



Business Planning & Budget Committee

AGENDA PACKAGE

May 16, 2018

1:00 p.m.

Submitted by

Howard McKinnon, Chairman

Committee Members

Jody Young, Bushnell
Jack Wetzler, Key West
Larry Mattern, Kissimmee

Steve Langley, Mount Dora
Karen White, Ocala
Nina Penick, Fort Pierce

**Meeting Held Telephonically at
Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819
(407) 355-7767**

MEMORANDUM

TO: FMIPA Business Planning & Budget Committee
FROM: Rich Popp
DATE: April 27, 2018
RE: FMIPA Business Planning & Budget Committee Meeting
May 16, 2018 at 1:00 p.m.
PLACE: Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, FL 32819
Frederick M. Bryant Board Room

DIAL-IN INFORMATION:
866-411-8247, Access Code 91583#

(If you have trouble connecting via phone please call 321-239-1100)

Chairman Howard McKinnon, Presiding

AGENDA

- 1. Call to Order, Roll Call, Declaration of Quorum, Set Agenda**
- 2. Approval of Minutes**
 - a. Approval of Minutes – Meeting Held April 18, 2018
- 3. Chairman's Remarks**
- 4. Information Item: Follow Up Items – Agency Project Budget**
 - a. Analysis of the FY2016/FY2017 Dunlap & Assoc. Expenses
 - b. Increase in the Spending Authorities of the COO and the Power Generation Fleet Director
 - c. Resolution Changes
- 5. Information Items:**
 - a. Presentation of the FY2019/FY2020 St. Lucie Project Budget
 - b. Presentation of the FY2019/FY2020 Stanton Project Budget
 - c. Presentation of the FY2019/FY2020 Tri-City Project Budget
 - d. Presentation of the FY2019/FY2020 Stanton II Project Budget

6. Action Items

- a.** Approval of the FY2019 Agency Fund Budget for recommendation to the Executive Committee for approval.
- b.** Approval of the FY2019 Agency Allocation for recommendation to the Board of Directors for approval.
- c.** Approval of the FY2019/FY2020 St. Lucie Project Budget for recommendation to the Board of Directors for approval.
- d.** Approval of the FY2019/FY2020 Stanton Project Budget for recommendation to the Board of Directors for approval.
- e.** Approval of the FY2019/FY2020 Tri-City Project Budget for recommendation to the Board of Directors for approval.
- f.** Approval of the FY2019/FY2020 Stanton II Project Budget for recommendation to the Board of Directors for approval.

7. Comments

- a.** The next scheduled Business Planning & Budget Committee Meeting to Review and Finalize the All-Requirements Budget will be May 30, 2018.

8. Adjournment

One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or 1-(888)-774-7606, at least two (2) business days in advance to make appropriate arrangements.

AGENDA ITEM 1

Call Meeting to Order – Roll Call, Declaration of Quorum, and Set Agenda

Business Planning & Budget Committee Meeting

May 16, 2018

AGENDA ITEM 2 – Approval of Minutes:

**a) Approval of Minutes – Meeting Held on
April 18, 2018**

Business Planning & Budget Committee Meeting

May 16, 2018

CLERKS DULY NOTIFIED -----April 10, 2018
AGENDA PACKAGE SENT -----April 10, 2018

**MINUTES
BUSINESS PLANNING AND BUDGET COMMITTEE MEETING
WEDNESDAY, APRIL 18, 2018, 9:00 AM
AT FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819**

COMMITTEE

MEMBERS

PRESENT:

Havana	-	Howard McKinnon, Chair
Kissimmee	-	Larry Mattern
Ocala	-	Karen White (Telephone)
Fort Pierce	-	Nina Penick
Key West	-	Jack Wetzler

COMMITTEE

MEMBERS

ABSENT:

Mount Dora	-	Steve Langley
Bushnell	-	Jody Young

OTHERS

PRESENT:

STAFF

PRESENT:

Jacob Williams, General Manager, and CEO
Rich Popp, Interim CFO
Jody Finklea, General Counsel and Chief Legal Officer
Mark McCain, Asst. General Manager, Member Services, and Public Relations
Sharon Adams, HR Director
Steve Ruppel, Accounting Manager
Frank Gaffney, COO
Gary Fisk, Accountant II
Carol Chinn, Chief Information, and Compliance Officer
Jason Wolfe, Accounting and Financial Planning Director
Sue Utley, Executive Asst. to the CEO
Luis Cruz, Information Technology Manager
Liyuan Woerner, Contracts and Audit Manager

ITEM 1—CALL TO ORDER, ROLL CALL, DECLARATION OF QUORUM AND SET AGENDA

Chairman McKinnon, Havana, called the meeting to order at 9:04 a.m. on Wednesday, April 18, 2017. The meeting was initiated at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. Roll call was taken and a quorum was declared with five members present, out of a possible seven.

ITEM 2—APPROVAL OF MINUTES

MOTION: Larry Mattern, Kissimmee, moved approval of the June 2, 2017 minutes as presented. Karen White, Ocala, seconded the motion. Motion carried 5-0.

ITEM 3—CHAIRMAN'S REMARKS

Chairman McKinnon welcomed the Committee and Staff.

ITEMS 4-8 – INFORMATION ITEMS

Item 4a – Presentation of the FY2019 Agency Budget

Rich Popp, Interim CFO, presented the FY2019 Agency Budget, and highlighted the major causes of change from the FY2018 budget. He also discussed in detail, the Other Post-Employment Benefits, and the decision to start budgeting this expense in FY2019.

A question and answer session followed.

Item 5a – FY2019 Agency Budget Details

As a part of Rich Popp's presentation, he discussed some specific line items such as: Gross Payroll, Other HR Related Costs, Business Travel, Consulting, Computer Hardware, and Lobbying costs.

Larry Mattern, Kissimmee, questioned the Merit and Promotions increase of 4%. He asked if the CEO and the CLO annual raises would be taken from this amount. The Board of Directors determines the amount of the increases given to the CEO and the CLO, and this should be reflected in the resolution.

Howard McKinnon, Chairman, asked Luis Cruz, specifically what upgrades were planned for the meeting rooms.

Howard McKinnon, Chairman, inquired about the Financial Advisor for the Treasury Department. He wanted to be very clear that the amount budgeted for this year, will not be any more than the prior year's budget. For the next meeting, Chairman McKinnon asked for an analysis of the Financial Consultant (Dunlap & Assoc.) expenses incurred in FY2016 and FY2017.

Item 5b – Prior Year Budget to Actual Analysis

There were no comments made on the comparisons of the prior year actual to budget results.

Item 6 – Public Purpose Expenditures

Rich Popp, Interim CFO, highlighted the changes in Public Purpose amounts from the prior year.

A question and answer session followed.

Item 7 – Agency Revenue Summary

Rich Popp, Interim CFO, described how the Agency Allocation is calculated, and discussed the changes from FY2018.

A question and answer session followed.

Item 8 – Spending Authority

Rich Popp, Interim CFO, reviewed the current spending authority levels, which did not change from FY2018.

Larry Mattern, Kissimmee, recommended that the spending authority of the COO be increased from \$50,000 to \$100,000, and the authority of the Power Generation Fleet Director be increased from \$20,000 to \$50,000.

ITEM 9 – COMMENTS

Howard McKinnon, Chair, and Larry Mattern, Kissimmee, complemented the FMPA Staff on their work on the FY2019 budgets.

ITEM 10 – ADJOURNMENT

There being no further business, the meeting was adjourned at 10:54 a.m.

Approved on: _____
(date)

RP/gsf

AGENDA ITEM 3 – Chairman’s Remarks:

**Business Planning & Budget Committee
Meeting**

May 16, 2018

AGENDA ITEM 4 – Follow Up Items – Agency Budget

- a.) Analysis of the FY2016/FY2017 Dunlap & Assoc. Expenses**
- b.) Increase in the Spending Authorities of the COO and the Power Generation Fleet Director**
- c.) Resolution Changes**

Business Planning & Budget Committee Meeting

May 16, 2018



Agency FY 2019 Budget Update

Business Planning & Budget Committee

May 16, 2018

Fixed Fees for Financial Advisor Services

- Total FA services averaged \$296,415 per year over last two years
- Two bond transactions completed last fiscal year.
- Expect one transaction in FY 2018 and 1-2 transactions in FY 2019
- FY 2019 FA contract payment of \$165,000
 - Expect one ARP transaction
- FY 2019 \$54,000 available to use with PFM or fund FA contract costs.

Agency Merit & Promotions Set at 4% Include GM & GC

If GM & GC Increases > 4%, Added Funds Needed

- Agency Merit and Promotions set at 4% on average including GM & GC
- Merit increase for GM & GC above 4% will be funded from other Agency operations.
- Remaining total Merit and Promotional Pool will be available for staff.

Spending Authority Increases

In Recognition of Generation Needs

- Increased approval limits for ARP (non-commodity) per Committee direction for Generation area:
 - COO from \$50,000 to \$100,000
 - Power Generation Fleet Director from \$20,000 to \$50,000
- New table outlines additional spending authorities

AGENDA ITEM 4 – Follow Up Items – Agency Budget

**a.) Analysis of the FY2016/FY2017 Dunlap & Assoc.
Expenses**

Item 4a - Analysis of the FY2016/FY2017 Dunlap & Assoc. Expenses

INVOICE		Direct Charges						TOTAL INVOICE
DATE	AGENCY	Agency	LUCIE	STANTON	STANTON II	TRICY	ALL-REQUIREMENTS	
	FY 2017							
11/17/2016	October 2016	4,500.00	2,935.00	248.00	2,935.00	248.00	5,834.00	16,700.00
12/5/2016	November 2016	4,500.00	7,406.00				3,119.00	15,025.00
2/23/2017	December 2016	4,500.00						4,500.00
3/1/2017	January 2017	4,500.00	5,454.00	820.00	820.00	425.00	15,981.00	28,000.00
3/1/2017	February 2017	4,500.00	7,465.50				7,022.00	18,987.50
4/26/2017	March 2017	4,500.00	7,152.00	123.00	1,640.00		29,047.50	42,462.50
5/24/2017	April 2017	4,500.00					35,250.00	39,750.00
6/5/2017	May 2017	4,500.00					23,100.00	27,600.00
7/3/2017	June 2017	4,500.00					41,862.50	46,362.50
8/14/2017	July 2017	4,500.00			4,688.00		10,362.00	19,550.00
10/6/2017	August 2017	4,500.00	183.00	183.00	7,878.00	183.00	2,773.00	15,700.00
10/6/2017	September 2017	4,500.00	6,587.00		7,359.50		4,141.00	22,587.50
		54,000.00	37,182.50	1,374.00	25,320.50	856.00	178,492.00	297,225.00
FY 2016								
10/8/2015	October 2015	4,500.00	16,502.50				3,785.00	24,787.50
11/10/2015	November 2015	4,500.00	5,356.50				15,156.00	25,012.50
12/2/2015	December 2015	4,500.00	1,049.00	1,049.00	1,049.00	1,049.00	9,979.00	18,675.00
1/18/2016	January 2016	4,500.00	14,299.50				9,613.00	28,412.50
2/4/2016	February 2016	4,500.00	2,933.00				26,729.50	34,162.50
3/2/2016	March 2016	4,500.00					39,563.71	44,063.71
4/6/2016	April 2016	4,500.00	248.00	248.00	248.00		14,731.00	19,975.00
5/2/2016	May 2016	4,500.00	1,765.00	235.00	177.00	177.00	12,858.50	19,712.50
6/20/2016	June 2016	4,500.00	596.25 291.00	163.00	291.00	163.00	4,895.75	10,900.00
7/1/2016	July 2016	4,500.00	4,217.25 4,670.00	101.00	385.00	101.50	5,469.00	19,443.75
9/9/2016	August 2016	9,000.00	1,600.51 4,540.78		572.78	534.00	11,408.18	27,656.25
	September 2016	4,500.00	419.75 7,348.37	805.00	6,085.38	805.00	1,999.00	21,962.50
		58,500.00	6,833.76 59,003.65	2,601.00	8,808.16	2,829.50	156,187.64	294,763.71
PROJECT TOTAL		112,500.00	96,186.15	3,975.00	34,128.66	3,685.50	334,679.64	591,988.71

FY19 Budget Financial Consultant Expense breakdown:

\$ 54,000 FY19 billed Agency to be used for PFM or Dunlap

\$ 165,000 FY19 Dunlap maximum charges related to Project specific bond deals.

AGENDA ITEM 4 – Follow Up Items – Agency Budget

**b.) Increase in the Spending Authorities of the COO
and the Power Generation Fleet Director**

Item 4b – Increase in the Spending Authorities of the COO and the Power Generation Fleet Director

The following authority levels reflect the Committee’s recommendation to increase (1) the commitment authority for the Chief Operating Officer for non-commodity ARP transactions from \$50,000 to \$100,000, and (2) the commitment authority for the Power Generation Fleet Director for non-commodity ARP transactions from \$20,000 to \$50,000. Additionally, staff has revised this section so that the authority levels are shown in the form of a table, so that we can more clearly delineate the differences in commitment authority levels by position for Agency, ARP (non-commodity), and ARP (commodity) transactions. The authority levels for commodity-related ARP transactions are as set forth in FMPA’s Origination Transaction Policy.

Budget Contract and Spending Authority

Financial Commitment Authority – Defined as the authorized personnel who have the ability to financially commit (sign on behalf of) the Agency (contracts, work orders, purchase orders, etc.). Authority levels are shown in the following table.

FMPA Financial Commitment Authority Levels

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]
General Manager	Up to \$200,000. For emergency events declared by the GM, GM has unlimited authority and must report to chairpersons of the EC and BOD within 5 days and the governing bodies at the next scheduled meeting	Up to total non-fuel Operations and Maintenance Budget and total Project Capital Budget, with non-budgeted items over \$200,000 reported at the next EC Meeting	<ul style="list-style-type: none"> Up to \$50 million notional value for transactions > 2 years but ≤ 7 years Up to \$15 million notional value for transactions > 1 month but ≤ 2 years Up to \$5 million notional value for transactions ≤ 1 month
Chief Operating Officer	Up to \$50,000	Up to \$100,000	<ul style="list-style-type: none"> Up to \$15 million notional value for transactions > 1 month but ≤ 2 years Up to \$5 million notional value for transactions ≤ 1 month
Power Generation Fleet Director	Up to \$5,000	Up to \$50,000	N/A
CFO, AGMs, Chief Information Compliance	Up to \$20,000	Up to \$20,000	N/A

Officer, and General Counsel			
System Operations Manager and Business Development Manager	Up to \$5,000	Up to \$5,000	<ul style="list-style-type: none"> Up to \$5 million notional value for transactions ≤ 1 month
Managers, Directors & Deputy General Counsel [2]	Up to \$5,000	Up to \$5,000	N/A
Approved Agents [3]	N/A	N/A	<ul style="list-style-type: none"> Up to \$5 million notional value for transactions ≤ 1 month

[1] Amounts shown represent the approval thresholds for spending authority or contract execution for business-related commodity transactions such as fuel, replacement power, and transmission, as set forth in Section 4.1 of FMPPA's Origination Transaction Policy.

[2] Except as may be superseded by higher authority levels for certain manager or director positions elsewhere in this table.

[3] Approved agents include, but may not necessarily be limited to, FGU for transacting of physical natural gas trading activities, FMPP for electricity trading activities less than 8 calendar days, and OUC for non-firm transmission transactions less than 8 days.

Once the Procurement Process has been completed and a vendor and total dollar amount have been negotiated, the above-referenced financial commitment authority determines who is authorized to sign contracts, work orders, purchase orders, etc.

Payment Approval Authority – Defined as managers and above who have the ability to approve vendor invoices and contractual obligations for services rendered. This is an administrative function to verify FMPPA has received the good or services it contracted for in accordance with the counterparty's obligations and contract terms.

- a. If the goods and services provided are in accordance with work orders/contracts/agreements and doesn't result in expenditures or financial commitments exceeding the governing body approved budget, then the manager and above can approve and process invoice. Additional budget tests may exist, as further set by management.
- b. Should there be any desired change in the financial commitment that results in a higher total financial commitment, then the "Financial Commitment Authority" limits are reapplied to determine authority.

AGENDA ITEM 4 – Follow Up Items – Agency Budget

c.) Resolution Changes

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Resolution 2018-EC__
FMPA Executive Committee
[DATE]

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) ESTABLISHING, APPROVING, AND ADOPTING THE ANNUAL FLORIDA MUNICIPAL POWER AGENCY GENERAL BUDGET, IN THE AMOUNT OF FIFTEEN MILLION SIXTY-EIGHT THOUSAND FIVE HUNDRED EIGHT DOLLARS (\$15,068,508), AND THE ALL-REQUIREMENTS POWER SUPPLY PROJECT BUDGET, IN THE AMOUNT OF _____ (\$_____), FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019, AND THE CORRESPONDING BUDGET DOCUMENTS; (II) DEFINING BUDGET AMENDMENTS; (III) ESTABLISHING LEVELS OF APPROVAL REQUIRED FOR BUDGET AMENDMENTS; (IV) PROVIDING FOR ACCOUNT ADJUSTMENTS; (V) PROVIDING FOR LAPSE OF UNEXPENDED FUNDS; (VI) APPROVING STAFFING LEVELS; (VII) PROVIDING FOR INTERIM FUNDING AND REIMBURSEMENT FROM DEBT FINANCING OF CAPITAL IMPROVEMENTS AND PROVIDING FOR THE RELATED DELEGATION TO AUTHORIZED OFFICERS; (VIII) MAKING A DETERMINATION OF A PUBLIC PURPOSE FOR BUDGETED EXPENDITURES; (IX) PROVIDING FOR A CAP ON FINANCIAL ADVISOR FEES; (X) PROVIDING FOR SEVERABILITY; AND (XI) PROVIDING AN EFFECTIVE DATE.

Whereas, the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended (the “**Interlocal Agreement**”), requires the Executive Committee of the Florida Municipal Power Agency (the “**Agency**”) to annually approve and adopt an annual Agency general budget, and an annual All-Requirements Power Supply Project budget, for the succeeding fiscal year; and

Whereas, pursuant to these requirements the annual budget documents for the Agency general budget and the All-Requirements Power Supply Project budget for the fiscal year beginning October 1, 2018, and ending September 30, 2019, (“**Fiscal Year 2019**”) have been prepared and presented by Agency staff, reviewed and approved by the Agency’s Business Planning and Budget Committee, and recommended for approval to the Executive Committee.

BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

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SECTION I. **Annual Agency General and All-Requirements Power Supply Project Budgets.** (A) The Agency general budget for Fiscal Year 2019 is hereby established as \$15,608,508. The All-Requirements Power Supply Project budget for Fiscal Year 2019 is hereby established as \$_____. The Agency general and All-Requirements Power Supply Project budgets for Fiscal Year 2019 are established hereby as finally approved by the Business Planning and Budget Committee, and described in detail in the “**Fiscal Year 2019 Budget Book**” (collectively, the “**Agency and ARP Fiscal Year 2019 Budgets**”). The Fiscal Year 2019 Budget Book as it relates to the Agency and ARP Fiscal Year 2019 Budgets is incorporated by this reference as a material part of this resolution.

(B) The Agency and ARP Fiscal Year 2019 Budgets, as established in subsection (A) above and described in detail in the Fiscal Year 2019 Budget Book, are hereby approved and adopted. Approval is also hereby given to those documents in the Fiscal Year 2019 Budget Book related to the plan for the Agency general budget and the All-Requirements Power Supply Project budget for the fiscal year beginning October 1, 2019, and ending September 30, 2020 (“**Fiscal Year 2020**”), which are hereby approved as the plan to be used to prepare the Fiscal Year 2020 Agency general and All-Requirements Power Supply Project budgets.

SECTION II. **Definition of Budget Amendments.** For purposes of this Resolution, “**Budget Amendment**” means an increase or decrease in any expenditure within the Agency general budget or the All-Requirements Power Supply Project budget, the effect of which alters the total dollar amount of the Agency general budget or the All-Requirements Power Supply Project budget, respectively.

SECTION III. **Approval of Budget Amendments.** The Agency and ARP Fiscal Year 2019 Budgets may only be amended by the Executive Committee at a duly called meeting of the Executive Committee by resolution and in accordance with Agency requirements and requirements of law.

SECTION IV. **Account Adjustment.** The General Manager may adjust the appropriate accounts for the Agency and ARP Fiscal Year 2019 Budgets by a maximum amount of unexpended funds for approved and appropriated Agency and All-Requirements Power Supply Project expenditures for undertakings remaining active as of September 30, 2018. However, any such adjustment must be reported to and approved by the Executive Committee, in accordance with Section III.

SECTION V. **Lapse of Unexpended Funds.** Any funds in the Agency and ARP Fiscal Year 2019 Budgets appropriated but not expended, unless otherwise

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amended pursuant to Section III, automatically lapse upon FMPA's close of business on September 30, 2019, unless otherwise approved by a resolution of the Executive Committee.

SECTION VI. **Approval of Staffing Levels; Merit and Promotion.** (A) There are a total of [74] authorized Agency staff positions set forth in the Fiscal Year 2019 Budget Book, as shown on the sheet entitled "FMPA Organization Chart." The General Manager has the authority to manage and control the organization of Agency staff as appropriate to meet the needs of the Agency, including making changes to position descriptions, salary grades, functional duties, employee classifications, and organizational structure, except that no increases to the number of Agency staff in addition to the [74] positions authorized by this resolution may be made without prior Executive Committee approval.

(B) Increases in Agency employee wages for merit raises and promotions have been budgeted at 4% of gross wages, as shown in the Fiscal Year 2019 Budget Book (the "**Merit and Promotions FY 2019 Budget**"). No budget authority in the Agency general budget for Fiscal Year 2019 may be used for merit increases and promotions, other than the Merit and Promotions FY 2019 Budget. The Merit and Promotions FY 2019 Budget includes merit increases for the General Manager and Chief Executive Officer and the General Counsel and Chief Legal Officer, who serve as appointed officers of the Agency. However, to the extent that either of these appointed officers receives a merit increase of greater than 4%, the General Manager and Chief Executive Officer may use any available budget authority from the Agency general budget outside the Merit and Promotions FY 2019 Budget to make up the difference so that the amount available in the Merit and Promotions FY 2019 Budget is not less than 4% of gross wages for Agency employees, other than the appointed officers of the Agency. If there is not sufficient available budget authority from the Agency general budget to make up such difference, the General Manager and Chief Executive Officer shall bring such matter to the attention of the Executive Committee. If appointed officers of the Agency receive merit increases of less than 4%, any remaining amount is authorized to be used for merit increases and promotions for the Agency's other employees.

SECTION VII. **Interim Funding of Total Capital Financed.** Capital improvements described in the Agency and ARP Fiscal Year 2019 Budgets under the heading of "Capital Funded from Financing" or otherwise described as expected to be financed with loans or other debt obligations may initially be paid with other temporarily available funds of the Agency or the All-Requirements Power Supply Project, respectively, pending issuance of such loans or other debt; it is the expectation of Florida Municipal Power Agency that such expended amounts will be reimbursed when the proceeds of such debt become available, that the maximum principal amount of debt issued for such purposes will also include the amount necessary to

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fund associated issuance costs, debt reserve funds, capitalized interest and similar items customarily included in a debt financing of such capital expenditures, and it is the Florida Municipal Power Agency's intention that this Section VII be treated as a statement of the Florida Municipal Power Agency's "official intent" within the meaning of IRS regulations section 1.150-2. While this is the current intention of the Florida Municipal Power Agency, it does not in any way obligate it to proceed with tax-exempt financing for any such expenditures, or to reimburse itself from the proceeds of any such loan or debt financing or financings which may be undertaken, in the event that the Florida Municipal Power Agency later determines that such action is not in its best interest. In addition, in the event that it becomes apparent during Fiscal Year 2019 that the actual costs of capital improvements for Fiscal Year 2019 may or will exceed the amount set forth in the Agency and ARP Fiscal Year 2019 Budgets as hereby adopted, and the Florida Municipal Power Agency determines that the amount expected to be financed with loans or other debt obligations will exceed the Maximum Principal Amount described in the Agency and ARP Fiscal Year 2019 Budgets, a further statement of "official intent" under applicable federal income tax regulations may be subsequently adopted by the Authorized Officers (as set forth further in this Section VII) in a timely manner in order to preserve the ability to reimburse such excess from the proceeds of additional loans or debt obligations. For purposes of this Section VII, "**Authorized Officers**" means (i) the Chairperson of the Executive Committee or the Vice Chairperson of the Executive Committee or the elected Treasurer of the Agency, and (ii) the General Manager and CEO of FMPA or the Chief Financial Officer of FMPA.

