



FMPA BOARD OF DIRECTORS AGENDA PACKAGE

December 13, 2018

9:00 a.m. [NOTE TIME]

Dial-in Info 877-668-4493 or 650-479-3208

Meeting Number 737 188 973

Board of Directors

Bill Conrad, Newberry – Chairman
Barbara Quiñones, Homestead – Vice Chair
Larry Mattern, Kissimmee – Treasurer
Lynne Tejeda, Key West – Secretary
Rodolfo Valladares, Alachua
Bradley Hiers, Bartow
Vacant, Blountstown
Jody Young, Bushnell
Vacant, Chattahoochee
Lynne Mila, Clewiston
Fred Hilliard, Fort Meade
John Tompeck, Fort Pierce
Tom Brown, Gainesville
Robert Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach

Ed Liberty, Lake Worth
Glenn Spurlock, Leesburg
Michael Beckham, Lakeland
Vacant, Moore Haven
Charles Revell, Mount Dora
Ray Mitchum, New Smyrna Beach
Sandra Wilson, Ocala
Claston Sunanon, Orlando
Vacant, Quincy
Bill Sturgeon, St. Cloud
Robert Milner, Starke
Rob McGarrah, Tallahassee
Laura Moss, Vero Beach
James Braddock, Wauchula
Scott Lippmann, Williston
Dan D'Alessandro, Winter Park

Meeting Location

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



MEMORANDUM

TO: FMIPA Board of Directors

FROM: Jacob A. Williams, General Manager and CEO

DATE: December 4, 2018

RE: **FMPA Board of Directors Meeting – 9:00 a.m. [NOTE TIME],
December 13, 2018**

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

DIAL-IN: **NEW DIAL-IN INFO 877-668-4493, Meeting Access Code 737 188 973**
(If you have trouble connecting via phone or internet, call 407-355-7767)

AGENDA

Chairman Bill Conrad Presiding

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 - b. Approval of the Projects’ Financials as of October 31, 201827**
 - c. Approval of the Treasury Reports as of October 31, 201829**

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9. Information Items

- a. Preliminary FY 2018 Financial Results * (Steve Ruppel)38
b. Florida Municipal Solar Project Update * (Chris Gowder)45
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10.Member Comments55

11.Adjournment56

***Also on the Executive Committee agenda.**

JW/su

NOTE: 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 (888) 774-7606, at least two (2) business days in advance to make appropriate arrangements.

**AGENDA ITEM 1 - CALL TO ORDER,
ROLL CALL, DECLARATION OF
QUORUM**

**Board of Directors Meeting
December 13, 2018**

**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

**Board of Directors Meeting
December 13, 2018**

**AGENDA ITEM 3 – PUBLIC
COMMENTS (Individual Public
Comments Limited to 3 Minutes)**

**Board of Directors Meeting
December 13, 2018**

**AGENDA ITEM 4 – SET AGENDA (By
Vote)**

**Board of Directors Meeting
December 13, 2018**

GENERAL MANAGER'S REPORT

**AGENDA ITEM 5 – REPORT FROM
THE GENERAL MANAGER**

**Board of Directors Meeting
December 13, 2018**

Fiscal 2019 Management Goals Scorecard, as of November 30, 2018



Goal	Status	Actual	YTD		FY 2019 Target	Comment
			Actual	Target		
1. Safety (no lost-time accidents for employees or agents)				0	0	Zero lost-time accidents. One recordable incident at Cane Island, pinched finger.
2. Compliance (no violations that are not self-reported)	Environ.			0	0	Zero compliance violations.
	Financial			0	0	
	Compliance			0	0	
	Cyber Sec.			0	0	
	Phishing	14.5%	14.5%	<10%	<10%	
3. Low Costs (\$/MWh)	Controllable	\$39.45	\$39.45	\$43.81	\$52.99	Actual data is through October and will be updated prior to the December meeting.
	Fuels	\$25.15	\$25.15	\$22.90	\$22.36	
	All-in	\$64.60	\$64.60	\$66.71	\$75.35	
4. Reliability (EAF for base-load units)		85%	85%	83%	88%	Base load units were 85% available in October. CI3 planned outage. No forced

(Continued) **Management Goals Scorecard**, as of November 30, 2018



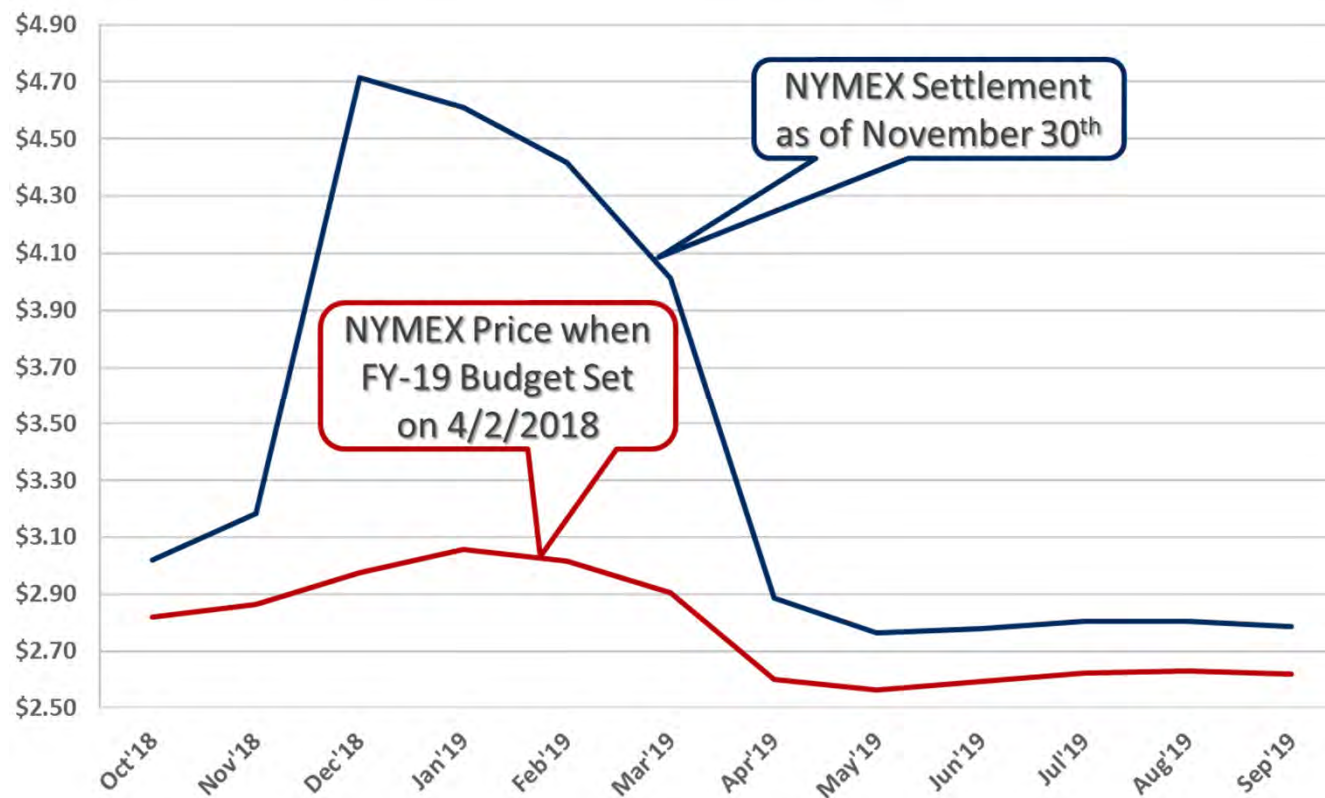
Goal		Status	Comment
5. Excess Capacity Reduction (reduce costs of 35 MW)			Winter Park selected FMPA to serve a portion of their power supply needs for the next 9 years. The Power Purchase Agreement is on the Executive Committee agenda for approval.
6. Generation Team Fleet Resource Sharing (35 days)			Cane Island to Treasure Coast for 2 days in October. Significant resource sharing scheduled during November at the TCEC outage.
7. Member Visits by Leadership Team (75 visits)			8 visits in November. YTD total is 16.
8. Member Services	10 project oversight		3 hurricane recovery oversight projects: Havana, Chattahoochee and Quincy. One project oversight for Starke.
	13 regional trainings		Investigating several vendors for regional meetings and workshops. Regional trainings being planned for January.

