



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

June 20, 2019

8:45 a.m. [NOTE TIME]

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

Meeting Number 734 553 822

Committee Members

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chairwoman

Jody Young, Bushnell

Lynne Mila, Clewiston

Fred Hilliard, Fort Meade

Paul Jakubczak, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee

Glenn Spurlock, Leesburg

Bill Conrad, Newberry

Mike Poucher, Ocala

Robert Milner, Starke

Meeting Location

Florida Municipal Power Agency

8553 Commodity Circle

Orlando, FL 32819

(407) 355-7767



MEMORANDUM

TO: FMPA Executive Committee
 FROM: Jacob A. Williams, General Manager and CEO
 DATE: June 11, 2019
 RE: FMPA Executive Committee Meeting
Thursday, June 20, 2019 at 8:45am [NOTE TIME]
 (or immediately following the Board of Directors meeting)
 PLACE: Florida Municipal Power Agency
 8553 Commodity Circle, Orlando, FL 32819
 Fredrick M. Bryant Board Room

**DIAL-IN: (877) 668-4493 or 650-479-3208, Meeting Number 734 553 822#
 (If you have trouble connecting via phone or internet, call 407-355-7767)**

Chairman Howard McKinnon, Presiding

AGENDA

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***Item also on the Board of Directors Agenda.**

**** Item(s) Subject to Super Majority Vote**

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**

**Executive Committee
June 20, 2019**

AGENDA ITEM 2 – SET AGENDA (By Vote)

**Executive Committee
June 20, 2019**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
June 20, 2019**

**AGENDA ITEM 4 –PUBLIC COMMENTS
(INDIVIDUAL COMMENTS TO BE LIMITED
TO 3 MINUTES)**

**Executive Committee Meeting
June 20, 2019**

VERBAL REPORT

**AGENDA ITEM 5 – COMMENTS FROM THE
CHAIRMAN**

**Executive Committee
June 20, 2019**

VERBAL REPORT

**AGENDA ITEM 6 – REPORT FROM THE
GENERAL MANAGER**

**Executive Committee
June 20, 2019**

AGENDA ITEM 7 – CONSENT AGENDA

- a) Approval of Meeting Minutes – Meeting Held May 16, 2019 and ARP Telephonic Rate Workshop Minutes – Workshop Held May 14, 2019**

**Executive Committee
June 20, 2019**

CLERKS DULY NOTIFIED MAY 7, 2019
AGENDA PACKAGES POSTED MAY 7, 2019

MINUTES
EXECUTIVE COMMITTEE
THURSDAY, MAY 16, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS Jody Young, Bushnell (via telephone)
PRESENT: Lynne Mila, Clewiston
Paul Jakubczak, Fort Pierce
Robert Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Glenn Spurlock, Leesburg
Bill Conrad, Newberry
Mike Poucher, Ocala
Bob Milner, Starke

OTHERS John Tompeck, Fort Pierce
PRESENT Karen Nelson, Jacksonville Beach
Jim Williams, Leesburg
Eric Weaver, Ocala
Tony Salerno, Ocala
Randy Hahn, Ocala
Doug Peebles, Ocala
Chad Lynch, Ocala
Craig Dunlap, Dunlap & Associates, Inc.
JoLinda Herring, Bryant Miller Olive P.A.
Rob Taylor, GDS Associates

STAFF Jacob Williams, General Manager and CEO
PRESENT Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Carol Chinn, Chief Information and Compliance Officer
Dan O'Hagan, Assistant General Counsel and Regulatory Compliance
Counsel
Mark McCain, Assistant General Manager, Member Services, Human
Resources and Public Relations
Rich Popp, Treasurer and Risk Director
Danyel Sullivan-Marrero, Controller
Sharon Adams, Human Resources Director

Sue Utley, Executive Asst. /Asst. Secy. to the Board
Cairo Vanegas, Manager of Member Services Development
Luis Cruz, Information Technology Manager
Jesse Rivera, Information Technology Support Specialist
Isabel Montoya, Information Technology Intern
Susan Schumann, Manager of External Affairs and Solar Projects
David Schumann, Power Generation Fleet Director

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

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee Meeting to order at 10:34 a.m. on Thursday, May 16, 2019 in the Frederick M. Bryant Board Room, Florida Municipal Power Agency, Orlando, Florida. The roll was taken and a quorum was declared with 12 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Larry Mattern, Kissimmee, moved to amend the agenda by moving information item 9a “ARP Net Metering Policy Revisions” to action item 8c.. Glenn Spurlock, Leesburg, seconded the motion. Motion carried 12 – 0.

ITEM 3 – RECOGNITION OF GUESTS

Mike Poucher, Ocala, introduced Eric Weaver, Doug Peebles and Chad Lynch.

Chairman McKinnon welcomed Brian Horton, Kissimmee and JoLinda Herring from Bryant Miller Olive P.A.

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

Chairman McKinnon thanked Glenn Spurlock of Leesburg, who is retiring, for his great contributions on the FMPA Board of Directors and Executive Committee. He also thanked David Schumann and his team for the great performance of FMPA's generation fleet, as well as Paige Arnett for her contributions.

ITEM 6 – REPORT FROM GENERAL MANAGER

Jacob Williams reported that the generation team went to Stock Island earlier in the week to meet with plant personnel to discuss improving the reliability at the plant.

ITEM 7 – CONSENT AGENDA

Item 7a – Approval of Meeting Minutes – Held April 18, 2019; ARP Telephonic Rate Workshop Minutes – Workshop Held April 16, 2019

Item 7b – Approval of Treasury Reports – As of March 31, 2019

Item 7c – Approval of the Agency and All-Requirements Project Financials as of March 31, 2019

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda. Glenn Spurlock, Leesburg, seconded the motion. Motion carried 12 – 0.

ITEM 8 – ACTION ITEMS

Item 8a – Approval of Revisions to the Rate Rider Availability Sections

Jason Wolfe reported on the revisions to the rate rider availability sections.

MOTION: Larry Mattern, Kissimmee, moved approval of the revised Load Attraction Incentive Rate Rider to ARP Rate Schedule B-1, to be effective June 1, 2019. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 12 – 0.

Item 8b – Approval of Green Cove Springs Supplemental Power and Ancillary Services Agreement

Jason Wolfe presented the Green Cove Springs supplemental power and ancillary services agreement.

MOTION: Lynne Tejeda, Key West, moved approval of the Supplemental Power and Ancillary Services Agreement with Green Cove Springs, and authorize the General Manager and CEO to execute the Agreement. Glenn Spurlock, Leesburg, seconded the motion. Motion carried 12 – 0.

Item 8c - ARP Net Metering Policy Revisions (moved from information item 9a)

Dan O'Hagan presented revisions to the ARP Net Metering Policy.

MOTION: Paul Jacubczak, Fort Pierce Utilities Authority, moved approval of the ARP Net Metering Policy Revisions. Allen Putnam, Beaches Energy Services, seconded the motion. Motion carried 12 – 0.

ITEM 9 – INFORMATION ITEMS:

- a. **ARP Net Metering Policy Revisions (moved to action item 8c)**
- b. **ARP 2019 Ten-Year Site Plan**

Navid Nowakhtar presented the highlights of the ARP's 2019 Ten-Year Site Plan submitted to the PSC.

- c. **ARP Line of Credit Extensions for JP Morgan and Wells Fargo**

Rich Popp presented information on the ARP Line of Credit Extensions for JP Morgan and Wells Fargo Bank. This will be an action item at the June Executive Committee meeting.

- d. **Update on ARP Prepaid Gas Transactions**

Rich Popp presented an update on the prepaid gas transactions completed to date.

ITEM 10 – MEMBER COMMENTS

Mike Poucher, Ocala, said they are working on another transmission line and thanked Carl Turner and John Lee of FMPA for their help. He also thanked Susan Schumann, Chris Gowder, Mike McCleary and Navid Nowakhtar for all their help with the solar subscription rate for Ocala.

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 11:19 a.m.

Howard McKinnon
Chairperson, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKS MAY 7, 2019
AGENDA PACKAGES SENT TO MEMBERS MAY 7, 2019

**MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, MAY 14, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819**

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Christina Simmons, Bushnell
Lynne Mila, Clewiston
John Tompeck, Fort Pierce
Bob Page, Green Cove Springs *
Larry Mattern, Kissimmee
Bill Conrad, Newberry
Mike Poucher, Ocala
Robert Milner, Starke

*arrived after roll call.

COMMITTEE MEMBERS ABSENT

Fred Hilliard, Fort Meade
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Glenn Spurlock, Leesburg

OTHERS PRESENT

Charlene Pollette, Ocala (via telephone)

STAFF PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO (via telephone)
Carol Chinn, Chief Information and Compliance Officer
Linda S. Howard, Chief Financial Officer (via telephone)
Mark McCain, Assistant General Manager, Member Services and
Public Relations
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board
Chris Gowder, Business Development and Planning Manager
Jason Wolfe, Financial Planning, Rates and Budget Director

Item 1 – Call to Order

Chairman of the Board Bill Conrad, Newberry, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:01 p.m. on Tuesday, May 14, 2019, via telephone. A speaker telephone for public attendance and participation was located in the Library at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Information Items

Mr. Wolfe gave a verbal update on the natural gas markets; provided an overview of the April loads and reviewed the April ARP rate calculation.

Item 3 – Member Comments

None

There being no further business, the meeting was adjourned at 2:10 p.m.

Approved

HM/su

AGENDA ITEM 7 – CONSENT AGENDA

**b) Approval of Treasury Reports as of April
30, 2019**

**Executive Committee
June 20, 2019**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Sena Mitchell
DATE: June 20, 2019
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of April 30, 2019

- Introduction
- This report is a quick summary update on the Treasury Department’s functions.
 - The Treasury Department reports for April are posted in the member portal section of FMPA’s website.
-

Debt Discussion

The All-Requirements Project has fixed, variable, and synthetically fixed rate debt. The variable rate bonds and lines of credit portion is 1.53%. The fixed and synthetic fixed rate percentages of total debt are 89.28% and 9.19%, respectively. The estimated debt interest funding for fiscal year 2019 as of April 30, 2019 is \$40,723,005. The total amount of debt outstanding is \$860,323,000.¹

Hedging Discussion

The Project has 4 interest rate swap contracts. On April 1, 2019, FMPA partially terminated \$68,770,000 of the 2008C Swaps. As of April 30, 2019, the cumulative market value of the interest rate swaps in the All-Requirements Project was (\$12,420,519).

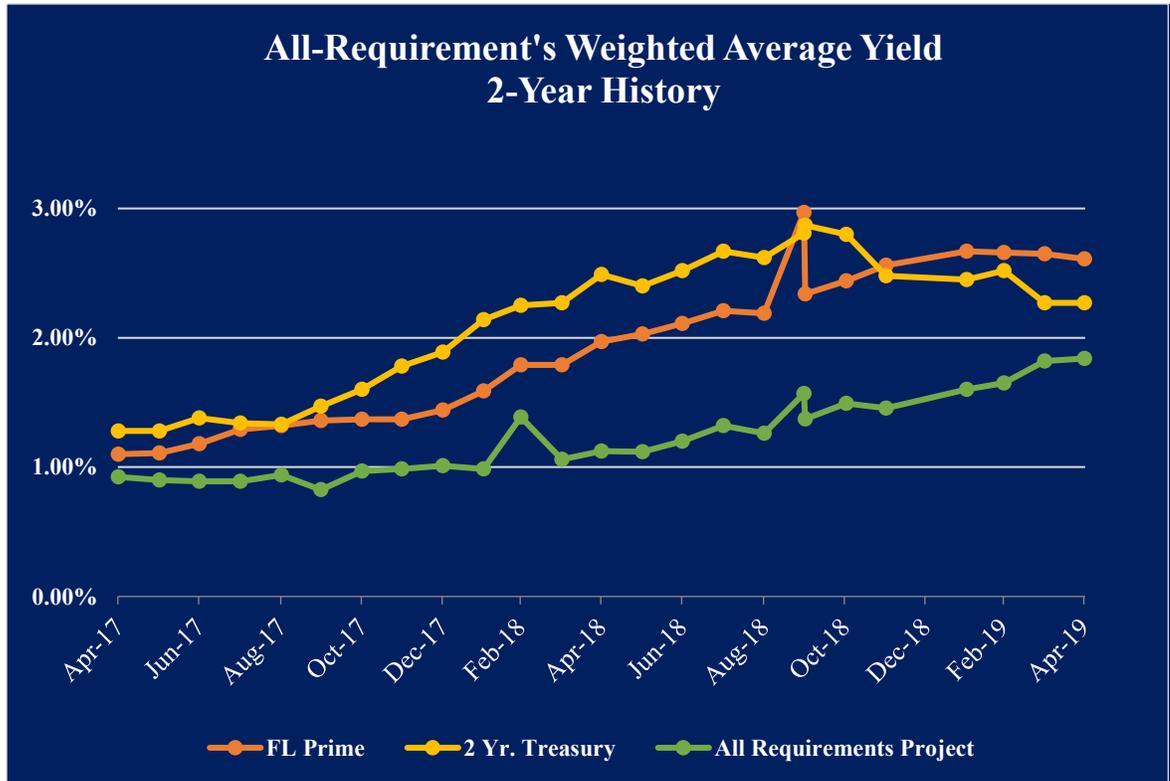
The Swap Valuation Report for April is posted in the “Member Portal” section of FMPA’s website.

Investment Discussion

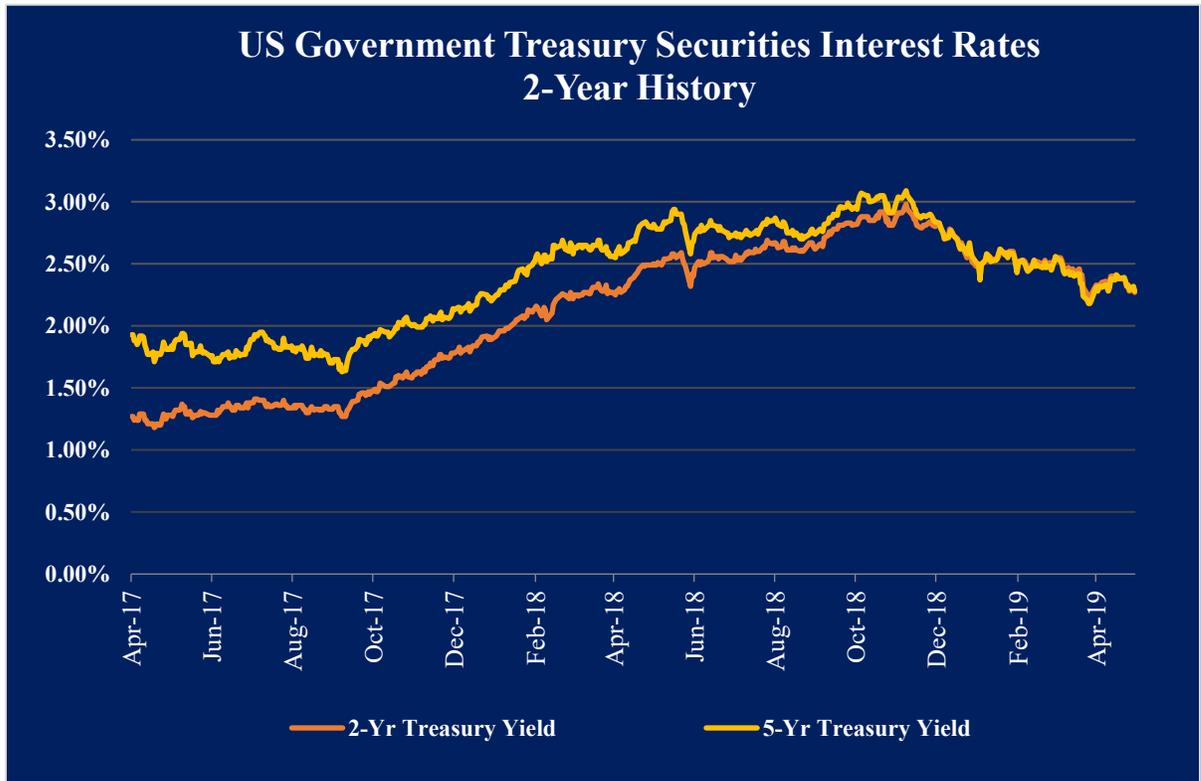
The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Municipal Bonds, Corporate Notes, Commercial Paper and Money Market Mutual Funds.

¹ Although still on deposit, the line of credit draw amount of \$5,000,000 is included in the total amount of debt outstanding.

As of April 30, 2019, the All-Requirements Project investment portfolio earned a weighted average yield of 1.84%, reflecting the All-Requirements Project need for liquidity given its 60-day cash position. The benchmarks (SBA's Florida Prime Fund and the 2-year US Treasury Note) and the Project's yields are graphed below:



Below is a graph of US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of April at 2.27%. The yellow line is the 5-year Treasury which was 2.28%.



The Investment Report for April is posted in the “Member Portal” section of FMPA’s website.

Recommended
Motion

Move for approval of the Treasury Reports for April 30, 2019

AGENDA ITEM 7 – CONSENT AGENDA

- c) Approval of the Agency and All-Requirements Project Financials as of April 30, 2019**

**Executive Committee
June 20, 2019**



Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: FMPA Executive Committee
FROM: Linda Howard
DATE: June 11, 2019
SUBJECT: EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended April 30, 2019

Discussion: The summary and detailed financial statements of the Agency and All- Requirements Project for the period ended April 30, 2019 are posted on the Document Portal section of FMPA’s website.

Recommended Motion: Move approval of the Agency and All-Requirements Project Financial reports for the month of April 30, 2019.

LH/GF

AGENDA ITEM 7 – CONSENT AGENDA

- d) Review and Approval of FRCC TOP Responsibilities and Authorities**

**Executive Committee
June 20, 2019**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Joe McKinney
DATE: June 7, 2019
ITEM: 7d – Review and Approval of FRCC TOP Responsibilities and Authorities

Executive Summary Each year, FMPA issues the document titled the “Authority of OUC to Issue Directives to FMPA All-Requirements Project Participants” to the operating personnel in the All-Requirements Project. This document clearly states the authority of the OUC System Operators to issue directives to the All-Requirements Project participants and the responsibility of the All-Requirements Project participants to follow these directives.

In this revision the effective date has changed. There are no other changes to the document.

Explanation NERC reliability standards specify that the Balancing Authority and Reliability Coordinator shall have the responsibility and clear decision-making authority to take whatever actions are needed to ensure the reliability of its respective area and that each Transmission Operator and Balancing Authority shall provide operating personnel with the responsibility and authority to implement real-time actions to ensure the stable and reliable operation of the Bulk Electric System.

To ensure all operators are aware of these responsibilities and authorities, FMPA has issued the document titled the “Authority of OUC to Issue Directives to FMPA All-Requirements Project Participants”. This document is reviewed and issued annually to the operating personnel in the All- Requirements Project.

Recommended Motion Move approval of the attached document titled “Authority of OUC to Issue Operating Instructions to FMPA All-Requirements Project Participants” and direct the General Manager and CEO to issue the document to the FMPA All-Requirements Project participant.

