



## **FMPA BOARD OF DIRECTORS AGENDA PACKAGE**

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**May 21, 2020**

**9:00 a.m. [NOTE TIME]**

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

**Meeting Number 851 068 231#**

**PASSWORD – 8553#**

### **Board of Directors**

Barbara Quiñones, Homestead –Chair  
Lynne Tejeda, Key West – Vice Chair  
Larry Mattern, Kissimmee – Secretary  
Allen Putnam, Jacksonville Beach – Treasurer  
Rodolfo Valladares, Alachua  
Bradley Hiers, Bartow  
Vacant, Blountstown  
Jody Young, Bushnell  
Robert Presnell, Chattahoochee  
Lynne Mila, Clewiston  
Jan Bagnall, Fort Meade  
John Tompeck, Fort Pierce  
Tom Brown, Gainesville  
Robert Page, Green Cove Springs  
Howard McKinnon, Havana  
Ed Liberty, Lake Worth Beach

Michael Beckham, Lakeland  
Brad Chase, Leesburg  
Vacant, Moore Haven  
Steve Langley, Mount Dora  
Bill Conrad, Newberry  
Joe Bunch, New Smyrna Beach  
Sandra Wilson, Ocala  
Claston Sunanon, Orlando  
Vacant, Quincy  
Bill Sturgeon, St. Cloud  
John Holman, Starke  
Rob McGarrah, Tallahassee  
James Braddock, Wauchula  
Scott Lippmann, Williston  
Dan D'Alessandro, Winter Park

### **Meeting Location**

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



# MEMORANDUM

**TO:** FMPA Board of Directors  
**FROM:** Jacob A. Williams, General Manager and CEO  
**DATE:** May 12, 2020  
**RE:** **FMPA Telephonic Board of Directors Meeting – 9:00 a.m., May 21, 2020**  
**[NOTE TIME]**  
**PLACE:** Florida Municipal Power Agency  
8553 Commodity Circle, Orlando, FL 32819  
**DIAL-IN:** **DIAL-IN INFO 877-668-4493 or 650-479-3208**  
**Meeting Number 851 068 231# – PASSWORD – 8553#**  
(If you have trouble connecting via phone or internet, call 407-355-7767)

## AGENDA

**Chairperson Barbara Quiñones, Presiding**

<b>1. Call to Order, Roll Call, Declaration of Quorum .....</b>	<b>4</b>
<b>2. Recognition of Guests.....</b>	<b>5</b>
<b>3. Public Comments (Individual public comments limited to 3 minutes).....</b>	<b>6</b>
<b>4. Set Agenda (by vote) .....</b>	<b>7</b>
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<b>6. Sunshine Law Update (Dan O’Hagan).....</b>	<b>17</b>
<b>7. Consent Agenda</b>	
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b. Approval of the Projects’ Preliminary Financials as of March 31, 2020 .....	25
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<b>8. Action Items</b>	
a. Approval of MSAC Recommendation to Withdraw from ECG Safety Training Services (Mike McCleary).....	31
b. Approval of Waiving Vacation Cap During COVID-19 Pandemic (Sharon Adams).....	40

c. Approval of the Finance Committee’s Proposed Charter Changes\* (Linda S. Howard)..... 44

**9. Information Items**

a. Proposed Changes to the Member Dues and Project Allocation Calculations (Jason Wolfe) ..... 53

b. Discussion on Charging Interest on Development Fund Use (Linda S. Howard) ..... 120

c. Summary of Finance Committee Items \* (Linda S. Howard) ..... 125

d. FMPA – ECG Alliance Agreement Annual Service Confirmation For Fiscal 2021 (Mike McCleary)..... 129

e. FMPA.com Update (Verbal Report) (Luis Cruz/Carter Manucy) ..... 139

f. FMPA Cybersecurity Assessment Member Service (Carter Manucy) ..... 141

g. 2019 Reliability Update (Cairo Vanegas)..... 148

h. 2019 FMPA Environmental Report (Justin Harris)..... 164

**10. Member Comments**..... 172

**11. Adjournment**..... 173

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

JW/su

The participants in the above referenced public meeting will conduct the public meeting by telephone, via a telephone conference hookup. There will be a speaker telephone made available for any interested person to attend this public meeting and be fully informed of the discussions taking place by telephone conference hookup at FMPA’s headquarters, located at 8553 Commodity Circle, Orlando, Florida 32819-9002. 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. Any interested person may contact FMPA for more information on this public meeting by calling (850) 297-2011 or (877) 297-2012 or writing to: Open Government Law Compliance Coordinator, Florida Municipal Power Agency, 2061-2 Delta Way, Post Office Box 3209, Tallahassee, Florida 32315-3209.

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

**Board of Directors Meeting  
May 21, 2020**

**AGENDA ITEM 2 – RECOGNITION OF  
GUESTS**

**Board of Directors Meeting  
May 21, 2020**

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

**Board of Directors Meeting  
May 21, 2020**

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

**Board of Directors Meeting  
May 21, 2020**

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

**Board of Directors Meeting  
May 21, 2020**



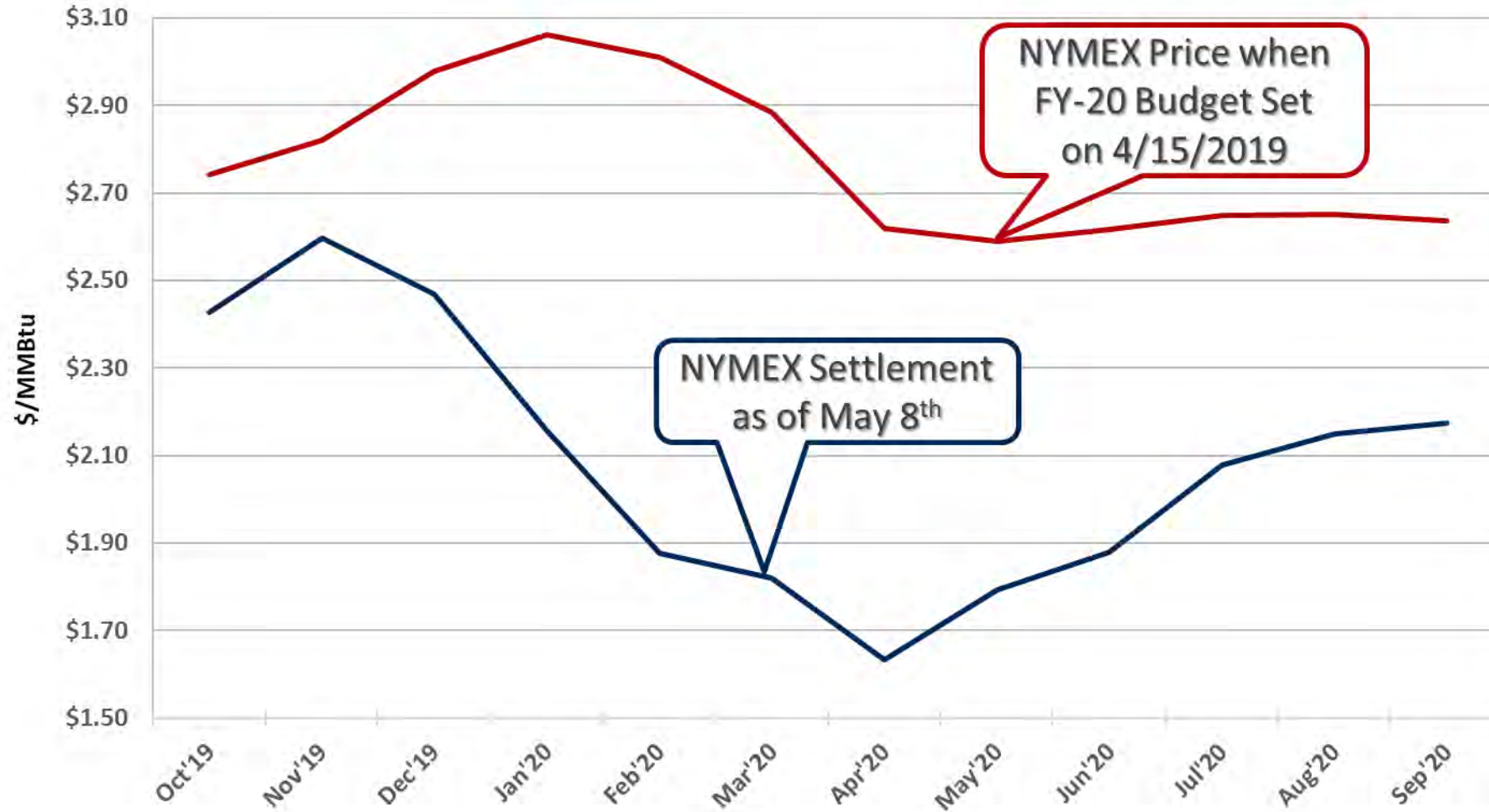
# Fiscal 2020 Management Goals Scorecard, as of April 30, 2020



Goal	Status	Actual	YTD Actual	YTD Target	FY'20 Target	Comment
1. Safety (no lost-time accidents for employees/agents)		0	0	0	0	Zero lost time accidents.
2. Compliance (no violations that are not self-reported)	Environ.	0	0	0	0	Zero compliance violations.
	Financial	0	0	0	0	
	Regulatory	0	0	0	0	
3. Cyber Security (zero cyber breaches: Corp IT & Plant Ops)		1	1	0	0	FMPA.com on GoDaddy web hosting site was compromised. FMPA IT/OT infrastructure/assets were not breached.
Members APPA Scorecard		0	2	7	12	
Phishing Testing		1.4%	6.7%	5% or <	5% or <	<b>Procurement Servicer Order link (1 Clicker). YTD down from the previous month 8.3%.</b>
4. Low Costs (\$/MWh)	Non-Fuel	\$49.89	\$52.17	\$54.51	\$48.55	March 2020 data will be updated for the meeting with April 2020 data. YTD MWh sales at budget. Main drivers of ~11% (\$7.66/MWh) savings are fuel expenses 28% below target & O&M expenses ~4.5% below target.
	Fuels	\$14.99	\$18.95	\$24.27	\$24.09	
	All-in	\$64.88	\$71.12	\$78.78	\$72.64	
5. Reliability	CC EAF	100%	90.5%	88.3%	88%	<b>100% reliability for all base load units in April.</b>
	KWS Blk Start					None
	SAIDI Reduction	1	n/a	n/a	7	Newberry

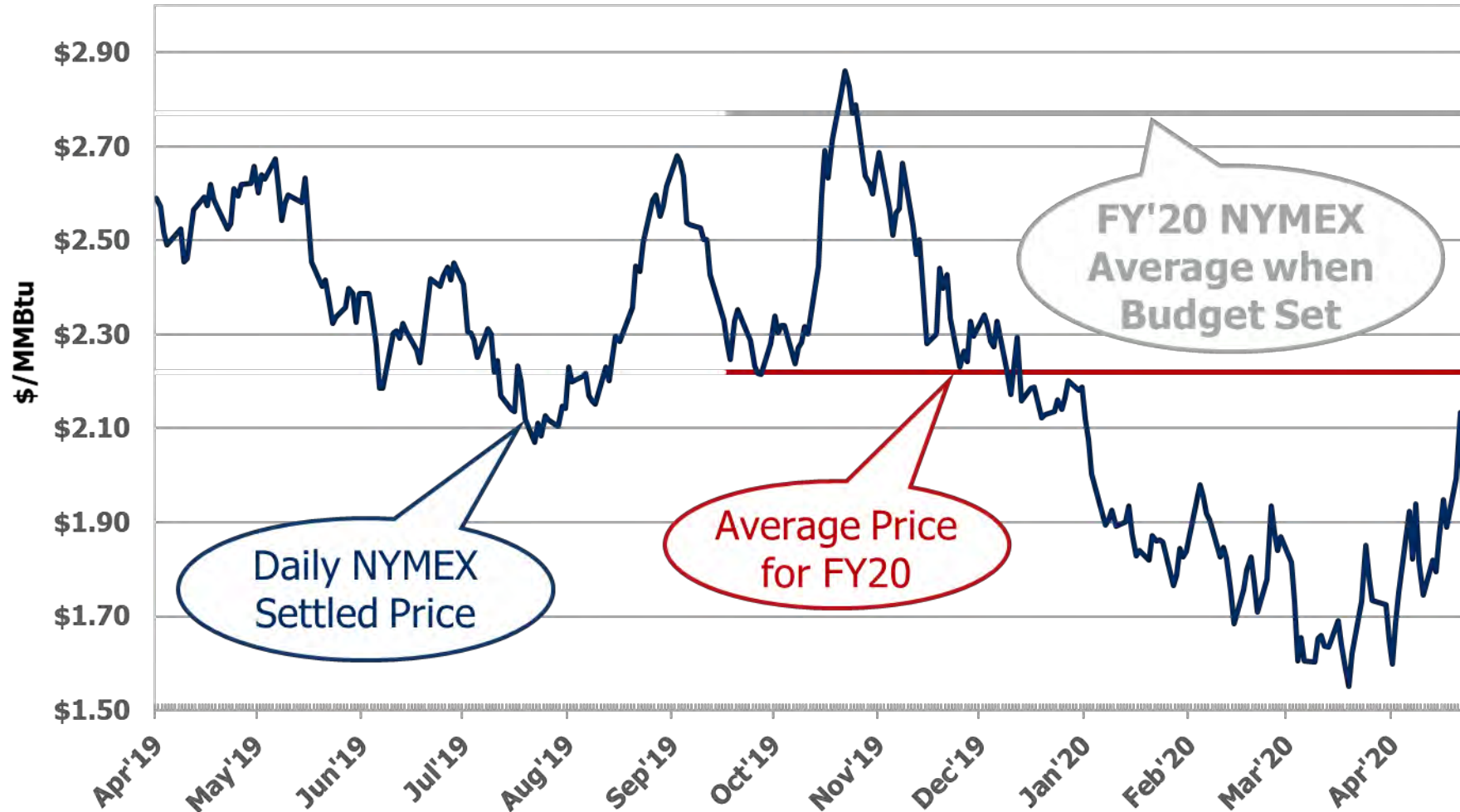
# FY 2020 NYMEX Contract \$0.68/MMBtu Below Budget

*NYMEX Natural Gas Settlement (as of 5/08/20)*



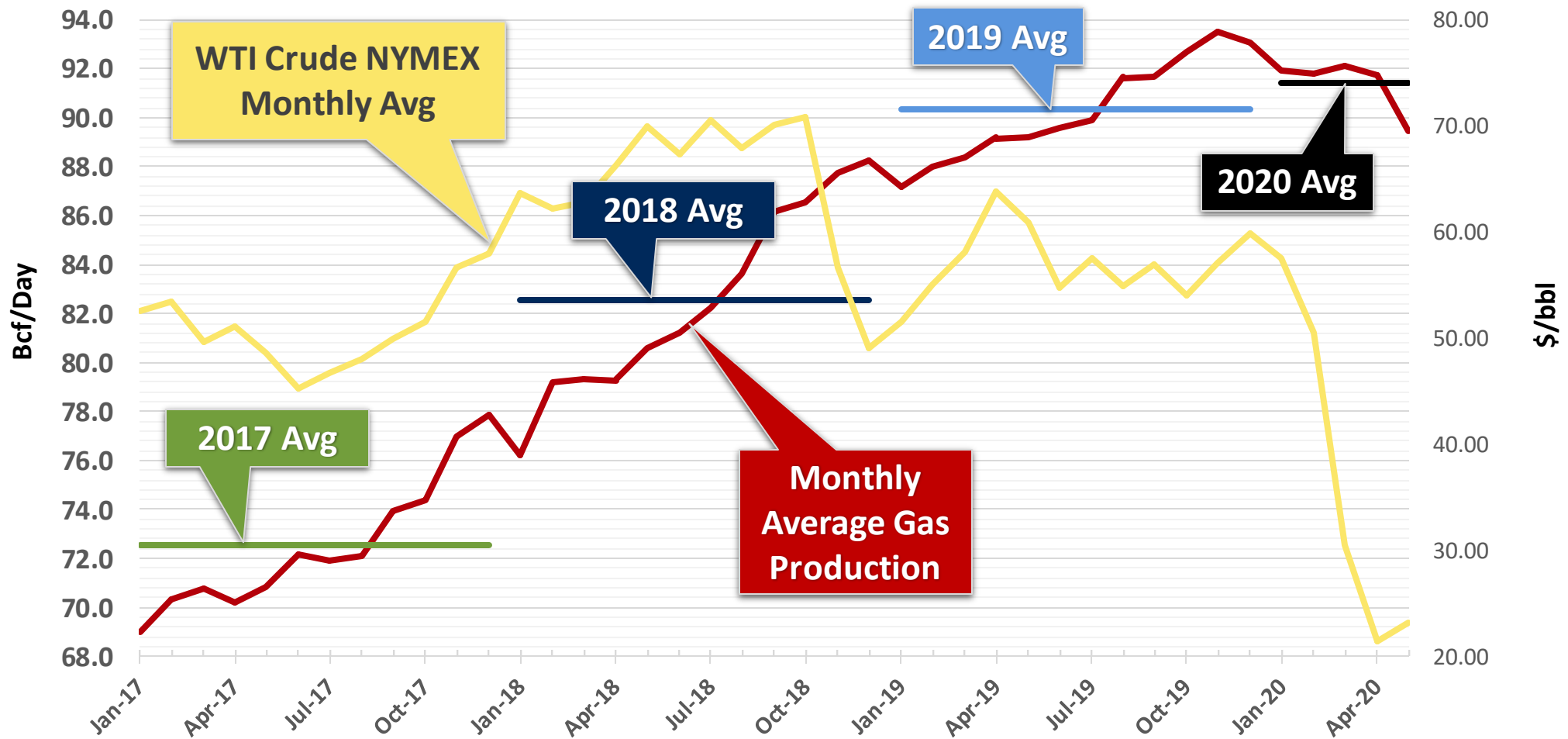
# Daily NYMEX Strip Action for since FY 2020 Budget Set

*Daily Settled Price \$0.55 Below Budget as of May 8<sup>th</sup> Settlement*



# Natural Gas Production Following Changes in Oil Prices

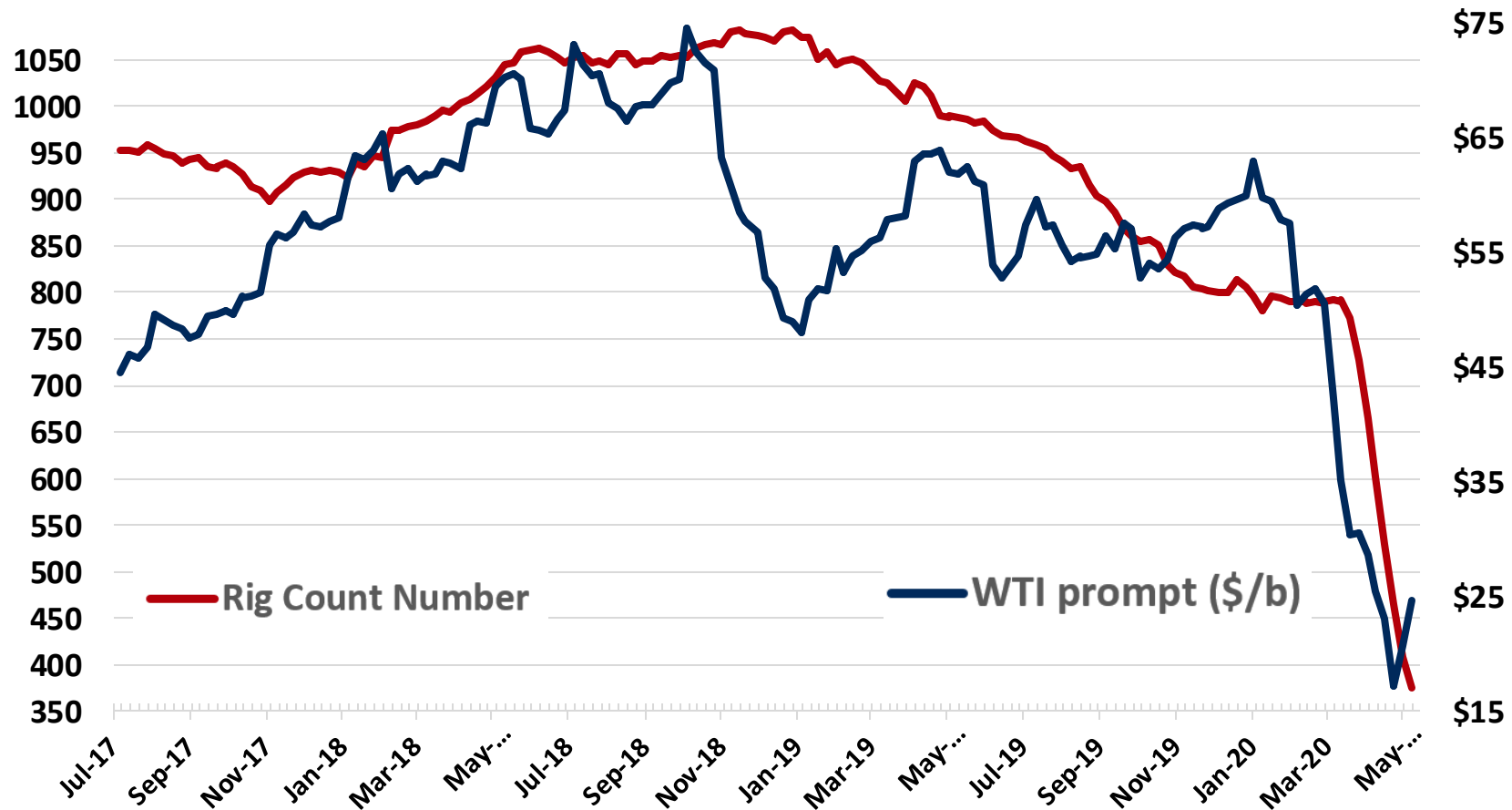
Average Monthly Change Since 2017 to Date (5/8/20)



# Drilling Rig Count Declines as Oil Prices Move Lower

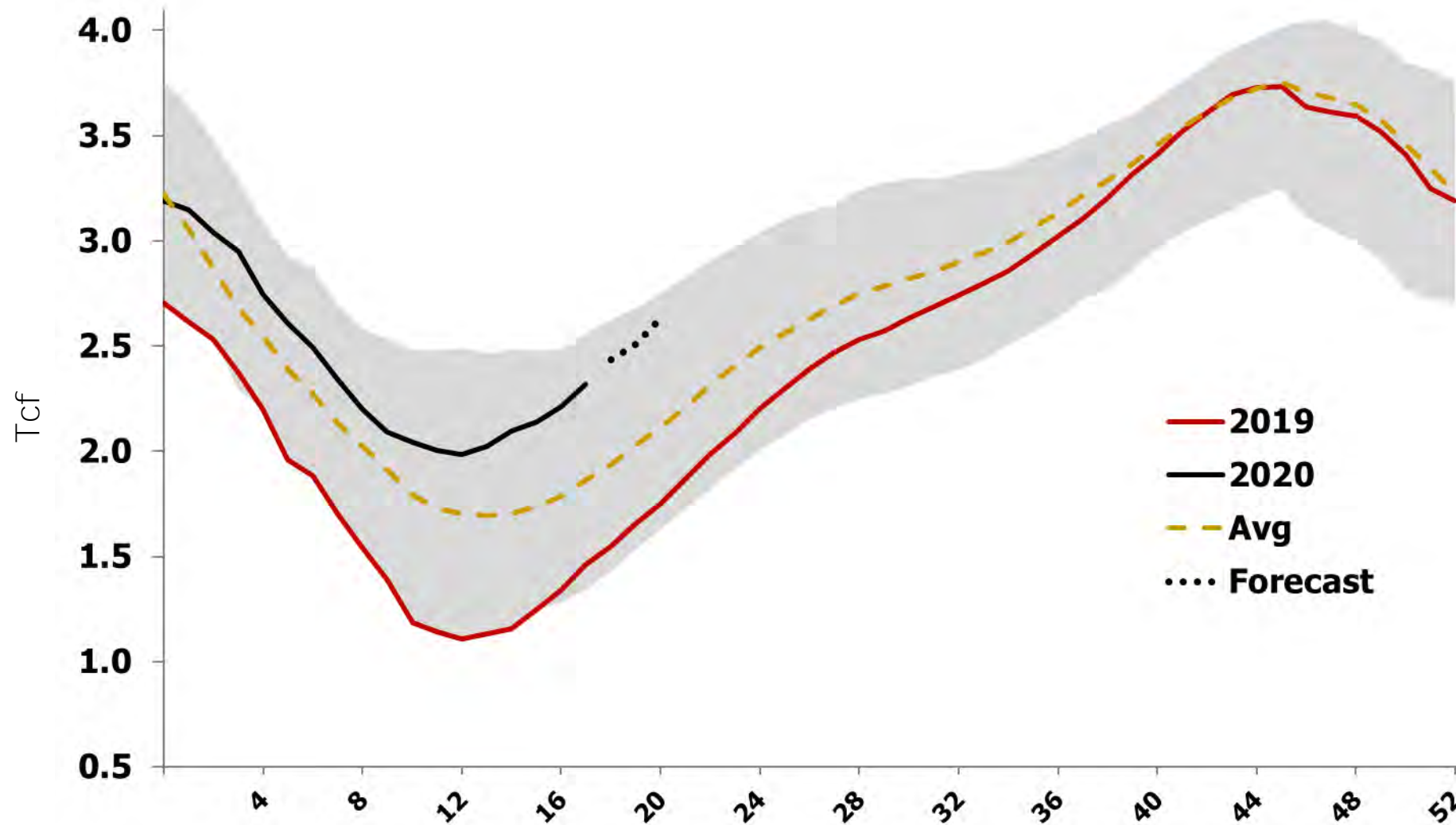
*Drilling Rig Expansion resumes decline as WTI Price falls (as of May 8<sup>th</sup>)*

## US Drilling Rig Count vs WTI Prompt



# Gas Storage Inventory as of Week Ending May 1<sup>st</sup>

*2020 Injection Season approaching the high inventory level of the last 5 years*



# (Continued) Management Goals Scorecard, as of April 30, 2020



Goal	Status	Comment
6. Energy/Capacity Sales - Execute wholesale agrmts. with projected margin value \$3.5M for FY2020-2024	\$4.6M	Extended the non-firm <b>off-peak</b> energy sale to Reedy Creek for the term May through September.
7. Enhance Pool – for future significant solar resources - Hire new Exec. Dir. - Devel. practices for extra reserves and fast start needs - Devel. mkt. compensation products to manage new solar resources		<ul style="list-style-type: none"> <li>• Exec. Dir. interviews postponed to the end of May due to COVID-19.</li> <li>• Extra Reserves practices still under debate with minimal penalty for not meeting.</li> </ul>
8. Member Services Visits by Leadership Team (75 visits)		One visit in April due to COVID-19. 48 visits year to date.
Member Services	15 project oversight	14 YTD. Added Lake Worth Beach AMI System Performance Review.
	Assist solar subscription service - 6	<ul style="list-style-type: none"> <li>• KUA has implemented program. Ocala, FPUA and KEYS are actively working on development of program for Phase I project.</li> <li>• Detailed introductory information shared with NSB and Mount Dora for Phase II project.</li> <li>• Solar members are encouraged to contact FMPA if interested in investigating solar subscriptions for your city.</li> </ul>

# (Continued) Management Goals Scorecard, as of April 30, 2020



Goal	Status	Comment
9. Promoting Value of Utilities Update Member Reports – 16 Public Presentations by Members or FMPA - 10		<ul style="list-style-type: none"> <li>8 of 16 Reports Completed: Bartow, Clewiston, GCS, Havana, Leesburg, Mt. Dora, Starke, Wauchula.</li> <li>COVID-19 restrictions will limit opportunities for public presentations.</li> <li>FMPA has been actively communicating the value of member efforts as 22 members provided financial relief during COVID-19 through various media.</li> </ul>
10. Solar Project - Execute Phase 2 Solar Agreements - Assist Members marketing Phase 1 groundbreaking & energize Phase 1		<ul style="list-style-type: none"> <li>Phase II Agreements fully executed.</li> <li>Phase I Harmony and Taylor Creek on schedule for June 2020 COD. Test energy scheduled for May 12, 2020.</li> <li>FMPA developing solar promotional "toolkit" for participants, including news releases, social media and website content, graphics and video.</li> </ul>
11. ARP Restructuring - Reach agreement on desired path of Members		Workshop scheduled May 20.
12. People - Development opportunities/cross training/Back-Up – at least 8		<b>Four total development opportunities have been identified. Working on others but delayed due to COVID-19.</b>
- FMPA Fleet Team Sharing – 80 days		<b>Total of 80 days FYTD. No team sharing for April.</b>



# **VERBAL REPORT**

## **AGENDA ITEM 6 – SUNSHINE LAW UPDATE**

**Board of Directors Meeting  
May 21, 2020**

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- a. Approval of the Minutes for the  
Telephonic Meeting Held April 16,  
2020**

**Board of Directors Meeting  
May 21, 2020**

CLERKS DULY NOTIFIED ..... APRIL 7, 2020  
AGENDA PACKAGES POSTED..... APRIL 7, 2020

**MINUTES**  
**FMPA BOARD OF DIRECTORS MEETING**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FL 32819**  
**THURSDAY, APRIL 16, 2020**  
**9:00 A.M.**

**MEMBERS PRESENT VIA TELEPHONE** Jody Young, Bushnell  
Lynne Mila, Clewiston  
Jan Bagnall, Fort Meade \*  
John Tompeck, Fort Pierce  
Bob Page, Green Cove Springs  
Howard McKinnon, Havana  
Barbara Quinones, Homestead  
Allen Putnam, Jacksonville Beach  
Lynne Tejeda, Key West  
Larry Mattern, Kissimmee  
Ed Liberty, Lake Worth Beach  
Michael Beckham, Lakeland  
Brad Chase, Leesburg  
Bill Conrad, Newberry  
Joe Bunch, New Smyrna Beach  
Sandra Wilson, Ocala  
Claston Sunanon, Orlando  
John Holman, Starke  
Rob McGarrah, Tallahassee  
James Braddock, Wauchula

\*joined after roll call.