(Continued) **Management Goals Scorecard**, as of November 30, 2018



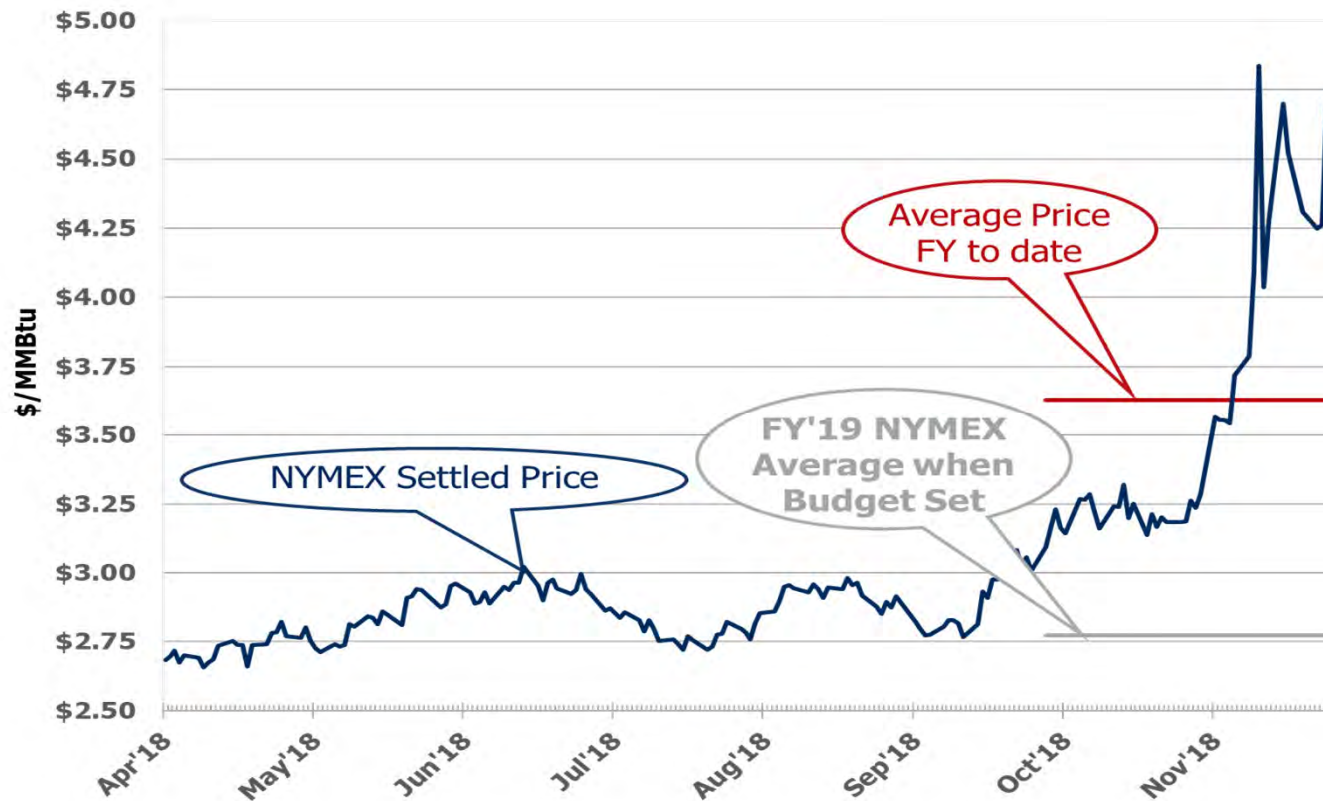
Goal	Status	Comment
9. Develop 2nd Low-Cost Solar Project Opportunity		Discussions beginning with larger potential members.
10. Financial Transactions (gas prepay; St. Lucie debt)		Gas prepay expected to be completed by 12/31/18 St. Lucie debt transactions expected to be completed by 2/28/19
11. People & Employee Retention (climate survey; train managers; quarterly report to Board of Directors)		Reported update on procedures changes at November Board meeting.
12. Process Improvement (redesign invoice payments; define Internal Audit scope)		In process.

Current Gas Forwards \$0.63/MMBtu Above Budget *NYMEX Natural Gas Settlement*



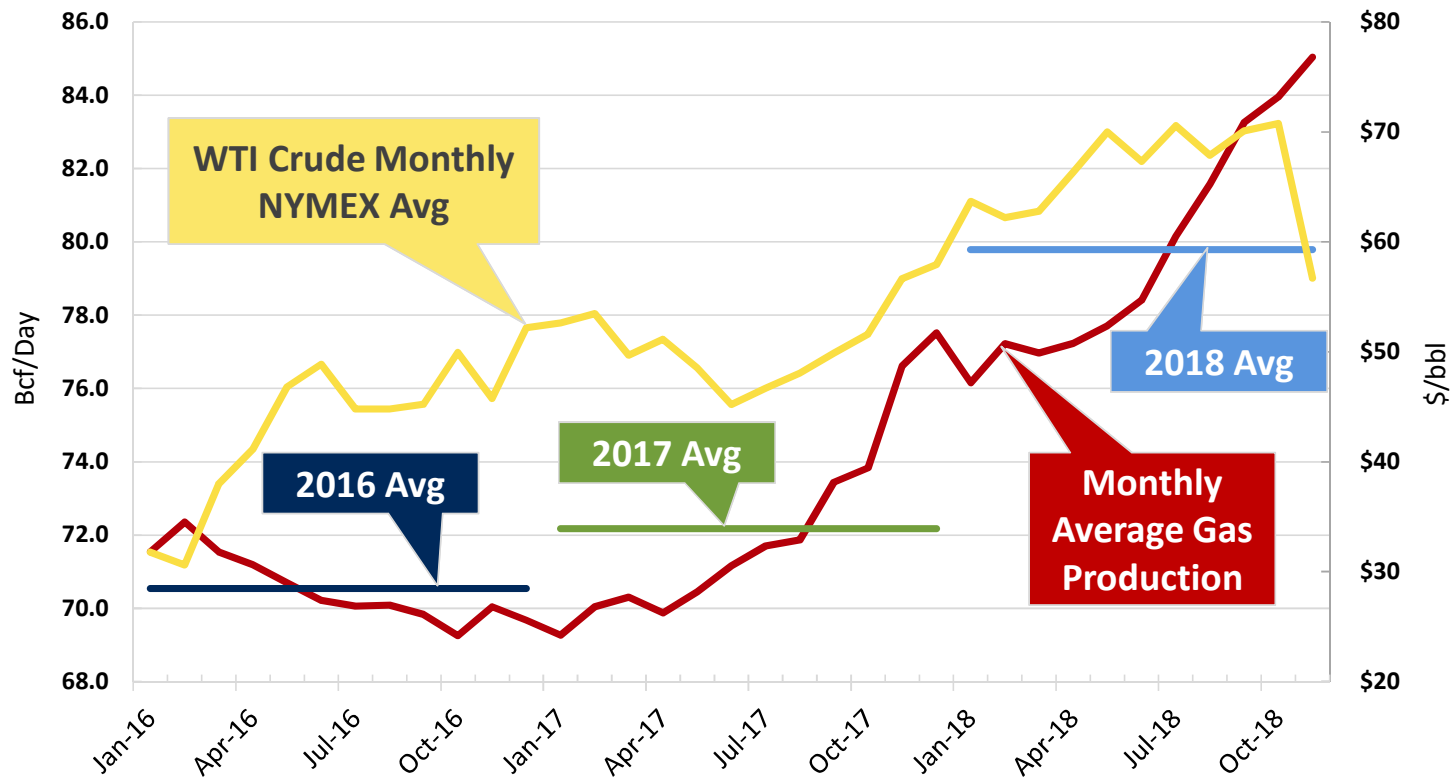
NYMEX Price Action for the FY19 Budget Set

FY19 Daily Settled Price \$0.86 above Budget as of November 30th



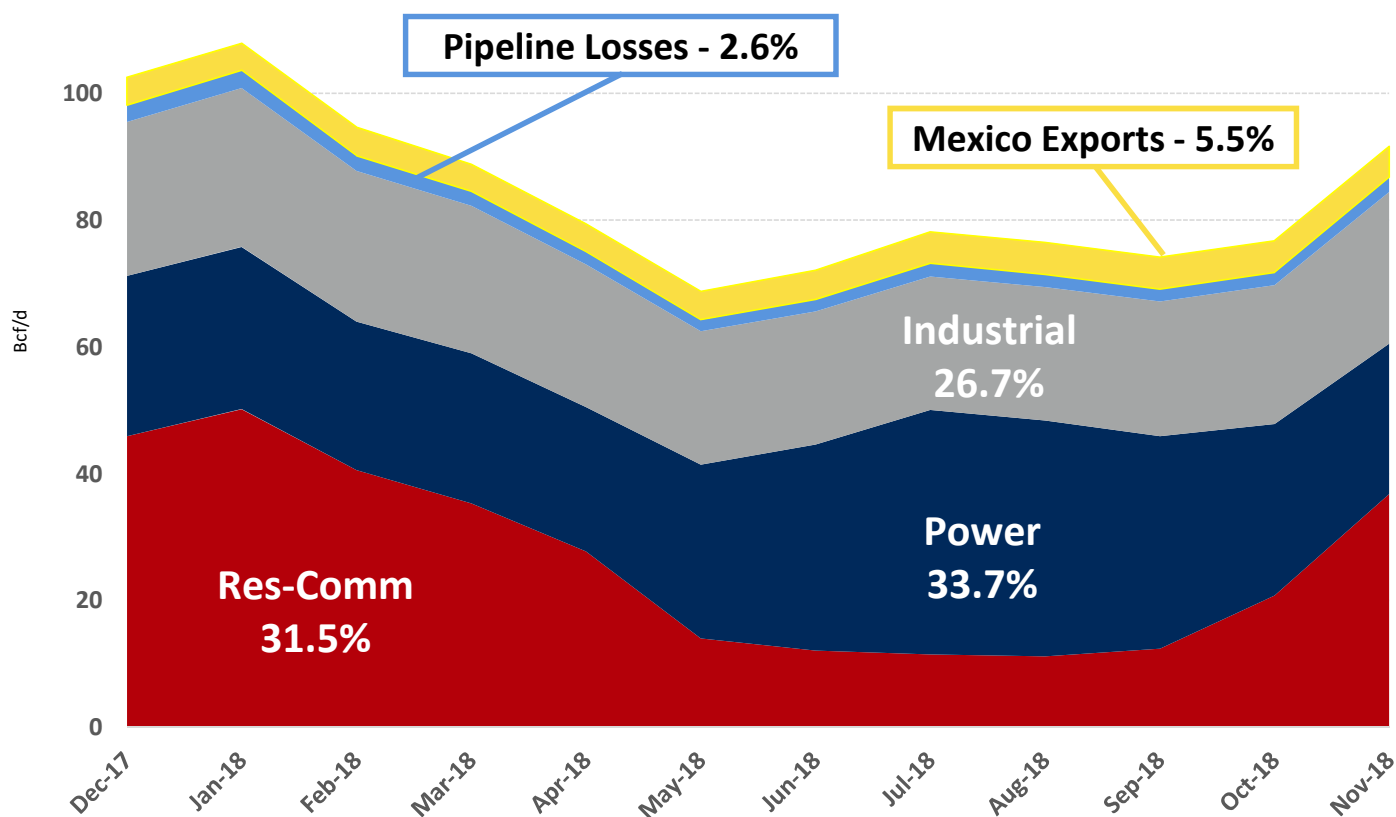
Natural Gas Production Increasing with Higher Oil Prices

