



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

July 17, 2019

8:15 a.m. [NOTE TIME]

There is no dial-in or WebEx for this meeting

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

Vacant, Leesburg

Bill Conrad, Newberry

Mike Poucher, Ocala

Robert Milner, Starke

Meeting Location

Hyatt Regency Coconut Point Resort and Spa

5001 Coconut Road

Bonita Springs, FL 34134

(239) 444-1234



MEMORANDUM

TO: FMPA Executive Committee
FROM: Jacob A. Williams, General Manager and CEO
DATE: July 9, 2019
RE: FMPA Executive Committee Meeting
Wednesday, July 17, 2019 at 8:15am [NOTE DATE, PLACE AND TIME]
(or immediately following the Board of Directors meeting)
PLACE: **Hyatt Regency Coconut Point Resort & Spa – Calusa F-G-H**
5001 Coconut Road, Bonita Springs, FL 34134

DIAL-IN: There is no dial-in or WebEx for this meeting.

Chairman Howard McKinnon, Presiding

AGENDA

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

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

This public meeting is being held in Bonita Springs, Florida at the above-referenced location. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or 1-(888)-774-7606, at least two (2) business days in advance to make appropriate arrangements.

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

**Executive Committee
July 17, 2019**

AGENDA ITEM 2 – SET AGENDA (By Vote)

**Executive Committee
July 17, 2019**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
July 17, 2019**

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

**Executive Committee Meeting
July 17, 2019**

VERBAL REPORT

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

**Executive Committee
July 17, 2019**

VERBAL REPORT

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

**Executive Committee
July 17, 2019**

AGENDA ITEM 7 – CONSENT AGENDA

- a) Approval of Meeting Minutes – Meetings Held June 20, 2019, ARP Telephonic Rate Workshop Held June 11, 2019, Telephonic Individual Members Natural Gas Hedging Workshop Held June 19, 2019, Telephonic Securing Physical Gas Workshop Held June 28, 2019 and Telephonic Special-Called Executive Committee Meeting Held July 2, 2019**

**Executive Committee
July 17, 2019**

CLERKS DULY NOTIFIED JUNE 11, 2019
AGENDA PACKAGES POSTED JUNE 11, 2019

**MINUTES
EXECUTIVE COMMITTEE
THURSDAY, JUNE 20, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819**

**PARTICIPANTS
PRESENT:**

Jody Young, Bushnell
Lynne Mila, Clewiston (via telephone)
Fred Hilliard, Fort Meade (via telephone)
Paul Jakubczak, Fort Pierce
Robert Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach
Larry Mattern, Kissimmee
Mike Poucher, Ocala (via telephone)
Bob Milner, Starke * (via telephone)

*arrived after roll call

**OTHERS
PRESENT**

John Tompeck, Fort Pierce
Barbara Quiñones, Homestead
Karen Nelson, Jacksonville Beach

**STAFF
PRESENT**

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Dan O'Hagan, Assistant General Counsel and Regulatory
Compliance Counsel
Mark McCain, Assistant General Manager, Member Services, Human
Resources and Public Relations
Mike McCleary, Manager of Member Services Development
Chris Gowder, Business Development and Planning Manager
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Luis Cruz, Information Technology Manager
Jesse Rivera, Information Technology Support Specialist
Isabel Montoya, Information Technology Intern

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

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee Meeting to order at 11:05 a.m. on Thursday, June 20, 2019 in the Frederick M. Bryant Board Room, Florida Municipal Power Agency, Orlando, Florida. The roll was taken and a quorum was declared with 9 members present out of a possible 13. Bob Milner, Starke, joined via telephone after roll call bringing total members present to 10 out of 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Allen Putnam, Jacksonville Beach, moved to set the agenda as written. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 10 – 0.

ITEM 3 – RECOGNITION OF GUESTS

None

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

None

ITEM 6 – REPORT FROM GENERAL MANAGER

Jacob Williams said he had nothing further to report to the Executive Committee than what he reported in the Board of Directors meeting.