**MEMBERS ABSENT** Alachua  
Bartow  
Blountstown  
Chattahoochee  
Gainesville  
Moore Haven  
Mount Dora  
Quincy  
St. Cloud  
Williston  
Winter Park

**OTHERS  
PRESENT  
VIA  
TELEPHONE**

Paul Jakubczak, Fort Pierce  
Karen Nelson, Jacksonville Beach  
Brian Horton, Kissimmee (via telephone)  
Jim Williams, Leesburg  
Wayne Zimmerman, Mount Dora  
Dallas Lee, Newberry  
Craig Dunlap, Dunlap & Associates, Inc.  
Rafael Coured, Power Engineers  
Ivette Sanchez, Power Engineers

**STAFF  
PRESENT**

Jacob Williams, General Manager and CEO  
Jody Finklea, General Counsel and CLO (via telephone)  
Ken Rutter, Chief Operating Officer  
Linda S. Howard, Chief Financial Officer (via telephone)  
Carol Chinn, Chief Information and Compliance Officer (via telephone)  
Mark McCain, Assistant General Manager, Member Services  
and Public Relations  
Dan O'Hagan, Assistant General Counsel and Regulatory  
Compliance Counsel  
Rich Popp, Treasurer and Risk Director  
Sue Utley, Executive Asst. /Asst. Secy. to the Board  
Liyuan Woerner, Audit Manager (via telephone)  
Mike McCleary, Manager of Member Services Development  
Sharon Adams, Human Resources Director  
Cairo Vanegas, Manager of Member Services Development (via telephone)  
Chris Gowder, Business Development and System Operations  
Director  
Carl Turner, Engineering Services Director  
Jason Wolfe, Financial Planning, Rates and Budget Director  
Ed Nunez, Assistant Treasurer/Debt (via telephone)  
Luis Cruz, Information Technology Manager  
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**

Chair Barbara Quiñones, Homestead, called the telephonic Board of Directors meeting to order at 9 a.m. on Thursday, April 16, 2020, in the Frederick M. Bryant Board Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 20 members present representing 35 votes out of a possible 47.5. Jan Bagnall, Fort Meade, joined after roll call bringing the total members present to 21 representing 36 votes out of a possible 47.5.

## **ITEM 2 – Recognition of Guests**

Chair Barbara Quiñones welcomed Rafael Coured and Yvette Sanchez of Power Engineers.

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

None

## **ITEM 4 – SET AGENDA (by vote)**

**MOTION:** Howard McKinnon, Havana, moved approval of the agenda as presented. Allen Putnam, Jacksonville beach, seconded the motion. Motion carried 36 – 0.

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

Jacob Williams reported on the following items:

### **1. Goals Scorecard**

## **ITEM 6 – SUNSHINE LAW UPDATE**

Dan O’Hagan reported on Florida local government attorneys’ struggles to adhere to Sunshine Law requirements when holding virtual public meetings. He read a judge’s quote in a recent news article advising on the topic. The judge advised to decrease speed, limit agendas to essential items, and increase caution when holding meetings via video platforms.

## **ITEM 7 – CONSENT AGENDA**

- a. Approval of Minutes – Meeting Held March 19, 2020
- b. Approval of the Projects’ Preliminary Financials as of February 29, 2020
- c. Approval of the Treasury Reports as of February 29, 2020

**MOTION:** Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Howard McKinnon, Havana, seconded the motion. Motion carried 36 – 0.

## **ITEM 8 – ACTION ITEMS**

- a. **None**

## **ITEM 9 – INFORMATION ITEMS**

### **a. MSAC Recommendation to Withdraw from ECG Safety Training Services**

Mike McCleary reported on the Member Services Advisory Committee's recommendation to withdraw from the ECG Safety Training Services.

### **b. Development Fund Interest for Solar Project**

Jason Wolfe answered a Board member's question about the Board allowing the Solar Phase I Project to repay the Development Fund with no interest for 20 years. It was agreed that the policy would be changed for future borrowings from the Fund and leave the Solar Project's repayment over 20 years interest free.

### **c. 2020 Emissions Projections**

Jacob Williams reported on FMPA's emissions projections.

### **d. Human Resources Quarterly Report**

Sharon Adams updated the Board with a quarterly HR report. Chairwoman Quiñones said she would like to convene the Board and Executive Committee Officers to review the job descriptions for the General Manager and CEO and General Counsel and CLO and bring back any possible revisions to the full Board for approval.

### **e. Summary of Finance Committee Items**

Rich Popp gave a summary of the previous day's Finance Committee recommendations.

## **ITEM 10 – MEMBER COMMENTS**

Chairman Howard McKinnon said the Executive Committee would convene at 11:05 a.m.

**ITEM 11 – ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:55 a.m.

\_\_\_\_\_  
Barbara Quiñones  
Chairperson, Board of Directors

\_\_\_\_\_  
Larry Mattern  
Secretary

Approved: \_\_\_\_\_

Seal

BQ/LM/su

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- b. Approval of the Projects'  
Preliminary Financials as of  
March 31, 2020**

**Board of Directors Meeting  
May 21, 2020**





Linda S. Howard, CPA, CFP  
Chief Financial Officer

## AGENDA PACKAGE MEMORANDUM

**TO:** FMPA Board of Directors & Executive Committee  
**FROM:** Linda Howard  
**DATE:** May 5, 2020  
**ITEM:** 7b – Approval of Projects’ Financials as of March 31, 2020

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**Discussion:** The summary financial statements and detailed financial statements of the Projects for the period ended March 31, 2020 are posted on the Document Portal section of FMPA’s website.

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**Recommended:** Move approval of the Projects’ Financial Reports for the month ended March 31, 2020.

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LH/GF

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- c. Approval of the Treasury Reports  
as of March 31, 2020**

**Board of Directors Meeting  
May 21, 2020**



**AGENDA PACKAGE MEMORANDUM**

TO: FMPA Board of Directors  
 FROM: Gloria Reyes  
 DATE: May 12, 2020  
 ITEM: BOD 7(c) – Approval of Treasury Reports as of March 31, 2020

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

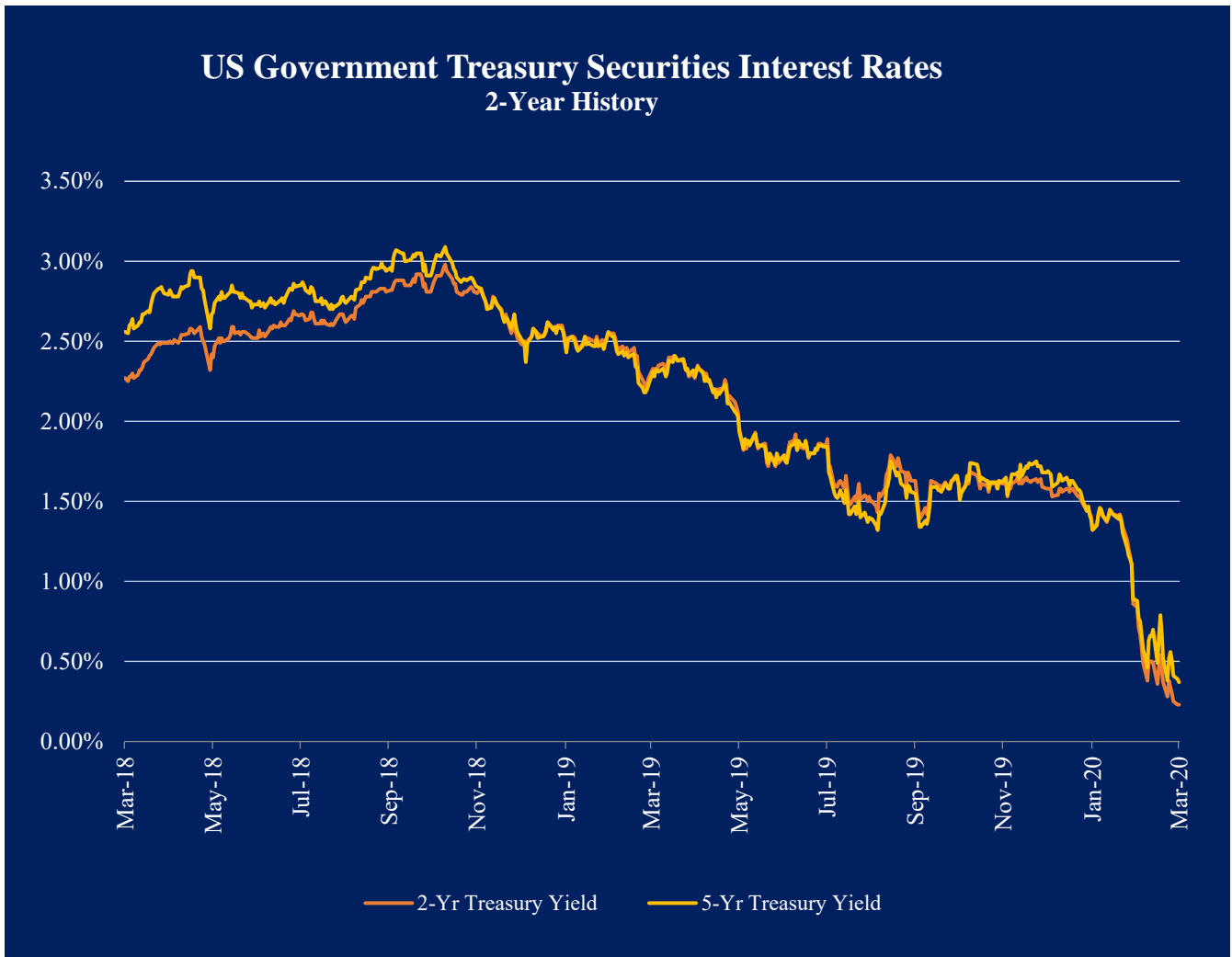
The Treasury Department reports for March are posted in the member portal section of FMPA’s website.

**Debt Discussion** Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of March 31, 2020.

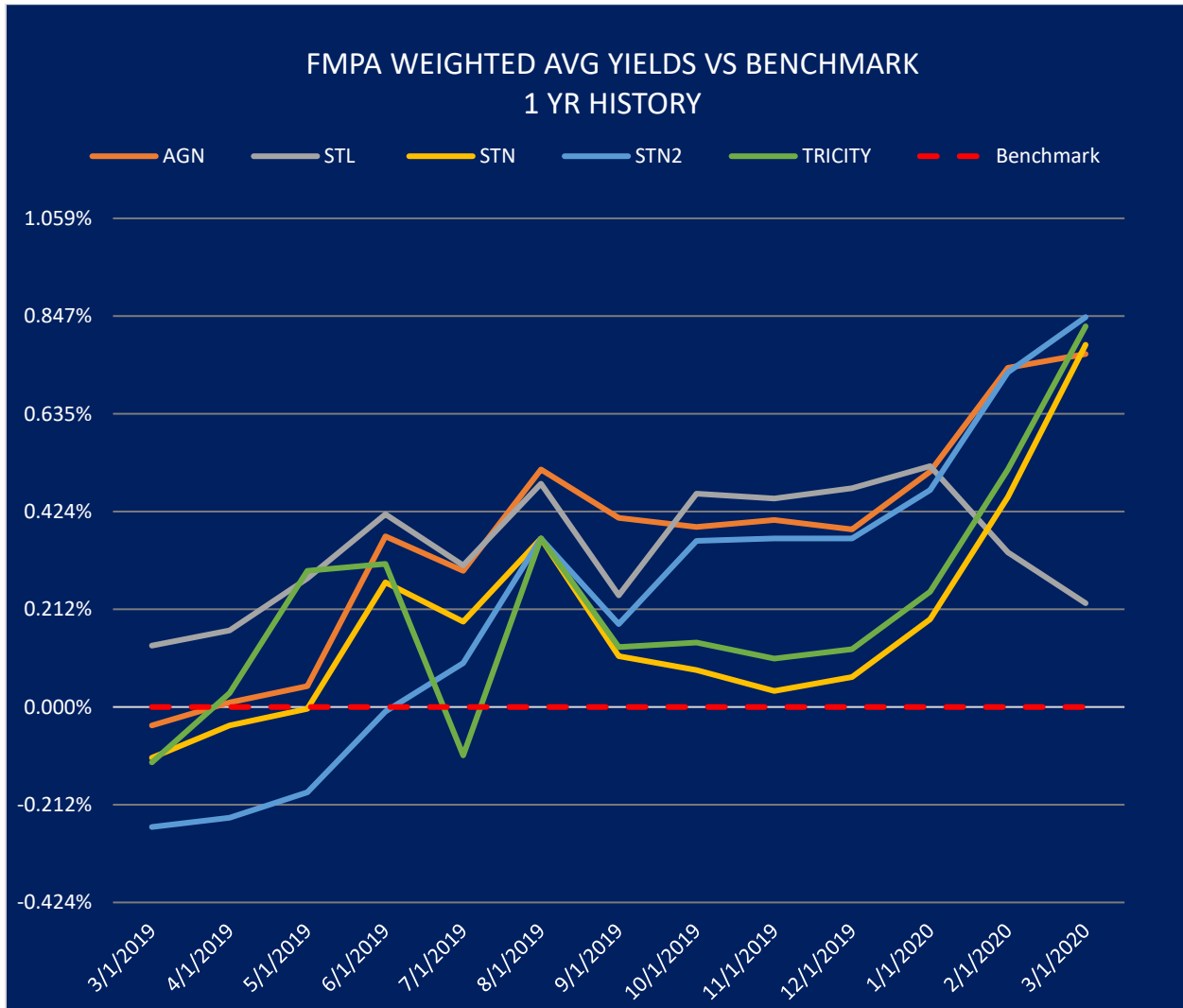
	<b>Total debt Outstanding</b>	<b>Fixed Rate</b>	<b>Variable Rate</b>	<b>Synthetically Fixed</b>
Agency	0.00	0%	0%	0%
St Lucie	117,135,000	100%	0%	0%
Stanton	0.00	0%	0%	0%
Stanton II	112,054,000	100%	0%	0%
Tri City	0.00	0%	0%	0%

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

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 March at .23%. The yellow line is the 5-year Treasury which was .39%.



The weighted average yields on investments earned as of March 31, 2020 in the Projects, along with their benchmark (Average of Florida Prime Fund and 2-year treasury), are as follows:



Recommended Motion

Move approval of the Treasury Reports for March 31, 2020.

**AGENDA ITEM 8 – ACTION ITEMS**

- a. Approval of MSAC  
Recommendation to Withdraw  
from ECG Safety Training  
Services**

**Board of Directors Meeting  
May 21, 2020**



## **8a – Approval of MSAC Recommendation to Withdraw from ECG Safety Training Services**

FMIPA Board of Directors

May 21, 2020

# Background: Training and Safety History

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# ECG Alliance Contract Includes Several Services

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- Subscription services:
  - 10 Safety meetings annually
  - Lineman apprentice program
  - Other utility-focused training
- Non-subscription services:
  - Engineering
  - Tree trimming contracts
  - Joint purchasing
- Subscription services were the ones used by FMPA's membership

# MSAC Forms Subcommittee to Investigate Options

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- MSAC met Oct. 31, 2019, discusses the safety and training programs
  - MSAC appointed a subcommittee to investigate options
- Subcommittee held 5 meetings over 4 months
  - Discussed members' goal for the training and safety program
  - A more cafeteria-style service was requested
- Subcommittee decided to issue an RFP for safety and training services

# RFP Results

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- ECG did not formally respond
  - Services ongoing; service and pricing model would remain as is
- SET Solutions provided a responsive proposal
  - Pricing showed potential for savings with increased level of service
- TVPPA provided a responsive proposal
  - Pricing showed likely savings for safety program and program flexibility

## RFP Shows More Versatile Options

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- Using a similar cost-allocation structure as FMPA's current program, and utilizing TVPPA and/or SET Solutions:
  - Participants would see significant cost savings for monthly safety meetings
  - Non-participating members access to occasional safety meetings at a cost
  - Lineworker training classes independent of monthly safety meetings
- Final decision on future training program has not been made
- MSAC Training and Safety Subcommittee saw value in moving away from the current program, which has a one-year termination notice
- MSAC reviewed Subcommittee's recommendation and concurred

# Termination Provision and Process

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- Subcommittee met March 23 and unanimously approved providing termination notice to ECG and recommended same to MSAC
- MSAC met March 25 and unanimously approved providing termination notice to ECG and recommended same to FMPA's Board
- Current ECG contract has minimum 13-month cancellation notice; Provide notice by May 30, 2020, to terminate by June 30, 2021
- Any change in term must be approved by FMPA's Board of Directors
- FMPA has agreements with each participating member (17 cities) that mirrors the ECG agreement

## Recommended Motion

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- Move approval to authorize a termination notice from FMPA to Electric Cities of Georgia (ECG) for the Alliance Services Contract and submit the notice to ECG no later than May 30, 2020, which will terminate the contract effective June 30, 2021. In addition, provide termination notice from FMPA to each FMPA member participating in the Lineman's Safety Training Participation Agreement to align the contract termination dates effective June 30, 2021.

**AGENDA ITEM 8 – ACTION ITEMS**

- b. Approval of Waiving Vacation Cap  
During COVID-19 Pandemic**

**Board of Directors Meeting  
May 21, 2020**



# **BOD 8b - Approval to Waive Vacation Cap During COVID-19 Pandemic**

Sharon Adams

FMIPA Board of Directors

May 21, 2020



# Proposal to Waive Vacation Cap Temporarily

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- Current Vacation Policy caps at 2x's annual accrual
- Difficult for team members to take vacation time during a pandemic
- Five team members currently at cap in critical roles
  - Would lose vacation if they did not take
- Expect a total of 15 team members could cap over next 3 months
- Proposal:
  - Must use accrued vacation over the cap by December 31, 2020
  - If a team members employment ends prior to December 31, 2020 they will only be paid out what they would have *normally* been entitled to
- No additional budget implications

# Recommended Motion

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Approval to waive current vacation accrual cap effective March 1, 2020 through December 31, 2020 due to the COVID-19 pandemic with the condition that any payout of vacation time to an employee separating from the Agency before December 31, 2020 will continue to be limited by the vacation accrual cap of twice the annual allotment.

**AGENDA ITEM 8 – ACTION ITEMS**

- c. Approval of the Finance Committee’s Proposed Charter Changes**

**Board of Directors Meeting  
May 21, 2020**



# **BOD 8c / EC 8d - Approval of Finance Committee Proposed Charter Change**

FMIPA Board of Directors and Executive Committee

May 21, 2020

# Annual Review

## *Charter Requirement*

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- Annual review required under section VI. 7
- Appointing members, replacing members is a key element
- In the wake of having a member resign due to retirement, we reviewed this section for guidance in filling the vacancy
- Subsequently, reviewed the entire charter to determine if other changes were needed

# Charter

## *Current vs Proposed Language*

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- **Current:** The Executive Committee Chairperson shall appoint the chairperson of the Committee, who must be a member of the Executive Committee (or an Executive Committee alternate), and at least four other representatives of the All Requirements Project (ARP) participants. The FMPA Chairman shall appoint at least four Committee members. Additional members of the committee may be appointed by Executive Committee Chairperson or the Board Chairman, respectively.
- **Proposed:** The membership of the Committee consists of a minimum of nine persons. The Executive Committee Chairperson shall appoint the chairperson of the Committee, who must be a member of the Executive Committee (or an Executive Committee alternate), and at least four other representatives of the All Requirements Project (ARP) participants. The FMPA Chairman shall appoint at least four Committee members, **who may be representatives of ARP participants or non-ARP members**. Additional members of the committee may be appointed by Executive Committee Chairperson or the Board Chairman, respectively.

# Motion

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- Move approval of Finance Committee charter change regarding the appointment of committee members

# FLORIDA MUNICIPAL POWER AGENCY

## FINANCE COMMITTEE CHARTER

(as adopted February 14, 2019)

*This Finance Committee Charter is intended to govern the function and operation of the Finance Committee (the "Committee") of Florida Municipal Power Agency ("FM PA ") in fulfillment of its purpose as established by the FMPA Board of Directors and the Executive Committee.*

### **I. MISSION.**

The mission of the Committee is to a) oversee the administration of the Florida Municipal Power Agency Risk Management Policy, including Appendices A-O, b) review significant procurements contemplated by the Agency, c) receive regular reports from FMPA staff and members regarding risks and exposures of FMPA activities, d) review major items impacting FMPA's budgets, and 5) review major items impacting FMPA's rates.

More specifically, the Committee shall assist the Board of Directors and Executive Committee in fulfilling its oversight responsibility relating to (i) the integrity of the Agency's financial statements and financial reporting process and the Agency's systems of internal accounting and financial controls; (ii) the performance of the internal audit function; (iii) the annual independent audit of the Agency's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (iv) the development, review and monitoring of the annual budget, (v) the review and evaluation of all financing transactions including bank loans, publicly offered debt, and pooled loans, (vi) the evaluation of management's process to assess and manage the Agency's enterprise risk issues; and (vii) the fulfillment of the other responsibilities set out in this Charter.

### **II. MEMBERSHIP.**

The membership of the Committee consists of a minimum of nine persons. The Executive Committee Chairperson shall appoint the chairperson of the Committee, who must be a member of the Executive Committee (or an Executive Committee alternate), and at least four other representatives of the All Requirements Project (ARP) participants. The FMPA Chairman shall appoint at least four Committee members, who may be representatives of ARP participants or non-ARP members. Additional members of the committee may be appointed by Executive Committee Chairperson or the Board Chairman, respectively.

The appointing officers (Board Chairman and Executive Committee Chairperson) will consider the financial experience of those who they appoint to the Committee and coordinate so that members of the Committee will have sufficient financial background which can include, but is not limited to demonstrated experience in the following areas: (i) an understanding of generally accepted accounting principles and financial statements; (ii) the ability to assess the general application of such principles in



connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements, budgets, or financing transactions (or some combination thereof) that present a breadth and level of complexity of financial issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by FMPA, (iv) an understanding of internal controls and procedures for financial reporting; understanding of risk and insurance matters, understanding of legal concepts and processes, and (v) an understanding of similar committee functions.

### **III. MEETINGS.**

Each member of the Committee has one vote which he or she may cast (yea or nea) on any action coming before the Committee. A quorum of the Committee is present at a meeting of the Committee when at least 51% (rounded to next whole number) of the Committee members are present and able to participate in the meeting in person or by electronic means, including by telephone. A quorum of the Committee is necessary for the Committee to take action.

Notice of the time, date, and place of each meeting will be provided to each Committee member at least 5 days prior to any meeting. Meetings of the Committee shall be called by the chairperson, by any two members of the Committee, or as otherwise regularly scheduled by the Committee. Regular meetings will be held at least quarterly in conjunction with the Board and/or Executive Committee meetings. The conduct of the meetings will follow *Roberts Rules of Order Newly Revised*, with the chairperson running the meeting. In the absence of the chairperson, the chairperson may designate another Committee member to chair the meeting or, if there has been no such designation, the Executive Committee Chairperson shall chair the meeting.

The Financial Advisor(s) of FMPA shall be given adequate prior notice of each Committee meeting to permit him or her to attend and is encouraged to attend and to participate in all meetings of the Committee.

### **IV. COMMUNICATIONS.**

(1) The CFO (or staff person with chief financial management responsibility, if such title is changed), (2) the General Manager, (3) the Audit Manager, and (4) the Treasurer and Risk Director (or person with chief risk management responsibility, if such title is changed) shall serve as the staff representatives to the Committee, or each of them may name a designee to fulfill their respective roles (the "Committee Staff Representatives"). The CFO shall have responsibility for coordinating the communications of the Committee and coordinating Committee meetings, including providing meeting notices to the Committee. Reports or requests from the Committee to the Board of Directors or the Executive Committee will also be coordinated by the CFO or his or her delegate.

### **V. AUTHORITY.**

The Committee has no authority to bind FMPA or to make any decision on behalf of the FMPA Board of Directors or Executive Committee unless such authority is delegated to the Committee by resolution. The Committee serves in an advisory capacity to the Board of Directors and the

Executive Committee. The Committee's role and authority, as otherwise determined by the Board of Directors and the Executive Committee, shall be set forth in the Florida Municipal Power Agency Risk Management Policy, which may supplement and shall control over any conflicting terms of this Charter.

## **VI. RESPONSIBILITIES.**

The following shall be the principal responsibilities of the Finance Committee:

1. *Audits by Independent Auditors:* The Committee shall discuss with the independent auditors the overall scope, plans and budget for the annual audit, including the adequacy of staffing and other factors that may affect the effectiveness of the audit. As such, the Committee shall discuss with FMPA management and the independent auditors the Agency's significant risk exposures (whether financial, operating or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures, new or proposed regulatory and accounting initiatives on the Agency's financial statements, any problems or difficulties the auditors may have encountered in connection with the annual audit or otherwise, any management letter comments provided to the Committee and the Agency's responses, any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, any disagreements with management regarding generally accepted accounting principles and other matters, material adjustments to the financial statements recommended by the independent auditors and adjustments that were proposed but "passed" regardless of materiality, and other public disclosures among other considerations that may be relevant to the audit.
2. *Participant and Operational Audits:* Review and approve all participant and operational audits performed by the internal audit staff, including detail reports submitted.
3. *Annual Budget prepared by Staff:* Oversee the development of the annual budget for all projects and all amendments to the approved budget, make recommendations to the Board or Executive Committee for approval, and review of budget variances at least quarterly.
4. *Major Financial Transactions:* Review Requests for Proposals for financing transactions, review the details of financing transactions, including public offering, bank loans, letter of credits, cash defeasance, etc. and ensure that financial targets as set forth in the debt and investment policies are met and make recommendations to the Board and Executive Committee; review and provide recommendations for the pooled loan program (or similar program to provide financial support to Members); other significant financial transactions as they arise.
5. *Access to Records and Others:* The Committee shall have the full resources and authority (i) to investigate any matter directly related to the mission of the Committee which is brought to the Committee's attention, with full access to all books, records, facilities and personnel of the Agency; and (ii) to request any officer or employee of the Agency, or the Company's independent auditors, to attend a meeting of the Committee or to meet with any members of the Committee.