JRM

AGENDA ITEM 8 – ACTION ITEMS

- a) Approval of Conversation Program Policy**

**Executive Committee
June 20, 2019**



Conservation Program Policy

FMIPA Executive Committee

June 20, 2019

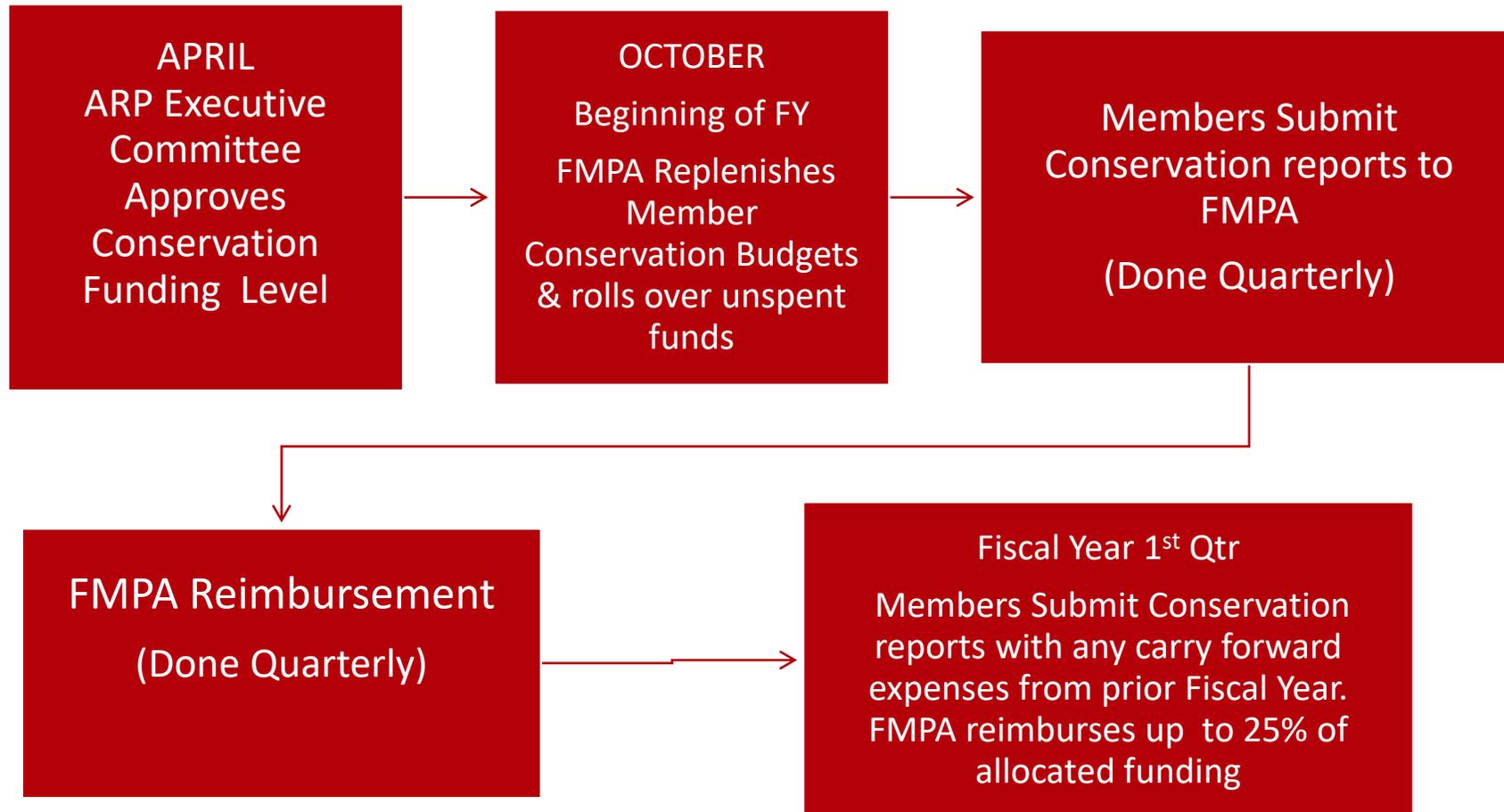
Conservation Program Policy

Why is a Policy needed?

- Policy provides program administrative direction and formally documents how staff is to handle reimbursement to members
- Conservation and Renewable Energy Advisory Committee (CREAC) approved the attached Conservation Program Policy at their May 6th meeting
- New element included:
 - CREAC decided that expenses are allowed to be carried forward to next budget year up to 25% of allocated funds

Conservation Program

Administrative Process



Recommended Motion

- Move approval of the Conservation Program Policy as recommended by the Conservation and Renewable Energy Advisory Committee.



Florida Municipal Power Agency All-Requirements Project Conservation Program Policy

Approved by the Executive Committee on **MMM DD, YYYY**

Section 1. Establishment of the ARP Conservation Program:

During the July 18, 2008 Executive Committee (EC) meeting the EC approved the implementation of an All-Requirements Project (ARP) Conservation Program. The program officially began on October 1, 2008. Since that time, each year the EC has approved the renewal of the program and funded it through the ARP budget.

The EC at their July 17, 2009 meeting modified the program to allow any unused funds from the previous fiscal year to be rolled forward to the next fiscal year without accruing interest. In addition, at the same meeting, the program was changed to allow Participants to spend ARP Conservation Program funds on any energy efficiency, conservation, or renewable energy effort for their utility effective immediately.

Section 2. Program Administration:

The key elements for administration of the Conservation Program are as follows:

- As part of the ARP budget process, FMPA staff presents a review of the Conservation Program activity and expected funding for the upcoming fiscal year to the Conservation and Renewable Energy Advisory Committee (CREAC) and the EC. Proposed Conservation Program fund allocations are based on a ratio share of ARP member energy from the previous calendar year.
- Upon approval of the Conservation Program funding by the EC, the allocated funds are made available to each ARP Participant at the beginning of the fiscal year (October 1st). Participants can use their budgeted Conservation Program funds to support any retail energy efficiency, conservation, or renewable energy program desired. Approval by FMPA to utilize funds is not required.
- Participants are to submit a quarterly report (see Attachment 1) to request reimbursement for rebates provided or items purchased. The quarterly reports will also serve to collect data for the programs offered and track energy savings of each measure. Once received, FMPA reimburses each member in the form of a check at the end of each quarter based on the dollars spent for the quarter.
- Any unused funds from previous fiscal years will be rolled forward to the next fiscal year without accruing interest.

- Participant expenses that exceed the allocated funding by up to 25% for a given fiscal year may be carried forward into the next fiscal year for reimbursement when funds are made available on October 1. Expenses cannot be carried forward if the Conservation Program is not renewed for the subsequent fiscal year. In that case, Participants will be responsible for any expense overage.

AGENDA ITEM 8 – ACTION ITEMS

b) Approval of External Audit Firm

**Executive Committee
June 20, 2019**



EC – 8b–Approval of External Audit Firm

FMIPA Executive Committee

June 20, 2019

Audit Firms

Top 3 as Recommended by FMPA Proposal Evaluation Committee

1. Cherry Bekaert, LLP

Regional firm, located in Orlando

2. Purvis Gray & Company

Florida firm, serviced out of Ocala

3. Baker Tilly, LLP

National firm, located in Wisconsin

Finance Committee Recommends

Purvis Gray

- Historical knowledge of FMPA
- Experienced team
- Liaison to members
- Audit fees go back into our local communities
- Low turnover of staff
- Finance Committee recommends Purvis Gray assign a new partner to our engagement

Motion

- Move to approve the selection of Purvis Gray as the Board of Director's choice to continue as FMPA's external audit firm with a contract beginning with fiscal year 2019 for a three year term, with 2 one-year renewal options, subject also to the condition that the lead partner be shifted to someone who has not previously led an FMPA audit effort. Staff is authorized to negotiate terms and conditions with Purvis Gray and the General Manager and CEO are authorized to execute an appropriate agreement, subject to review by General Counsel.

AGENDA ITEM 8 – ACTION ITEMS

- c) Approval of Resolution 2019-EC 3 –
Approval of Agency General and All-
Requirements Project Budgets for Fiscal
Year 2020**

**Executive Committee
June 20, 2019**



EC 8c: Approval of Resolution 2019-EC3 – Approval of Agency General and All- Requirements Project Budgets for Fiscal Year 2020

FMIPA Executive Committee

June 20, 2019



FY 2020 Agency Budget



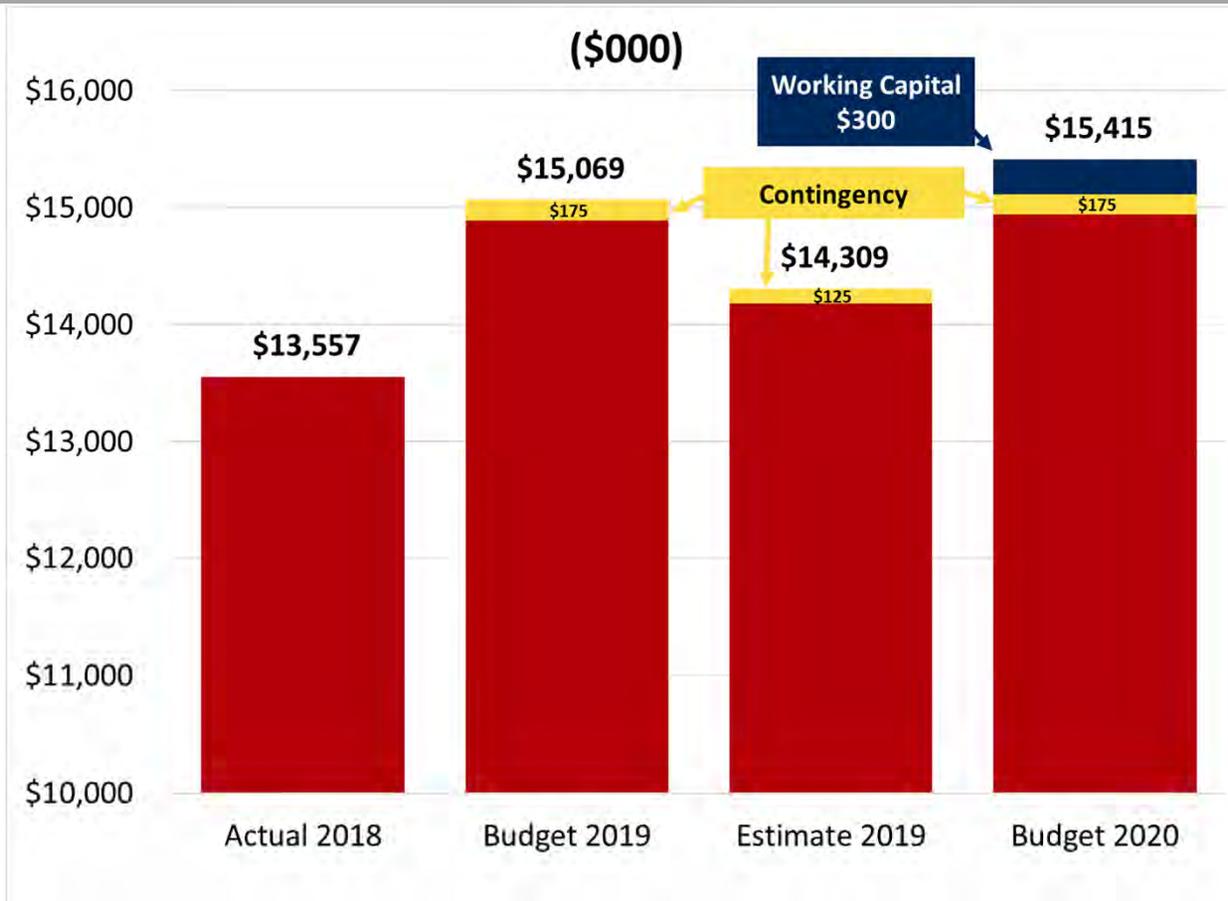
Key Points to Note

FY 2020 Budget

- FY 2020 budget is 2.3% > FY 2019 Budget including proposed working capital adjustment
 - 0.31% increase excluding working capital adjustment
- Minimal change in gross payroll (2% increase) from FY 2019 Budget
 - Merits, Promotions, market adjustments, bonuses, re-purpose, attract and retain (4% increase)
- Operating cost changes reflect strategic priorities of organization (e.g. member services, staff training, travel to members)
- Increase in consulting expenses due to no Project financing for financial advisor expenses to be assigned to
- Proposed FY 2020 Budget includes \$300k funding for additional Agency working capital
- Final principal payment on FMPA building made during FY 2019, ~\$200k savings moving forward

Proposed FY 2020 Budget is ~\$15.4M

Only 2.3% > FY 2019 Budget, but Larger Variance Compared to FY 2018 Actuals, FY 2019 Estimates



Drivers of FY 2020 Budget over FY 2018 Actuals

Payroll & Benefits Costs are Significant Driver

- FY 2018 actual gross payroll was below expectations (~4% < budget) due to several unplanned vacant positions (e.g., CFO, controller)
- FY 2020 Budget assumes more normal staffing levels
- Healthcare costs below budget in 2018, but projecting higher costs in FY 2020
- FY 2018 OPEB costs reflected a catchup adjustment resulting in net revenue of \$118k
 - FY 2020 Budget reflects estimated OPEB cost of \$50k, or \$168k increase from 2018
- \$133k increase for business travel and training
- \$211k net increase in outside services costs (\$257k increase for consultants)

FY 2020 Key Budget Drivers

Gross Payroll Increase of 2% from FY 2019 Budget

- Gross payroll increase of ~\$154k includes:
 - No change in FTE compared to FY 2019 budget
 - Merits, Promotions, market adjustments, bonuses, re-purpose, attract and retain (4% increase)
 - In an effort to keep payroll cost down and account for vacancies throughout the year we continue to not fund the equivalent of 2 FTE's
 - We didn't fill some vacant positions and repurposed others for lower level positions to meet strategic objectives
 - CEO and CLO salaries are included in this number

FY 2020 Agency Overhead Allocations

Allocations Will Change Once Solar Project Comes Online

	FY 2019 Budget (\$)	FY 2020 Budget (\$) [2]	% Change from FY 2019	With Solar Project (\$) [3]
Member Assessments [1]	\$23,000	\$27,966	21.6% [4]	\$23,079
St. Lucie Project	428,171	438,276	2.4%	414,031
Stanton Project	428,171	438,276	2.4%	414,031
Tri-City Project	428,171	438,276	2.4%	414,031
Stanton II Project	428,171	438,276	2.4%	414,031
Pooled Loan Project	--	10,235	--	10,235
Solar Project	--	--	--	121,226
Joint Owner Contract Audits	115,000	112,400	-2.3%	112,400
All-Requirements Project	13,217,824	13,510,832	2.2%	13,491,473
Total	\$15,068,508	\$15,414,537		\$15,414,537

[1] Assessments to FMPA members that do not participate in an FMPA power supply project. Three of these members – Bartow, Wauchula, and Winter Park – will be Participants in the Solar Project.

[2] FY 2020 Budget assumes Solar Project does not come online during FY 2020.

[3] Reflects Agency overhead allocations once the Solar Project comes online.

[4] Increase from 2019 is due to Tallahassee rejoining FMPA.



FY 2020 Agency Budget

Questions?



FY2020 ARP Budget



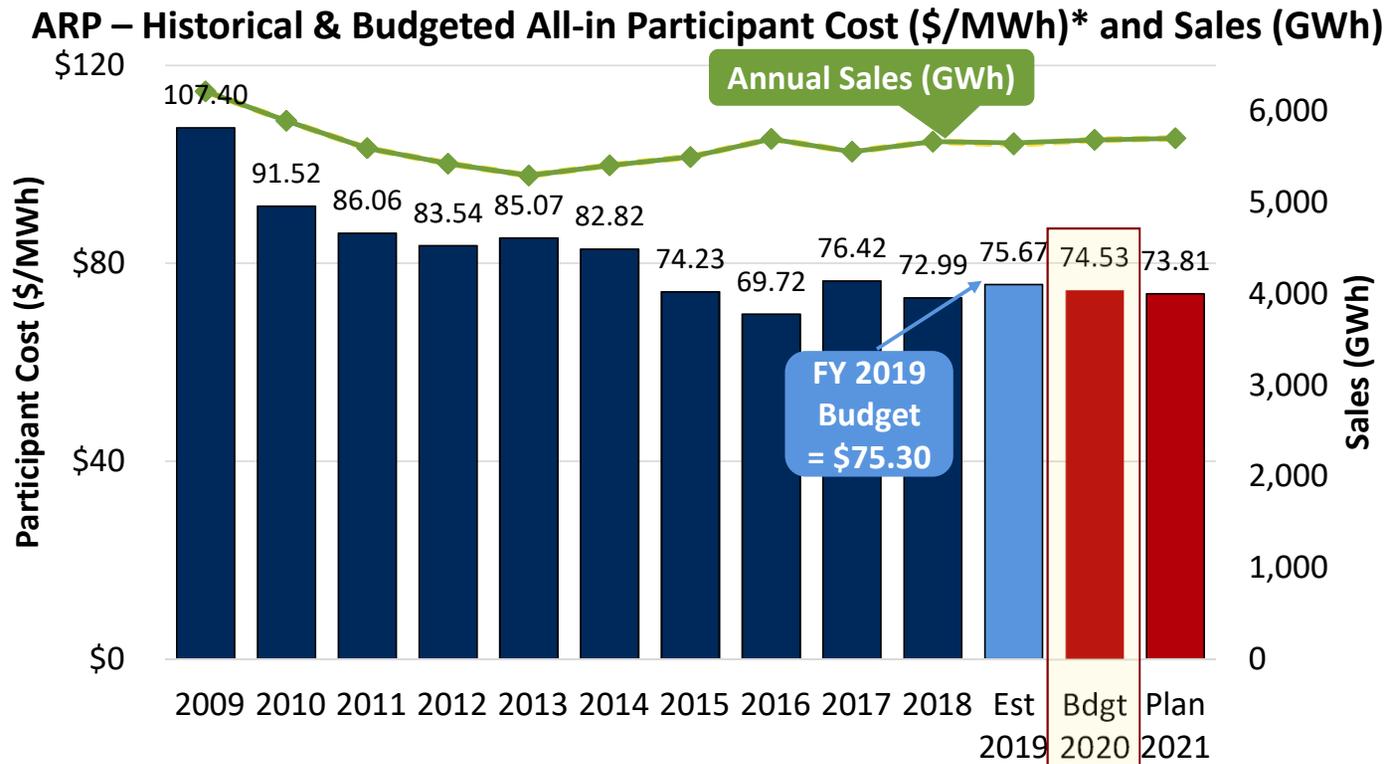
ARP Budget Summary

Key Points to Note

- FY 2020 budgeted ARP Participant cost is \$74.53/MWh, 1% below FY 2019 Budget cost of \$75.30/MWh
- FY 2020 budgeted total expenses ~ FY 2019 budget
- Natural gas forward prices remain low but 3% above FY 2019 Budget
- Approximately \$12 M cost savings reflected in FY 2020 Budget
- Budgeted cost savings partially offset by \$7 M increase in R&R deposits to cover future CAPEX
- Load growth of 1% used for FY 2020 from FY 2019 Budget (0.3% above FY 2018 actuals)

FY 2020 Budgeted ARP Participant Cost is \$74.53/MWh

\$0.77/MWh (1%) < FY 2019 Budget



Costs shown reflect incurred costs, which differs from billed costs due to rate setting process. For FY 2018, actual billed costs were \$71.70/MWh vs. incurred costs of \$72.99/MWh

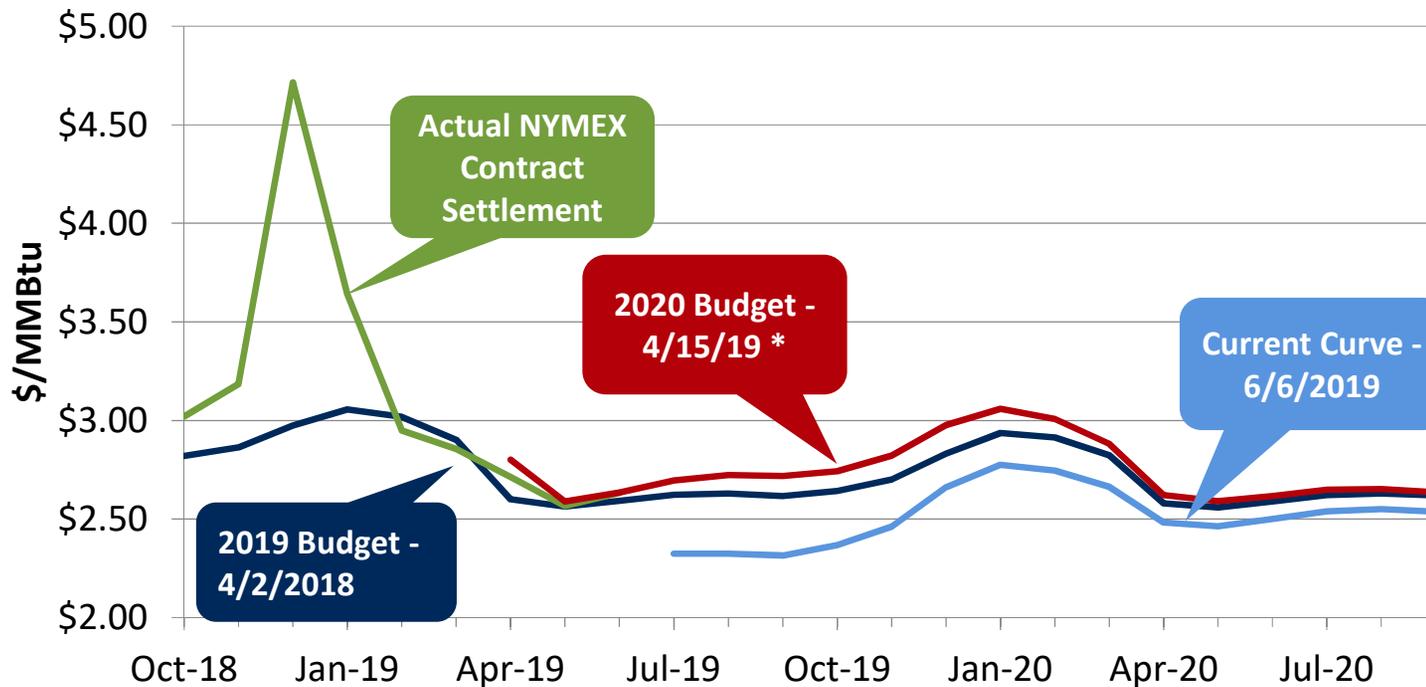


Other Key Assumptions in 2020 Budget

- Gas prices based on forward curve as of 4/15/19
- Combined cycle availability of 88% assumed
- Corporate contingency cut to \$3M for plant O&M, most contingency still at plants – reviewing next year
- Significant increase in planned ARP capital spending with major plants in their second decade
- No PGP sale assumed
- Bartow, Winter Park, TECO, and Reedy Creek sales reflected
- Bushnell system expansion reflected
- ARP Solar not assumed to begin operations during FY 2020 but included in FY 2021 Plan
- No change to KUA TARP payments

