MUNICIPAL POWER

FMPA BOARD OF DIRECTORS AGENDA PACKAGE

June 18, 2020
9:00 a.m. [NOTE TIME]
Dial-in Info 877-668-4493 or 650-479-3208
Meeting Number 852 201 366#
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
Vacant, 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: June 9, 2020

RE: **FMPA Telephonic Board of Directors Meeting – 9:00 a.m., June 18, 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 852 201 366# – PASSWORD – 8553#
(If you have trouble connecting via phone or internet, call 407-355-7767)

AGENDA

Chairperson Barbara Quiñones, Presiding

8. Action Items

9. Information Items

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

JW/su

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

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

Board of Directors Meeting
June 18, 2020

AGENDA ITEM 2 – RECOGNITION OF GUESTS

Board of Directors Meeting
June 18, 2020

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

Board of Directors Meeting
June 18, 2020

AGENDA ITEM 4 – SET AGENDA (By Vote)

Board of Directors Meeting
June 18, 2020

AGENDA ITEM 5 – REPORT FROM THE GENERAL MANAGER

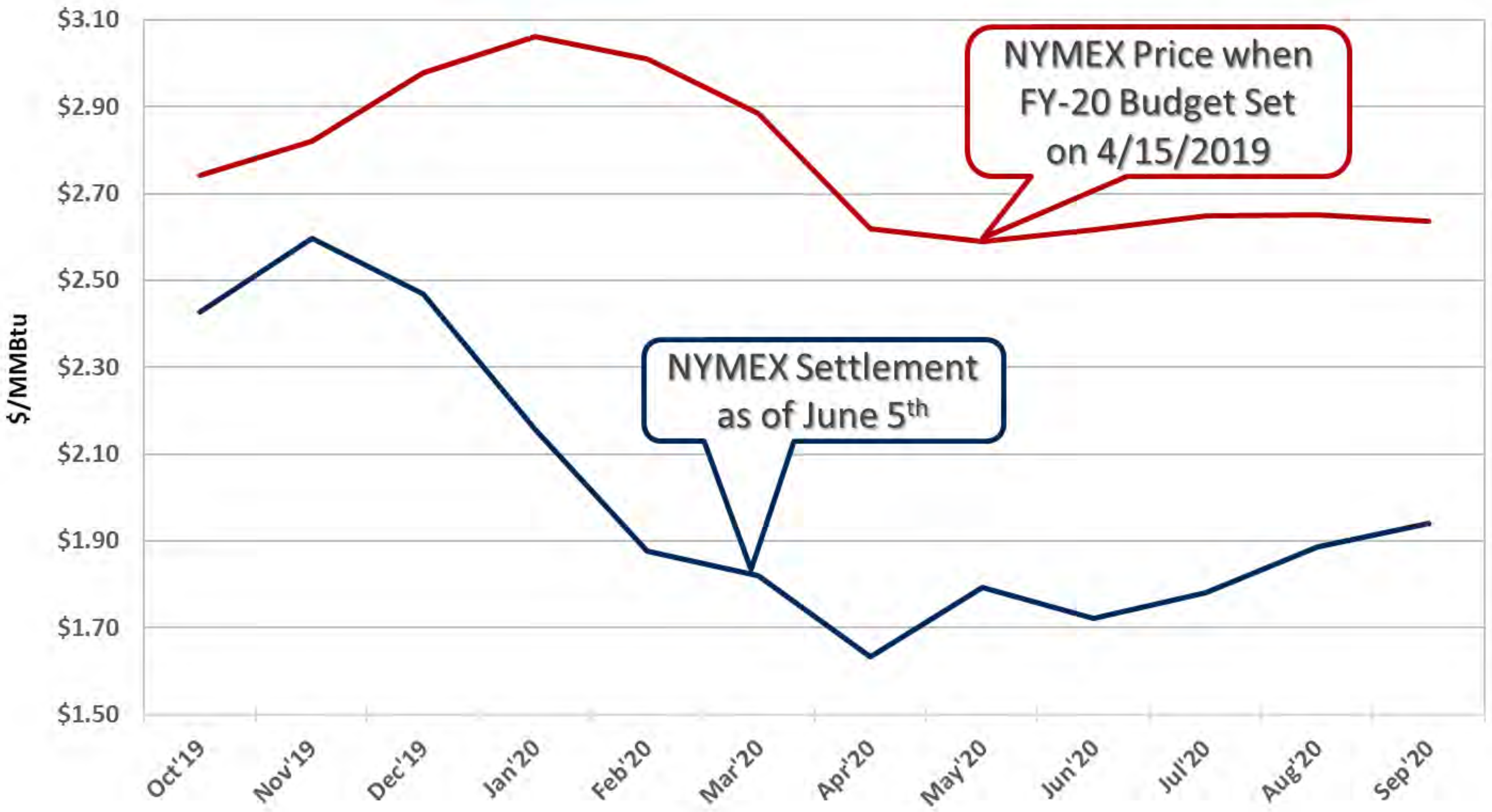
Board of Directors Meeting
June 18, 2020

