



MEETING AGENDA PACKAGE

Policy Makers Liaisons Committee

April 18, 2018

12:00 Noon to 1:30 p.m. **[NOTE TIME]**

Meeting Being Held at:

Florida Municipal Power Agency
8553 Commodity Circle, Orlando, FL 32819

Dial-in information: 866-411-8247, Code 91583#

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Policy Makers Liaisons Committee

- Mike Perri, Fort Pierce – Chairman
- Kathleen Thacker, Kissimmee – Vice Chair
- Bil Spaude, Bushnell
- Kristine Petersen, Clewiston
- Rick Cochrane, Fort Meade
- Tom Perona, Fort Pierce
- Robert Page, Green Cove Springs
- George Forbes, Jacksonville Beach
- Charles Bradford, Key West
- Tim Root, Key West
- Ethel Urbina, Kissimmee
- Scott Maxwell, Lake Worth
- Dan Robuck, Leesburg
- Bill Conrad, Newberry
- Brent Malever, Ocala
- Donald Shroyer, St. Cloud
- Scott Roberts, Starke

Community Power  Statewide Strength



MEMORANDUM

TO: Policy Makers Liaisons Committee
FROM: Mark McCain
DATE: April 10, 2018
RE: Policy Makers Liaisons Committee Meeting
Wednesday, April 18, 2018, 12:00 noon to 1:30 p.m. [NOTE TIME]
PLACE: Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, FL 32819
PHONE: To participate by telephone, call 866-411-8247, Access Code 91583#
(If you have trouble connecting, please call 407-355-7767)

Chairman Mike Perri, Presiding

The mission of the Committee is to facilitate the education of elected or appointed governing body members of FMPA's member utility systems, and to foster opportunities for greater communication and knowledge among governing body members regarding the business and projects of FMPA.

AGENDA

1. Call to Order, Roll Call
2. Set Agenda (by vote)
3. Consent Agenda
 - a. Approval of the Minutes for the Meeting Held January 17, 2018
4. Report from the General Manager and CEO (Jacob Williams)
5. Information Items
 - a. Update on the Florida Municipal Solar Project (Susan Schumann)
 - b. Round Table Discussion by Policy Makers on the Most Important Electric Issue in Their Communities
6. Member Comments
7. Announcements
 - a. Next Meeting: Thursday, July 19, 2018 at 3 p.m. at the FMEA Annual Conference, The Breakers, 1 S. County Road, Palm Beach, FL 33480
8. Adjourn

mm/su

**AGENDA ITEM 1 - CALL TO ORDER,
ROLL CALL**

**Policy Makers Liaisons Committee Meeting
April 18, 2018**

**AGENDA ITEM 2 – SET AGENDA (by
vote)**

**Policy Makers Liaisons Committee Meeting
April 18, 2018**

AGENDA ITEM 3 – CONSENT AGENDA

- a. Approval of Minutes for the Meeting
Held January 17, 2018**

**Policy Makers Liaisons Committee Meeting
April 18, 2018**

MINUTES
FMPA POLICY MAKERS LIAISONS COMMITTEE MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
DATE: WEDNESDAY, JANUARY 17, 2018
TIME: 1:00 P.M.

**MEMBERS
PRESENT**

Mike Perri, Fort Pierce
Bob Page, Green Cove Springs (via telephone)
Charles Bradford, Key West (via telephone)
Kathleen Thacker, Kissimmee
Dan Robuck, Leesburg
Bill Conrad, Newberry
Brent Malever, Ocala

**OTHERS
PRESENT**

John Tompeck, Fort Pierce
Mike Poucher, Ocala
Amy Zubaly, FMEA (via telephone)
Bill Peebles, Peebles and Smith (via telephone)

**STAFF
PRESENT**

Jacob Williams, General Manager & CEO
Mark McCain, Assistant General Manager, Member Services,
Human Resources and Public Relations
Jody Finklea, General Counsel & CLO
Sue Utley, Executive Assistant to CEO / Asst. Secretary to Board
Michele Jackson, System Planning Manager
Susan Schumann, Environmental & Regulatory Affairs
Administrator
Ann Beckwith, Green Energy and Regulatory Specialist
David Schumann, Power Generation Fleet Director

Item 1 – Call to Order, Roll Call, Declaration of Quorum

Chairman Mike Perri, Fort Pierce, called the meeting to order at 1:00 p.m. on Wednesday, January 17, 2018, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. A roll call was taken and 5 Members were present. Two Members joined after roll call bringing the total Members present to 7.

Item 2 – Set Agenda (By Vote)

MOTION: Bill Conrad, Newberry, moved to set the agenda as presented. Kathleen Thacker, Kissimmee, seconded the motion. Motion carried 7 – 0.

Item 3 – Consent Agenda

3a – Approval of the Minutes for the meeting held October 18, 2017

MOTION: Kathleen Thacker, Kissimmee, moved approval of the Minutes of October 18, 2017. Bill Conrad, Newberry, seconded the motion. Motion carried 7 – 0.

Item 4 – Report from the General Manager and CEO (Jacob Williams)

Jacob Williams reported on the following topics:

1. 2018 Management Goals Scorecard
2. Update on Vero Beach Sale of their Electric Utility
3. Return of Excess Funds from the Development Fund
4. OUC's negotiations with CSX for coal delivery for Stanton saves approximately \$20M

Item 5 – Information Items

NOTE: Items 5a and 5b were taken in reverse order.