ITEM 7 – CONSENT AGENDA

Item 7a – Approval of Meeting Minutes – Held May 16, 2019; ARP Telephonic Rate Workshop Minutes – Workshop Held May 14, 2019

Item 7b – Approval of Treasury Reports – As of April 30, 2019

Item 7c – Approval of the Agency and All-Requirements Project Financials as of April 30, 2019

Item 7d – Review and Approval of FRCC TOP Responsibilities and Authorities

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the consent agenda as presented. Larry Mattern, Kissimmee, seconded the motion. Motion carried 10 – 0.

ITEM 8 – ACTION ITEMS

Item 8a – Approval of Conservation Program Policy

MOTION: Paul Jakubczak, Fort Pierce, moved approval of the Conservation Program Policy as recommended by the Conservation and Renewable Energy Advisory Committee. Jody Young, Bushnell, seconded the motion. Motion carried 10 – 0.

Item 8b – Approval of External Audit Firm

Linda S. Howard presented the Finance Committee's recommendation of Purvis Gray and Company to the Executive Committee.

MOTION: Paul Jakubczak, Fort Pierce, moved 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 and appropriate agreement, subject to review by General Counsel. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 9 – 1. Green Cove Springs voted nay.

Item 8c – Approval of Resolution 2019-EC 3 – Approval of Agency General and All-Requirements Project Budgets for Fiscal Year 2020

Jason Wolfe reported on the Agency general and All-Requirements Project budgets for FY 2020.

Resolution 2019-EC3 was read by title:

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.

MOTION: Allen Putnam, Jacksonville Beach, moved adoption of the Budget Resolution 2019-EC3, which will approve the Fiscal Year 2020 FMPA All-Requirements and Agency Budgets. Larry Mattern, Kissimmee, seconded the motion. Motion carried 10 – 0.

Item 8d – Approval of Resolution 2019-EC4 – Approval of Extension of Line of Credit with JP Morgan

Rich Popp presented the extension of the Line of Credit with JP Morgan.

Resolution 2019-EC4 was read by title:

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.

MOTION: Paul Jakubczak, Fort Pierce, moved 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. Jody Young, Bushnell, seconded the motion. Motion carried 10 – 0.

ITEM 9 – INFORMATION ITEMS:

a. Bushnell LAIR Implementation Method

Jason Wolfe presented information on the Bushnell LAIR Implementation Method.

b. Quarterly Compliance Update

Brandon McCormick presented the Quarterly Compliance Update.

c. KUA TARP Agreement Modifications

Ken Rutter presented information on potential modifications to the KUA TARP Agreement.

ITEM 10 – MEMBER COMMENTS

None

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 12:02 p.m.

Howard McKinnon
Chairperson, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKS JUNE 5, 2019
AGENDA PACKAGES SENT TO MEMBERS..... JUNE 11, 2019

**MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, JUNE 11, 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
Kevin Crawford, Kissimmee
Sabrina Hubbell, Leesburg
Mike Poucher, Ocala

*arrived after roll call.

COMMITTEE MEMBERS ABSENT

Fred Hilliard, Fort Meade
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Bob Milner, Starke

OTHERS PRESENT

Eric Weaver, Ocala (via telephone)

STAFF PRESENT

Jody Finklea, General Counsel and CLO (via telephone)
Linda S. Howard, Chief Financial Officer (via telephone)
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board
Joe McKinney, System Operations Manager
Jim Arntz, Senior Accountant / Rates Analyst
Jason Wolfe, Financial Planning, Rates and Budget Director

Item 1 – Call to Order

No FMPA Officers were on the telephone so staff called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:03 p.m. on Tuesday, June 11, 2019, via telephone. A speaker telephone for public attendance and participation was located in the Library Conference Room 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 May loads and reviewed the May 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

MINUTES

**EXECUTIVE COMMITTEE WORKSHOP MINUTES
ARP INDIVIDUAL MEMBER NATURAL GAS HEDGING WORKSHOP
WEDNESDAY, JUNE 19, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE,
ORLANDO, FLORIDA 32819**