6. *Asset Risk Management:* The Committee shall receive reports regularly, as deemed appropriate by the Committee, from risk management staff on the activities of the Asset Risk Management Group (Treasurer and Risk Director and assigned team members from operations and generation staff) and discuss matters related to asset risk management for the Agency as the Committee deems appropriate.
7. *Annual Review:* The Committee shall at least annually review and assess the adequacy of this Charter and request the Board of Directors or Executive Committee, as provided for in Section VII, to approve proposed amendments to this Charter as deemed appropriate by this Committee.
8. *Selection of Professionals:* The Committee shall review the selection process for financial professionals including external auditors, depository banks, trustee banks, underwriters, financial advisors, bond counsel, disclosure counsel, and others as deemed appropriate
9. *Compliance with Policies:* The Committee shall regularly hear reports from staff on the risk management activities of FMPPA and all reports necessary for ensuring compliance with the Agency's risk management policies, including the Florida Municipal Power Agency-Wide Risk Management Policy and its constituent policies. The Committee is charged with oversight over the Agency's compliance with its risk management policies and shall report violations or discrepancies with those policies to the Board of Directors and Executive Committee, as appropriate.

## VII. APPROVAL.

This Charter is effective as of the approval by both the Board of Directors and the Executive Committee. Except as provided in the next sentence, amendments to this Charter are effective as of approval by both the Board of Directors and the Executive Committee. Amendments that only relate to the All-Requirements Power Supply Project need only be approved by the Executive Committee, and amendments that only relate to the Agency generally or projects other than the All-Requirements Power Supply Project, or both, need only be approved by the Board of Directors.

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- a. Proposed Changes to the Member  
Dues and Project Allocation  
Calculations**

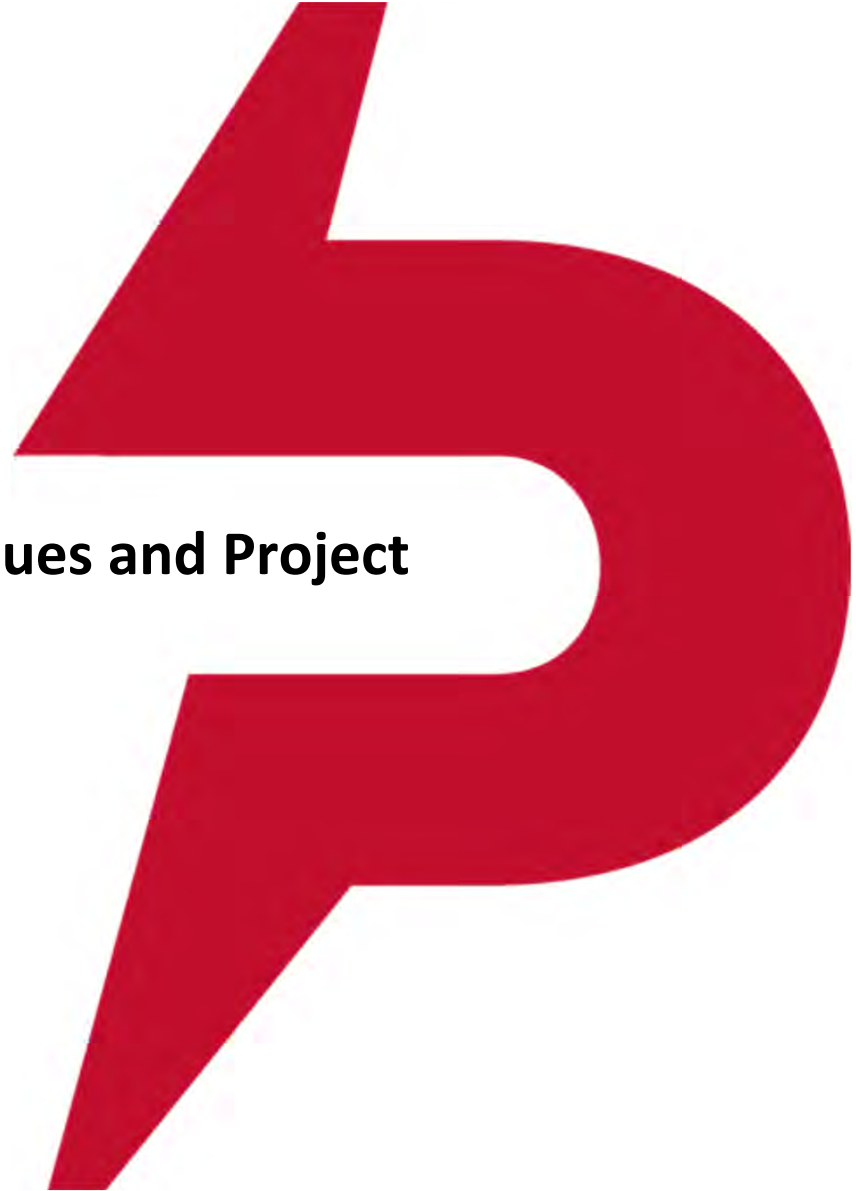
**Board of Directors Meeting  
May 21, 2020**



## **BOD 9a – Proposed Changes to the Member Dues and Project Allocation Calculations**

Board of Directors

May 12, 2020



# Proposing Changes to Member Assessment and Project Allocation Methodologies

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- Member assessment rates and methodology have not changed since 1984
- Current assessments do not come close to capturing costs or value of services FMPA provides to members – some members pay \$500/yr
- Likewise, allocations of Agency costs to projects only reflect costs of administering those projects and do not include ancillary costs to support and values provided (e.g., member services)
- Staff proposing changes to both member assessment and project allocation methodologies in the FY 2021 budget process



# Member Assessments



# Member Assessments

## *Rates Static for Past 36 Years*

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- Member assessments charged to any FMPA member not participating in a power supply project
- Intended to recover a portion of FMPA's general, administrative, and member-services costs applicable to entire membership. This was done at a time when primary staff focus was development of new power supply projects.
- 12 members currently pay assessments; will eventually be reduced to 8 after solar projects come online
- Rates last modified in January 1984, charged based on member's reported annual kWh sales
  - \$6.75/million kWh for first 300 million kWh
  - \$4.05/million kWh for next 500 million kWh
  - \$0.39/million kWh for all sales over 800 million kWh
- Minimum assessment that can be charged is \$500/yr and maximum is \$15,000/yr
  - 4 members pay the minimum \$500 charge
  - Highest assessment currently ~\$6k
  - Total assessment revenue ~\$28k



# Adjusting Member Assessments

## *Reflect Increased Value Provided and Costs to Support*

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- Assessment rates were intended to be revised over time to ensure “equitable and adequate to obtain the required revenue” (per 1984 BOD memo)
- FMPA now providing increased value to members through increased services including: expert on-site consultation in operations and engineering; rate and billing support; hurricane recovery; IT and compliance support; more frequent, member-specific legal consultation; communications support; technical, HR and other roundtables; etc.
- All of these service have come to date with no added staffing but a reallocation of staff time and costs to support these services
  - Reallocation of staff to provide more member services, greater staff travel to visit members, more reimbursement of member travel costs, training, storm recovery support, etc.
- Most non-project members have open market power costs arrangements with FMPA ARP or others that are at a significant discount to ARP costs
- Staff analysis suggests full costs to support each the increased member service offerings for member range from \$36k - 60k regardless of size
- Staff recommending implementing a flat charge of \$5,000 per year for each non-project member effective 10/1/2020

# Minimal Cost Per Member for Services \$36k/member

## *More Complete Analysis of Costs at \$60k/member*

Description	Value
Total Salary Cost of Positions Providing Member Services	\$1,797,400
Portion of Salaries Allocated to Non-Project Cities	\$228,011
A&G Adder (%)	90%
A&G Adder (\$)	\$205,324
Loaded Salary Cost	\$433,335
Number of Non-Project Cities	12
Cost per City	\$36,111

### Identified Positions and Allocated % of Time [1]

- General Manager (7%)
- General Counsel & Chief Legal Officer (7%)
- AGM of Public Relations & Member Services (25%)
- Associate General Counsel & Regulatory Compliance Counsel (3%)
- Manager of Member Services Development (McCleary) (25%)
- Manager of Member Services Development (Vanegas) (20%)
- Resource & Strategic Planning Manager (10%)
- Regulatory & Rates Specialist (5%)
- Power Distribution Engineer (20%)
- Member Services & Procurement Administrator (25%)

[1] A portion of the allocated time shown may represent time spent on efforts that benefit all cities. This was not intended to be an exhaustive list of positions, but rather a representative cross-section.

# Recommending Flat \$5k Annual Charge for Each Non-Project Member

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- Current kWh-based methodology charges larger members more than smaller members
- However, smaller members tend to utilize FMPA services more
- Per Member Cost Allocation of \$36 – \$60K is what we estimate, but taking into account a jump to that level is not reasonable, wise or needed
- Some members receive as much as \$2,500 in cash reimbursements per year (e.g., APPA Joint Action Conference, monthly meetings) when paying only ~\$500 to be a member
- Staff believes the flat \$5k per-member annual assessment is a reasonable step to ensure all members pay some portion of the value they receive
- This assessment would still only be charged to non-Project members
- Current methodology recovers ~\$28k in revenue per year, while proposed methodology would recover \$60k based on current 12 non-project members

# 11 of 12 Cities Would See Higher Assessments Under Proposed Methodology

City	FY 2019	Proposed	Increase/ (Decrease)
Bartow	\$1,817	\$5,000	\$3,183
Blountstown	[1] \$500	\$5,000	\$4,500
Chattahoochee	[1] \$500	\$5,000	\$4,500
Gainesville	\$4,424	\$5,000	576
Lakeland	\$4,909	\$5,000	\$91
Mount Dora	\$587	\$5,000	\$4,413

City	FY 2019	Proposed	Increase/ (Decrease)
OUC	\$6,001	\$5,000	(\$1,001)
Quincy	\$835	\$5,000	\$4,165
Tallahassee	\$4,757	\$5,000	\$243
Wauchula	[1] \$500	\$5,000	\$4,500
Williston	[1] \$500	\$5,000	\$4,500
Winter Park	\$2,511	\$5,000	\$2,489
<b>Total</b>	<b>\$27,841</b>	<b>\$60,000</b>	<b>\$32,159</b>

[1] \$500 is the minimum assessment that may be charged under the existing methodology



## Agency Cost Allocation



# Proposing Changes to Agency Cost Allocation to Projects

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- Existing methodology based on key positions' percent of time spent to manage the projects
- Considering some work benefits all projects and some work benefits coal projects as a group vs individually
- Doesn't take into account the increasing range of additional services/support FMPA provides, or that the ownership-based projects require differing levels of effort to manage
- Staff proposing revised methodology for FY 2021 budget

# Proposed Methodology

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- 2 positions removed from current methodology, but 9 positions added (17 total)
  - Includes additions of HR, IT, PR, and member services positions, among others
  - All of these positions are required to support management of the projects or assist members in those projects
- Staff then used best estimate of what % of an FTE for each position is required to support the projects
- Unless staff had knowledge that a different allocator was more appropriate, those FTE percentages were further allocated to the ownership-based generating projects using a goal seek calculation such that:
  - Stanton and Tri-City received equal allocations
  - The allocation to Stanton II was equal to the sum of Stanton and Tri-City
  - The allocation to St. Lucie was 2/3 of the amount allocated to the total of Stanton, Tri-City, and Stanton II
  - This approach recognizes that management of Stanton and Tri-City has some time savings due to ownership in the same unit, and both projects are now debt-free
  - Similarly, there are time savings associated with the three coal projects all having ownership in the same plant

## Proposed Methodology (continued)

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- For positions that were more member service-based, the % allocation to the projects was based on the respective number of members in each project
- Fully loaded costs then allocated based on an assumed percent of time spent on each project, similar to current methodology, except that:
- All ownership-based projects would be subject to a minimum annual allocation equal to 2.5% of total Agency budgeted revenues, and PPA-based projects would be subject to a minimum annual allocation equal to 1.0% of total Agency budgeted revenues
  - For FY 2021, minimum for ownership-based Project would be ~\$394k (10% reduction from amount charged in FY 2020 budget)
- Both solar projects included in calculation but ignored for FY 2021 budget since neither will be in service



# FY 2021 Proposed Agency Overhead Allocations

	FY 2020 Budget (\$)	FY 2021 Budget (\$) [2]	% Change from FY 2020	With Solar Projects (\$) [3]
Member Assessments [1]	\$27,966	\$60,000	115% [4]	\$60,000
St. Lucie Project	438,276	651,963	48.8%	638,413
Stanton Project	438,276	393,859	-10.1%	393,859
Tri-City Project	438,276	393,859	-10.1%	393,859
Stanton II Project	438,276	469,517	7.1%	462,222
Pooled Loan Project	10,235	12,188	19.1%	12,188
Solar Project	--	--	--	157,544
Solar II Project	--	--	--	157,544
Joint Owner Contract Audits	112,400	118,000	5%	118,000
All-Requirements Project	13,510,832	13,654,970	1.1%	13,360,728
<b>Total</b>	<b>\$15,414,537</b>	<b>\$15,754,356</b>		<b>\$15,754,356</b>

[1] Assessments to FMPA members that do not participate in an FMPA power supply project.

[2] FY 2021 Budget assumes neither solar project comes online during FY 2021.

[3] Reflects Agency overhead allocations assuming both solar projects were online.

[4] Based on proposed methodology change.



## Next Steps

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- Seeking approval to reflect these revised approaches in the FY 2021 budget
- Member assessment methodology set forth in FMPA's Interlocal Agreement, which would require amendment to revise
  - Amending Interlocal Agreement requires 75% affirmative vote
  - Proposed amendment is included in the package and will be brought back for approval prior to the 10/1/2020 effective date
- Changing the project allocations can be accomplished through majority Board vote during budget approval process

# Member Dues and Project Allocation Calculations

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Questions?

**INTERLOCAL AGREEMENT CREATING THE  
FLORIDA MUNICIPAL POWER AGENCY**

**WHEREAS**, the United States as a whole and the State of Florida in particular face an energy shortage arising from an increasing demand for energy, particularly for oil and natural gas, and insufficient supplies of oil and natural gas to satisfy that demand; and

**WHEREAS**, this energy shortage has precipitated a national energy crisis of unparalleled proportions; and

**WHEREAS**, the electric utilities in the State of Florida will of necessity be faced with a challenge of great magnitude to assure the citizens of Florida that the demands for growth in electric power will be met with a reasonable balance between the need for new facilities and the environmental impact resulting from the construction and operation of these new facilities; and

**WHEREAS**, the undersigned parties operate municipal electric systems; and

**WHEREAS**, mutual advantage may be obtained from the coordinated planning, construction and operation of these systems, and joint purchases, sales and exchanges of electric power; and

**WHEREAS**, additional mutual advantage may be obtained from the coordinated planning, constructing and operating of certain joint electric power supply projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, for the joint generation or transmission of electrical energy, or both, including any fuel supply or source useful for such a project; and

**WHEREAS**, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 361, Part II, Florida Statutes, as amended, commonly known as the "Joint Power Act," are authorized and empowered to join with each other and any other electric utility or group of electric utilities for the purposes of jointly financing, acquiring, constructing, managing, operating, utilizing and owning any joint electric power supply project or projects; and

**WHEREAS**, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 163.01, Florida Statutes, as amended, commonly known as the "Florida Interlocal Cooperation Act of 1969," are authorized and empowered to join with each other and any other electric utility or group of electric utilities for the purposes of jointly financing, acquiring, constructing, managing, operating, utilizing and owning any joint electric power supply project or projects; and

**WHEREAS**, in the implementation of Chapter 361, Part II, Florida Statutes, as amended, the undersigned parties may create any

organization, association, or legal entity for the accomplishment of the purposes thereof; and

**WHEREAS**, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 163.01, Florida Statutes, as amended, commonly known as the "Florida Interlocal Cooperation Act of 1969," are authorized and empowered to cooperate with each other on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities; and

**WHEREAS**, mutual advantage can be obtained from the implementation of pooled financing or borrowing for electric projects and other needs of the Florida Municipal Power Agency and its members financing alternatives and flexibility that might not otherwise be available to them individually; and

**WHEREAS**, the development of the All-Requirements Power Supply Project established and created by the Florida Municipal Power Agency makes it advantageous to clarify certain provisions regarding governance contained in this Interlocal Agreement; and

**WHEREAS**, Section 163.01, Florida Statutes, has been amended to allow pooled financing or borrowing for purposes in addition to electric projects.

**NOW, THEREFORE**, this Interlocal Agreement is entered into pursuant to Chapter 361, Part II, Florida Statutes, as amended, and/or Section 163.01, Florida Statutes, as amended, and such other statutes, ordinances and charters as may from time to time be applicable.

## **ARTICLE I**

### **Establishment of Agency, Location, Agency Seal and Fiscal Year**

**SECTION 1. Establishment of Agency.** An agency, constituting a separate governmental legal entity with the purposes and powers hereinafter set forth, is hereby created under the authority of Chapter 361, Part II, Florida Statutes, as amended, and Chapter 163.01, Florida Statutes, as amended, to exercise the powers granted by either provision and to be known as the Florida Municipal Power Agency (hereinafter referred to as the "Agency").

**SECTION 2. Location.** The principal office of the Agency in Florida shall be located in Tallahassee, Florida. The Board of Directors may change the location of the principal office in Florida and/or establish such other offices either within or without the State of Florida as it deems appropriate.

**SECTION 3. Seal.** The Board of Directors may adopt a seal of the Agency and shall have the authority to change or alter such seal.

**SECTION 4. Fiscal Year.** The fiscal year of the Agency shall end September 30.

**ARTICLE II**  
**Purposes and Powers of the Agency; Designation of Projects;**  
**Termination of Projects**

**SECTION 1. Purpose of the Agency.** The Agency is formed to undertake the financing, acquiring, constructing, managing, operating, utilizing and owning, either with or without other electric utilities or groups of utilities, of any joint electric supply project or projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, for the joint generation or transmission of electrical energy, or both, including any fuel supply or source useful for such a project, either within or without the State of Florida.

In addition, the Agency is formed to act on behalf of the undersigned parties jointly exercising their powers as permitted by Section 163.01, Florida Statutes, as amended. It is expressly recognized and agreed that such exercise of powers by the Agency pursuant to Section 163.01, Florida Statutes, as amended, may be broader in scope than the powers granted pursuant to Chapter 361, Part II, Florida Statutes, as amended.

The Agency is also formed for the purpose of pooled financing or borrowing and the establishment of a pooled loan project to be utilized by the Agency and the undersigned parties and other governmental entities for all costs incurred or to be incurred by the Agency and the undersigned parties and other governmental entities, including any costs relating to any project designed or intended to decrease the costs of the utility system of the Agency, the undersigned parties or other governmental agencies or to increase the capacity or reliability of such utility system, including, without limitation, costs incurred in connection with the planning, engineering, designing, acquiring, leasing, constructing, installing, financing, operating, maintaining, retiring, decommissioning or disposing of (A) any part of the Agency's or the undersigned parties' or other governmental entities' electric, water, wastewater, waste or refuse disposal, telecommunications, resource recovery or gas systems or any other utility system of the Agency or the undersigned parties or other governmental entities permitted by law, (B) any part of an electric, water, wastewater, waste or refuse disposal, telecommunications, resources recovery or gas facility or of any other utility facility in which the Agency or the undersigned party or other governmental entity has a joint ownership interest, or (C) any project entered into by the Agency permitted by law. Such costs include, but are not limited to, planning, engineering, designing, acquiring, leasing, construction, installing, financing, operating, maintaining, retiring, decommissioning, obtaining of governmental approvals, certificates, permits and licenses, acquisition of real and personal property, acquisition of fuel or facilities for the production, transportation and

storage of fuel, payments and prepayments for electricity and fuel, payments under various derivative contracts, including, without limitation, financial and commodity hedges, working capital and reserves, all types of insurance including self-insurance, legal, engineering and financial fees, bank commitment and letter of credit fees, expenses of trustees, registrars and paying agents, any amounts required to be paid into any fund or account by any bond resolution of the Agency or the undersigned parties or other governmental entities, prepayment of interest, principal, premium or any obligation, bond or note of the Agency or the undersigned parties or other governmental entities, including the purchasing thereof of the open market or in response to a request for tender offers and any other lawful purposes as authorized by the Agency or the undersigned parties or other governmental entities from time to time. The costs for which borrowings may be made from the pooled loan project are intended to be construed as broadly as possible to the extent permitted by applicable law.

As used herein, "other governmental entities" means Florida governmental entities, whether or not such governmental entities are an undersigned party to this Interlocal Agreement.

**SECTION 2. Powers of the Agency.** In order to carry out the purposes of the Agency set forth herein, the Agency shall have the following powers:

- (a) to plan, finance, acquire, construct, purchase, operate, maintain, use, share cost of, own, lease, sell or dispose of any joint electric power supply project or projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, for the joint generation or transmission of electrical energy, or both, including any fuel supply or source, within or without the State of Florida;
- (b) to investigate the desirability of and necessity for additional sources and supplies of electrical energy and fuel of any kind for such purposes and transmission facilities therefore, and make studies, surveys and estimates as may be necessary to determine the feasibility and cost thereof;
- (c) to cooperate with other persons or other entities, public or private, in the development of sources and supplies of electrical energy and fuel of any kind for such purposes and transmission facilities therefore, and give assistance financial or otherwise in any such development;
- (d) to apply to any person or other entity, public or private, for consents, permits, authorizations or approvals required for any project undertaken in

accordance with this Agreement and take all actions necessary to comply with the conditions thereof;

- (e) to acquire, hold, use, and dispose of income, revenues, funds and money;
- (f) to exercise all powers in connection with the authorization, issuance and sale of bonds and bond anticipation notes as are conferred by Section 163.01, Florida Statutes, as amended, and by such other applicable statutes as may hereafter be adopted;
- (g) to invest money of the Agency not required for immediate use, including proceeds from the sale of any bonds, in such obligations, securities, and other investments as authorized by applicable law and any applicable provisions of any bond resolution or other instruments governing the fund or funds in which such money is deposited;
- (h) to exercise the power to eminent domain;
- (i) to enter into, on its own behalf or as agent for any one or more of the parties hereto, any contract or agreement necessary, appropriate or incidental to the effectuation of its lawful purposes and the exercise of the power granted herein, including, without limitation, contracts or agreements for the purchase, sale, prepayment, exchange, interchange, wheeling, pooling, transmission, distribution or storage of electrical capacity or energy from any source, and fuel or any rights thereto of any kind for any such purposes, within and without the State of Florida, and any contracts or agreements constituting any form of financial or commodity hedge in such amounts as it shall determine to be necessary and appropriate to make the most effective use of its powers and to meet its responsibilities and with such persons or other entities, public or private, on such terms and for such period of time as its Board of Directors or Executive Committee, as appropriate, determines; provided, however, that the Agency shall not sell, transfer or distribute any electrical power except on a wholesale basis and the Agency shall not sell, transfer or distribute any electrical power in violation of the provisions of Section 361.14, Florida Statutes;
- (j) to procure insurance from such insurers as it deems desirable or to self-insure, or both, against any losses in connection with its property, operations, or assets;



- (k) to make and enter into contracts in its own name, to employ agents or employees, to acquire, construct, manage, maintain or operate buildings, works or improvements, to acquire, hold or dispose of property;
- (l) to incur debts, liabilities, or obligations which do not constitute debts, liabilities or obligations of the parties to this Interlocal Agreement;
- (m) to sue and be sued;
- (n) to exercise any power, privilege or authority which is necessary and proper to further the purposes of the Agency and which the parties to this Interlocal Agreement might exercise in their individual capacities;
- (o) to exercise any other power or powers conferred presently or in the future under the laws of Florida, as are in furtherance of the purposes of the Agency;
- (p) to establish, operate and manage a pooled loan project or projects for utilization by the Agency, the undersigned parties and other governmental entities;
- (q) to exercise all powers in connection with the authorization, issuance and sale of bonds and bond anticipation notes as are conferred by Section 163.01, Florida Statutes, and by such other applicable statutes as may be hereinafter adopted;
- (r) to procure insurance from such insurers as it deems desirable, to establish self-insurance, to otherwise establish a program or project to provide insurance for the Agency and/or the undersigned parties or any combination thereof to insure against any losses in connection with the activities, property, operations or assets of the Agency or the undersigned parties;
- (s) to enter into interlocal agreements with any one or more public agencies, including other separate legal entities created pursuant to Section 163.01, Florida Statutes, as amended pursuant; and
- (t) to do all other things and take all other actions deemed necessary or desirable by the Board of Directors or Executive Committee, as appropriate, to carry out any one or more of the foregoing powers.

**SECTION 3. Designation of Projects.** Prior to undertaking any project, including any Study Project, the Board of Directors shall adopt

a resolution supplementing this Interlocal Agreement and authorizing said project, and designating it as a project hereunder. In addition, such resolution may state that this Interlocal Agreement as supplemented by said resolution shall constitute "an agreement to implement a project," a "joint power agreement" and a "project agreement" for such project, as those terms are used in Chapter 361, Part II, Florida Statutes, as amended, or a joint exercise of powers, privileges, and authorities pursuant to Section 163.01, Florida Statutes, as amended, and shall specify (in case of any project other than a Study Project) the interest or method of determining such interest, if any, of each member in such project. Any such resolution shall be maintained by the Secretary of the Agency among the permanent records of the Agency and shall be subject to modification or amendment from time to time by further resolution of the Board of Directors. As used in this Section 3, the term "Study Project" shall include the investigation of the desirability of and necessity for (1) one or more additional sources or supplies of electric capacity or energy or both; (2) transmission facilities; (3) acquisition, extraction, conversion, transportation, storage or reprocessing of fuel of any kind; and (4) joint action projects associated with electric utility operations; and the study to determine the feasibility and costs of one or more proposed projects. "Study Project" shall also include, in connection with the foregoing, the causing to be performed engineering, legal, financial and other services as may be necessary or advisable to determine the legality and the financial and engineering feasibility thereof.

In implementing any pooled loan project, the Board of Directors shall adopt a Resolution supplementing this Interlocal Agreement and authorizing said project, designating it as a project hereunder, stating that this Interlocal Agreement as supplemented by said Resolution shall constitute an "agreement to implement a project."

**SECTION 4. Termination of Projects.** Upon the termination of any project of the Agency (other than a Study Project) and after

- (a) all bonds, notes or other evidences of indebtedness of the Agency with respect to such project, and the interest thereon, shall have been paid or adequate provision for such payment made in accordance with the provisions of such bonds, notes or other evidences of indebtedness and
- (b) all contractual obligations undertaken by the Agency with respect to such project and all liens, charges and encumbrances to which the property constituting a part of such project is subject shall have been satisfied, released or adequately provided for,

then all property, real, personal, tangible and intangible of the Agency constituting a part of such project shall promptly be divided among and distributed to the parties participating in such project in the proportion that each party's participation in such project bears to the

participation of all parties participating in such project or in such other manner as such parties shall agree.

**ARTICLE III**  
**Structure of the Agency**

**SECTION 1. Board of Directors.** Except as to matters relating to the All-Requirements Power Supply Project as provided in Section 4 of this Article III, the Agency shall be governed by a Board of Directors. The Board of Directors shall be composed of one Director designated in writing by each party to this Interlocal Agreement, who shall serve at the pleasure of the party designating him. Parties may appoint in writing such alternate directors as they deem necessary. Any such alternate shall be entitled to vote in the absence of the Director for whom he is an alternate at meetings of the Board of Directors, but shall not be entitled to assume or perform the duties of any office of the Agency held by the Director for whom he is an alternate.

**SECTION 2. Meetings.** The Board of Directors shall meet annually within the State of Florida at a time and place as determined by the Board of Directors. Special meetings of the Board of Directors may be held within or without the State of Florida. The By-laws (hereinafter all references to the by-laws are references to the Agency by-laws adopted by the Board of Directors unless otherwise expressly stated) may provide for regular meetings of the Board of Directors to be held within the State of Florida at times and places selected by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman or any two or more Directors in accordance with the By-laws.

**SECTION 3. Quorum and Voting.**

- (a) Each Director shall have at least one vote to cast on each matter submitted to a vote of the Board of Directors. Furthermore, (i) each Director representing a member system that participates in a power supply project of the Agency, but not participating in the All-Requirements Power Supply Project, shall have 1.5 votes; and (ii) each Director representing a member system that participates in the All-Requirements Power Supply Project shall have 2 votes.
- (b) The number of votes held by each Director as of the time of adoption of the seventh amendment to the Interlocal Agreement (approved by the Board of Directors on March 26, 2009) is reflected on Schedule "A" attached hereto.
- (c) Schedule "A" shall be modified by the Secretary (or at the Secretary's direction by any Assistant Secretary), as necessary, to reflect all changes in member systems' participation in the Agency's projects. All

modifications to Schedule "A" shall be promptly distributed to the Board of Directors by Agency staff.