Average Monthly Change Since 2016 to Date (11/30/18)

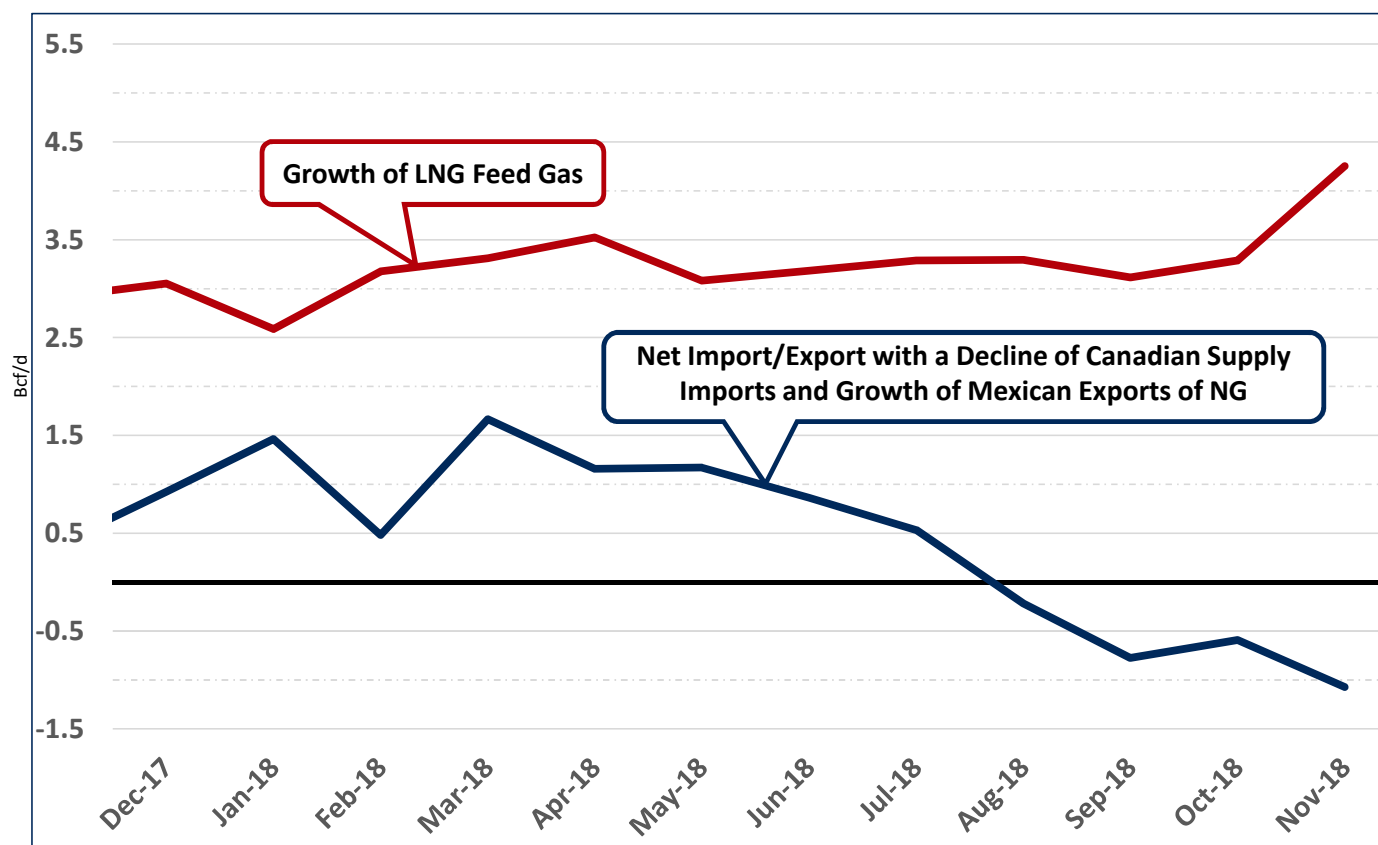


Natural Gas Demand Seasonal Swings Power Sector Demand Strongest in Summer

Power Sector Was Only 28.6% of Gas Demand in 2008



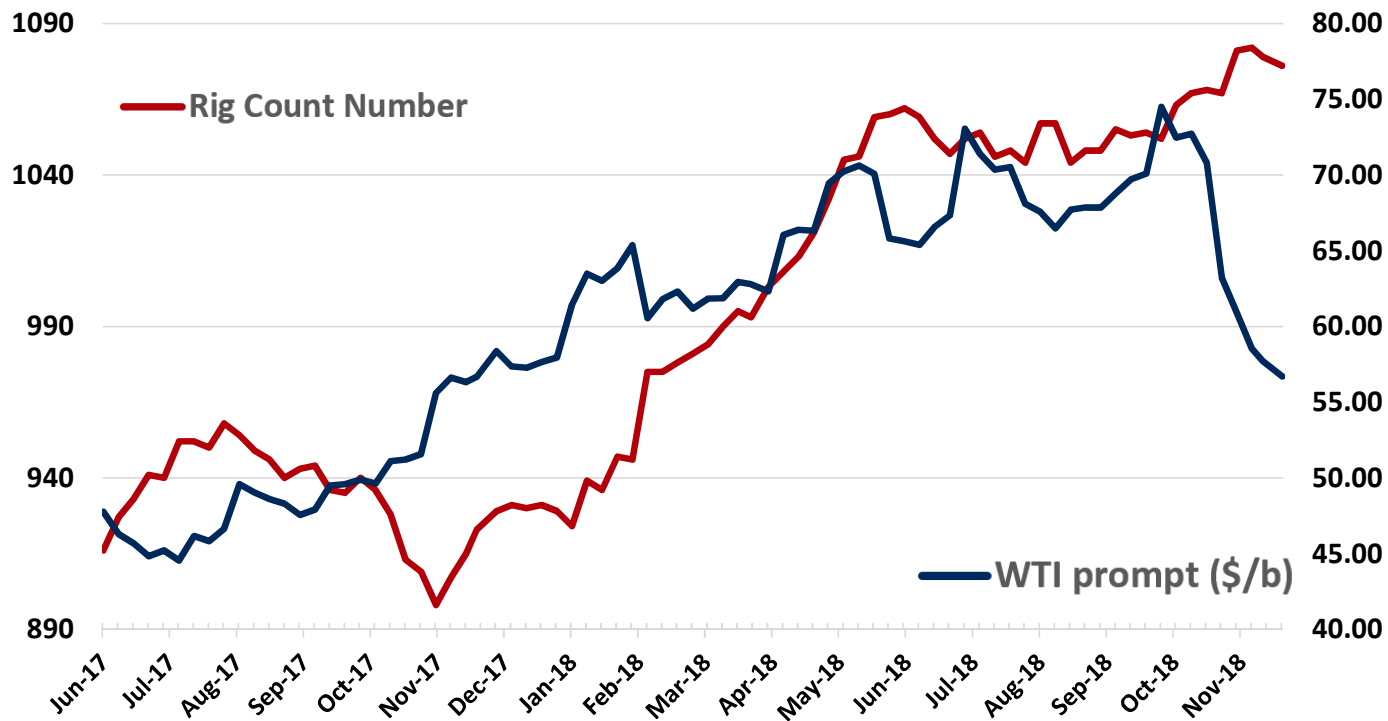
Growth of Non-Traditional Natural Gas Use