PARTICIPANTS PRESENT

Fort Pierce	-	Paul Jakubczak (via telephone)
Fort Meade	-	Fred Hilliard (via telephone)
Green Cove Springs	-	Robert Page
Havana	-	Howard McKinnon
Jacksonville Beach	-	Allen Putnam
Key West	-	Lynne Tejeda (via telephone)
Kissimmee	-	Larry Mattern
Leesburg	-	Jim Williams
Ocala	-	Michael Poucher (via telephone)

OTHERS PRESENT

John Tompeck, Fort Pierce (via telephone)
Kevin Crawford, Kissimmee (via telephone)
Tom Geoffroy, FGU (via telephone)
David Wagner, FGU

STAFF PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Dan O'Hagan, Assistant General Counsel and Regulatory Compliance Counsel
Mark McCain, Assistant General Manager, Public Relations
Sue Utley, Executive Assistant to the CEO/Asst. Secy to the BOD
Jason Wolfe, Financial Planning, Rates and Budget Director
Rich Popp, Audit and Risk Director
Chris Gowder, Business Development and Planning Manager
Joe McKinney, System Planning Manager
Richard Montgomery, Business Development Administrator

Item 1- Call to Order and Identification of Attendees

The workshop convened at 2:01 in the Fredrick M. Bryant Board Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Definition of Natural Gas Pricing Historical, Forward and Fundamental Supply/Demand Based Estimates

Item 3 – Forward Market Prices

Item 4 – Market Products

Item 5 – Member Load to Natural Gas Heat Rate Conversion Process

Item 6 Sample Program

Ken Rutter, Chief Operating Officer of FMPA provided opening comments, background, and introduction and information on items 2 through 6.

Discussion ensued and questions were answered.

Item 5 – Member Comments

None.

There being no further business, the workshop was adjourned at 3:18 p.m.

Approved

**MINUTES
EXECUTIVE COMMITTEE WORKSHOP MINUTES
TELEPHONIC SECURING PHYSICAL GAS SUPPLY WORKSHOP
FRIDAY, JUNE 28, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE,
ORLANDO, FLORIDA 32819**

PARTICIPANTS PRESENT

VIA TELEPHONE Clewiston - Lynne Mila
Green Cove Springs - Robert Page
Jacksonville Beach - Allen Putnam *
Key West - Lynne Tejeda
Kissimmee - Larry Mattern
Leesburg - Jim Williams
Newberry - Bill Conrad
Ocala - Charlene Pollette for Mike Poucher
*joined after roll call

OTHERS PRESENT

None

STAFF PRESENT Jacob Williams, General Manager and CEO (via telephone)
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer (via telephone)
Sue Utley, Executive Assistant to the CEO/Asst. Secy. to the BOD
Jason Wolfe, Financial Planning, Rates and Budget Director
Chris Gowder, Business Development and Planning Manager
Richard Montgomery, Business Development Administrator

Item 1- Call to Order and Identification of Attendees

Vice Chair Lynne Tejeda called the workshop to order at 10:00 a.m. in the 1st Floor Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Discussion on Securing Physical Gas Supply at Below Budget Prices

Jacob Williams and Ken Rutter presented information on securing physical gas at below budget prices. Discussion ensued. Members asked staff to send information on levels of securing 25 percent, 50 percent and 75 percent of the uncommitted levels at below budget with savings increments of 10¢, 20¢ and 30¢ below the FY 2020 budget. Staff agreed to send information before a special called telephonic Executive Committee meeting being held Tuesday, July 2, 2019 at 10:00 a.m.

Item 3 – Comments

None

Item 4 – Adjourn

There being no further business, the workshop was adjourned at 10:43 a.m.