- (d) A quorum exists at any meeting of the Board of Directors when a majority of the total votes of the Board of Directors is present at such meeting, which is noted on Schedule "A" attached hereto. Directors may participate in any meeting of the Board of Directors by means of conference telephone, video conference or other communications equipment by means of which all persons attending such meeting can hear each other. During any such meeting, one or more Directors, may, but need not, be together in one location. Participation in such a meeting of the Board of Directors shall constitute presence in person at the meeting. If a quorum exists, a majority vote of the total votes present and constituting a quorum shall be necessary to take any action except upon such matters as a vote of greater than a majority is required pursuant to this Agreement or the by-laws.
- (e) All questions regarding project matters, except as otherwise provided herein, shall be decided by the Board of Directors. Within the decision-making process the individual needs and desires of the participants within the project shall be given the strongest consideration consistent with the best interest of all members of the Agency and all other projects of the Agency.

Each project shall have a project committee; provided, however, notwithstanding this Article III, Section 3(e), the All-Requirements Power Supply Project shall be governed pursuant to Article III, Section 4. The project committee shall be comprised of no more than one representative from each member system participating in each project. Each project committee will meet as necessary to discuss questions involving the administration of the project and will make recommendations to the Board of Directors regarding the policy decisions to be made about the project (except for the All-Requirements Power Supply Project). The implementation of those policy decisions shall be the responsibility of the Agency Staff. A quorum exists at any meeting of any project committee when a majority of the total votes of the project committee is present at such meeting, unless otherwise determined by the project committee or provided for in the by-laws. Each member system with a representative on the project committee shall be entitled to one vote. If a quorum exists, a majority vote of the quorum shall be necessary to take any

action, unless otherwise determined by the project committee or the by-laws.

The project related contract between the Agency and the participating member will include a provision by which the member recognizes that the Agency will be responsible for making all decisions with regard to the project.

**SECTION 4. Executive and Other Committees.** Except as to matters relating to the Agency generally or as otherwise specifically provided herein, all matters relating to the business and affairs of the All-Requirements Power Supply Project, including but not limited to the incurrence of indebtedness and other contractual obligations, shall be governed and managed by the Executive Committee. Any reference in the any resolution of the Agency, including bond resolutions, any contract, policy, instrument, or other writing, to the Chairman and the Board of Directors (or the Board), with respect to the business or affairs of the All-Requirements Power Supply Project, shall be deemed, as of the effective date of Amendment Number Six hereto, to be a reference to the Chairperson of the Executive Committee and the Executive Committee, respectively. Any reference in any resolution of the Agency, including bond resolutions, any contract, policy, instrument or other writing, to the Executive Committee or the Chairman of the Executive Committee, with respect to the business or affairs of any project of the Agency other than the All-Requirements Power Supply Project, shall be deemed, as of the effective date of Amendment Number Six hereto, to be a reference to the Board of Directors and the Chairman of the Agency, respectively. The Executive Committee shall be composed of one (1) representative designated in writing by each Participant in the All-Requirements Power Supply Project pursuant to the All-Requirements Power Supply Project Contract (ARP Contract), who shall serve as provided in the ARP Contract or as otherwise provided for in the Executive Committee by-laws. The Executive Committee shall exercise such powers as are provided in this Interlocal Agreement, the by-laws, or as delegated to it in writing by the Board of Directors, and it may adopt Executive Committee by-laws to govern the conduct of Executive Committee business.

The Board of Directors and the Executive Committee may create other committees and shall decide the manner in which such other committees shall conduct their business.

**SECTION 5. Resignations of Members of Board of Directors and Executive Committee.** Any Director or Member of the Executive Committee may at any time resign his office by the delivery of his resignation in writing to the Agency (Attention: the Secretary), or as otherwise provided in the by-laws of the Agency or the Executive Committee, as appropriate. Any such resignation shall be effective upon receipt, and acceptance thereof shall not be necessary to make it effective unless it so states.

**SECTION 6. Vacancies on the Board of Directors and Executive Committee.**

Any vacancy on the Board of Directors shall be filled by the party who designated the Director by written notice to the Agency (Attention: the Secretary). The filling of any vacancy on the Board of Directors shall be effective upon receipt of such notice. Any vacancy on the Executive Committee shall be filled as provided for in the by-laws of the Executive Committee.

**SECTION 7. By-Laws.** The Board of Directors shall adopt By-laws governing rules of order and other subjects required for the orderly conduct of the Agency's business within 30 days of the first meeting of the Board of Directors.

The original By-laws of the Agency shall be unanimously adopted by the Board of Directors. When a quorum exists at any meeting of the Board of Directors as specified in Article III, Section 3(d) of this Interlocal Agreement, amendments to the By-laws shall be adopted by a two-thirds (2/3) vote of such quorum at any meeting thereof or as otherwise provided in the By-laws.

Subject to the provisions of the ARP Contract, the Executive Committee within thirty (30) days of the effective date of Amendment Number Six to this Interlocal Agreement shall adopt by-laws governing its structure, rules of order, its operations and procedures, how it shall do business, and other subjects required for the orderly conduct of the business of the All-Requirements Power Supply Project. The Board of Directors shall review the initial by-laws of the Executive Committee adopted pursuant to this Article III, Section 7 and shall have the authority to require changes to the Executive Committee by-laws based upon such review; provided, however, the Board of Directors shall have no authority to review or require changes to the Executive Committee by-laws after its review of the initial Executive Committee by-laws as provided for in this Article III, Section 7.

**ARTICLE IV  
Officers**

**SECTION 1. Designation and Qualification.** The officers of the Agency, as specified in the by-laws, shall consist of a Chairman, a Treasurer, a Secretary, and such other officers, including one or more Vice Chairmen, Assistant Treasurers, Assistant Secretaries, as the Board of Directors may determine. The Chairman, any Vice Chairman, the Secretary and the Treasurer shall be Directors, but no other officer need be a Director. A person may hold more than one office at the same time except that the Chairman and the Secretary may not be the same person. The Treasurer and all Assistant Treasurers shall each give the Agency a bond for the faithful performance of his or her duties in such sum and with such surety or sureties as may be requested from time to time by the Board of Directors or the Executive Committee, in the exercise of their respective discretion. The by-laws of the Executive Committee shall provide for the election of a Chairperson and Vice Chairperson and other officers as the Executive Committee, in accordance with the by-laws of

the Executive Committee, deems appropriate. The Secretary, all Assistant Secretaries, the Treasurer, all Assistant Treasurers, the General Manager, and the General Counsel shall also serve the same roles for the Executive Committee.

**SECTION 2. Election and Term.** All elected officers of the Agency shall be elected by the Board of Directors, and they shall hold their office for a term of one (1) year, or as otherwise provided for in the by-laws.

**SECTION 3. Chairman.** The Chairman shall preside at all meetings of the Board of Directors at which he is present. The Chairman shall also have the powers and duties prescribed in the by-laws and such other powers and duties as may be expressly assigned to him by the Board of Directors.

**SECTION 4. Vice Chairman.** The Vice Chairman or Vice Chairmen, if any, shall have such powers and perform such duties of the Chairman as may be assigned to them by the Board of Directors or the Chairman. In the event of the absence, resignation, removal or incapacity of the Chairman, the Vice Chairman, if any, or if there be more than one Vice Chairman, the First Vice Chairman, shall have and exercise all the power and duties of the Chairman until such time as the Chairman is able to resume his duties or until such time as a new Chairman is elected by the Board of Directors.

**SECTION 5. Treasurer and Assistant Treasurers.** The Treasurer shall have, subject to the by-laws or the direction of the Board of Directors or the Executive Committee, as appropriate, general oversight over the funds and financial affairs of the Agency and shall have general oversight responsibility to ensure that full and accurate records thereof be kept. The Treasurer shall render, or cause appropriate Agency staff to render, to the Board of Directors and the Executive Committee, at their regular meetings and such other times as they may determine, a statement of the financial condition of the Agency and a report of the financial transactions of the Agency. In the event of the refusal, absence, resignation, removal or incapacity of the Treasurer, the Assistant Treasurer, or if there be more than one, the First Assistant Treasurer, shall have and exercise all powers and duties of the Treasurer until such time as the Treasurer is willing and able to resume his duties or until such time as a new Treasurer is elected by the Board of Directors.

In addition to the foregoing, any Assistant Treasurers shall be assigned such duties and powers of the Treasurer as the Board of Directors and/or the Executive Committee may determine.

**SECTION 6. Secretary and Assistant Secretaries.** The Secretary shall attend all meetings of the Board of Directors and Executive Committee and shall have general oversight responsibility to ensure that an accurate record of the proceedings is kept in books provided for that purpose. He shall notify, or cause appropriate Agency staff to notify,

the Directors and Members of the Executive Committee of their meetings in accordance with the provisions of this Interlocal Agreement and the respective by-laws. In the event of the refusal, absence, resignation, removal or incapacity of the Secretary, the Assistant Secretary, or if there be more than one, the First Assistant Secretary, shall have and exercise the powers and duties of the Secretary until such time as the Secretary is willing and able to resume his duties or until such time as a new Secretary is elected by the Board of Directors.

In addition to the foregoing, any Assistant Secretary shall be assigned such duties and powers of the Secretary as the Board of Directors and/or Executive Committee may determine.

**SECTION 7. Resignation.** Any officer may at any time resign his office by the delivery of a resignation in writing to the Agency (Attention: the Secretary). Such resignation shall be effective upon receipt, and acceptance thereof shall not be necessary to make it effective unless it so states.

**SECTION 8. Removal of Officers.** Other than the Chairperson and Vice Chairperson and other elected or appointed officers of the Executive Committee, any officer may be removed from office at any time by the Board of Directors in accordance with the by-laws. The Chairperson and vice Chairperson of the Executive Committee and any other officers elected or appointed by the Executive Committee may be removed from office at anytime by the Executive Committee in accordance with the by-laws of the Executive Committee.

#### **ARTICLE V Cash Contributions**

Effective as of the commencement of the fiscal year of the Agency beginning October 1, 2020, each party of this Agreement shall make an annual, cash contribution to the Agency according to Schedule "B" attached hereto; provided, however, that no party to this Agreement which has entered into an agreement evidencing its participation in a specific project of the Agency, once such party begins receiving power from a project of the Agency, shall be required to pay any annual cash contribution to the Agency; provided, further, however, that the Board of Directors shall always have and retain the right to change the assessment policy of the Agency and to require cash contributions from the parties in accordance with the terms of a resolution changing such assessment policy and requiring cash contributions from the parties adopted at any annual meeting of the Board of Directors. Members receiving power from a project of the Agency will not be required to pay assessment payments under Schedule B, but in lieu thereof will pay an allocable portion of the project administrative costs of each project in which it is a participant and may, in addition, be required to pay a management fee as determined by the Board of Directors, not to exceed 0.5 mills per kilowatt hour sold to it by the Agency payable to the General Fund of the Agency for the development of future Agency projects.



**ARTICLE VI**  
**Miscellaneous Provisions**

**SECTION 1. Duration.** This Interlocal Agreement shall continue in full force and effect, subject to the right to rescind this Interlocal Agreement and dissolve the Agency provided by Section 2 of this Article VI, until September 30, 2042, or until such later date as all bonds, notes or other evidences of indebtedness of the Agency and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds, notes or other evidences of indebtedness; however, any party, by written notice to the Agency and each of the other parties to this Agreement, may terminate its participation in this Agreement subject to any contractual obligations undertaken.

**SECTION 2. Dissolution of the Agency.** This Interlocal Agreement shall continue in full force and effect, and the Agency shall continue to possess the powers herein conferred upon it, until the parties shall have rescinded this Interlocal Agreement (in accordance with this Section 2) or it shall terminate (in accordance with Section 1 of this Article VI). Any such termination or rescission of this Agreement shall constitute a dissolution of the Agency. Rescission of this Interlocal Agreement may only be accomplished by a writing or writings executed by each party and approved by resolution of each party's governing body. In no event shall this Interlocal Agreement or the powers herein granted to the Agency be rescinded until (a) all bonds, notes and other evidences of indebtedness of the Agency and the interest thereon shall have been paid or adequate provision for such payment shall have made in accordance with the instruments governing such bonds, notes and other evidences of indebtedness and (b) all contractual obligations undertaken by the Agency and all liens, charges and encumbrances to which property of the Agency is subject shall have been satisfied, released or adequately provided for.

**SECTION 3. Annual Budget.** When a quorum exists at any meeting of the Board of Directors as specified in Article III, Section 3(d) of this Interlocal Agreement, the annual budget shall be amended and/or adopted, from time to time by a two-thirds (2/3) vote of such quorum at any meeting thereof.

**SECTION 4. Liquidation.** Upon dissolution of the Agency, the Board of Directors shall liquidate the business, assets and property of the Agency, as expeditiously as possible, and all property of the Agency, real, personal, tangible and intangible shall be distributed (a) in the case of property constituting a part of a project of the Agency, to the parties hereto participating in such project and in the manner set forth in Section 4 of Article II hereof, and (b) in the case of all other property of the Agency, the parties hereto will share in the proportion that each party's aggregate kilowatt hours of energy purchased from the Agency in the five years prior to dissolution bears to total kilowatt hours of energy purchased by all parties from the agency during that time.

**SECTION 5. Audit.** The Board of Directors and the Executive Committee, as appropriate, shall at least once per year cause an independent audit to be made of the Agency's books and accounts by a certified public accountant.

**SECTION 6. Effective Date.** This Agreement shall be effective as to each party immediately at such time that it is executed by authority of the governing board or body of such parties.

**SECTION 7. Construction.** The provisions of this Agreement shall be given a liberal construction to effectuate its broad purposes. All references in this Interlocal Agreement to terms in the masculine shall also be deemed to include the feminine, and vice versa.

**SECTION 8. New Members.** The Board of Directors, to the extent authorized in the by-laws and applicable statutes, may permit any public entity operating a municipal electric system within the State of Florida to become a party to this Interlocal Agreement; provided, however, that no such public entity shall become a party hereto until (i) its admission is approved at a regular or special meeting of the Board of Directors and (ii) such public entity agrees to the conditions precedent to its membership as determined by the Board of Directors.

**SECTION 9. Amendments.** When a quorum exists at any meeting of the Board of Directors as specified in Article III, Section 3(d) of this Interlocal Agreement, this Interlocal Agreement may be amended by a seventy-five percent (75%) vote of such quorum at any meeting thereof. No amendment of this Interlocal Agreement which would affect the powers, rights or obligations of the Executive Committee may be adopted by the Board of Directors or become effective unless it has previously been approved by a seventy-five percent (75%) vote of a quorum present at a meeting of the Executive Committee called for the purpose of considering such amendment. A copy of all proposed amendments to be considered at any meeting of the Board of Directors shall be provided in writing to each Director not less than ten (10) days prior to the meeting at which any proposed amendment shall be submitted to a vote.

**SECTION 10. Statutory References.** All references in this Interlocal Agreement to statutes of the State of Florida shall be deemed to refer to such statutes as presently enacted or hereafter amended and also to any statutes hereafter adopted by the State of Florida amending, modifying, replacing or expanding the scope of such statutes.

**SECTION 11. Duplicate Originals.** This Interlocal Agreement may be executed in several counterparts, each of which will be an original but all of which together shall constitute one and the same instrument.

**SECTION 12. Severability.** In the event that any of the terms, covenants or conditions of this Interlocal Agreement or their application shall be held invalid as to any person, corporation or circumstances by any court having jurisdiction, the remainder of this Interlocal Agreement

and the application and effect of its terms, covenants or conditions to such persons, corporations or circumstances shall not be affected thereby.

The foregoing Interlocal Agreement was amended to include changes made pursuant to the approval of the Board of Directors on [DATE], by no less than a 75% majority via **Amendment Number Eight**.

The foregoing Interlocal Agreement was amended to include changes made pursuant to the approval of the Board of Directors on March 26, 2009, by no less than a 75% majority via **Amendment Number Seven**.

The foregoing Interlocal Agreement was amended to include changes made pursuant to the approval of the Board of Directors on May 24, 2007, by no less than a 2/3 majority via **Amendment Number Six**.

The foregoing Interlocal Agreement was amended to include changes made via **Amendment Number Five, Approved on October 27, 2004**.

The agreement was amended on September 29, 1989 to include changes made via

Amendment Number Four, approved by the Board on 6/28/89.

Previous changes made to the original Interlocal Agreement (and incorporated into this document via previous revisions) are:

Amendment Number Three, Approved on 6/23/86  
Amendment Number Two, Approved on 3/27/81  
Amendment Number One, Approved on 6/26/80

Original Interlocal Agreement dated 1977/1978.

\*\* Votes shown above do not include additional weighted votes for Solar Project and Solar II Project participants, which become effective for Board of Directors meetings following the beginning of energy production from each of those Projects, respectively.

**SCHEDULE A**

**FLORIDA MUNICIPAL POWER AGENCY  
BOARD OF DIRECTORS VOTING SCHEDULE**

<b>Member System</b>	<b>Project Participation</b>	<b>Votes</b>
Alachua	SL, SUN	1.5
Bartow	SUN	1
Blountstown		1
Bushnell	ARP	2
Chattahoochee		1
Clewiston	ARP and SL	2
Fort Meade	ARP and SL	2
Fort Pierce	ARP, ST, ST2, SL, and TC	2
Gainesville		1
Green Cove Springs	ARP and SL	2
Havana	ARP	2
Homestead	ST, ST2, SL, SUN, SUN2, and TC	1.5
Jacksonville Beach	ARP and SL	2
Key West	ARP, ST2, and TC	2
Kissimmee	ARP, ST, ST2, and SL	2
Lakeland		1
Lake Worth Beach	ARP, ST, SL, SUN, and SUN2	2
Leesburg	ARP and SL	2
Moore Haven	SL	1.5
Mount Dora	SUN2	1
New Smyrna Beach	SL, SUN2	1.5
Newberry	ARP and SL	2
Ocala	ARP	2
OUC		1
Quincy		1
St. Cloud	ST2	1.5
Starke	ARP, ST, ST2, and SL	2
Tallahassee		1
Wachula	SUN	1
Williston		1
Winter Park	SUN, SUN2	1
TOTAL		47.5
<b>Quorum to Conduct Business</b>		24

Project Designations: ARP - All-Requirements Power Supply Project  
 ST - Stanton Project  
 ST2 - Stanton II Project  
 SL - St. Lucie Project

\*\* Votes shown above do not include additional weighted votes for Solar Project and Solar II Project participants, which become effective for Board of Directors meetings following the beginning of energy production from each of those Projects, respectively.

SUN - Solar Project\*\*  
SUN2 - Solar II Project\*\*  
TC - Tri-City Project

\*\* Votes shown above do not include additional weighted votes for Solar Project and Solar II Project participants, which become effective for Board of Directors meetings following the beginning of energy production from each of those Projects, respectively.

**INTERLOCAL AGREEMENT CREATING THE  
FLORIDA MUNICIPAL POWER AGENCY**

**Schedule B - Cash Assessments**

Members not participating in an Agency project will be assessed each fiscal year to pay for the administrative costs of the Agency as follows:

- a) \$5,000

Members who are participating in an Agency project, once such members begin receiving power from a project of the Agency, shall not be required to pay a cash assessment.

Schedule B  
Amended at Board of Directors Meeting [DATE]

**INTERLOCAL AGREEMENT CREATING THE  
FLORIDA MUNICIPAL POWER AGENCY**

**WHEREAS**, the United States as a whole and the State of Florida in particular face an energy shortage arising from an increasing demand for energy, particularly for oil and natural gas, and insufficient supplies of oil and natural gas to satisfy that demand; and

**WHEREAS**, this energy shortage has precipitated a national energy crisis of unparalleled proportions; and

**WHEREAS**, the electric utilities in the State of Florida will of necessity be faced with a challenge of great magnitude to assure the citizens of Florida that the demands for growth in electric power will be met with a reasonable balance between the need for new facilities and the environmental impact resulting from the construction and operation of these new facilities; and

**WHEREAS**, the undersigned parties operate municipal electric systems; and

**WHEREAS**, mutual advantage may be obtained from the coordinated planning, construction and operation of these systems, and joint purchases, sales and exchanges of electric power; and

**WHEREAS**, additional mutual advantage may be obtained from the coordinated planning, constructing and operating of certain joint electric power supply projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, for the joint generation or transmission of electrical energy, or both, including any fuel supply or source useful for such a project; and

**WHEREAS**, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 361, Part II, Florida Statutes, as amended, commonly known as the "Joint Power Act," are authorized and empowered to join with each other and any other electric utility or group of electric utilities for the purposes of jointly financing, acquiring, constructing, managing, operating, utilizing and owning any joint electric power supply project or projects; and

**WHEREAS**, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 163.01, Florida Statutes, as amended, commonly known as the "Florida Interlocal Cooperation Act of 1969," are authorized and empowered to join with each other and any other electric utility or group of electric utilities for the purposes of jointly financing, acquiring, constructing, managing, operating, utilizing and owning any joint electric power supply project or projects; and

**WHEREAS**, in the implementation of Chapter 361, Part II, Florida Statutes, as amended, the undersigned parties may create any



organization, association, or legal entity for the accomplishment of the purposes thereof; and

**WHEREAS**, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 163.01, Florida Statutes, as amended, commonly known as the "Florida Interlocal Cooperation Act of 1969," are authorized and empowered to cooperate with each other on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities; and

**WHEREAS**, mutual advantage can be obtained from the implementation of pooled financing or borrowing for electric projects and other needs of the Florida Municipal Power Agency and its members financing alternatives and flexibility that might not otherwise be available to them individually; and

**WHEREAS**, the development of the All-Requirements Power Supply Project established and created by the Florida Municipal Power Agency makes it advantageous to clarify certain provisions regarding governance contained in this Interlocal Agreement; and

**WHEREAS**, Section 163.01, Florida Statutes, has been amended to allow pooled financing or borrowing for purposes in addition to electric projects.

**NOW, THEREFORE**, this Interlocal Agreement is entered into pursuant to Chapter 361, Part II, Florida Statutes, as amended, and/or Section 163.01, Florida Statutes, as amended, and such other statutes, ordinances and charters as may from time to time be applicable.

#### **ARTICLE I**

##### **Establishment of Agency, Location, Agency Seal and Fiscal Year**

**SECTION 1. Establishment of Agency.** An agency, constituting a separate governmental legal entity with the purposes and powers hereinafter set forth, is hereby created under the authority of Chapter 361, Part II, Florida Statutes, as amended, and Chapter 163.01, Florida Statutes, as amended, to exercise the powers granted by either provision and to be known as the Florida Municipal Power Agency (hereinafter referred to as the "Agency").

**SECTION 2. Location.** The principal office of the Agency in Florida shall be located in Tallahassee, Florida. The Board of Directors may change the location of the principal office in Florida and/or establish such other offices either within or without the State of Florida as it deems appropriate.

**SECTION 3. Seal.** The Board of Directors may adopt a seal of the Agency and shall have the authority to change or alter such seal.

**SECTION 4. Fiscal Year.** The fiscal year of the Agency shall end September 30.

**ARTICLE II  
Purposes and Powers of the Agency; Designation of Projects;  
Termination of Projects**

**SECTION 1. Purpose of the Agency.** The Agency is formed to undertake the financing, acquiring, constructing, managing, operating, utilizing and owning, either with or without other electric utilities or groups of utilities, of any joint electric supply project or projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, for the joint generation or transmission of electrical energy, or both, including any fuel supply or source useful for such a project, either within or without the State of Florida.

In addition, the Agency is formed to act on behalf of the undersigned parties jointly exercising their powers as permitted by Section 163.01, Florida Statutes, as amended. It is expressly recognized and agreed that such exercise of powers by the Agency pursuant to Section 163.01, Florida Statutes, as amended, may be broader in scope than the powers granted pursuant to Chapter 361, Part II, Florida Statutes, as amended.

The Agency is also formed for the purpose of pooled financing or borrowing and the establishment of a pooled loan project to be utilized by the Agency and the undersigned parties and other governmental entities for all costs incurred or to be incurred by the Agency and the undersigned parties and other governmental entities, including any costs relating to any project designed or intended to decrease the costs of the utility system of the Agency, the undersigned parties or other governmental agencies or to increase the capacity or reliability of such utility system, including, without limitation, costs incurred in connection with the planning, engineering, designing, acquiring, leasing, constructing, installing, financing, operating, maintaining, retiring, decommissioning or disposing of (A) any part of the Agency's or the undersigned parties' or other governmental entities' electric, water, wastewater, waste or refuse disposal, telecommunications, resource recovery or gas systems or any other utility system of the Agency or the undersigned parties or other governmental entities permitted by law, (B) any part of an electric, water, wastewater, waste or refuse disposal, telecommunications, resources recovery or gas facility or of any other utility facility in which the Agency or the undersigned party or other governmental entity has a joint ownership interest, or (C) any project entered into by the Agency permitted by law. Such costs include, but are not limited to, planning, engineering, designing, acquiring, leasing, construction, installing, financing, operating, maintaining, retiring, decommissioning, obtaining of governmental approvals, certificates, permits and licenses, acquisition of real and personal property, acquisition of fuel or facilities for the production, transportation and

storage of fuel, payments and prepayments for electricity and fuel, payments under various derivative contracts, including, without limitation, financial and commodity hedges, working capital and reserves, all types of insurance including self-insurance, legal, engineering and financial fees, bank commitment and letter of credit fees, expenses of trustees, registrars and paying agents, any amounts required to be paid into any fund or account by any bond resolution of the Agency or the undersigned parties or other governmental entities, prepayment of interest, principal, premium or any obligation, bond or note of the Agency or the undersigned parties or other governmental entities, including the purchasing thereof of the open market or in response to a request for tender offers and any other lawful purposes as authorized by the Agency or the undersigned parties or other governmental entities from time to time. The costs for which borrowings may be made from the pooled loan project are intended to be construed as broadly as possible to the extent permitted by applicable law.

As used herein, "other governmental entities" means Florida governmental entities, whether or not such governmental entities are an undersigned party to this Interlocal Agreement.

**SECTION 2. Powers of the Agency.** In order to carry out the purposes of the Agency set forth herein, the Agency shall have the following powers:

- (a) to plan, finance, acquire, construct, purchase, operate, maintain, use, share cost of, own, lease, sell or dispose of any joint electric power supply project or projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, for the joint generation or transmission of electrical energy, or both, including any fuel supply or source, within or without the State of Florida;
- (b) to investigate the desirability of and necessity for additional sources and supplies of electrical energy and fuel of any kind for such purposes and transmission facilities therefore, and make studies, surveys and estimates as may be necessary to determine the feasibility and cost thereof;
- (c) to cooperate with other persons or other entities, public or private, in the development of sources and supplies of electrical energy and fuel of any kind for such purposes and transmission facilities therefore, and give assistance financial or otherwise in any such development;
- (d) to apply to any person or other entity, public or private, for consents, permits, authorizations or approvals required for any project undertaken in

accordance with this Agreement and take all actions necessary to comply with the conditions thereof;

- (e) to acquire, hold, use, and dispose of income, revenues, funds and money;
- (f) to exercise all powers in connection with the authorization, issuance and sale of bonds and bond anticipation notes as are conferred by Section 163.01, Florida Statutes, as amended, and by such other applicable statutes as may hereafter be adopted;
- (g) to invest money of the Agency not required for immediate use, including proceeds from the sale of any bonds, in such obligations, securities, and other investments as authorized by applicable law and any applicable provisions of any bond resolution or other instruments governing the fund or funds in which such money is deposited;
- (h) to exercise the power to eminent domain;
- (i) to enter into, on its own behalf or as agent for any one or more of the parties hereto, any contract or agreement necessary, appropriate or incidental to the effectuation of its lawful purposes and the exercise of the power granted herein, including, without limitation, contracts or agreements for the purchase, sale, prepayment, exchange, interchange, wheeling, pooling, transmission, distribution or storage of electrical capacity or energy from any source, and fuel or any rights thereto of any kind for any such purposes, within and without the State of Florida, and any contracts or agreements constituting any form of financial or commodity hedge in such amounts as it shall determine to be necessary and appropriate to make the most effective use of its powers and to meet its responsibilities and with such persons or other entities, public or private, on such terms and for such period of time as its Board of Directors or Executive Committee, as appropriate, determines; provided, however, that the Agency shall not sell, transfer or distribute any electrical power except on a wholesale basis and the Agency shall not sell, transfer or distribute any electrical power in violation of the provisions of Section 361.14, Florida Statutes;
- (j) to procure insurance from such insurers as it deems desirable or to self-insure, or both, against any losses in connection with its property, operations, or assets;

- (k) to make and enter into contracts in its own name, to employ agents or employees, to acquire, construct, manage, maintain or operate buildings, works or improvements, to acquire, hold or dispose of property;
- (l) to incur debts, liabilities, or obligations which do not constitute debts, liabilities or obligations of the parties to this Interlocal Agreement;
- (m) to sue and be sued;
- (n) to exercise any power, privilege or authority which is necessary and proper to further the purposes of the Agency and which the parties to this Interlocal Agreement might exercise in their individual capacities;
- (o) to exercise any other power or powers conferred presently or in the future under the laws of Florida, as are in furtherance of the purposes of the Agency;
- (p) to establish, operate and manage a pooled loan project or projects for utilization by the Agency, the undersigned parties and other governmental entities;
- (q) to exercise all powers in connection with the authorization, issuance and sale of bonds and bond anticipation notes as are conferred by Section 163.01, Florida Statutes, and by such other applicable statutes as may be hereinafter adopted;
- (r) to procure insurance from such insurers as it deems desirable, to establish self-insurance, to otherwise establish a program or project to provide insurance for the Agency and/or the undersigned parties or any combination thereof to insure against any losses in connection with the activities, property, operations or assets of the Agency or the undersigned parties;
- (s) to enter into interlocal agreements with any one or more public agencies, including other separate legal entities created pursuant to Section 163.01, Florida Statutes, as amended pursuant; and
- (t) to do all other things and take all other actions deemed necessary or desirable by the Board of Directors or Executive Committee, as appropriate, to carry out any one or more of the foregoing powers.