5a – Update on Florida's Constitution Revision Commission (Verbal Report)

Bill Peebles, Peebles & Smith, updated the group on the Florida's Constitution Revision Commission (CRC), particularly proposals that affect cities or municipal electric utilities.

5b – Quantifying the Value of the Municipal Electric Utility for Members

Michele Jackson presented a report on efforts to quantify the value of municipal electric utilities for cities. Kissimmee Utility Authority's draft PowerPoint report was presented as a sample. FMPA will prepare similar reports for all Member cities.

5c – FMPA Joint Action Solar Project Update

Susan Schumann updated the Policy Makers on FMPA's joint action solar project.

5d – Operating Results for Fiscal 2017 and Cost Reduction Efforts

David Schumann presented a report on the operating results for FY 2017 for the power plants, and he updated Policy Makers on FMPA's continued cost-reduction efforts.

5e – Round Table Discussion by Policy Makers on the Most Important Electric Issue in Their Communities

Committee members discussed the major electric issues in their communities.

Item 6 – Member Comments

None

Item 7 – Announcements

7a – Next Meeting: Wednesday, April 18, 2018 at 1p.m. at FMPA

Jacob Williams announced that Cane Island Unit 4 will undergo a major outage in March 2018, so FMPA is planning a tour for Policy Makers, Board of Directors and Executive Committee Members to see what a unit looks like when it has been taken fully apart.

Item 8 - Adjourn

There being no further business, the meeting was adjourned at 2:37 p.m.

Mike Perri
Chairman

Sue Utley
Assistant Secretary

Date Approved _____

MP/su

**AGENDA ITEM 4 – REPORT FROM
THE GENERAL MANAGER AND CEO**

**Policy Makers Liaisons Committee Meeting
April 18, 2018**



4 – Report from the General Manager and CEO

Policy Makers Liaisons Committee

April 18, 2018

Fiscal 2018 Management Goals Scorecard, as of March 31, 2018

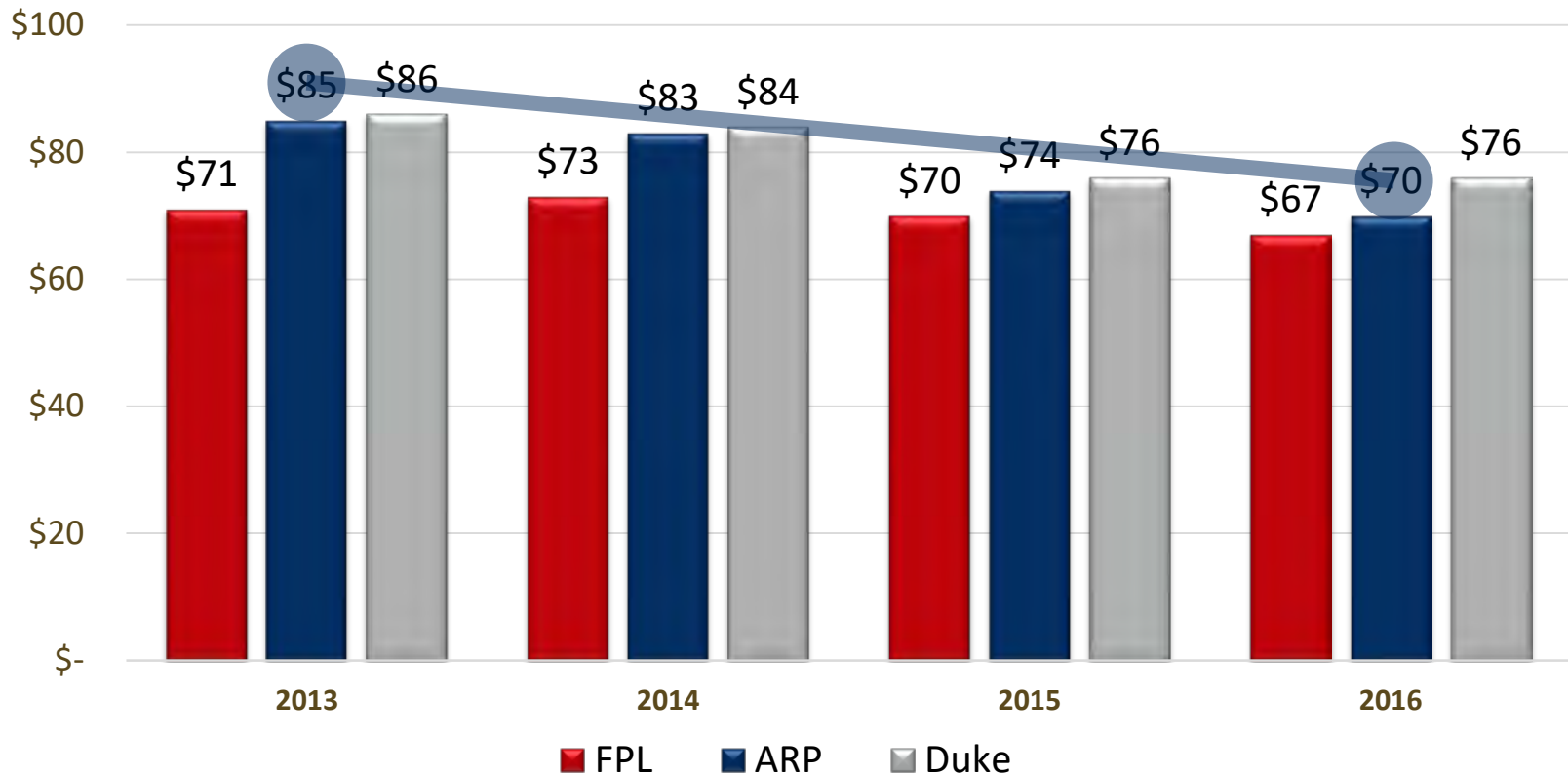
| Goal | Status | Actual | YTD | | FY 2018 Target | Comment |
|---|--------------|---------|---------|---------|----------------|---|
| | | | Actual | Target | | |
| 1. Safety (no lost-time accidents for employees or agents) | | 0 | 0 | 0 | 0 | Non-lost-time reportable accident at Stock Island in April. |
| 2. Compliance (zero violations that are not self-reported) | Environ. | 0 | 0 | 0 | 0 | Zero compliance violations. |
| | Financial | 0 | 0 | 0 | 0 | |
| | Compliance | 0 | 0 | 0 | 0 | |
| | Other | 0 | 0 | 0 | 0 | |
| 3. Low Costs (\$/MWh) | Controllable | \$53.05 | \$49.31 | \$49.96 | \$51.01 | Actual data is through February 2018 and will be updated prior to the April meeting |
| | Gas | \$30.02 | \$29.23 | \$32.20 | \$28.86 | |
| | All-in | \$83.07 | \$78.54 | \$82.16 | \$79.87 | |
| 4. Reliability (EAF of base-load units) | | 69.1% | 88.2% | 85.4% | 88% | CI4 started planned double major outage. 69.1% reliability for all base load units in March. Less outage hours than expected YTD. |
| 5. Member Relations (member visits by leadership team) | | 8 | 73 | 48 | 90 | Completing solar and Vero Beach transactions. Turning focus in April. |