Drilling Rig Growth Continues

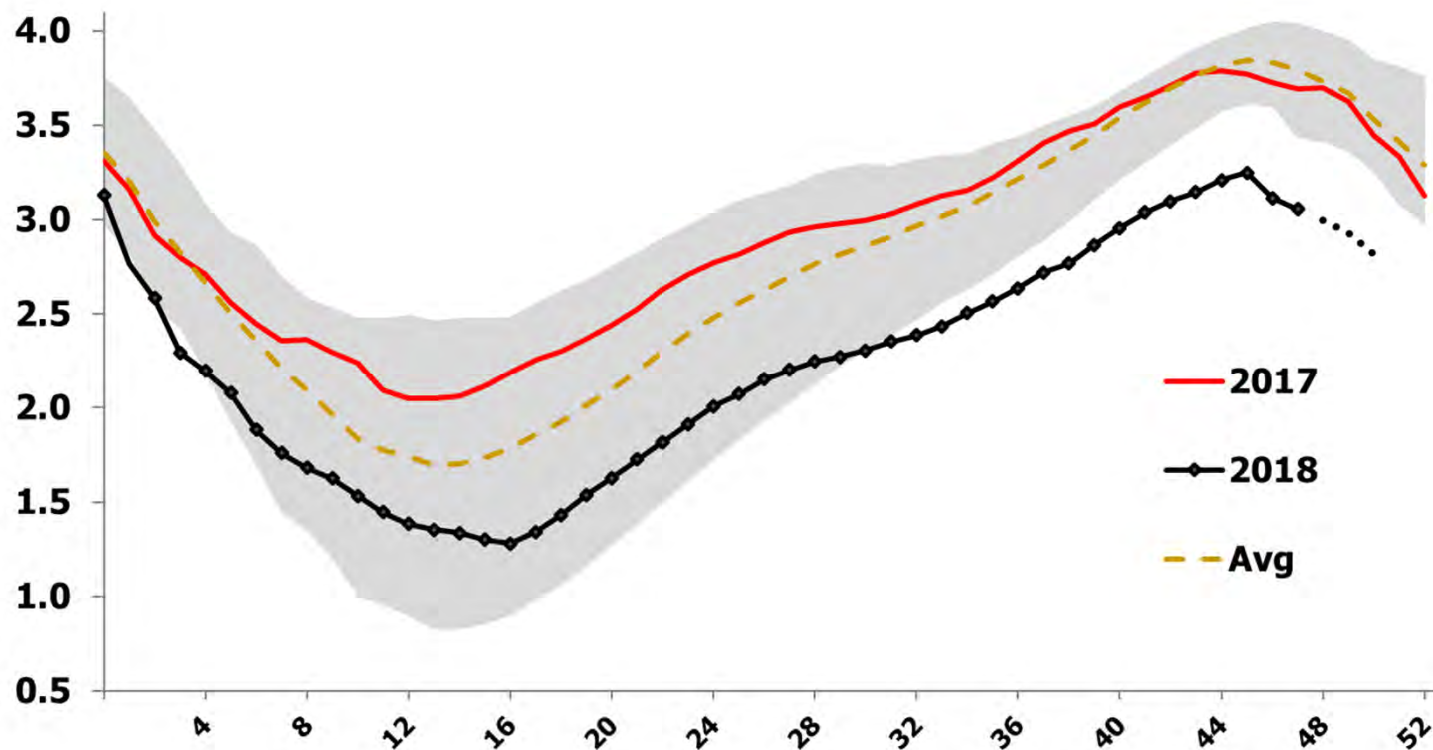
WTI Price Continues to Increase Spurs Drilling Rig Expansion

US Drilling Rig Count vs WTI Prompt



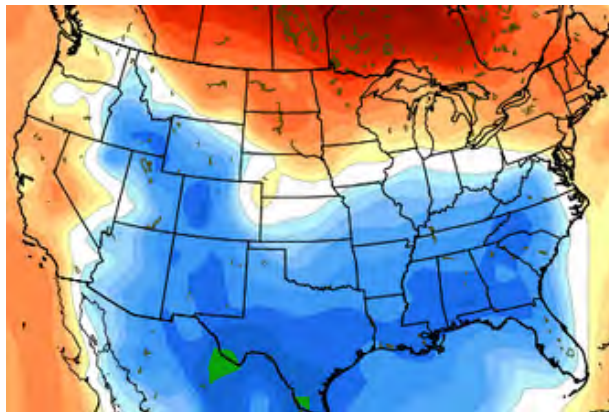
Gas Storage Inventory as of Week Ending Nov 23rd

Injections lagging below Five Year Average



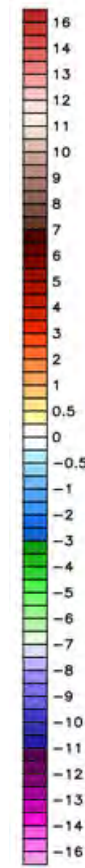
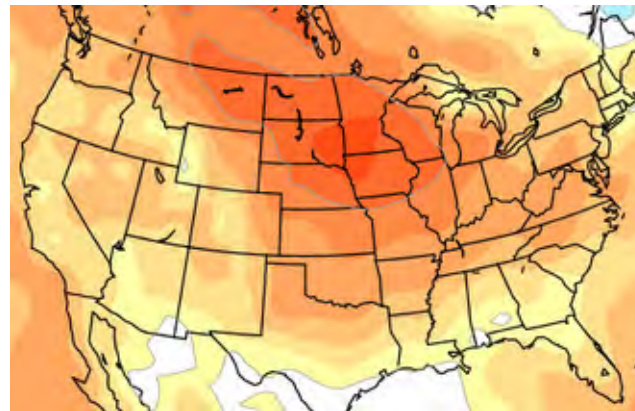
Winter Projected to be Warmer than Normal

February and March forecast similar to January Forecast



**December
13th thru 23rd**

January



VERBAL REPORT

AGENDA ITEM 6 – SUNSHINE LAW UPDATE

**Board of Directors Meeting
December 13, 2018**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of the Minutes for the
Meeting Held November 15, 2018**

**Board of Directors Meeting
December 13, 2018**

CLERKS DULY NOTIFIED..... NOVEMBER 6, 2018
AGENDA PACKAGES POSTED..... NOVEMBER 6, 2018

MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
THURSDAY, NOVEMBER 15, 2018
9:00 A.M.

MEMBERS PRESENT Jody Young, Bushnell (via telephone)
Lynne Mila, Clewiston (via telephone)
Fred Hilliard, Fort Meade (via telephone)
John Tompeck, Fort Pierce (via telephone)
Bob Page, Green Cove Springs (via telephone)
Howard McKinnon, Havana
Barbara Quinones, Homestead (via telephone)
Karen Nelson, Jacksonville Beach
Lynne Tejada, Key West (via telephone)
Larry Mattern, Kissimmee
Michael Beckham, Lakeland (via telephone)
Glenn Spurlock, Leesburg
Charles Revell, Mount Dora (via telephone)
Bill Conrad, Newberry
Mike Poucher, Ocala
Robert Milner, Starke
Rob McGarrah, Tallahassee (via telephone)
Jim O'Connor, Vero Beach (via telephone)
James Braddock, Wauchula * (via telephone)
Justin Isler, Winter Park

*arrived after roll call.

OTHERS PRESENT Paul Jakubczak, Fort Pierce
George Forbes, Jacksonville Beach
Grant Lacerte, Kissimmee
Scott Feuerborn, Burns & McDonnell, Inc.
Craig Dunlap, Dunlap & Associates, Inc.
Rob Taylor, GDS Associates
Steven Stein, nFront Consulting

STAFF PRESENT Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Dan O'Hagan, Associate General Counsel
Linda Howard, Chief Financial Officer
Mark McCain, Assistant General Manager, Member Services, Human Resources and Public Relations

Rich Popp, Treasury and Risk Director
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Carol Chinn, Chief Information and Compliance Officer
Chris Gowder, Business Development and Planning Manager
Carter Manucy, Cyber Security Manager
Richard Montgomery, Business Development Administrator
Edwin Nunez, Assistant Treasurer/Debt
Jeff Grainger, Public Relations Specialist
Ryan Dumas, Public Relations Specialist
Luis Cruz, Information Technology Manager
Isaac Barbosa, IT Security Analyst
Jim Arntz, Senior Financial Analyst
Ian Beason, Electrical Asset Engineer
Sharon Samuels, Member Services and Procurement Administrator
Sharon Adams, Human Resources Director
Susan Schumann, Manager of External Affairs and Solar Projects
Steven Ruppel, Interim Accounting Manager
Trent Lewis, Environmental / Operations Specialist

ITEM 1 - CALL TO ORDER, ROLL CALL AND DECLARATION OF QUORUM

Chairman Bill Conrad, Newberry, called the Board of Directors meeting to order at 9:30 a.m. on Thursday, November 15, 2018, in the Frederick M. Bryant Board Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 19 members present representing 33.5 votes out of a possible 48.5. James Braddock, Wauchula, arrived after roll call bringing the total members present to 20 representing 34.5 votes out of a possible 48.5 votes.