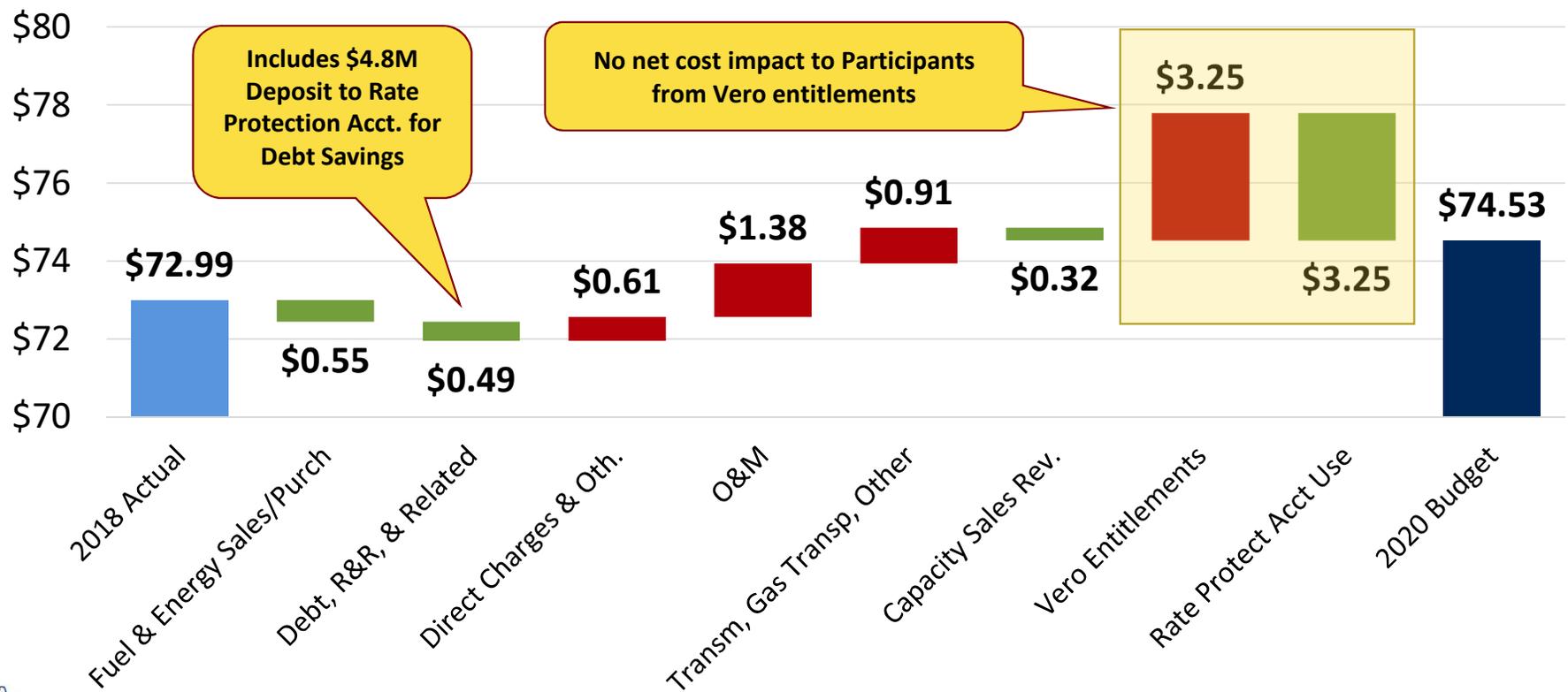
Natural Gas FY20 Price \$2.76/MMBtu (3% > FY19 Budget)

Curve Falling, Current Curve is \$0.21 (8%) Below April Curve



2.1% Increase in Participant Costs from FY 2018 Actuals

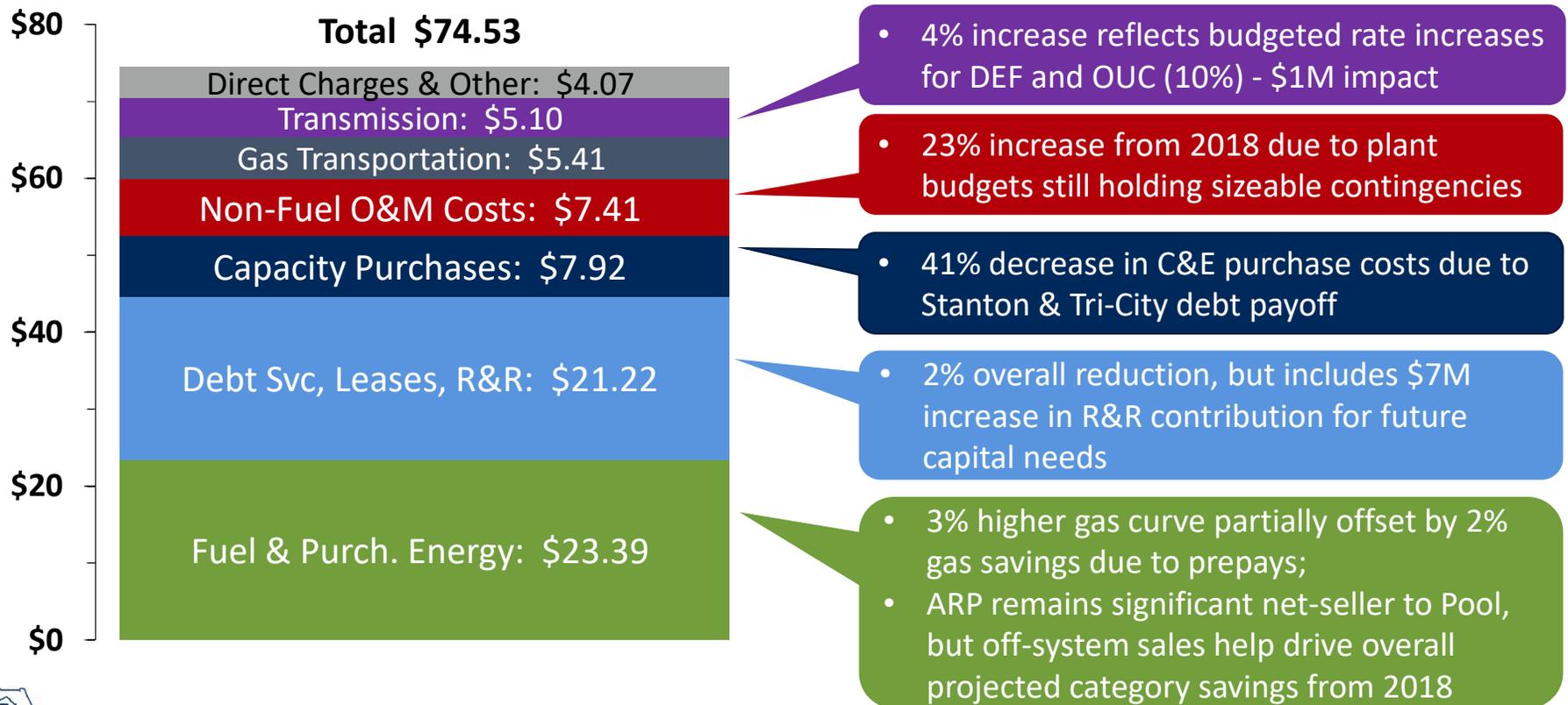
Use of Rate Protection Account for No Rate Impact from Additional Costs from Vero Beach Project Entitlements



FY 2020 Participant Costs = \$74.53/MWh

Fuel & Debt Largest Components - 60% of Costs

FY 2020 ARP Budget by Category (\$/MWh)



~\$12M Savings Reflected in FY 2020 Budget

~\$2/MWh Cost Benefit to Participants

- \$6.6M savings for FY 2020 from refinancing of Series 2008A Bonds in July 2018
- \$2.3M savings from capacity sales to Bartow and Winter Park
 - Winter Park deal converts from 10 MW baseload product to Partial Requirements (~65 MW average) in January 2020
- \$2.7M savings from gas prepay transactions
- \$0.5M savings in energy sales to 3rd parties (e.g., TECO, Reedy Creek)

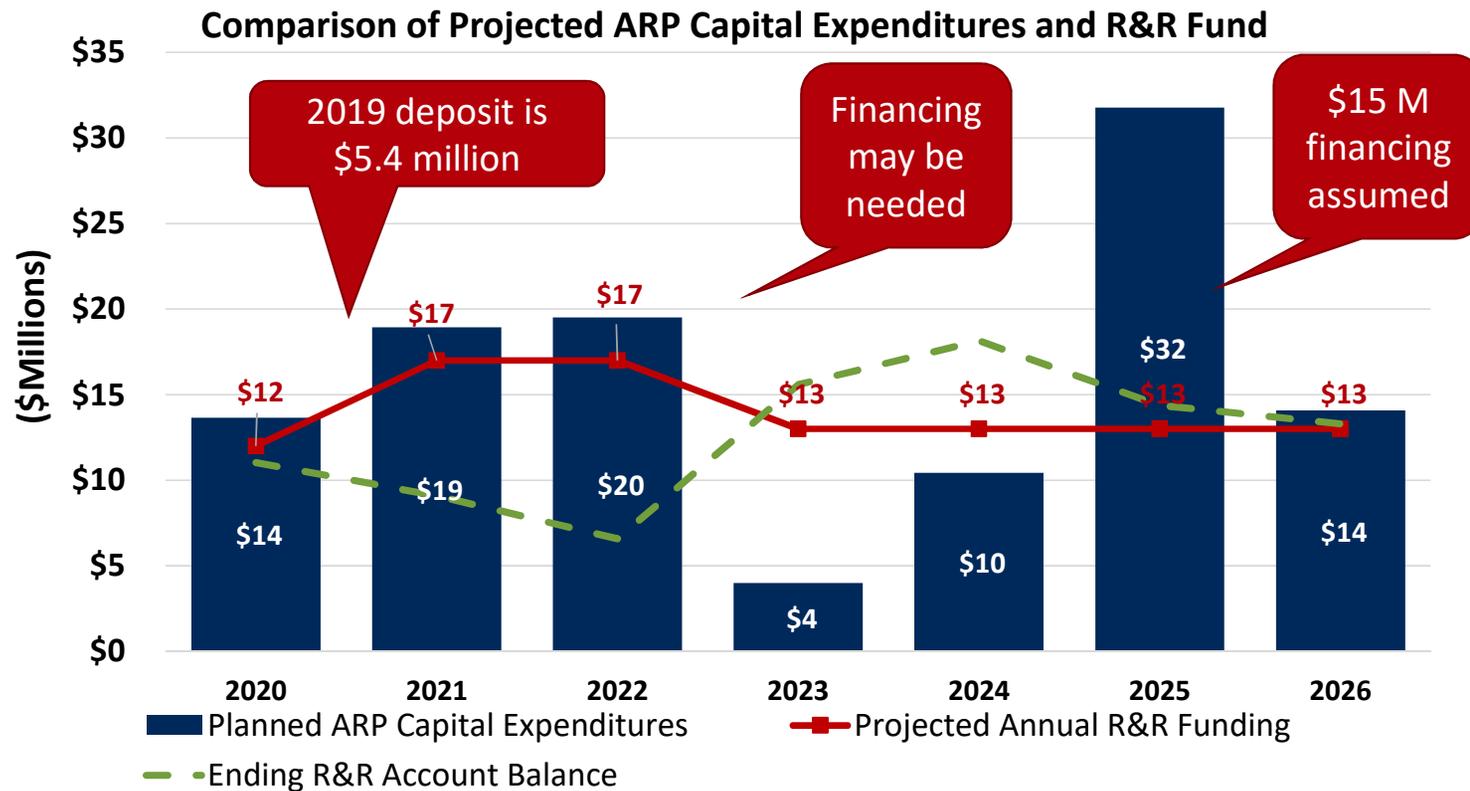
Large Capital Items in 10-Year Plan

Will Need to Collect Funds for Planned Expenditures

- 2020 - CI 3 steam turbine generator rewind: \$3 M
- 2021 – TCEC Advance Gas Path (AGP) upgrades: \$10 M
- 2022 – CI 3 potential replacement rotor: \$5 M
- 2024 - CI 2 hot gas path inspection: \$4.2 M
- 2025 – CI 4 AGP upgrades: \$10 M
- 2025 – AGP spare part set (for rotation between units) \$10 M
- 2025 – CI 4 SCR upgrade - \$4 M
- 2026 – TCEC rotor life extension: \$7 M

R&R Increased to Cover Future CAPEX

Current R&R Level \$16M, Financing of Future CAPEX May be Desirable/ Necessary vs. Entirely Through R&R



FY 2020 ARP Budget

Questions?

Recommended Motion

- Move adoption of the Budget Resolution 2019-EC3, which will approve the Fiscal Year 2020 FMPA All-Requirements and Agency Budgets.

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 FOUR HUNDRED FOURTEEN THOUSAND FIVE HUNDRED THIRTY-SEVEN DOLLARS (\$15,414,537), AND THE ALL-REQUIREMENTS POWER SUPPLY PROJECT BUDGET, IN THE AMOUNT OF FOUR HUNDRED EIGHTY-THREE MILLION FOUR HUNDRED ELEVEN THOUSAND DOLLARS (\$483,411,000), FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020, 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, 2019, and ending September 30, 2020, (“**Fiscal Year 2020**”) have been prepared and presented by Agency staff, reviewed and approved by the Agency’s Finance Committee, and recommended for approval to the Executive Committee.

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

SECTION I. **Annual Agency General and All-Requirements Power Supply Project Budgets.** (A) The Agency general budget for Fiscal Year 2020 is hereby established as \$15,414,537. The All-Requirements Power Supply Project budget for Fiscal Year 2020 is hereby established as \$483,411,000. The Agency general and All-Requirements Power Supply Project budgets for Fiscal Year 2020 are established hereby as finally approved by the Finance Committee, and described in detail in the “**Fiscal Year 2020 Budget Book**” (collectively, the “**Agency and ARP Fiscal Year 2020 Budgets**”). The Fiscal Year 2020 Budget Book as it relates to the Agency and ARP Fiscal Year 2020 Budgets is incorporated by this reference as a material part of this resolution.

(B) The Agency and ARP Fiscal Year 2020 Budgets, as established in subsection (A) above and described in detail in the Fiscal Year 2020 Budget Book, are hereby approved and adopted. Approval is also hereby given to those documents in the Fiscal Year 2020 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, 2020, and ending September 30, 2021 (“**Fiscal Year 2021**”), which are hereby approved as the plan to be used to prepare the Fiscal Year 2021 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 2020 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 2020 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, 2019. 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 2020 Budgets appropriated but not expended, unless otherwise amended pursuant to Section III, automatically lapse upon FMPA's close of business on September 30, 2020, 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 73 authorized Agency staff positions set forth in the Fiscal Year 2020 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 73 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 2020 Budget Book (the "**Merit and Promotions FY 2020 Budget**"). No budget authority in the Agency general budget for Fiscal Year 2020 may be used for merit increases and promotions, other than the Merit and Promotions FY 2020 Budget. The Merit and Promotions FY 2020 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 2020 Budget to make up the difference so that the amount available in the Merit and Promotions FY 2020 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 2020 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 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 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 2020 that the actual costs of capital improvements for Fiscal Year 2020 may or will exceed the amount set forth in the Agency and ARP Fiscal Year 2020 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 2020 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 2020 Budgets, and those otherwise permitted and within the limits established in the Agency and ARP Fiscal Year 2020 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 2020 Budgets have been explicitly given a “Public Purpose Designation,” for the account descriptions of Meetings, Employee Activities, and Awards & Recognition (totaling \$65,500 in the Agency and ARP Fiscal Year 2020 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 2020, Agency staff shall designate and track expenditures made under all account descriptions that 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 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 \$219,000 for Fiscal Year 2020, regardless of whether those financial advisor fees are provided for in the Agency and ARP Fiscal Year 2020 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 2019-EC3 is hereby approved and adopted by the Executive Committee of the Florida Municipal Power Agency on June 20, 2019.

Chairperson of the Executive Committee

I HEREBY CERTIFY that on June 20, 2019, the above Resolution 2019-EC3 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 2019-EC3.

ATTEST:

Secretary or Assistant Secretary

SEAL

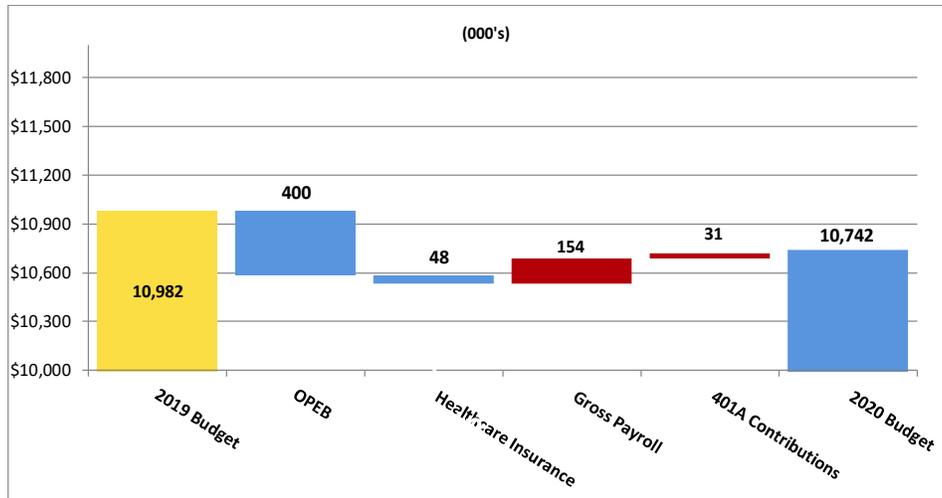
FISCAL YEAR 2020 BUDGET BOOK
AGENCY BUDGET

Budget Overview – Agency Only

- ❖ The proposed Agency budget for Fiscal Year Ending 2020 is attached for review and discussion with the FMPA Finance Committee (FC). At its April 17th meeting, the FC will be asked to approve and recommend the final Agency budget to the Executive Committee (EC) for adoption at the June 20th EC meeting.
 - ❖ Total budgeted Agency expenses for FY 2020 are \$15,414,537, which represents an increase of approximately \$346,029 or 2.3%, from the FY 2019 budget.
 - ❖ The proposed FY 2020 budget includes \$300,000 to provide for additional working capital for the agency. Excluding this amount, the increase from the FY 2019 budget is .31%.
 - ❖ An additional \$155,000 increase is due to the assignment of the entire \$155,000 contractual cost for FY 2020 for Dunlap & Associates to the Agency budget, as there is no project-specific financing to which to charge this cost in FY 2020.
 - ❖ The proposed FY 2020 budget includes several cost increases (e.g., travel, meetings, training, and member services costs) that are tied to the implementation of strategic priorities
 - ❖ The proposed FY 2020 budget includes 73 authorized positions and 70.5 full-time equivalents (FTEs), which represents no change from the FY 2019 budget. Also, in keeping with the FY 2019 budget, the proposed FY 2020 budget does not include funding equivalent to two FTEs due to assumed turnover.
-

Selected Cost Centers Discussed Below**Payroll & Benefits**

The budgeted Payroll and Benefit costs are down from the FY 2019 budget by a net 2.2% or \$240,025, with \$400,000 decrease coming from Other Post-Employment Benefits (OPEB) and \$48,000 from Healthcare Insurance, offset by increases of \$153,729 coming from Gross Payroll and \$30,794 from Pension.



Other Post-Employment Benefits - \$400,000 decrease

Based on a third-party actuarial valuation of FMPA’s OPEB liability that was performed during 2018 in accordance with the new accounting standard, FMPA’s total OPEB liability was reduced. As a result, the budgeted OPEB accrual for FY 2020 is \$50,000, or a decrease of \$400,000 from the FY 2019 budget.