(Continued) Fiscal 2018 Management Goals Scorecard, as of March 31, 2018

| Goal | Status | Comment |
|--|--------|---|
| 6. Power Sales (sell 35 MW to achieve ARP savings) | | Upcoming opportunities: Lake Worth 35-40 MW expires end of 2018; Winter Park 10 MW expires end of 2018 and 40 MW expires end of 2019; Homestead 40 MW expires end of 2019 |
| 7. Vero Beach Transaction
(docs complete, in escrow) | | FMPA's Board of Directors and Executive Committee approved March 21, 2018. |
| 8. New Member Services
(1. foreman, 2. hurricanes, 3. system specifications) | | Continue to work with Members on system specifications. FMPA hurricane drill May 9. Helping Members with various projects, including Member request for operations support. |
| 9. Value of Municipals
(quantify with member data) | | Drafts for 10 Members have been completed and working on 2 others. |
| 10. FMPA Image (branding and communications) | | Completed FMPA sign for agency headquarters. FMPA's reputation improving in traditional media. Planning positive publicity for Florida Municipal Solar Project. |
| 11. Cost Competitiveness
(smaller, high-cost utilities) | | Continue looking for ways to save significant dollars for Members. Debt and other fixed cost restructuring. |
| 12. Employee Retention
(update HR policies) | | HR Policy approved at March 15, 2018 Board meeting. HR is working on rewriting outdated procedures. |