Fiscal 2020 Management Goals Scorecard, as of May 31, 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)			0	0	0	0	
Members APPA Scorecard			0	2	8	12	None due to COVID-19.
Phishing Testing			4.1%	6.4%	5% or <	5% or <	Campaign Subject: "Called you, please call back!" Voicemail. A total of 3 people clicked on the link.
4. **Low Costs** ($/MWh)	Non-Fuel		$55.89	$52.70	$54.54	$48.55	Data will be updated for the meeting. YTD MWh sales .5% below target. Main drivers of all-in costs 11% ($8.01/MWh) below YTD Target. Gas Costs (~29%), O&M Expenses (~10%), Assigned Project Costs (~8%) and A&G Expenses (~14%) below targeted levels.
	Fuels		$13.19	$18.13	$24.31	$24.09	
	All-in		$69.08	$70.83	$78.84	$72.64	
5. Reliability	CC EAF		91.4%	90.6%	85.8%	88%	91% reliability for all base load units in May. Cane Island Unit 4 and TCEC were in an outage.
	KWS Blk Start						None
	SAIDI Reduction		2	n/a	n/a	7	New Smyrna Beach, Newberry

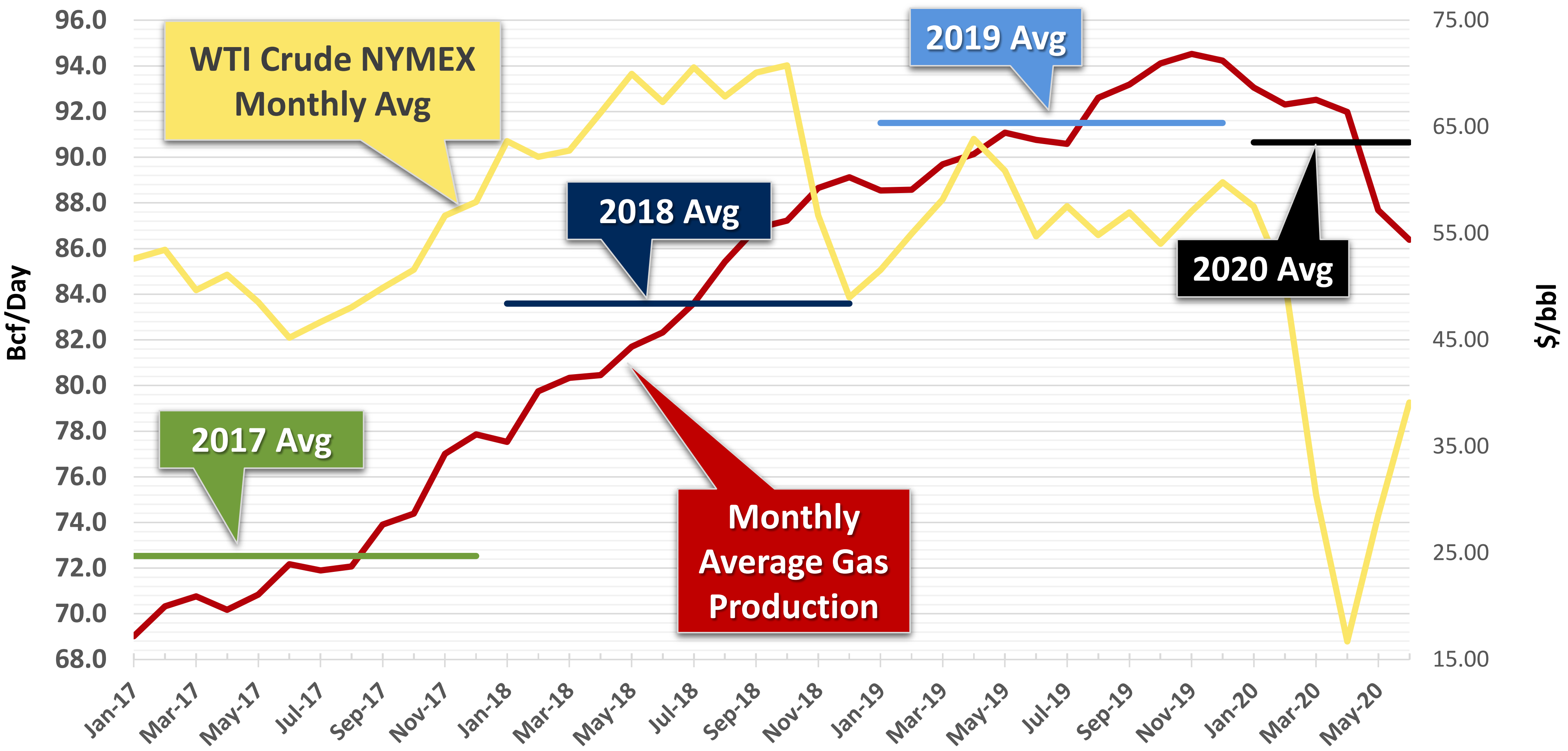
FY 2020 NYMEX Contract $0.76/MMBtu Below Budget