Healthcare Insurance - \$48,000 decrease

Healthcare costs are estimated to decrease based on a reduction on Short Term Disability, Long Term Disability and not budgeting for increases in premiums this year.

Gross Payroll - \$153,729 increase in payroll

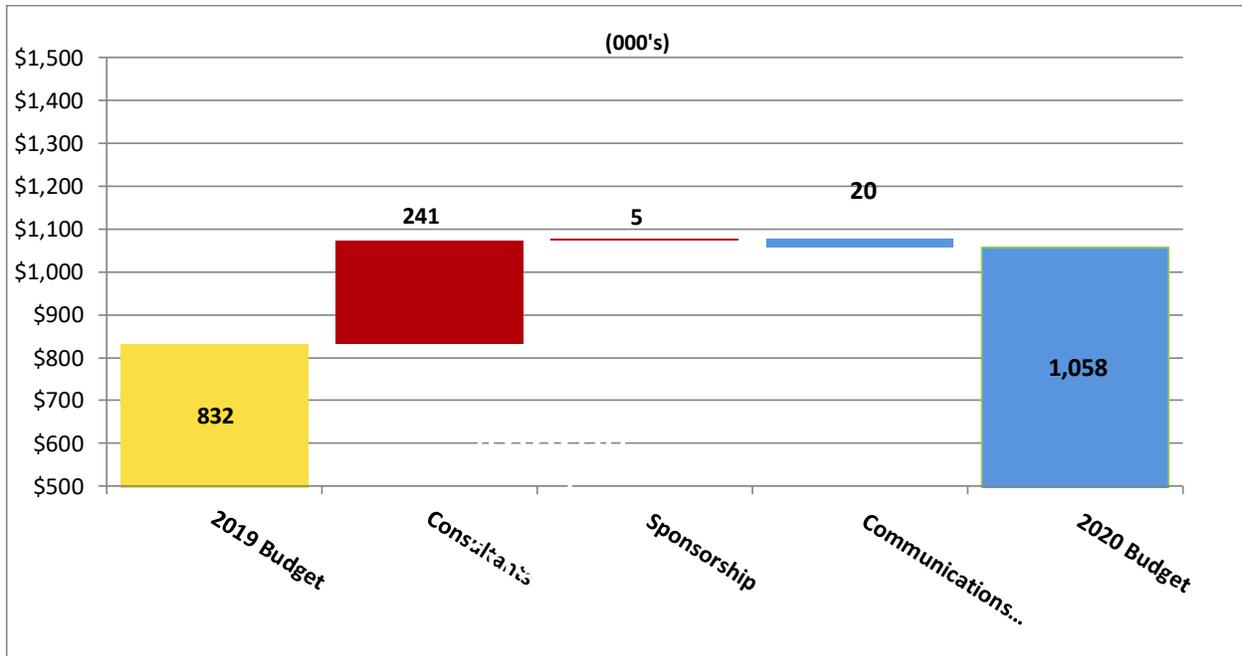
The increase in Gross Payroll is due to merit increases and promotions (4% average increase assumed). No increase in the number of positions is budgeted for FY 2020, and the FY 2020 budget continues the assumption of not funding the equivalent of two full-time equivalents due to assumed turnover.

401A Contributions - \$30,794 increase

The increase in Pension 401A costs is related to the increase in payroll.

Outside Services

Budgeted costs for Outside Services are up 27.2% or \$226,270. This increase is due to a \$240,720 increase in Consulting expenses and a \$5,000 increase in sponsorships, partially offset by a \$20,000 decrease in Communications Projects & Special Events.



Consultants - \$240,720 increase

The increase in Consulting costs is primarily driven by the assignment of the entire \$155,000 contractual cost for FY 2020 for Dunlap & Associates to the Agency budget, as there is no project-specific financing to which to charge this cost in FY 2020. Additionally, IT has budgeted \$80,000 for a new penetration test on the corporate network. The most recent test was performed in 2016.

Sponsorship - \$5,000 increase

The increase in Sponsorship costs is due to continuing to develop and enhance FMPA’s external affairs efforts with industry stakeholders.

Communications Projects & Special Events - \$20,000 decrease

The decrease in Communication Projects is due to the FY 2019 budget including an expense to re-design FMPA’s website (FMPA.com).

Balance Sheet Items

The budgeted Balance Sheet items decreased 15.4% or \$72,000 for 2020. This decrease is mainly due to a decrease of \$220,000 due to the building loan being paid in full in 2019. The decrease is partially offset by an increase of \$148,000 in capital expenditures.

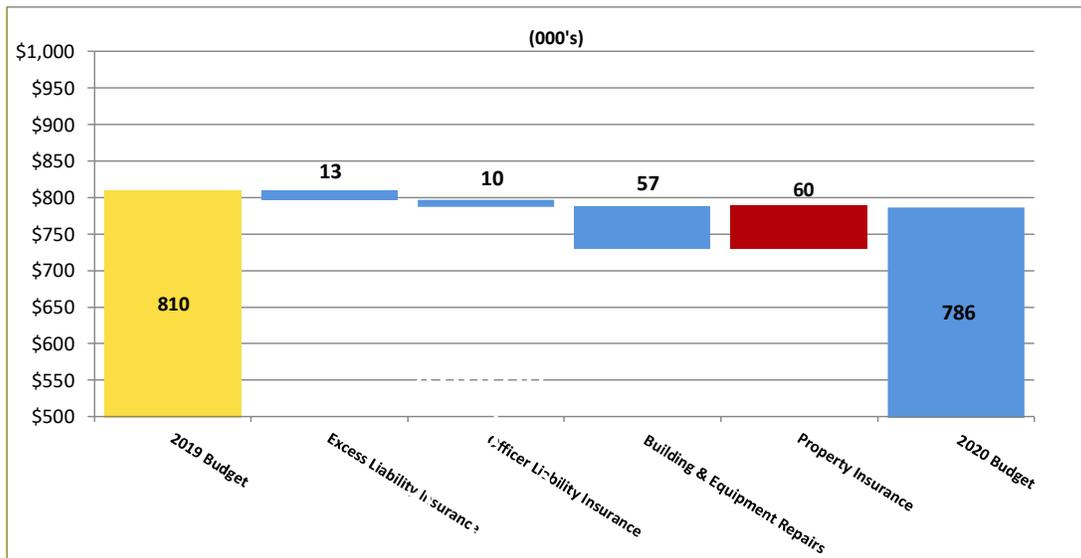
Capital Expenditures - \$148,000 increase

In addition to the \$80,000 annual contribution to the Building Maintenance Fund, planned major capital projects included in the FY 2020 budget are as follows:

- \$150,000 for the replacement of aging critical servers that handle all of the computing power for the agency
- \$30,000 for IT area security enhancements
- \$40,000 to replace aging technology (e.g., microphones, cameras, and analog lines) in the boardroom
- \$45,000 for an accounting system upgrade

Building, Maintenance, Equipment & Insurance

The budgeted costs for Building, Maintenance, and Equipment for FY 2020 reflect a decrease of 3% or \$24,055. This is due to decreases of \$13,000 for Excess Liability Insurance, \$10,000 for Officers Liability Insurance, \$49,675 for Building & Equipment Repairs along with \$17,580 in office furniture (\$57,195), which are partially offset by an increase of \$59,500 for Property Insurance.



Excess Liability Insurance - \$13,000 decrease

AEGIS, FMPA’s primary excess insurance carrier, increased their coverage limits from \$35M to \$50M. AEGIS’s quote for the total of \$50M was less than the prior tiered program.

Officer Liability Insurance - \$10,000 decrease

The expected decrease in Officer Liability Insurance comes from membership credits increasing from year to year.

Building & Equipment Repairs and Office Furniture- \$57,195 decrease

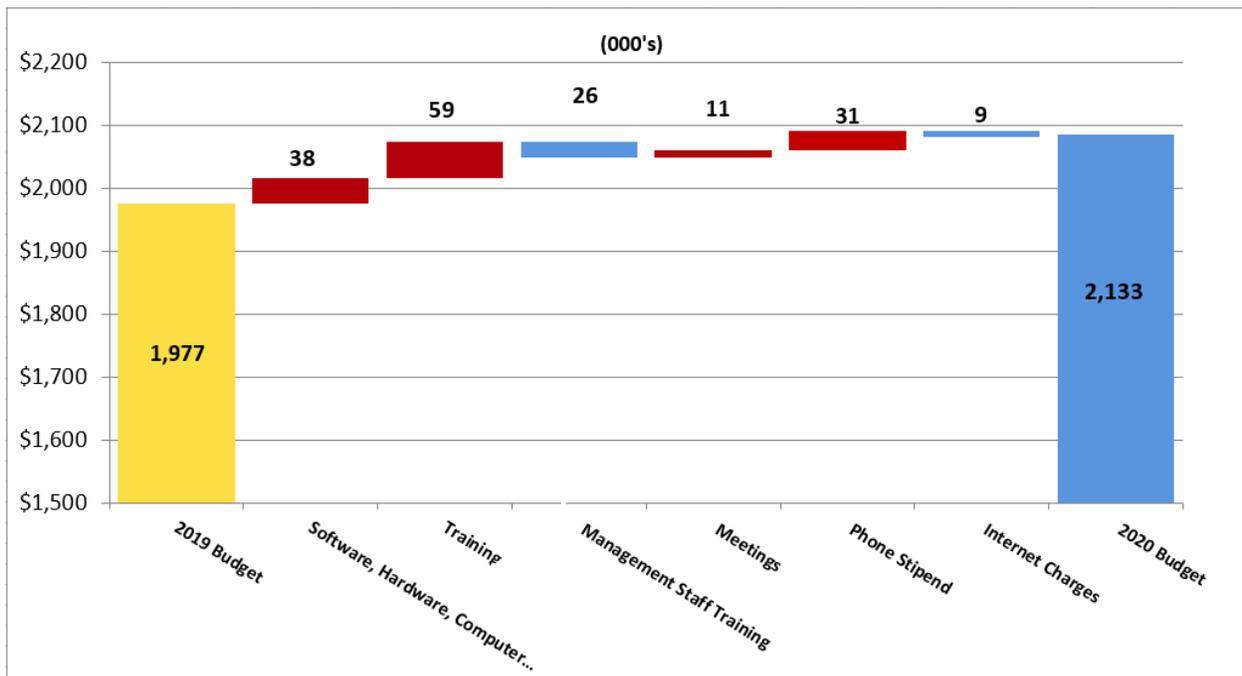
The overall decrease in Building & Equipment Repair costs is primarily due to no special projects that were included in the FY 2019 budget. No extra projects are scheduled for FY 2020.

Property Insurance - \$59,500 increase

The increase in Property Insurance is due to the addition of Cyber insurance which is new for 2020

Operating Expenses

Budgeted Operating expenses are expected to have a net increase of 7.9% or \$155,839, with increases of \$18,760 in Hardware, \$45,775 in Software, \$59,490 in Training, \$11,250 in Meetings and \$30,550 in Phone Stipends. These increases are partially offset by the following: decreases of \$26,040 in Computer Supplies, \$8,628 in Internet Charges, \$26,000 in Management Staff Training.



Hardware - \$18,760 increase

The budgeted increase for Hardware in FY 2020 is due to staff laptops that need to be upgraded

Software - \$45,775 increase

The increase in Computer Software costs is primarily due to the planned migration of our email platform to Office 365, the purchase of software to help protect our systems against cyber attacks, the purchase of software to store engineering drawings, and year-to-year increases associated with software renewals.

Training - \$59,490 increase

The increase in Training expenses is driven by a focus on ensuring that all FMPA employees receive necessary training to perform their duties, especially for staff that are new in their roles or that have not received much training in the past, as well as to meet changing regulatory/technical requirements, member needs, and strategic priorities.

Management Staff Training - \$26,000 decrease

The decrease in Management Staff Training is due to taking out Agency training.

Meetings - \$11,250 increase

The increase in meeting expenses is due to budgeting based on recent actuals and an expectation of a continued increase in meetings to meet member needs and strategic goals.

Phone Stipend - \$30,550 increase

In order to meet business needs, we implemented a program in Fiscal Year 2019 to pay cell phone stipends to certain employees that utilize their personal phones for business purposes and have been identified by management as having a business need to be available outside of normal working hours.

Computer Supplies - \$26,040 decrease

Expenses in Computer Supplies decreased as we no longer have copier leases. After the lease ended last year, we purchased them.

Internet Charges - \$8,628 decrease

Internet charge budgeted expenses decreased due to the expected renewal rates for internet charges to go down for 2020.

Florida Municipal Power Agency

Agency Operating Budget - Fiscal Year 2020 Snapshot

Expenses	FY 2018	FY 2019	FY 2019	FY 2019	FY 2020	FY 2020 Budget	FY 2020 Budget	FY 2020 Budget
	Actual	YTD	Estimate	Budget	Budget	Above/(Below)	Above/(Below)	Above/(Below)
		<i>As of February, 2019</i>						
						FY 2018 Actuals	FY 2019 Estimates	FY 2019 Budget
I. Payroll and Benefits								
Gross Payroll	7,431,315	2,816,580	7,500,350	7,790,527	7,944,256	512,941	443,906	153,729
FICA & Medicare	506,927	193,513	580,000	596,170	607,735	100,808	27,735	11,565
401A	813,766	281,739	750,000	763,632	794,426	(19,340)	44,426	30,794
Long Term Care	7,574	3,147	8,000	8,138	8,739	1,165	739	601
Healthcare Insurance	904,412	473,218	1,181,000	1,249,766	1,201,676	297,264	20,676	(48,090)
Other Post Employment Benefits	-118,000	0	50,000	450,000	50,000	168,000	-	(400,000)
Workers Comp Insurance	33,808	14,132	34,000	38,500	38,500	4,692	4,500	-
Unemployment Compensation	0	-927	0	0	0	-	-	-
Recruit & Relocate	19,043	19,124	65,000	30,000	30,000	10,957	(35,000)	-
Wellness	25,373	13,952	22,000	23,500	26,700	1,327	4,700	3,200
Tuition Reimbursement	14,274	5,537	11,821	14,337	18,113	3,839	6,292	3,776
Employee Recognition	9,705	129	6,370	6,000	8,500	(1,205)	2,130	2,500
Employee Activities	10,109	5,077	11,000	11,200	13,100	2,991	2,100	1,900
TOTAL PAYROLL & BENEFITS	\$ 9,658,306	\$ 3,825,221	\$ 10,219,541	\$ 10,981,770	\$ 10,741,745	\$ 1,083,439	\$ 522,204	\$ (240,025)
II. Operating Expenses								
Employer Dues	223,345	130,555	220,125	220,100	219,450	(3,895)	(675)	(650)
FCG-Florida Electric Power Coord Group	52,264	15,656	53,000	55,000	55,000	2,736	2,000	-
Subscriptions	42,637	48,572	51,036	43,130	55,135	12,498	4,100	12,005
Employee Dues	7,379	4,036	14,044	17,265	12,007	4,628	(2,037)	(5,258)
Office Supplies	30,303	15,110	30,456	28,140	28,219	(2,084)	(2,237)	79
Bank Charges	32,758	12,143	30,000	35,000	31,500	(1,258)	1,500	(3,500)
Software	431,863	258,642	434,900	483,949	529,724	97,861	94,824	45,775
Hardware	108,303	37,521	40,000	32,940	51,700	(56,603)	11,700	18,760
Computer Supplies	43,749	8,236	23,000	46,940	20,900	(22,849)	(2,100)	(26,040)
Postage	8,744	3,485	8,700	8,008	9,823	1,079	1,123	1,815
Printing	33,097	15,174	31,600	30,800	31,000	(2,097)	(600)	200
Telephone & Fax	22,976	9,943	21,364	27,964	22,180	(796)	816	(5,784)
Internet Charges	181,118	80,537	205,000	187,768	179,140	(1,978)	(25,860)	(8,628)
GM's Contingency	22,424	17,692	125,000	175,000	175,000	152,576	50,000	-
Business Travel	262,116	124,080	317,568	298,752	336,810	74,694	19,243	38,058
Training	106,235	37,067	125,852	129,150	188,640	82,405	62,788	59,490
Management Staff Training	29,175	20,231	30,000	31,000	5,000	(24,175)	(25,000)	(26,000)
Meetings	36,900	19,487	42,043	32,650	43,900	7,000	1,857	11,250
FMPA Board of Directors	47,657	0	25,000	25,000	27,000	(20,657)	2,000	2,000
Readiness to use auto allow. (7 cars)	56,281	20,399	53,000	53,872	60,039	3,759	7,039	6,167
Phone Stipend	0	0	0	0	30,550	30,550	30,550	30,550
All Other Operating Costs	6,975	2,366	15,600	14,760	20,310	13,335	4,710	5,550
TOTAL OPERATING EXPENSES	\$ 1,786,296	\$ 880,930	\$ 1,897,287	\$ 1,977,188	\$ 2,133,027	\$ 346,732	\$ 235,740	\$ 155,839
III. Outside Services & Consultants								
Consultants	602,188	386,566	712,525	618,807	859,527	257,339	147,002	240,720
Lobbying	223,248	79,655	158,478	154,400	154,800	(68,448)	(3,678)	400
Sponsorships	0	12,700	12,700	10,000	15,000	15,000	2,300	5,000
Advertising	9,272	15,307	10,300	10,150	10,300	1,028	-	150
Communications Projects & Special Events	11,632	727	38,170	38,170	18,170	6,538	(20,000)	(20,000)
TOTAL OUTSIDE SERVICES	\$ 846,340	\$ 494,955	\$ 932,173	\$ 831,527	\$ 1,057,797	\$ 211,457	\$ 125,624	\$ 226,270