FMPA's Costs of Service Competitive

Below the Average of FPL and Duke for 2016

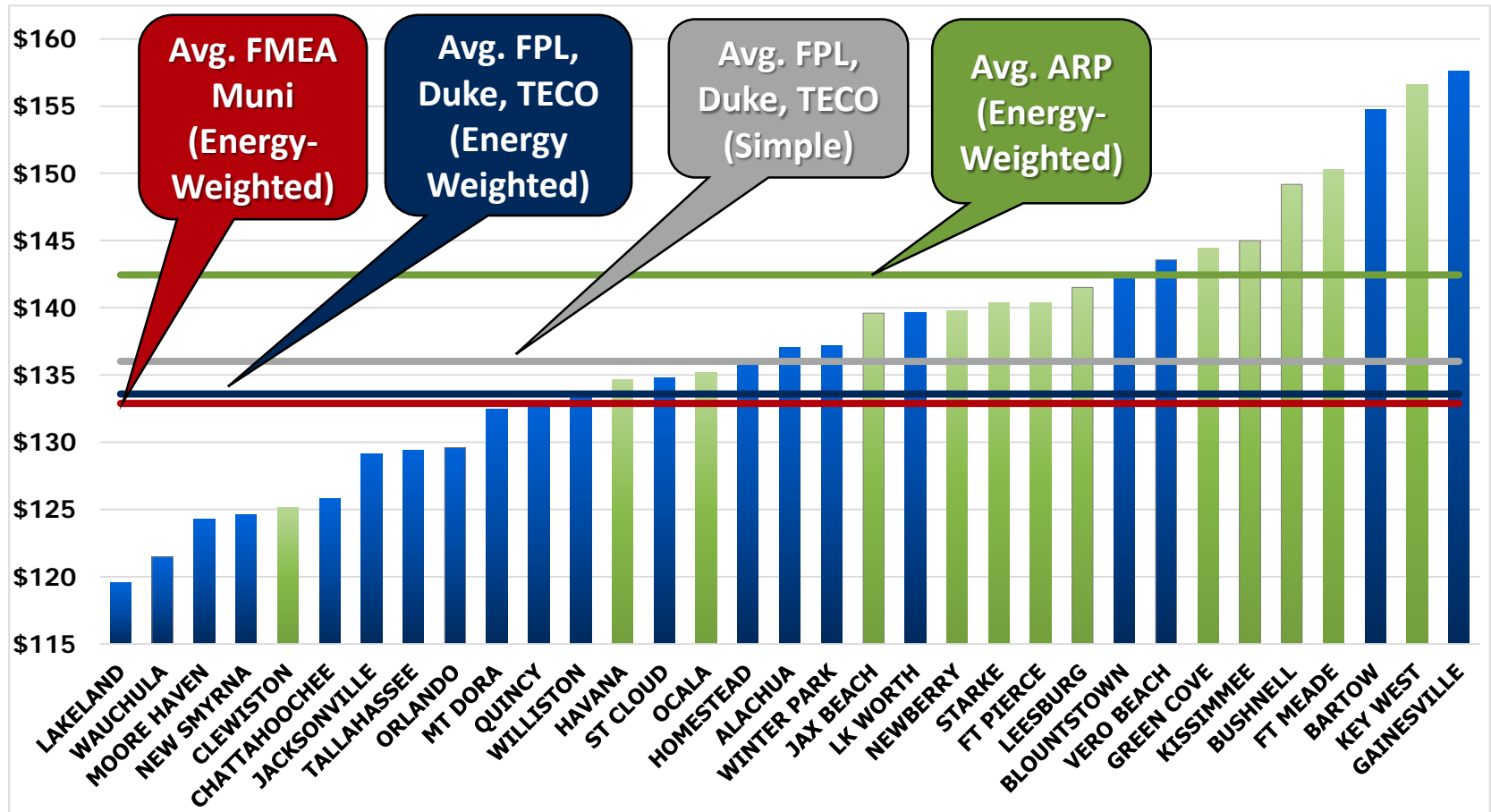


SOURCE: Costs for investor-owned utilities from FERC Form 1 for long-term, full-requirements-type service.

Wholesale Cost Translates to Retail Cost

Some ARP Cities on High Side of Cost Spread

1,200 kWh Retail Rate Comparison – CY 2017 (\$/MWh)

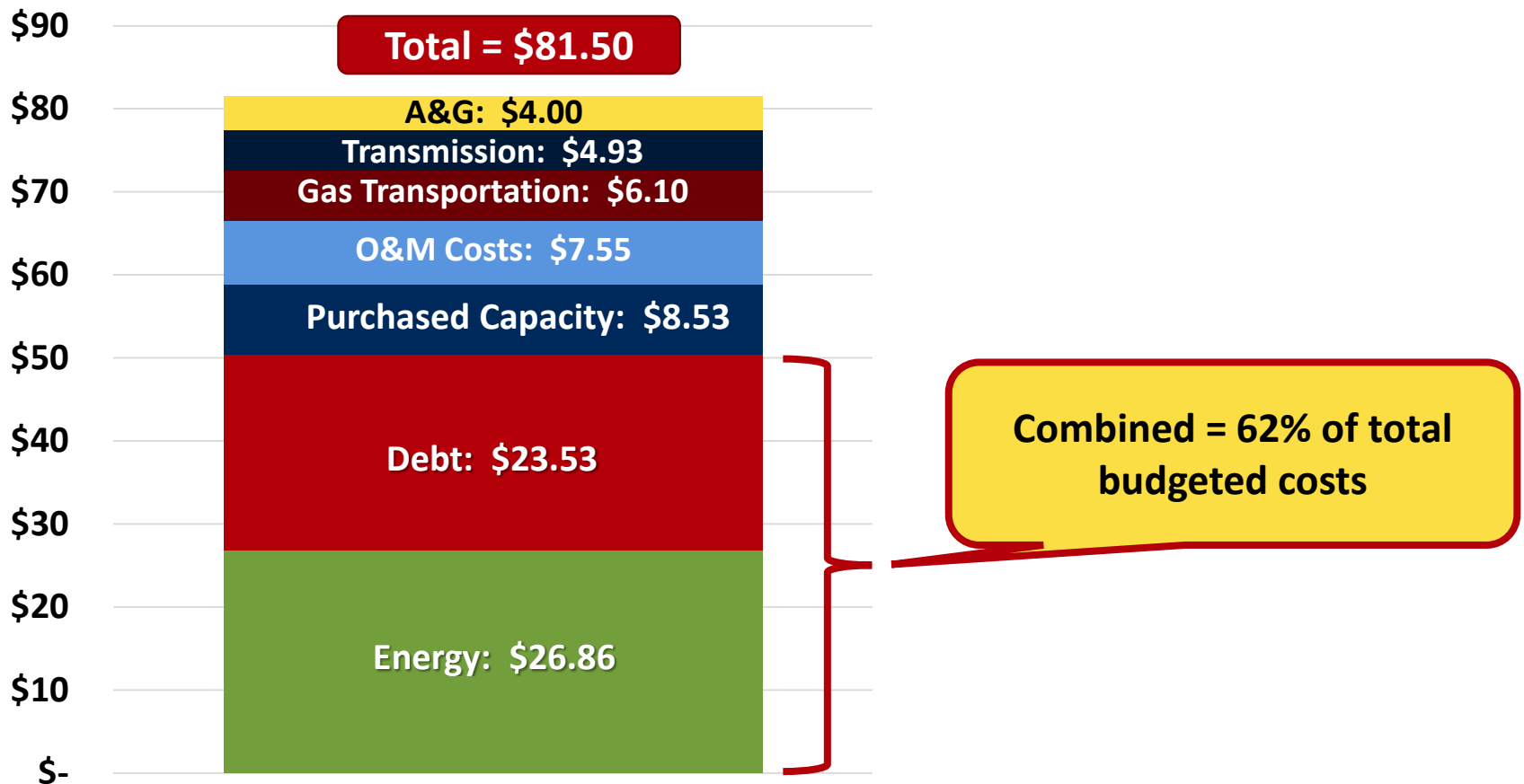


Note: Green bars represent average rate for ARP Participants
 Blue bars represent average rate for other municipals