Approved

MINUTES
TELEPHONIC EXECUTIVE COMMITTEE MEETING
TUESDAY, JULY 2, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE,
ORLANDO, FLORIDA 32819

PARTICIPANTS PRESENT

- VIA TELEPHONE**
- | | | |
|--------------------|---|--------------------------|
| Clewiston | - | Lynne Mila |
| Fort Pierce | - | Paul Jakubczak |
| Fort Meade | - | Fred Hilliard |
| Green Cove Springs | - | Robert Page |
| Havana | - | Howard McKinnon |
| Jacksonville Beach | - | Karen Nelson |
| Key West | - | Lynne Tejeda (in person) |
| Kissimmee | - | Larry Mattern |
| Leesburg | - | Al Minner |

OTHERS PRESENT

- VIA TELEPHONE**
- Jim Williams, Leesburg
 - Marie Brooks, Ocala
 - Tom Geoffroy, FGU
 - David Wagner, FGU

STAFF PRESENT

- Jacob Williams, General Manager and CEO
- Jody Finklea, General Counsel and CLO
- Ken Rutter, Chief Operating Officer
- Carol Chinn, Chief Information Security Officer
- Mark McCain, Assistant General Manager, Public Relations
- Sue Utley, Executive Assistant to the CEO/Asst. Secy. to the BOD
- Chris Gowder, Business Development and Planning Manager
- Sharon Adams, Human Resources Director

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

Chairman Howard McKinnon called the telephonic Executive Committee meeting to order at 10:00 a.m. The roll was taken and there were 9 members present via telephone and in person out of 13 members.

Item 2 – Set Agenda

Paul Jakubczak, Fort Pierce, moved approval of the agenda as presented. Karen White, Jacksonville Beach, seconded the motion. Motion carried 9 – 0.

Item 3 – Public Comments

None

Item 4 – Action Items

- a. Approval of Securing Physical Natural Gas

Jacob Williams and Ken Rutter presented information on buying physical gas at below budget prices.

Discussion ensued.

MOTION: Paul Jakubczak, Fort Pierce, moved approval of authorizing the General Manager to sign an FGU Directive for purchase of fixed price physical natural gas that will not go past the month of March 2020 at staff proposed specified volumes on FGT pipeline. Pricing for the transactions must be at a discount to budget no less than \$0.20 cents per mmBtu. Lynne Tejada, Key West, seconded the motion. Motion carried 7 – 1. Green Cove Springs voted nay and Clewiston was not present for the vote.

Item 5 – Information Items

None

Item 6 – Member Comments

None

There being no further business, the workshop was adjourned at 10:31 a.m.

Approved

AGENDA ITEM 7 – CONSENT AGENDA

**b) Approval of Treasury Reports as of May 31,
2019**

**Executive Committee
July 17, 2019**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Gloria Reyes
DATE: July 9, 2019
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of May 31, 2019

- Introduction
- This report is a quick summary update on the Treasury Department’s functions.
 - The Treasury Department reports for May 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 May 31, 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. As of May 31, 2019, the cumulative market value of the interest rate swaps in the All-Requirements Project was (\$14,163,144).