ITEM 2 – Recognition of Guests

Chairman Conrad welcomed Rob McGarrah, Tallahassee, as FMPA's new member.

Chairman Conrad welcomed Justin Isler of the City of Winter Park, as an alternate for the City on the FMPA Board.

ITEM 3 – PUBLIC COMMENTS (Individual Public Comments Limited to 3 Minutes)

None

ITEM 4 – SET AGENDA (by vote)

MOTION: Mike Poucher, Ocala, moved approval of the agenda as presented. Bob Milner, Starke, seconded the motion. Motion carried 34.5 – 0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Jacob Williams reported on the following items:

1. Goals Scorecard
2. Recognition of FMPA Staff Helping Members after Hurricane Michael: Mike McCleary, Cairo Vanegas, Ian Beason, Jim Arntz, Steve Ruppel, Isaac Barbosa, Sharon Samuels, Jeff Grainger, Ryan Dumas, Sharon Adams, Paige Arnett, Michelle Lauren, Wuilmark Salcedo, Jason Fernandez, Lindsay Lister, Jaye Godin, Carl Turner, Joe McKinney, Luis Cruz, Kurian Varghese, Brandon McCormack, Denise Fuentes, Gary Fisk, Tom Jones, Amie Erickson, Mark McCain, Navid Nowakhtar, Linda Howard, Dan O'Hagan, and Jody Finklea.
3. The lobby remodel project.
4. Reminder about the APPA Joint Action Conference in Key West, January 6-8, 2019.
5. Joint telephonic meeting of the Florida Municipal Solar Project and ARP Solar Project Participants Advisory Committee November 29th at 2:30 p.m.

ITEM 6 – SUNSHINE LAW UPDATE

Dan O'Hagan reported on the Florida Senate race and the public records requests filed by both candidates and ensuing litigation.

ITEM 7 – CONSENT AGENDA

- a. Approval of Minutes – Meeting Held October 18, 2018
- b. Approval of the Projects' Financials as of September 30, 2018
- c. Approval of the Treasury Reports as of September 30, 2018

MOTION: Howard McKinnon, Havana, moved approval of the Consent Agenda as presented. Glenn Spurlock, Leesburg, seconded the motion. Motion carried 34.5 – 0.

ITEM 8 – ACTION ITEMS

- a. None

ITEM 9 – INFORMATION ITEMS

a. Employee Handbook Procedures Changes

Sharon Adams reported on the changes and updates to the Procedures for the Employee Handbook.

b. St. Lucie Debt Defeasance

Linda S. Howard reported on the timeline to defease the St. Lucie debt, and actions to date.

c. Pooled Loan Project Update

Linda S. Howard updated the Board on the Pooled Loan Project efforts and the RFP for lenders.

ITEM 10 – MEMBER COMMENTS

None

ITEM 11 – ADJOURNMENT

There being no further business, the meeting was adjourned at 10:19 a.m.

Bill Conrad
Chairman, Board of Directors

Lynne Tejeda
Secretary

Approved: _____

Seal

BC/LT/su

**AGENDA ITEM 7 – CONSENT
AGENDA**

- b. Approval of the Projects’
Financials as of October 31,
2018**

**Board of Directors Meeting
December 13, 2018**



Linda S. Howard, CPA, CTP
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors
FROM: Linda Howard
DATE: December 4, 2018
ITEM: 7b – Approval of Projects’ Financials as of October 31, 2018

Discussion: The summary financial statements and detailed financial statements of the Projects for the period ended October 31, 2018 will be posted on the Document Portal section of FMPA’s website.

Recommended Move approval of the Projects’ Financial Reports for the month ended October 31, 2018.

LH/df

**AGENDA ITEM 7 – CONSENT
AGENDA**

- c. Approval of the Treasury
Reports as of October 31, 2018**

**Board of Directors Meeting
December 13, 2018**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors
FROM: Gloria Reyes
DATE: December 4, 2018
ITEM: BOD 7(c) – Approval of Treasury Reports as of October 31, 2018

Introduction This agenda item is a quick summary update of the Treasury Department's functions.

The Treasury Department reports for October are posted in the member portal section of FMPA's website.

Debt Discussion Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of October 31, 2018.

	** Total debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
Agency	220,000	100%	0%	0%
St Lucie	296,800,000	45.60%	0%	54.40%
Stanton	8,985,000	100%	0%	0%
Stanton II	122,801,000	100%	0%	0%
Tri City	3,290,000	100%	0%	0%

The St Lucie investment strategy to pay down St Lucie debt:

As of October 31, 2018, the St. Lucie Project holds investments with a market value of **\$198** million that can be used for future bond principal payments. These investments and the Merrill Lynch investment contract (Forward Sale Agreement) will mature between now and 2026 with a value of **\$249** million, assuming the Merrill Lynch investment contract is executed as it currently stands.

The market value is the estimated value, calculated by Bloomberg, if we had sold all the assets as of October 31, 2018.

St Lucie Accounts	Future Holdings	10/31/2018 Market Value
	10/1/26 (Estimated)	of Holdings (Estimated)
2011A&B Debt Service Reserve	7,397,822	7,263,922
2012 Debt Service Reserve	3,587,294	3,551,536
ML Forward Sale Agreement	139,475,000	86,884,485
ML FSA Collateral	7,499,000	7,358,240
General Reserve	91,131,996	93,139,515
Total	249,091,112	198,197,698

The future holdings on 10/1/26 as listed above, assumes that the investments mature sans default and then are held in cash until 10/1/26. Note that the final value of the Forward Sale Agreement (\$139.5 million) is contingent on the St Lucie Project continuing to make the purchases as per the Merrill Lynch agreement and that the assets are held until maturity. The current market value of the Forward Sale Agreement is \$86,884,485

Our expectation is that at least, an estimated **\$249** million will be used to pay the outstanding debt of the St Lucie Project. The remainder of the cash needed to pay off all the current debt of \$55 million will be collected from monthly Participant billings as currently budgeted.

Swap Discussion The St Lucie project has 9 interest rate swap contracts. As of October 31, 2018, the market value for the St Lucie project swap contracts are (\$6,506,977).

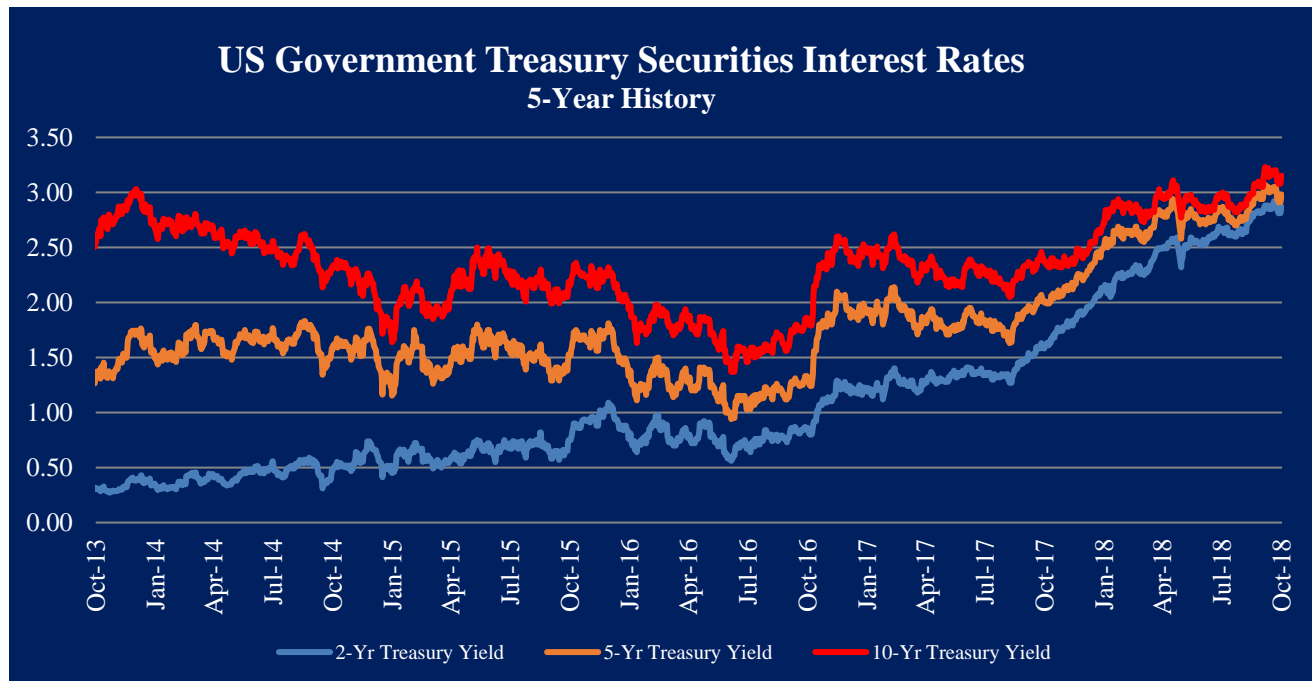
The Swap Valuation Report is a snap shot of the mark-to-market values at the end of the day on October 31, 2018. The report for October is posted in the “Member Portal” section of FMPPA’s website.