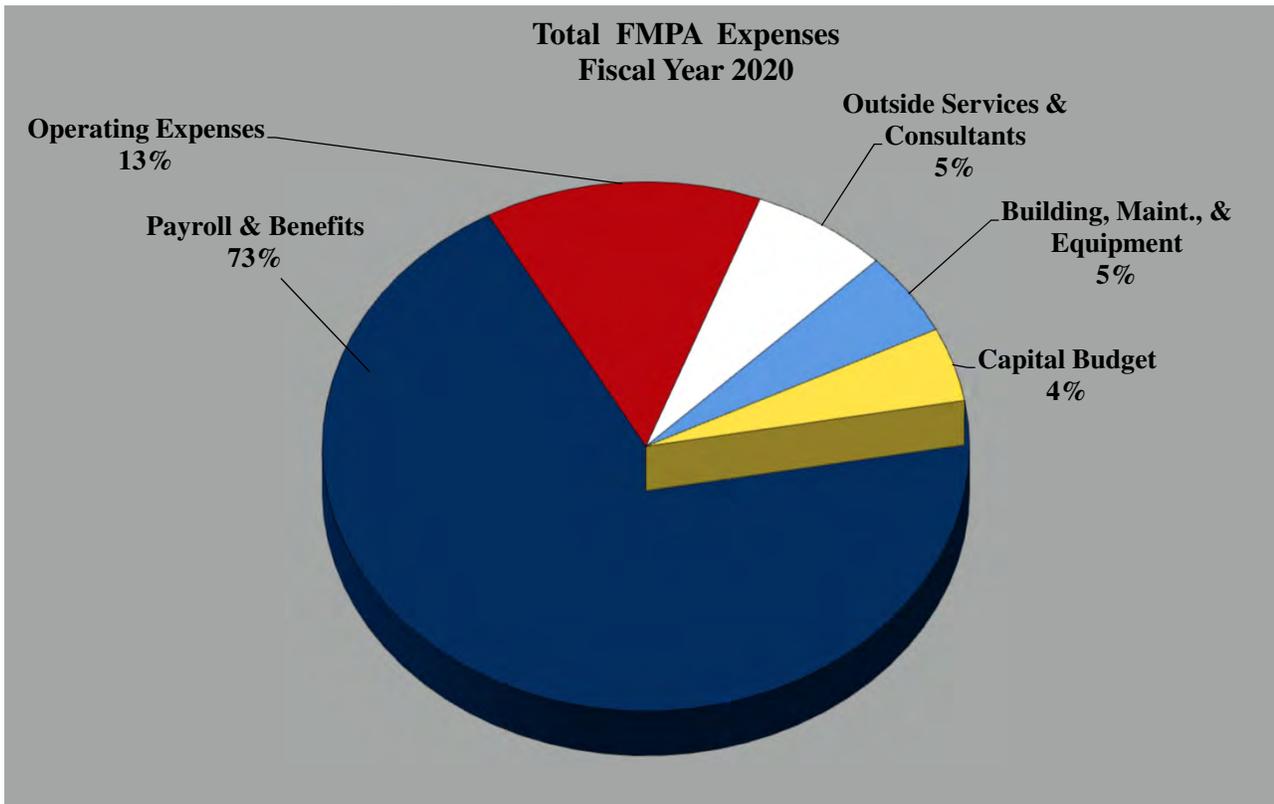
Florida Municipal Power Agency								
Agency Operating Budget - Fiscal Year 2020 Snapshot								
Expenses	FY 2018	FY 2019	FY 2019	FY 2019	FY 2020	FY 2020 Budget	FY 2020 Budget	FY 2020 Budget
	Actual	YTD	Estimate	Budget	Budget	Above/(Below)	Above/(Below)	Above/(Below)
		<i>As of February, 2019</i>				FY 2018 Actuals	FY 2019 Estimates	FY 2019 Budget
IV. Building, Maintenance, Equipment & Insurance								
Property Insurance	48,631	20,780	75,000	52,000	111,500	62,869	36,500	59,500
Excess Liability Insurance	261,991	105,835	258,000	278,000	265,000	3,009	7,000	(13,000)
Auto Insurance	5,172	2,474	6,000	5,300	6,500	1,328	500	1,200
Officers Liability Insurance	132,534	53,665	130,000	140,000	130,000	(2,534)	-	(10,000)
Interest Expense Admin Building	11,880	3,025	7,260	7,260	0	(11,880)	(7,260)	(7,260)
Utilities (Electric/Garbage/Water)	75,643	34,833	74,240	73,240	76,240	597	2,000	3,000
Office Furniture	13,284	2,941	25,100	25,100	17,580	4,296	(7,520)	(7,520)
Building Services	57,736	19,585	63,638	65,308	65,308	7,572	1,670	-
Building & Equipment Repairs	166,443	35,798	92,222	150,835	101,160	(65,283)	8,938	(49,675)
Alarm Systems	6,072	3,513	7,360	7,910	7,610	1,538	250	(300)
Property Dues	5,307	3,318	4,650	5,070	5,070	(237)	420	-
TOTAL BUILDING, MAINT. EQUIP. & INSURANCE	\$ 784,693	\$ 285,767	\$ 743,470	\$ 810,023	\$ 785,968	\$ 1,275	\$ 42,498	\$ (24,055)
V. Balance Sheet Items								
Capital Expenditures	271,410	170,356	296,703	248,000	396,000	124,590	99,297	148,000
Principal Pymt on Building	210,000	0	220,000	220,000	0	(210,000)	(220,000)	(220,000)
Agency Budget Working Capital Funding	0	0	0	0	300,000	300,000	300,000	300,000
TOTAL BALANCE SHEET ITEMS	\$ 481,410	\$ 170,356	\$ 516,703	\$ 468,000	\$ 696,000	\$ 214,590	\$ 179,297	\$ 228,000
TOTAL AGENCY EXPENSE	\$ 13,557,045	\$ 5,657,229	\$ 14,309,174	\$ 15,068,508	\$ 15,414,537	\$ 1,857,493	\$ 1,105,363	\$ 346,029

Florida Municipal Power Agency
Agency Operating Budget - Fiscal Year 2020
Whole Thousands (US\$)

Cost Summary by Department

<i>Department</i>	<i>Manager</i>	<i>Dept #</i>	<i>#</i>	<i>FY19</i>	<i>FY20</i>	<i>Bdgt Increase/</i>	<i>%</i>
				<i>Budget</i>	<i>Budget</i>	<i>[Decrease]</i>	<i>Change</i>
I. Executive Division							
Administration	Williams, J.	AGN		\$ 238	\$ 242	\$ 4	2%
Total Executive Division				238	242	4	2%
II. Human Resources Division							
Human Resources/Payroll	Adams, S.	HRD		11,104	10,906	(198)	(2%)
Total Human Resources Division				11,104	10,906	(198)	(2%)
III. Information, Security, and Compliance Division							
Information Services	Cruz, L.	ITD		974	1,074	100	10%
Regulatory Compliance	Finklea, J.	REG		90	128	38	41%
Cyber Security	Manuey, C.	CBR		41	60	19	46%
Total Information, Security, and Compliance Division				1,106	1,262	156	14%
IV. Power Resources Division							
Power Resources	Rutter, K.	PWR		30	34	4	13%
Business Development & Planning	Gowder, C.	PLN		18	26	9	48%
Fleet Generation	Schumann, D.	GEN		52	43	(8)	(16%)
Transmission Planning	Turner, C.	TPS		17	19	2	13%
System Operations	McKinney, J.	OPS		34	35	0	1%
Total Power Resources Division				151	158	7	4%
V. Finance Division							
CFO Finance	Howard, L.	FIN		2	10	8	427%
Accounting	Sullivan-Marrero, D.	ACC		161	167	7	4%
Treasury	Popp, R.	TSY		122	278	156	128%
Risk Management	Popp, R.	RSK		553	582	29	5%
Financial Planning and Analysis	Wolfe, J.	FPA		37	39	3	7%
Contract Compliance	Woerner, L.	CNT		18	10	(8)	(44%)
Total Finance Division				893	1,087	194	22%
VI. Public Relations & Mbr Svcs Division							
AGM Public Relations	McCain, M.	PRD		331	325	(5)	(2%)
Member Services	McCleary, M.	MBR		271	282	12	4%
Building Maintenance	McCleary, M.	ADM		326	282	(44)	(14%)
Total Public Relations & Mbr Svcs Division				928	890	(38)	(4%)
VII. Legal Division							
	Finklea, J.	LGL		181	174	(7)	(4%)
Total Legal Division				181	174	(7)	(4%)
VIII. Balance Sheet Items - To be Capitalized							
				468	696	228	49%
Grand Total				\$ 15,069	\$ 15,415	\$ 346	2%

**Florida Municipal Power Agency
Operating Budget - Fiscal Year 2020**



In \$Millions

Payroll & Benefits		Operating Expenses		Outside Services & Consultants		Building, Maint., & Equipment		Capital Budget	
Payroll	\$7.944	Dues & Subscpts.	\$0.342	Consulting Fees	\$0.860	Bldg Svc & Repair	\$0.166	Capital Expenditures	\$0.396
FICA	0.608	Office Supplies	0.112	Lobbying	0.155	Insurance Premiums	0.513	Prin Pymt on Bldg	0.000
401A Contributions	0.794	Postage	0.010	Advertising	0.010	Utilities	0.076	Working Capital	0.300
Med/Life Insur./OPEB	1.260	Telephone & Internet	0.201	Comm Proj & Special Even	0.018	Office Furniture	0.018		
Wrkm Comp	0.039	Mtgs., Conf., Trvl, Trng	0.601	Sponsorships	0.015	Alarm System	0.008	Total	\$0.696
Recruit & Reloc.	0.030	Autos	0.060			Property Dues	0.005		
Tuition Reimb	0.018	Contingency	0.175			Interest Expense	0.000		
Employee EOC & Wellness	0.048	Software	0.530						
		Hardware	0.052						
		Other Operating Costs	0.051						
Total	\$10.742	Total	\$2.133	Total	\$1.058	Total	\$0.786		

**Florida Municipal Power Agency
FY2019 VS. FY2020 Capital Budgets**

Capital Budget for FY2020

Building Maintenance

Contribution to the Building Maintenance Fund	80,000.00
IT Area Security Enhancements	30,000.00

HARDWARE/SOFTWARE

Description	Qty	Unit Price	
Upgrade all virtual host servers	2	75,000.00	150,000.00
Upgrade boardroom audio/visual equipment	1	40,000.00	40,000.00
Video conferencing equipment for Orlando & Tallahassee	2	8,000.00	16,000.00
Addition of security cameras (5 Orlando, 2 Tallahassee) + labor	1	15,000.00	15,000.00
Upgrade of financial system (Solomon) phase 2	1	45,000.00	45,000.00
Securelogix phone system firewall	1	10,000.00	10,000.00
Palo Alto firewall (replace main unit)	1	10,000.00	10,000.00
			<u>286,000.00</u>

Total Agency Capital Budget FY2019	<u>\$ 396,000.00</u>
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Capital Budget for FY2019

Treasury

Principal Payment on Building	\$ 220,000.00
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Building Maintenance

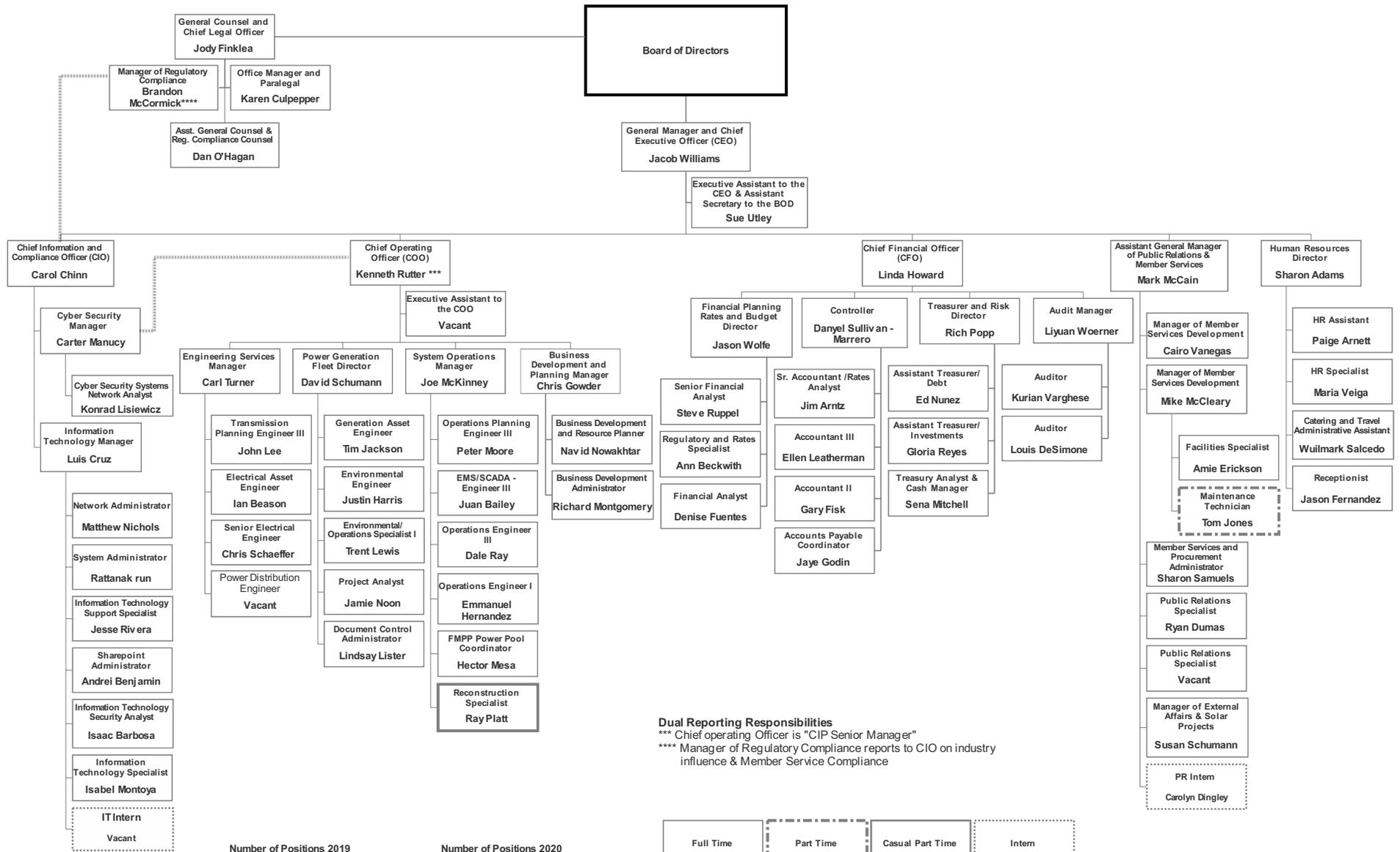
Contribution to the Building Maintenance Fund	80,000.00
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HARDWARE/SOFTWARE

Description	Qty	Unit Price	
Conference Room Audio/Visual Upgrades	4	2,000.00	8,000.00
Upgrade DELL/EMC Storage (26TB Expansion ea.)	2	72,500.00	145,000.00
APC UPS Battery Extender Unit	1	15,000.00	15,000.00
			<u>168,000.00</u>

Total Agency Capital Budget FY2019	<u>\$ 468,000.00</u>
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FMPA Organization Chart Proposed FY 2020



Dual Reporting Responsibilities
 *** Chief operating Officer is "CIP Senior Manager"
 **** Manager of Regulatory Compliance reports to CIO on industry influence & Member Service Compliance



Interns not subject to position reclassification

Number of Positions 2019		Number of Positions 2020	
Full Time	68	Full Time	68
Part Time	1	Part Time	1
Casual Part Time	2	Casual Part Time	2
Intern	2	Intern	2
Total	73	Total	73

FMPA FY19 Salary Ranges
Proposed Fiscal 2020 with 3.0% Adjustment

Grade	Minimum	Midpoint	Maximum	Title
EXECUTIVE				
EX05	\$133,923 \$137,941	\$196,197 \$202,083	\$258,471 \$266,225	Chief Operating Officer
EX04	\$126,342 \$130,133	\$185,092 \$190,644	\$243,841 \$251,156	Chief Financial Officer Chief Information and Compliance Officer
EX03	\$119,191 \$122,767	\$174,615 \$179,853	\$230,039 \$236,940	AGM of Public Relations and Member Services
EXEMPT				
E19	\$117,288 \$120,807	\$146,610 \$151,008	\$175,932 \$181,210	Power Generation Fleet Director Treasurer and Risk Director Assistant General Counsel & Regulatory Compliance Counsel
E18	\$110,649 \$113,968	\$138,311 \$142,461	\$165,973 \$170,953	Human Resources Director System Operations Manager
E17	\$104,386 \$107,517	\$130,482 \$134,397	\$156,579 \$161,276	Financial Planning, Rates and Budget Director Engineering Services Manager
E16	\$98,477 \$101,432	\$123,097 \$126,789	\$147,716 \$152,147	Business Development and Planning Manager Audit Manager Controller
E15	\$92,903 \$95,690	\$116,129 \$119,613	\$139,355 \$143,535	Cyber Security Manager Senior Financial Analyst Business Development and Resource Planner Information Technology Manager Operation Engineer III Manager of Member Services Development Manager of Member Services Development
E14	\$87,644 \$90,274	\$109,555 \$112,842	\$131,467 \$135,411	EMS/SCADA Engineer III Manager of External Affairs and Solar Projects FMPP Power Pool Coordinator Operations Planning Engineer III Senior Electrical Engineer Transmission Planning Eng III Regulatory and Rates Specialist Manager of Regulatory Compliance Sr. Accountant/Rates Analyst Generation Asset Engineer
E13	\$82,683 \$85,164	\$103,354 \$106,455	\$124,025 \$127,746	Electrical Asset Engineer Power Distribution Engineer Auditor Auditor
E12	\$78,003 \$80,343	\$97,504 \$100,429	\$117,005 \$120,515	Business Development Administrator Ex Asst to CEO/Asst Sec Bd Dir Environmental Engineer
E11	\$73,588 \$75,796	\$91,985 \$94,744	\$110,382 \$113,693	Cyber Security Systems and Network Analyst Accountant III Network Administrator Assistant Treasurer - Debt Assistant Treasurer - Investments
E10	\$69,422 \$71,505	\$86,778 \$89,381	\$104,133 \$107,257	SharePoint Administrator System Administrator
E09	\$65,493 \$67,458	\$81,866 \$84,322	\$98,239 \$101,187	Treasury Analyst and Cash Manager III
E08	\$61,786 \$63,639	\$77,232 \$79,549	\$92,678 \$95,459	Human Resources Specialist Member Services Programs and Procurement Administrator
E07	\$58,289 \$60,037	\$72,861 \$75,046	\$87,433 \$90,056	Information Technology Support Specialist Financial Analyst Project Analyst Operations Engineer I
E06	\$54,989 \$56,639	\$68,736 \$70,799	\$82,484 \$84,958	Accountant II Public Relations Specialist Public Relations Specialist Environmental/Operations Specialist
E03	\$46,170 \$47,555	\$57,712 \$59,444	\$69,255 \$71,333	Information Technology Security Analyst Office Manager and Paralegal
NON-EXEMPT				
N05	\$43,163 \$44,458	\$51,364 \$52,905	\$59,565 \$61,352	Executive Assistant to the COO Facilities Specialist
N03	\$38,415 \$39,567	\$45,714 \$47,085	\$53,012 \$54,603	Human Resource Assistant Document Control Administrator Information Technology Specialist
N02	\$36,240 \$37,328	\$43,126 \$44,420	\$50,012 \$51,512	Accounts Payable Coordinator Catering and Travel Administrative Assistant
N01	\$34,189 \$35,215	\$40,685 \$41,906	\$47,181 \$48,596	Receptionist Maintenance Technician
Carolyn Dingley	PR Intern		Casual Part-Time	
			Ray Platt	Reconstruction Specialist

Public Purpose Designations

Meetings

FMPA often holds governing board/committee meetings, trainings, roundtables and other events for the benefit of FMPA and its members that include its member-owners from around the state. In addition, FMPA holds meetings with business-related groups (e.g., Florida Gas Utility, Florida Municipal Power Pool, etc.) or meetings involving staff working through the lunch hour that are necessary and important for the benefit of FMPA's members. Given that meeting attendees travel to FMPA from varying distances and that the meetings often last several hours, making the combined travel and meeting time equivalent up to a full working day or more, and that these meetings are important to address FMPA's business needs, it is hereby determined that meeting-related expenses for meals, refreshments, snacks and catering supplies provided for in this subcategory constitute a public purpose and are hereby authorized, within the otherwise applicable limits of the Agency and its personnel, for this public purpose established.

Employee Activities

Employees connect with their employer through the people they work with, as well as the mission and values of the organization and the work that is performed. People engage with people, and they give more when they feel valued and appreciated. Studies show that employees who feel connected with their co-workers and the organization are prone to think more, do more and care more with the organization's best interests in mind. These types of engaged employees are more productive, more committed and more valuable to the organization. Organizations of all types have long held social events with employees outside the workplace—such as picnics and holiday gatherings—to build relationships, show appreciation and foster employee engagement. The time-honored traditions of company picnics and holiday gatherings are still customary annual events for many public and private organizations. It is hereby determined that expenses for employee activities, as described herein and provided in this subcategory, constitute a public purpose and are hereby authorized, within the otherwise applicable limits of the Agency and its personnel, for this public purpose established.

Awards & Recognition

While competitive compensation is important for attracting and retaining employees, it is also well documented that using non-pay incentive, such as awards and recognition programs, is an important element in maintaining and retaining employees. Awards and recognition programs can be designed to reward individual employees or employees collectively for their contributions to the organization. Recognition can take various forms, formal and informal, monetary and non-monetary. By acknowledging employee efforts and making them feel valued and appreciated, organizations can increase the employees' satisfaction, morale and self-esteem. Employers who create a culture of recognition see measurable results. The benefits to organization typically include higher employee engagement, higher productivity, lower turnover and a higher ability to attract and retain employees. It is hereby determined that expenses for employee awards and recognition, as described herein and provided in this subcategory, constitute a public purpose and are hereby authorized, within the otherwise applicable limits of the Agency and its personnel, for this public purpose established.