NYMEX Natural Gas Settlement (as of 6/5/20)



Natural Gas Production Following Changes in Oil Prices

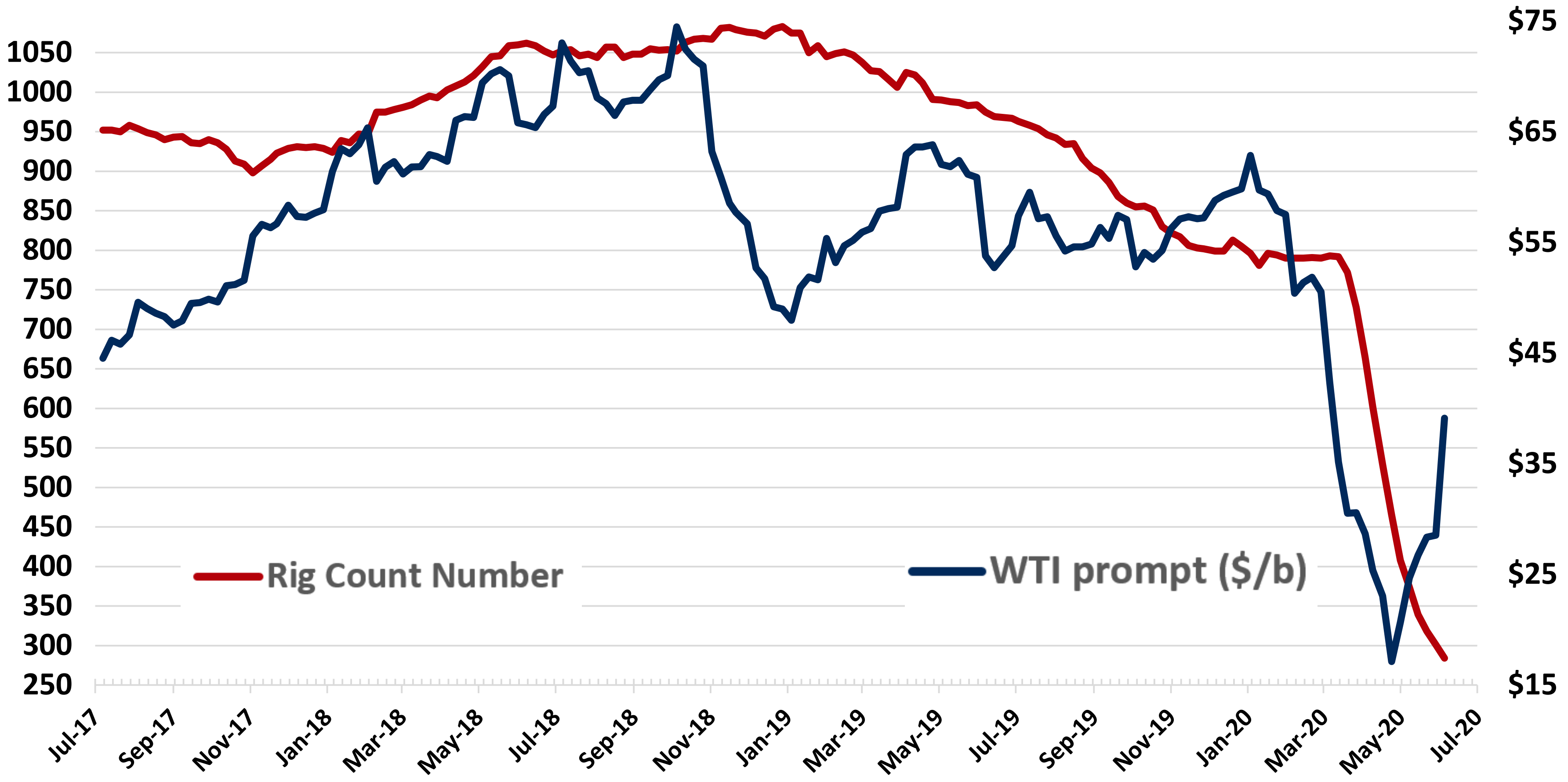
Average Monthly Change Since 2017 to Date (6/5/20)



Drilling Rig Count Declines as Oil Prices Move Lower

Drilling Rig Expansion resumes decline as WTI Price falls (as of May 8th)