Investment
Discussion

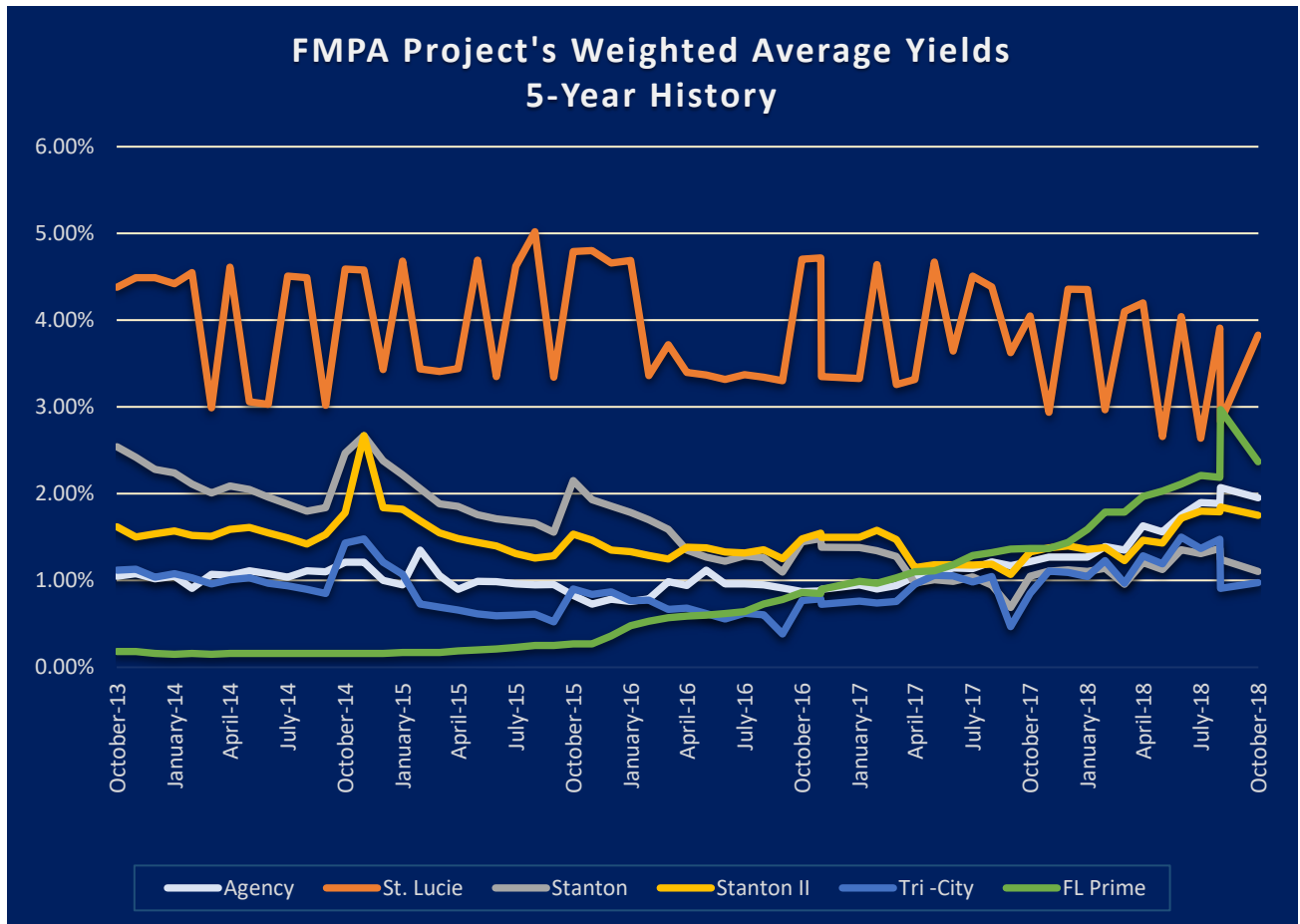
The investments in the Projects are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as

well as investments in U.S. Treasuries, Commercial Paper, Municipal Bonds and Money Market Mutual Funds.

Below is a graph of US Treasury yields for the past 5 years. The blue line is the 2-year Treasury which closed the month of October at 2.87%. The orange line is the 5-year Treasury which was 2.98%, and the red line is the 10-year Treasury which was 3.15%.



The weighted average yields on investments earned as of October 31, 2018 in the Projects, along with their benchmarks (SBA's Florida Prime Fund and the 10 Year US Treasury Note), are as follows:



Recommended
Motion

Move approval of the Treasury Reports for October 31, 2018.

AGENDA ITEM 8 – ACTION ITEMS

- a. Approval of Calendar Year 2019
Meeting Schedule**

**Board of Directors Meeting
December 13, 2018**

AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors and Executive Committee
FROM: Jacob A. Williams
DATE: December 4, 2018
ITEM: BOD 8a / EC 8a—Approval of the Board of Directors and Executive Committee Calendar Year 2019 Meeting Schedule

Executive Summary Pursuant to previous years' practice, Board of Directors and Executive Committee meetings are held on the third Thursday of each month, except for the annual conference held in coordination with FMEA's annual conference or as otherwise noted in the recommended schedule.

As a result, having the meetings on the third Thursday, the financial reports will not be included in the agenda packages due to the incompleteness of the month end reconciliation. However, it will be posted to the Member Portal prior to the meeting dates.

Recommended Schedule

Following is the recommended schedule for continuing the monthly meetings of the Board of Directors and Executive Committee on the third Thursday.

2019 Monthly Schedule

- ❖ Thursday, January 17, 2019
- ❖ Thursday, February 14, 2019 (2nd Thursday due to APPA Legislative Rally in DC February 25-27, 2019)
- ❖ Thursday, March 21, 2019
- ❖ Thursday, April 18, 2019
- ❖ Thursday, May 16, 2019
- ❖ Thursday, June 20, 2019 (APPA's National Conference is June 7-12, 2019 in Austin, TX)
- ❖ Wednesday, July 17, 2019 (FMEA Annual Conference – Hyatt Regency Coconut Point Resort and Spa, Bonita Springs, FL)
- ❖ Thursday, August 22, 2019 (4th Thursday due to Florida League of Cities Annual Conference – August 15-17, 2019; Location TBD)

- ❖ Thursday, September 19, 2019
- ❖ Thursday, October 17, 2019
- ❖ Thursday, November 21, 2019
- ❖ Thursday, December 19, 2019

Location	<hr/> The meetings will be held in the Frederick M. Bryant Board Room, 8553 Commodity Circle, Orlando, Florida with the exceptions noted above. <hr/>
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Discussion	<hr/> The calendar of previous meetings held in member cities is attached to this memo for information purposes. If a member city would like to host a regular meeting, please let staff know. <hr/>
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Recommended Motion	<hr/> Move approval of the Calendar Year 2019 Board of Directors and Executive Committee meeting dates as presented. <hr/>
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JAW/su
Attachment

**LIST OF EXECUTIVE COMMITTEE MEETINGS
 HELD AT MEMBER CITIES**

February 21, 1986	Starke
August 21, 1987	Key West
September 22, 1988	Vero Beach
October 24, 1990	Key West
August 23, 1991	Clewiston
August 25, 1992	Kissimmee
September 22, 1995	Fort Pierce
October 4, 1996	Ocala
March 28, 1997	Lakeland
September 26, 1997	Jacksonville Beach
May 22, 1998	Key West
March 26, 1999	Fort Pierce
December 10, 1999	Kissimmee
September 28, 2001	Fort Pierce
December 14, 2001	Kissimmee
September 27, 2002	Jacksonville Beach
September 19, 2003	Key West
September 24, 2004	Clewiston
March 25, 2005	Kissimmee (Cane Island Power Park)
September 21, 2006	Key West (Stock Island Power Plant Dedication)
December 7, 2006	Havana (100 th Anniversary for Town of Havana)
September 27, 2007	Ocala
No meetings held at a member city for 2008 and 2009.	
March 25, 2010	Key West (PV Solar Unit Dedication)
No meetings held at a member city for 2011 and 2012.	
April 18, 2013	Bushnell
No meetings held at a member city for 2014, 2015 and 2016.	
October 19, 2017	Fort Pierce

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**a. Preliminary FY 2018 Financial
Results**