Florida Municipal Power Agency
Expenses with a Public Purpose Designation
Summary

Meetings

Department	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Accounting	\$ 265	\$ -	\$ 350	300
Executive Administration	8,228	10,484	11,000	13,000
Cyber Security	569	728	1,450	1,450
Contract Compliance	-	-	-	-
Finance	-	327	-	-
Financial Planning and Analysis	-	-	-	-
Fleet Generation	573	(68)	2,100	1,500
Human Resources	9,297	14,029	6,900	13,300
Information Services	63	365	800	2,500
Member Services	2,486	6,201	7,900	8,650
Legal	90	253	500.00	500
Operation Short-Term Planning	686	-	200.00	200
Business Development & Planning	172	1,154	400.00	1,000
Public/Government Relations	38	-	-	-
Power Resources	139	541	150.00	600
Regulatory Compliance	1,005	142	300.00	300
Risk Management	56	65	100.00	100
Engineering Services	561	2,242	-	-
Treasury	478	435	500.00	500
Total	<u>\$ 24,706</u>	<u>\$ 36,900</u>	<u>\$ 32,650</u>	<u>\$ 43,900</u>

Incorrect reclass in FY18 is the reason for the negative amount

Employee Activities

Human Resources	\$ 5,651	\$ 10,109	\$ 11,200	13,100
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Awards & Recognition

Human Resources	\$ 3,677	\$ 9,705	\$ 6,000	8,500
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Florida Municipal Power Agency
Agency Operating Budget - Fiscal Year 2020
Revised Revenue Summary

REVENUES	FYE 2018 ACTUAL	FYE 2019 BUDGET	FYE 2020 BUDGET	FYE2020 BUDGET INCLUDING SOLAR	FYE 20 Budget/ FYE 19 Budget Increase / (Decrease)	
					\$s	%
PROJECT REVENUES						
Member Assessments	\$ 23,205	\$ 23,000	\$27,966	23,079	4,966	21.6%
St. Lucie Project	433,834	428,171	438,276	414,031	10,105	2.4%
Stanton Project	433,834	428,171	438,276	414,031	10,105	2.4%
All-Requirements Project	11,892,530	13,217,824	13,510,832	13,491,473	293,008	2.2%
Tri-City Project	433,834	428,171	438,276	414,031	10,105	2.4%
Stanton II Project	433,834	428,171	438,276	414,031	10,105	2.4%
Pooled Loan Project	0	0	10,235	10,235		
Solar Project	0	0	0	121,226		
Joint Owner Contract Compliance	90,656	115,000	112,400	112,400	(2,600)	-2.3%
Interest Income	\$ 13,741,727	\$ 15,068,508	\$ 15,414,537	\$ 15,414,537	346,029	2.3%
	219,297	202,000	240,000	240,000	38,000	18.8%
Total Revenues	\$ 13,961,024	\$ 15,270,508	\$ 15,654,537	\$ 15,654,537	\$ 384,029	2.5%

FISCAL YEAR 2020 BUDGET BOOK
ALL-REQUIREMENTS PROJECT BUDGET



MEMORANDUM

TO: Executive Committee
FROM: Jason Wolfe
DATE: June 11, 2019
SUBJECT: All-Requirements Power Supply Project Fiscal Year 2020 Budget and Fiscal Year 2021 Plan Overview

The budgeted all-in cost to Participants for Fiscal Year 2020 is \$74.53/MWh, which is \$1.54/MWh (2.1%) above the Fiscal Year 2018 actual cost of \$72.99/MWh and \$0.78/MWh (1.0%) below the Fiscal Year 2019 Budget cost of \$75.30/MWh.

Demand Expenses

Total demand related expenses for Fiscal Year 2020 are anticipated to increase \$23 million (9.5%) from Fiscal Year 2018 actuals primarily due to \$19.2 million of capacity costs from the Vero Beach entitlements in the Stanton, Stanton II, and St. Lucie Projects. However, due to the use of the Rate Protection Account, demand costs billed to Participants are projected to be only 1.8% higher than Fiscal Year 2018.

Capacity-related purchased power payments have increased by \$19.5 million from Fiscal Year 2018. Capacity purchased from Participants included an increase of \$19.2 million due to costs from the Vero Beach project entitlements; however, such costs will be funded from the Rate Protection Account. The ARP will achieve savings of \$2.3 million in FY 2020 due to the capacity sales to Bartow and Winter Park.

ARP Plant Fixed O&M costs are projected to increase \$8 million from Fiscal Year 2018 mainly due to plants exceeding budgeted performance in FY 2018 and some contingency items remaining in the plant O&M budgets in FY 2020.

Debt, Capital Leases and R&R are \$6.8 million lower than Fiscal Year 2018. Included in this reduction are \$6.6 million of savings from the refinancing of debt in 2018, \$2 million in savings from the final payoff of the 2009B Bonds, as well as \$4.8 million of debt service savings from the redemption of debt using a portion of the Vero Beach transaction proceeds (the \$4.8 million will still be collected through rates, however, to help fund the Rate Protection Account). Deposits to the R&R account will increase by \$6.6 million in 2019 to help fund anticipated future capital expenditures.

Fixed Administrative & General charges increased by \$3.6 million from Fiscal Year 2018 due to increases in the Agency budget (allocation percentage), a \$0.6 million increase in plant engineering support costs, and a \$0.4 million increase in property insurance costs.

Gas Transportation charges were decreased \$0.8 million from Fiscal Year 2018 primarily due to savings from the expiration of 50% of the ARP's gas storage capacity.

Energy Expenses

Energy costs billed to Participants are projected to increase \$5 million from Fiscal Year 2018. The forward curve for natural gas utilized for the Fiscal Year 2020 budget (as of April 15, 2019), while averaging

\$2.76/MMBtu for the year, is approximately 3% higher than the curve utilized for the Fiscal Year 2019 Budget. The ARP will achieve an average of \$0.06/MMBtu savings in gas cost savings from the natural gas prepay transactions, which will save the ARP \$2.7 million in FY 2020. An additional \$0.5 million in savings is expected from energy sales to third parties.

Transmission Expenses

Transmission expenses for Fiscal Year 2019 are anticipated to increase by \$1.3 million from Fiscal Year 2018 primarily due to anticipated rate increases by Duke Energy Florida and OUC.

Contingency

A \$3 million contingency line is included to allow for unexpected expenses that may occur during the year, which has been reduced from the \$5 million contingency that was included in each of the FY 2018 and FY 2019 budgets due to contingencies that are embedded within the plant O&M budgets. This \$3 million contingency will not be used in calculating the base rates but will be included in the authorizing resolution amount which will provide expenditure authorization for unexpected expenses. Rate Schedule B-1 will allow for contingency expenses to be collected if they are incurred.

Project Participants

- Bushnell
- Clewiston
- Fort Meade
- Fort Pierce*
- Green Cove Springs
- Havana
- Jacksonville Beach*
- Key West*
- Kissimmee Utility Authority*
- Leesburg
- Newberry
- Ocala*
- Starke

*ARP Solar Project Participant

Florida Municipal Power Agency
OPERATING BUDGET
Fiscal Years 2020 & 2021

ALL-REQUIREMENTS PROJECT

Dollars in \$000

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	YEAR END PROJECTION FY 2019	Proposed BUDGET FY 2020	Proposed PLAN FY 2021	19 Proj / 20 Bdgt Increase / (Decrease) %	20 Bdgt / 21 Plan % (Decrease) %
REVENUES								
Demand Revenue								
Participant Billings- Demand [1]	\$ 247,038	\$ 236,658	\$ 243,484	\$ 239,898	\$ 240,882	\$ 248,046	0.4%	3.0%
Customer Charge	273	273	266	257	257	257	0.0%	0.0%
Sales of Capacity to Others	0	517	826	908	2,347	3,869	158.6%	64.9%
Interest Income	1,442	2,056	1,490	2,362	948	929	-59.9%	-2.0%
Other Demand Revenues	327	417	0	346	(136)	(44)	-139.4%	-67.6%
Withdrawals from Rate Protection Account	0	0	19,764	15,922	18,473	10,244	16.0%	-44.5%
Total Demand Revenue	249,081	239,921	265,830	259,693	262,770	263,301	1.2%	0.2%
Energy Revenue								
Participant Billings- Energy [1]	149,438	148,433	153,097	159,910	153,805	142,949	-3.8%	-7.1%
Solar Energy Surcharge	0	0	0	0	0	1,626	NA	NA
Sale of Physical Natural Gas	5,025	8,685	6,000	9,487	6,000	6,000	-36.8%	0.0%
Sale of Interchange Energy	26,627	18,322	22,493	19,370	15,296	15,267	-21.0%	-0.2%
Sale of Energy to Others	0	461	495	7,482	11,867	20,104	58.6%	69.4%
Other Energy Revenues	398	392	408	892	407	418	-54.3%	2.6%
Withdrawals from Rate Protection Account	0	0	0	0	0	0	NA	NA
Total Energy Revenue	181,488	176,293	182,493	197,141	187,375	186,364	-5.0%	-0.5%
Transmission Revenue								
Participant Billings- Transmission [1]	24,906	25,106	24,496	24,693	25,936	26,806	5.0%	3.4%
Participant Billings - KUA Transmission [1]	2,363	2,612	2,676	2,668	2,927	2,927	9.7%	0.0%
Standby Transmission	602	588	396	338	0	0	-100.0%	NA
Low Voltage Delivery Charge	99	104	110	106	141	144	32.7%	2.2%
Seminole Agreement	500	500	500	500	500	500	0.0%	0.0%
Withdrawals from Rate Protection Account	0	0	0	554	764	519	37.8%	-32.1%
Total Transmission Revenue	28,471	28,911	28,178	28,860	30,267	30,894	4.9%	2.1%
TOTAL REVENUES	\$ 459,040	\$ 445,125	\$ 476,501	\$ 485,693	\$ 480,411	\$ 480,559	-1.1%	0.0%
EXPENSES								
Demand - Cost Centers								
Capacity Purchased through FMPA Projects	\$ 28,659	\$ 29,723	\$ 52,020	\$ 48,272	\$ 48,342	\$ 43,554	0.1%	-9.9%
Capacity Purchased from Others	17,157	16,725	17,260	17,202	17,620	17,853	2.4%	1.3%
ARP Plant Fixed O&M	41,102	34,617	42,814	40,466	42,556	43,160	5.2%	1.4%
Debt, Leases & R&R	124,916	123,945	119,667	120,010	116,823	121,799	-2.7%	4.3%
Direct Charges & Other - Fixed	18,675	18,867	21,824	20,737	22,415	22,409	8.1%	0.0%
Gas Transportation	31,486	31,496	31,003	30,667	30,737	29,986	0.2%	-2.4%
Variable O&M to Energy	(12,913)	(15,451)	(23,546)	(20,926)	(20,496)	(20,251)	-2.1%	-1.2%
Deposit to Rate Protection Account	0	0	4,788	3,265	4,773	4,792	46.2%	0.4%
Total Demand Expense	249,081	239,921	265,830	259,693	262,770	263,301	1.2%	0.2%
Energy - Cost Centers								
Firm Energy Purchased from Others	2,072	2,108	2,218	4,467	4,299	9,915	-3.8%	130.6%
Direct Charges & Other - Variable	700	750	750	751	750	750	-0.1%	0.0%
Non-Firm Energy Purchases	1,799	3,712	2,659	6,723	3,861	3,392	-42.6%	-12.1%
Fuels	164,004	154,271	151,793	163,793	157,125	151,368	-4.1%	-3.7%
APR Plant Non-Fuel Variable O&M	12,913	15,451	23,546	20,926	20,496	20,251	-2.1%	-1.2%
Deposit to Rate Protection Account	0	0	1,527	482	843	688	75.1%	-18.4%
Total Energy Expense	181,488	176,293	182,493	197,141	187,375	186,364	-5.0%	-0.5%
Transmission - Cost Centers								
Transmission - Others	26,108	26,298	25,502	26,192	27,340	27,968	4.4%	2.3%
KUA Transmission	2,363	2,612	2,676	2,668	2,927	2,927	9.7%	0.0%
Total Transmission	28,471	28,911	28,178	28,860	30,267	30,894	4.9%	2.1%
Total Expenses for Base Rate Calculation	459,040	445,125	476,501	485,693	480,411	480,559	-1.1%	0.0%
Contingency	0	0	5,000	5,000	3,000	3,000	-40.0%	0.0%
TOTAL EXPENSES & CONTINGENCY	\$ 459,040	\$ 445,125	\$ 481,501	\$ 490,693	\$ 483,411	\$ 483,559	-1.5%	0.0%
NET INCOME BEFORE REGULATORY ADJ	\$ -	\$ -	\$ (5,000)	\$ (5,000)	\$ (3,000)	\$ (3,000)		

Florida Municipal Power Agency
OPERATING BUDGET
Fiscal Years 2020 & 2021

ALL-REQUIREMENTS PROJECT

Dollars in \$000

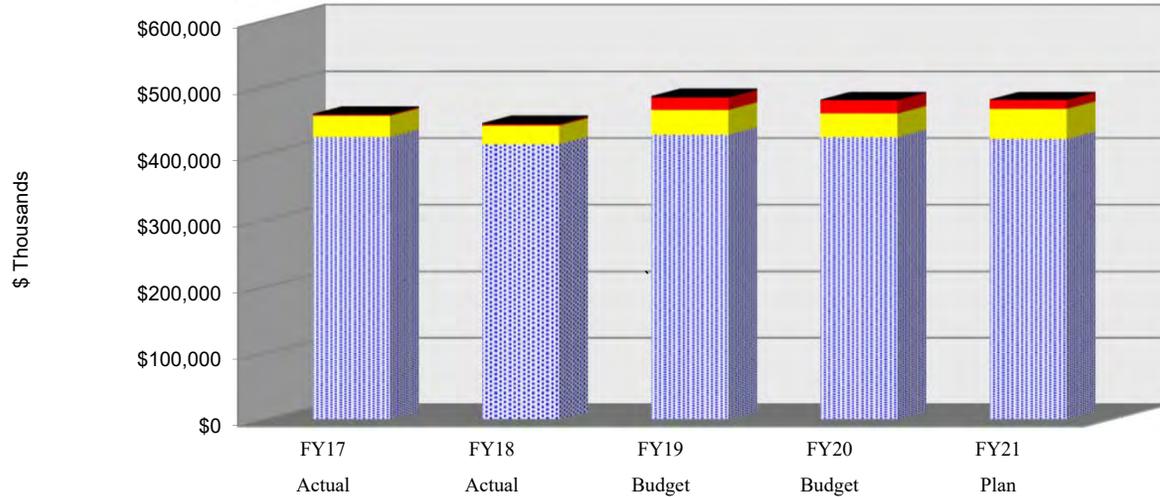
	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	YEAR END PROJECTION FY 2019	Proposed BUDGET FY 2020	Proposed PLAN FY 2021	19 Proj / 20 Bdgt Increase / (Decrease) %	20 Bdgt / 21 Plan Increase / (Decrease) %
Total Annual Billing Determinants:								
Demand (MW)	11,909	12,078	12,112	12,215	12,312	12,332	0.8%	0.2%
Energy (GWh)	5,554	5,665	5,634	5,651	5,685	5,702	0.6%	0.3%
Transmission - All but KUA (MW)	8,742	9,028	9,075	9,084	9,199	9,203	1.3%	0.0%
Transmission - KUA (MW)	3,521	3,485	3,472	3,566	3,547	3,564	-0.5%	0.5%
Annual Project Coincident Peak (MW)	1,228	1,239	1,245	1,249	1,255	1,257	0.5%	0.1%
Participant Costs:								
Demand \$ / KW	<u>\$20.74</u>	<u>\$19.59</u>	<u>\$20.10</u>	<u>\$19.64</u>	<u>\$19.56</u>	<u>\$20.11</u>	-0.4%	2.8%
Transmission \$ / KW (all except KUA)	<u>\$2.85</u>	<u>\$2.78</u>	<u>\$2.70</u>	<u>\$2.72</u>	<u>\$2.82</u>	<u>\$2.91</u>	3.7%	3.3%
Transmission \$ / KW (KUA)	<u>\$0.67</u>	<u>\$0.75</u>	<u>\$0.77</u>	<u>\$0.75</u>	<u>\$0.82</u>	<u>\$0.82</u>	10.2%	-0.5%
Energy \$ / MWh	<u>\$26.91</u>	<u>\$26.20</u>	<u>\$27.17</u>	<u>\$28.30</u>	<u>\$27.05</u>	<u>\$25.07</u>	-4.4%	-7.3%
Average All-in Cost to Participants \$/MWh	<u>\$76.42</u>	<u>\$72.99</u>	<u>\$75.30</u>	<u>\$75.67</u>	<u>\$74.53</u>	<u>\$73.81</u>	-1.5%	-1.0%
Total Expense (Excluding Contingency) \$/MWh								
Annual Load Factor - Project Average	51.63%	52.20%	51.66%	51.65%	51.70%	51.80%		

[1] Amounts shown assume full recovery of costs in the period in which they are incurred and do not reflect rates as be billed through Rate Schedule B-1, which include adjustments for such factors as cash adjustments and prior period over- or under- recoveries. As such, amounts shown for historical periods do not reflect actual revenues that were collected.

FMPA Operating Budget - Fiscal Year 2020 & 2021

ALL-REQUIREMENTS PROJECT

REVENUES



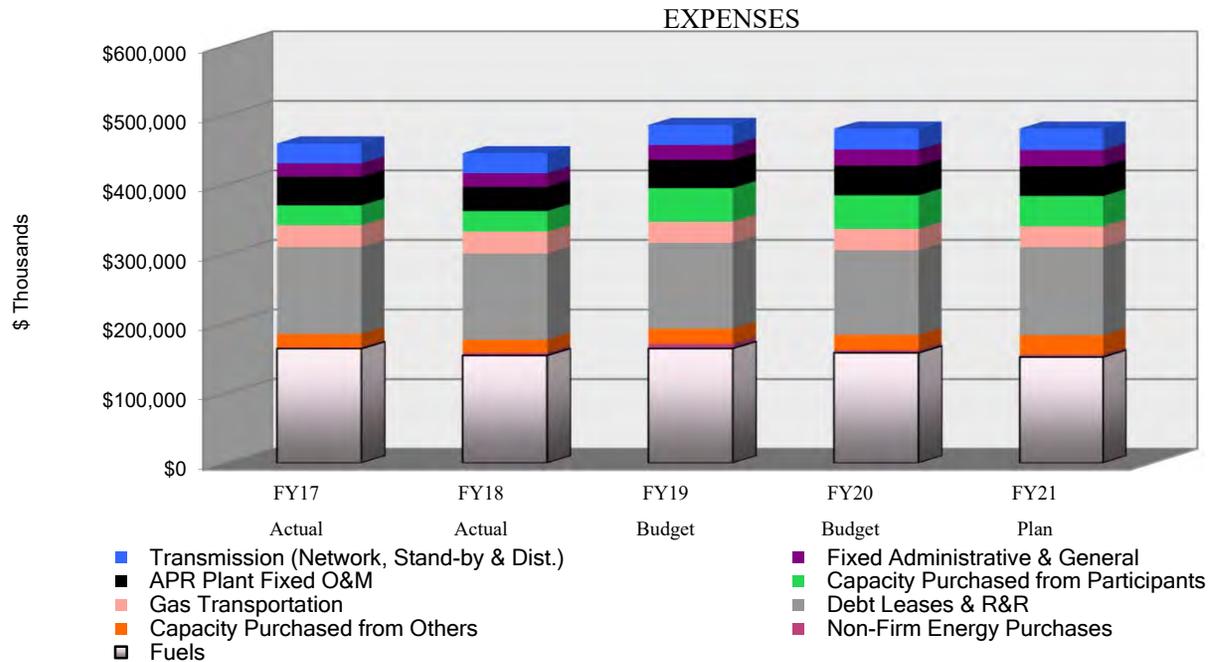
■ Participant Billings ■ Energy and Gas Sales to Others ■ Other Revenues ■ Interest Income

In \$Thousands

REVENUES	Actual FY17	Actual FY18	Budget FY19	Budget FY20	Plan FY21
Participant Billings	424,118	413,185	427,533	423,947	421,128
Interest Income	1,442	2,056	2,362	948	929
Energy and Gas Sales to Others	31,653	27,985	37,246	35,510	45,240
Other Revenues	1,828	1,898	18,552	20,007	13,262
Total	459,040	445,125	485,693	480,411	480,559

FMPA Operating Budget - Fiscal Year 2020 & 2021

ALL-REQUIREMENTS PROJECT



In \$Thousands

EXPENSES	Actual FY17	Actual FY18	Budget FY19	Budget FY20	Plan FY21
Transmission (Network, Stand-by & Dist.)	28,471	28,911	28,860	30,267	30,894
Capacity Purchased from Participants	28,659	29,723	48,272	48,342	43,554
Capacity Purchased from Others	19,229	18,834	21,669	21,919	27,768
APR Plant Fixed O&M	41,102	34,617	40,466	42,556	43,160
Debt Leases & R&R	124,916	123,945	123,275	121,596	126,590
Fixed Administrative & General	19,375	19,617	21,487	23,165	23,159
Gas Transportation	31,486	31,496	30,667	30,737	29,986
Non-Firm Energy Purchases	1,799	3,712	6,723	3,861	3,392
Fuels	164,004	154,271	164,274	157,969	152,056
Total	459,040	445,125	485,693	480,411	480,559
Total Billed MWhs (In 000)	5,554.0	5,665.0	5,651.1	5,685.0	5,702.0

FISCAL YEAR 2020 BUDGET

ALL-REQUIREMENTS PROJECT

PROJECT FUND BALANCES

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	\$40,033			\$40,033	\$40,033
Working Capital Account	20,967			20,967	20,967
Rate Stabilization Account	10,000			10,000	10,000
Total Operating and Maintenance Fund	\$71,000	\$0	\$0	\$71,000	\$71,000 [1]

[1] Minimum recommended balance is amount required to meet operating & maintenance fund expenses for the next 60 days.
Minimum per bond resolution is amount to meet operating & maintenance fund expenses for the next 30 days.