SECTION VIII. Determination of a Public Purpose. (A) Except as specifically provided for in subsection (B) below, the Executive Committee hereby determines that all budgeted expenditures described in the Agency and ARP Fiscal Year 2019 Budgets, and those otherwise permitted and within the limits established in the Agency and ARP Fiscal Year 2019 Budgets, have and do serve a public purpose and further the purposes of the Agency and the All-Requirements Power Supply Project, as provided for in the Interlocal Agreement, the All-Requirements Power Supply Project Contracts between FMPA and each of the Project Participants (as defined therein), and applicable law.

(B) Certain expenditures within the Agency and ARP Fiscal Year 2019 Budgets have been explicitly given a "Public Purpose Designation," for the account descriptions of Meetings, Employee Activities, and Awards & Recognition, and Employee Activities (totaling [\$49,850] in the Agency and ARP Fiscal Year 2019 Budgets). Such Public Purpose Designation expenditures have been reviewed by the Executive Committee and are hereby specifically and expressly determined to have and serve a public purpose and further the purposes of the Agency and the All-Requirements Power Supply Project. During the Fiscal Year 2019, Agency staff shall designate and track expenditures made under all account descriptions that

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have been given such a Public Purpose Designation, pursuant to the requirements of the Agency's Public Purpose Policy and procedures issued to implement such policy.

SECTION IX. Cap on Financial Advisor Fees. In March 2018 the FMPA Board of Directors and FMPA Executive Committee approved engaging Dunlap & Associates, Inc. ("**Dunlap**") and PFM Financial Advisors LLC ("**PFM**") as the Managing Financial Advisor and Co-Financial Advisor, respectively, with the understanding that the total fees paid for both firms would not exceed the total fees paid for financial advisor services in the previous year. The average annual fees paid for financial advisor services for 2015-2017 was \$296,415. Therefore, the Executive Committee hereby caps the budgetary authority for financial advisor fees paid to both Dunlap and PFM, together, at no more than a total of \$296,415 for Fiscal Year 2019, regardless of whether those financial advisor fees are provided for in the Agency and ARP Fiscal Year 2019 Budgets, or elsewhere.

SECTION X. Severability. If one or more provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof, and shall in no way affect the validity or enforceability of such remaining provisions.

SECTION XI. Effective Date. This resolution shall take effect immediately upon its adoption.

- DRAFT -

This Resolution 2018-EC__ is hereby approved and adopted by the Executive Committee of the Florida Municipal Power Agency on [DATE].

Chairperson of the Executive Committee

I HEREBY CERTIFY that on [DATE], the above Resolution 2018-EC__ was approved and adopted by the Executive Committee of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2018-EC__.

ATTEST:

Secretary or Assistant Secretary

SEAL

- DRAFT -

Resolution 2018-B__
FMPPA Board of Directors
[DATE]

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) ESTABLISHING, APPROVING, AND ADOPTING THE ANNUAL BUDGETS FOR THE PROJECTS OF THE FLORIDA MUNICIPAL POWER AGENCY, OTHER THAN THE ALL-REQUIREMENTS POWER SUPPLY PROJECT, AS FOLLOWS:

FIFTY-FOUR MILLION TWO HUNDRED
THIRTY-THREE THOUSAND DOLLARS
(\$54,233,000) FOR THE ST. LUCIE PROJECT,

TWENTY-NINE MILLION NINE HUNDRED
THIRTY-SEVEN THOUSAND DOLLARS
(\$29,937,000) FOR THE STANTON PROJECT,

FIFTY MILLION SIX HUNDRED NINETY-TWO
THOUSAND DOLLARS (\$50,692,000) FOR THE
STANTON II PROJECT, AND

ELEVEN MILLION FIVE HUNDRED FIFTY-
EIGHT THOUSAND DOLLARS (\$11,558,000)
FOR THE TRI-CITY PROJECT

FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND
ENDING SEPTEMBER 30, 2019, AND THE CORRESPONDING
BUDGET DOCUMENTS; (II) DEFINING BUDGET
AMENDMENTS; (III) ESTABLISHING LEVELS OF APPROVAL
REQUIRED FOR BUDGET AMENDMENTS; (IV) PROVIDING
FOR ACCOUNT ADJUSTMENTS; (V) PROVIDING FOR LAPSE
OF UNEXPENDED FUNDS; (VI) PROVIDING FOR
ALLOCATIONS OF THE FLORIDA MUNICIPAL POWER
AGENCY GENERAL BUDGET TO THE PROJECTS; (VII)
PROVIDING FOR INTERIM FUNDING AND
REIMBURSEMENT FROM DEBT FINANCING OF CAPITAL
IMPROVEMENTS AND PROVIDING FOR THE RELATED
DELEGATION TO AUTHORIZED OFFICERS; (VIII) MAKING A
DETERMINATION OF A PUBLIC PURPOSE FOR BUDGETED
EXPENDITURES; (IX) PROVIDING FOR A CAP ON FINANCIAL

- DRAFT -

ADVISOR FEES; (X) PROVIDING FOR SEVERABILITY; AND
(XI) PROVIDING AN EFFECTIVE DATE.

Whereas, the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended (the “**Interlocal Agreement**”), requires the Board of Directors of the Florida Municipal Power Agency (the “**Agency**”) to annually approve and adopt a budget for the Agency’s projects, as defined in the Interlocal Agreement, other than the All-Requirements Power Supply Project, for the succeeding fiscal year; and

Whereas, pursuant to these requirements the annual budget documents for the budgets of the Agency’s projects, other than the All-Requirements Power Supply Project, for the fiscal year beginning October 1, 2018, and ending September 30, 2019, (“**Fiscal Year 2019**”) have been prepared and presented by Agency staff, reviewed and approved by the Agency Business Planning and Budget Committee, and recommended for approval to the Board of Directors.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA
MUNICIPAL POWER AGENCY THAT:

SECTION I. **Project Budgets.** (A) The budgets for the Agency’s projects, other than the All-Requirements Power Supply Project, for Fiscal Year 2019 are hereby established as follows:

- (i) \$54,233,000 for the St. Lucie Project,
- (ii) \$29,937,000 for the Stanton Project,
- (iii) \$50,692,000 for the Stanton II Project, and
- (iv) \$11,558,000 for the Tri-City Project

(together with the St. Lucie Project, Stanton Project, and Stanton II Project budgets established in this Section I(A), the “**Fiscal Year 2019 Project Budgets**”). The Fiscal Year 2019 Project Budgets are established hereby as finally approved by the Business Planning and Budget Committee, and described in detail in the “**Fiscal Year 2019 Budget Book**.” The Fiscal Year 2019 Budget Book as it relates to the Fiscal Year 2019 Project Budgets is incorporated by this reference as a material part of this resolution.

(B) The Fiscal Year 2019 Project Budgets, as established in subsection (A) above and described in detail in the Fiscal Year 2019 Budget Book, are hereby approved and adopted. Approval is also hereby given to those documents in the Fiscal Year 2019 Budget Book related to the plan for the Agency’s projects, other than the All-Requirements Power Supply Project, for the fiscal year beginning October 1, 2019, and ending September 30, 2020 (“**Fiscal Year 2020**”), which are hereby approved as the plan to be used to prepare the Fiscal Year

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2020 budgets for the Agency's projects, other than the All-Requirements Power Supply Project (the "**Fiscal Year 2020 Projects Budget Plan**").

SECTION II. **Definition of Budget Amendments.** For purposes of this Resolution, "**Budget Amendment**" means an increase or decrease in any expenditure within the Fiscal Year 2019 Project Budgets, the effect of which alters the total dollar amount of any of the Fiscal Year 2019 Project Budgets.

SECTION III. **Approval of Budget Amendments.** The Fiscal Year 2019 Project Budgets may only be amended by the Board of Directors at a duly called meeting of the Board of Directors by resolution and in accordance with Agency requirements and requirements of law.

SECTION IV. **Account Adjustment.** The General Manager may adjust the appropriate accounts for the Fiscal Year 2019 Project Budgets by a maximum amount of unexpended funds for approved and appropriated project expenditures (other than expenditures for the All-Requirements Power Supply Project) for undertakings remaining active as of September 30, 2018. Such adjustments must be reported to and approved by the Board of Directors, in accordance with Section III.

SECTION V. **Lapse of Unexpended Funds.** Any funds in the Fiscal Year 2019 Project Budgets appropriated but not expended, unless otherwise amended pursuant to Section III, automatically lapse upon FMPA's close of business on September 30, 2019, unless otherwise approved by a resolution of the Board of Directors.

SECTION VI. **Project Allocations.** The Board of Directors hereby allocates financial responsibility for the Agency general budget for Fiscal Year 2019, as adopted by the Executive Committee, to the Agency's projects in the following percentages:

(i)	All-Requirements Power Supply Project	87.7%
(ii)	St. Lucie Project	2.8%
(iii)	Stanton Project	2.8%
(iv)	Stanton II Project	2.8%
(v)	Tri-City Project	2.8%

SECTION VII. **Interim Funding of Total Capital Financed.** Capital improvements described in the Fiscal Year 2019 Project Budgets under the heading of "Capital Funded from Financing" or otherwise described as expected to be financed with loans or other debt obligations may initially be paid with other temporarily available funds of the Agency, pending issuance of such loans or other debt; it is the

- DRAFT -

expectation of the Agency that such expended amounts will be reimbursed when the proceeds of such debt become available, that the maximum principal amount of debt issued for such purposes will also include the amount necessary to fund associated issuance costs, debt reserve funds, capitalized interest and similar items customarily included in a debt financing of such capital expenditures (as grossed up, for purposes of this Section VII, the “**Maximum Principal Amount**”), and it is the Agency’s intention that this Section VII be treated as a statement of the Agency’s “official intent” within the meaning of IRS regulations section 1.150-2. While this is the current intention of the Agency, it does not in any way obligate the Agency to proceed with tax-exempt financing for any such expenditures, or to reimburse itself from the proceeds of any such loan or debt financing or financings which may be undertaken, in the event that the Agency later determines that such action is not in its best interest. In addition, in the event that it becomes apparent during Fiscal Year 2019 that the actual costs of capital improvements for Fiscal Year 2019 may or will exceed the amount set forth in the Fiscal Year 2019 Project Budgets as adopted, or the Agency determines that the amount expected to be financed with loans or other debt obligations will exceed the Maximum Principal Amount, a further statement of “official intent” under applicable federal income tax regulations may be subsequently adopted by the Authorized Officers (as set forth further in this Section VII) in a timely manner in order to preserve the ability to reimburse such excess from the proceeds of additional loans or debt obligations. For purposes of this Section VII, “**Authorized Officers**” means (i) the Chairman of the Board of Directors or the Vice Chairman of the Board of Directors or the elected Treasurer of the Board of Directors and (ii) the General Manager and CEO of FMPA or the Chief Financial Officer of FMPA.

SECTION VIII. **Determination of a Public Purpose.** The Board of Directors hereby determines that all budgeted expenditures described in the Fiscal Year 2019 Project Budgets, and those otherwise permitted and within the limits established in the Fiscal Year 2019 Project Budgets, have and do serve a public purpose and further the purposes of the Agency and each of the Agency’s projects (other than the All-Requirements Power Supply Project), as provided for in the Interlocal Agreement, the Power Sales Contracts and Project Support Contracts between FMPA and each of the Project Participants (as defined therein), and applicable law.

SECTION IX **Cap on Financial Advisor Fees.** In March 2018 the FMPA Board of Directors and FMPA Executive Committee approved engaging Dunlap & Associates, Inc. (“**Dunlap**”) and PFM Financial Advisors LLC (“**PFM**”) as the Managing Financial Advisor and Co-Financial Advisor, respectively, with the understanding that the total fees paid for both firms would not exceed the total fees paid for financial advisor services in the previous year. The average annual fees paid for financial advisor services for 2015-2017 was \$296,415. Therefore, the Board of

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Directors hereby caps the budgetary authority for financial advisor fees paid to both Dunlap and PFM, together, at no more than a total of \$296,415 for Fiscal Year 2019, regardless of whether those financial advisor fees are provided for in the Fiscal Year 2019 Project Budgets, or elsewhere.

SECTION X. **Severability.** If one or more provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof, and shall in no way affect the validity or enforceability of such remaining provisions.

SECTION XI. **Effective Date.** This resolution shall take effect immediately upon its adoption.

This Resolution 2018-B__ is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on [DATE].

Chairman, Board of Directors

I HEREBY CERTIFY that on [DATE], the above Resolution 2018-B__ was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2018-B__.

ATTEST:

Secretary or Assistant Secretary

SEAL

AGENDA ITEM 5 – Information Items:

- a.) Presentation of the FY2019/FY2020 St. Lucie Project Budget**
- b.) Presentation of the FY2019/FY2020 Stanton Project Budget**
- c.) Presentation of the FY2019/FY2020 Tri-City Project Budget**
- d.) Presentation of the FY2019/FY2020 Stanton II Project Budget**

Business Planning & Budget Committee Meeting

May 16, 2018

AGENDA ITEM 5 – Information Item:

**a.) Presentation of the FY2019/FY2020
St. Lucie Project Budget**



St. Lucie Project FY 2019 Budget Overview

Business Planning & Budget Committee

May 16, 2018

St. Lucie Project Summary

St. Lucie Cost Projected 4% Below FY2018

- St. Lucie FY2019 cost projected at a 4% decrease due to no planned outages
- FPL O&M and A&G costs continue to trend higher than budgeted
 - FPL-provided budget O&M costs for FY2018 and FY2019 are significantly below what we have been experiencing
 - FY2019 budget reflects costs based on historical experience
- No planned outage for St. Lucie 2 in FY2019
 - Some outage costs from FY2018 may bleed into FY2019
- No major capital projects planned over next few years
- Moving nuclear fuel purchase funding from O&M to R&R
 - Should reduce annual over/under recovery rate effects due to advance payments for nuclear fuel charged by FPL

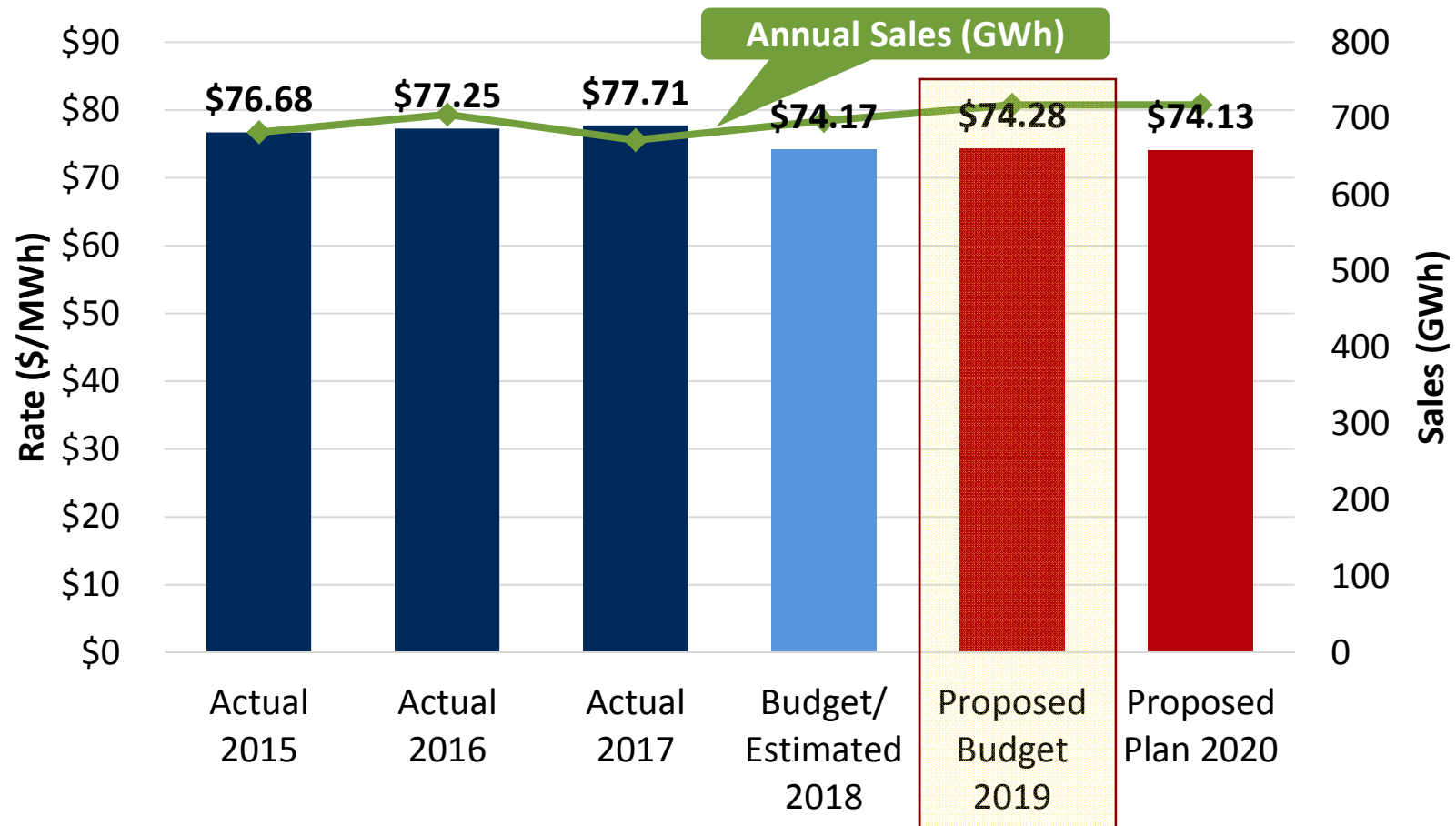
Project Debt Increasing, but Targeting No Rate Increase

- Debt payments will increase in FY 2020 and FY 2021 due to bullet principal amounts
 - \$27M principal due 10/1/2020
 - \$169M principal due 10/1/2021
- Plan to use combination of available maturing investments and refinancing of debt to mitigate rate impact
 - ≈\$300M of debt remaining to be paid, but over \$200M of investments on hand in General Reserve and other Project funds
 - FY 2020 plan assumes use of \$14M of maturing investments in the General Reserve Fund to pay portion of principal bullet

FY2019 St. Lucie Project Rate is \$74.28/MWh

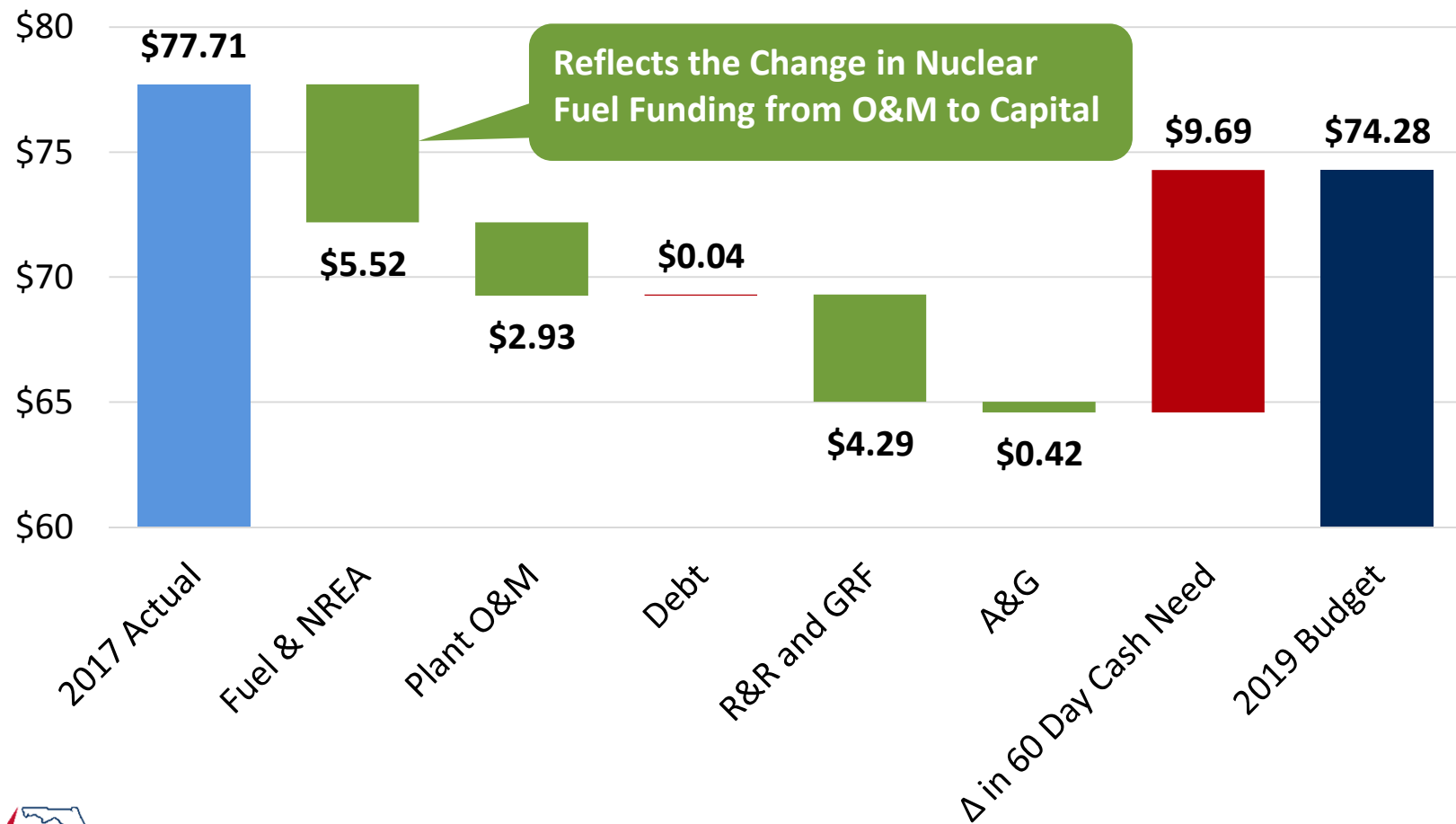
Continue to Target Rate ≈\$74.25/MWh

St. Lucie Project – Historical & Budgeted All-in Rate (\$/MWh) and Sales (GWh)