FY18 ARP Budget of \$81.50 per MWh

Fuel and Debt the Two Largest Costs

Fiscal Year 2018 Budgeted ARP Participant Costs by Category (\$/MWh)

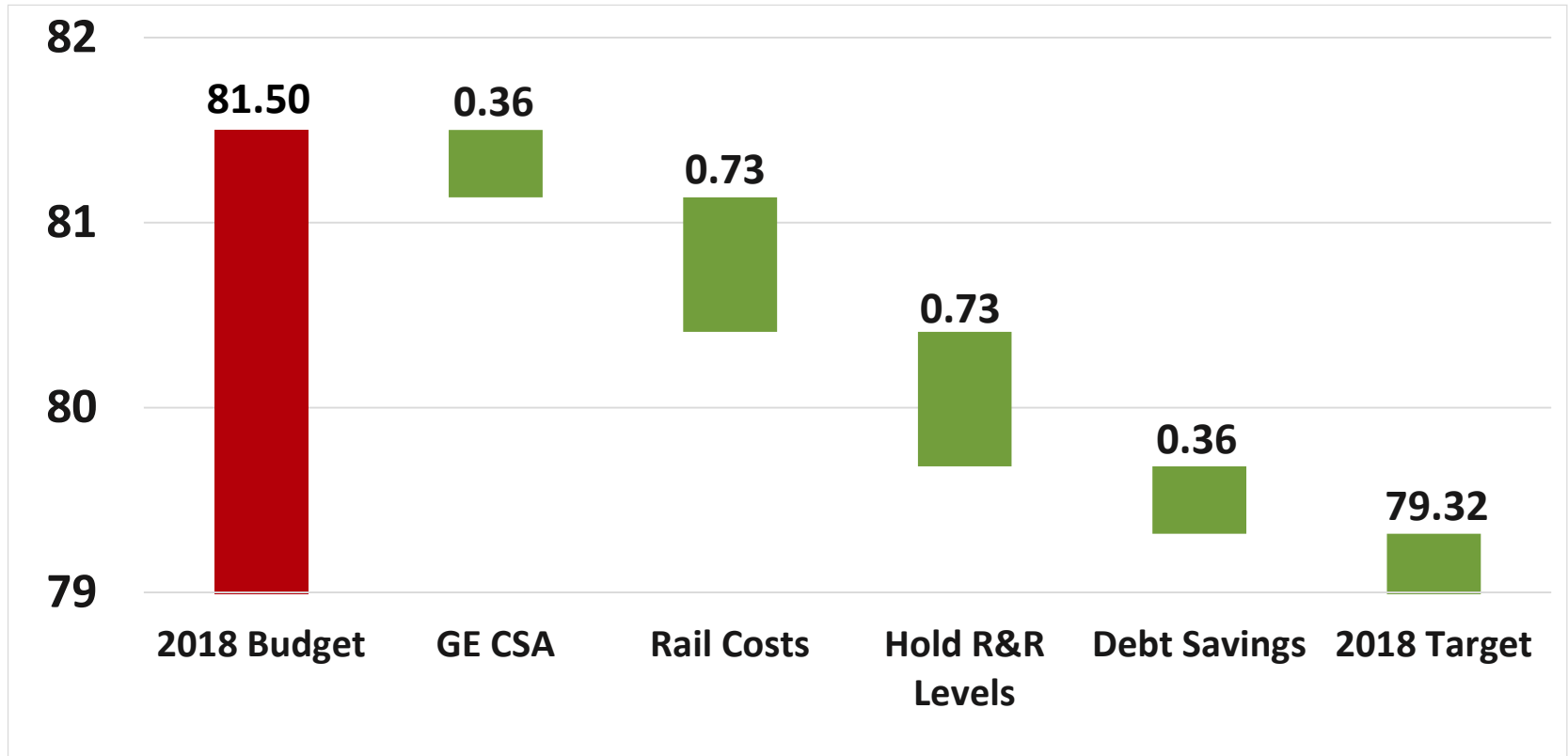


FMPA Working to Cut ~\$11M This Year

Cost Reductions Could Save ~\$2 per MWh

Fiscal 2018 All-Requirements Project Budget

Dollars per Megawatt Hour (MWh)