**Board of Directors Meeting
December 13, 2018**



BOD 9a & EC 9a

Preliminary FY2018 Financial Results

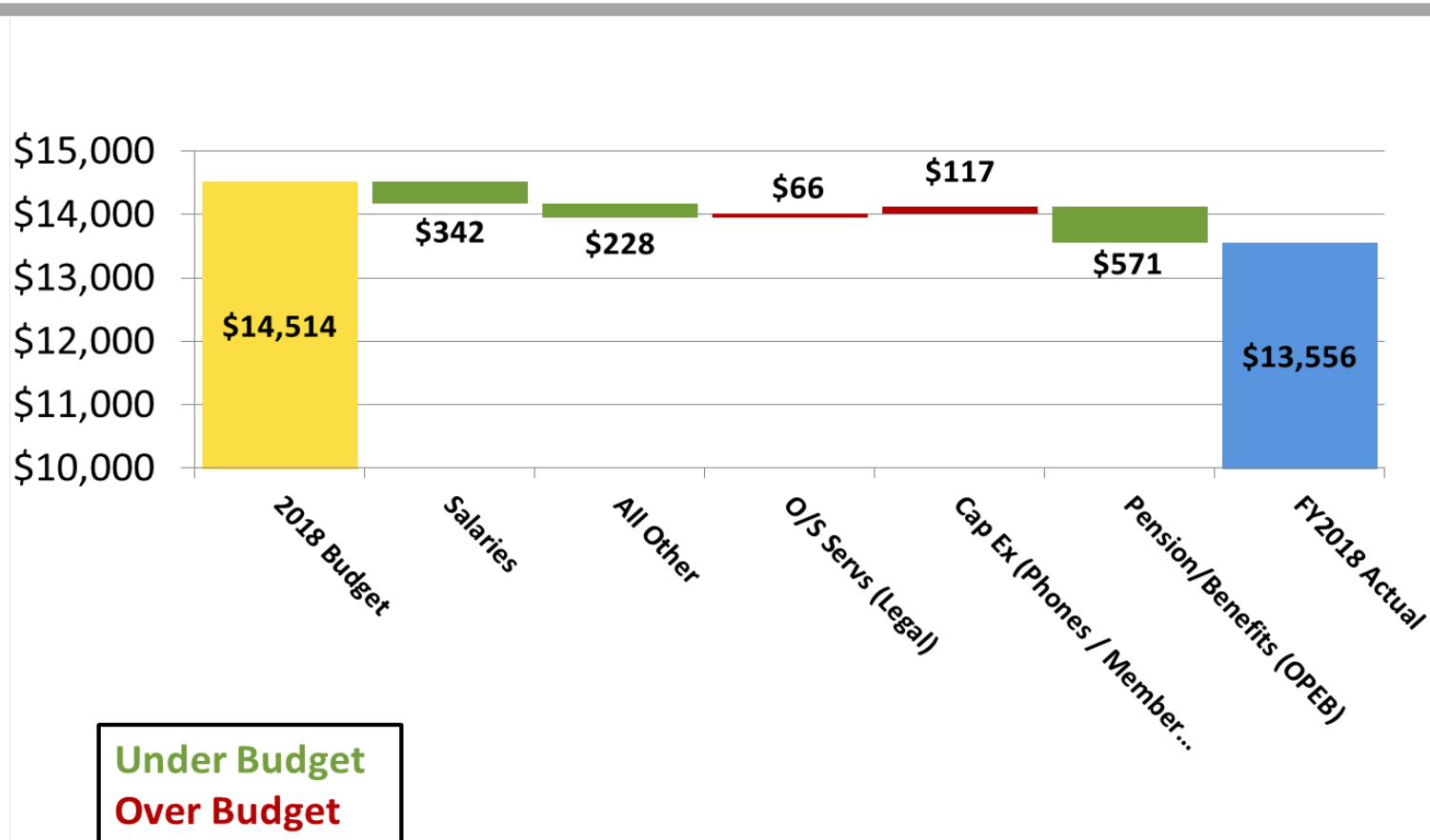
December 13, 2018

FY2018 Financials - Key Points

- **OPEB Largest Driver of Agency Costs Below Budget**
- **Amendments Maintained Sufficient Spending Authority for Small Projects**
- **\$99 Million Reduction in Total Long Term Debt**
- **Lower Rates in FY2018**

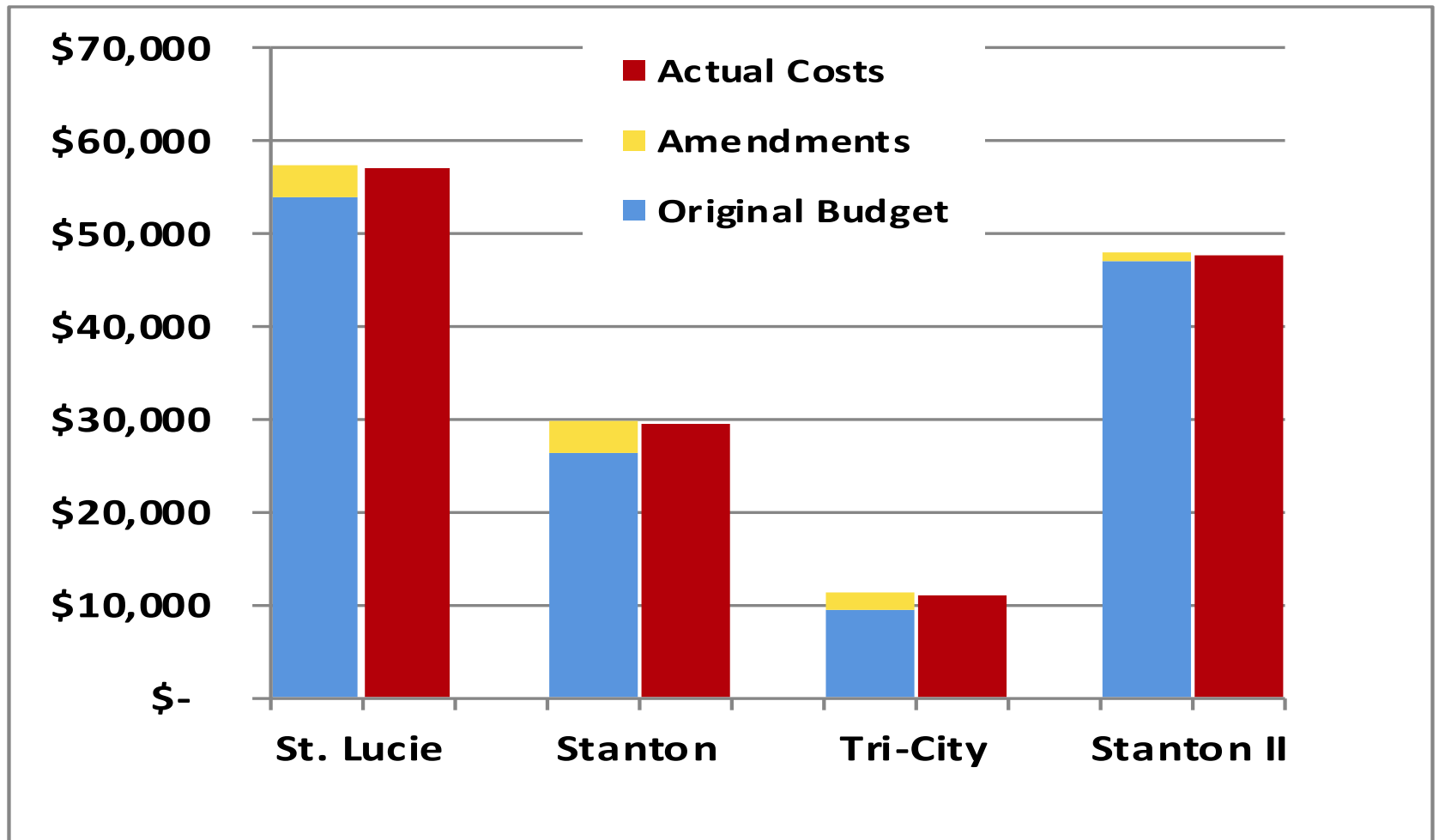
Agency Below Budget

(\$000's)