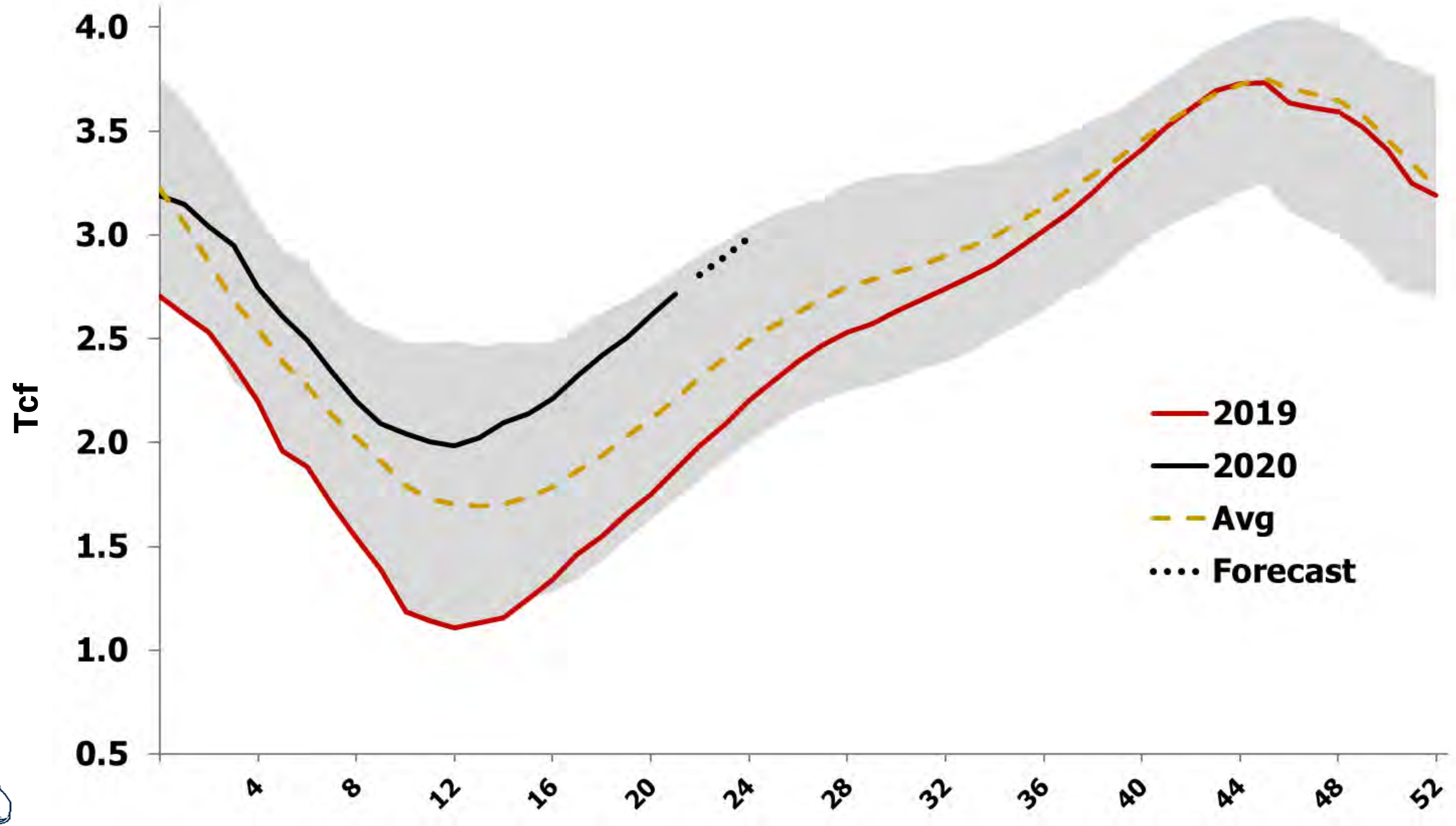
US Drilling Rig Count vs WTI Prompt



FMPA MUNICIPAL POWER

Gas Storage Inventory as of Week Ending Jun 5th

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



(Continued) **Management Goals Scorecard**, as of May 31, 2020

Goal		Status	Comment
6. Energy/Capacity Sales - Execute wholesale agrmts. with projected margin value $3.5M for FY2020-2024			Continuing efforts with TEA to develop position management tools. Markets have been focusing on the very short term considering the volatility created by COVID-19 impacts on natural gas and loads. Several offers pending to potential buyers.
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			Aaron Casto has been hired as the new Executive Director and will start 6/29. Has 19 years MISO experience in heavy wind area. New pool reserve policy was presented to the Steering Committee for discussion. FMPA outlined minimum requirements for acceptance. Other pool participants considering the proposed changes.
8. Member Services Visits by Leadership Team (75 visits)			1 visit in May. 49 total year to date. Several scheduled for June.
Member Services	15 project oversight		18 YTD. Added this month: Bushnell Power Quality Analysis, Starke Reliability Assessment, Green Cove Springs Substation Capacity Increase & System Mapping
	Assist solar subscription service - 6		• FPUA, KEYS, KUA and Ocala are developing programs for Phase I implementation. • Mount Dora and New Smyrna Beach considering programs for Phase II.

(Continued) **Management Goals Scorecard**, as of May 31, 2020

Goal	Status	Comment
9. Promoting Value of Utilities Update Member Reports – 16 Public Presentations by Members or FMPA - 10		• 13 of 16 Reports Completed and Shared: Alachua, Bartow, Clewiston, Fort Meade, Fort Pierce, Green Cove Springs, Havana, Lake Worth Beach, Leesburg, Moore Haven, Mount Dora, Starke, Wauchula • Presentation materials under development for Lake Worth Beach • FMPA worked closely with several members during COVID-19 to assist in telling their story publicly through various media.