DEBT SERVICE FUND				
	Beginning Bal. 10/1/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
* Debt Service Accounts				
Principal	\$51,120	\$48,445	\$51,120	\$48,445
Interest	21,208	36,107	39,260	18,055
Total Debt Service Accounts	\$72,328	\$84,552	\$90,380	\$66,500

*Account minimums will be in compliance with Bond Resolution.

RESERVE AND CONTINGENCY FUND					
	Beginning Bal. 10/1/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20	Minimum Recmd Bal.
* Renewal & Replacement (R&R) Account	\$12,676	\$12,000	\$13,781	\$10,895	\$10,000
Bond Proceeds for Public Gas Partners	\$4,587		\$2,666	\$1,921	
* Contingency Account	\$1,268	\$0	\$0	\$1,268	\$1,268

* Minimum requirement as set in budget process.

FISCAL YEAR 2020 BUDGET

ALL-REQUIREMENTS PROJECT

PROJECT FUND BALANCES

GENERAL RESERVE FUND				
	Beginning Bal. 10/1/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
General Reserve Fund - Insurance Deductible	\$2,738	\$280	\$0	\$3,018
General Reserve Fund - Bullet Debt Amortization	\$15,235	\$0	\$15,235	\$0

RATE PROTECTION ACCOUNT				
	Beginning Bal. 10/1/19	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/20
Rate Protection Account	\$18,761	\$5,616	\$19,238	\$5,139

CAPITAL PLAN

	Fiscal Year 2020
Capital Funded from Loan Proceeds	
Total Capital Financed	\$0
Capital Funded from Renewal & Replacement	
Stanton Unit 1	\$2,628
Stanton Unit 2	944
Stanton A	186
NERC Compliance Related Capital	500
Cane Island Units 1-4 - Including Transmission Line Upgrade	8,760
Treasure Coast	3,050
Key West	1,030
Indian River Units	250
Critical Infrastructure Capital	433
Contribution in Aid of Construction	
From Duke Energy on CI Transmission Line	(4,000)
Total Capital from R&R	<u>\$13,781</u>

FISCAL YEAR 2021 PLAN

ALL-REQUIREMENTS PROJECT

PROJECT FUND BALANCES

OPERATING AND MAINTENANCE FUND					
	Beginning Bal. 10/1/20	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/21	Minimum Recmd Bal
Operating & Maintenance (O&M) Account	\$40,033			\$40,033	\$40,033
Working Capital Account	\$20,967			20,967	20,967
Rate Stabilization Account	\$10,000			10,000	10,000
Total Operating and Maintenance Fund	\$71,000	\$0	\$0	\$71,000	\$71,000 [1]

[1] Minimum recommended balance is amount required to meet operating & maintenance fund expenses for the next 60 days.
Minimum per bond resolution is amount to meet operating & maintenance fund expenses for the next 30 days.

DEBT SERVICE FUND				
	Beginning Bal. 10/1/20	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/21
* Debt Service Accounts				
Principal	\$48,445	\$55,255	\$48,455	\$55,245
Interest	18,055	33,781	34,289	17,547
Total Debt Service Accounts	\$66,500	\$89,036	\$82,744	\$72,792

*Account minimums will be in compliance with Bond Resolution.

RESERVE AND CONTINGENCY FUND					
	Beginning Bal. 10/1/20	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/21	Minimum Recmd Bal.
* Renewal & Replacement (R&R) Account	\$10,895	\$17,000	\$18,934	\$8,962	\$10,000
Bond Proceeds for Public Gas Partners	\$1,921		\$1,921	\$0	
* Contingency Account	\$1,268	\$0	\$0	\$1,268	\$1,268

* Minimum requirement as set in budget process.

FISCAL YEAR 2021 PLAN

ALL-REQUIREMENTS PROJECT

PROJECT FUND BALANCES

GENERAL RESERVE FUND				
	Beginning Bal. 10/1/20	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/21
General Reserve Fund - Insurance Deductible	\$3,018	\$0	\$0	\$3,018
General Reserve Fund - Bullet Debt Amortization	\$0	\$0	\$0	\$0

RATE PROTECTION ACCOUNT				
	Beginning Bal. 10/1/20	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/21
Rate Protection Account	\$5,139	\$5,480	\$10,619	\$0

CAPITAL PLAN	
	Fiscal Year 2021
Capital Funded from Loan Proceeds	
Total Capital Financed	\$0
Capital Funded from Renewal & Replacement	
Stanton Unit 1	\$348
Stanton Unit 2	310
Stanton A	606
NERC Compliance Related Capital	542
Cane Island Units 1-4 - Including Transmission Line Upgrade	5,409
Treasure Coast	12,556
Key West	497
Indian River Units	563
Critical Infrastructure Capital	103
Contribution in Aid of Construction	
From Duke Energy on CI Transmission Line	(2,000)
Total Capital from R&R	<u>\$18,934</u>

FISCAL YEAR 2020 BUDGET

ALL-REQUIREMENTS PROJECT - 5 Year Capital Plan - 000's USD

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Capital Projects > \$1 million					
ST Generator Stator Rewind (Cane 3)	\$ 3,000				
Advanced Gas Path Upgrades (TCEC)		\$ 10,250			
Mark 6e Control System Upgrade (TCEC)		1,230			
Combustion Inspection (Cane 1)		2,369			
CT Rotor Replacement (Cane 3)			\$ 5,305		
ST Diaphragms and Packing Rings (Cane 3)			2,334		
Generator Rewind - Unit To Be Determined			2,112		
MKVI HMI Upgrade (Cane 2, 3 and 4)			2,547		
Ovation 3.7 DCS System Upgrade (Cane Island units)			1,380		
ST Major Inspection (TCEC)				\$ 1,077	
CT Hot Gas Path Inspection (Cane 2)					\$ 4,415
HRSG Superheater Replacement (Cane 2)					2,070
Transmission Upgrades - KUA/DEF	4,000	2,000			
Remaining Capital	10,781	5,085	5,830	2,924	3,948
Total Capital	17,781	20,934	19,508	4,001	10,433
Less Contribution in Aid of Construction	(4,000)	(2,000)			
Less Amounts Funded through Financing					
Capital Funded from Renewal and Replacement	<u>\$ 13,781</u>	<u>\$ 18,934</u>	<u>\$ 19,508</u>	<u>\$ 4,001</u>	<u>\$ 10,433</u>
Beginning Renewal & Replacement Balance	\$ 12,676	\$ 10,895	\$ 8,962	\$ 6,454	\$ 15,453
Renewal & Replacement Deposits	12,000	17,000	17,000	13,000	13,000
Renewal & Replacement Used for Capital	(13,781)	(18,934)	(19,508)	(4,001)	(10,433)
Ending Renewal & Replacement Balance	<u>\$ 10,895</u>	<u>\$ 8,962</u>	<u>\$ 6,454</u>	<u>\$ 15,453</u>	<u>\$ 18,020</u>
Net Change in Renewal & Replacement Acct	\$ (1,781)	\$ (1,934)	\$ (2,508)	\$ 8,999	\$ 2,567

AGENDA ITEM 8 – ACTION ITEMS

- d) Approval of Extension of Line of Credit
with JP Morgan**

**Executive Committee
June 20, 2019**



EC - 8d – Approval of Extension of Line of Credit with JP Morgan

FMIPA Executive Committee

June 20, 2019

JP Morgan LOC Provides \$75M of ARP Liquidity

Mitigates Unplanned O&M Costs Above 60 day Cash Target

Covers

- O&M Expenses
- Fuel Costs
- SWAP margin calls

Unused Fee

- FY 18 \$245,000

Interest Rate

- $(\text{LIBOR} * \text{Applicable Rate}) + \text{Interest Rate Margin}$

One Year Extension Contract Needed Modifications

Federal Tax Rate and Anti-Terrorism Law Changes

- **Tax Rate Impact**

- Highest corporate rate 35% to 21%
- Applicable Factor changed from 70% to 79%
- Margin Rate Factor changed from 1.53846 to 1.26582
- Keeps Interest Cost same as before

- **Anti-Terrorism Summary**

- The Borrower shall at all times comply in all material respects with the requirements of all OFAC Sanctions Programs
- The Borrower is not in violation of any laws relating to terrorism or money laundering (*“Anti-Terrorism Laws”*), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the *“Executive Order”*), and the Patriot Act

One year Extension Improvements

Alternative Base Rate Limited the Agreement Term

- Lower Unused Fee Costs
 - \$170,000 FY 19/20 used
 - \$75,000 savings from current agreement
- Lower Alternative Base Rate (higher of the two)
 - Prime Interest Rate + 1.5% now only Prime Interest Rate
 - Federal Funds Rate + 2.0% now Federal Funds Rate + .5%
- FMPA still believes ABR is higher than the current adjusted LIBOR.
 - JP Morgan unwilling to get ahead of market transition from LIBOR

Recommended Action

- Move approval of the extension of the J.P. Morgan line of credit, as described, approval of associated documentation, and the adoption of Resolution 2019-EC4 to effectuate the same.

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) RECITING STATEMENT OF AUTHORITY; (II) APPROVING AND ADOPTING SUPPLEMENT NO. 1 TO ALL-REQUIREMENTS POWER SUPPLY PROJECT SUBORDINATED DEBT RESOLUTION NO. 28, ADOPTED MAY 19, 2016; (III) PROVIDING FOR THE TAKING OF CERTAIN OTHER ACTIONS; (IV) PROVIDING FOR SEVERABILITY; AND (V) PROVIDING FOR AN EFFECTIVE DATE.

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

SECTION I. **Authority for this Resolution.** This resolution (this “**Resolution**”) is adopted pursuant to the provisions of Chapter 361, Part II, Florida Statutes, as amended, Section 163.01, Florida Statutes, as amended, and Chapter 166, Part II, Florida Statutes, as amended.

SECTION II. **Approval and Adoption of Supplement No. 1 to All-Requirements Power Supply Project Subordinated Debt Resolution No. 28.** Supplement No. 1 to All-Requirements Power Supply Project Subordinated Debt Resolution No. 28, adopted May 19, 2016, in the form attached hereto as Exhibit A (the “**No. 28 Subordinated Debt Resolution**”), is hereby approved and adopted.

SECTION III. **Further Actions.** Each Authorized Officer designated pursuant to Section 5.02 of the No. 28 Subordinated Debt Resolution is hereby authorized and empowered to take all further actions as may be necessary or desirable in carrying out the terms and provisions of this Resolution.

SECTION IV. **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.

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SECTION V. **Effective Date.** This Resolution shall take effect immediately upon its adoption.

This Resolution 2019-EC4 is hereby approved and adopted by the Executive Committee of the Florida Municipal Power Agency on June 20, 2019.

Chairperson of the Executive Committee

I HEREBY CERTIFY that, on June 20, 2019, the above Resolution 2019-EC4 was approved and adopted by the Executive Committee of the Florida Municipal Power Agency, and that this is a true and complete copy of Resolution 2019-EC4.

ATTEST:

Secretary or Assistant Secretary

SEAL

EXHIBIT A

Supplement No. 1 to All-Requirements Power Supply Project
Subordinated Debt Resolution No. 28, adopted May 19, 2016

**FLORIDA MUNICIPAL POWER AGENCY
ALL-REQUIREMENTS POWER SUPPLY PROJECT**

**SUPPLEMENT
TO
ALL-REQUIREMENTS POWER SUPPLY PROJECT
SUBORDINATED DEBT RESOLUTION NO. 28
ADOPTED MAY 19, 2016**

Adopted June 20, 2019

**SUPPLEMENT TO
ALL-REQUIREMENTS POWER SUPPLY PROJECT
SUBORDINATED DEBT RESOLUTION NO. 28**

BE IT RESOLVED by the Executive Committee of Florida Municipal Power Agency (“FMPA”) as follows:

ARTICLE I.

DEFINITIONS AND STATUTORY AUTHORITY

SECTION 1.01. Supplemental Resolution. This Supplement adopted on June 20, 2019 (this “Supplement No. 1”) to All-Requirements Power Supply Project Subordinated Debt Resolution No. 28 adopted on May 19, 2016 is supplemental to the All-Requirements Power Supply Project Revenue Bond Resolution adopted by FMPA on March 22, 1985, as amended and restated in its entirety on May 23, 2003, and as supplemented and amended prior to the date hereof (the “Bond Resolution”), including as supplemented by the All-Requirements Power Supply Project Subordinated Debt Resolution No. 28 adopted on May 19, 2016 (the “Supplemental Resolution”). The Bond Resolution as supplemented by the Supplemental Resolution and this Supplement No. 1 is hereinafter referred to as the “Resolution”.

SECTION 1.02. Definitions. Except as modified by this Supplement No. 1, all terms which are defined in Section 101 of the Bond Resolution or Section 1.03 of the Supplemental Resolution shall have the same meanings, respectively, in this Supplement No. 1 as such terms are given in the Bond Resolution or the Supplemental Resolution.

SECTION 1.03. Authority for this Supplement No. 1. This Supplement No. 1 is adopted pursuant to the provisions of the Act and in accordance with the Bond Resolution.

ARTICLE II.

AMENDMENTS TO SUPPLEMENTAL RESOLUTION

SECTION 2.01. Amendments to Section 1.03.

The paragraph defining “Authorized Signatories” in Section 1.03 is hereby amended and restated as provided below (with additions being indicated by double-underlining and deletions being enclosed in brackets (“{“ and “}“)) and struck-through):

“The term “Authorized Signatories” means the (i) Chairperson of the Executive Committee or the Vice Chairperson of the Executive Committee, and (ii) the General Manager and CEO (or, if at any time the position of General Manager and CEO of FMPA is vacant, the person serving as Interim General

Manager) or the ~~{Assistant General Manager, Finance and Information Technology and CFO}~~ Chief Financial Officer of FMPA.”

SECTION 2.02. Amendments to Section 5.02

Section 5.02 is hereby amended and restated as provided below (with additions being indicated by double-underlining and deletions being enclosed in brackets (“{“ and “}“)) and struck-through):

“SECTION 5.02 Designation of Authorized Officers of FMPA.

The Chairperson of the Executive Committee and Vice Chairperson of the Executive Committee, and the Secretary, Assistant Secretary, Treasurer, General Manager and CEO (or, if at any time the position of General Manager and CEO of FMPA is vacant, the person serving as Interim General Manager), ~~{Assistant General Manager, Finance and Information Technology and CFO}~~ Chief Financial Officer of FMPA, and General Counsel and Chief Legal Officer are each hereby designated as Authorized Officers of FMPA and the All-Requirements Project for the purpose of executing and delivering any Promissory Note and taking any other actions authorized by any revolving credit agreement executed pursuant the authority delegated in Section 2.02 hereof or by this Resolution; provided, however, such other actions shall not include making any draws under any revolving credit agreement, which shall only be done by the Authorized Signatories.”

ARTICLE III.

AUTHORIZATION TO EXECUTE AMENDMENT TO REVOLVING CREDIT AGREEMENT AND RELATED DOCUMENTS

SECTION 3.01. Authorization for Second Amendment to JPMorgan Revolving Credit Agreement. Notwithstanding the parameters set forth in Section 2.02 of the Supplemental Resolution, the Authorized Signatories are hereby authorized to negotiate an amendment (the “Second Amendment”) to that Revolving Credit Agreement, dated as of July 1, 2016, by and between FMPA, as agent for the All-Requirements Power Supply Project, as the Borrower, and JPMorgan Chase Bank, National Association, as the Lender (“JPMorgan”), dated as of July 1, 2016, as amended by the First Amendment to Revolving Credit Agreement, dated as of December 20, 2018, by and between FMPA and JPMorgan (collectively, the “JPMorgan Revolving Credit Agreement”) substantially in the form of the Second Amendment to Revolving Credit Agreement attached to this Supplement No. 1 as Exhibit A, with such changes to the attached form as the Authorized Signatories shall deem necessary and desirable, and any related promissory notes and fee letter or fee agreement. The Authorized Signatories are hereby authorized to execute and deliver to the other party or parties thereto such Second Amendment, any related promissory notes, and any separate and related fee letter or fee agreement; such execution and delivery to be conclusive evidence of the approval of the terms and conditions thereof by the Authorized Signatories. An action taken by the Authorized Signatories under

Article II shall be subject to the approval of the General Counsel and Chief Legal Officer of FMPA.

ARTICLE IV.

MISCELLANEOUS

SECTION 4.01. Effective Date. This Supplement No. 1 shall take effect immediately after its adoption by the Executive Committee and the filing of a copy thereof certified by the Secretary or Assistant Secretary of said Committee with the Trustee.

SECTION 4.02. Designation of Authorized Officers of FMPA.

. The Chairperson of the Executive Committee and Vice Chairperson of the Executive Committee, and the Secretary, Assistant Secretary, Treasurer, General Manager and CEO,(or, if at any time the position of General Manager and CEO of FMPA is vacant, the person serving as Interim General Manager), the Chief Financial Officer of FMPA, and the General Counsel and Chief Legal Officer of FMPA are each hereby designated as Authorized Officers of FMPA and the All-Requirements Project for the purpose of executing and delivering this Supplement No. 1 and taking any other actions relating thereto.

SECTION 4.03. Further Actions.

. Subject to the requirements in the Bond Resolution for actions to be taken by the Authorized Signatories, each Authorized Officer of FMPA is hereby authorized and empowered to take all further actions as may be necessary or desirable in carrying out the terms and provisions of this Supplement No. 1 and each of the documents referred to herein.

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FLORIDA MUNICIPAL POWER AGENCY

By: _____
Chairperson of the Executive Committee

ATTEST:

By: _____
Secretary or Assistant Secretary

EXHIBIT A

[Second Amendment to Revolving Credit Agreement attached]

SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT

This SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT (this “*Amendment*”) is dated [____], 2019 (the “*Amendment Date*”), by and between FLORIDA MUNICIPAL POWER AGENCY, as Agent for the All-Requirements Power Supply Project (the “*Borrower*”), and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (“*JPMorgan Chase Bank*”) (the “*Lender*”). All capitalized terms herein and not defined herein shall have the meanings set forth in the hereinafter defined Agreement.

WITNESSETH

WHEREAS, the Borrower and the Lender have entered into that certain Revolving Credit Agreement dated as of July 1, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”);

WHEREAS, pursuant to Section 8.04 of the Agreement, the Agreement may be amended by a written amendment signed by the Borrower and the Lender; and

WHEREAS, the Borrower has requested and the Lender has agreed to make certain amendments to the Agreement.

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

1. AMENDMENTS.

From and after the Amendment Date, and upon the satisfaction of the conditions precedent set forth in Section 2 hereof, the Agreement shall be permanently amended as follows:

1.1. The following defined terms appearing in Section 1.1 of the Agreement are hereby amended and restated in its entirety and as so amended shall be restated to read as follows:

“*Alternate Base Rate*” means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day *plus* 0.50%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“*Applicable Factor*” means 79%.

“*Fee Letter*” means that certain amended and restated fee letter dated as of _____, 2019 by and between the parties hereto, as amended and supplemented from time to time.

“*Margin Rate Factor*” means the greater of (i) 1.0, and (ii) the product of (a) one minus the Maximum Federal Corporate Tax Rate multiplied by (b) 1.26582. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

“*Maturity Date*” means [____], 2020, or such later date to which the Maturity Date is extended in accordance with the provisions of Section 2.18 hereof; *provided, however*, that if such date is not a Business Day, the Maturity Date shall be the immediately preceding Business Day.

1.2. Section 1.1 of the Agreement is hereby further amended and restated by adding the following defined terms in alphabetical order, such new defined terms to read as follows:

“*Anti-Terrorism Laws*” has the meaning ascribed to such term in Section 3.18.

“*Executive Order*” has the meaning ascribed to such term in Section 3.18.

“*OFAC*” has the meaning ascribed to such term in Section 3.18.

“*OFAC Sanctions Programs*” means all laws, regulations, and Executive Orders administered by OFAC, including without limitation, the Bank Secrecy Act, anti-money laundering laws (including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (a/k/a the USA Patriot Act)), and all economic and trade sanction programs administered by OFAC, any and all similar United States federal laws, regulations or Executive Orders, and any similar laws, regulations or orders adopted by any State within the United States.

“*Sanctioned Country*” means, at any time, a country or territory which is the subject or target of any Sanctions.