Lower Capital, O&M Spending Anticipated in FY 2019 Due to No Planned Outage

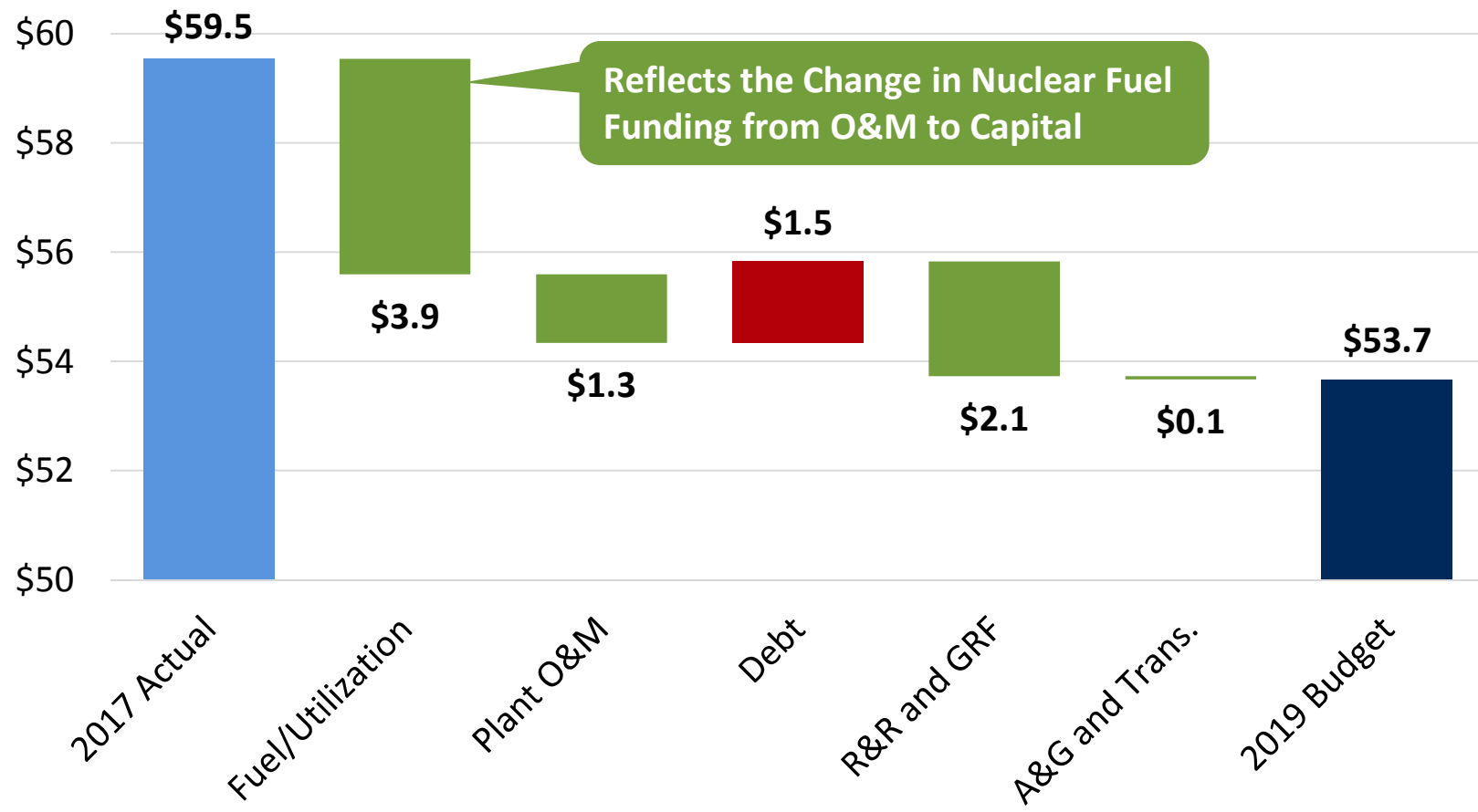
St. Lucie Project – 2017 Actual to 2019 Budget All-in Rate (\$/MWh)



FY 2019 Total Costs Projected < FY 2017 Actuals

No Planned Outage Reduces O&M, Capital Expenses

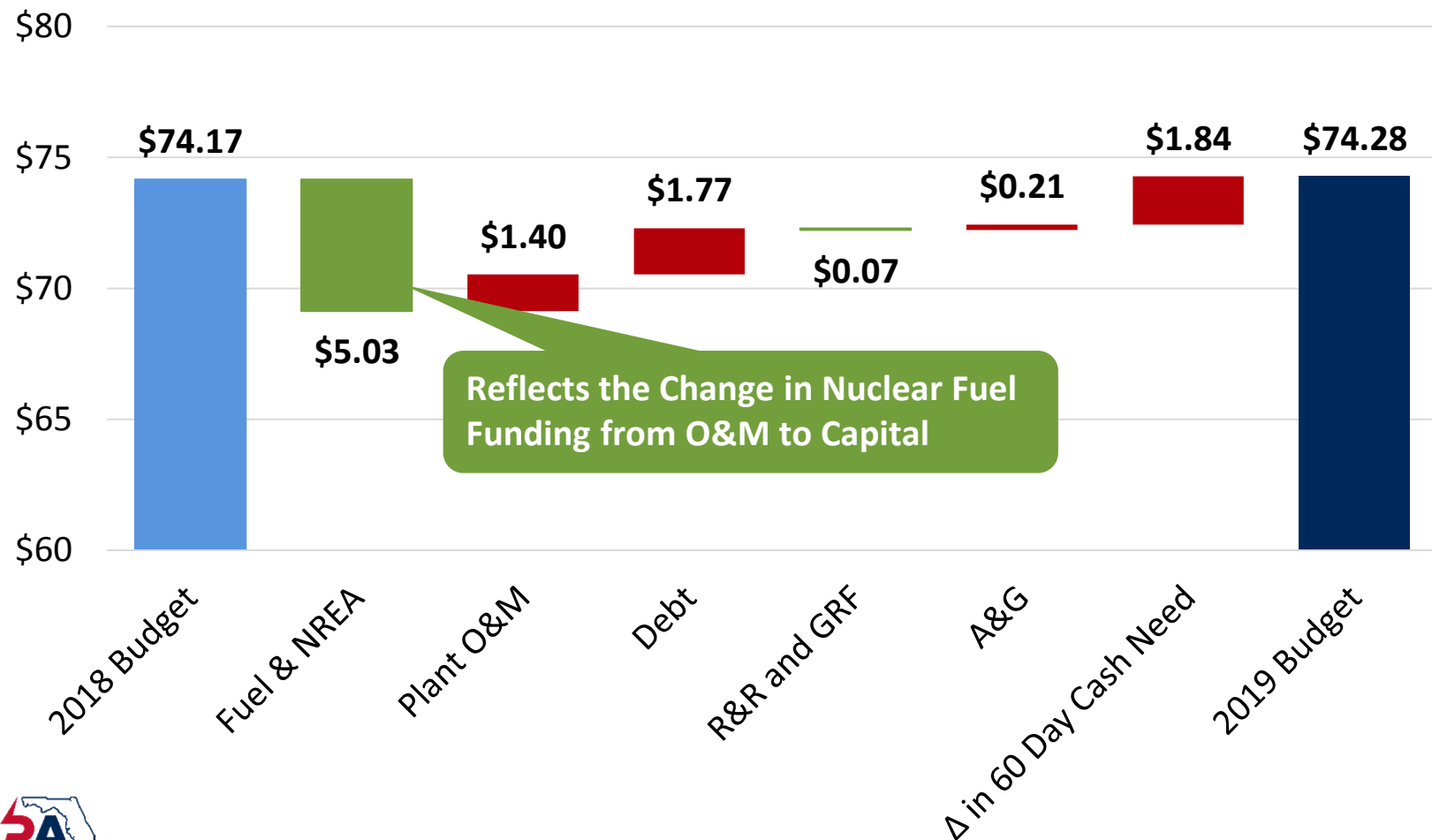
St. Lucie Project – 2017 Actual to 2019 Budget Total Expenses (\$Millions)



FY19 Budget Rate ≈ FY18 Budget Rate

Lower R&R & GRF Deposits Offset O&M Increase

St. Lucie Project - 2018 Budget to 2019 Budget All-in Rate (\$/MWh)



Budget Overview

**ST. LUCIE
PROJECT**

The proposed participant billing will result in a total budgeted price for FY 2019 of \$74.28 and for FY 2020 of \$74.13 per MWh generated. The FY 2019 unit price remains flat from the budgeted unit price for FY 2018. The FY 2020 unit price reflects no change from the budgeted unit price for FY 2019.

For FY2019 O&M and A&G costs have been increased to match historical experience. FPL has consistently under-budgeted these two expenses. During FY 2019 capital improvements in the amount of \$4.0 million and nuclear fuel purchases in the amount of \$2.1 million are anticipated. The Renewal and Replacement account will be funded accordingly over a 4 year period to levelize the rate impact for Capital Expenses and Nuclear Fuel Purchases. A summary of the 4 Year Plan and funding of the Renewal and Replacement Account is contained in the St. Lucie Project Section.

In previous years, the Nuclear Fuel Purchases flowed through the O&M account that resulted in over/under recoveries each year for the advance payments for nuclear fuel charged by FPL. In FY 2019 and future years, the Nuclear Fuel Purchases will also be funded and paid through the Renewal and Replacement Account to levelize the rate impact on the Participants in the St. Lucie Project.

The St. Lucie Project's capacity factor is projected to increase from 94.1% in FY 2018 to 96.9% in FY 2019 due to no outages scheduled by FPL for St. Lucie Unit 2.

For FY 2020, \$14 million is projected to be transferred from the General Reserve Fund to pay off the 2011A Debt Series. Funds have been accumulated over previous years in the General Reserve Fund in order to pay this balloon payment.

The St. Lucie Project's operating and maintenance fund balance is at an amount to support a 60-day average balance of operating expenses. The balance will be maintained within three accounts comprising the operating and maintenance fund: i) the O & M account, ii)

the Working Capital account and iii) the Rate Stabilization account. Any over or under funding requirement will be billed or returned the following fiscal year. All of the project's excess funds will reside in the General Reserve fund until required. These adjusted balances are shown in the budgeted project fund balance pages contained in the St. Lucie project budget section.

Graphs are contained in the St. Lucie Project section that show the actual performance for the past four years, the budget at year-end for FY 2018 and the projected performance through Fiscal Year 2020.

The expected per unit costs and operating data for the proposed budget and budget plan years are as follows:

Budget FY 2019

<u>\$/MWh Generated</u>	<u>MWhs Delivered</u>	<u>Capacity Factor</u>
\$75.07	718,000	96.9%

Plan FY 2020

<u>\$/MWh Generated</u>	<u>MWhs Delivered</u>	<u>Capacity Factor</u>
\$80.74	718,000	96.9%

Project Participants

Alachua
 *Clewiston
 Fort Meade
 *Fort Pierce
 *Green Cove Springs
 Homestead
 *Jacksonville Beach
 *Kissimmee
 Lake Worth
 *Leesburg
 Moore Haven
 New Smyrna Beach
 *Newberry
 *Starke

All-Requirements Project

* Member of the All-Requirements Project. Members' ownership share of St Lucie Project generation is an excluded resource of the All-Requirements Project and is paid for separately by the members.

Florida Municipal Power Agency

OPERATING BUDGET

Fiscal Years 2019 & 2020

ST. LUCIE PROJECT

000's USD

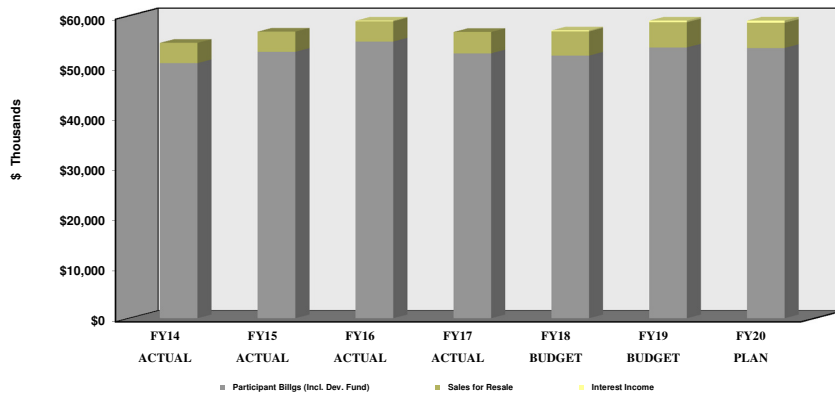
	ACTUAL FY 2017	BUDGET FY 2018	6 Months ACTUAL FY 2018	Proposed FY 2019 BUDGET	Proposed FY 2020 PLAN	18 Bdgt / 19 Bdgt Increase / Decrease%	19 Bdgt / 20 Bdgt Increase / Decrease%
REVENUES							
Participant Billings	\$ 52,505	\$ 52,049	\$ 27,156	\$ 53,669	\$ 53,566	3.1%	(0.2%)
Sales for Resale	4,229	4,786	2,002	4,994	\$ 4,994	4.3%	0.0%
Interest Income *	(64)	209	203	317	427	51.7%	34.7%
TOTAL REVENUES	\$ 56,670	\$ 57,044	\$ 29,361	\$ 58,980	\$ 58,987	3.4%	0.0%
EXPENSES							
Fixed Operating & Maintenance	\$ 12,334	\$ 9,786	\$ 4,444	\$ 11,078	\$ 12,854	13.2%	16.0%
Fuel Payments	3,947	\$ 3,571	\$ 1,170	\$ -	-	(100.0%)	NA
Reliab. Exchg. Agrmt. Purch.	4,431	\$ 4,786	\$ 1,739	\$ 4,994	\$ 4,994	4.3%	0.0%
Transmission - FPL **	188	\$ 211	\$ 100	\$ 211	217	0.0%	2.8%
- OUC **	133	\$ 144	\$ 72	\$ 146	150	1.4%	2.7%
Gen'l & Admin - FPL	2,037	1,717	1,074	1,879	1,926	9.4%	2.5%
FMPA G&A - Agency Allocation	428	459	217	516	459	12.4%	(11.0%)
- Trustee Fees	10	22	13	21	22	(4.5%)	4.8%
- Bond Remarketing	321	323	143	326	334	0.9%	2.5%
- Dues	66	67	35	71	72	6.0%	1.4%
- Other	138	83	33	90	91	8.4%	1.1%
TOTAL EXPENSES	\$ 24,033	\$ 21,169	\$ 9,040	\$ 19,332	\$ 21,119	(8.7%)	9.2%
FUND CONTRIBUTIONS							
Renewal & Replacement	6,500	4,500	2,250	5,500	8,500	NA	54.5%
Debt Service Deposits	21,309	20,913	10,953	22,801	39,697	9.0%	74.1%
General Reserve Fund & FSA	7,700	7,300	3,650	6,600	(11,000)	(9.6%)	(266.7%)
TOTAL EXPENSES & CONTRIBUTIONS	\$ 59,542	\$ 53,882	\$ 25,893	\$ 54,233	\$ 58,316	0.7%	7.5%
NET INCOME BEFORE REGULATORY ADJ	\$ (2,872)	\$ 3,162	\$ 3,468	\$ 4,747	\$ 671		
MWhs Delivered (In thousands)	672	697	360	718	718		
Capacity Factor	90.7%	94.1%	97.3%	96.9%	96.9%		
\$ / MWh Billed (Excluding Transmission)	\$ 77.71	\$ 74.17	\$ 74.88	\$ 74.28	\$ 74.13		
\$ / MWh Generated (Excluding Transmission)	\$ 88.19	\$ 76.80	\$ 71.38	\$ 75.07	\$ 80.74		
% Change in Rates		-4.6%		0.2%	-0.2%		
Outages Scheduled	Unit 1&2	Unit 1&2		Unit 1	Unit 2		
* Includes the Arbitrage Rebate Adjustment							
** Transmission applies to KUA and Alachua only							

FMPA Operating Budget - Fiscal Year 2019 & 2020

ST. LUCIE PROJECT

Dollars in \$000

REVENUES

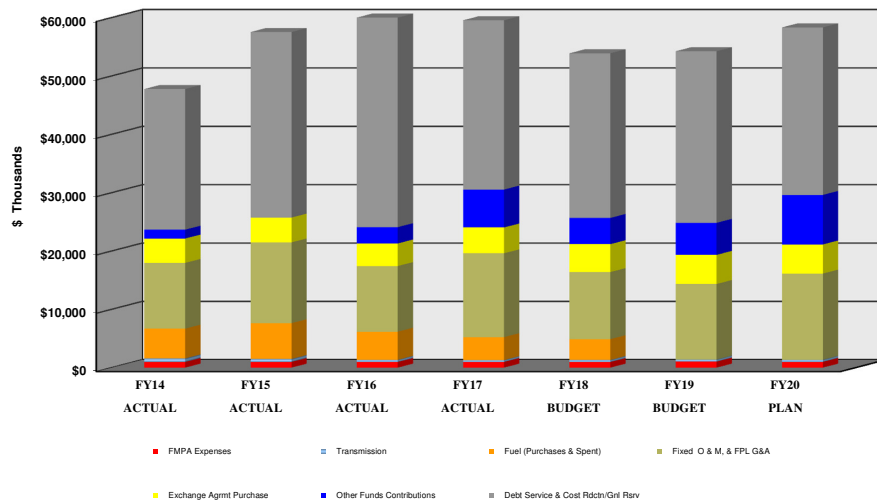


In \$Thousands

REVENUES	ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	BUDGET FY18	BUDGET FY19	PLAN FY20
Participant Bills (Incl. Dev. Fund)	\$ 50,553	\$ 52,805	\$ 54,842	\$ 52,505	\$ 52,049	\$ 53,669	\$ 53,566
Sales for Resale	4,020	4,008	4,004	4,229	4,786	4,994	4,994
Interest Income	-888	-186	133	-64	209	317	427
Total	\$ 53,685	\$ 56,627	\$ 58,979	\$ 56,670	\$ 57,044	\$ 58,980	\$ 58,987

Dollars in \$000

EXPENSES



In \$ Thousands

EXPENSES	ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	BUDGET FY18	BUDGET FY19	PLAN FY20
Debt Service & Cost Rdcn/Gnl Rsrvc	\$ 24,106	\$ 31,796	\$ 37,390	\$ 29,009	\$ 28,213	\$ 29,401	\$ 28,697
Other Funds Contributions	1,522	0	2,800	6,500	4,500	5,500	8,500
Fixed O & M, & FPL G&A	11,278	13,851	11,257	14,371	11,503	12,957	14,780
Exchange Agrmt Purchase	4,176	4,254	3,874	4,431	4,786	4,994	4,994
Fuel (Purchases & Spent)	5,103	6,141	4,820	3,947	3,571	0	0
Transmission	611	511	380	321	355	357	367
FMPA Expenses	966	971	958	963	954	1,024	978
Total	\$ 47,762	\$ 57,524	\$ 61,479	\$ 59,542	\$ 53,882	\$ 54,233	\$ 58,316
Delivered MWhs (In 000)	673	682	705	672	697	718	718
Unit Cost of Power - \$/MWh	\$ 71.00	\$ 84.35	\$ 87.20	\$ 88.67	\$ 77.31	\$ 75.57	\$ 81.26

FISCAL YEAR 2019 BUDGET

ST. LUCIE PROJECT

PROJECT FUND BALANCES - 000's USD

OPERATING AND MAINTENANCE FUND

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19	Minimum Recmd Bal.
Operating & Maintenance (O&M) Account	\$ 2,248	\$ 4,747	\$ -	\$ 6,995	\$ 6,995
Working Capital Account	1,150	-	-	1,150	1,150
Rate Stabilization Account	770	-	-	770	770
Total Operating and Maintenance Fund	\$ 4,168	\$ 4,747	\$ -	\$ 8,915	\$ 8,915 *

*Minimum recommended balance is amount required to meet operating expenses for the next 60 days.
Minimum per bond resolution is half the recommended amount.

DEBT SERVICE FUND

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19	Minimum Recmd Bal.
*Debt Service Accounts					
(Series '00, '02, '09A, '10, '11A, '12A, '13) Principal	\$ 7,325	\$ 10,015	\$ 7,825	\$ 9,515	
Interest	3,848	12,785	12,935	3,697	
Total Debt Service Accounts	\$ 11,173	\$ 22,800	\$ 20,760	\$ 13,212	
Debt Service Reserve Account	\$ 9,371	\$ -	\$ -	\$ 9,371	\$ 9,371 **

*Account minimums will be in compliance with Bond Resolution. Setting an annual minimum is not practical with variable rates.

**Account minimum balance set by Bond Resolution (1/2 Maximum Aggregate Annual Debt Service)

RESERVE AND CONTINGENCY FUND

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19
Renewal & Replacement Account *	\$ 8,134	\$ 5,500	\$ 6,019	\$ 7,614
Contingency Account	\$ 6,000	\$ -	\$ -	\$ 6,000

* Capital and Nuclear Fuel Advance Purchases

DECOMMISSIONING FUND

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19
Decommissioning Fund Account *	\$ 79,710	\$ 4,927	\$ -	\$ 84,637

* Deposits are interest earnings

FISCAL YEAR 2019 BUDGET

ST. LUCIE PROJECT

PROJECT FUND BALANCES - 000's USD

GENERAL RESERVE FUND

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19
General Reserve Fund	\$ 95,968	\$ 3,600	\$ -	\$ 99,568
General Reserve Fund - Interest *	-	2,150	-	2,150
Subtotal General Reserve	\$ 95,968	\$ 5,750	\$ -	\$ 101,718
Collateral Account	\$ 7,428	\$ -	\$ -	\$ 7,428
Collateral Account - Interest *	-	321	-	321
Subtotal Collateral	\$ 7,428	\$ 321	\$ -	\$ 7,749
Forward Sale Agreement	\$ 91,020	\$ 3,000	\$ -	\$ 94,020
Forward Sale Agreement - Interest *	-	4,945	-	4,945
Subtotal Forward Sale Agreement	\$ 91,020	\$ 7,945	\$ -	\$ 98,965
Total General Reserve Fund	\$ 194,417	\$ 14,016	\$ -	\$ 208,433

* Deposits are interest earnings

* Deposits are interest earnings in 2nd Line Item for all accounts/Retained in General Reserve

CAPITAL PLAN

Capital Funded from Renewal & Replacement

	Fiscal Year 2019
Per FPL Capital Plan	\$ 3,962
Per FPL Nuclear Fuel Plan	2,058
Total Withdrawals - Renewal & Replacement Payments	<u>\$ 6,019</u>

FISCAL YEAR 2020 PLAN

ST. LUCIE PROJECT

PROJECT FUND BALANCES - 000's USD

OPERATING AND MAINTENANCE FUND

	Beginning Bal. 10/1/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20	Minimum Recmd Bal.
Operating & Maintenance (O&M) Account	\$ 6,995	\$ 671	\$ -	\$ 7,666	\$ 7,666
Working Capital Account	1,150	-	-	1,150	1,150
Rate Stabilization Account	770	-	-	770	770
Total Operating and Maintenance Fund	\$ 8,915	\$ 671	\$ -	\$ 9,586	\$ 9,586 *

*Minimum recommended balance is amount required to meet operating expenses for the next 60 days.
Minimum per bond resolution is half the recommended amount.

DEBT SERVICE FUND

	Beginning Bal. 10/1/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20	Minimum Recmd Bal.
*Debt Service Accounts					
(Series '00, '02, '09A, '10, '11A, '12A, '13) Principal	\$ 9,515	\$ 13,320	\$ 9,515	\$ 13,320	
** Transfer		14,000		14,000	
Interest	3,697	12,377	12,576	3,498	
Total Debt Service Accounts	\$ 13,212	\$ 39,697	\$ 22,091	\$ 30,818	

*Account minimums will be in compliance with Bond Resolution. Setting an annual minimum is not practical with variable rates.