10. Solar Project
- Execute Phase 2 Solar Agreements
- Assist Members marketing Phase 1 groundbreaking & energize Phase 1
		• Phase II Agreements fully executed
		• Phase I Harmony and Taylor Creek test energy began May 28, 2020.
		  • 149 MWh generated at Harmony in May – 84 MWh ARP, 65 MWh OUC
		  • 153 MWh generated at Taylor Creek in May – 153 MWh OUC
		• FMPA developing solar promotional "toolkit", including news releases, social media and website content, graphics and video.
		• FMPA investigating development of real-time solar energy graphic website for FMSP.

11. ARP Restructuring - Reach agreement on desired path of Members		Workshop in May. EC action item with results and feedback from the workshop on June agenda.
12. People - Development opportunities/cross training/Back-Up – at least 8		Development of 6 opportunities in Member Services, Public Relations, Accounts Payable, Financial and Rates Analyst, SCADA and Facilities.
- FMPA Fleet Team Sharing – 80 days		Total of 96 days FYTD. FMPA staff to TCEC for 3 days, CIPP for 1 day, and SIPP for 4 days.

VERBAL REPORT

AGENDA ITEM 6 – SUNSHINE LAW UPDATE

Board of Directors Meeting
June 18, 2020

AGENDA ITEM 7 – CONSENT AGENDA

a. Approval of the Minutes for the Telephonic Meeting Held May 21, 2020

Board of Directors Meeting
June 18, 2020

CLERKS DULY NOTIFIED .... MAY 12, 2020
AGENDA PACKAGES POSTED .... MAY 12, 2020

MINUTES
FMPA TELEPHONIC BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
THURSDAY, MAY 21, 2020
9:00 A.M.

MEMBERS PRESENT VIA TELEPHONE	Brad Hiers, Bartow * Jody Young, Bushnell Lynne Mila, Clewiston Jan Bagnall, Fort Meade John Tompeck, Fort Pierce Tom Brown, Gainesville Bob Page, Green Cove Springs Howard McKinnon, Havana (in person) 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 Vacant, Moore Haven Steve Langley, Mount Dora Bill Conrad, Newberry (in person) Tim Beyrle, 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 (in person) *joined after roll call.
OTHERS PRESENT VIA TELEPHONE	Paul Jakubczak, Fort Pierce Karen Nelson, Jacksonville Beach Justin Isler, Winter Park Craig Dunlap, Dunlap & Associates, Inc. Ivette Sanchez, Power Engineers

STAFF PRESENT	Jacob Williams, General Manager and CEO Jody Finklea, General Counsel and CLO Ken Rutter, Chief Operating Officer Linda S. Howard, Chief Financial Officer Carol Chinn, Chief Information and Compliance Officer Mark McCain, Assistant General Manager, Member Services and Public Relations Dan O'Hagan, Assistant General Counsel and Regulatory Compliance Counsel (via telephone) Rich Popp, Treasurer and Risk Director Sue Utley, Executive Asst. /Asst. Secy. to the Board Mike McCleary, Manager of Member Services Development Sharon Adams, Human Resources Director Cairo Vanegas, Manager of Member Services Development Jason Wolfe, Financial Planning, Rates and Budget Director Luis Cruz, Information Technology Manager Truong Le, Manager of Regulatory Compliance Isabel Montoya, Information Technology Intern Susan Schumann, Manager of External Affairs and Solar Projects David Schumann, Power Generation Fleet Director Justin Harris, Environmental Engineer

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

Chair Barbara Quiñones, Homestead, called the Board of Directors meeting to order at 9:00 a.m. on Thursday, May 21, 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 19 members present representing 34 votes out of a possible 47.5. Bartow joined after the roll call bringing the total members present to 20 representing 35 votes out of a possible 47.5.

ITEM 2 – Recognition of Guests

Craig Dunlap, Dunlap & Associates 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: Allen Putnam, Jacksonville Beach, moved approval of the agenda as presented. Bill Conrad, Newberry, seconded the motion. Motion carried 35 – 0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Jacob Williams reported on the following items:

1. **Goals Scorecard**

2. **Solar Phase I Update** – Testing May 26 – on schedule for COD June 30

3. **NSB has modernized their grid** by planning for growth, improving reliability and preparing for penetration of renewables. They have used FMPA's consultants on three projects and have plans to launch another one in the coming weeks. New Smyrna's focus on modernization and reliability improvement is paying off, as evidenced by a 45% improvement in their SAIDI last year.

4. **Member annual salary survey**. If anyone wants to still participate it's not too late. The survey was developed based on suggestion from our member utilities. This will be the third year we have done this. The survey is designed to focus on electric utilities. We currently have 19 cities participating. Please contact Sharon Adams if you are interested.