**SECTION 3. Designation of Projects.** Prior to undertaking any project, including any Study Project, the Board of Directors shall adopt

a resolution supplementing this Interlocal Agreement and authorizing said project, and designating it as a project hereunder. In addition, such resolution may state that this Interlocal Agreement as supplemented by said resolution shall constitute "an agreement to implement a project," a "joint power agreement" and a "project agreement" for such project, as those terms are used in Chapter 361, Part II, Florida Statutes, as amended, or a joint exercise of powers, privileges, and authorities pursuant to Section 163.01, Florida Statutes, as amended, and shall specify (in case of any project other than a Study Project) the interest or method of determining such interest, if any, of each member in such project. Any such resolution shall be maintained by the Secretary of the Agency among the permanent records of the Agency and shall be subject to modification or amendment from time to time by further resolution of the Board of Directors. As used in this Section 3, the term "Study Project" shall include the investigation of the desirability of and necessity for (1) one or more additional sources or supplies of electric capacity or energy or both; (2) transmission facilities; (3) acquisition, extraction, conversion, transportation, storage or reprocessing of fuel of any kind; and (4) joint action projects associated with electric utility operations; and the study to determine the feasibility and costs of one or more proposed projects. "Study Project" shall also include, in connection with the foregoing, the causing to be performed engineering, legal, financial and other services as may be necessary or advisable to determine the legality and the financial and engineering feasibility thereof.

In implementing any pooled loan project, the Board of Directors shall adopt a Resolution supplementing this Interlocal Agreement and authorizing said project, designating it as a project hereunder, stating that this Interlocal Agreement as supplemented by said Resolution shall constitute an "agreement to implement a project."

**SECTION 4. Termination of Projects.** Upon the termination of any project of the Agency (other than a Study Project) and after

- (a) all bonds, notes or other evidences of indebtedness of the Agency with respect to such project, and the interest thereon, shall have been paid or adequate provision for such payment made in accordance with the provisions of such bonds, notes or other evidences of indebtedness and
- (b) all contractual obligations undertaken by the Agency with respect to such project and all liens, charges and encumbrances to which the property constituting a part of such project is subject shall have been satisfied, released or adequately provided for,

then all property, real, personal, tangible and intangible of the Agency constituting a part of such project shall promptly be divided among and distributed to the parties participating in such project in the proportion that each party's participation in such project bears to the

participation of all parties participating in such project or in such other manner as such parties shall agree.

**ARTICLE III**  
**Structure of the Agency**

**SECTION 1. Board of Directors.** Except as to matters relating to the All-Requirements Power Supply Project as provided in Section 4 of this Article III, the Agency shall be governed by a Board of Directors. The Board of Directors shall be composed of one Director designated in writing by each party to this Interlocal Agreement, who shall serve at the pleasure of the party designating him. Parties may appoint in writing such alternate directors as they deem necessary. Any such alternate shall be entitled to vote in the absence of the Director for whom he is an alternate at meetings of the Board of Directors, but shall not be entitled to assume or perform the duties of any office of the Agency held by the Director for whom he is an alternate.

**SECTION 2. Meetings.** The Board of Directors shall meet annually within the State of Florida at a time and place as determined by the Board of Directors. Special meetings of the Board of Directors may be held within or without the State of Florida. The By-laws (hereinafter all references to the by-laws are references to the Agency by-laws adopted by the Board of Directors unless otherwise expressly stated) may provide for regular meetings of the Board of Directors to be held within the State of Florida at times and places selected by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman or any two or more Directors in accordance with the By-laws.

**SECTION 3. Quorum and Voting.**

- (a) Each Director shall have at least one vote to cast on each matter submitted to a vote of the Board of Directors. Furthermore, (i) each Director representing a member system that participates in a power supply project of the Agency, but not participating in the All-Requirements Power Supply Project, shall have 1.5 votes; and (ii) each Director representing a member system that participates in the All-Requirements Power Supply Project shall have 2 votes.
- (b) The number of votes held by each Director as of the time of adoption of the seventh amendment to the Interlocal Agreement (approved by the Board of Directors on March 26, 2009) is reflected on Schedule "A" attached hereto.
- (c) Schedule "A" shall be modified by the Secretary (or at the Secretary's direction by any Assistant Secretary), as necessary, to reflect all changes in member systems' participation in the Agency's projects. All

modifications to Schedule "A" shall be promptly distributed to the Board of Directors by Agency staff.

- (d) A quorum exists at any meeting of the Board of Directors when a majority of the total votes of the Board of Directors is present at such meeting, which is noted on Schedule "A" attached hereto. Directors may participate in any meeting of the Board of Directors by means of conference telephone, video conference or other communications equipment by means of which all persons attending such meeting can hear each other. During any such meeting, one or more Directors, may, but need not, be together in one location. Participation in such a meeting of the Board of Directors shall constitute presence in person at the meeting. If a quorum exists, a majority vote of the total votes present and constituting a quorum shall be necessary to take any action except upon such matters as a vote of greater than a majority is required pursuant to this Agreement or the by-laws.
- (e) All questions regarding project matters, except as otherwise provided herein, shall be decided by the Board of Directors. Within the decision-making process the individual needs and desires of the participants within the project shall be given the strongest consideration consistent with the best interest of all members of the Agency and all other projects of the Agency.

Each project shall have a project committee; provided, however, notwithstanding this Article III, Section 3(e), the All-Requirements Power Supply Project shall be governed pursuant to Article III, Section 4. The project committee shall be comprised of no more than one representative from each member system participating in each project. Each project committee will meet as necessary to discuss questions involving the administration of the project and will make recommendations to the Board of Directors regarding the policy decisions to be made about the project (except for the All-Requirements Power Supply Project). The implementation of those policy decisions shall be the responsibility of the Agency Staff. A quorum exists at any meeting of any project committee when a majority of the total votes of the project committee is present at such meeting, unless otherwise determined by the project committee or provided for in the by-laws. Each member system with a representative on the project committee shall be entitled to one vote. If a quorum exists, a majority vote of the quorum shall be necessary to take any



action, unless otherwise determined by the project committee or the by-laws.

The project related contract between the Agency and the participating member will include a provision by which the member recognizes that the Agency will be responsible for making all decisions with regard to the project.

**SECTION 4. Executive and Other Committees.** Except as to matters relating to the Agency generally or as otherwise specifically provided herein, all matters relating to the business and affairs of the All-Requirements Power Supply Project, including but not limited to the incurrence of indebtedness and other contractual obligations, shall be governed and managed by the Executive Committee. Any reference in the any resolution of the Agency, including bond resolutions, any contract, policy, instrument, or other writing, to the Chairman and the Board of Directors (or the Board), with respect to the business or affairs of the All-Requirements Power Supply Project, shall be deemed, as of the effective date of Amendment Number Six hereto, to be a reference to the Chairperson of the Executive Committee and the Executive Committee, respectively. Any reference in any resolution of the Agency, including bond resolutions, any contract, policy, instrument or other writing, to the Executive Committee or the Chairman of the Executive Committee, with respect to the business or affairs of any project of the Agency other than the All-Requirements Power Supply Project, shall be deemed, as of the effective date of Amendment Number Six hereto, to be a reference to the Board of Directors and the Chairman of the Agency, respectively. The Executive Committee shall be composed of one (1) representative designated in writing by each Participant in the All-Requirements Power Supply Project pursuant to the All-Requirements Power Supply Project Contract (ARP Contract), who shall serve as provided in the ARP Contract or as otherwise provided for in the Executive Committee by-laws. The Executive Committee shall exercise such powers as are provided in this Interlocal Agreement, the by-laws, or as delegated to it in writing by the Board of Directors, and it may adopt Executive Committee by-laws to govern the conduct of Executive Committee business.

The Board of Directors and the Executive Committee may create other committees and shall decide the manner in which such other committees shall conduct their business.

**SECTION 5. Resignations of Members of Board of Directors and Executive Committee.** Any Director or Member of the Executive Committee may at any time resign his office by the delivery of his resignation in writing to the Agency (Attention: the Secretary), or as otherwise provided in the by-laws of the Agency or the Executive Committee, as appropriate. Any such resignation shall be effective upon receipt, and acceptance thereof shall not be necessary to make it effective unless it so states.

**SECTION 6. Vacancies on the Board of Directors and Executive Committee.** Any vacancy on the Board of Directors shall be filled by the party who designated the Director by written notice to the Agency (Attention: the Secretary). The filling of any vacancy on the Board of Directors shall be effective upon receipt of such notice. Any vacancy on the Executive Committee shall be filled as provided for in the by-laws of the Executive Committee.

**SECTION 7. By-Laws.** The Board of Directors shall adopt By-laws governing rules of order and other subjects required for the orderly conduct of the Agency's business within 30 days of the first meeting of the Board of Directors.

The original By-laws of the Agency shall be unanimously adopted by the Board of Directors. When a quorum exists at any meeting of the Board of Directors as specified in Article III, Section 3(d) of this Interlocal Agreement, amendments to the By-laws shall be adopted by a two-thirds (2/3) vote of such quorum at any meeting thereof or as otherwise provided in the By-laws.

Subject to the provisions of the ARP Contract, the Executive Committee within thirty (30) days of the effective date of Amendment Number Six to this Interlocal Agreement shall adopt by-laws governing its structure, rules of order, its operations and procedures, how it shall do business, and other subjects required for the orderly conduct of the business of the All-Requirements Power Supply Project. The Board of Directors shall review the initial by-laws of the Executive Committee adopted pursuant to this Article III, Section 7 and shall have the authority to require changes to the Executive Committee by-laws based upon such review; provided, however, the Board of Directors shall have no authority to review or require changes to the Executive Committee by-laws after its review of the initial Executive Committee by-laws as provided for in this Article III, Section 7.

#### **ARTICLE IV Officers**

**SECTION 1. Designation and Qualification.** The officers of the Agency, as specified in the by-laws, shall consist of a Chairman, a Treasurer, a Secretary, and such other officers, including one or more Vice Chairmen, Assistant Treasurers, Assistant Secretaries, as the Board of Directors may determine. The Chairman, any Vice Chairman, the Secretary and the Treasurer shall be Directors, but no other officer need be a Director. A person may hold more than one office at the same time except that the Chairman and the Secretary may not be the same person. The Treasurer and all Assistant Treasurers shall each give the Agency a bond for the faithful performance of his or her duties in such sum and with such surety or sureties as may be requested from time to time by the Board of Directors or the Executive Committee, in the exercise of their respective discretion. The by-laws of the Executive Committee shall provide for the election of a Chairperson and Vice Chairperson and other officers as the Executive Committee, in accordance with the by-laws of

the Executive Committee, deems appropriate. The Secretary, all Assistant Secretaries, the Treasurer, all Assistant Treasurers, the General Manager, and the General Counsel shall also serve the same roles for the Executive Committee.

**SECTION 2. Election and Term.** All elected officers of the Agency shall be elected by the Board of Directors, and they shall hold their office for a term of one (1) year, or as otherwise provided for in the by-laws.

**SECTION 3. Chairman.** The Chairman shall preside at all meetings of the Board of Directors at which he is present. The Chairman shall also have the powers and duties prescribed in the by-laws and such other powers and duties as may be expressly assigned to him by the Board of Directors.

**SECTION 4. Vice Chairman.** The Vice Chairman or Vice Chairmen, if any, shall have such powers and perform such duties of the Chairman as may be assigned to them by the Board of Directors or the Chairman. In the event of the absence, resignation, removal or incapacity of the Chairman, the Vice Chairman, if any, or if there be more than one Vice Chairman, the First Vice Chairman, shall have and exercise all the power and duties of the Chairman until such time as the Chairman is able to resume his duties or until such time as a new Chairman is elected by the Board of Directors.

**SECTION 5. Treasurer and Assistant Treasurers.** The Treasurer shall have, subject to the by-laws or the direction of the Board of Directors or the Executive Committee, as appropriate, general oversight over the funds and financial affairs of the Agency and shall have general oversight responsibility to ensure that full and accurate records thereof be kept. The Treasurer shall render, or cause appropriate Agency staff to render, to the Board of Directors and the Executive Committee, at their regular meetings and such other times as they may determine, a statement of the financial condition of the Agency and a report of the financial transactions of the Agency. In the event of the refusal, absence, resignation, removal or incapacity of the Treasurer, the Assistant Treasurer, or if there be more than one, the First Assistant Treasurer, shall have and exercise all powers and duties of the Treasurer until such time as the Treasurer is willing and able to resume his duties or until such time as a new Treasurer is elected by the Board of Directors.

In addition to the foregoing, any Assistant Treasurers shall be assigned such duties and powers of the Treasurer as the Board of Directors and/or the Executive Committee may determine.

**SECTION 6. Secretary and Assistant Secretaries.** The Secretary shall attend all meetings of the Board of Directors and Executive Committee and shall have general oversight responsibility to ensure that an accurate record of the proceedings is kept in books provided for that purpose. He shall notify, or cause appropriate Agency staff to notify,

the Directors and Members of the Executive Committee of their meetings in accordance with the provisions of this Interlocal Agreement and the respective by-laws. In the event of the refusal, absence, resignation, removal or incapacity of the Secretary, the Assistant Secretary, or if there be more than one, the First Assistant Secretary, shall have and exercise the powers and duties of the Secretary until such time as the Secretary is willing and able to resume his duties or until such time as a new Secretary is elected by the Board of Directors.

In addition to the foregoing, any Assistant Secretary shall be assigned such duties and powers of the Secretary as the Board of Directors and/or Executive Committee may determine.

**SECTION 7. Resignation.** Any officer may at any time resign his office by the delivery of a resignation in writing to the Agency (Attention: the Secretary). Such resignation shall be effective upon receipt, and acceptance thereof shall not be necessary to make it effective unless it so states.

**SECTION 8. Removal of Officers.** Other than the Chairperson and Vice Chairperson and other elected or appointed officers of the Executive Committee, any officer may be removed from office at any time by the Board of Directors in accordance with the by-laws. The Chairperson and vice Chairperson of the Executive Committee and any other officers elected or appointed by the Executive Committee may be removed from office at anytime by the Executive Committee in accordance with the by-laws of the Executive Committee.

**ARTICLE V  
Cash Contributions**

Effective as of the commencement of the fiscal year of the Agency beginning October 1, ~~2020~~<sup>1980</sup>, each party to this Agreement shall make an annual, cash contribution to the Agency ~~in an amount based upon its kWh Sales (retail) as last reportable by each party to the Florida Municipal Electric Association, Inc., or as the reporting/collecting of such kWh Sales (retail) information may otherwise be established by a resolution adopted at any annual meeting of the Board of Directors, according to the formula set forth on Schedule "B" attached hereto; provided, however, that no party to this Agreement which has entered into a Power Supply Development Agreement with the Agency or has entered into an agreement evidencing its participation in any other a specific project of the Agency, once such party begins receiving power from a project of the Agency, shall be required to pay any annual cash contribution to the Agency for any fiscal year of the Agency commencing after the execution of any such agreement and ending on or prior to September 30, 1982;~~ provided, further, however, that the Board of Directors shall always have and retain the right to change the assessment policy of the Agency and to require cash contributions from the parties in accordance with the terms of a resolution changing such assessment policy and requiring cash contributions from the parties adopted at any annual meeting of the Board of Directors. ~~After September 30, 1982, m~~Members receiving power from a

project of the Agency will not be required to pay assessment payments under Schedule B, but in lieu thereof will pay an allocable portion of the project administrative costs of each project in which it is a participant and may, in addition, be required to pay a management fee as determined by the Board of Directors, not to exceed 0.5 mills per kilowatt hour sold to it by the Agency payable to the General Fund of the Agency for the development of future Agency projects.

**ARTICLE VI**  
**Miscellaneous Provisions**

**SECTION 1. Duration.** This Interlocal Agreement shall continue in full force and effect, subject to the right to rescind this Interlocal Agreement and dissolve the Agency provided by Section 2 of this Article VI, until September 30, 2042, or until such later date as all bonds, notes or other evidences of indebtedness of the Agency and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds, notes or other evidences of indebtedness; however, any party, by written notice to the Agency and each of the other parties to this Agreement, may terminate its participation in this Agreement subject to any contractual obligations undertaken.

**SECTION 2. Dissolution of the Agency.** This Interlocal Agreement shall continue in full force and effect, and the Agency shall continue to possess the powers herein conferred upon it, until the parties shall have rescinded this Interlocal Agreement (in accordance with this Section 2) or it shall terminate (in accordance with Section 1 of this Article VI). Any such termination or rescission of this Agreement shall constitute a dissolution of the Agency. Rescission of this Interlocal Agreement may only be accomplished by a writing or writings executed by each party and approved by resolution of each party's governing body. In no event shall this Interlocal Agreement or the powers herein granted to the Agency be rescinded until (a) all bonds, notes and other evidences of indebtedness of the Agency and the interest thereon shall have been paid or adequate provision for such payment shall have made in accordance with the instruments governing such bonds, notes and other evidences of indebtedness and (b) all contractual obligations undertaken by the Agency and all liens, charges and encumbrances to which property of the Agency is subject shall have been satisfied, released or adequately provided for.

**SECTION 3. Annual Budget.** When a quorum exists at any meeting of the Board of Directors as specified in Article III, Section 3(d) of this Interlocal Agreement, the annual budget shall be amended and/or adopted, from time to time by a two-thirds (2/3) vote of such quorum at any meeting thereof.

**SECTION 4. Liquidation.** Upon dissolution of the Agency, the Board of Directors shall liquidate the business, assets and property of the Agency, as expeditiously as possible, and all property of the Agency, real, personal, tangible and intangible shall be distributed (a) in the

case of property constituting a part of a project of the Agency, to the parties hereto participating in such project and in the manner set forth in Section 4 of Article II hereof, and (b) in the case of all other property of the Agency, the parties hereto will share in the proportion that each party's aggregate kilowatt hours of energy purchased from the Agency in the five years prior to dissolution bears to total kilowatt hours of energy purchased by all parties from the agency during that time.

**SECTION 5. Audit.** The Board of Directors and the Executive Committee, as appropriate, shall at least once per year cause an independent audit to be made of the Agency's books and accounts by a certified public accountant.

**SECTION 6. Effective Date.** This Agreement shall be effective as to each party immediately at such time that it is executed by authority of the governing board or body of such parties.

**SECTION 7. Construction.** The provisions of this Agreement shall be given a liberal construction to effectuate its broad purposes. All references in this Interlocal Agreement to terms in the masculine shall also be deemed to include the feminine, and vice versa.

**SECTION 8. New Members.** The Board of Directors, to the extent authorized in the by-laws and applicable statutes, may permit any public entity operating a municipal electric system within the State of Florida to become a party to this Interlocal Agreement; provided, however, that no such public entity shall become a party hereto until (i) its admission is approved at a regular or special meeting of the Board of Directors and (ii) such public entity agrees to the conditions precedent to its membership as determined by the Board of Directors.

**SECTION 9. Amendments.** When a quorum exists at any meeting of the Board of Directors as specified in Article III, Section 3(d) of this Interlocal Agreement, this Interlocal Agreement may be amended by a seventy-five percent (75%) vote of such quorum at any meeting thereof. No amendment of this Interlocal Agreement which would affect the powers, rights or obligations of the Executive Committee may be adopted by the Board of Directors or become effective unless it has previously been approved by a seventy-five percent (75%) vote of a quorum present at a meeting of the Executive Committee called for the purpose of considering such amendment. A copy of all proposed amendments to be considered at any meeting of the Board of Directors shall be ~~mailed~~ provided in writing to each Director not less than ten (10) days prior to the meeting at which any proposed amendment shall be submitted to a vote.

**SECTION 10. Statutory References.** All references in this Interlocal Agreement to statutes of the State of Florida shall be deemed to refer to such statutes as presently enacted or hereafter amended and also to any statutes hereafter adopted by the State of Florida amending, modifying, replacing or expanding the scope of such statutes.

**SECTION 11. Duplicate Originals.** This Interlocal Agreement may be executed in several counterparts, each of which will be an original but all of which together shall constitute one and the same instrument.

**SECTION 12. Severability.** In the event that any of the terms, covenants or conditions of this Interlocal Agreement or their application shall be held invalid as to any person, corporation or circumstances by any court having jurisdiction, the remainder of this Interlocal Agreement and the application and effect of its terms, covenants or conditions to such persons, corporations or circumstances shall not be affected thereby.

The foregoing Interlocal Agreement was amended to include changes made pursuant to the approval of the Board of Directors on [DATE], by no less than a 75% majority via **Amendment Number Eight.**

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The foregoing Interlocal Agreement was amended to include changes made pursuant to the approval of the Board of Directors on March 26, 2009, by no less than a 75% majority via **Amendment Number Seven.**

The foregoing Interlocal Agreement was amended to include changes made pursuant to the approval of the Board of Directors on May 24, 2007, by no less than a 2/3 majority via **Amendment Number Six.**

The foregoing Interlocal Agreement was amended to include changes made via **Amendment Number Five, Approved on October 27, 2004.**

The agreement was amended on September 29, 1989 to include changes made via

Amendment Number Four, approved by the Board on 6/28/89.

Previous changes made to the original Interlocal Agreement (and incorporated into this document via previous revisions) are:

Amendment Number Three, Approved on 6/23/86

Amendment Number Two, Approved on 3/27/81

Amendment Number One, Approved on 6/26/80

Original Interlocal Agreement dated 1977/1978.

\*\* Votes shown above do not include additional weighted votes for Solar Project and Solar II Project participants, which become effective for Board of Directors meetings following the beginning of energy production from each of those Projects, respectively.



**SCHEDULE A**

**FLORIDA MUNICIPAL POWER AGENCY  
BOARD OF DIRECTORS VOTING SCHEDULE**

<b>Member System</b>	<b>Project Participation</b>	<b>Votes</b>
Alachua	SL, <u>SUN</u>	1.5
Bartow	<u>SUN</u>	1
Blountstown		1
Bushnell	ARP	2
Chattahoochee		1
Clewiston	ARP and SL	2
Fort Meade	ARP and SL	2
Fort Pierce	ARP, ST, ST2, SL, and TC	2
Gainesville		1
Green Cove Springs	ARP and SL	2
Havana	ARP	2
Homestead	ST, ST2, SL, <u>SUN</u> , <u>SUN2</u> , and TC	1.5
Jacksonville Beach	ARP and SL	2
Key West	ARP, ST2, and TC	2
Kissimmee	ARP, ST, ST2, and SL	2
Lakeland		1
Lake Worth Beach	ARP, ST, SL, <u>SUN</u> , and <u>SUN2</u>	2
Leesburg	ARP and SL	2
Moore Haven	SL	1.5
Mount Dora	<u>SUN2</u>	1
New Smyrna Beach	SL, <u>SUN2</u>	1.5
Newberry	ARP and SL	2
Ocala	ARP	2
OUC		1
Quincy		1
St. Cloud	ST2	1.5
Starke	ARP, ST, ST2, and SL	2
Tallahassee		1
Wachula	<u>SUN</u>	1
Williston		1
Winter Park	<u>SUN</u> , <u>SUN2</u>	1
TOTAL		47.5
<b>Quorum to Conduct Business</b>		24

Project Designations: ARP - All-Requirements Power Supply Project  
 ST - Stanton Project  
 ST2 - Stanton II Project  
 SL - St. Lucie Project

\*\* Votes shown above do not include additional weighted votes for Solar Project and Solar II Project participants, which become effective for Board of Directors meetings following the beginning of energy production from each of those Projects, respectively.

SUN - Solar Project\*\*  
SUN2 - Solar II Project\*\*  
TC - Tri-City Project

\*\* Votes shown above do not include additional weighted votes for Solar Project and Solar II Project participants, which become effective for Board of Directors meetings following the beginning of energy production from each of those Projects, respectively.

**INTERLOCAL AGREEMENT CREATING THE  
FLORIDA MUNICIPAL POWER AGENCY**

**Schedule B - Cash Assessments**

Members not participating in an Agency project will be assessed each fiscal year to pay for the administrative costs of the Agency as follows:

- a) ~~\$5,000~~ ~~\$6.75 per million kWh for the first 300 million kWh~~
- ~~b) \$4.05 per million kWh for the first 500 million kWh~~
- ~~c) \$ .39 per million kWh for all sales over 800 million kWh~~

~~The minimum assessment shall be \$500.00 and the maximum assessment shall be \$15,000. Members who are a party to a Power Supply Development Agreement or who are participating in an Agency project, once such members begin receiving power from a project of the Agency, shall not be required to pay a cash assessment.~~

Schedule B

Amended at Board of Directors Meeting [~~DATE~~ ~~January 13, 1984~~]

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\*\* Votes shown above do not include additional weighted votes for Solar Project and Solar II Project participants, which become effective for Board of Directors meetings following the beginning of energy production from each of those Projects, respectively.

**FLORIDA MUNICIPAL POWER AGENCY**  
**FY 2021 Agency Budget**

Calculation of Agency Revenues

**METHODOLOGY**

***Allocated Power Supply Project Revenues***

The methodology used to allocate Agency expenses to be billed to the St. Lucie, Stanton, Tri-City, Stanton II, Solar, Solar II, and Pooled Loan Projects (Projects) has been revised for Fiscal Year 2021. The process is as follows:

- 1) Staff determines the FMPA positions that would be essential to effective management of the Projects and providing services to members of the Projects.<sup>1</sup> In instances in which departments have more than one person involved in Project administration, the positions utilized reflect a representative FTE for that department.
- 2) Staff determines the percent time each position spends serving the needs of each of the Projects and the participating members, recognizing that the level of effort required for Projects that involve ownership in the same unit and/or plant may be lower.
- 3) With certain exceptions, the allocable cost of each position to each of the Projects is the percent of time this position spends serving the needs of each of the Projects determined in step 2) above multiplied by the current mid-point<sup>2</sup> of the salary range of the position as maintained by FMPA's Human Resources Department and approved by the Board.
- 4) For positions that pertain more to member services than Project administration, the allocable cost of the position to each of the Projects is based on the relative number of participants in each Project.
- 5) The amounts developed in 3) and 4) above are adjusted to include FMPA's current overhead adder percentage.
- 6) The sum of these annual salaries and overhead adders is the annual allocable amount to be charged to each Project, which amount is divided by 12 to arrive at the monthly allocable A&G Costs, except that:
  - a. Unless the Power Sales Contract for a Project contains provisions that would conflict with this requirement, the minimum annual allocable A&G cost (in dollars) to be assigned to each ownership-based generation Project (i.e., the Stanton, Tri-City, Stanton II, and St. Lucie Projects) shall not be less than 2.5% of the total Agency budget.
  - b. Unless the Power Sales Contract for a Project contains provisions that would conflict with this requirement, the minimum annual allocable A&G cost (in dollars) to be assigned to each PPA-based generation Project (i.e., the Solar and Solar II Projects) shall not be less than 1.0% of the total Agency budget.<sup>3</sup>

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<sup>1</sup> Staff will review these positions annually to ensure that the calculation is representative of the services currently provided.

