to the low bidders in August 2014 in the aggregate amount \$26,587,106.48 as follows:

**NATURAL GAS PURCHASES:**

Aug 2014	BG Energy	\$1,609,462.74
Aug 2014	BP Energy	\$1,226,733.92
Aug 2014	Central Crude	\$ 106,229.57
Aug 2014	ConocoPhillips	\$1,185,706.57
Aug 2014	EDF Trading (Formerly Eagle Energy)	\$1,697,229.37
Aug 2014	Enbridge Marketing, LP	\$ 895,964.88
Aug 2014	Energy America	\$ 273,200.00
Aug 2014	Florida Power & Light	\$ 199,800.00
Aug 2014	Infinite Energy	\$2,240,011.15
Aug 2014	Macquarie Cook Energy, LLC	\$3,439,105.69
Aug 2014	Peoples Gas	\$ 197,912.52
Aug 2014	Shell Energy	\$1,292,025.00
Aug 2014	Southwestern Energy	\$ 122,550.45
Aug 2014	Tenaska Marketing Ventures	\$1,008,663.72
Aug 2014	Texla Energy Management, Inc.	\$1,825,725.13

**COAL PURCHASES:**

Aug 2014	Crimson Coal Corporation	\$2,494,299.42
Aug 2014	Foresight Coal Sales, LLC	\$2,716,788.15
Aug 2014	James River Coal, Inc.	\$ 729,124.94
Aug 2014	MR Coal Marketing & Trading, LLC	\$2,071,550.26
Aug 2014	Tampa Electric Corporation	\$1,255,023.00

2. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Material Handling Distributed Controls & Information System Upgrade Project in the amount of \$1,502,475. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Emerson Process Management Power & Water Solutions, Inc. to provide engineering services, equipment and installation for the material handling distributed controls & information system in the amount of \$1,302,475, increasing the total Purchase Order amount to \$7,052,475, pending final contract negotiations and OUC legal review;
3. Authorization for the General Manager & CEO to execute Amendment No. 1 to the Contractual Service Agreement with General Electric International, Inc. to include Stanton Energy Center Combined Cycle Unit B compressor and rotor coverage, pending final OUC legal review. Approval of an OUC initiated scope change and conforming Change Order No. 1 to General Electric International Inc. in the amount of \$3,128,019 for Stanton Energy Center Combined Cycle Unit B compressor and rotor coverage, increasing the total Purchase Order amount to \$53,128,019;
4. Approval of RFP #3686 - Contract award to Central Florida Underground, Inc., the lowest, most responsive and responsible vendor, to provide installation, removal and repair services for underground conduit and manhole systems in the amount of

\$7,000,000. The contract term is three years with two one-year renewal options;

5. Approval of Bid #3793 - Contract award to Jarrett Gordon Ford, Inc., the lowest, most responsive and responsible vendor, for the purchase of seven vehicles in the amount of \$361,050 and Mullinax Ford of Osceola County, the lowest, most responsive and responsible vendor, for the purchase of seventeen vehicles in the amount of \$420,794; for an aggregate amount of \$781,844;
6. Approval of RFP #3735 - Contract award to JW Software, Inc., the most responsive and responsible vendor, for the claims management system in the amount of \$125,280.55, pending final contract negotiations and OUC legal review. The contract term is three years with two one-year renewal options;
7. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Alpha Omega Training and Compliance in the amount of \$34,000 to continue providing Emergency Response Team on-site training services through December 31, 2015, increasing the total Purchase Order amount to \$132,439.01;
8. Authorization for the General Manager & CEO to execute the Release of Easement for DDR Orlando LLC for property located east of Semoran Boulevard and north of Hazeltine National Drive; and
9. Authorization for the General Manager & CEO to execute the Release of Easement for LR Butler National Drive Orlando LLC for property located west of Semoran Boulevard and north of Butler National Drive.

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John Hearn stated that auditors are currently analyzing the Fiscal Year 2014 budget and will present the final numbers at the next Audit Committee meeting. The preliminary unaudited net income is \$89 million, which is approximately \$8 million ahead of budget. OUC will also defer approximately \$8 million for future rate mitigation. Net income for the month ended October 31, 2014 is on target, with revenues and expenses both slightly below budget.

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Mr. Ksionek asked Roseann Harrington to provide a presentation on OUC's Streetlight Outage Campaign. Ms. Harrington introduced a public service announcement (PSA) video that was produced by Steve Triggs. The campaign took place from October 27 to November 1, and was designed to increase the customer awareness of OUC's commitment to safety and reliability, showcase

new and innovative ways to report streetlight outages and to increase the number of customer self-reported streetlight outages. In addition to the PSA, OUC produced print media and participated in social media campaigns. Ms. Harrington thanked Lisa Curran and Michael Cartolano for their work on the campaign.

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Mr. Ksionek announced that a water sustainability update will be presented at the December 2, 2014 Commission Meeting.

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Mr. Ksionek asked Chip Merriam to provide a Legislative and Regulatory Update. Mr. Merriam summarized the Congressional and State of Florida results from the November 4, 2014 election. Mr. Merriam discussed issues Congress will focus on during the upcoming session. The Energy Agenda priorities will include passing legislation for the Keystone Pipeline and a push back on the Environmental Protection Agency rule making. Committees to watch include the Senate Energy and Natural Resources Committee and the Senate Environment and Public Works Committee.

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Commissioner Ferrone stated she was glad that Fiscal Year 2014 ended ahead of budgeted net income and encouraged a continuing focus on sustainability moving into Fiscal Year 2015. She is looking forward to further discussions on water sustainability. She expressed appreciation of Sergio Ruiz's Service Award and the pride Mr. Ruiz takes in a job well done. She challenged employees to consider how they take pride in their work.

Mayor Dyer commented on the recent groundbreaking of the new Major League Soccer stadium and the opening of the Dr. Phillips Performing Arts Center. He stated that Florida Hospital gave a \$6 million contribution to the effort to curb chronic homelessness in the City of Orlando. He stated that the renovated Citrus Bowl will reopen on November 22, 2014. He announced that in early December, the Project DTO team will report on the collective vision for Downtown Orlando for the next ten years, and Commissioner Dominguez was the chair of the Sustainability Committee. He also announced that Forbes named Orlando as the Number 1 job-creating community in the United States.

Commissioner Dominguez commented on the importance of Veteran's Day and expressed thanks to all those serving in the military. She stressed the importance of doing right by the community and OUC's rate payers. She congratulated Ms. Harrington on her award.

President Kirby congratulated Dr. Lee and Ms. Harrington on their respective awards. He also congratulated Mayor Dyer on the opening of the Dr. Phillips

Performing Arts Center and the Citrus Bowl, and stated that it is a great time to live in Orlando. He announced that he is taking part of No-Shave November, which is an annual event for prostate cancer awareness. He noted that OUC held a flag-raising ceremony in honor of Veteran's Day and asked everyone to teach their children about the relationship between civic responsibility and freedom.

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President Kirby adjourned the meeting at 3:06 P.M.

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President

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Secretary