ITEM 6 – SUNSHINE LAW UPDATE

Dan O'Hagan reported on the reopening of Florida cities and in-person public records requests with requiring visitors to have their temperatures checked and wearing masks.

ITEM 7 – CONSENT AGENDA

a. Approval of Minutes – Meeting Held April 16, 2020

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

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

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Howard McKinnon, Havana, seconded the motion. Motion carried 35 – 0.

ITEM 8 – ACTION ITEMS

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

MOTION: Allen Putnam, Jacksonville Beach, moved 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. Lynne Tejeda, Key West, seconded the motion. Motion carried 35 – 0.

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

MOTION: Allen Putnam, Jacksonville Beach, moved 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 the employee separating from the Agency before December 31, 2020 will continue to be limited by the vacation accrual cap of twice the annual allotment. Howard McKinnon, Havana, seconded the motion. Motion carried 35 – 0.

c. Approval of the Finance Committee's Proposed Charter Changes

MOTION: Lynne Tejeda, Key West, moved approval of Finance Committee charter change regarding the appointment of committee members. Larry Mattern, Kissimmee, seconded the motion. Motion carried 35 – 0.

ITEM 9 – INFORMATION ITEMS

a. Proposed changes to the Members Dues and Project Allocation Calculations

Jason Wolfe presented information regarding proposed changes to members' dues and Project allocation calculations.

b. Discussion on Charging Interest on Development Fund Use

Linda Howard presented information on charging interest on the use of the Development Fund going forward.

c. Summary of Finance Committee Items

Linda Howard presented the items from the Finance Committee that will come back to the Board for approval next month.

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

Mike McCleary presented the information for next month's approval of the FMPA-ECG Alliance Agreement Annual Service Confirmation for Fiscal 2021.

e. FMPA.com Update (Verbal Report)

Luis Cruz reported on the breach of the fmpa.com website host, GoDaddy, and the steps taken to ensure the security of the site.

f. FMPA Cybersecurity Assessment Member Service

Carter Manucy reported on the cybersecurity assessment, a new member service.

g. 2019 Reliability Update

Cairo Vanegas reported on the 2019 reliability update for those participating in the distribution reliability service.

h. 2019 FMPA Environmental Report

Justin Harris reported the 2019 FMPA Environmental Report.

ITEM 10 – MEMBER COMMENTS

None

ITEM 11 – ADJOURNMENT

There being no further business, the meeting was adjourned at 12:04 p.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 April 30, 2020

Board of Directors Meeting
June 18, 2020

Linda S. Howard, CPA, CTP
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: **FMPA Board of Directors**

FROM: **Linda Howard**

DATE: **June 2, 2020**

ITEM: **7b – Approval of Projects' Financials as of April 30, 2020**

Discussion: The summary financial statements and detailed financial statements of the Projects for the period ended April 30, 2020 are posted on the Document Portal section of FMPA's website.

Recommended: Move approval of the Projects' Financial Reports for the month ended April 30, 2020.