**Transfer from General Reserve Fund for payment of 2011A Debt

Debt Service Reserve Account	\$ 9,371	\$ -	\$ -	\$ 9,371	\$ 9,371 ***
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***Account minimum balance set by Bond Resolution (1/2 Maximum Aggregate Annual Debt Service)

RESERVE AND CONTINGENCY FUND

	Beginning Bal. 10/1/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
Renewal & Replacement Account *	\$ 7,614	\$ 8,500	\$ 7,581	\$ 8,533
Contingency Account	\$ 6,000	\$ -	\$ -	\$ 6,000

* Capital and Nuclear Fuel Advance Purchases

DECOMMISSIONING FUND

	Beginning Bal. 10/1/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
Decommissioning Fund Account *	\$ 84,637	\$ 5,223	\$ -	\$ 89,860

* Deposits are interest earnings

FISCAL YEAR 2020 PLAN

ST. LUCIE PROJECT

PROJECT FUND BALANCES - 000's USD

GENERAL RESERVE FUND

	Beginning Bal. 10/1/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
General Reserve Fund	\$ 99,568	\$ -	\$ -	\$ 99,568
Transfer to 2011A Debt Service Account			\$ 14,000	\$ (14,000)
General Reserve Fund - Interest *	2,150	2,278	-	4,428
Subtotal General Reserve	\$ 101,718	\$ 2,278	\$ 14,000	\$ 89,996
Collateral Account	\$ 7,428	\$ -	\$ -	\$ 7,428
Collateral Account - Interest *	321	335	-	656
Subtotal Collateral	\$ 7,749	\$ 335	\$ -	\$ 8,084
Forward Sale Agreement	\$ 94,020	\$ 3,000	\$ -	\$ 97,020
Forward Sale Agreement - Interest *	4,945	5,377	-	10,322
Subtotal Forward Sale Agreement	\$ 98,965	\$ 8,377	\$ -	\$ 107,342
Total General Reserve Fund	\$ 208,433	\$ 10,990	\$ 14,000	\$ 205,423

* Deposits are interest earnings

* Deposits are interest earnings in 2nd Line Item for all accounts/Retained in General Reserve

CAPITAL PLAN

Fiscal Year
2020**Capital Funded from \Renewal & Replacement**

Per FPL Capital Plan	\$ 3,761
Per FPL Nuclear Fuel Plan	3,821
Total Capital - Renewal & Replacement Payments	<u>\$ 7,581</u>

FISCAL YEAR 2019 BUDGET

ST. LUCIE PROJECT - 4 Year Capital Plan - 000's USD

	FY 2019	FY 2020	FY 2021	FY 2022
Amounts Per Florida Power & Light				
St. Lucie Common Facilities	2,063 \$	2,089 \$	2,788 \$	2,292
St. Lucie Unit 2 - Capital Improvements	1,899	1,671	2,607	1,545
Capital from Renewal and Replacement	<u>\$ 3,962</u>	<u>\$ 3,761</u>	<u>\$ 5,395</u>	<u>\$ 3,838</u>
Renewal & Replacement Funding	\$ 2,000	\$ 4,000	\$ 5,000	\$ 4,000
Renewal & Replacement Used for Capital	(3,962)	(3,761)	(5,395)	(3,838)
Net Change in Renewal & Replacement Acct for Capital	<u>\$ (1,962)</u>	<u>\$ 239</u>	<u>\$ (395)</u>	<u>\$ 162</u>
Beginning Renewal & Replacement Balance - Capital	8,134	6,172	6,412	6,017
Subtotal: Renewal & Replacement Balance for Capital	<u>\$ 6,172</u>	<u>\$ 6,412</u>	<u>\$ 6,017</u>	<u>\$ 6,179</u>

ST. LUCIE PROJECT - 4 Year Fuel Purchase Plan - 000's USD

	FY 2019	FY 2020	FY 2021	FY 2022
Nuclear Fuel Purchased per Florida Power & Light	<u>\$ 2,058</u>	<u>\$ 3,821</u>	<u>\$ 5,238</u>	<u>\$ 1,513</u>
Nuclear Fuel Stabilization Funding	3,500	4,500	4,000	3,000
Nuclear Fuel Stabilization Withdrawals	(2,058)	(3,821)	(5,238)	(1,513)
Net Nuclear Fuel Costs To (From) RNR	<u>\$ 1,442</u>	<u>\$ 679</u>	<u>\$ (1,238)</u>	<u>\$ 1,487</u>
Beginning Renewal & Replacement Balance - Capital	0	1,442	2,121	884
Subtotal: Renewal & Replacement Balance for Capital	<u>\$ 1,442</u>	<u>\$ 2,121</u>	<u>\$ 884</u>	<u>\$ 2,370</u>

ST. LUCIE PROJECT - COMBINED CAPITAL & FUEL ACTIVITY SUMMARY

	FY 2019	FY 2020	FY 2021	FY 2022
Beginning Combined Renewal & Replacement Balance - To	8,134	7,614	8,533	6,900
Net Capital Activity	(1,962)	239	(395)	162
Net Fuel Activity	1,442	679	(1,238)	1,487
Ending Combined Renewal & Replacement Balance - Total	<u>7,614</u>	<u>8,533</u>	<u>6,900</u>	<u>8,550</u>

* Plan is to maintain a \$8.0 million balance for future capital needs and unanticipated capital changes made by the operator owner

AGENDA ITEM 5 – Information Item:

**b. & c.) Presentation of the FY2019/FY2020
Stanton and Tri-City Project Budgets**



Stanton and Tri-City Projects FY 2019 Budget Overview

Business Planning & Budget Committee

May 16, 2018

Stanton and Tri-City Projects Summary

Key Points to Note

- Both Projects' 2019 rates projected to be higher than 2017 actuals due to 2019 planned major outage (combination of ≈17% lower generation than 2018 and outage-related costs)
- 2019 is final year of debt service for both Projects!
- New rail contract leads to lower fuel costs, higher output
- Significant capital costs planned for 2019
- Turbine upgrade project will increase capacity and make Stanton 1 more efficient than Stanton 2
- Completion of pond expansion project will eliminate need to run both coal units for site water management

High Capital Costs Planned for 2019

Higher R&R Account Contribution Planned, No New Debt

-
- 3 major projects for FY 2019 equal 87% of \$35M total Stanton 1 capital
 - Turbine upgrade during spring 2019 outage (\$12M)
 - Equipment already purchased in FY 2017
 - Upgrade will increase Stanton 1 capacity and improve efficiency
 - Control system upgrade (\$6M)
 - Landfill expansion project moved forward to late FY 2019
 - 50% of \$25M total cost allocated to Stanton 1
 - Total FY19 capital need:
 - Stanton Project: \$5.2M
 - Tri-City Project: \$1.7M
 - FY 2019 capital to be funded with combination of R&R funds and short-term use of General Reserve Funds (repay in FY 2020)

FY 2019 Stanton 1 Major Outage

Includes Turbine Upgrade

- Major outage planned for spring 2019
 - Typically occurs once every 5 years; major is 6-8 weeks vs. normal 4 week outage
- Turbine upgrade to be performed during outage
 - Expected to increase Stanton 1 capacity by 30 MW ($\approx 7\%$) and improve efficiency by 5%

Landfill Expansion Project Moved Forward

- \$25M landfill expansion project originally planned for FY 2020 and 2021
- OUC has moved forward to late FY 2019 because generation has been running greater than originally anticipated
 - Running out of fly ash storage at existing landfill space
- OUC also looking to sell gypsum (as scrubber by-product)
 - Retirement of coal plants is creating a scarcity issue
 - Some capital investment would be required, but additional revenue source would help reduce costs to Participants
 - Associated capital and O&M costs, as well as revenues, not included in FY 2019 budget or FY 2020 plan

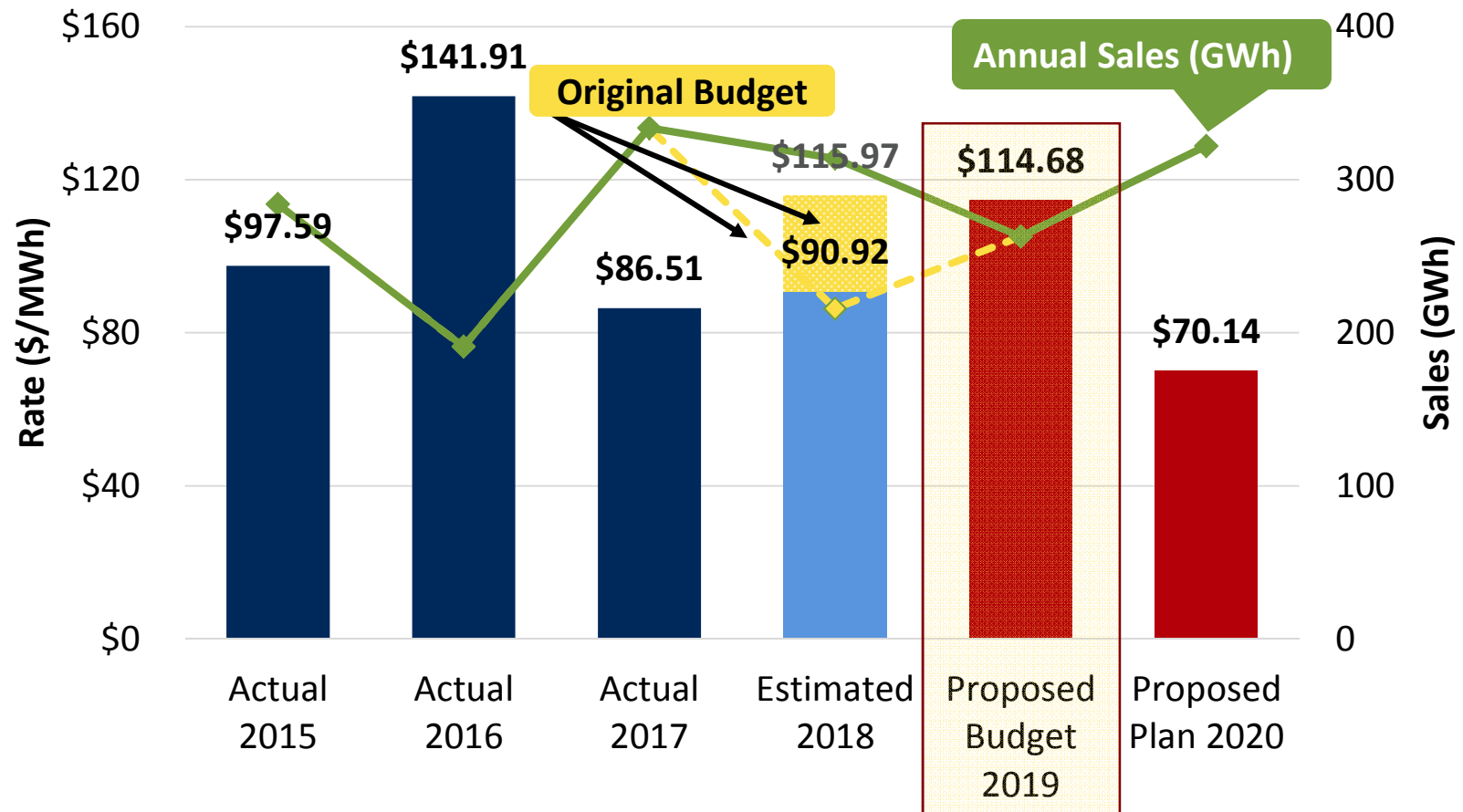


Stanton Project

FY2019 Stanton Project Rate is \$115/MWh

Higher than 2017 Actuals but Near 2018 Budget

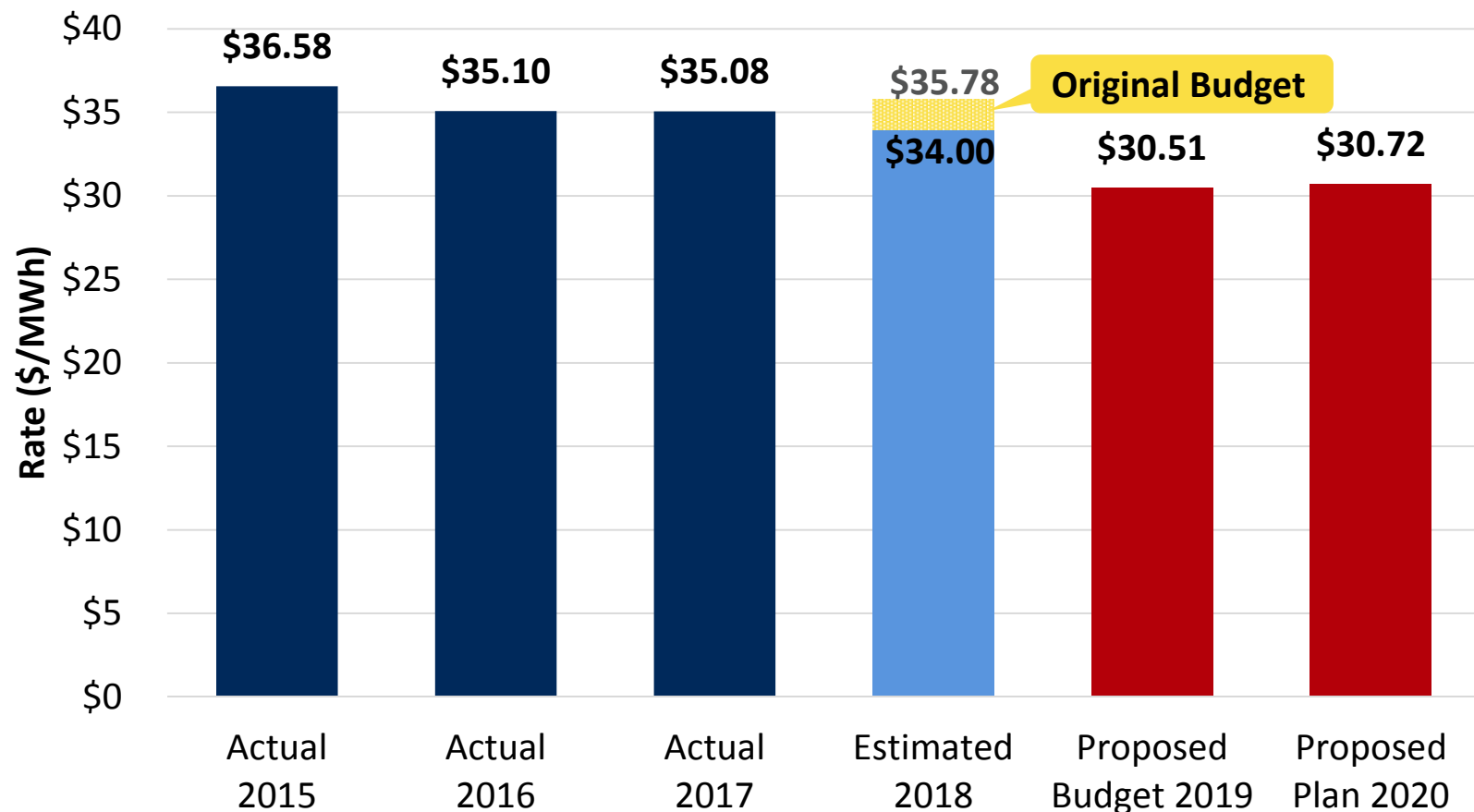
Stanton Project – Historical & Budgeted All-in Rate (\$/MWh) and Sales (GWh)



FY2019 Budget Reflects New Rail Contract

\$/MWh Fuel Cost ≈15% Lower than FY2018 Budget

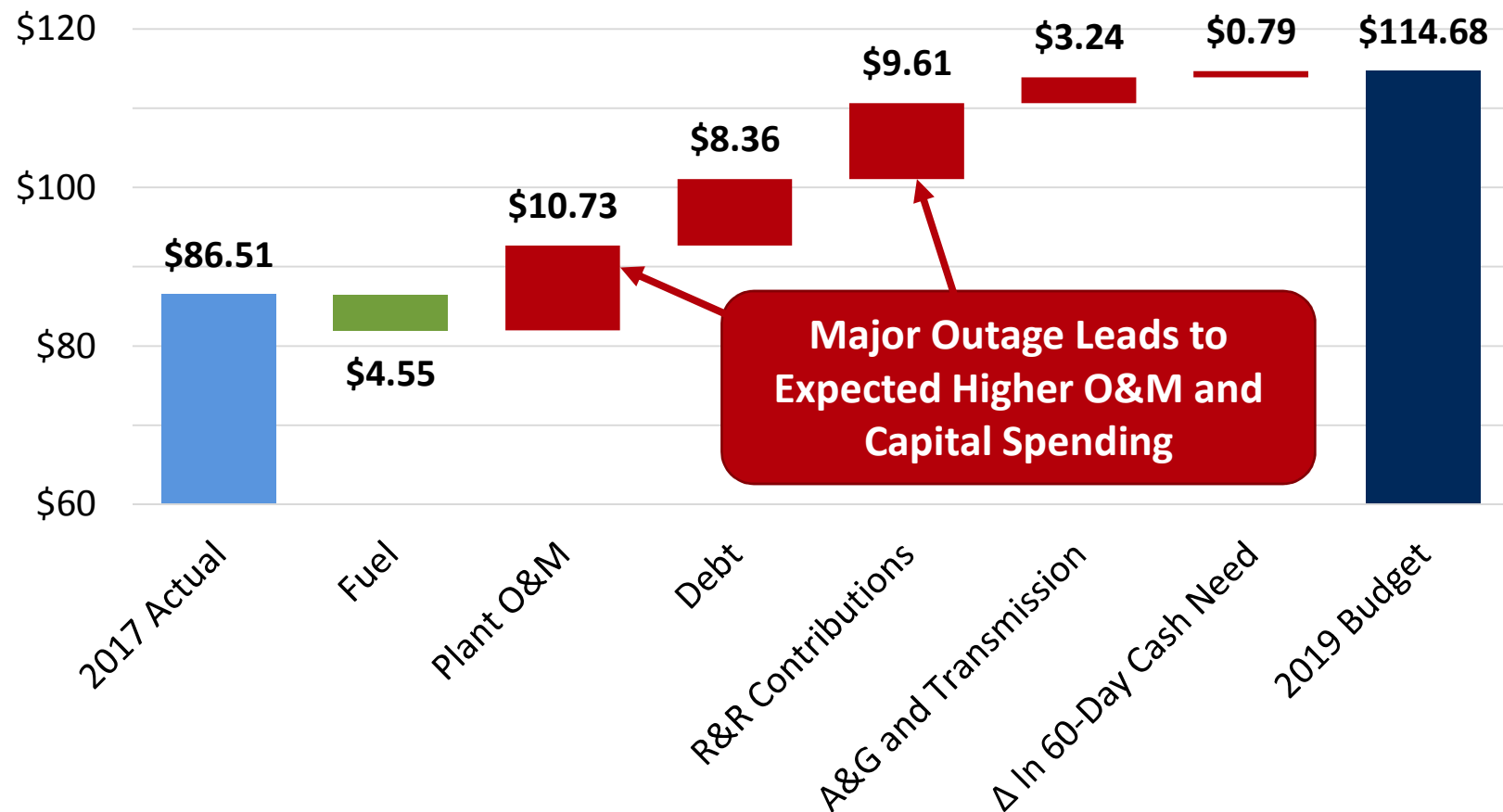
Stanton Project – Historical & Budgeted Fuel Cost (\$/MWh)



O&M, Capital Drive Stanton Rate Higher

Increases Tied to Spring 2019 Major Outage

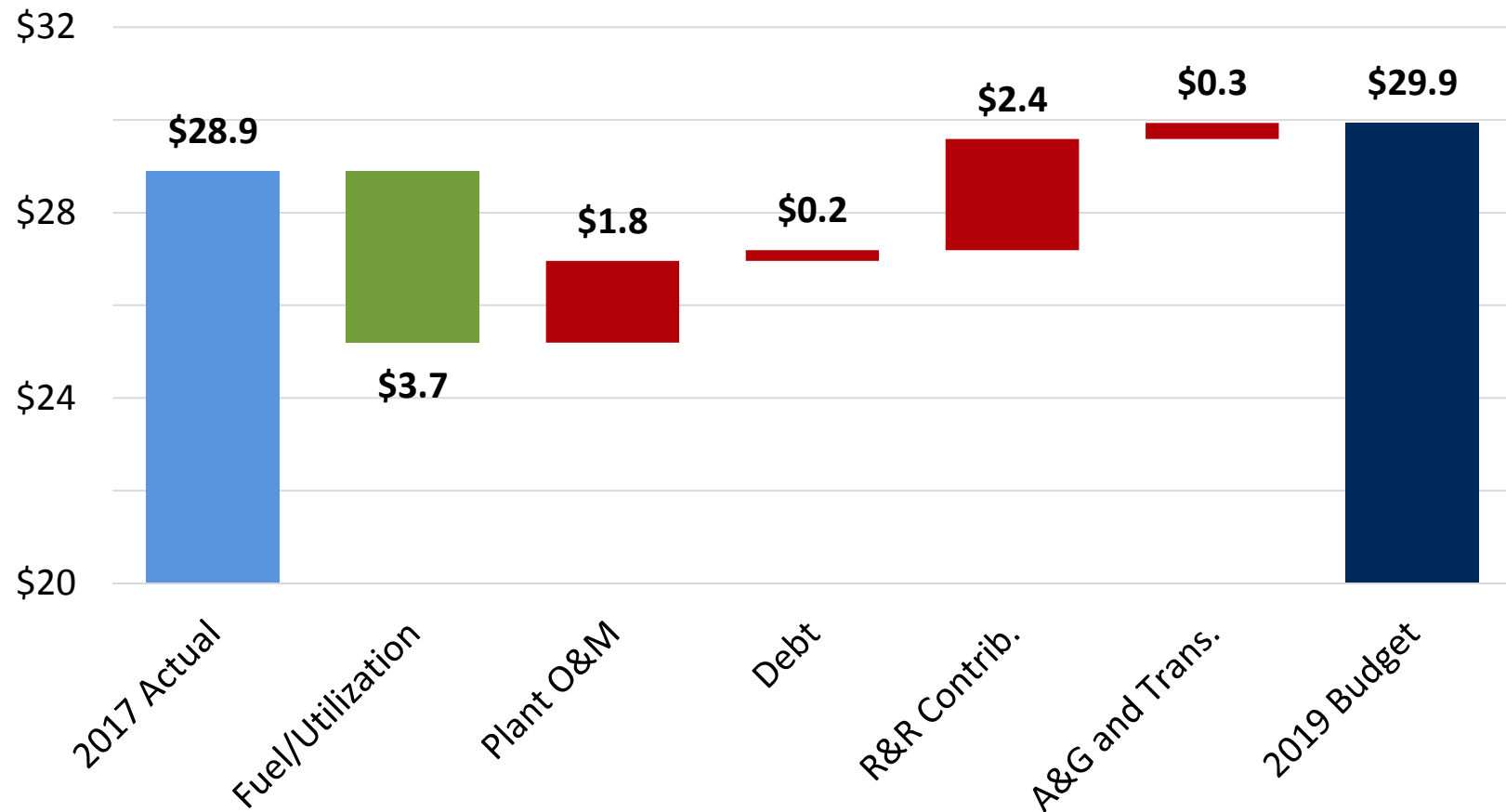
Stanton Project – 2017 Actual to 2019 Budget All-in Rate (\$/MWh)



≈3% Increase in Total Expenses from FY2017

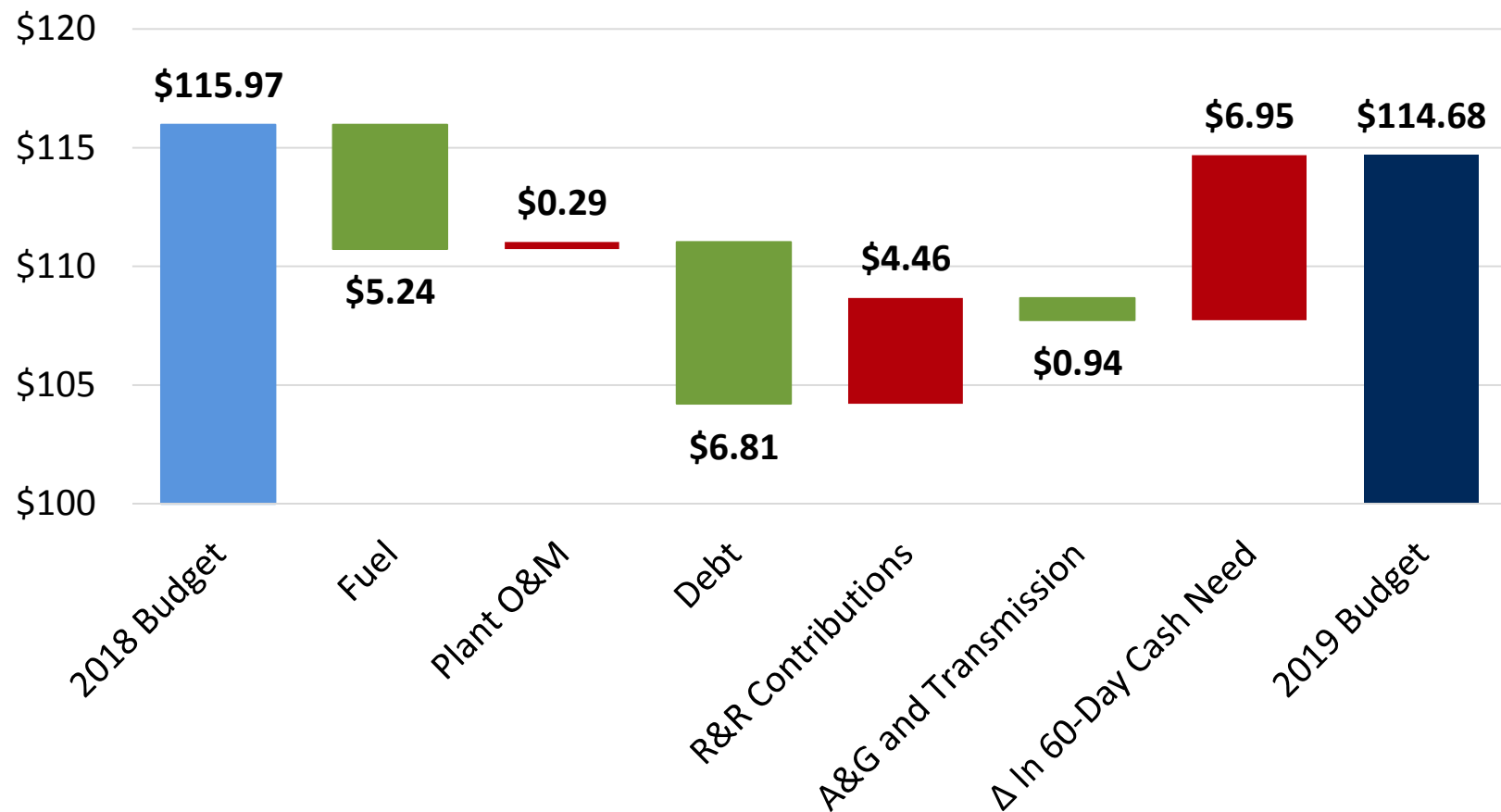
Higher O&M and Capital Offset Lower Fuel Expense