“*Sanctioned Person*” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

1.3. Section 2.12 of the Agreement is hereby amended and restated in its entirety and as so amended shall be restated to read as follows:

Section 2.12. Alternate Rate of Interest. (a) If prior to the commencement of the Interest Period for any LIBO Rate Borrowing the Lender determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period, then the Lender shall give notice thereof to the Borrower by telephone or telecopy as promptly as practicable thereafter and, until the Lender notifies the Borrower that the circumstances giving rise to such notice no longer exist, (i) such Borrowing (unless prepaid) shall be continued as, or converted to, an ABR Borrowing (*provided* that no such conversion shall be required earlier than the last day of the then-current Interest Period) and (ii) if any Borrowing Request requests a LIBO Rate Borrowing, such Borrowing shall be made as an ABR Borrowing.

(b) If at any time Lender determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in subsection (a) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in subsection (a) have not arisen but the supervisor for the administrator of the Adjusted LIBO Rate or a Governmental Authority having jurisdiction over Lender has made a public statement identifying a specific date after which the Adjusted LIBO Rate shall no longer be used for determining interest rates for loans, then the Lender and the Borrower shall endeavor to establish an alternative rate of interest to the Adjusted LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary in Section 8.04, such amendment shall become effective without any further action or consent of any other party to this Agreement. Until an alternate rate of interest shall be determined in accordance with this subsection (b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this subsection (b), only to the extent the Adjusted LIBO Rate for such Interest Period is not available or published at such time on a current basis), (x) any notice that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a LIBO Rate Borrowing shall be ineffective and (y) if any Borrowing notice requests a LIBO Rate Borrowing, such Borrowing shall be made as an ABR Borrowing.

1.4. Section 3.18 of the Agreement is hereby amended and restated in its entirety and as so amended shall be restated to read as follows:

Section 3.18. Anti-Terrorism Laws; Anti-Corruption Laws and Sanctions. (a) The Borrower is not in violation of any laws relating to terrorism or money laundering (“*Anti-Terrorism Laws*”), including Executive Order No.13224 on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), and the Patriot Act;

(i) the Borrower is not any of the following:

(A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(C) [reserved];

(D) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(E) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“*OFAC*”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(ii) the Borrower does not (A) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (i)(B) above, (B) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (C) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) The Borrower and its officers and employees and to the knowledge of the Borrower its directors are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of the Borrower or any of its directors, officers or

employees, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

1.5. Article III of the Agreement is hereby amended to add the following Section 3.19 immediately following Section 3.18 therein, such new Section 3.19 to read as follows:

Section 3.19. OFAC. (i) The Borrower shall at all times comply in all material respects with the requirements of all OFAC Sanctions Programs applicable to the Borrower; (ii) the Borrower shall provide the Lender any information the Lender reasonably requests regarding the Borrower's compliance with the OFAC Sanctions Program; and (iii) if the Borrower obtains actual knowledge or receives any written notice that the Borrower is a Sanctioned Person (such occurrence, an "*OFAC Event*"), the Borrower shall promptly (x) give written notice to the Lender of such OFAC Event, and (y) comply with all applicable laws with respect to such OFAC Event (regardless of whether such Sanctioned Person is located within the jurisdiction of the United States of America), including the OFAC Sanctions Programs, and the Borrower hereby authorizes and consents to the Lender taking any and all steps the Lender deems necessary, in its sole but reasonable discretion, to avoid violation of all reasonable applicable laws with respect to any such OFAC Event, including the requirements of the OFAC Sanctions Programs (including, without limitation, reporting such action to OFAC).

1.6. Section 4.08 of the Agreement is hereby amended and restated in its entirety and as so amended shall be restated to read as follows:

Section 4.08. Use of Proceeds. The proceeds of the Advances will be used to pay or reimburse the All-Requirements Project for Operation and Maintenance Expenses and interest rate hedging costs including, without limitation, for (i) fuel costs (including amounts needed to fund collateral posting requirements and termination payments for fuel hedges) and (ii) interest rate hedging costs (including amounts needed to fund collateral posting requirements and termination payments for interest rate hedges). No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will be used, whether directly or indirectly, (A) for any purpose that entails a violation of any of the regulations of the Federal Reserve Board, including Regulations T, U and X, (B) for any purpose that results in a violation of any Anti-Corruption Laws or (C) for any purposes or

in any manner that would result in the violation of any Sanctions applicable to any party hereto.

2. CONDITIONS PRECEDENT.

This Amendment shall be effective on the date hereof subject to the satisfaction of or waiver by the Lender of all of the following conditions precedent:

2.1. Delivery by the Borrower of an executed counterpart of this Amendment.

2.2. All other legal matters pertaining to the execution and delivery of this Amendment shall be reasonably satisfactory to the Lender and its counsel and such satisfaction shall be deemed to have occurred upon delivery by the Lender of an executed counterpart of this Amendment.

3. REPRESENTATIONS AND WARRANTIES.

To induce the Lender to enter into this Amendment, the Borrower represents and warrants as follows:

3.1. *Incorporation of Representations and Warranties from Agreement.* The representations and warranties of the Borrower contained in Article III of the Agreement are true and correct in all material respects at and as of the Amendment Date except with respect to Section 3.09(a) and except to the extent that such representations and warranties relate to an earlier date.

3.2. *Absence of Event of Default.* After giving effect to this Amendment, no Default or Event of Default will exist or will be continuing.

3.3. *Power and Authority.* The Borrower has the requisite corporate power and authority to execute, deliver and perform the terms and provisions of this Amendment and the Agreement as amended hereby, and has taken all necessary corporate action to authorize the execution, delivery and performance by it of this Amendment and the Agreement as amended hereby.

3.4. *Binding Obligation.* This Amendment has been duly executed and delivered by the Borrower, and constitutes the legal, valid and binding obligation of the Borrower enforceable against it in accordance with its terms, except as the enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether enforcement is sought in equity or at law).

4. MISCELLANEOUS.

4.1. Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement, or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to, and shall mean and be a reference to, the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby. All capitalized terms used herein without definition shall have the same meanings herein as they have in the Agreement. ALL TERMS, OBLIGATIONS AND PROVISIONS OF THIS AMENDMENT ARE TO BE DETERMINED AND GOVERNED BY THE LAW OF FLORIDA, IT BEING UNDERSTOOD THAT THE POWER AND AUTHORITY OF THE LENDER TO ENTER INTO THIS AMENDMENT ARE GOVERNED BY THE LAW OF THE UNITED STATES OF AMERICA.

4.2. The Borrower agrees to pay on demand all costs and expenses of or incurred by the Lender in connection with the negotiation, preparation, execution and delivery of this Amendment, including the fees and expenses of counsel for the Lender, and such costs and expenses shall not exceed \$5,000.

4.3. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers hereunto duly authorized as of the Amendment Date.

ATTEST:

FLORIDA MUNICIPAL POWER AGENCY, as
Agent for the All-Requirements Power
Supply Project

Title: _____

(SEAL)

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

Approved:

By _____
Name: _____
Title: _____

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
Name: _____
Title: _____

AGENDA ITEM 9 – INFORMATION ITEMS

a) Bushnell LAIR Implementation Method

**Executive Committee
June 20, 2019**



EC 9a - Bushnell LAIR Implementation Methodology

FMIPA Executive Committee

June 20, 2019

Background

LAIR Metering Requirements Revised in March

- During 2017, EC approved the Load Attraction Incentive Rate (“LAIR”) rider to Rate Schedule B-1 to help attract new, large loads to Participant service territories
- LAIR rider required that the new load be separately metered from existing load to receive the incentive
- Bushnell will not be able to pragmatically meter the CP demand of the new load from its system expansion separate from its existing system load and would require a waiver
- In lieu of an individual waiver for Bushnell, EC indicated a desire to revise the LAIR rider to allow for an alternative if separate metering is not practical or feasible (and alternative language was adopted in March 2019)
- “Prior to being utilized, the alternative method must be approved by FMPA’s General Manager and CEO as to its reasonableness in accurately measuring the New Load CP Demand, and the utilization of such alternative method must be reported to the FMPA Executive Committee at its next regularly scheduled meeting.”

The Story in Brief

Actual Retail Data Will Drive Monthly LAIR Credits

- Bushnell has obtained 12 months of actual retail sales data for all prior SECO customers being added to their system
- FMPA is working within the ARP load forecast process to compile this data and determine the total incremental demand from SECO
 - Demand data available for demand customers
 - Load factor and distribution losses estimates drive remainder of demand impacts
 - Forecast will drive future FMPA ARP planning cycle models for consistency
- Each month will receive a percentage credit based on the Year 1 monthly incremental SECO demand divided by total demand (Native Bushnell + New SECO)
- LAIR credit applied to actual total load multiplied by monthly percentage
 - LAIR credit rate still ramps down relative to ARP base demand rate over 5 years

A Simplified Example

Demand Credit % Static, LAIR Credit % Ramps Down

Month	Total Demand (MW)	Monthly Demand Credit (%)	Est. Incremental SECO (MW)	LAIR Credit Percentage (%)
1 st January	13	46%	6.0	50%
2 nd January	14	46%	6.4	40%
3 rd January	14	46%	6.4	30%
4 th January	15	46%	6.9	20%
5 th January	16	46%	7.4	10%

LAIR Demand Credit Still Ramps Down

- LAIR is applied as a credit after all other charges are billed.
- The first year demand credit percentages will carry forward into years 2-5.
- Demand credit percentages will vary by month (but remain static in a given month) based on actual retail data used to derive estimate of incremental demand driven by SECO acquisition.
- Assumes a constant (static) ratio between incremental SECO load and native Bushnell load before SECO – best available method to avoid load growth uncertainty.
- LAIR demand credit (\$/kW-mo.) will still ramp down from 50% in Year 1 to 10% by Year 5 and is driven from base ARP demand rate.

Recommended Action

- Information Only

AGENDA ITEM 9 – INFORMATION ITEMS

b) Quarterly Compliance Update

**Executive Committee
June 20, 2019**



EC 9b – Regulatory Compliance Update

FMIPA Executive Committee

June 20, 2019

Member Support

- City of Bartow Peer review completed February 2019
 - The peer review included a substation spot check and was supported by Beaches Energy
- Two more peer reviews confirmed for 2019
- On going transmission planning studies
 - Lake Worth and Ocala
- Protection Coordination Reviews

Member Support

- KEYS BES Exception Renewal/Recertification
 - Recertification was submitted to FRCC and NERC
 - NERC Review is on-going. Recertification was approved provisionally by NERC while it reviews materials submitted
 - NERC issued a data request. FMPA and its consultant are preparing a re-study and new models to submit
 - Projected completion of data submittal is three weeks. No target date set by NERC.

Member Support

- Transition to SERC will take place on July 1, 2019
 - FRCC Regional Entity (Compliance monitoring and enforcement) will be dissolved
 - FRCC Member Services will remain in place
 - Coordinated Planning and Operations for bulk electric system of peninsular Florida
 - ~\$13 million budget
 - FRCC Governance questions
 - Some FRCC members want changes in voting and funding allocations
 - Governance Assessment Steering Committee and Task Force formed earlier this year
 - FMPA actively engaged
 - Some other FMPA members participating, any FRCC member can participate
 - FRCC Board ultimately has to vote on any changes to voting and funding

Industry Influence

- Staff continues to play an active role within NERC and with trade organizations such as NAGF, TAPS and APPA.
- Standards Efficiency Review
 - Carol Chinn continues to play an active role and is on the SER Advisory Team
 - Initial retirements passed with very high approval ratings
 - 82 NERC standard requirements recommended to FERC for retirement
 - Phase Two is currently underway
- NERC is preparing a Section 1600 Data Request for Low Impact BES Cyber Systems
 - Data Request was prepared by NERC staff
 - Carter Manucy is working with the Supply Chain Working Group to improve the initial draft

AGENDA ITEM 9 – INFORMATION ITEMS

c) KUA TARP Agreement Modifications

**Executive Committee
June 20, 2019**



EC 9c – KUA TARP Agreement Modifications

FMIPA Executive Committee

June 20, 2019

True All-Requirements Project Agreement Background

- TARP agreement executed with KUA in 2008
 - Replaced original Capacity & Energy Sales agreement
 - Provides greater certainty to payments for KUA's generation entitlements
 - Consolidates operational control of jointly owned units
- Payments fixed for period of time to align with KUA debt obligations
- After fixed payment term:
 - Rate based on operation of units (service factor)
 - FMPA has ability to retire units without payment obligation

Modification Keeps Units Running, Provides Value

- FMPA staff faced with decision whether to retire units with good performance (Cane Island 1 & Cane Island 2 eligible in FY 2021)
- Market value of capacity has declined significantly
- Service factor based rate would result in out of the money capacity payments and out of economics operation of the units
- KUA and FMPA staff agreed to extend the fixed payment term for 6 years at new negotiated rates

Modification Based on Market Drivers

- The new agreement developed based on recent FMPA transacted values for capacity
- Additionally, some of FMPA's firm energy sales margins support the developed rates
- The market value for CI 1 & 2 capacity was blended with current TARP rates
- The final structure of the payments resulted from an NPV of the overall value over the six year horizon profiled over the period with roughly a 2% escalation rate

Cane Island Units 1 & 2 Will Continue to Serve ARP

- CI 1 & 2 payments reduced from \$3.8 M under current fixed payment term to \$2.1 M for FY 2021, then escalated through FY 2026

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
\$/kW-month	\$ 2.50	\$ 2.56	\$ 2.62	\$ 2.68	\$ 2.74	\$ 2.81
FY Dollars	\$ 2,100,819	\$ 2,149,594	\$ 2,199,832	\$ 2,251,577	\$ 2,304,874	\$ 2,359,770

- ***Benefit to ARP approximately \$8.6 M or \$.24/MWh over 6 years***

Information Only

- Action to be requested in July
- KUA Board approval also needed
- Letter agreement and revised Schedule D to TARP agreement attached
 - Redline of Schedule D also included



Jacob A. Williams
General Manager and CEO

May 31, 2019

Mr. Larry Mattern
Vice President of Power Supply
Kissimmee Utility Authority
1701 W. Carroll St.
Kissimmee, FL34741

Dear Larry,

FMPA and KUA are parties to the Revised, Amended, and Restated Capacity and Energy Sales Contract between Florida Municipal Power Agency (All-Requirements Power Supply Project) and Kissimmee Utility Authority, dated as of October 1, 2008 (the "TARP Agreement"). FMPA and KUA hereby agree to amend and restate Schedule D of the TARP Agreement, a copy of which is attached to this letter agreement, such amendment to become effective upon execution of this letter agreement by both parties. This amendment is being made by mutual agreement between FMPA and KUA pursuant to section 16.12 of the TARP Agreement and does not obligate either party to future amendments, except as mutually agreed to by FMPA and KUA in writing.

By signing below, FMPA and KUA agree to the foregoing.

FLORIDA MUNICIPAL POWER AGENCY

KISSIMMEE UTILITY AUTHORITY

Jacob Williams
General Manager & CEO
Date: _____

By:
Title:
Date: _____

SCHEDULE D

CAPACITY CREDITS

Capacity Credits for the Units listed in Exhibit A of this Revised, Amended, and Restated Capacity and Energy Sales Contract shall be calculated according to the schedule set forth below and also according to Schedules D.1 and D.2:

I. Duration of Capacity Credit Payments and Type of Expenditure Per Unit:

Unit Name (1)	Class	Primary Fuel	Capacity MW(1)	Operational Control	Minimum Fixed Payment Term through 9/30/YEAR	Commercial Operation Date per FMPA 2005 10 Year Site Plan	Costs
SEC A	Base	NG	22.700	Southern Co.	2028	10/2003	Direct Payment
SEC 1	Base	Coal	21.000	OUC	2027	7/1987	Direct Payment
CI3	Base/Intermediate	NG	126.050	FMPA	2027	1/02	Reimbursed
CI2	Base/Intermediate	NG	53.400	FMPA	2026	6/95	Reimbursed
CI1	Intermediate/Peaking	NG	16.655	FMPA	2026	1/95	Reimbursed
Hansel CC	Intermediate/Peaking	NG	43.850	FMPA	2012	2/1983 and 11/1983	Reimbursed
IR A&B	Peaking	NG	8.000	OUC	2014	6/1989 and 7/1989	Direct Payment

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II. KUA - Capacity Credit Summary by unit for FMPA ARP for the minimum fixed payment term.

	C11 *	C12 *	C13 *	Hansel CC*	SEC A	SEC1	IR A&B
Fiscal Year	Fixed Annual Payment						
FY 2009	\$750,097	\$3,088,982	\$10,338,308	\$1,515,849	\$1,297,794	\$3,517,829	\$167,177
FY 2010	\$750,097	\$3,088,982	\$10,338,308	\$1,515,849	\$1,297,794	\$3,517,829	\$167,177
FY 2011	\$750,097	\$3,088,982	\$10,338,308	\$1,515,849	\$1,297,794	\$3,517,829	\$167,177
FY 2012	\$750,097	\$3,088,982	\$10,338,308	\$1,515,849	\$1,297,794	\$3,517,829	\$167,177
FY 2013	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$167,177
FY 2014	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$167,177
FY 2015	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2016	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2017	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2018	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2019	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2020	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2021	\$499,452	\$1,601,367	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2022	\$511,048	\$1,638,546	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2023	\$522,992	\$1,676,840	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2024	\$535,294	\$1,716,283	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2025	\$547,965	\$1,756,909	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2026	\$561,016	\$1,798,754	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2027	*	*	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2028	*	*	*	*	\$1,297,794	\$0	\$0
FY 2029	*	*	*	*	\$0	\$0	\$0

* See Schedule D.1 for payments beyond the minimum fixed payment term.

- (1) Abbreviations as used in this Schedule D: Stanton Unit A = SEC A; Natural Gas = NG; Stanton Unit I = SEC 1; Kissimmee Utility Authority = KUA; Cane Island Unit 3 = CI3; Florida Municipal Power Agency = FMPA; Cane Island Unit 2 = CI2; Orlando Utilities Commission = OUC; Cane Island Unit 1 = CI1; Indian River CT A&B = IR A&B; Intermediate = Inter

III. Purchased Power Resources

- A. Stanton Project Entitlement Share OUC DIRECT PAYMENT
- B. Stanton II Project Entitlement Share OUC DIRECT PAYMENT

Redlined

SCHEDULE D

CAPACITY CREDITS

Capacity Credits for the Units listed in Exhibit A of this Revised, Amended, and Restated Capacity and Energy Sales Contract shall be calculated according to the schedule set forth below and also according to Schedules D.1 and D.2:

I. Duration of Capacity Credit Payments and Type of Expenditure Per Unit:

Unit Name (1)	Class	Primary Fuel	Capacity MW(1)	Operational Control	Minimum Fixed Payment Term through 9/30/YEAR	Commercial Operation Date per FMPA 2005 10 Year Site Plan	Costs
SEC A	Base	NG	22.700	Southern Co.	2028	10/2003	Direct Payment
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IR A&B	Peaking	NG	8.000	OUC	2014	6/1989 and 7/1989	Direct Payment

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II. KUA - Capacity Credit Summary by unit for FMPA ARP for the minimum fixed payment term.

	C11 *	C12 *	C13 *	Hansel CC*	SEC A	SEC1	IR A&B
Fiscal Year	Fixed Annual Payment						
FY 2009	\$750,097	\$3,088,982	\$10,338,308	\$1,515,849	\$1,297,794	\$3,517,829	\$167,177
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FY 2015	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2016	\$750,097	\$3,088,982	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
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FY 2021	<u>\$499,452</u> *	<u>\$1,601,367</u> *	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2022	<u>\$511,048</u> *	<u>\$1,638,546</u> *	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2023	<u>\$522,992</u> *	<u>\$1,676,840</u> *	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2024	<u>\$535,294</u> *	<u>\$1,716,283</u> *	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
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FY 2027	*	*	\$10,338,308	*	\$1,297,794	\$3,517,829	\$0
FY 2028	*	*	*	*	\$1,297,794	\$0	\$0
FY 2029	*	*	*	*	\$0	\$0	\$0

* See Schedule D.1 for payments beyond the minimum fixed payment term.

- (1) Abbreviations as used in this Schedule D: Stanton Unit A = SEC A; Natural Gas = NG; Stanton Unit I = SEC 1; Kissimmee Utility Authority = KUA; Cane Island Unit 3 = C13; Florida Municipal Power Agency = FMPA; Cane Island Unit 2 = C12; Orlando Utilities Commission = OUC; Cane Island Unit 1 = C11; Indian River CT A&B = IR A&B; Intermediate = Inter

III. Purchased Power Resources

- A. Stanton Project Entitlement Share OUC DIRECT PAYMENT
- B. Stanton II Project Entitlement Share OUC DIRECT PAYMENT

AGENDA ITEM 10 – MEMBER COMMENTS

**Executive Committee
June 20, 2019**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
June 20, 2019**