Ideas for More ARP Cost Savings

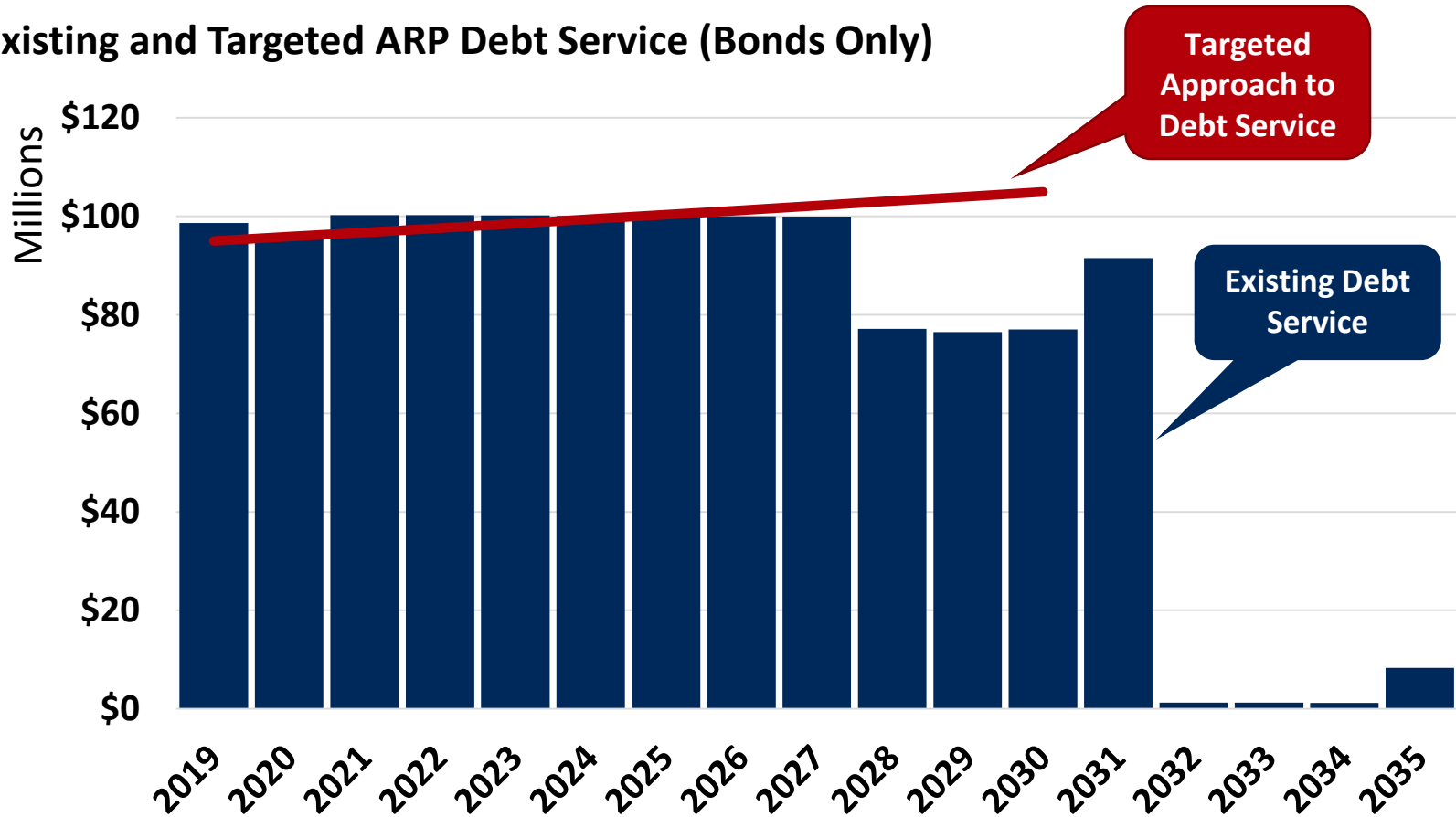
Two Areas in Debt Management

- Restructuring existing ARP debt
- Optimizing amounts collected through rates to provide for anticipated future capital needs