Stanton Project – 2017 Actual to 2019 Budget Total Expenses (\$Millions)



Slight Rate Decrease Projected from FY2018 Budget

Stanton Project - 2018 Budget to 2019 Budget All-in Rate (\$/MWh)



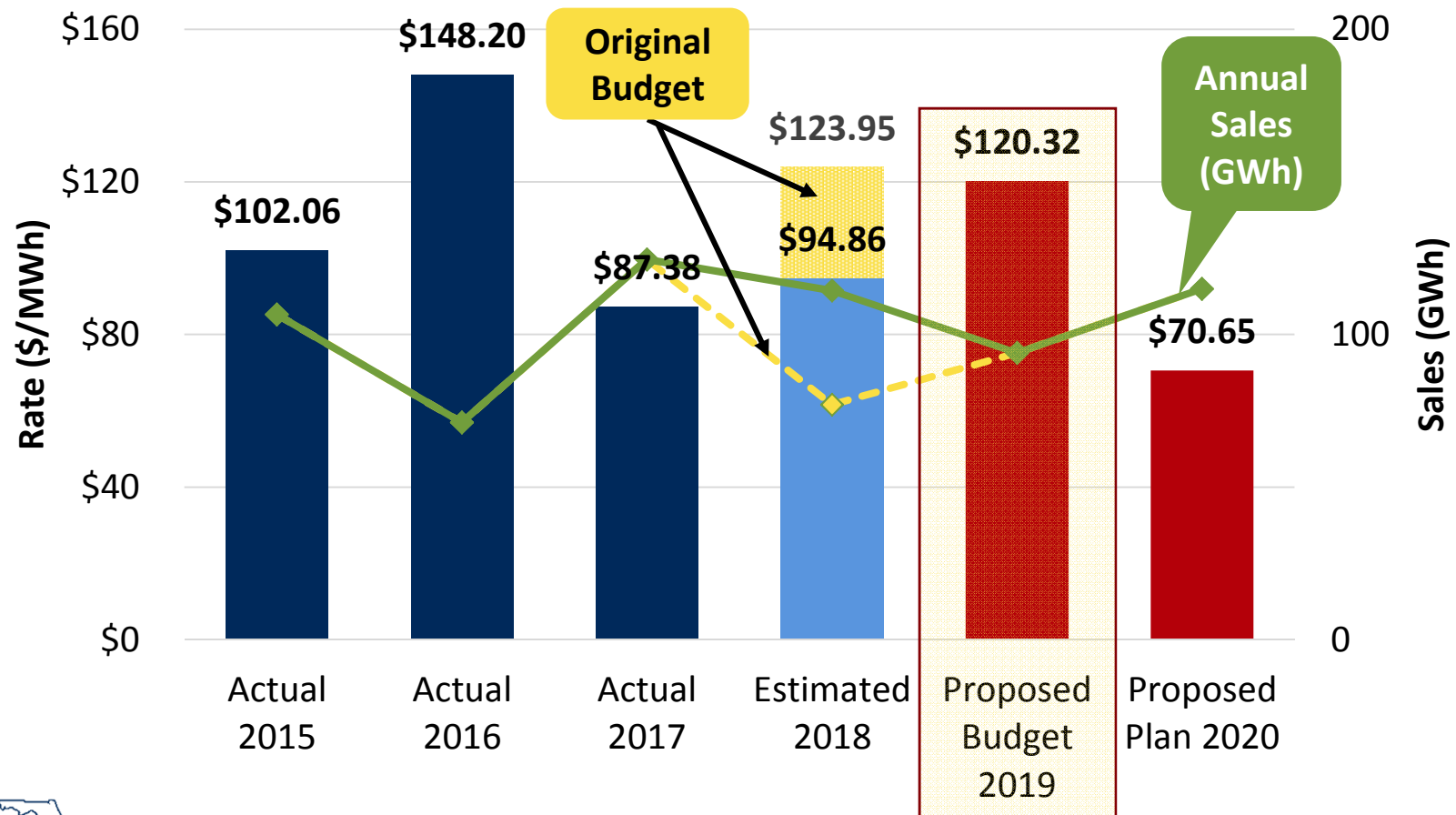


Tri-City Project

FY2019 Tri-City Project Rate is \$120/MWh

Higher than 2017 Actuals but Near 2018 Budget

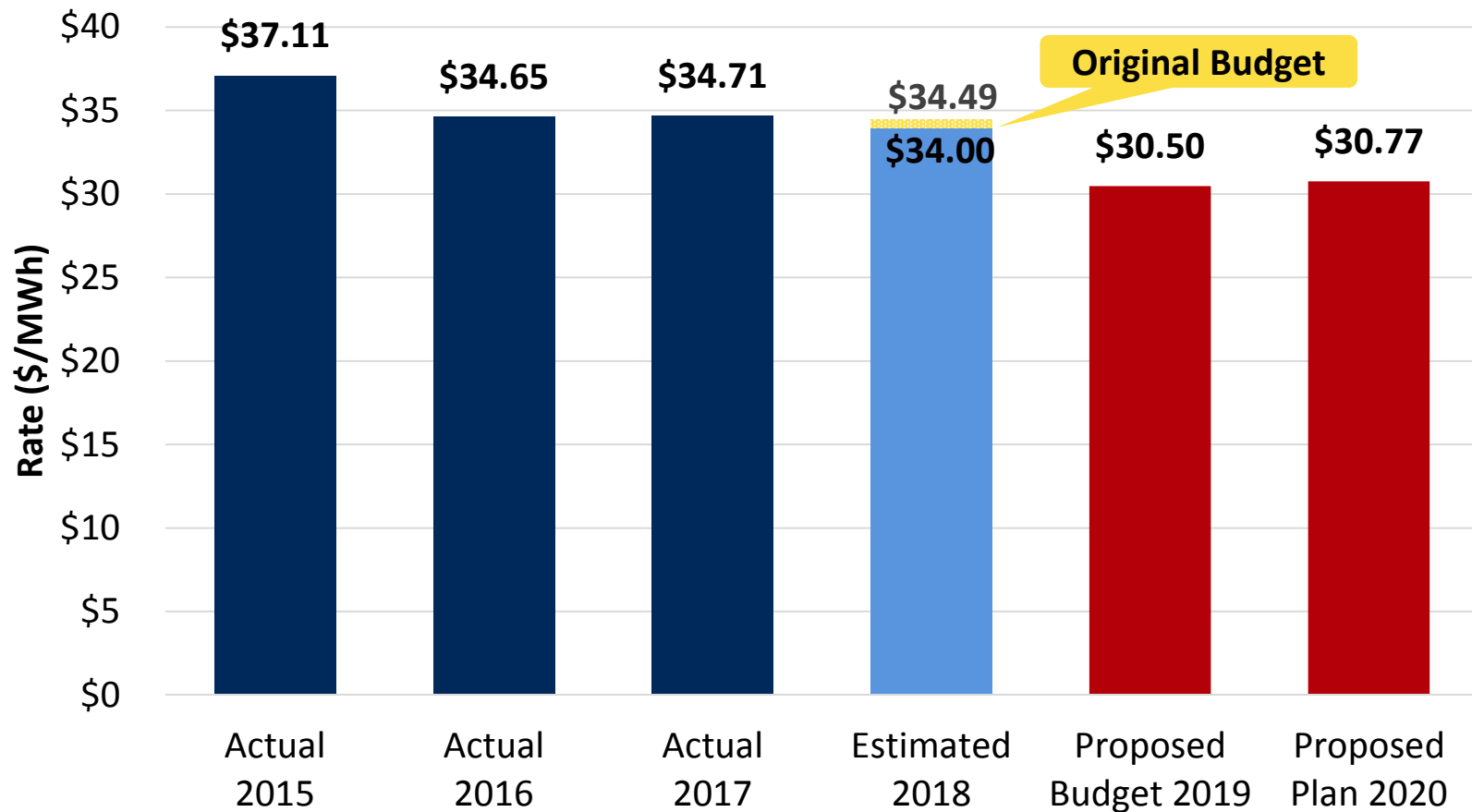
Tri-City Project – Historical & Budgeted All-in Rate (\$/MWh) and Sales (GWh)



FY19 Budget Reflects New Rail Contract

\$/MWh Fuel Cost ≈12% Lower than FY18 Budget

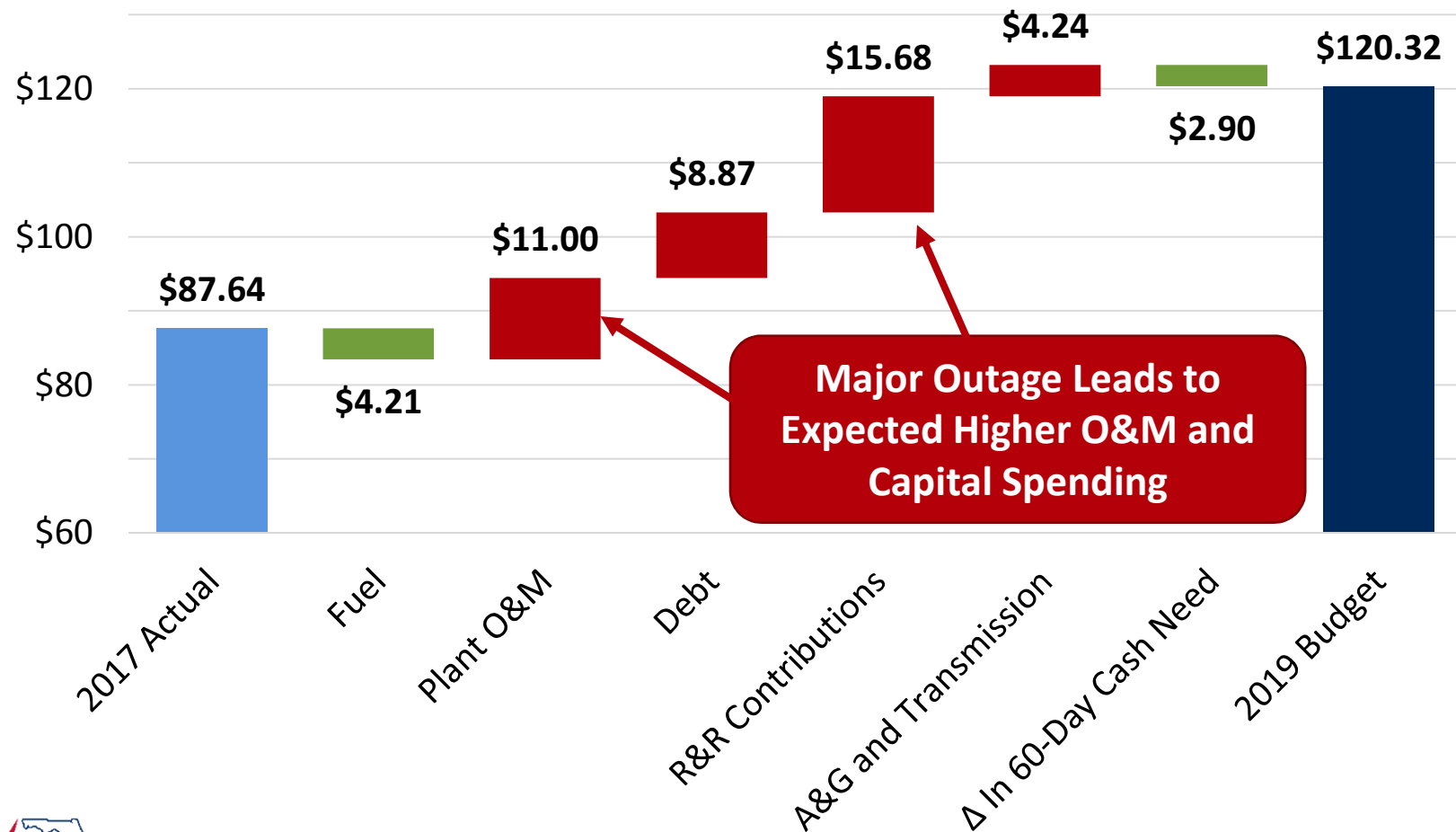
Tri-City Project – Historical & Budgeted Fuel Cost (\$/MWh)



O&M, Capital Drive Tri-City Rate Higher

Increases Tied to Spring 2019 Major Outage

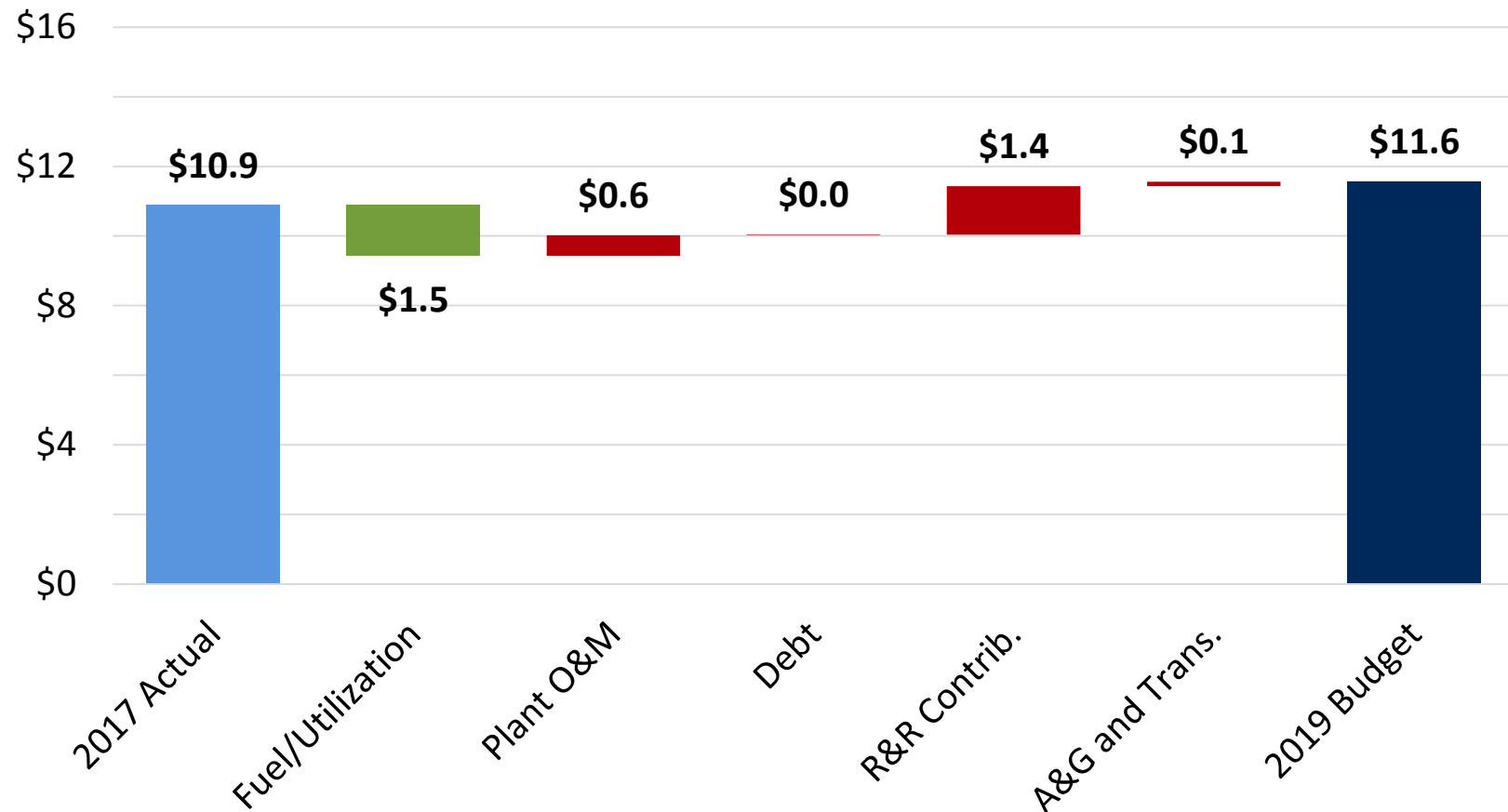
Tri-City Project – 2017 Actual to 2019 Budget All-in Rate (\$/MWh)



≈6% Increase in Total Expenses from FY2017

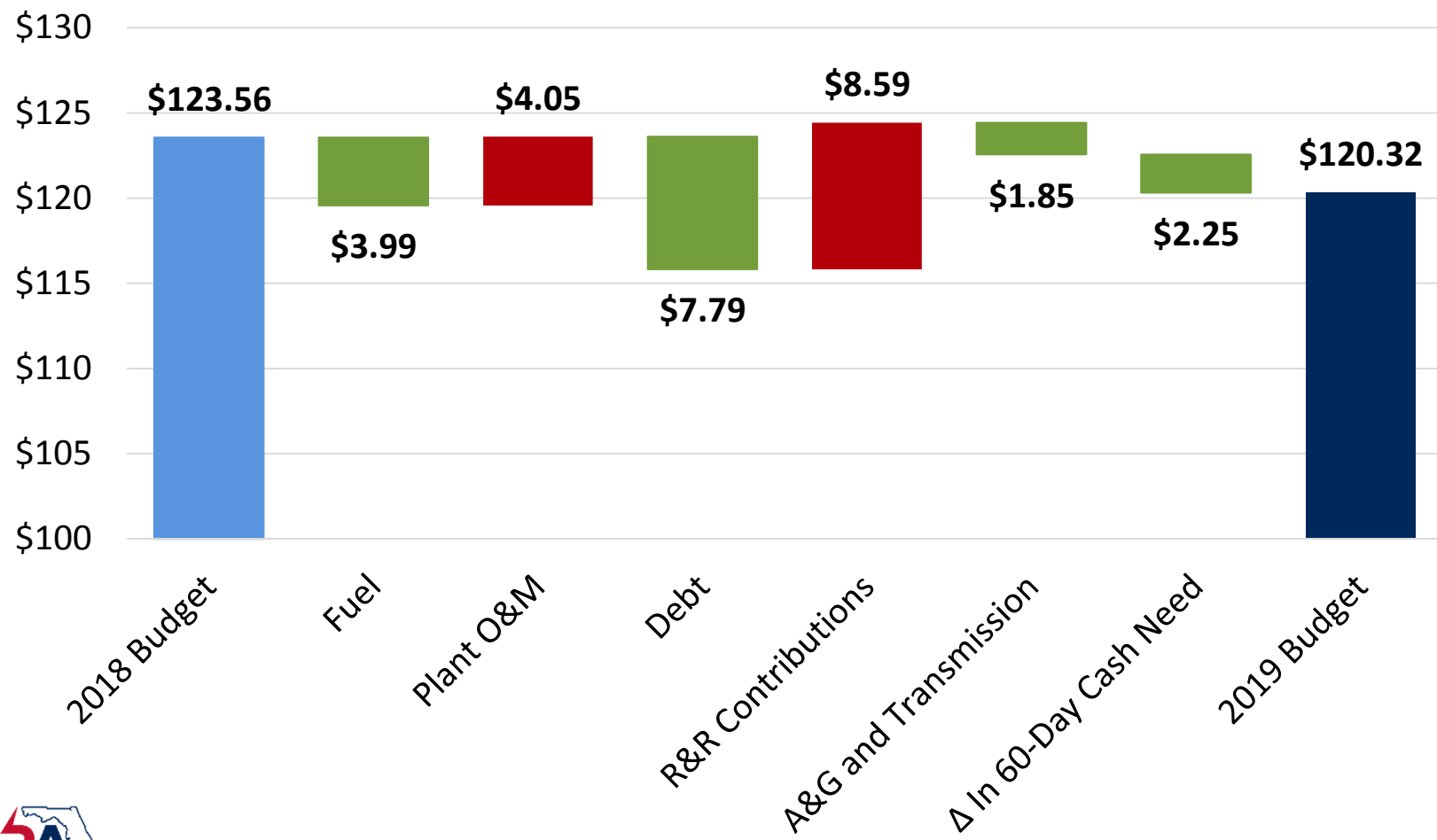
Higher O&M and Capital Offset Lower Fuel Expense

Tri-City Project – 2017 Actual to 2019 Budget Total Expenses (\$Millions)



Slight Rate Decrease Projected from FY2018 Budget

Tri-City Project - 2018 Budget to 2019 Budget All-in Rate (\$/MWh)



Budget Overview

**STANTON
PROJECT**

The proposed participant billing will result in a total price of \$114.68 for FY 2019 and \$70.14 for FY 2020 per MWh billed. The FY 2019 unit price reflects a 1.1% decrease from the budgeted unit price for FY 2018. The FY 2020 unit price reflects a 38.8% decrease from the FY 2019 unit price.

OUC has successfully renegotiated the CSX contract that reduced the rail costs for coal to the Stanton Energy Center beginning in January 2018. This results in a \$5.00/MWh decrease in the budgeted variable cost from FY 2018 to FY 2019.

The 1.1% billing rate decrease in FY 2019 is the result of several factors. Fixed O&M and A&G increased related to the major maintenance outage scheduled for FY 2019. Capital spending is also increasing significantly to \$5.2 million for FY 2019. This will result in increased funding for the Renewal and Replacement Fund. However, in order to mitigate the rate impact, staff plans to temporarily utilize \$3 million from the General Reserve Fund to pay for a portion of the FY 2019 Capital Improvements and repay the General Reserve Fund in FY 2020 through rates.

On a \$/MWh basis, these costs are also offset by an increase in the capacity factor from 39.2% to 47.7% resulting from improved coal and rail pricing.

The FY 2020 decrease is driven by the retirement of debt and decreased capital expenditures. In FY 2020, only \$379,000 in capital spending is anticipated. The Project is now debt free.

A summary of the 5 Year Capital Plan and funding of the Renewal and Replacement Account is shown on the last page of this budget package.

The Stanton Project's operating and maintenance fund balance is at an amount to support a 60-day average balance of operating expenses. The 60-day average balance reflects the reduction in coal costs that results in higher

generation for Stanton Energy Center Unit 1. The balance will be maintained within three accounts comprising the operating and maintenance fund: i) the O & M account, ii) the Working Capital account and iii) the Rate Stabilization account. Any over or under funding requirement will be billed or returned the following fiscal year. All of the Project's excess funds will reside in the General Reserve Fund until required.

These adjusted balances are shown in the Project's budgeted fund balance pages shown on the following pages.

Graphs are contained in the Stanton Project section that show the actual performance for the past four years, the budget at year-end for FY 2018 and the projected performance through Fiscal Year 2020.

The expected per unit costs and operating data for the proposed and projected budget years are as follows:

Budgeted FY 2019

<u>\$/MWh Generated</u>	<u>Variable \$/MWh</u>	<u>MWWh Generated</u>	<u>Capacity Factor</u>
\$113.83	\$30.51	263,000	47.7%

Plan FY 2020

<u>\$/MWh Generated</u>	<u>Variable \$/MWh</u>	<u>MWWh Generated</u>	<u>Capacity Factor</u>
\$75.41	\$30.72	322,000	58.4%

Project Participants

**Fort Pierce
Homestead
**Kissimmee
Lake Worth
**Starke

All-Requirements Project

** Member of the All-Requirements Project. Members' ownership share of Stanton Project generation is purchased and paid for by the All-Requirements Project.