<sup>2</sup> If the Human Resources department determines that the mid-point is not an appropriate representation of the current salary levels, a more appropriate level may be recommended.

<sup>3</sup> The Power Sales Contract for the Solar Project states that the total A&G allocated to the Solar Project will not exceed 100% of the cost associated with the single highest cost non-executive level FMPA position essential to the

**FLORIDA MUNICIPAL POWER AGENCY  
FY 2021 Agency Budget**

Calculation of Agency Revenues

- c. Additional charges, such as joint owner contract compliance costs, may be directly assignable to a Project; and,
- d. Additional Agency costs are allocated to the ARP as outlined below

***Member Cash Assessments***

Cash assessments are charged to FMPA members that neither participate in nor receive power from any FMPA power supply project. The current methodology for computing member assessments is set forth in the Interlocal Agreement and is based on the member's most recent reported annual kWh retail sales multiplied by the following rates:

- a) \$6.75 per million kWh for the first 300 million kWh
- b) \$4.05 per million kWh for the next 500 million kWh
- c) \$0.39 per million kWh for all sales over 800 million kWh

The minimum assessment is \$500, and the maximum assessment is \$15,000.

This methodology was established in 1984, and the rates and minimum and maximum assessment levels have not changed since.

For the Fiscal Year 2021 Budget, in recognition that (1) the current member assessments capture neither the value provided to members by the Agency nor the Agency's cost incurred to support members, and (2) the current methodology of basing the assessments charged to members on their kWh retail sales does not appropriately capture the cost to support individual members, staff is recommending that the member cash assessments be changed to a flat charge of \$5,000 per year per member. This change would require an amendment to the Interlocal Agreement.

***Joint Owner Contract Compliance Revenues***

The budgeted revenues are based on the actual cost estimated to be incurred to perform such services, based on historical efforts and any expected changes. Such costs are direct-billed to the parties for whom the service is provided.

***Additional ARP Revenues***

The ARP is allocated all remaining expenses of the Agency not recoverable through the above mechanisms or direct billings to Member cities.

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effective management of the Projects, and annual increases in total A&G allocated shall be commensurate with annual salary increases of such highest costs non-executive level FMPA position

**FLORIDA MUNICIPAL POWER AGENCY  
FY 2021 Agency Budget**

Calculation of Agency Revenues

***Interest Income***

Interest Income is calculated by the Treasury department using expected fund balances and applying the expected overall interest earned on investments.

**AGENCY REVENUE ALLOCATION CALCULATION FOR FY 2021 BUDGET**

Tables 1 and 2 show the development of the A&G Allocation used for the FY 2021 Budget. For development of the FY 2021 Budget, it was assumed that neither the FMPA Solar Project nor the FMPA Solar II Project becomes operational during FY 2021.

# FLORIDA MUNICIPAL POWER AGENCY

## FY ~~2020~~2021 Agency Budget

### Calculation of Agency Revenues

#### METHODOLOGY

##### *Allocated Power Supply Project Revenues*

The methodology used to allocate Agency expenses to be billed to the St. Lucie, Stanton, Tri-City, ~~and Stanton II~~ Projects was created in response to comments from FMPA's external auditor that a defined and rational approach to allocating such costs to these projects needed to be established. The process was further refined with the establishment of the Solar Project and re-instatement of the Pooled Loan Project. Stanton II, Solar, Solar II, and Pooled Loan Projects (Projects) has been revised for Fiscal Year 2021. The process is as follows:

- 1) Staff determines the FMPA positions that would be essential to effective management of the Projects ~~and providing services to members of the Projects.~~<sup>1</sup> In instances in which departments have more than one person involved in Project administration, the positions utilized reflect a representative FTE for that department.
  - 2) Staff determines the percent time each position spends serving the needs of each of the Projects and the ~~ARP~~ participating members, recognizing that the level of effort required for Projects that involve ownership in the same unit and/or plant may be lower.
  - 3) ~~The~~ With certain exceptions, the allocable cost of each position to each of the Projects is the percent of time this position spends serving the needs of each of the Projects determined in step 2) above multiplied by the current mid-point<sup>2</sup> of the salary range of the position as maintained by FMPA's Human Resources Department and approved by the Board.
  - 4) For positions that pertain more to member services than Project administration, the allocable cost of the position to each of the Projects is based on the relative number of participants in each Project.
- 4)5) The amounts developed in 3) and 4) above are adjusted to include FMPA's current overhead adder percentage.
- 5)6) The sum of these annual salaries and overhead adders is the annual allocable amount to be charged to each Project, which amount is divided by 12 to arrive at the monthly allocable A&G Costs, except that:
- a. The total A&G allocated to the Solar Project will not exceed 100% of the cost associated with the single highest cost non-executive level FMPA position essential to the effective management of the Projects, and annual increases in total A&G allocated shall be commensurate with annual salary increases of such highest costs non-executive level FMPA position; Unless the Power Sales Contract for a Project contains provisions that would conflict with this requirement, the minimum annual allocable A&G cost (in dollars) to be assigned to each ownership-based generation Project (i.e., the Stanton,

<sup>1</sup> Staff will review these positions annually to ensure that the calculation is representative of the services currently provided.

<sup>2</sup> If the Human Resources department determines that the mid-point is not an appropriate representation of the current salary levels, a more appropriate level may be recommended.



# FLORIDA MUNICIPAL POWER AGENCY

## FY ~~2020~~2021 Agency Budget

### Calculation of Agency Revenues

Tri-City, Stanton II, and St. Lucie Projects) shall not be less than 2.5% of the total Agency budget.

~~a.b.~~ Unless the Power Sales Contract for a Project contains provisions that would conflict with this requirement, the minimum annual allocable A&G cost (in dollars) to be assigned to each PPA-based generation Project (i.e., the Solar and Solar II Projects) shall not be less than 1.0% of the total Agency budget.<sup>3</sup>

~~b.c.~~ Additional charges, such as joint owner contract compliance costs, may be directly assignable to a Project; and,

~~c.d.~~ Additional Agency costs are allocated to the ARP as outlined below

#### **Member Cash Assessments**

Cash assessments are charged to FMPA members that neither participate in nor receive power from any FMPA power supply project. The current methodology for computing member assessments is set forth in the Interlocal Agreement and is based on the member's most recent reported annual kWh retail sales multiplied by the following rates:

- a) \$6.75 per million kWh for the first 300 million kWh
- b) \$4.05 per million kWh for the next 500 million kWh
- c) \$0.39 per million kWh for all sales over 800 million kWh

The minimum assessment is \$500, and the maximum assessment is \$15,000.

This methodology was established in 1984, and the rates and minimum and maximum assessment levels have not changed since.

For the Fiscal Year 2021 Budget, in recognition that (1) the current member assessments capture neither the value provided to members by the Agency nor the Agency's cost incurred to support members, and (2) the current methodology of basing the assessments charged to members on their kWh retail sales does not appropriately capture the cost to support individual members, staff is recommending that the member cash assessments be changed to a flat charge of \$5,000 per year per member. This change would require an amendment to the Interlocal Agreement.

#### **Joint Owner Contract Compliance Revenues**

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<sup>3</sup> The Power Sales Contract for the Solar Project states that the total A&G allocated to the Solar Project will not exceed 100% of the cost associated with the single highest cost non-executive level FMPA position essential to the effective management of the Projects, and annual increases in total A&G allocated shall be commensurate with annual salary increases of such highest costs non-executive level FMPA position

## FLORIDA MUNICIPAL POWER AGENCY

### FY ~~2020~~2021 Agency Budget

#### Calculation of Agency Revenues

The budgeted revenues are based on the actual cost estimated to be incurred to perform such services, based on historical efforts and any expected changes. Such costs are direct-billed to the parties for whom the service is provided.

#### ***Additional ARP Revenues***

The ARP is allocated all remaining expenses of the Agency not recoverable through the above mechanisms or direct billings to Member cities.

#### ***Interest Income***

Interest Income is calculated by the Treasury department using expected fund balances and applying the expected overall interest earned on investments.

#### **AGENCY REVENUE ALLOCATION CALCULATION FOR FY ~~2020~~2021 BUDGET**

Tables 1 and 2 show the development of the A&G Allocation used for the FY ~~2020~~2021 Budget. For development of the FY ~~2020~~2021 Budget, it was assumed that neither the FMPA Solar Project ~~does not~~ become nor the FMPA Solar II Project becomes operational during FY ~~2020-2021~~.

**Table 1 (Revised Methodology)**  
**Agency A&G Allocation for FY 2021 (Without Solar Projects)**

Position	FY 2021 Salary Used	ARP/General Membership	Stanton	Tri-City Project	Stanton II Project	St. Lucie Project	Pooled Loan Project	Solar Project	Solar II Project
General Manager	\$440,000	80.00%	2.96%	2.96%	5.92%	7.91%	0.25%	0.00%	0.00%
Administrative Specialist	\$65,300	50.00%	7.42%	7.42%	14.84%	19.82%	0.50%	0.00%	0.00%
Chief Operating Officer	\$222,291	75.00%	3.75%	3.75%	7.50%	10.00%	0.00%	0.00%	0.00%
Accountant III (New)	\$104,218	45.00%	8.25%	8.25%	16.50%	22.00%	0.00%	0.00%	0.00%
Chief Financial Officer	\$209,708	80.00%	2.93%	2.93%	5.86%	7.78%	0.50%	0.00%	0.00%
Auditor III	\$117,100	50.00%	7.31%	7.31%	14.62%	19.51%	1.25%	0.00%	0.00%
Senior Financial Analyst	\$131,574	40.00%	8.81%	8.81%	17.62%	23.51%	1.25%	0.00%	0.00%
Accounts Payable Coordinator	\$48,862	45.00%	8.06%	8.06%	16.12%	21.51%	1.25%	0.00%	0.00%
Human Resources Specialist	\$87,504	80.00%	2.95%	2.95%	5.90%	7.95%	0.25%	0.00%	0.00%
Energy Data Analyst	\$104,218	50.00%	7.50%	7.50%	15.00%	20.00%	0.00%	0.00%	0.00%
PR Specialist	\$77,879	45.00%	10.65%	5.32%	12.42%	26.61%	0.00%	0.00%	0.00%
Operations Planning Engineer III/ Senior Power Generation Electrical Engineer	\$124,126	50.00%	7.50%	7.50%	15.00%	20.00%	0.00%	0.00%	0.00%
Network Administrator	\$81,935	80.00%	3.11%	3.11%	6.22%	7.56%	0.00%	0.00%	0.00%
Assistant Treasurer-Debt/Investments	\$104,218	30.00%	12.50%	12.50%	20.00%	25.00%	0.00%	0.00%	0.00%
Treasury Analyst and Cash Manager III	\$104,218	40.00%	15.00%	15.00%	15.00%	15.00%	0.00%	0.00%	0.00%
Associate General Counsel & Regulatory Compliance Counsel	\$166,109	80.00%	3.00%	3.00%	6.00%	8.00%	0.00%	0.00%	0.00%
Manager of Member Services Development	\$131,574	45.00%	10.65%	5.32%	12.42%	26.61%	0.00%	0.00%	0.00%
Remove	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	\$2,320,834	\$1,449,017	\$143,243	\$132,079	\$247,043	\$343,039	\$6,413	\$0	\$0
Overhead Adder	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%
Annual Allocable A&G [1]	\$4,410,858	\$2,753,927	\$393,859	\$393,859	\$469,517	\$651,963	\$12,188	\$0	\$0
Monthly Allocable A&G	\$367,571	\$229,494	\$32,822	\$32,822	\$39,126	\$54,330	\$1,016	\$0	\$0

[1] Reflects adjustments as necessary to bring the Project to its minimum annual allocable A&G cost.

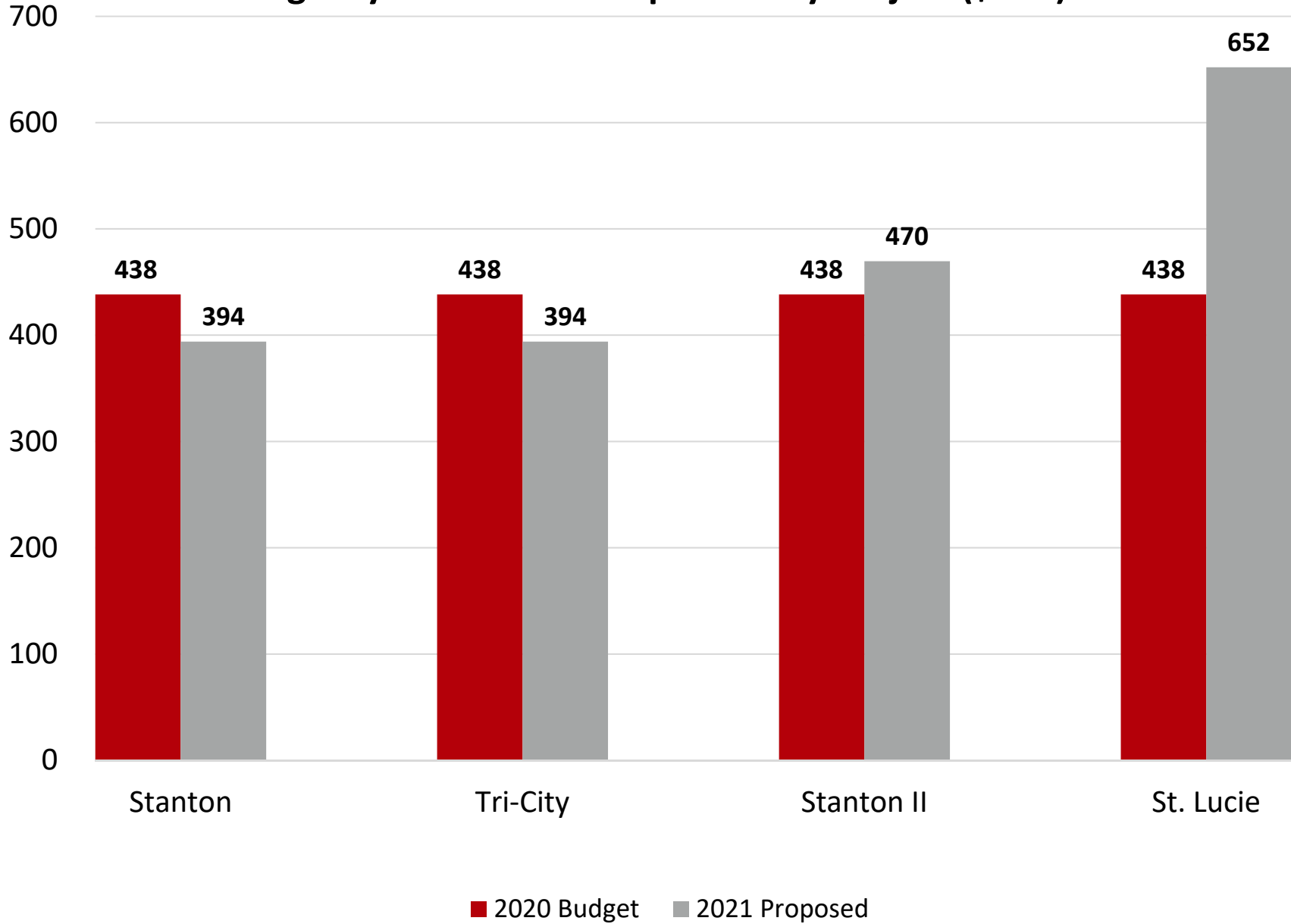
**Table 2 (Revised Methodology)**  
**Agency A&G Allocation for FY 2021 (With Solar Projects) [1]**

Position	FY 2021 Salary Used	ARP/General Membership	Stanton	Tri-City Project	Stanton II Project	St. Lucie Project	Pooled Loan Project	Solar Project	Solar II Project
General Manager	\$440,000	76.00%	2.96%	2.96%	5.92%	7.91%	0.25%	2.00%	2.00%
Administrative Specialist	\$65,300	46.00%	7.42%	7.42%	14.84%	19.82%	0.50%	2.00%	2.00%
Chief Operating Officer	\$222,291	71.00%	3.75%	3.75%	7.50%	10.00%	0.00%	2.00%	2.00%
Chief Financial Officer	\$209,708	74.00%	2.93%	2.93%	5.86%	7.78%	0.50%	3.00%	3.00%
Auditor III	\$117,100	44.00%	7.31%	7.31%	14.62%	19.51%	1.25%	3.00%	3.00%
Senior Financial Analyst	\$131,574	34.00%	8.81%	8.81%	17.62%	23.51%	1.25%	3.00%	3.00%
Accounts Payable Coordinator	\$48,862	39.00%	8.06%	8.06%	16.12%	21.51%	1.25%	3.00%	3.00%
Human Resources Specialist	\$87,504	76.00%	2.95%	2.95%	5.90%	7.95%	0.25%	2.00%	2.00%
Energy Data Analyst	\$104,218	45.00%	7.50%	7.50%	15.00%	20.00%	0.00%	3.00%	2.00%
PR Specialist	\$77,879	35.00%	9.29%	4.64%	10.83%	23.21%	0.00%	9.29%	7.74%
Operations Planning Engineer III/ Senior Power Generation Electrical Engineer	\$124,126	44.00%	7.50%	7.50%	15.00%	20.00%	0.00%	3.00%	3.00%
Network Administrator	\$81,935	77.25%	2.80%	2.80%	5.60%	7.55%	0.00%	2.00%	2.00%
Assistant Treasurer-Debt/Investments	\$104,218	28.00%	12.50%	12.50%	20.00%	25.00%	0.00%	1.00%	1.00%
Treasury Analyst and Cash Manager III	\$104,218	36.00%	15.00%	15.00%	15.00%	15.00%	0.00%	2.00%	2.00%
Associate General Counsel & Regulatory Compliance Counsel	\$166,109	76.00%	3.00%	3.00%	6.00%	8.00%	0.00%	2.00%	2.00%
Manager of Member Services Development	\$131,574	35.00%	9.29%	4.64%	10.83%	23.21%	0.00%	9.29%	7.74%
Remove	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total</b>	<b>\$2,320,834</b>	<b>\$1,330,971</b>	<b>\$140,140</b>	<b>\$130,401</b>	<b>\$243,204</b>	<b>\$335,910</b>	<b>\$6,413</b>	<b>\$69,042</b>	<b>\$64,753</b>
Overhead Adder	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%
Annual Allocable A&G [2]	\$4,410,858	\$2,529,575	\$393,859	\$393,859	\$462,222	\$638,413	\$12,188	\$157,544	\$157,544
Monthly Allocable A&G	\$367,571	\$210,798	\$32,822	\$32,822	\$38,518	\$53,201	\$1,016	\$13,129	\$13,129

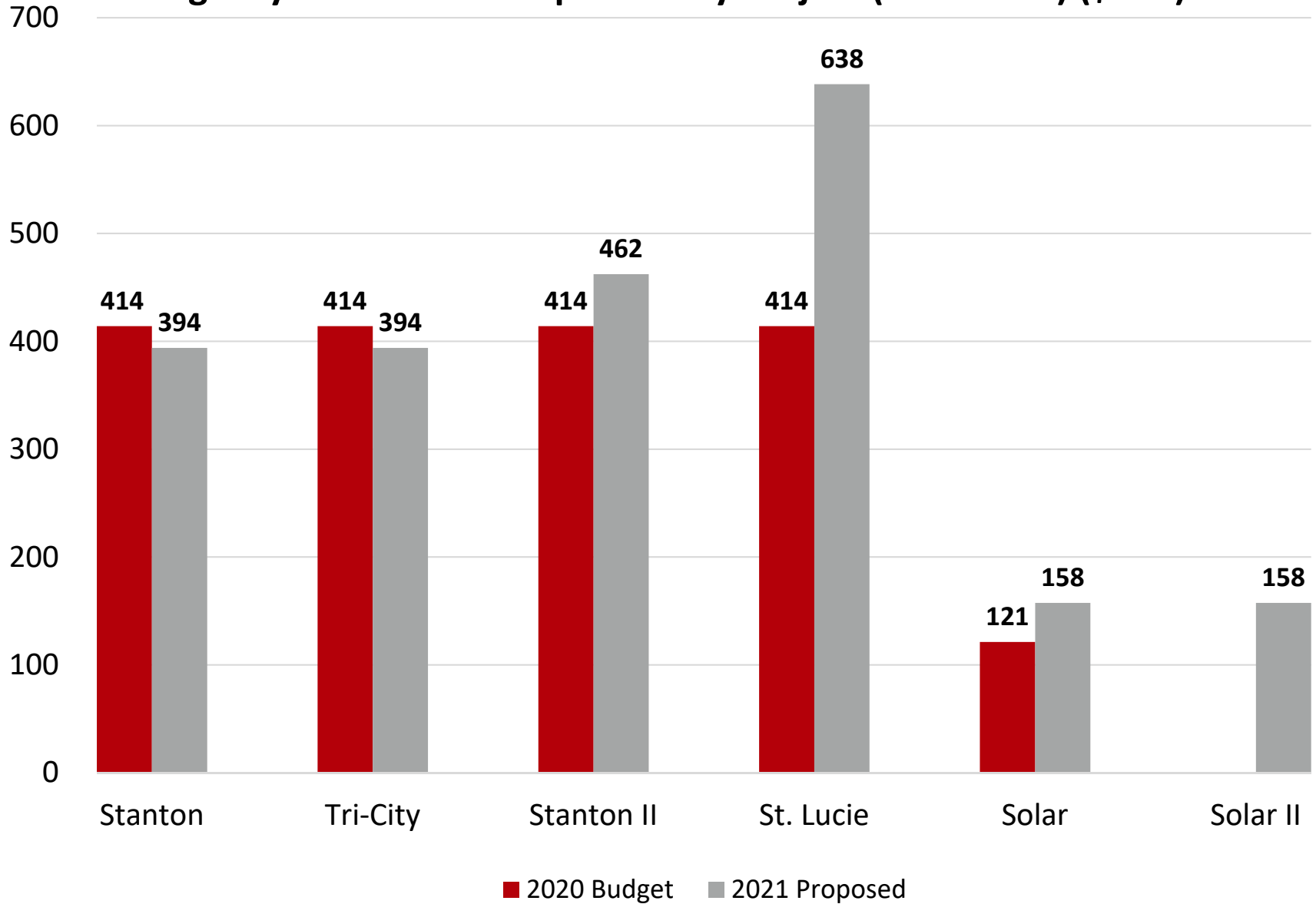
[1] Provided for illustration purposes only. Neither solar project is projected to begin operation during FY 2021.

[2] Reflects adjustments as necessary to bring the Project to its minimum annual allocable A&G cost.

### Agency Allocation Comparison by Project (\$000)



### Agency Allocation Comparison by Project (with Solar) (\$000)



**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- b. Discussion on Charging Interest  
on Development Fund Use**

**Board of Directors Meeting  
May 21, 2020**



# 9b-Discussion on Charging Interest on Development Fund Use

FMIPA Board of Directors

May 21, 2020



# Review of the History of the Development Fund

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- All power supply project participants have paid into the Development Fund over the years
- When those members participate in new projects that used the Development Fund as seed money, they are obtaining the benefit of that money set aside
- Not all members that paid into the Development Fund however, are participating in the Solar Project
- Historically, no interest has been charged when the development was used
- Usage of the funds to date have been very short term in nature – repaid within a year or two

# Proposed Options for Interest

## *Going Forward*

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- Continue to use the development fund interest free
- Continue to use the development fund interest free for short term projects only (< 2 years)
- For long term projects (>2 years)
  - Charge interest using the opportunity cost of income lost based on the make-up of the investment portfolio (1.65% based on a weighted average of current portfolio)
  - Charge interest based on the current pooled loan rate (2.2% or higher depending on several factors including a 20 year maturity)
    - Specific negotiation with the bank could result in a lower rate



# Discussion



**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. Summary of Finance Committee  
Items**

**Board of Directors Meeting  
May 21, 2020**



# **BOD 9c / EC 9a – Summary of Finance Committee Items**

FMIPA Board of Directors and Executive Committee

May 21, 2020

# Finance Committee Items

## *Possible Action Items for Next Meeting*

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Review and Approval of Agency budget, Member Assessment and Project Allocation

Review and Approval of Small Project Budgets (Stanton, Tri-City, Stanton II, St. Lucie, Solar, Solar II, Pooled Loan)

Approve Risk Management Policies and Compliance Reports

Review and Approval of FMPA's Corporate Risk Inventory Assessment

# Recommended Action

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- Information only. No action required

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- d. FMPA-ECG Alliance Agreement for Annual  
Service Confirmation for Fiscal 2021**

**Board of Directors Meeting  
May 21, 2020**





## **9d – FMIPA-ECG Alliance Agreement Annual Service Confirmation for Fiscal 2021**

FMIPA Board of Directors

May 21, 2021

## Difference Between This Agenda Item (9e) & Item 8a

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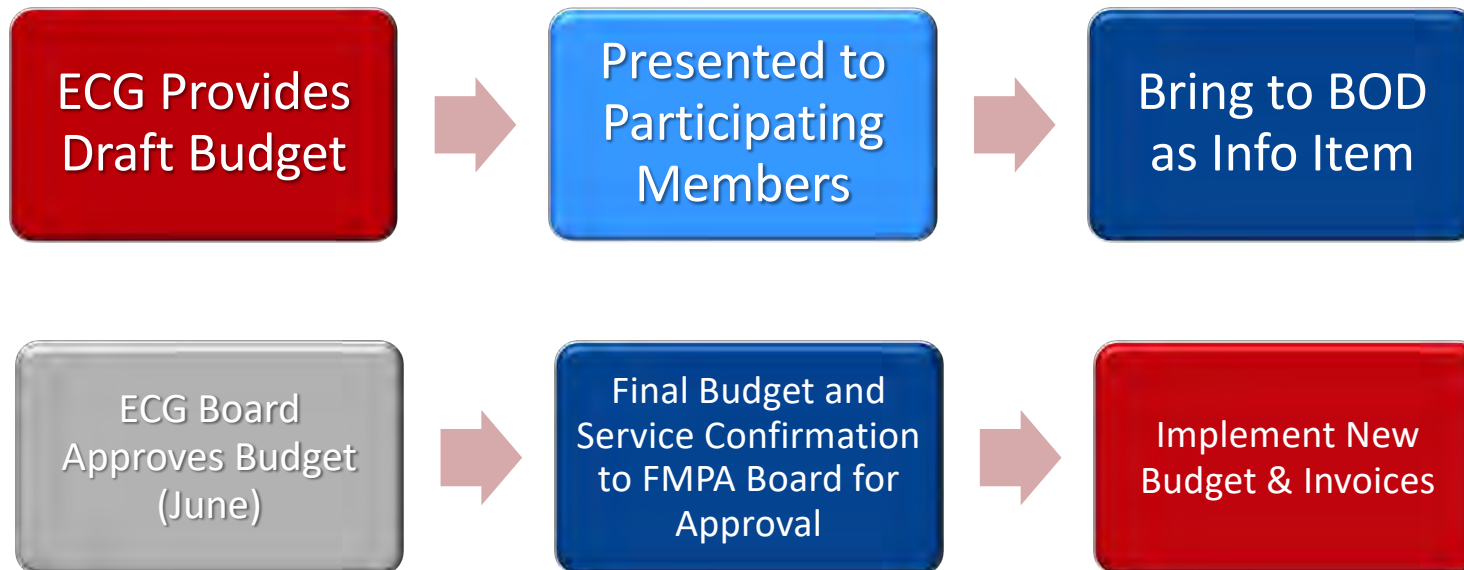
- Item 8a was to withdraw from the alliance contract between FMPA and ECG by June 30, 2021
  - That contract has a minimum 13-month notice requirement
- This item, 9e, is a confirmation for the services and budget for the fiscal year ending June 30, 2021
  - Annual service confirmation procedure instituted in 2011 when there was a change in the program's pricing structure
  - Board requested that it review the service confirmation annually