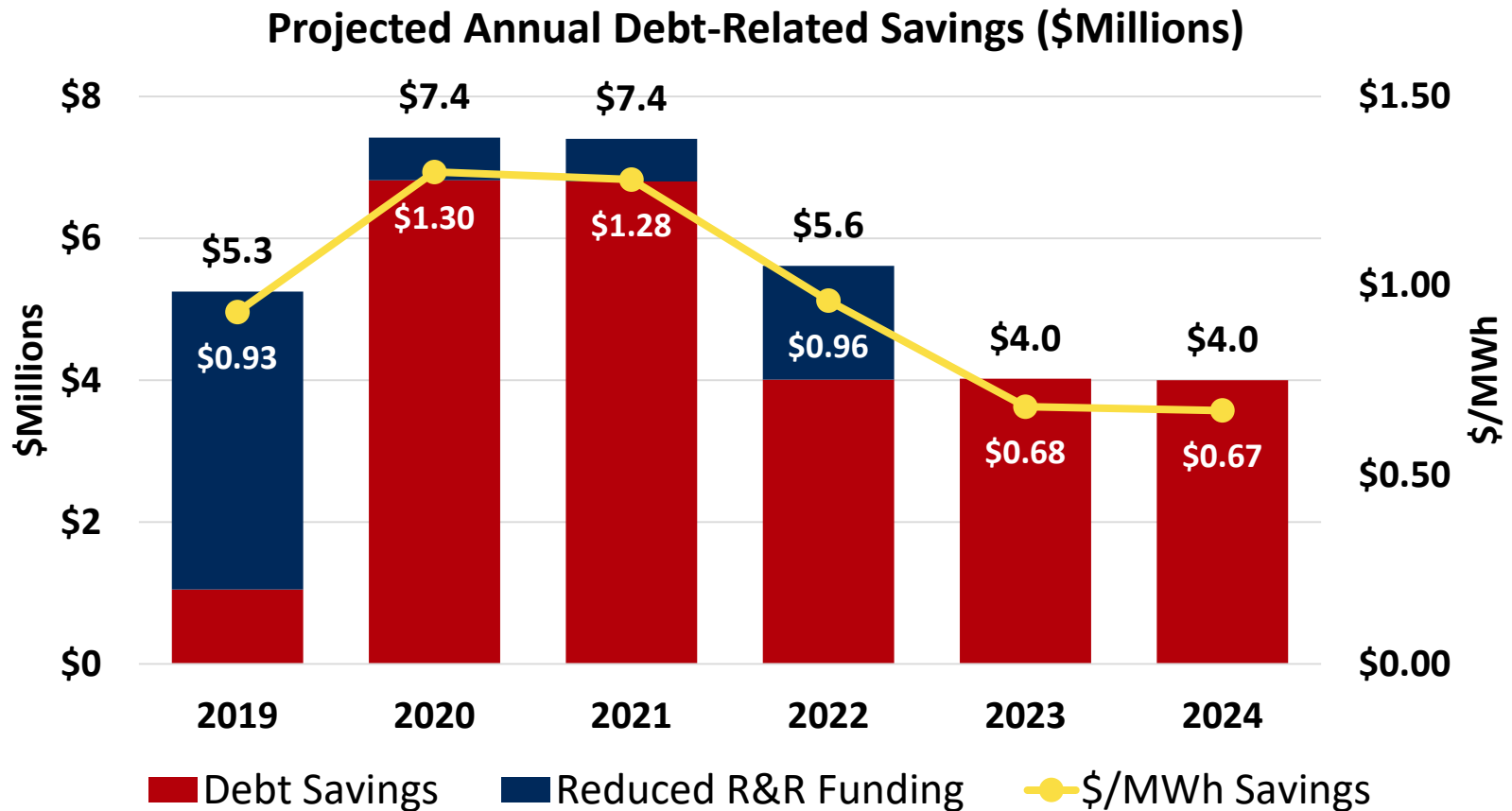
Existing ARP Debt Service Through 2027

Planning to Align Payments with Load Growth

Existing and Targeted ARP Debt Service (Bonds Only)



Targeting \$5.6M Average Annual Savings Equates to ≈\$1/MWh Average Rate Savings



**AGENDA ITEM 5 – INFORMATION
ITEMS**

**a. Update on Florida Municipal Solar
Project**

**Policy Makers Liaisons Committee Meeting
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**PMLC 5a
BOD 9b
Florida Municipal Solar Project Update**

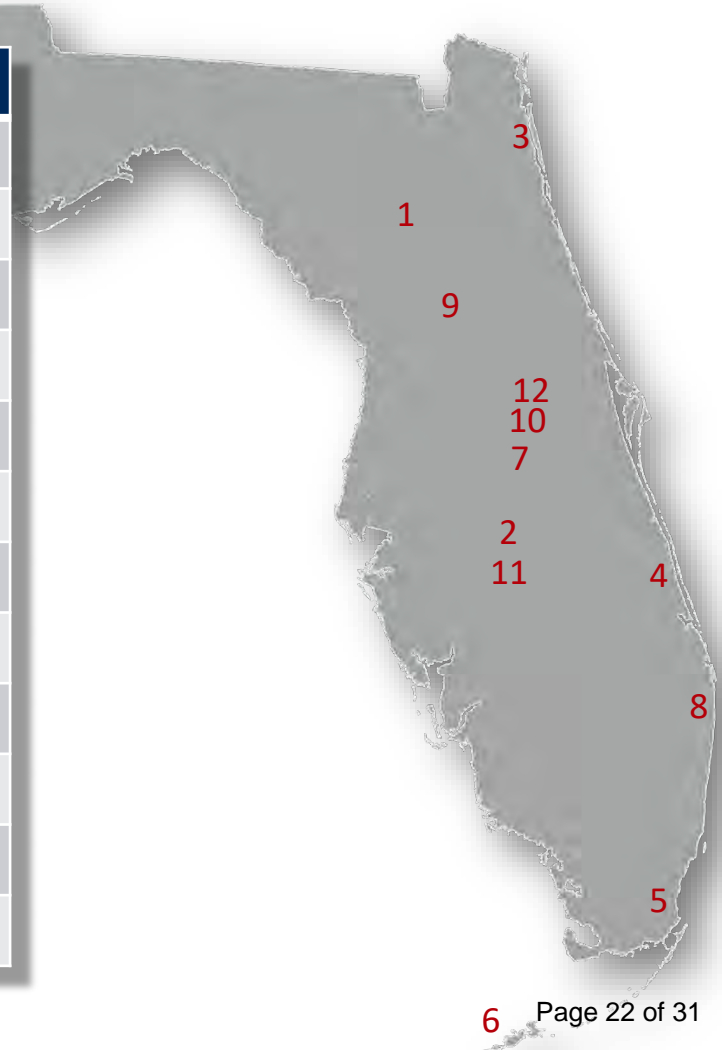
Susan Schumann

April 18, 2018

Florida Municipal Solar Project

One of Largest Municipal Backed Solar Projects at 223.5 MW

| City Utilities | Megawatts |
|-----------------------|-----------|
| 1. Alachua | 9 |
| 2. Bartow | 13 |
| 3. Jacksonville Beach | 10 |
| 4. Fort Pierce | 3 |
| 5. Homestead | 10 |
| 6. Key West | 5 |
| 7. Kissimmee | 30 |
| 8. Lake Worth | 10 |
| 9. Ocala | 10 |
| 10. Orlando | 108.5 |
| 11. Wauchula | 5 |
| 12. Winter Park | 10 |