Florida Municipal Power Agency

OPERATING BUDGET

Fiscal Years 2019 & 2020

STANTON PROJECT

Dollars In \$000

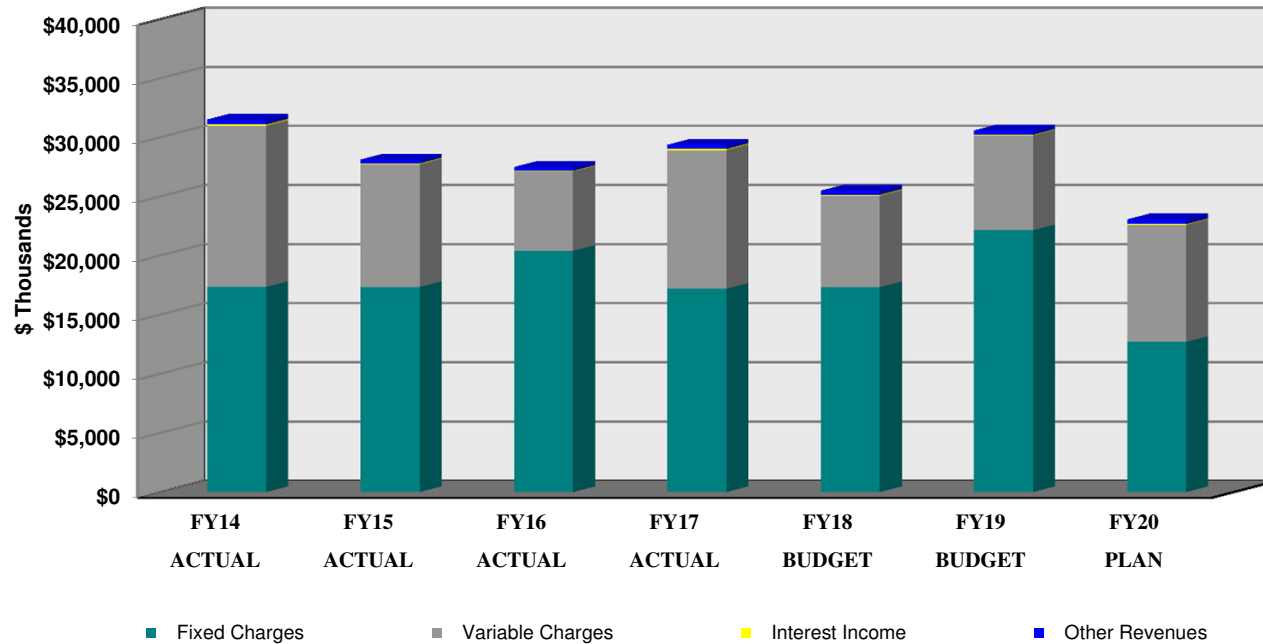
	ACTUAL FY2017	BUDGET FY2018	6 Months ACTUAL FY2018	Proposed FY 2019 BUDGET	Proposed FY 2020 PLAN	18 Bdgt / 19 Bdgt Increase / Decrease%	19 Bdgt / 20 Bdgt Increase Decrease%
REVENUES							
Participant Billings:							
Demand	\$ 16,183	\$ 16,186	\$ 8,093	\$ 20,953	\$ 11,476	29.5%	(45.2%)
Transmission	1,009	1,142	571	1,185	1,215		
Fuel - Variable	11,716	7,722	5,261	8,024	9,893	3.9%	23.3%
Total Billing	\$ 28,908	\$ 25,050	\$ 13,925	\$ 30,162	\$ 22,584	20.4%	(25.1%)
Brine Plant	356	351	176	365	402	4.0%	10.1%
Interest Income	114	93	57	66	78	(29.0%)	18.2%
TOTAL REVENUES	\$ 29,378	\$ 25,494	\$ 14,158	\$ 30,593	\$ 23,064	20.0%	(24.6%)
EXPENSES							
Fixed O&M	\$ 4,835	\$ 5,250	\$ 2,636	\$ 6,495	\$ 6,661	23.7%	2.6%
Fuel Burned - Variable	11,716	7,722	5,261	8,024	9,893	3.9%	23.3%
User Fee	134	217	138	238	245	9.7%	2.9%
Transmission -OUC	1,062	1,142	590	1,185	1,215	3.8%	2.5%
-FPL	-	-	-	-	-	NA	NA
Gen'l & Admin -OUC	858	827	453	1,080	1,108	30.6%	2.6%
-FMFA	427	434	217	428	439	(1.4%)	2.6%
Debt Management Costs	19	30	16	21	21	(30.0%)	0.0%
TOTAL EXPENSES	\$ 19,051	\$ 15,622	\$ 9,311	\$ 17,471	\$ 19,582	11.8%	12.1%
FUND CONTRIBUTIONS							
Renewal & Replacement	600	1,500	750	6,000	1,700	300.0%	(71.7%)
General Reserve (Transfer to R&R)/Funding				(3,000)	3,000	NA	(200.0%)
Debt Service Deposit	9,090	9,092	4,521	9,466	-	4.1%	(100.0%)
Loan Principal	140	147	-	-	-	(100.0%)	NA
Loan Interest	5	6	2	-	-	(100.0%)	NA
TOTAL EXPENSES & CONTRIBUTIONS	\$ 28,886	\$ 26,367	\$ 14,584	\$ 29,937	\$ 24,282	13.5%	(18.9%)
NET INCOME BEFORE REGULATORY ADJ	\$ 492	\$ (873)	\$ 149	\$ 656	\$ (1,218)		
MWhs Generated (In thousands)	334	216	153	263	322		
Capacity Factor	60.6%	39.2%	27.7%	47.7%	58.4%		
\$'s/MWh Billed	\$86.51	\$115.97	\$91.07	\$ 114.68	\$ 70.14		
\$'s/MWh Generated	\$86.44	\$122.07	\$95.38	\$ 113.83	\$ 75.41		
% Change in Rates		18.0%		(1.1%)	(38.8%)		

FMPA Operating Budget - Fiscal Year 2019 & 2020

STANTON PROJECT

Dollars in \$000

REVENUES



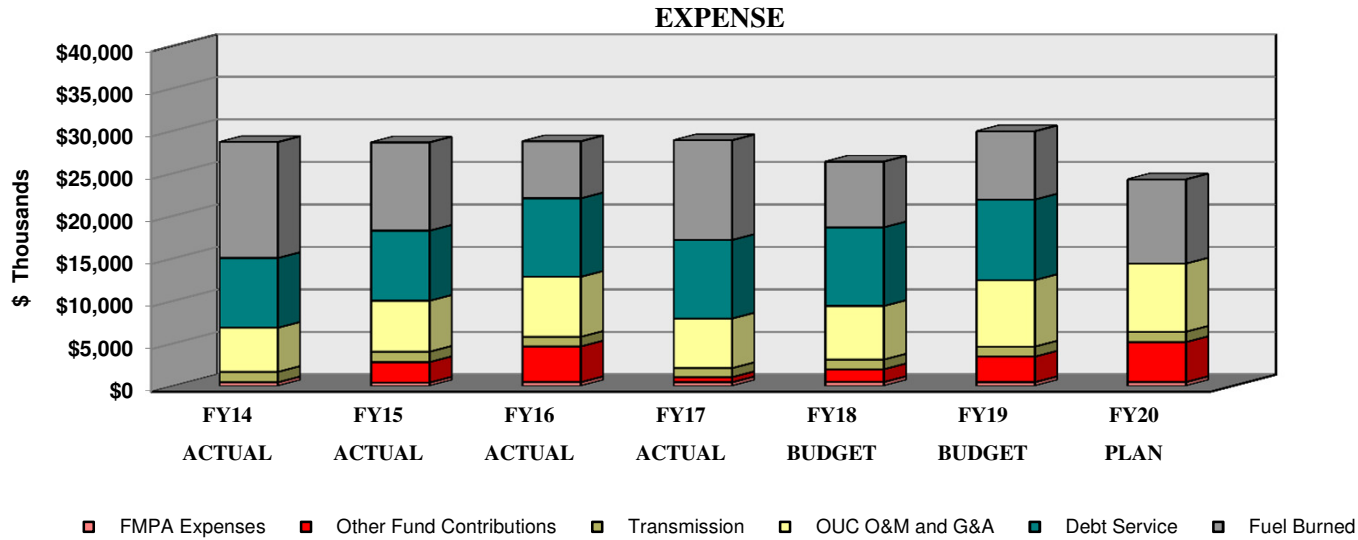
In \$ Thousands

REVENUES	ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	BUDGET FY18	BUDGET FY19	PLAN FY20
Fixed Charges	\$ 17,341	\$ 17,333	\$ 20,399	\$ 17,192	\$ 17,328	\$ 22,138	\$ 12,691
Variable Charges	13,626	10,383	6,703	11,716	7,722	8,024	9,893
Interest Income	131	89	64	114	93	66	78
Other Revenues	419	322	327	356	351	365	402
Total	\$ 31,517	\$ 28,127	\$ 27,493	\$ 29,378	\$ 25,494	\$ 30,593	\$ 23,064

FMPA Operating Budget - Fiscal Year 2019 & 2020

STANTON PROJECT

Dollars in \$000



EXPENSES	In \$ Thousands						
	ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	BUDGET FY18	BUDGET FY19	PLAN FY20
Debt Service	\$ 8,198	\$ 8,235	\$ 9,223	\$ 9,235	\$ 9,245	\$ 9,466	\$ -
Fuel Burned	13,626	10,383	6,703	11,716	7,722	8,024	9,893
OUC O&M and G&A	5,186	5,987	7,052	5,827	6,294	7,813	8,014
Transmission	1,222	1,222	1,132	1,062	1,142	1,185	1,215
Other Fund Contributions	0	2,403	4,200	600	1,500	3,000	4,700
FMPA Expenses	443	404	452	446	464	449	460
Total	\$ 28,675	\$ 28,634	\$ 28,762	\$ 28,886	\$ 26,367	\$ 29,937	\$ 24,282
Delivered MWhs (In 000)	321.0	284.0	191.0	334.2	216.0	263.0	322.0
Unit Cost of Power - \$/MWh	\$ 89.33	\$ 100.82	\$ 150.60	\$ 86.44	\$ 122.07	\$ 113.83	\$ 75.41

FISCAL YEAR 2019 BUDGET

STANTON PROJECT

PROJECT FUND BALANCES

OPERATING AND MAINTENANCE FUND					
	Beginning Bal. 10/1/2018	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2019	Minimum Recmd Bal.
Operating & Maintenance (O&M) Account	\$ 3,724	\$ 656	\$ -	\$ 4,380	\$ 4,380
Working Capital Account	600	-	-	600	600
Rate Stabilization Account	400	-	-	400	400
Total Operating and Maintenance Fund	\$ 4,724	\$ 656	\$ -	\$ 5,380	\$ 5,380 [1]

[1] Minimum recommended balance is amount required to meet operating expenses for the next 60 days.
Minimum per bond resolution is half the recommended amount.

DEBT SERVICE FUND					
	Beginning Bal. 10/1/2018	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2019	
*Debt Service Accounts					
(Series '08, '09A) Principal	\$ 8,185	\$ 8,985	\$ 8,185	\$ 8,985	
Interest	454	481	694	241	
Total Debt Service Accounts	\$ 8,639	\$ 9,466	\$ 8,879	\$ 9,226	

*Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE					
	Beginning Bal. 10/1/2018	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2019	
*Loans					
Principal	\$ 154	\$ -	\$ 154	\$ -	
Interest	3	-	3	-	
Total Loans	\$ 157	\$ -	\$ 157	\$ -	

*Subordinated Debt paid from O&M account

FISCAL YEAR 2019 BUDGET

STANTON PROJECT

PROJECT FUND BALANCES

RESERVE AND CONTINGENCY FUND				
	Beginning Bal. 10/1/2018	Deposits *	Withdrawal/ Payments	Ending Bal. 9/30/2019
Renewal & Replacement (R&R) Account	\$ 945	\$ 6,000	\$ 5,215	\$ 1,730
Contingency Account	1,000	\$ -	\$ -	\$ 1,000
* Deposit includes \$3 million transfer from General Reserve Fund				

GENERAL RESERVE FUND				
	Beginning Bal. 10/1/2018	Deposits **	Withdrawal/ Payments ***	Ending Bal. 9/30/2019
General Reserve Fund	\$ 11,000	\$ 157	\$ 3,000	\$ 8,157
** Deposits are Retained Interest Earnings				
***Transfer to R&R Account				

CAPITAL PLAN	
	Fiscal Year FY2019
Capital Funded from Renewal & Replacement	
Per OUC Capital Plan	\$ (5,215)
Total Capital	<u>\$ (5,215)</u>

FISCAL YEAR 2020 PLAN

STANTON PROJECT

PROJECT FUND BALANCES

OPERATING AND MAINTENANCE FUND					
	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2020	Minimum Recmd Bal.
Operating & Maintenance (O&M) Account	\$ 4,380	\$ -	\$ 1,218	\$ 3,162	\$ 3,162
Working Capital Account	600	-	-	\$600	\$600
Rate Stabilization Account	400	-	-	\$400	\$400
Total Operating and Maintenance Fund	\$ 5,380	\$ -	\$ 1,218	\$ 4,162	\$ 4,162 [1]

[1] Minimum recommended balance is amount required to meet operating expenses for the next 60 days.
Minimum per bond resolution is half the recommended amount.

DEBT SERVICE FUND					
	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2020	
*Debt Service Accounts					
(Series '08, '09A) Principal	\$ 8,985	\$ -	\$ 8,985	\$ -	
Interest	241	-	241	-	
Total Debt Service Accounts	\$ 9,226	\$ -	\$ 9,226	\$ -	

*Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE					
	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2020	
*Loans					
Principal	\$ -	\$ -	\$ -	\$ -	
Interest	-	-	-	-	
Total Loans	\$ -	\$ -	\$ -	\$ -	

*Subordinated Debt paid from O&M account

FISCAL YEAR 2020 PLAN

STANTON PROJECT

PROJECT FUND BALANCES

RESERVE AND CONTINGENCY FUND				
	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2020
Renewal & Replacement (R&R) Account	\$ 1,730	\$ 1,700	\$ 379	\$ 3,051
Contingency Account	\$ 1,000	\$ -	\$ -	\$ 1,000

GENERAL RESERVE FUND				
	Beginning Bal. 10/1/2019	Deposits **	Withdrawal/ Payments	Ending Bal. 9/30/2020
General Reserve Fund	\$ 8,157	\$ 3,159	\$ -	\$ 11,316
** Deposits are Retained Interest Earnings & Fund Contributions				

CAPITAL PLAN	
	Fiscal Year FY2020
Capital Funded from Renewal & Replacement	
Per OUC Capital Plan	\$ (379)
Total Capital	<u>\$ (379)</u>

FISCAL YEAR 2019 BUDGET

Stanton PROJECT - 5 Year Capital Plan - 000's USD

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Amounts Per OUC					
Renewal and Replacement Beginning Balance	\$ 945	\$ 1,730	\$ 3,051	\$ 2,987	\$ 2,965
Capital Expenses	(5,215)	(379)	(364)	(222)	(356)
General Reserve Transfer	3,000				
Renewal and Replacement Contributions	3,000	1,700	300	200	400
Renewal and Replacement Ending Balance *	\$ 1,730	\$ 3,051	\$ 2,987	\$ 2,965	\$ 3,009

* Plan is to maintain a \$3 million balance for future capital needs and unanticipated capital changes made by the operator owner.

Budget Overview

**TRI-CITY
PROJECT**

The proposed participant billing will result in a total price of \$120.32 for FY 2019 and \$70.65 for FY 2020 per MWh billed. The FY 2019 unit price reflects a 2.6% decrease from the budgeted unit price for FY 2018. The FY 2020 unit price reflects a 41.3% decrease from the FY 2019 unit price.

OUC has successfully renegotiated the CSX contract that reduced the rail costs for coal to the Stanton Energy Center beginning in January 2018. This results in a \$5.00/MWh decrease in the budgeted variable cost from FY 2018 to FY 2019.

The 2.6% billing rate decrease in FY 2019 is the result of several factors. Fixed O&M and A&G increased related to the major maintenance outage scheduled for FY 2019. Capital spending is also increasing significantly to \$1.8 million for FY 2019. This will result in increased funding for the Renewal and Replacement Fund. However, in order to mitigate the rate impact, staff plans to temporarily utilize \$300,000 from the General Reserve Fund to pay for a portion of the FY 2019 Capital Improvements and repay the General Reserve Fund in FY 2020 through rates.

On a \$/MWh basis, these costs are also offset by an increase in the capacity factor from 39.2% to 47.7% resulting from improved coal and rail pricing.

The FY 2020 decrease is driven by the retirement of debt and decreased capital expenditures. In FY 2020, only \$135,000 in capital spending is anticipated. The Project is now debt free.

A summary of the 5 Year Capital Plan and funding of the Renewal and Replacement Account is shown on the last page of this budget package.

The Tri-City Project's operating and maintenance fund balance is at an amount to support a 60-day average balance of operating expenses.

The 60-day average balance reflects the reduction in coal costs that results in higher generation for Stanton Energy Center Unit 1. The balance will be maintained within three accounts comprising the operating and maintenance fund: i) the O & M account, ii) the Working Capital account and iii) the Rate Stabilization account. Any over or under funding requirement will be billed or returned the following fiscal year. All of the Project's excess funds will reside in the General Reserve fund until required.

These adjusted balances are shown in the Project's budgeted fund balance pages contained in the following pages.

Graphs are contained in the Tri-City Project section that show the actual performance for the past four years, the budget at year-end for FY 2018 and the projected performance through Fiscal Year 2020.

The expected per unit cost and operating data for the proposed and projected budget years are as follows:

Budget FY 2019

<u>\$/MWh Generated</u>	<u>Variable \$/MWh</u>	<u>MWhs Generated</u>	<u>Capacity Factor</u>
\$122.96	\$30.50	94,000	47.7%

Plan FY 2020

<u>\$/MWh Generated</u>	<u>Variable \$/MWh</u>	<u>MWhs Generated</u>	<u>Capacity Factor</u>
\$ 77.03	\$30.77	115,000	58.3%

Project Participants

** Fort Pierce
Homestead
** Key West

** Member of the All-Requirements Project. Members' ownership share of Tri-City Project generation is purchased and paid for by the All-Requirements Project.

Florida Municipal Power Agency

OPERATING BUDGET

Fiscal Years 2019 & 2020

TRI-CITY PROJECT

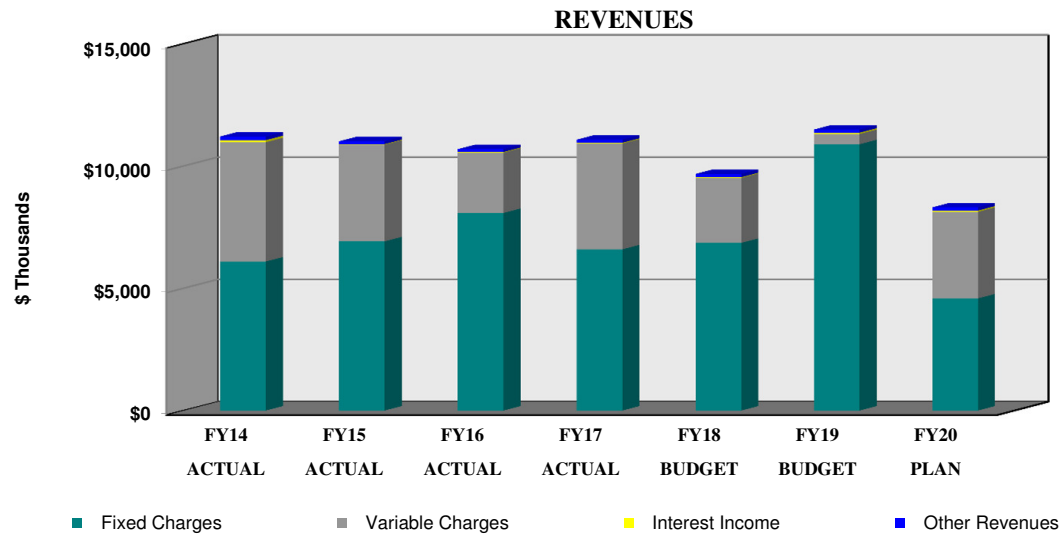
Dollars In \$000

	ACTUAL FY2017	BUDGET FY2018	6 Months ACTUAL FY2018	Proposed FY 2019 BUDGET	Proposed FY 2020 PLAN	18 Bdgt / 19 Bdgt Increase / Decrease%	19 Bdgt / 20 Bdgt Increase Decrease%
REVENUES							
Participant Billings:							
Demand	\$ 6,247	\$ 6,448	\$ 3,224	\$ 8,024	\$ 4,157	24.4%	(48.2%)
Transmission	347	410	205	2,867	429	599.3%	(85.0%)
Fuel - Variable	4,325	2,656	1,948	419	3,539	(84.2%)	744.6%
Total Billing	\$ 10,919	\$ 9,514	\$ 5,377	\$ 11,310	\$ 8,125	18.9%	(28.2%)
Brine Plant	127	135	63	131	134	(3.0%)	2.3%
Interest Income	33	30	34	54	53	80.0%	(1.9%)
TOTAL REVENUES	\$ 11,079	\$ 9,679	\$ 5,474	\$ 11,495	\$ 8,312	18.8%	(27.7%)
EXPENSES							
Fixed O&M	\$ 1,741	\$ 1,549	\$ 926	\$ 2,299	\$ 2,356	48.4%	2.5%
Fuel Burned - Variable	4,325	2,656	1,948	2,867	3,539	7.9%	23.4%
User Fee	48	92	49	85	87	(7.6%)	2.4%
Transmission -OUC	382	410	208	419	429	2.2%	2.4%
-FPL	-	-	-	-	-		
Gen'l & Admin -OUC	307	306	162	387	396	26.5%	2.3%
-FMPA	427	434	217	428	439	(1.4%)	2.6%
Debt Management Costs	9	14	7	13	13	(7.1%)	0.0%
TOTAL EXPENSES	\$ 7,239	\$ 5,461	\$ 3,517	\$ 6,498	\$ 7,259	19.0%	11.7%
FUND CONTRIBUTIONS							
Renewal & Replacement	300	731	283	2,000	900	173.6%	(55.0%)
General Reserve (Transfer to R&R)/Funding				(300)	700	NA	(333.3%)
Debt Service Deposit	3,296	3,297	1,643	3,360	-	1.9%	(100.0%)
Loan Principal	50	53	-	-	-	(100.0%)	NA
Loan Interest	2	2	1	-	-	(100.0%)	NA
TOTAL EXPENSES & CONTRIBUTIONS	\$ 10,887	\$ 9,544	\$ 5,444	\$ 11,558	\$ 8,859	21.1%	(23.4%)
NET INCOME BEFORE REGULATORY ADJ	\$ 192	\$ 135	\$ 30	\$ (63)	\$ (547)		
MWhs Generated (In thousands)	125	77	57	94	115		
Capacity Factor	63.2%	39.1%	57.6%	47.7%	58.3%		
\$'s/MWh Billed	<u>\$87.64</u>	<u>\$123.56</u>	<u>\$96.36</u>	<u>\$120.32</u>	<u>\$70.65</u>		
\$'s/MWh Generated	<u>\$87.38</u>	<u>\$123.95</u>	<u>\$95.83</u>	<u>\$122.96</u>	<u>\$77.03</u>		
% Change in Rates		16.3%		(2.6%)	(41.3%)		

FMPA Operating Budget - Fiscal Year 2018 & 2019

TRI-CITY PROJECT

Dollars in \$000

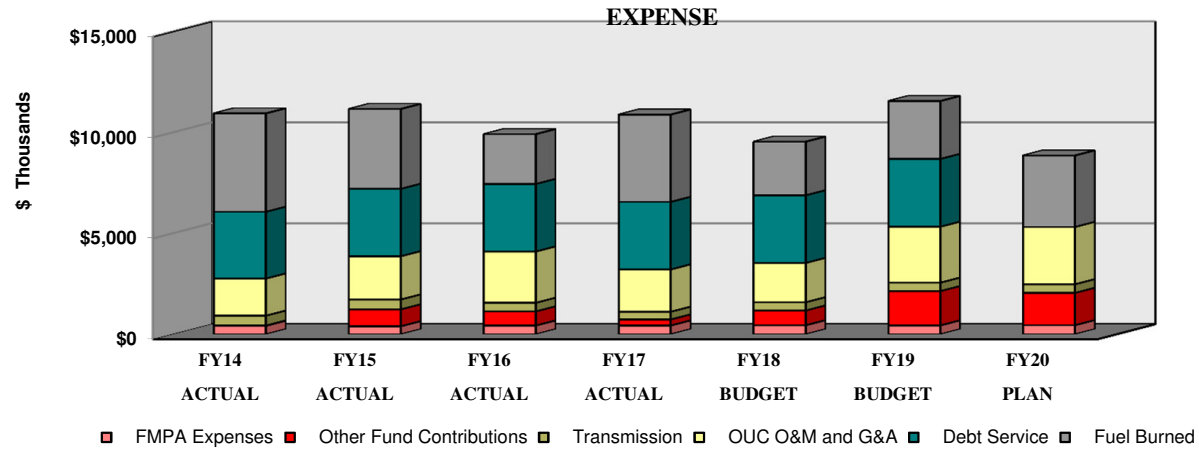


REVENUES	In \$ Thousands						
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	PLAN
	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Fixed Charges	\$ 6,095	\$ 6,919	\$ 8,082	\$ 6,594	\$ 6,858	\$ 10,891	\$ 4,586
Variable Charges	4,876	3,954	2,466	4,325	2,656	419	3,539
Interest Income	87	24	27	33	30	54	53
Other Revenues	150	115	116	127	135	131	134
Total	\$ 11,208	\$ 11,012	\$ 10,691	\$ 11,079	\$ 9,679	\$ 11,495	\$ 8,312

FMPA Operating Budget - Fiscal Year 2018 & 2019

TRI-CITY PROJECT

Dollars in \$000



EXPENSES	In \$ Thousands						
	ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	BUDGET FY18	BUDGET FY19	PLAN FY20
Debt Service	\$ 3,307	\$ 3,342	\$ 3,349	\$ 3,348	\$ 3,352	\$ 3,360	\$ -
Fuel Burned	4,876	3,954	2,466	4,325	2,656	2,867	3,539
OUC O&M and G&A	1,840	2,143	2,540	2,096	1,947	2,771	2,839
Transmission	490	489	427	382	410	419	429
Other Fund Contributions	13	838	700	300	731	1,700	1,600
FMPA Expenses	421	399	435	436	448	441	452
Total	\$ 10,947	\$ 11,165	\$ 9,917	\$ 10,887	\$ 9,544	\$ 11,558	\$ 8,859
Delivered MWhs (In 000)	121	107	71	125	77	94	115
Unit Cost of Power - \$/MWh	\$ 90.47	\$ 104.35	\$ 139.34	\$ 87.38	\$ 123.95	\$ 122.96	\$ 77.03

FISCAL YEAR 2019 BUDGET

TRI-CITY PROJECT

PROJECT FUND BALANCES

OPERATING AND MAINTENANCE FUND					
	Beginning Bal. 10/1/2018	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19	Minimum Recmd Bal.
Operating & Maintenance (O&M) Account	\$ 1,752	\$ -	\$ 63	\$ 1,689	\$ 1,689
Working Capital Account	225	-	-	225	225
Rate Stabilization Account	150	-	-	150	150
Total Operating and Maintenance Fund	\$ 2,127	\$ -	\$ 63	\$ 2,064	\$ 2,064 *
<p>*Minimum recommended balance is amount required to meet operating expenses for the next 60 days. Minimum per bond resolution is half the recommended amount.</p>					

DEBT SERVICE FUND					
	Beginning Bal. 10/01/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19	
*Debt Service Accounts					
(Series '09A, 13A) Principal	\$ 3,160	\$ 3,290	\$ 3,160	\$ 3,290	
Interest	69	70	104	35	
Total Debt Service Accounts	\$ 3,229	\$ 3,360	\$ 3,264	\$ 3,325	
* Account minimums will be in compliance with Bond Resolution.					