LH/GF

AGENDA ITEM 7 – CONSENT AGENDA

c. Approval of the Treasury Reports as of April 30, 2020

Board of Directors Meeting
June 18, 2020

AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors

FROM: Gloria Reyes

DATE: June 9, 2020

ITEM: BOD 7(c) – Approval of Treasury Reports as of April 30, 2020

Introduction

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

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

Debt Discussion

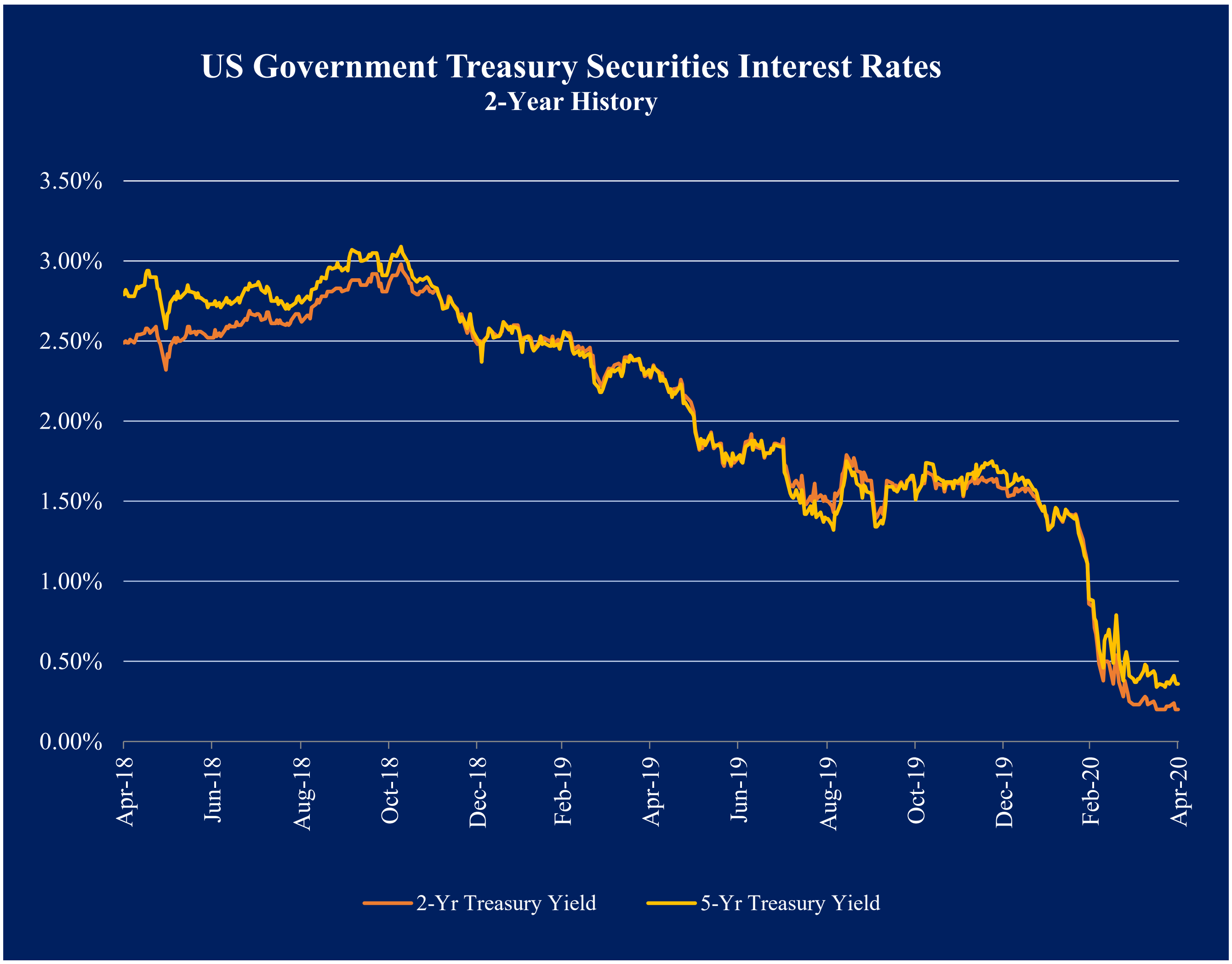
Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of April 30, 2020.

	Total debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
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%