Florida Municipal Solar Project

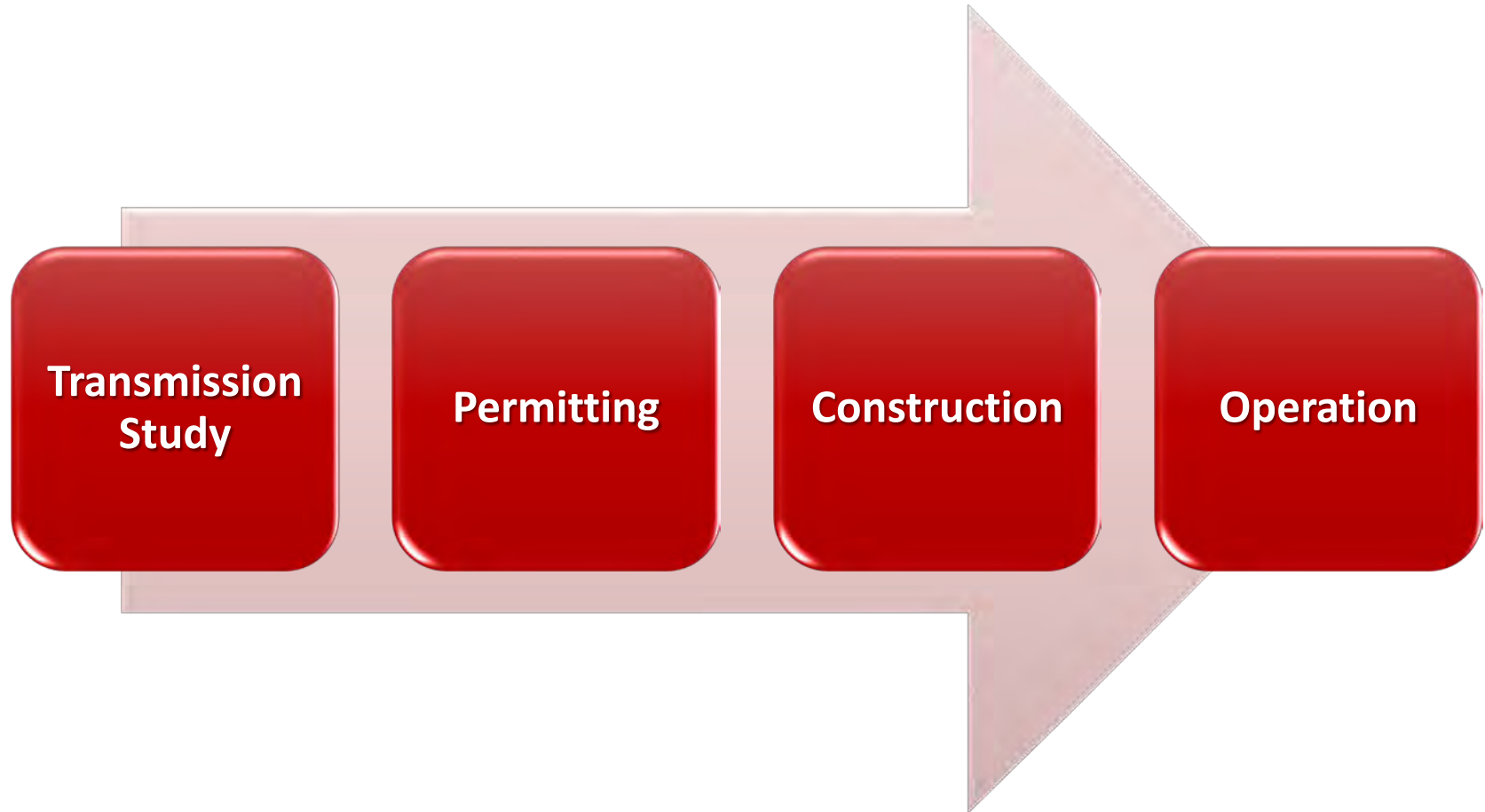
One of Largest Municipal-Backed Solar Projects

- Three sites
- 1,200 acres total, equal to 900 football fields
- 900,000 solar panels
- 223.5 MW total output
- Power 45,000 homes
- Operational spring 2020



Permitting, Construction Takes Two Years

Commercial Operation Planned June 2020



Next Steps

- Execute Member Agreements
 - Power Sales Agreements (non ARP)
 - Participation Agreements (ARP)
 - Exchange Agreements
- Execute PPAs
- Establish Solar Project Committee (non ARP members)
 - Charter
 - Budget (when appropriate)

Solar Project Activities

- **Tour of FPL Babcock Ranch (4/26)**
- **Announcement Event (5/4)**
- **Community Education (ongoing)**

Contact Information

Susan Schumann
External Affairs Administrator

(321) 239-1047

susan.schumann@fmpa.com

Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819



www.twitter.com/FMPAnews

www.facebook.com/FloridaMunicipalPowerAgency

www.linkedin.com/company/fmpa

**AGENDA ITEM 5 – INFORMATION
ITEMS**

- b. Round Table Discussion by Policy
Makers on the Most Important Electric
Issue in Their Communities**

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AGENDA ITEM 6 – MEMBER COMMENTS

**Policy Makers Liaisons Committee Meeting
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AGENDA ITEM 7 – ANNOUNCEMENTS

- a. Next Meeting: Thursday, July 19, 2018 at 3 p.m. at the FMEA Annual Conference, The Breakers, 1 S. County Road, Palm Beach, FL 33480**

**Policy Makers Liaisons Committee Meeting
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AGENDA ITEM 8 – ADJOURN

**Policy Makers Liaisons Committee Meeting
April 18, 2018**