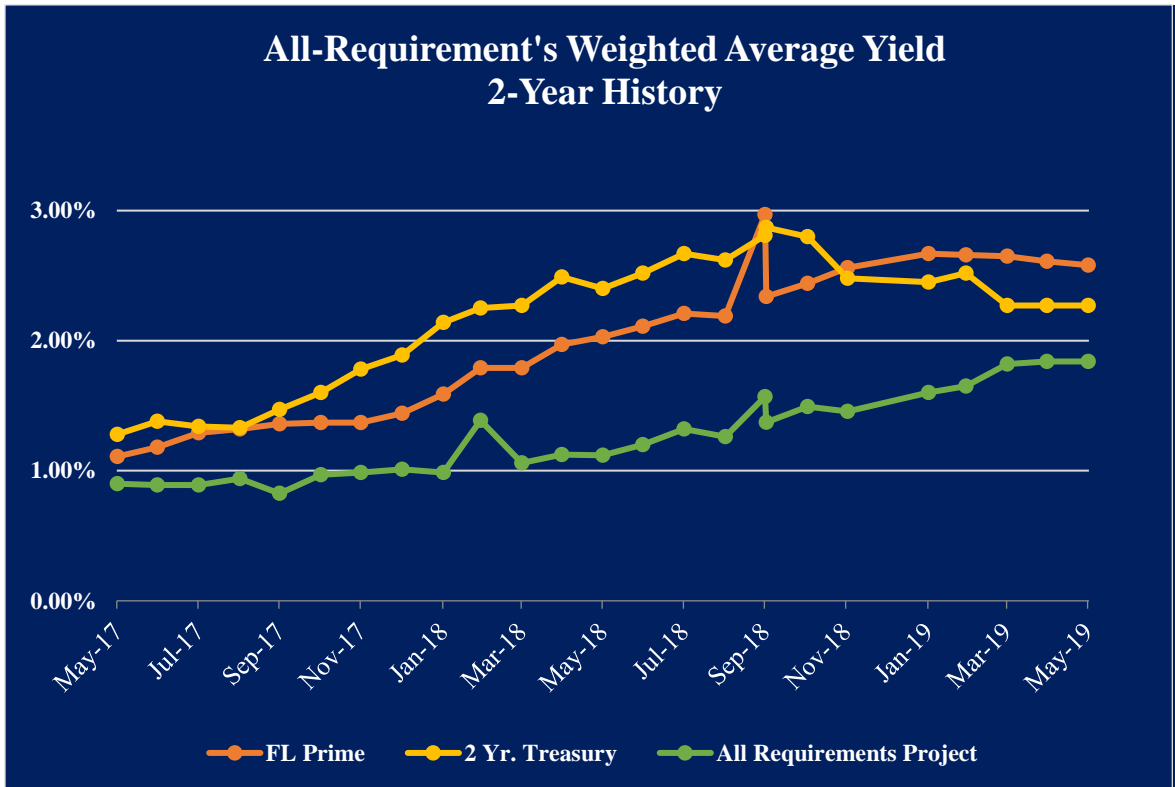
The Swap Valuation Report for May is posted in the “Member Portal” section of FMPA’s website.

Investment Discussion

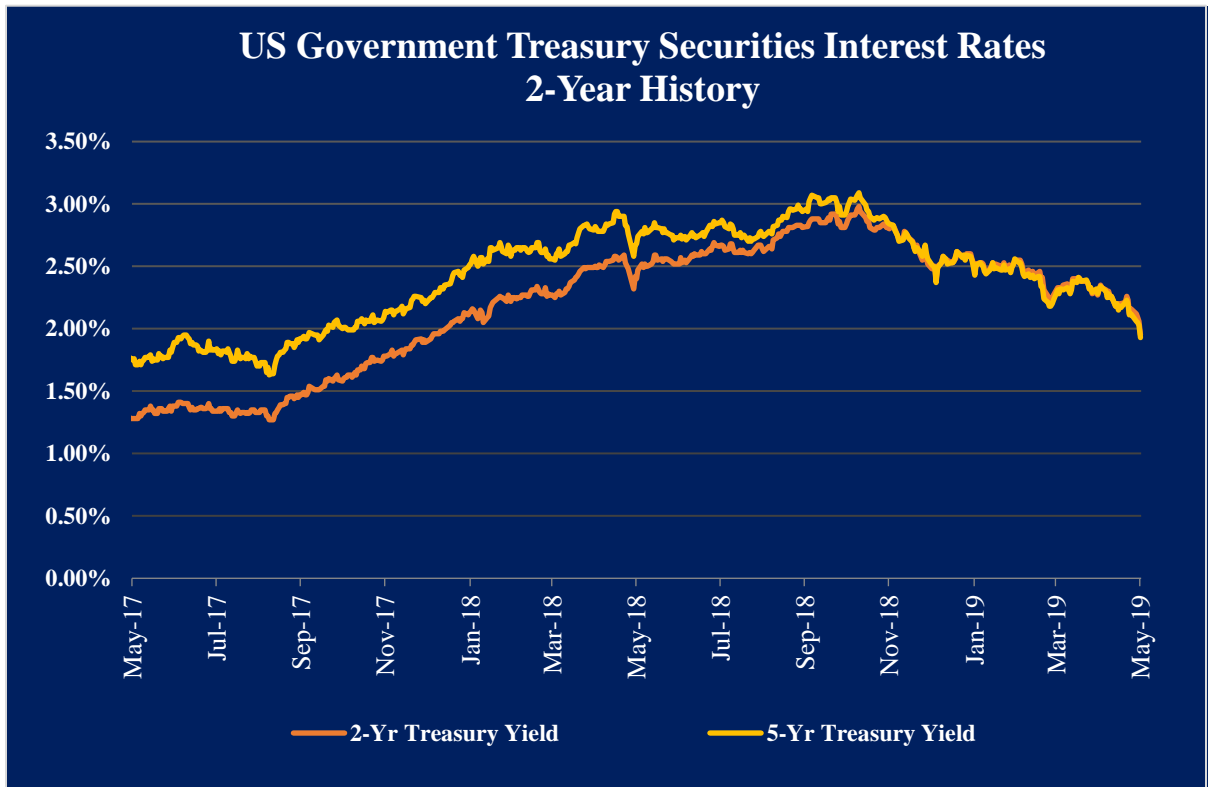
The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, 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 May 31, 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 May at 2.27%. The yellow line is the 5-year Treasury which was 2.23%.