# FMPA-ECG Alliance Agreement

## *Lineworker Safety Training for FMPA Members*

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### Annual Budget Process



# ECG Budget for FMPA – Fiscal 2021

*Allocation to Florida Cities Down Slightly\**

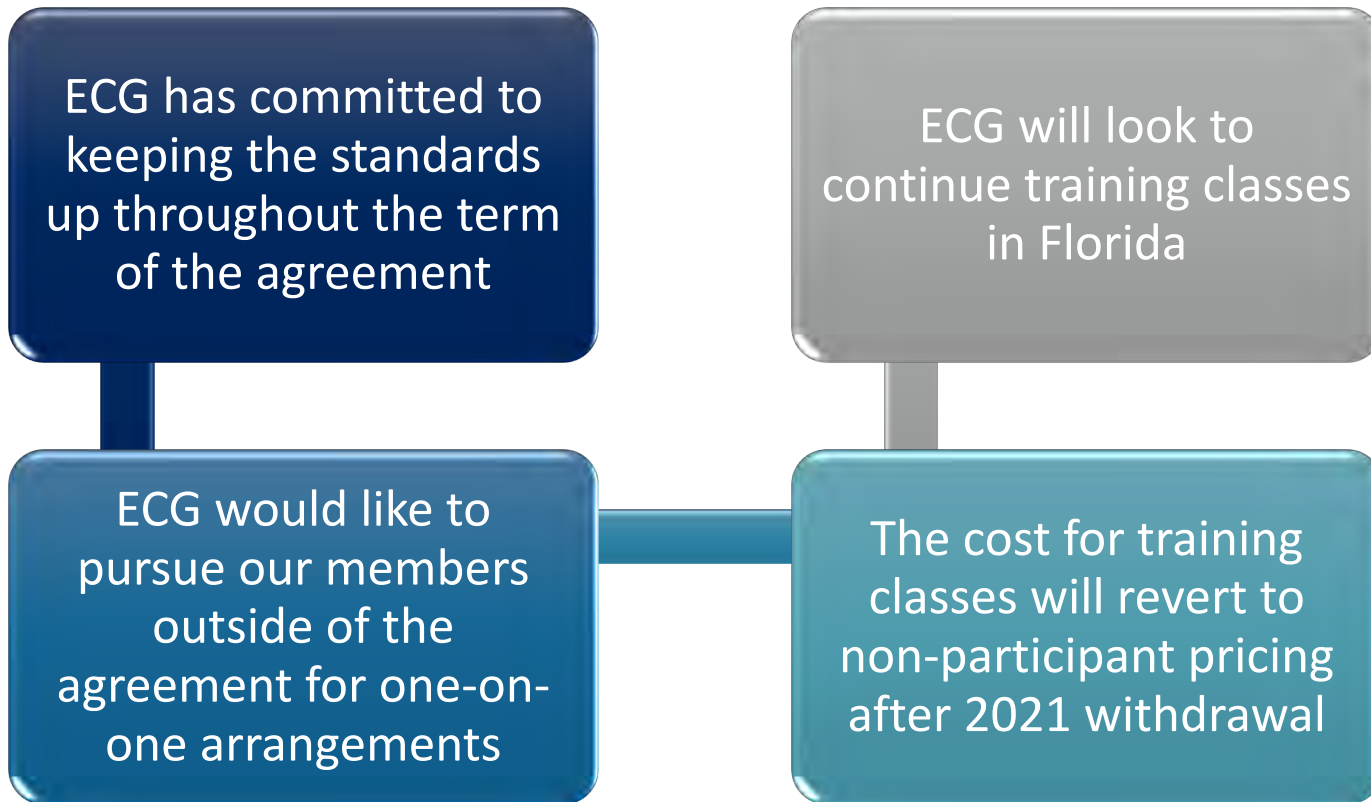
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\* Cost for one city will increase due to an increase in the number of its staff being trained

# MSAC Recommends Withdrawal BUT....

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# Safety Training Participants Can Access Other Services

## *Value-Added Features for Participants*

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Monthly safety training (10 times/year)

MOT & CPR/First Aid training

Incident investigation

Powerline School at reduced costs

# Powerline Schools

*Safety Participants Receive Discounts on Training Programs*

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Groundman

Apprentice

Advanced  
Lineworker

Underground  
School

Special  
Topics

# Price for Courses & Powerline School

Training Program 2021	Cost for Subscribers (per person)	Cost for Non-Subscribers (per person)
CPR	Included	\$90
MOT	\$50	\$90
Groundman Certification	\$375	\$750
Underground	Included	\$750
Apprentice Training (3 Years)	\$3,000	\$6,000
Advanced Lineworker	\$2,000	\$4,000
Meterman Certification <sup>1</sup>	\$1,600	\$3,200
Storm Assessor <sup>1</sup>	\$375	\$750
Hotline School <sup>1</sup>	\$1,000	\$2,000

<sup>1</sup> Recent offerings





# Preliminary Budget for FY '21

Preliminary FY '21 Budget									
Member	ECG FY '20 Annual	FY '20 # of Employees	FY '21 # of Employees	Preliminary FY '21 Annual	Monthly Payment	% Increase/Decrease	True Up Credits from FY '19	Annual Cost (Less FY '19 True Up Credits)	Monthly Invoice Amount
Alachua	\$12,570	10	10	\$12,207	\$1,017	-3%	\$1,510	\$10,697	\$891
Bartow	\$23,926	20	20	\$23,201	\$1,933	-3%	\$2,870	\$20,331	\$1,694
Blountstown	\$5,756	4	4	\$5,611	\$468	-3%	\$0	\$5,611	\$468
Bushnell	\$9,163	7	6	\$7,810	\$651	-15%	\$0	\$7,810	\$651
Chattahoochee	\$5,756	4	4	\$5,611	\$468	-3%	\$0	\$5,611	\$468
Clewiston	\$8,027	6	6	\$7,810	\$651	-3%	\$0	\$7,810	\$651
Havana	\$4,620	3	3	\$4,511	\$376	-2%	\$558	\$3,953	\$329
Homestead	\$20,519	17	17	\$19,903	\$1,659	-3%	\$2,462	\$17,441	\$1,453
Jacksonville Beach	\$31,876	27	27	\$30,896	\$2,575	-3%	\$0	\$30,896	\$2,575
Key West	\$35,283	30	34	\$38,592	\$3,216	9%	\$0	\$38,592	\$3,216
Kissimmee	\$61,403	53	53	\$59,480	\$4,957	-3%	\$0	\$59,480	\$4,957
Mount Dora	\$11,434	9	9	\$11,108	\$926	-3%	\$0	\$11,108	\$926
Moore Haven	\$3,995	3	3	\$3,886	\$324	-3%	\$345	\$3,541	\$295
Newberry	\$6,891	5	5	\$6,710	\$559	-3%	\$830	\$5,880	\$490
Ocala	\$55,724	48	48	\$53,983	\$4,499	-3%	\$6,677	\$47,306	\$3,942
Quincy	\$10,298	8	8	\$10,008	\$834	-3%	\$0	\$10,008	\$834
Starke	\$9,163	7	7	\$8,909	\$742	-3%	\$1,102	\$7,807	\$651
<b>TOTAL</b>	<b>\$ 316,405</b>	<b>261</b>	<b>264</b>	<b>\$310,236</b>					
<b>Total Budget Including \$125,000 Alliance Fee</b>	<b>\$ 441,405</b>			<b>\$ 435,236</b>		<b>-1%</b>			

Note: Change in # of employees



## Scheduled Action

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- **May 21:** Information item for FMPA's Board
- **June 3:** ECG Board to consider approving the FY 2021 budget
- **June 18:** Action item for FMPA's Board to consider Service Confirmation document

[date]

[Name]

[address]

[address]

Dear [name]

FMPA had previously arranged with Electric Cities of Georgia, Inc. (“ECG”) to provide and make available to FMPA members certain safety and training services by entering into the Alliance Service Contract between ECG and FMPA dated as of January 1, 2011 (the “Alliance Contract”). The FMPA Member Services Advisory Committee (“MSAC”) and the Board of Directors have reviewed the costs and services provided under the Alliance Contract, and have directed FMPA to terminate the Alliance Contract and seek out other options for safety training services.

The purpose of this letter is to inform you that FMPA intends to issue notice to ECG by May 30, 2020, to terminate the Alliance Contract. Pursuant to the Alliance Contract, FMPA must give 13 months’ advance written notice of our intent to terminate. Therefore, the Alliance Contract will terminate effective June 30, 2021.

In addition, FMPA has entered into a Safety Training Participation Agreement between FMPA and [City] dated [date] to enable [city] to take advantage of the services provided by ECG under the Alliance Contract. Since FMPA is terminating the Alliance Contract, this letter also serves as FMPA’s notice to [City] of FMPA’s intent to terminate the Safety Training Participation Agreement, with an effective date of termination contemporaneous with FMPA’s termination of the Alliance Contract.

We understand that ECG will continue to provide services under the Alliance Contract through June 30, 2021. In addition, FMPA issued a request for proposals for other safety training services, and intends to continue to move forward, through the Board of Directors and MSAC, to arrange for the continued offering of these services to our members.

If you have any questions, please contact Mike McCleary at 407-454-4816 or by email at [mike.mccleary@fmpa.com](mailto:mike.mccleary@fmpa.com).

Sincerely,

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[date]

[Name]

[address]

[address]

Dear [name]

The purpose of this letter is to serve as FMPA's notice pursuant to Section 1(b) of the Alliance Services Contract between Electric Cities of Georgia, Inc. and Florida Municipal Power Agency, dated as of January 1, 2011, as amended, (the "Alliance Services Contract") of FMPA desire to terminate the Alliance Services Contract effective June 30, 2021.

Contemporaneous with the termination of the Alliance Services Contract, FMPA will be terminating its Safety Training Participation Agreement with our members, through which the members took advantage of the services offered by ECG under the Alliance Services Contract.

We understand that ECG will continue to provide services to FMPA and our members through the June 30, 2021 termination date.

We have enjoyed our partnership with ECG over the years and look forward to continued opportunities in the future.

If you have any questions, please contact Mike McCleary at 407-454-4816 or by email at [mike.mccleary@fmpa.com](mailto:mike.mccleary@fmpa.com).

Sincerely,

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**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**e. FMPA.com Update (Verbal Report)**

**Board of Directors Meeting  
May 21, 2020**

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- f. Cybersecurity Assessment  
Member Service**

**Board of Directors Meeting  
May 21, 2020**



# 9f - FMIPA Cybersecurity Assessment Member Service

FMIPA Board of Directors

May 21, 2020

# FMPA Cybersecurity Assessment Overview

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- Result of several efforts and goals, including:
  - Board Strategic Plan – increase Member Services around Cybersecurity, Information Technology
  - APPA Joint Action Agency (JAA) Cybersecurity Services Plan
  - Hometown Connections Cybersecurity Services (working with AMP JAA)
- FMPA staff realigned to support this effort
  - Konrad Lisiewicz will perform assessments and be primary member interface with other FMPA staff support



# FMPA Cybersecurity Services

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- New effort ready to launch
- Currently performing an internal assessment on FMPA corporate IT
- Working with New Smyrna, Keys Energy and Jacksonville Beach
- FMPA will offer assessment to all members for free so long as effort does not cross 120-hour threshold (most should not exceed)
- FMPA willing to discuss ongoing or recurring assessments, but cost would need to be negotiated
- Focused on cybersecurity hygiene, not IT Services such as ongoing phishing program

# FMPA Cybersecurity Services

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- Assessment includes:
  - Utilization of APPA Scorecard as benchmark
  - Leveraging tools to analyze network firewall configurations, create network diagrams and present vulnerability analysis
  - Review of policy documents, such as incident response plans
  - Discussions of applicable industry services:
    - Cyber Mutual Assistance (CMA),
    - Electric Sector Information Sharing and Analysis Center (E-ISAC)
    - Multi-State Information Sharing and Analysis Center (MS-ISAC)
  - Perform phishing exercise (one-off, not ongoing)
  - Scan networks (with guidance from utility staff)
  - Provide improvement plan with budgetary estimates

# RFP for Penetration Tests

Separate effort, not included in FMPA Cybersecurity Assessment

Item	Explanation of Service
External Network Penetration Test	Interfacing with internet-accessible services and exploiting them, if possible.
On-Site Internal Network Penetration Test	Demonstration of exploitation of vulnerabilities or misconfigured systems and services.
On-Site Wireless Infrastructure Penetration Test	Perform an on-site walkthrough, identify wireless networks and then demonstrate exploitation of the wireless systems/networks.
Remote Web Application Penetration Test	Perform tests on the vulnerable systems, document known exploits of these systems, hypothesize what an actor might be able to do from this vantage point.
Physical Penetration Test	Attempt to gain access to utility's facilities using social engineering techniques and other tools. Perform assessment as an "outsider" to test policy/ procedure/ physical access controls.

# For more information

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- Ready to get started?
- Want more information?
- Discuss with your staff?

Contact Carter Manucy or Konrad Lisiewicz

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**g. 2019 Reliability Update**

**Board of Directors Meeting  
May 21, 2020**



# **BOD 9g – 2019 Reliability Update**

FMIPA Board of Directors

May 21, 2020

# Munis Continue to Lead State in Outage Response

## *Other Utilities' Efforts Yielding Nice Improvements*

### Distribution Reliability Indices 2019

Best Performance Highlighted in Green, Second Best Highlighted in Yellow

	Munis	FPL	TECO	Duke	Gulf	FPUC
<b>Duration</b> (SAIDI)	70	49	76	91	67	166
<b>Restoration Time</b> (CAIDI)	60	60	71	93	69	98
<b>Frequency</b> (SAIFI)	1.16	0.82	1.07	0.97	0.97	1.70
<b>Momentaries</b> (MAIFle)	3.32	3.20	9.76	7.60	2.13	n/a
<b>Length</b> (L-Bar)	110	178	173	147	103	101

# All Utilities in State Improving Reliability Metrics

## *Continued Improvement Needed to Maintain Position*

### Distribution Reliability Indices 2019

Green Boxes Indicate Performance Improvement in 2019 Compared to 2018

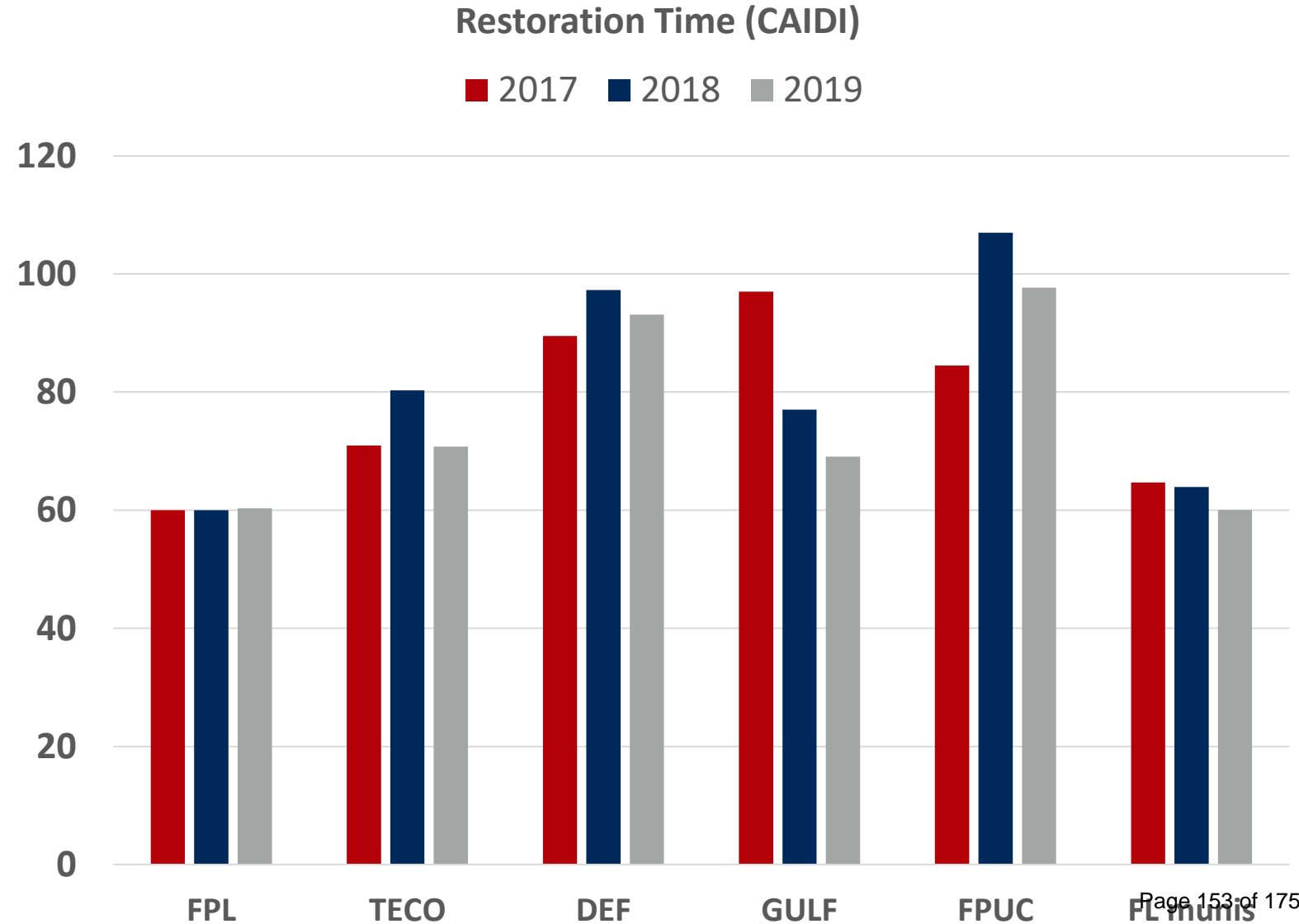
	Munis	FPL	TECO	Duke	Gulf	FPUC
<b>Duration</b> (SAIDI)	70	49	76	91	67	166
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# Municipals Lead State in Response Time

## *Made Slight Improvements During Year*

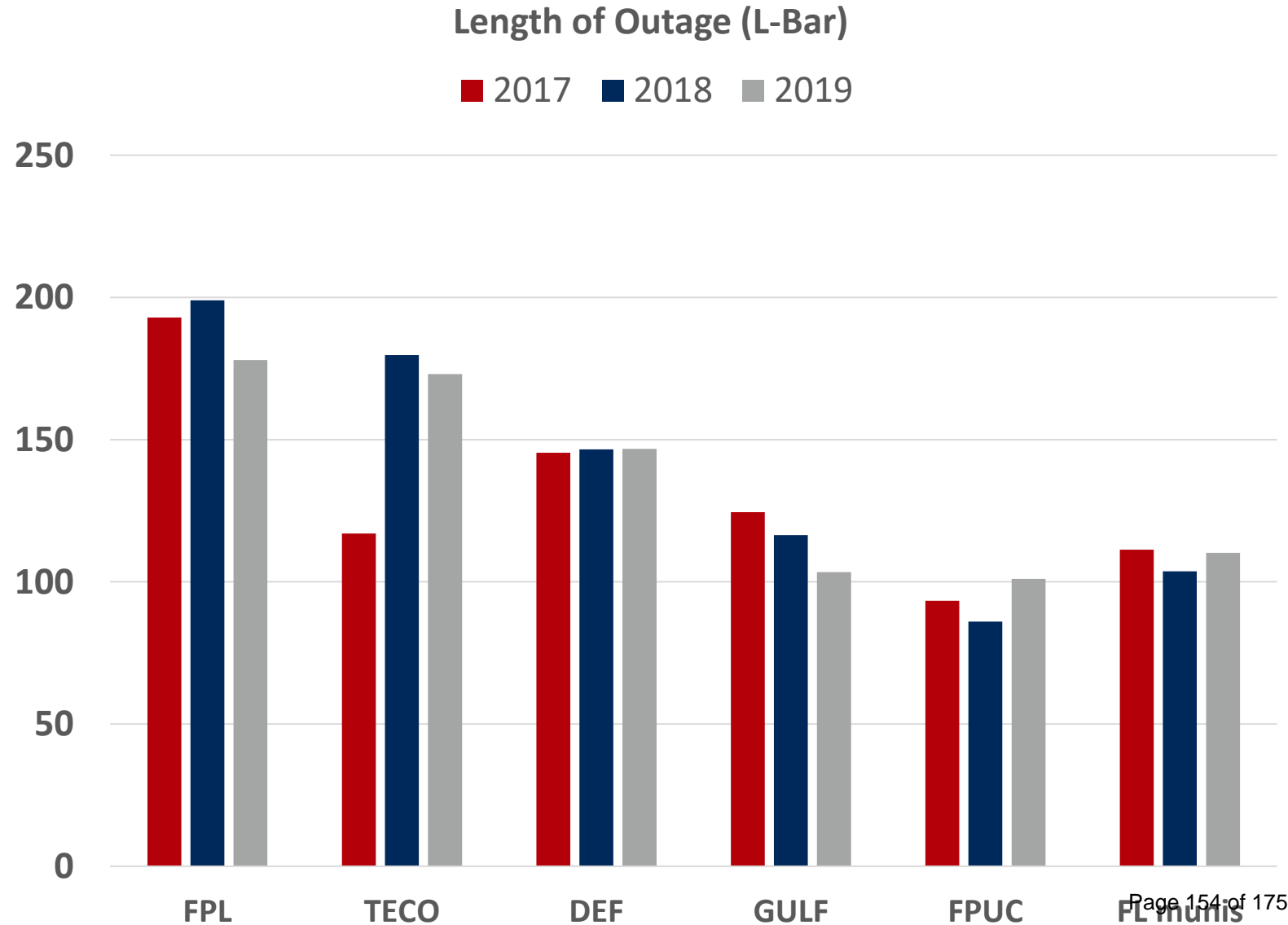
- Munis continue to improve
- Share 1<sup>st</sup> place ranking for performance



# Municipal Average Outage Length Not Improving

## *Other Florida Utilities Are Catching Up*

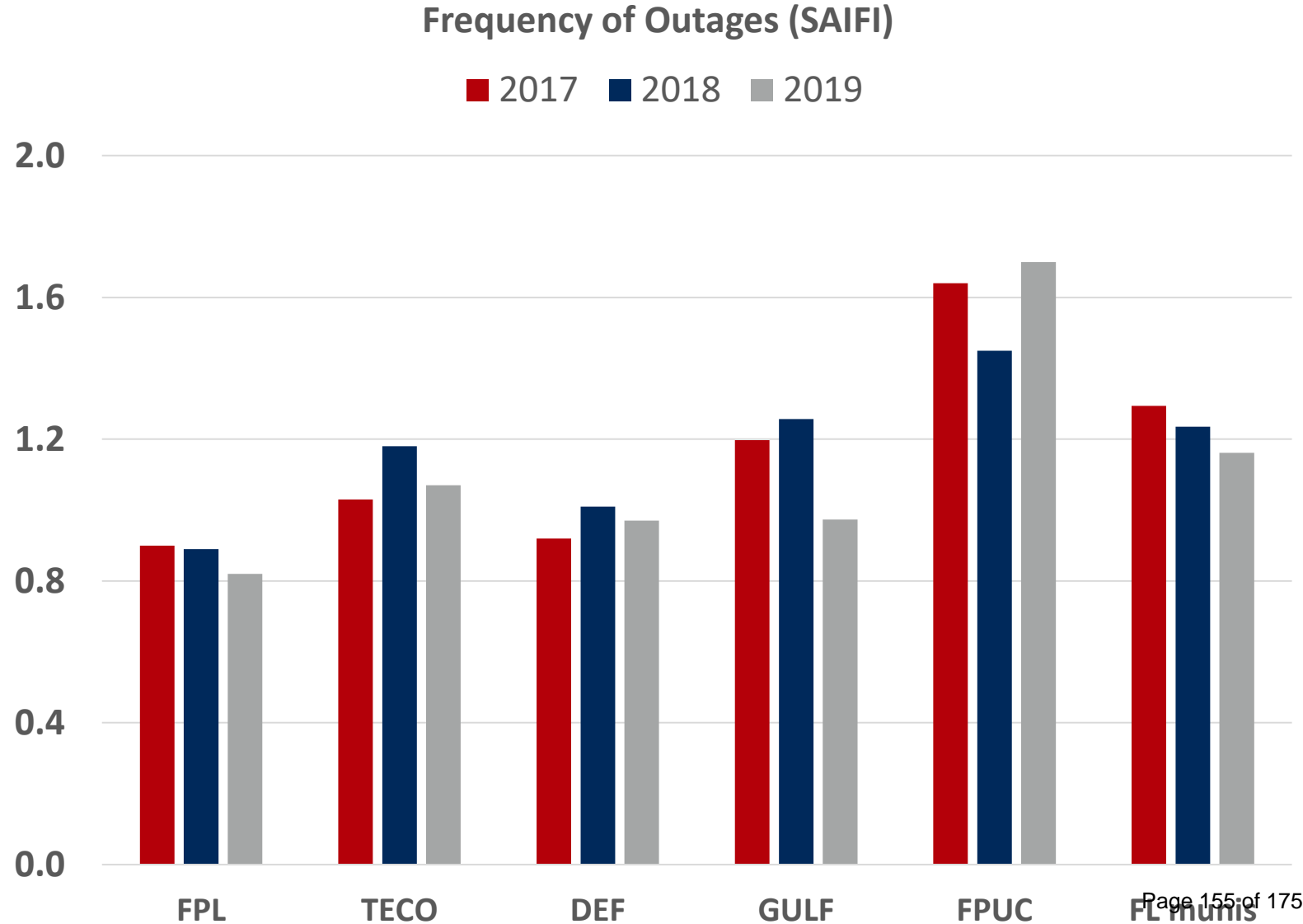
- Muni performance ranking slipped to 3<sup>rd</sup> to
- IOU performance improving



# Frequency of Outages Remains a Challenge for Munis

## *Larger Improvements Needed*

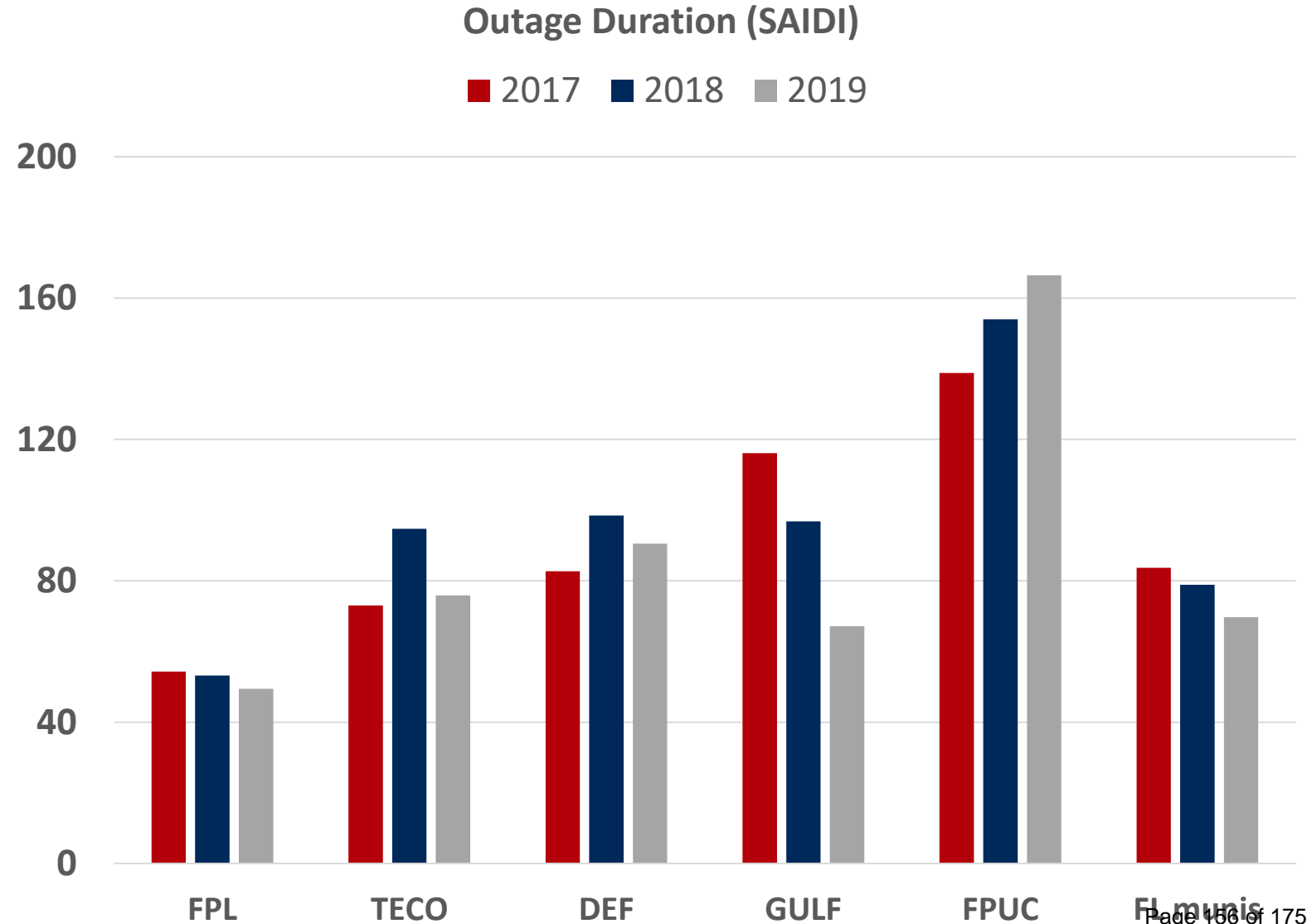
- Munis rank 5<sup>th</sup> despite 10% improvement in 2019