SUBORDINATED DEBT SERVICE					
	Beginning Bal. 10/01/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19	
*Loans					
Principal	\$ 55	\$ -	\$ 55	\$ -	
Interest	1	-	1	-	
Total Loans	\$ 56	\$ -	\$ 56	\$ -	
* Subordinated Debt paid from O&M account					

FISCAL YEAR 2019 BUDGET

TRI-CITY PROJECT

PROJECT FUND BALANCES

RESERVE AND CONTINGENCY FUND				
	Beginning Bal. 10/1/2018	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19
Renewal & Replacement (R&R) Account	\$ 192	\$ 2,000	\$ 1,866	\$ 326
Contingency Account	\$ 1,000	\$ -	\$ -	\$ 1,000

GENERAL RESERVE FUND				
	Beginning Bal. 10/1/2018	Deposits *	Withdrawal/ Payments **	Ending Bal. 9/30/19
General Reserve Fund	\$ 637	\$ 6	\$ 300	\$ 343
* Deposits include Retained Interest Earnings				
**Transfer to R&R Account				

CAPITAL PLAN	
	Fiscal Year FY2018
Capital Funded from Renewal & Replacement	
Per OUC Capital Plan	\$ 1,866
Total Capital	<u>\$ 1,866</u>

FISCAL YEAR 2020 PLAN

TRI-CITY PROJECT

PROJECT FUND BALANCES

OPERATING AND MAINTENANCE FUND					
	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20	Minimum Recmd Bal.
Operating & Maintenance (O&M) Account	\$ 1,689	\$ -	\$ 547	\$ 1,142	\$ 1,142
Working Capital Account	225	-	-	225	225
Rate Stabilization Account	150	-	-	150	150
Total Operating and Maintenance Fund	\$ 2,064	\$ -	\$ 547	\$ 1,517	\$ 1,517 *
<p>*Minimum recommended balance is amount required to meet operating expenses for the next 60 days. Minimum per bond resolution is half the recommended amount.</p>					

DEBT SERVICE FUND					
	Beginning Bal. 10/01/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20	
*Debt Service Accounts					
(Series '09A, '13A) Principal	\$ 3,290	\$ -	\$ 3,290	\$ -	
Interest	35	-	35	-	
Total Debt Service Accounts	\$ 3,325	\$ -	\$ 3,325	\$ -	
<p>* Account minimums will be in compliance with Bond Resolution.</p>					

SUBORDINATED DEBT SERVICE					
	Beginning Bal. 10/01/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20	
*Loans					
Principal	\$ -	\$ -	\$ -	\$ -	
Interest	-	-	-	-	
Total Loans	\$ -	\$ -	\$ -	\$ -	
<p>* Subordinated Debt paid from O&M account</p>					

FISCAL YEAR 2020 PLAN

TRI-CITY PROJECT

PROJECT FUND BALANCES

RESERVE AND CONTINGENCY FUND				
	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
Renewal & Replacement (R&R) Account	\$ 326	\$ 900	\$ 135	\$ 1,091
Contingency Account	\$ 1,000	\$ -	\$ -	\$ 1,000

GENERAL RESERVE FUND				
	Beginning Bal. 10/1/2019	Deposits *	Withdrawal/ Payments	Ending Bal. 9/30/20
General Reserve Fund	\$ 343	\$ 703	\$ -	\$ 1,046
* Deposits include Retained Interest Earnings & Fund Contributions				

CAPITAL PLAN	
	Fiscal Year FY2019
Capital Funded from Renewal & Replacement	
Per OUC Capital Plan	\$ (135)
Total Capital	<u>\$ (135)</u>

FISCAL YEAR 2019 BUDGET

Tri-City PROJECT - 5 Year Capital Plan - 000's USD

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Amounts Per OUC					
Renewal and Replacement Beginning Balance	\$ 192	\$ 326	\$ 1,091	\$ 1,061	\$ 1,081
Capital Expenses	(1,866)	(135)	(130)	(80)	(127)
Transfer from General Reserve	300				
Renewal and Replacement Contributions	1,700	900	100	100	100
Renewal and Replacement Ending Balance *	\$ 326	\$ 1,091	\$ 1,061	\$ 1,081	\$ 1,054

*Plan is to maintain a \$1.0 million balance for future capital needs and unanticipated capital changes made by the operator owner.

AGENDA ITEM 5 – Information Item:

**d.) Presentation of the FY2019/FY2020
Stanton II Project Budget**



Stanton II Project FY 2019 Budget Overview

Business Planning & Budget Committee

May 16, 2018

Stanton II Project Summary

Key Points to Note

- New rail contract decreases \$/MWh fuel costs
 - Avg. budgeted coal price for FY2019 is \$2.64/MMBtu vs. \$3.25/MMBtu budgeted in FY2018 (19% decrease)
 - Low gas forward curve still limits anticipated utilization
- Combination of pond expansion project completion and Stanton 1 turbine uprate may reduce Stanton 2 utilization beginning spring 2019
 - Stanton 2 should become the less efficient unit
- Stanton II Project's share of the landfill expansion capital cost is ≈\$3M
- No other major capital projects planned
- High anticipated FY2019 starting cash position provides \$11/MWh benefit to rate

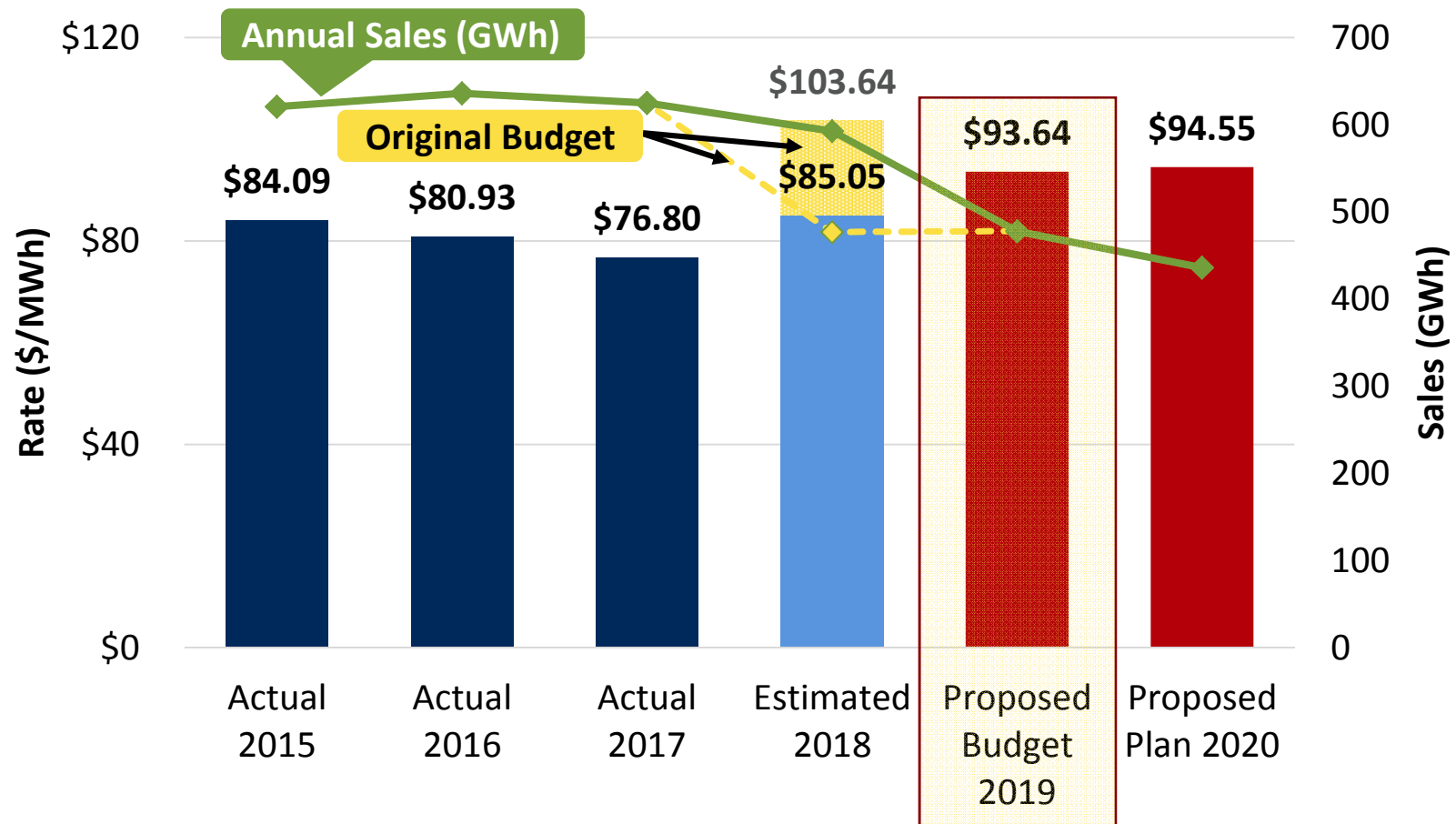
Landfill Expansion Project Moved Forward

- \$25M landfill expansion project originally planned for FY 2020 and 2021
- OUC has moved forward to late FY 2019 because generation has been running greater than originally anticipated
 - Running out of fly ash storage at existing landfill space
- OUC also looking to sell gypsum (as scrubber by-product)
 - Retirement of coal plants is creating a scarcity issue
 - Some capital investment would be required, but additional revenue source would help reduce costs to Participants
 - Associated capital and O&M costs, as well as revenues, not included in FY 2019 budget or FY 2020 plan

FY2019 Stanton II Project Rate is \$93.64/MWh

Higher than 2017 Actuals but Below 2018 Budget

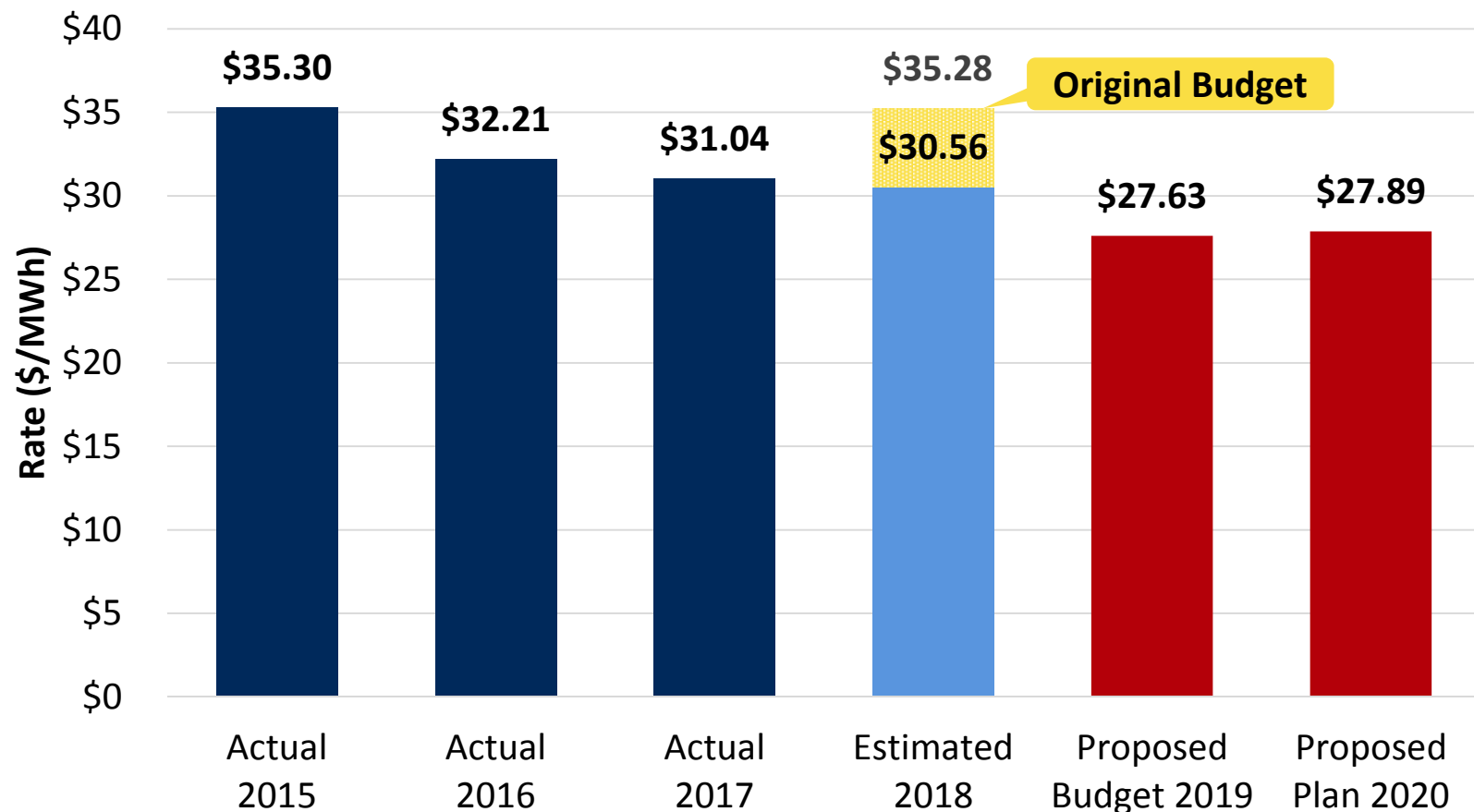
Stanton II Project – Historical & Budgeted All-in Rate (\$/MWh) and Sales (GWh)



FY19 Budget Reflects New Rail Contract

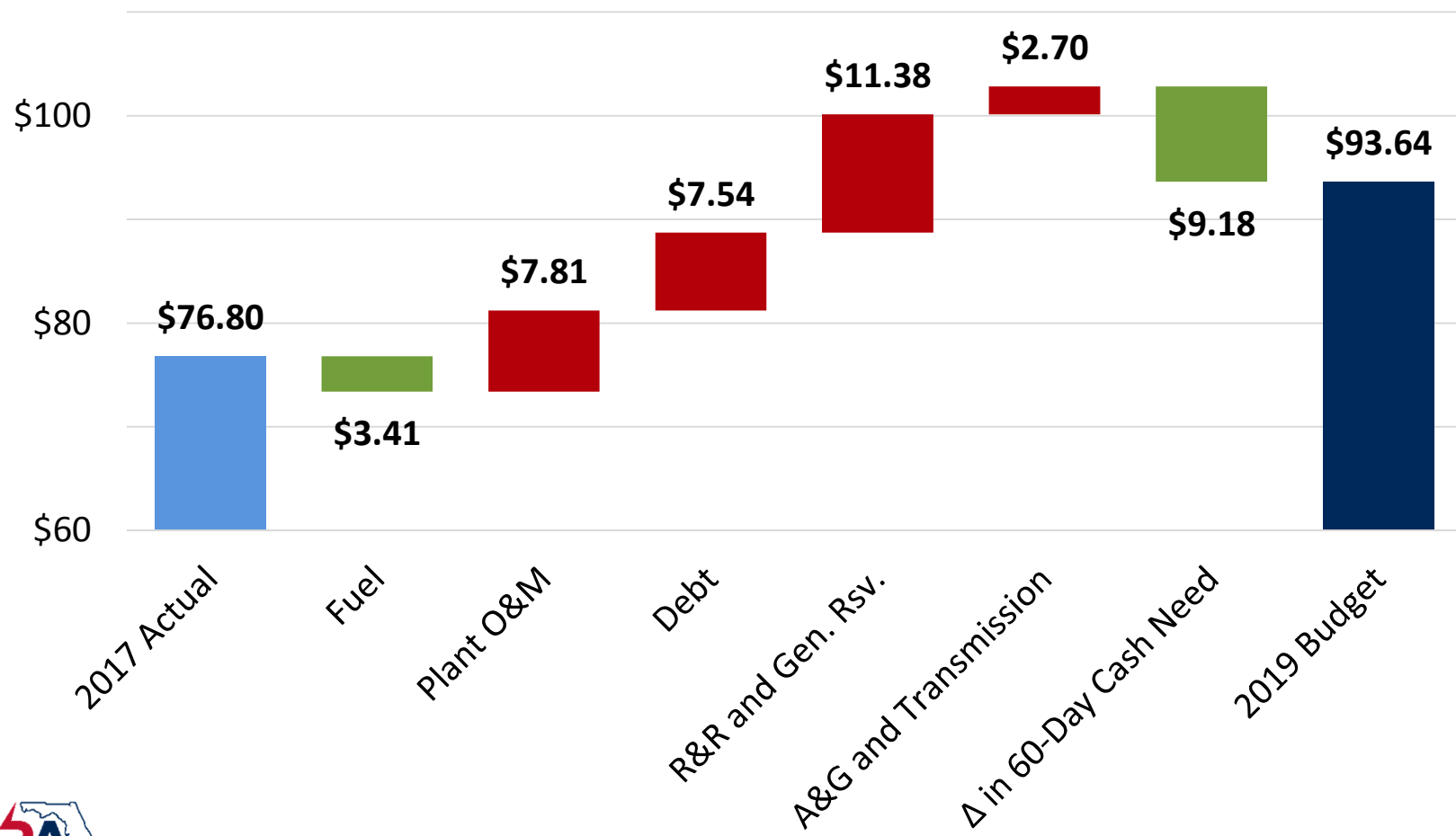
\$/MWh Fuel Cost ≈11% Lower than FY17 Actuals

Stanton II Project – Historical & Budgeted Fuel Cost (\$/MWh)



Lower Anticipated Utilization, Increased Project Funding Drive Stanton II Rate Higher

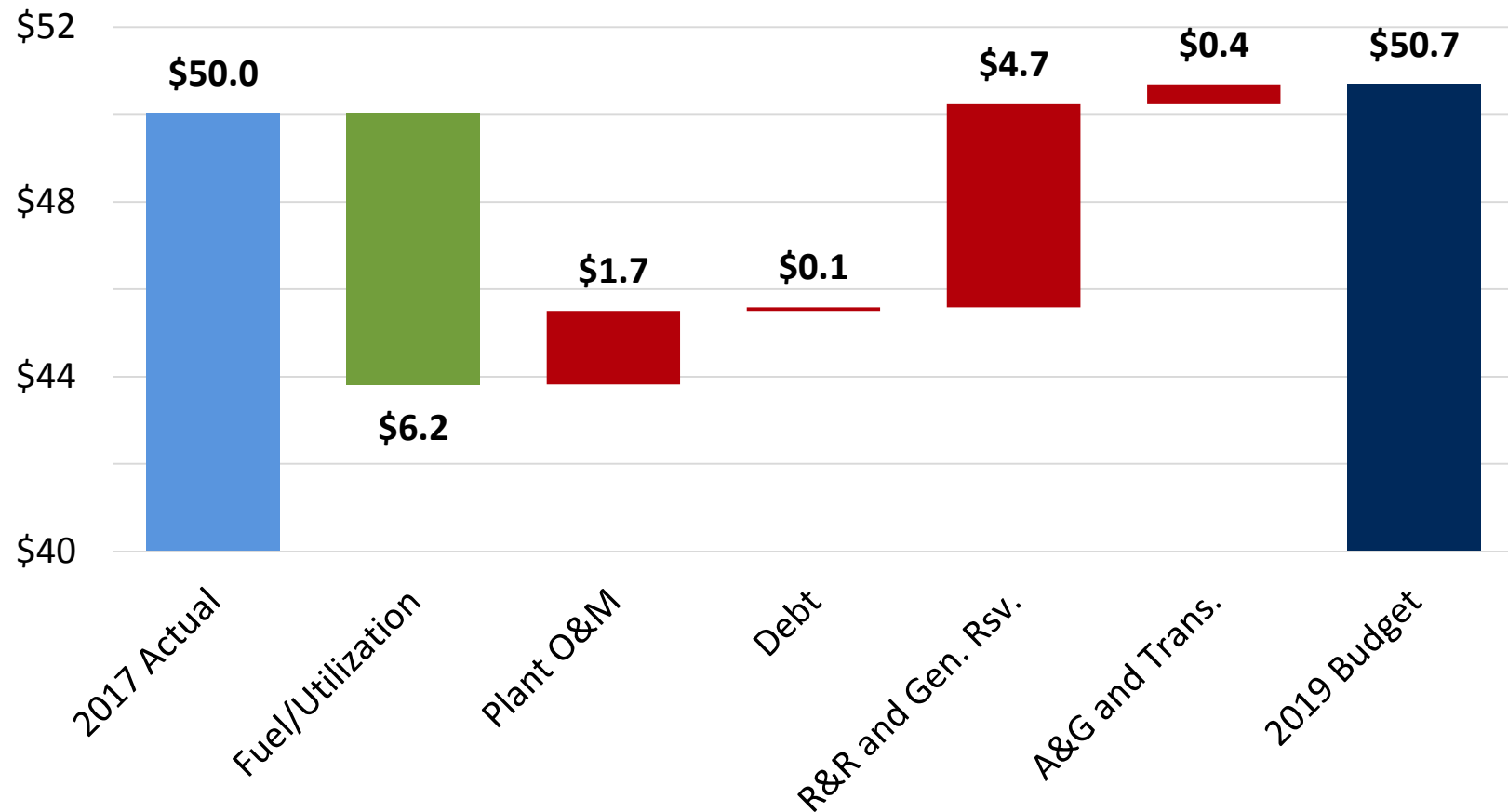
Stanton II Project – 2017 Actual to 2019 Budget All-in Rate (\$/MWh)