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

Recommended
Motion

Move for approval of the Treasury Reports for May 31, 2019

AGENDA ITEM 7 – CONSENT AGENDA

- c) Approval of the Agency and All-Requirements Project Financials as of May 31, 2019**

**Executive Committee
July 17, 2019**



Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: FMPA Executive Committee
FROM: Linda Howard
DATE: July 9, 2019
SUBJECT: EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended May 31, 2019

Discussion: The summary and detailed financial statements of the Agency and All- Requirements Project for the period ended May 31, 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 May 31, 2019.

LH/GF

AGENDA ITEM 8 – ACTION ITEMS

- a) Approval of KUA TARP Agreement
Modifications (Ken Rutter)**

**Executive Committee
July 17, 2019**



EC 8a – KUA TARP Agreement Modifications

FMIPA Executive Committee

July 17, 2019

True All-Requirements Project Agreement Modification

- Transition to variable capacity payment rates in FY 2021 would result in either out of economic operations or potential retirement of Cane Island Units 1 & 2
- KUA and FMPA staff agreed to extend the fixed payment term for 6 years at new negotiated rates (FY 2021 through FY 2026)
- Modified rates developed based on recent market activity keep the units running and providing value

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 compared to variable TARP rates***

Recommended Motion

- Move approval of the revised Schedule D to the Revised, Amended, and Restated Capacity and Energy Sales Contract between KUA and FMPA ARP (the KUA TARP Agreement) and authorize the General Manager & CEO to execute the associated letter agreement.



Jacob A. Williams
General Manager and CEO

July 01, 2019

Mr. Brian Horton
President and General Manager
Kissimmee Utility Authority
1701 W. Carroll St.
Kissimmee, FL34741

Dear Brian,

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: _____

REVISED 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

[REMAINDER OF PAGE INTENTIONALLY BLANK]

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

	C1 *	C12 *	C13 *	Hansel CC*	SEC A	SEC1	IR A&B
Fiscal Year	Fixed Annual Payment	Fixed Annual Payment	Fixed Annual Payment	Fixed Annual Payment	Fixed Annual Payment	Fixed Annual Payment	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.

**July 10, 2019 Schedule D revisions.

- (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 |

AGENDA ITEM 8 – ACTION ITEMS

- b) Election of Executive Committee Officers
(Jody Finklea)**

**Executive Committee
July 17, 2019**



AGENDA PACKAGE MEMORANDUM

TO: Chairperson Howard McKinnon
FMPA Executive Committee

FROM: Jody Lamar Finklea, General Counsel and Chief Legal Officer

DATE: 9 July 2019

ITEM: EC 8b —Election of Executive Committee Officers

Introduction The Executive Committee By-Laws require the election of officers at each annual meeting. The By-Laws contemplate two elected Executive Committee officers: Chairperson and Vice Chairperson. The Executive Committee also has the authority to create or appoint non-elective officer positions as it deems desirable or necessary.