# Muni Outage Duration Continues to Improve

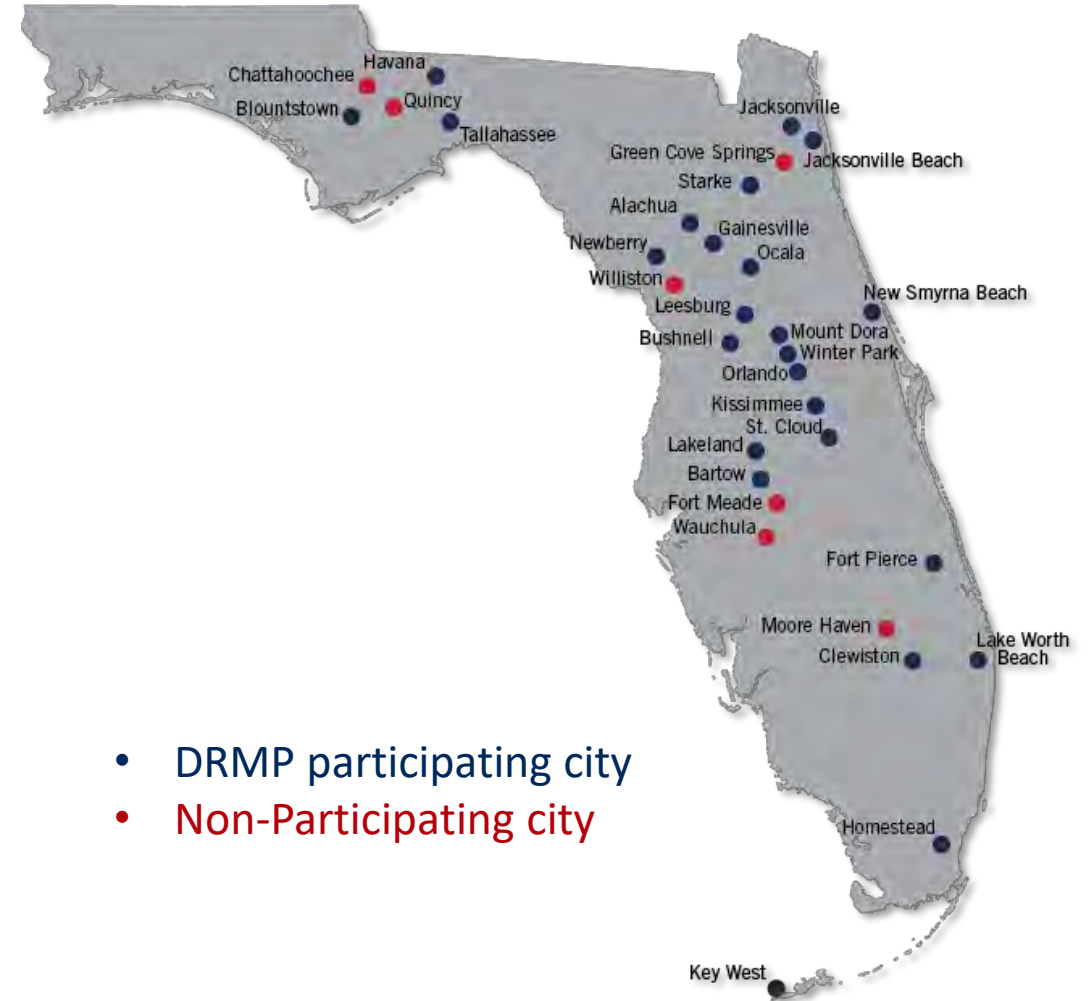
## *IOU Trend Has Potential to Overshadow Muni Gains*

- Improvements in muni frequency and excellent outage response are driving downward trend
- Munis rank 3<sup>rd</sup> in performance



# Distribution Reliability Measurement Participants

Muni Group	Participating Utility	
<b>Small</b> (<10,000)	Alachua Blountstown Bushnell Clewiston	Havana Mount Dora Newberry Starke
<b>Medium</b> (10,001 - 25,000)	Bartow Homestead <sup>1,2</sup>	Leesburg <sup>1</sup> Winter Park
<b>Large</b> (25,001 - 50,000)	Beaches Energy Fort Pierce Keys Energy	Lake Worth Beach New Smyrna Beach
<b>X-Large</b> (>50,000)	Gainesville Jacksonville Kissimmee Lakeland	Ocala Orlando / St. Cloud Tallahassee



- DRMP participating city
- Non-Participating city

<sup>1</sup>Muni has between 25 – 26k customers but is left in Medium category for now

<sup>2</sup>2019 data has not been provided

# FMPA Member Performance Slightly Worse Than All Munis

- Muni average strongly influenced by JEA's performance
- Without JEA, muni performance would be

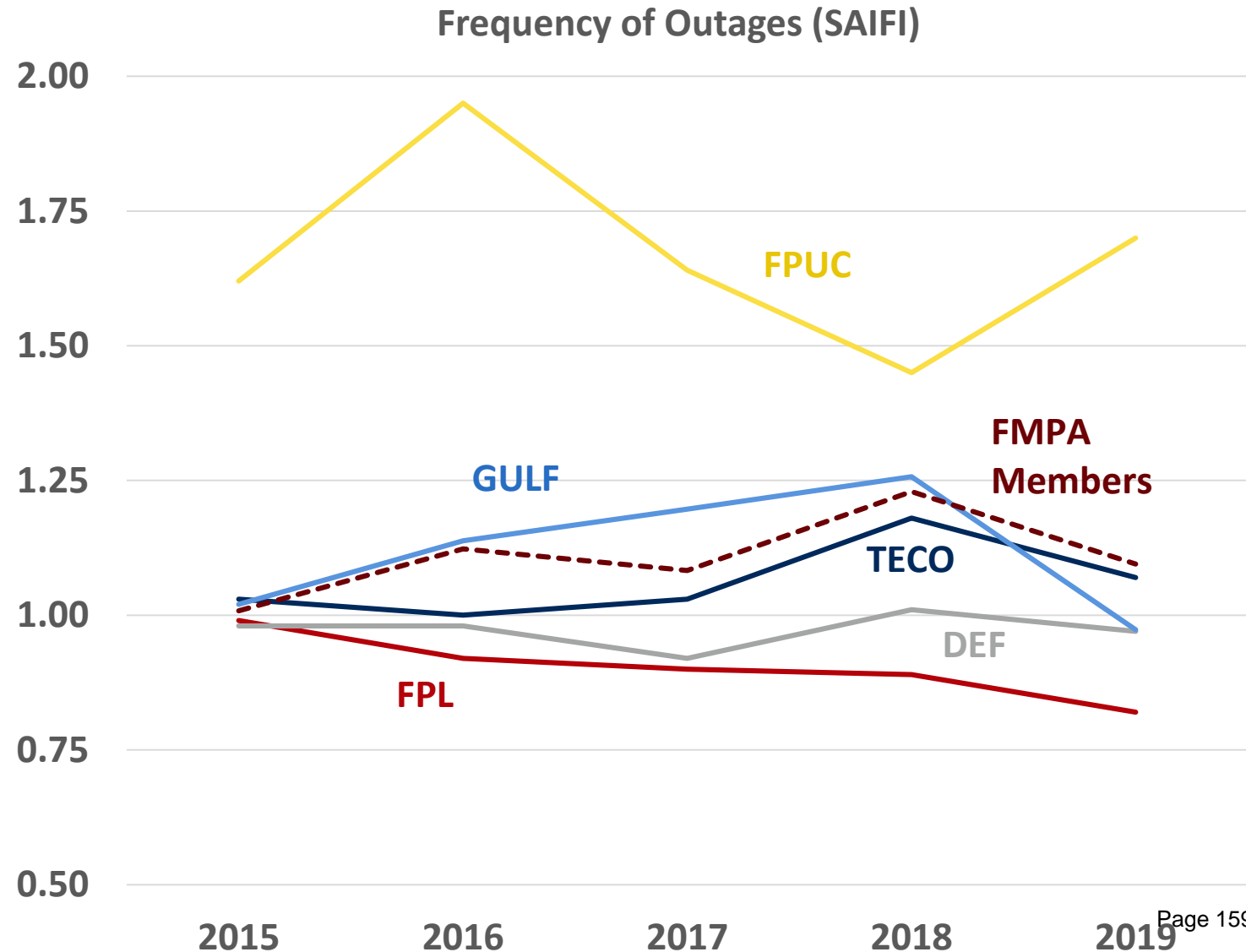
	2019 FMPA Member Performance	Delta from Muni Performance	Adjusted FL Utility 2019 Ranking
CAIDI	65.9	+5.8 (worse)	2 <sup>nd</sup>
SAIFI	1.10	-0.07 (better)	5 <sup>th</sup> (no change)
SAIDI	72.1	+2.4 (worse)	3 <sup>rd</sup> (no change)

- The following slides omit JEA's numbers from the calculations

# FMPA Members Have Largest Increase In 5-Year SAIFI Trend

## *Losing Ground to Major IOUs*

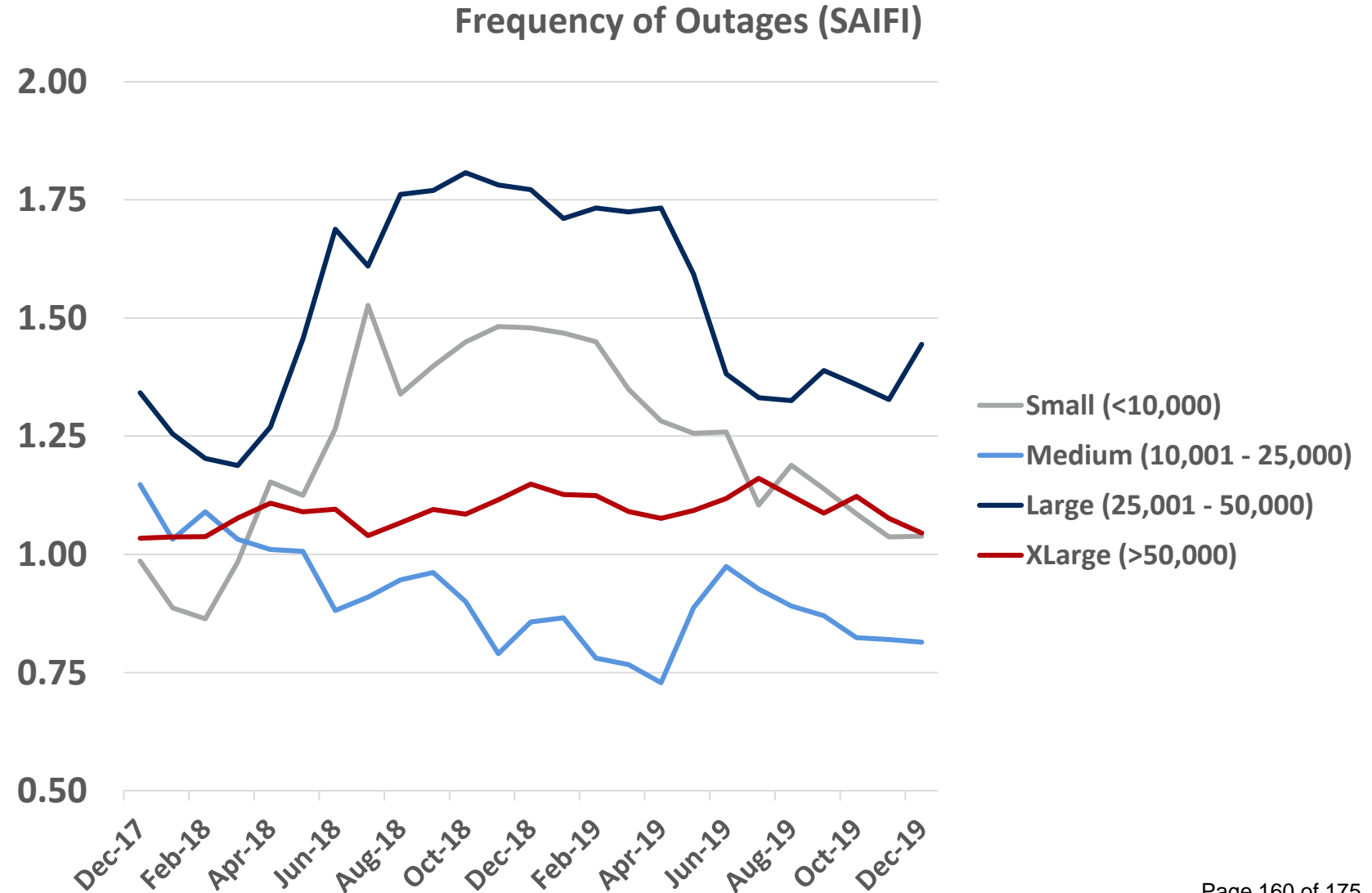
- Frequency of interruptions for members have increased by 9% since 2015
- 14 members improved from 2018
- 12 cities had SAIFI  $\leq$  1.0 in 2019



# Outage Frequency Varies Across Member Size

## *Leading Munis Include WTP, BTW, CLW, MTD, JXB*

- Improved
  - Medium – 29%
- Worsened
  - Large – 8%
  - Small – 5%
  - Extra Large – 1%
- Top 5 munis:
  - Winter Park
  - Bartow
  - Clewiston
  - Mt. Dora
  - Jax Beaches

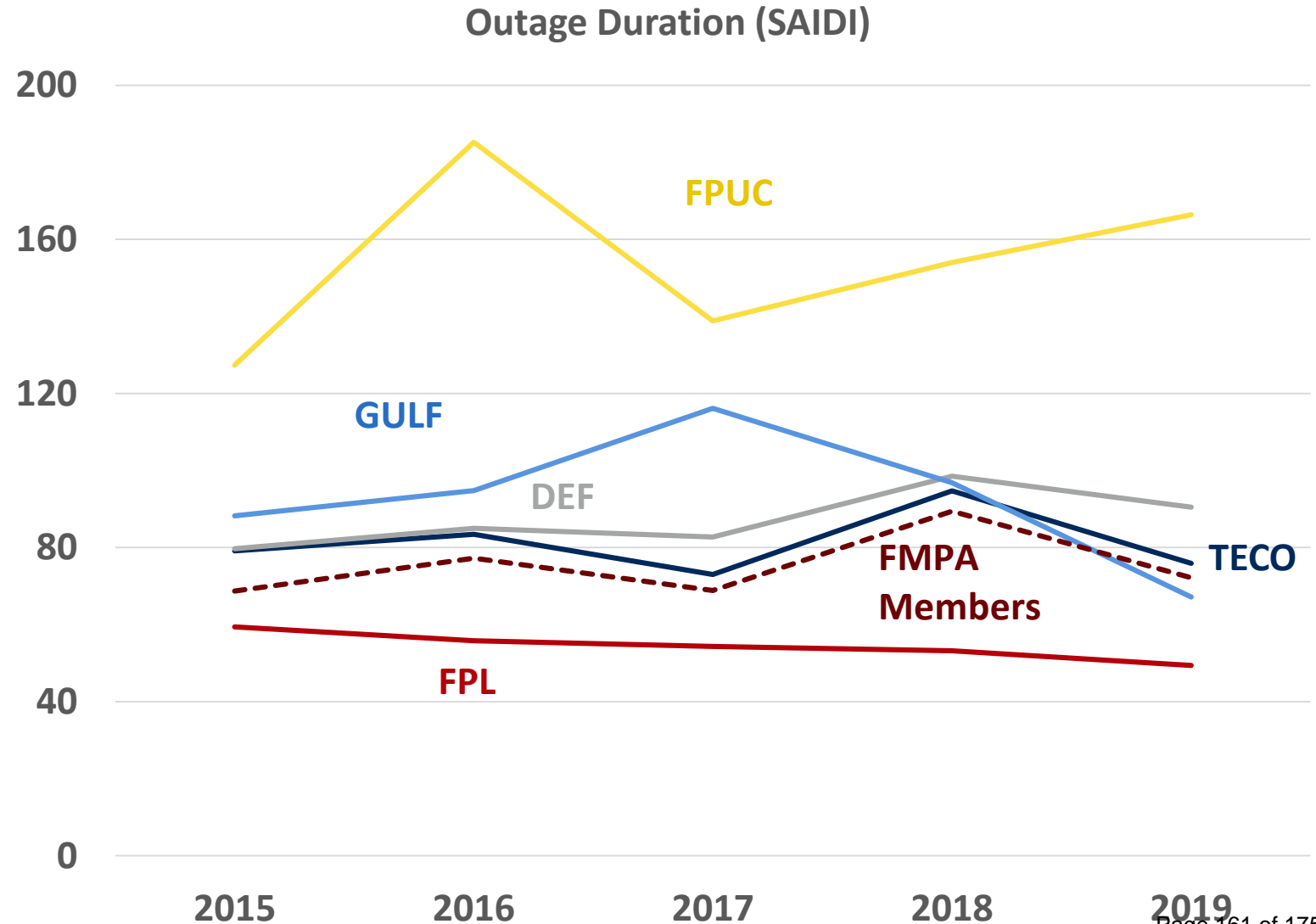




# FMPA Outage Duration Fairly Consistent Last 5 Years

## *Other Utilities Making Small Progress*

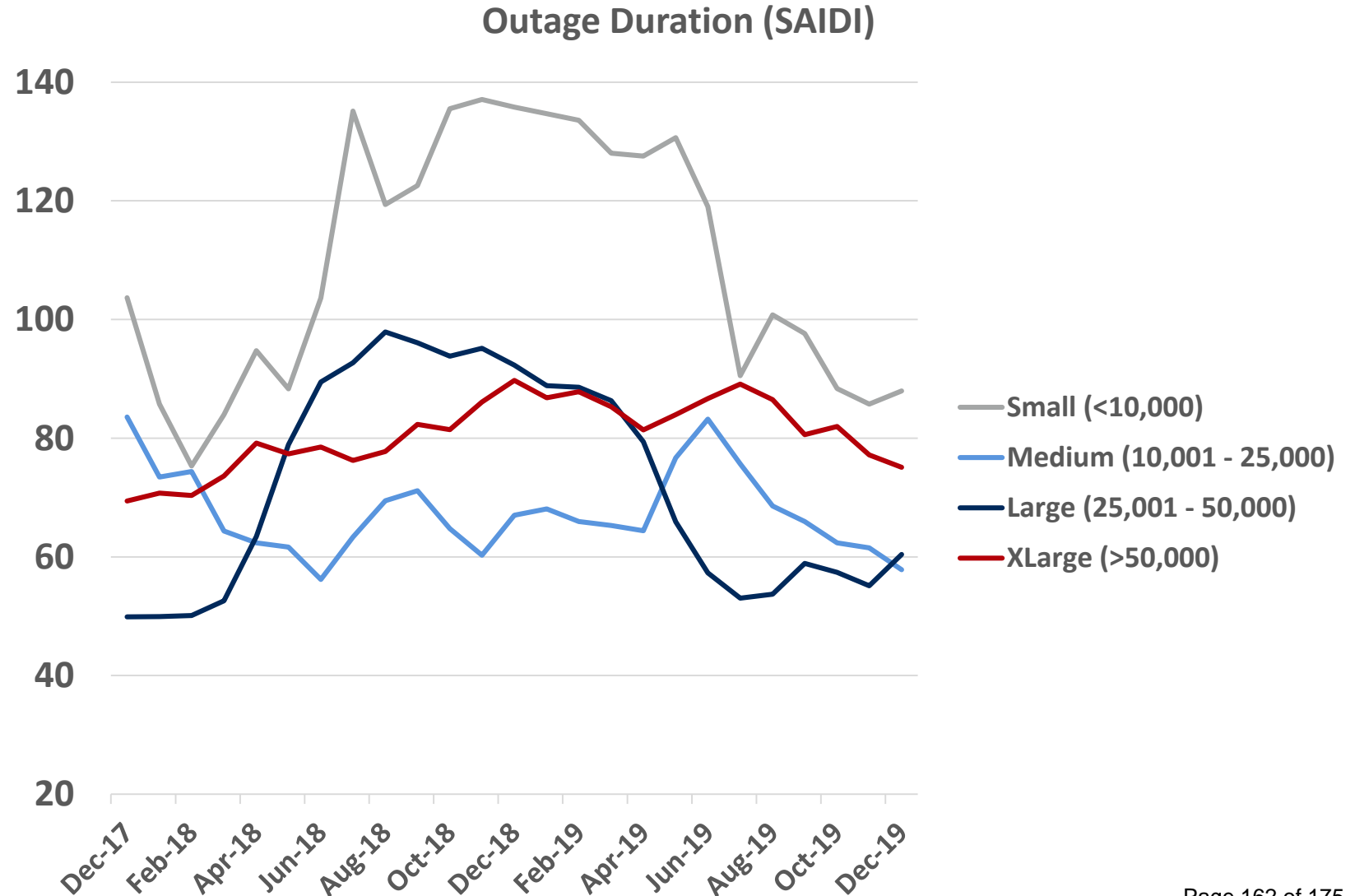
- Member performance has increased slowly; 5% from 2015
- Member reliability dropped to 3<sup>rd</sup> place in 2019
- 16 members improved from 2018
- 10 cities had SAIDI  $\leq 60$



# Outage Duration Trend in 2<sup>nd</sup> Half of 2019 Is an Improvement

## *Leading Munis Include WTP, BTW, CLW, JXB, OUC*

- Improved
  - Medium – 31%
  - Small – 15%
- Worsened
  - Large – 21%
  - Extra Large – 8%
- Top 5 munis
  - Winter Park
  - Bartow
  - Clewiston
  - Jax Beaches
  - Orlando



# Members Made Reliability Improvements

## *But More Improvements Needed to Keep Pace with Others*

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- Most members made improvements in 2019
- Generally, all utilities continue to improve
  - Continued efforts to address areas weaknesses by members required to remain competitive
- Individual member data available to compare with others in the state
- FMPA continues to assist members with reliability analysis and improvement projects
  - Seeing nice progress with 6 members who FMPA has been working with in last two years



**Questions?**

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**h. 2019 FMPA Environmental Report**

**Board of Directors Meeting  
May 21, 2020**



# **BOD 9h – 2019 FMIPA Environmental Report**

FMIPA Board of Directors

May 21, 2020

# Environmental Regulatory Reporting

*U.S. EPA, Florida DEP, USCG, LEPC*

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- All regulatory reports and applications were submitted on time.
- All required environmental training completed.
- FMPA received zero Notice of Violation letters from environmental regulatory agencies



# Environmental Regulatory Inspections

*U.S. EPA, Florida DEP, USCG, LEPC*

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- Federal, State, and Local regulatory agencies
- Scheduled, Unannounced, Incident Response
- Site walk down, records review, interviews
- Thirteen Inspections = Zero Violations

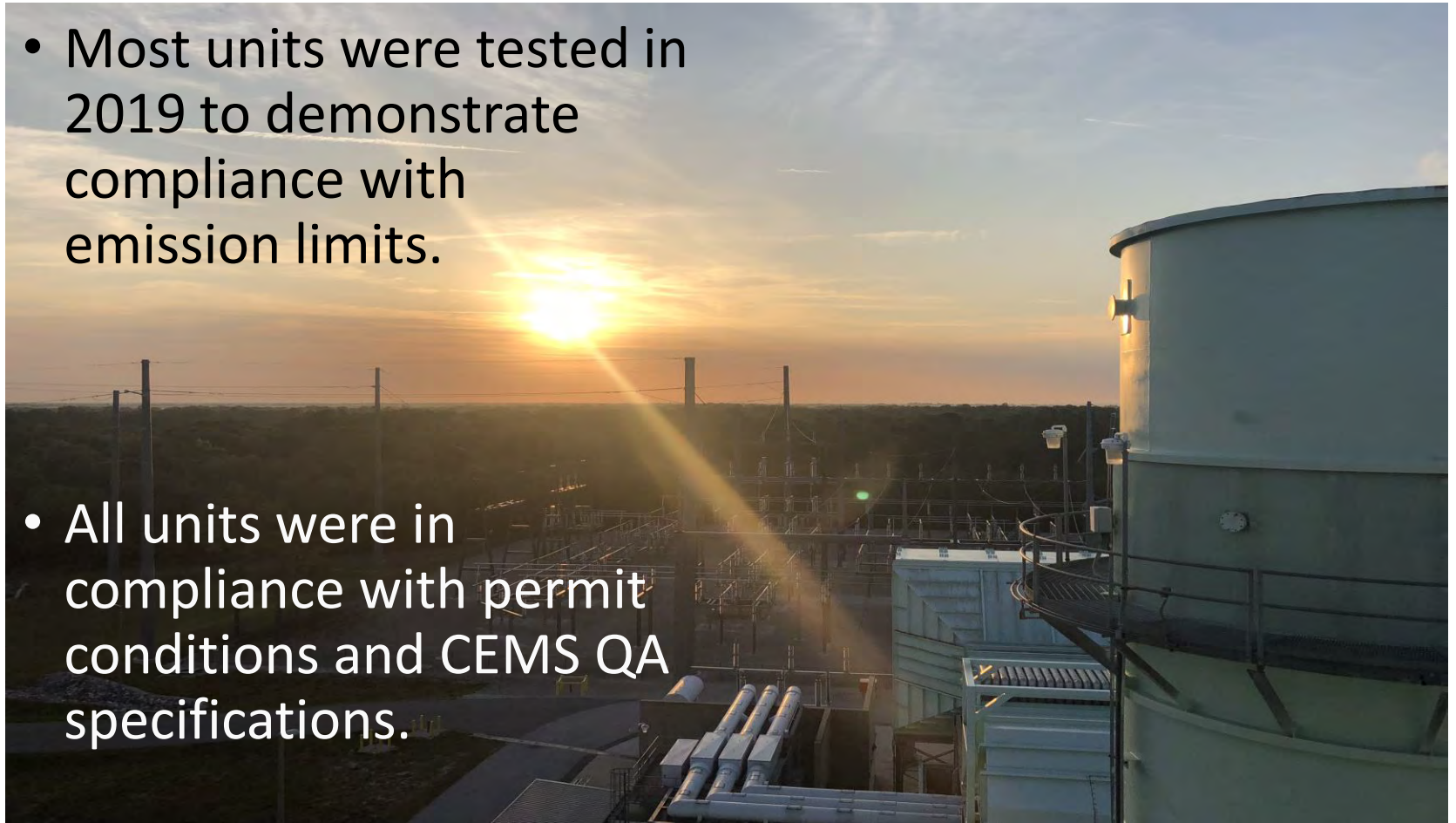




# Compliance Testing & Quality Assurance

## *2019 Stack Testing*

- Most units were tested in 2019 to demonstrate compliance with emission limits.
- All units were in compliance with permit conditions and CEMS QA specifications.



# CEMS DAHS Upgrade

## *Treasure Coast*

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- Software captures and calculates emission data
- Already installed at Stock Island
- FY21 install at Cane Island
- Cross-Fleet opportunities

# SCR and Oxidation Catalyst Management

*TCEC - Cane Island 3,4 - Stock Island MSD 1,2*



MSD catalyst inspection  
and compliance testing



# Regulatory Updates

## *US EPA, Florida DEP*

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- FCG
- Hurricane Impacts
- COVID19 Impacts
- Air, Waste, Waste Rules



# Questions?

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**AGENDA ITEM 10 – MEMBER  
COMMENTS**

**Board of Directors Meeting  
May 21, 2020**

**AGENDA ITEM 11 – ADJOURNMENT**

**Board of Directors Meeting  
May 21, 2020**