Total FY2019 Expenses ≈ FY2017

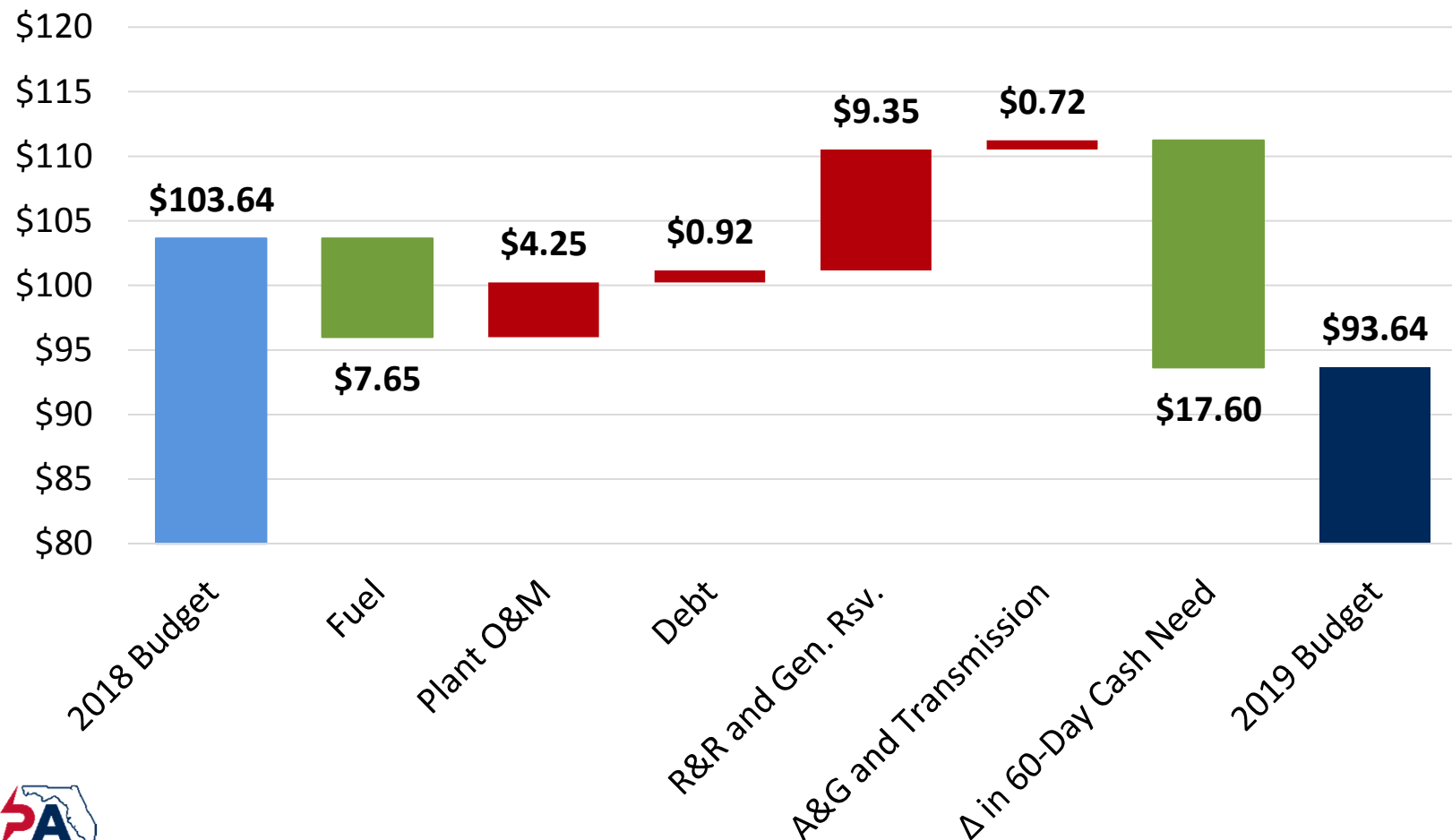
Higher O&M and Capital Offset Lower Fuel Expense

Stanton II Project – 2017 Actual to 2019 Budget Total Expenses (\$Millions)



\$10/MWh Rate Decrease Projected from FY2018 Budget

Stanton II Project - 2018 Budget to 2019 Budget All-in Rate (\$/MWh)



Recommended Motion (Agency)

- Move approval of:
 - 1) FY2019 Agency Fund Budget for recommendation to the Executive Committee for approval
 - 2) FY2019 Agency Allocation for recommendation to the Board of Directors for approval.

Recommended Motion (Small Projects)

- Move approval of:
 - 1) FY2019/FY2020 St. Lucie Budget for recommendation to the Board of Directors for approval
 - 2) FY2019/FY2020 Stanton Project Budget for recommendation to the Board of Directors for approval.
 - 3) FY2019/FY2020 Tri-City Project Budget for recommendation to the Board of Directors for approval.
 - 4) FY2019/FY2020 Stanton II Project Budget for recommendation to the Board of Directors for approval.

Budget Overview

**STANTON II
PROJECT**

The proposed participant billing will result in a total price of \$93.64 for FY 2019 and \$94.55 for FY 2020 per MWh billed. The FY 2019 unit price reflects a 9.7% decrease from the budgeted unit price for FY 2018. The FY 2020 unit price reflects a 1.0% increase from the FY 2019 unit price.

The 9.7% decrease in FY2019 is primarily due to OUC successfully reducing the rail costs for coal to the Stanton Energy Center, partially offset by higher O&M, A&G and renewal and replacement fund contributions.

Capital improvements in the amount of \$4.5 million are anticipated for FY 2019, a significant increase from prior years, and \$646 thousand are anticipated in FY 2020. A summary of the 5 Year Capital Plan and funding of the Renewal and Replacement Account is shown on the last page of this budget package.

The Stanton II Project's operating and maintenance fund balance is at an amount to support a 60-day average balance of operating expenses. The 60-day average balance reflects the reduction in coal costs that is projected to result in higher generation at Stanton Energy Center Unit 2. The balance will be maintained within three accounts comprising the operating and maintenance fund: i) the O & M account, ii) the Working Capital account and iii) the Rate Stabilization account. Any over or under funding requirement will be billed or returned the following fiscal year. All of the Project's excess funds (including any cost reduction funds) will reside in the General Reserve Fund until required. These adjusted balances are shown in the Project's budgeted fund balance pages contained in the following pages.

Graphs are contained in the Stanton II Project section that shows the actual performance of the past four years, the budget at year-end for FY 2018 and the projected performance through Fiscal Year 2020.

The expected per unit costs and operating data for the proposed and projected budget years are as follows:

Budget FY 2019

<u>\$/MWh Generated</u>	<u>Variable \$/MWh</u>	<u>MWhs Generated</u>	<u>Capacity Factor</u>
\$106.05	\$27.63	478,000	52.0%

Plan FY 2020

<u>\$/MWh Generated</u>	<u>Variable \$/MWh</u>	<u>MWhs Generated</u>	<u>Capacity Factor</u>
\$ 97.60	\$27.89	436,000	47.4%

Project Participants

**Fort Pierce
Homestead
**Key West
**Kissimmee
St. Cloud
**Starke

All-Requirements Project

** Member of the All-Requirements Project. Members' ownership share of Stanton II Project generation is purchased and paid for by the All-Requirements Project.

Florida Municipal Power Agency

OPERATING BUDGET

Fiscal Years 2019 & 2020

STANTON II PROJECT

Dollars In \$000

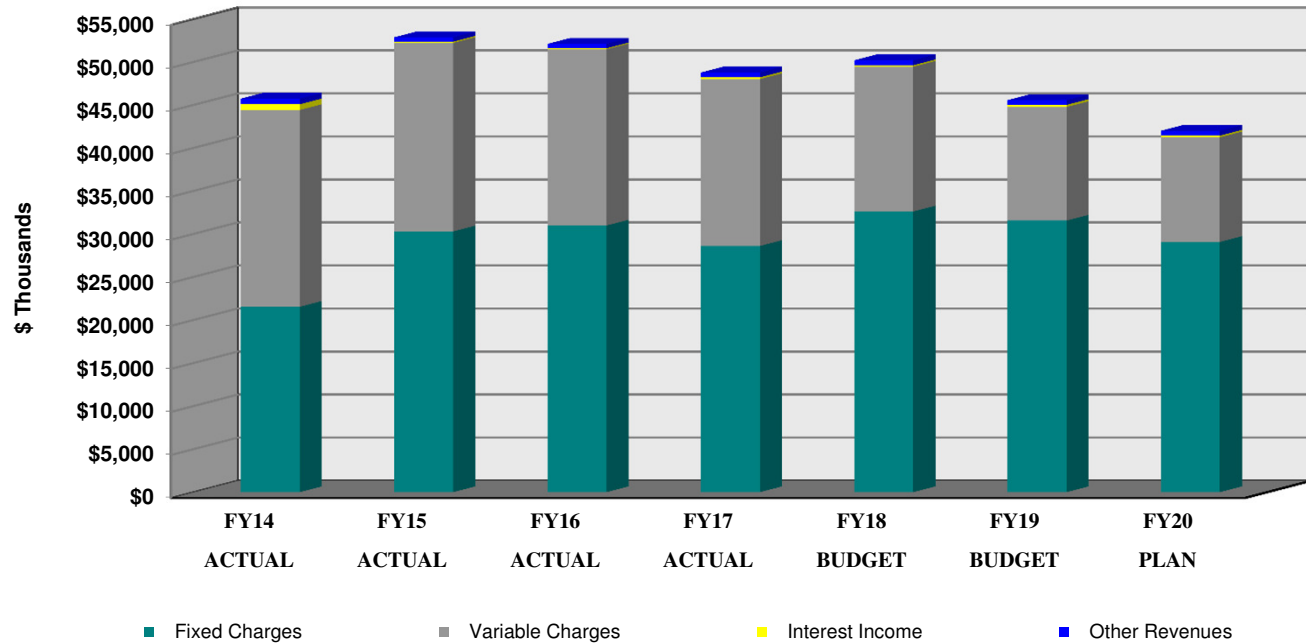
	ACTUAL FY2017	BUDGET FY2018	6 Months ACTUAL FY2018	Proposed FY 2019 BUDGET	Proposed FY 2020 PLAN	18 Bdgt / 19 Bdgt Increase / Decrease%	19 Bdgt / 20 Bdgt Increase Decrease%
REVENUES							
Participant Billings:							
Demand	\$ 26,978	\$ 30,807	\$ 15,403	\$ 29,636	\$ 27,101	(3.8%)	(8.6%)
Transmission	1,621	1,802	901	1,915	1,963		
Fuel - Variable	19,402	16,828	9,668	13,207	12,161	(21.5%)	(7.9%)
Total Billing	\$ 48,001	\$ 49,437	\$ 25,972	\$ 44,758	\$ 41,225	(9.5%)	(7.9%)
Brine Plant	558	579	275	550	564	NA	NA
Interest Income	212	181	(475)	252	205	(5.0%)	2.5%
						39.2%	(18.7%)
TOTAL REVENUES	\$ 48,771	\$ 50,197	\$ 25,772	\$ 45,560	\$ 41,994	(9.2%)	(7.8%)
EXPENSES							
Fixed O&M	\$ 8,554	\$ 8,132	\$ 3,943	\$ 10,120	\$ 10,378	24.4%	2.5%
Fuel Burned - Variable	19,402	16,828	9,668	13,207	12,161	(21.5%)	(7.9%)
User Fee	181	235	189	295	303	25.5%	2.7%
Transmission -OUC	1,677	1,802	948	1,915	1,963	6.3%	2.5%
-FPL	-	-	-	-	-	NA	NA
Gen'l & Admin -OUC	1,346	1,338	711	1,635	1,677	22.2%	2.6%
-FMPA	427	434	217	428	439	(1.4%)	2.6%
Debt Management Costs	124	98	41	44	45	(55.1%)	2.3%
TOTAL EXPENSES	\$ 31,711	\$ 28,867	\$ 15,717	\$ 27,644	\$ 26,966	(4.2%)	(2.5%)
FUND CONTRIBUTIONS							
Renewal & Replacement & General Reserve	3,345	3,521	450	8,000	1,100	127.2%	(86.3%)
Debt Service Deposit	14,737	14,338	7,541	15,048	14,987	5.0%	(0.4%)
Loan Principal	220	230	-	-	-	(100.0%)	NA
Loan Interest	8	9	3	-	-	(100.0%)	NA
TOTAL EXPENSES & CONTRIBUTIONS	\$ 50,021	\$ 46,965	\$ 23,711	\$ 50,692	\$ 43,053	7.9%	(15.1%)
NET INCOME BEFORE REGULATORY ADJ	\$ (1,250)	\$ 3,232	\$ 2,061	\$ (5,132)	\$ (1,059)		
MWhs Generated (In thousands)	625	477	303	478	436		
Capacity Factor	71.6%	51.9%	69.6%	52.0%	47.4%		
\$'s/MWh Billed	<u>\$76.80</u>	<u>\$103.64</u>	<u>\$84.92</u>	<u>\$93.64</u>	<u>\$94.55</u>		
\$'s/MWh Generated	<u>\$80.03</u>	<u>\$98.46</u>	<u>\$78.13</u>	<u>\$106.05</u>	<u>\$98.75</u>		
% Change in Rates		34.9%		(9.7%)	1.0%		

FMPA Operating Budget - Fiscal Year 2019 & 2020

STANTON II PROJECT

Dollars in \$000

REVENUES

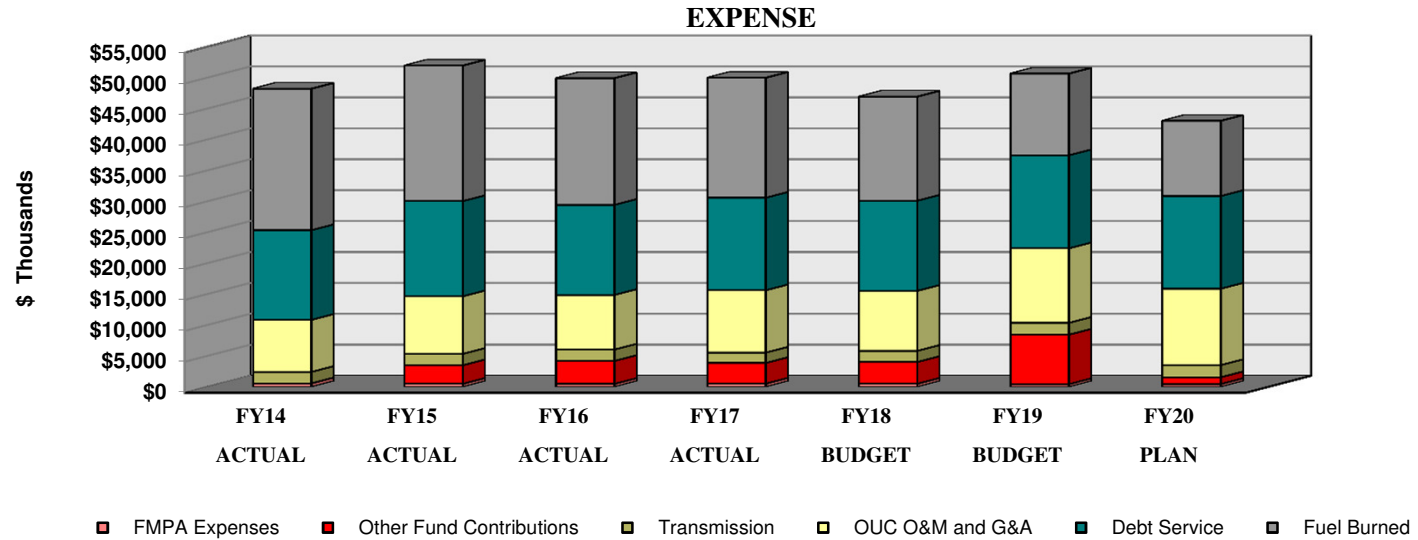


		In \$ Thousands						
REVENUES		ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	BUDGET FY18	BUDGET FY19	PLAN FY20
Fixed Charges		\$ 21,536	\$ 30,291	\$ 30,977	\$ 28,599	\$ 32,609	\$ 31,551	\$ 29,064
Variable Charges		22,875	21,913	20,486	19,402	16,828	13,207	12,161
Interest Income		665	157	128	212	181	252	205
Other Revenues		657	505	511	558	579	550	564
Total		\$ 45,733	\$ 52,866	\$ 52,102	\$ 48,771	\$ 50,197	\$ 45,560	\$ 41,994

FMPA Operating Budget - Fiscal Year 2019 & 2020

STANTON II PROJECT

Dollars in \$000



E X P E N S E S	In \$ Thousands						
	ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	BUDGET FY18	BUDGET FY19	PLAN FY20
Debt Service	\$ 14,504	\$ 15,398	\$ 14,569	\$ 14,965	\$ 14,577	\$ 15,048	\$ 14,987
Fuel Burned	22,875	21,913	20,486	19,402	16,828	13,207	12,161
OUC O&M and G&A	8,415	9,305	8,832	10,081	9,705	12,050	12,358
Transmission	1,847	1,846	1,844	1,677	1,802	1,915	1,963
Other Fund Contributions	(1,840)	3,000	3,710	3,345	3,521	8,000	1,100
FMPA Expenses	603	527	507	551	532	472	484
Total	\$ 46,404	\$ 51,989	\$ 46,138	\$ 50,021	\$ 46,965	\$ 50,692	\$ 43,053
Delivered MWhs (In 000)	534.0	621.0	635.9	625.0	477.0	478.0	436.0
Unit Cost of Power - \$/MWh	\$ 86.90	\$ 83.72	\$ 72.55	\$ 80.03	\$ 98.46	\$ 106.05	\$ 98.75

FISCAL YEAR 2019 BUDGET**STANTON II PROJECT**

Dollars in \$000

PROJECT FUND BALANCES**OPERATING AND MAINTENANCE FUND**

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19	Minimum Recmd Bal.
Operating & Maintenance (O&M) Account	\$ 13,409	\$ -	\$ 5,132	\$ 8,277	\$ 8,277
Working Capital Account	600	-	-	600	600
Rate Stabilization Account	400	-	-	400	400
Total Operating and Maintenance Fund	\$ 14,409	\$ -	\$ 5,132	\$ 9,277	\$ 9,277 *

*Minimum recommended balance is amount required to meet operating expenses for the next 60 days.

Minimum per bond resolution is half the recommended amount.

DEBT SERVICE FUND

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19
*Debt Service Accounts				
(Series '09A, 12A, 17A, 17B) Principal	\$ 10,271	\$ 10,747	\$ 10,271	\$ 10,747
Interest	2,337	4,301	4,488	2,151
Total Debt Service Accounts	\$ 12,608	\$ 15,048	\$ 14,759	\$ 12,898

*Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19
*Loans				
Principal	\$ 242	\$ -	\$ 242	\$ -
Interest	5	-	5	-
Total Loans	\$ 247	\$ -	\$ 247	\$ -

*Subordinated Debt paid from O&M account

FISCAL YEAR 2019 BUDGET

STANTON II PROJECT

Dollars in \$000

PROJECT FUND BALANCES

RESERVE AND CONTINGENCY FUND

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19
Renewal & Replacement (R&R) Account	\$ 2,078	\$ 5,000	\$ 4,505	\$ 2,574
Contingency Account	\$ 1,000	\$ -	\$ -	\$ 1,000

GENERAL RESERVE FUND

	Beginning Bal. 10/1/18	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/19
General Reserve Fund	\$ 21,981	\$ 3,000	\$ -	\$ 24,981
Interest Retained	-	438	-	438
Total General Reserve	\$ 21,981	\$ 3,438	\$ -	\$ 25,419

CAPITAL PLAN

Fiscal Year
FY2019**Capital Funded from Proceeds and Renewal & Replacement**

Per OUC Capital Plan	\$ 4,505
Total Capital	\$ 4,505

FISCAL YEAR 2020 PLAN**STANTON II PROJECT**

Dollars in \$000

PROJECT FUND BALANCES**OPERATING AND MAINTENANCE FUND**

	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20	Minimum Recmd Bal.
Operating & Maintenance (O&M) Account	\$ 8,277	\$ -	\$ 1,059	\$ 7,218	\$ 7,218
Working Capital Account	600	-	-	600	600
Rate Stabilization Account	400	-	-	400	400
Total Operating and Maintenance Fund	\$ 9,277	\$ -	\$ 1,059	\$ 8,218	\$ 8,218 *

*Minimum recommended balance is amount required to meet operating expenses for the next 60 days.

Minimum per bond resolution is half the recommended amount.

DEBT SERVICE FUND

	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
*Debt Service Accounts				
(Series '09A, 12A, 17A, 17B) Principal	\$ 10,747	\$ 11,082	\$ 10,747	\$ 11,082
Interest	2,151	3,905	4,103	1,952
Total Debt Service Accounts	\$ 12,898	\$ 14,987	\$ 14,850	\$ 13,034

*Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE

	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
*Loans				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total Loans	\$ -	\$ -	\$ -	\$ -

*Subordinated Debt paid from O&M account

FISCAL YEAR 2020 PLAN**STANTON II PROJECT**

Dollars in \$000

PROJECT FUND BALANCES**RESERVE AND CONTINGENCY FUND**

	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
Renewal & Replacement (R&R) Account	\$ 2,574	\$ 1,100	\$ 646	\$ 3,028
Contingency Account	\$ 1,000	\$ -	\$ -	\$ 1,000

GENERAL RESERVE FUND

	Beginning Bal. 10/1/2019	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
General Reserve Fund	\$ 24,981	\$ -	\$ -	\$ 24,981
Interest Retained	438	445	-	883
Total General Reserve	\$ 25,419	\$ 445	\$ -	\$ 25,864

CAPITAL PLANFiscal Year
FY2020**Capital Funded from Renewal & Replacement**

Per OUC Capital Plan	\$ 646
Total Capital	\$ 646

FISCAL YEAR 2019 BUDGET

Stanton II PROJECT - 5 Year Capital Plan - 000's USD

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Amounts Per OUC					
Renewal and Replacement Beginning Balance & Bond Proceeds	\$ 2,078	\$ 2,574	\$ 3,028	\$ 3,050	\$ 3,072
Capital Expenses	4,505	646	878	1,278	674
Renewal and Replacement Contributions	5,000	1,100	900	1,300	700
Renewal and Replacement Ending Balance *	<u>\$ 2,574</u>	<u>\$ 3,028</u>	<u>\$ 3,050</u>	<u>\$ 3,072</u>	<u>\$ 3,098</u>

* Plan is to maintain a \$2.5 million balance for future capital needs and unanticipated capital changes made by the operator owner.

AGENDA ITEM 6 – Action Items:

- a.) Approval of the FY2019 Agency Fund Budget for recommendation to the Executive Committee for approval.**
- b.) Approval for the FY2019 Agency Allocation for recommendation to the Board of Directors for approval.**
- c.) Approval of the FY2019/FY2020 St. Lucie Project Budget for recommendation to the Board of Directors for approval.**
- d.) Approval of the FY2019/FY2020 Stanton Project Budget for recommendation to the Board of Directors for approval.**
- e.) Approval of the FY2019/FY2020 Tri-City Project Budget for recommendation to the Board of Directors for approval.**
- f.) Approval of the FY2019/FY2020 Stanton II Project Budget for recommendation to the Board of Directors for approval.**

Business Planning & Budget Committee Meeting

May 16, 2018

AGENDA ITEM 7 – Comments

- a.) The next scheduled Business Planning & Budget Committee Meeting to Review and Finalize the All-Requirements Budget will be May 30, 2018**

Business Planning & Budget Committee Meeting

May 16, 2018

AGENDA ITEM 8 – Adjournment

Business Planning & Budget Committee Meeting

May 16, 2018