Election Process The Chairperson and Vice Chairperson must be members of the Executive Committee. The same individual cannot hold the two offices.

Nominations for the Chairperson and Vice Chairperson offices must come from the floor, from members of the Executive Committee. No method for making nominations is described in the by-laws, leaving the issue to the discretion of the Executive Committee. RONR (10th ed.), § 31, p. 276, l. 21-24.

As a suggestion, staff offers the following process:

- Election is first held for the office of Chairperson.
- Any member of the Executive Committee may make a nomination. For the nomination to be valid, the Executive Committee member who has been suggested for nomination must make it known that he or she accepts the nomination (the nominee’s physical presence at the meeting not necessary). After such acceptance, no second of a nomination is required.

- Multiple nominations for the same office are acceptable.
- After all nominations have been validly made. A motion and second is entertained to close the nominations and (1) conduct a vote if there are multiple nominations or (2) elect the nominee if there is only one nomination.
- In the instance of multiple nominees, votes should be conducted by roll call.
- The current Chairman will then canvass the votes and announce the results.
- After election of the Chairperson, the gavel may be passed to him or her, if appropriate, at the discretion of the new Chairperson, and election of the Vice Chairperson may be conducted in the same manner.

Term

Except for an earlier resignation, the Executive Committee By-Laws provide that the elected officers of the Executive Committee will serve a term that lasts until the Executive Committee meeting held coincident to the next annual Board of Directors meeting at the 2020 annual conference.

JLF:ws

AGENDA ITEM 9 – INFORMATION ITEMS

- a) Solar Project Phase I Transmission and Interconnection Update**

**Executive Committee
July 17, 2019**



BOD-EC 9a – Solar Project Phase I Transmission and Interconnection Update

FMIPA Board of Directors and Executive Committee

July 17, 2019

Solar Phase I

Transmission Service and Interconnection Update

- Poinsett Site – Funding for Legal Support for Transmission Service Complaint Against Duke Energy Florida.
- Harmony Site – Interconnection Substation Cost Sharing. (Also impacts Taylor Creek Site)

Facility (Interconnection)	Capacity	OUC	ARP	Solar Project
Taylor Creek (OUC)	74.5	74.5	0.0	0.0
Harmony (OUC)	74.5	34.0	40.5	0.0
Poinsett (DEF)	74.5	0.0	17.5	57.0
Total	223.5 MW	108.5 MW	58.0 MW	57.0 MW



Poinsett Site - Funding for Legal Support

Poinsett Site – Funding for Legal Support

Summary of Issue

- DEF denied Poinsett Solar Facility transmission service requests
 - Improperly required executed interconnection agreement prior to studying transmission service requests
- FMPA filed FERC complaint, arguing that DEF's practices
 - Violate DEF's Open Access Transmission Tariff (OATT)
 - Are inconsistent with FERC precedent allowing simultaneous requests
 - Contradict FERC's existing orders on interconnection

FMPA Filed Complaint at FERC Against Duke Energy

DEF Improperly Denied Poinsett Transmission Service Requests

- FERC ruled in favor of FMPA, finding that DEF's practice of requiring an interconnection agreement before a customer can submit a valid transmission service request violates DEF's Open Access Transmission Tariff and Business Practices and FERC precedent.
- Spiegel & McDiarmid, FMPA's FERC counsel, provided legal assistance on the filing
- Invoices for the effort total to \$68,669.40