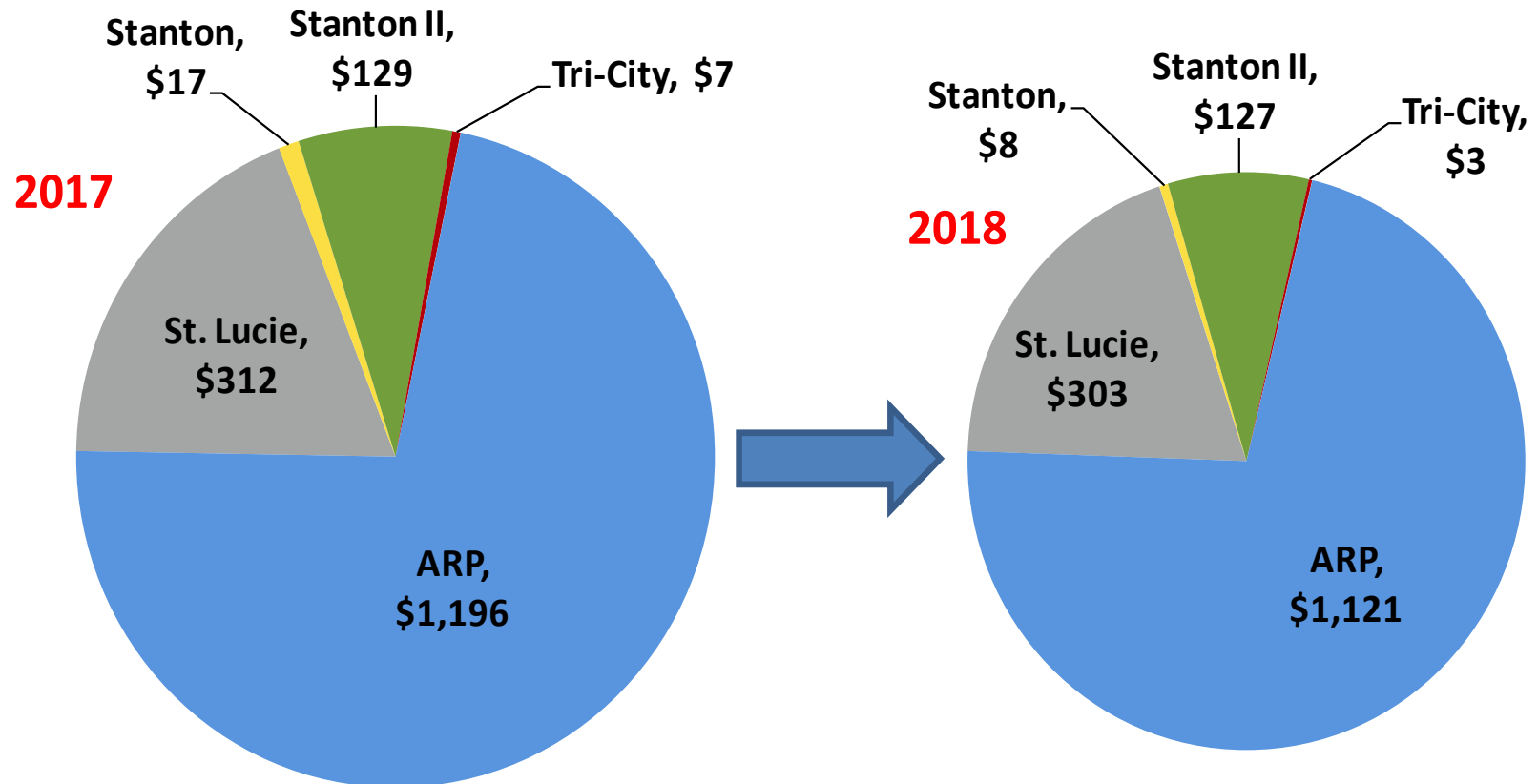
Budget Amendments

Maintain Sufficient Spending Authority
(\$000)



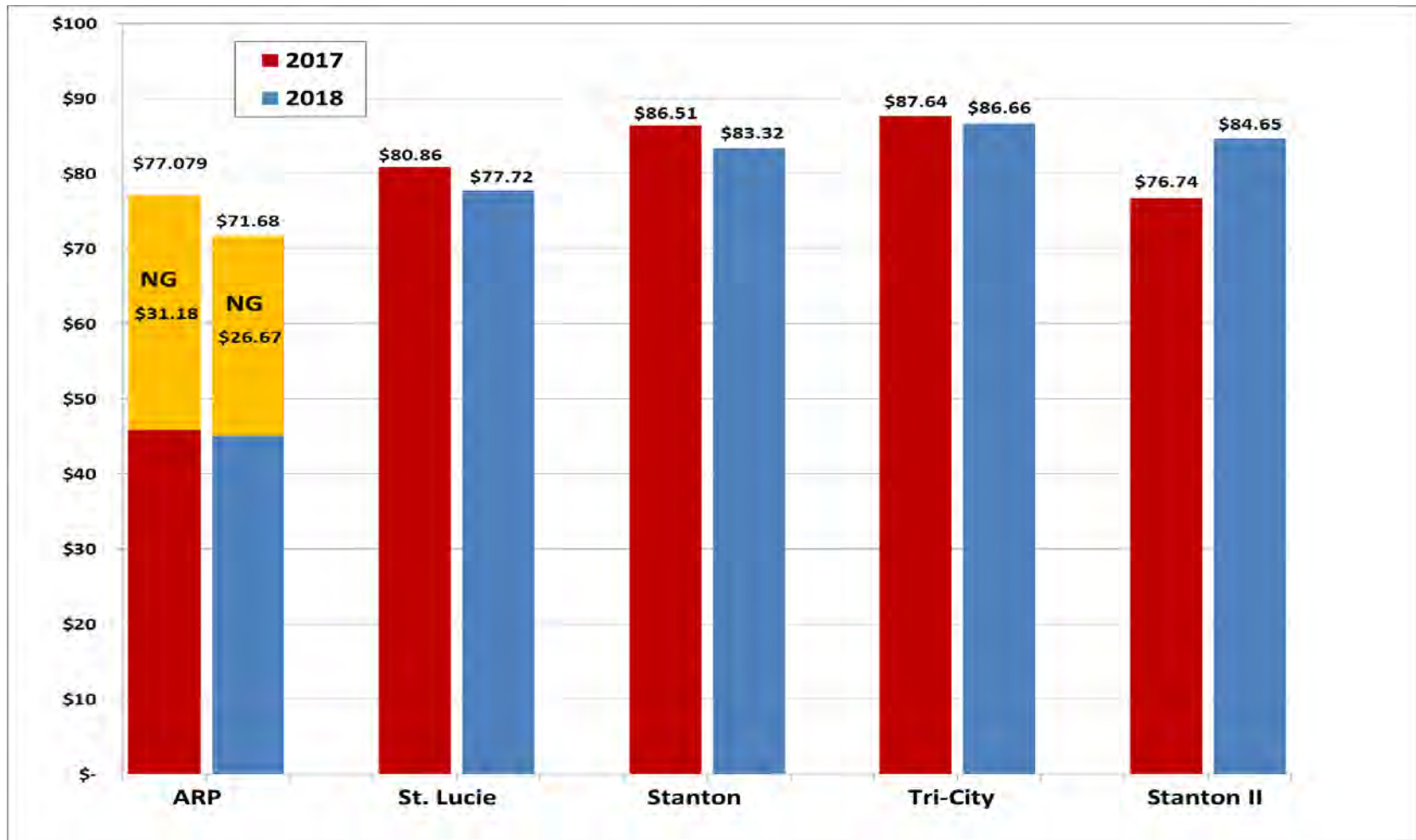
Long Term Debt by Project (\$ MMs)

Payoffs: Stanton & Tri-City - 10/1/2019



\$197 MM of Investments (MTM) Accumulated at 9/30/18 to Mitigate St. Lucie Debt

Average \$/MWh Billed Down For All Projects Except Stanton II – 2 Month Planned Outage



NG = Natural Gas

AGENDA ITEM 9 – INFORMATION ITEMS

b. Florida Municipal Solar Project Update

**Board of Directors Meeting
December 13, 2018**



BOD 9b – EC 9d – Florida Municipal Solar Project Update

Board of Directors &
Executive Committee

December 13, 2018

Florida Municipal Solar Project

Project Status Update

- FDEP Environmental Resource Permit
 - Received for Harmony Site / Pending for Poinsett Site
- Osceola County Submittal
 - In progress
 - Administrative approval only; no public hearings required
- USACE jurisdiction evaluation (Poinsett Site)
 - Poinsett array revised to avoid Class 1 wetlands
 - Potential to move to a different site
- Transmission Service (Poinsett Site)
 - Working with Duke to resolve process and schedule

Member Discussion

- Comments / Questions

AGENDA ITEM 9 – INFORMATION ITEMS

a. St. Lucie Debt Reduction Plan

**Board of Directors Meeting
December 13, 2018**



BOD 9c –St. Lucie Debt Reduction Plan

December 13, 2018

Overview of the Strategy

Steps Taken to Date

1. FMPA Staff has been working on the St. Lucie Reduction Plan for the past several months
2. There are currently \$161,450,000 of Auction Rate Securities (ARS) and associated Interest Rate Swaps outstanding
3. FMPA has terminated the Forward Supply Agreement with Bank of America-Merrill Lynch and FMPA received a payment of \$3,130,000 on November 21, 2018
4. FMPA Treasury staff have been liquidating various St. Lucie securities over the past 2 weeks which to date have a market value of \$110,815,293.

Overview of the Strategy

Steps Taken to Date (contd.)

5. On December 4, 2018, a portion of the St. Lucie Interest Rate Swaps were terminated at a cost of \$2,168,000
6. On or before January 1, 2019, FMPA expects to pay-off the \$161,450,000 of Auction Rate Securities and the associated Interest Rate Swaps
7. The current average cost of this St. Lucie ARS is 5.11%(used 5%); whereas the return of the St. Lucie Investment portfolio from January 1, 2019-October 1, 2026 is approximately 2%.

Overall Comparison of Options

Do Nothing vs Payoff Debt and Swaps

DO NOTHING

PAYOFF DEBT AND SWAPS



\$188M



\$168M

Sources and Uses

Funds Will be Used to Pay off Debt and Swaps

Sources (\$s in million's)

• Investment liquidation	\$165
• FSA payment	<u>3</u>
• Total	\$168

Uses (\$'s in million's)

• Outstanding principal	\$161
• Swap termination payment	<u>7*</u>
• Total	\$168



QUESTIONS

**AGENDA ITEM 10 – MEMBER
COMMENTS**

Board of Directors Meeting

AGENDA ITEM 11 – ADJOURNMENT

**Board of Directors Meeting
December 13, 2018**