Development Fund Used to Initiate Solar Project

Allocated Based on Phase I Solar Entitlement

- Legal battle expenses not envisioned when determining project costs
- Board previously authorized \$200,000 in Development Funds to be used for Solar Project I Development
 - Development Fund expenditures at time of project approval were \$134,347
 - Additional Legal Expenses: \$68,669
 - Total with these additional expenses is **\$203,016**
- Adder to solar energy rate would change from 2.38 cents per MWh to 3.60 cents per MWh
 - Allocated over first 20 years of the solar PPA

Allocation of New Expenses by Entitlement Ratio

Reimbursement Spread Over 20-Year Expected Energy

	Member	Share (MW)	Share (%)	Allocation
Solar Project	Lake Worth	10	8.696%	\$5,971
	Alachua	9	7.826%	\$5,374
	Bartow	13	11.304%	\$7,763
	Homestead	10	8.696%	\$5,971
	Wauchula	5	4.348%	\$2,986
	Winter Park	10	8.696%	\$5,971
ARP	Beaches	10	8.696%	\$5,971
	FPUA	3	2.609%	\$1,791
	KEYS	5	4.348%	\$2,986
	KUA	30	26.087%	\$17,914
	Ocala	10	8.696%	\$5,971

Recommend Use of Development Funds for Legal Support

For Approval at August Board Meeting

FMPA Solar Project Committee and ARP Solar Participants Advisory Committee Recommend Approval of:

- Authorizing an additional \$3500 in funding from the FMPA Development Fund for the joint-action solar project, which with previously authorized amounts results in a total authorization of \$203,500 and
- Funding FERC legal counsel expenses related to the solar transmission service request denial complaint filing of \$68,669.40 be funded out of the FMPA Development Fund as recommended by FMPA Solar Project Committee and ARP Solar Participants Advisory Committee at their June 13 meetings and
- Such expenses being allocated to the Solar Project and ARP Solar Participants based on their solar entitlement ratio share to be reimbursed over 20 years as an adder to the energy charge for each MWh received from the Harmony Solar and Poinsett Solar facilities.



Harmony Site – Interconnection Substation Costs

Harmony Site – Interconnection Substation Costs

Summary of Issue

- Costs impact only Taylor Creek and Harmony Solar Facilities (OUC Interconnection Sites)
- Interconnection Substation Costs inadvertently NOT included in PPA
 - Misunderstanding among parties regarding “Interconnection Facilities”
 - Costs covered by Transmission Provider (OUC position) or Developer (FRP position)?
- Parties agreed to negotiate terms to avoid contract dispute
- No further Interconnection / Network Upgrade costs related to Harmony expected

Harmony Interconnection Substation Cost Sharing

PPA Does Not Adequately Address

- Florida Renewable Partners and OUC (as the transmission provider for Harmony) have agreed on how to move forward with interconnection
 - Letter agreement to cover cost sharing and substation design
 - Awaiting OUC Board approval – expected on July agenda
- ARP cost for 54.36% share of Harmony not to exceed \$870,000

Member	Share	Cost
Beaches	17.241%	\$150,000
FPUA	5.173%	\$45,000
KEYS	8.621%	\$75,000
KUA	51.724%	\$450,000
Ocala	17.241%	\$150,000

ARP Solar Participants Advisory Committee

Request to Use FMPA Development Fund

- OUC will need reimbursement for ARP's share of the costs upon commercial operation of Harmony Solar
 - A letter agreement outlining responsibilities will be brought back to Solar Participants and Executive Committee for approval once details are finalized
- ARP Solar Participants Advisory Committee met on June 13th
 - Voted to request use of the FMPA Development Fund with repayment by the ARP Solar Participants over the first 20 years of the solar PPA
 - Board action to authorize \$870,000 will be requested at August meeting

Information Only

Next Steps:

- Poinsett Site –
 - Funding for Legal Support will be presented as Action Item at August meeting
- Harmony Site –
 - Letter Agreement, when finalized, will be brought to ARP Solar Participants Advisory Committee and Executive Committee
 - Board action to authorize \$870,000 will be requested at August meeting
- No action requested at this time



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AGENDA ITEM 10 – MEMBER COMMENTS

**Executive Committee
July 17, 2019**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
July 17, 2019**