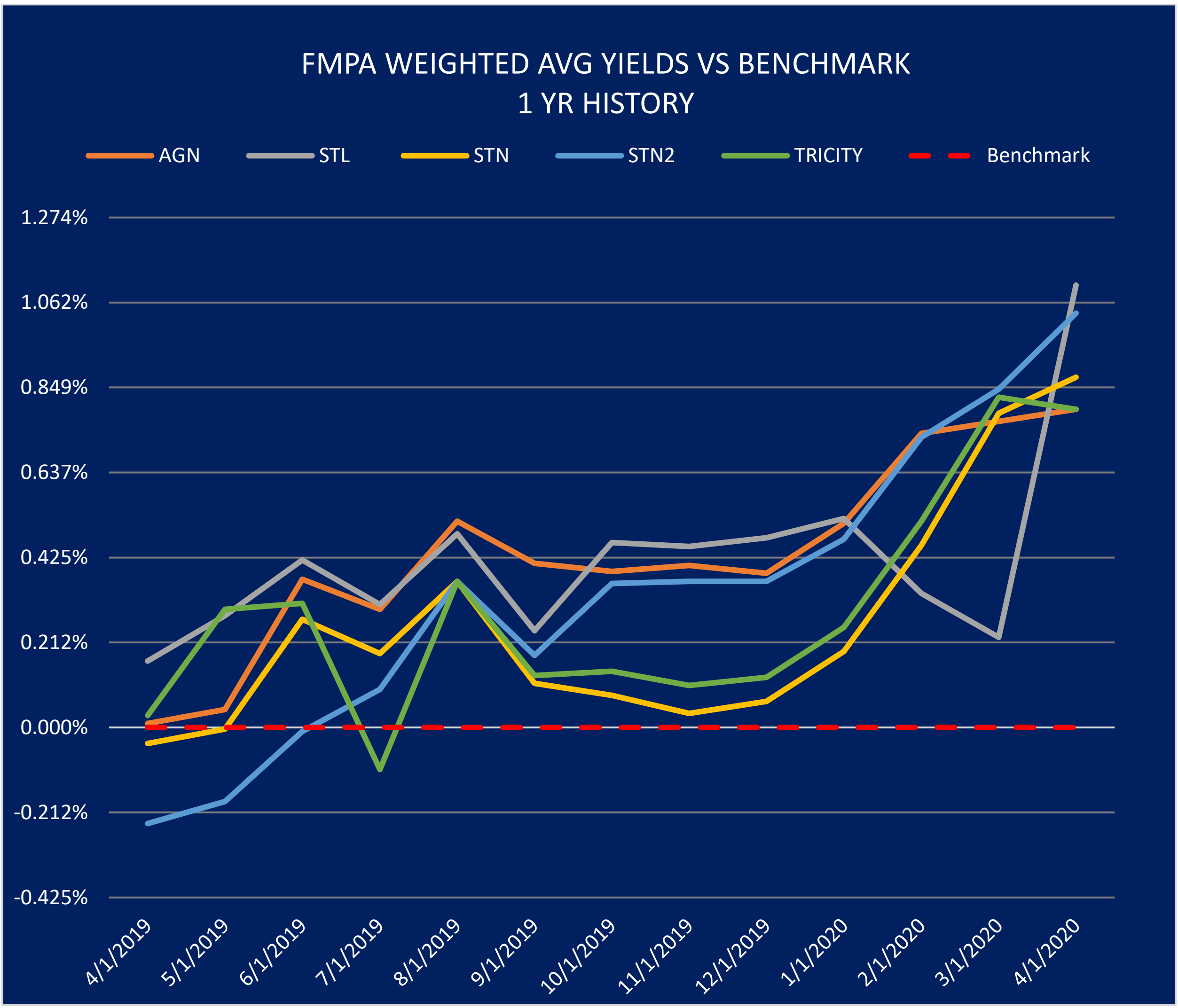
Investment Discussion

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 April at .20%. The yellow line is the 5-year Treasury which was .36%.



The weighted average yields on investments earned as of April 30, 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 April 30, 2020.

AGENDA ITEM 8 – ACTION ITEMS

a. Approval of ECG Alliance Agreement Annual Service Confirmation for Fiscal 2021

Board of Directors Meeting
June 18, 2020

8a – FMPA-ECG Alliance Agreement Annual Service Confirmation for Fiscal 2021

FMPA Board of Directors

June 18, 2021

Final Term for the FMPA-ECG Alliance Agreement

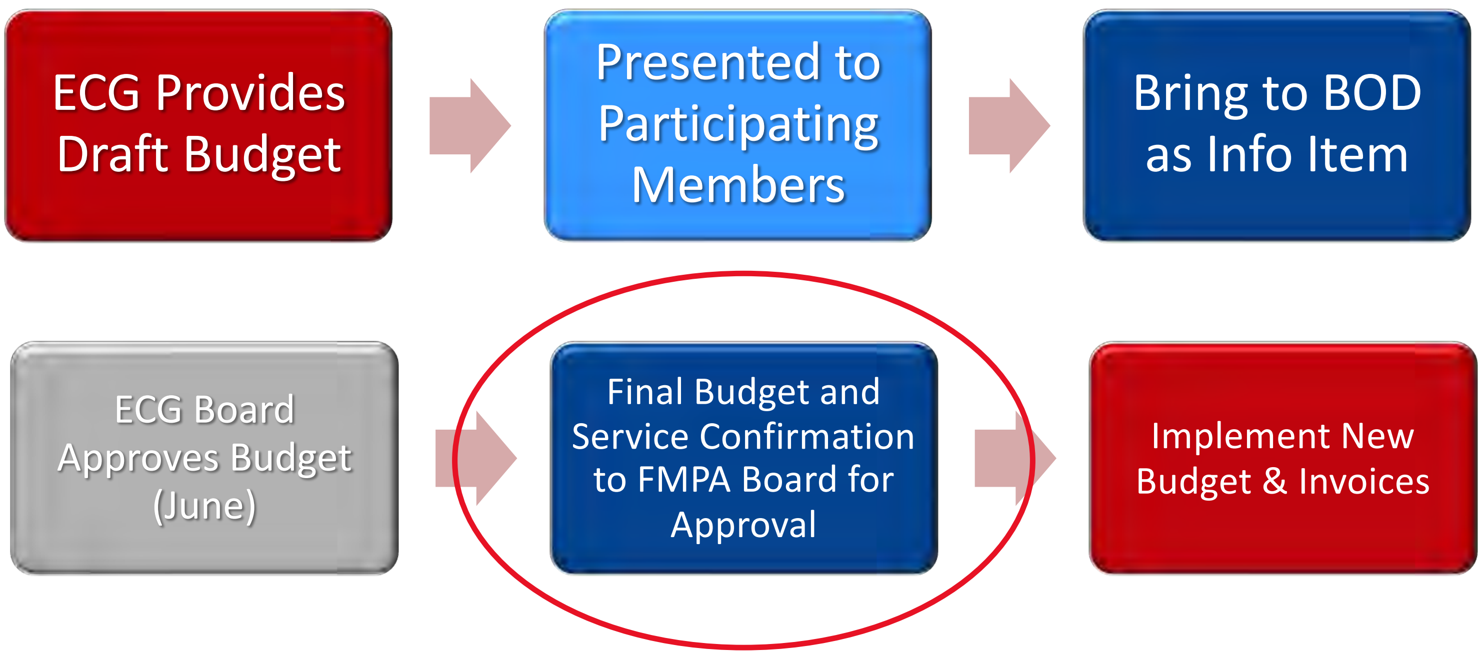
FMPA Making New Arrangements for Safety Training Services

- On May 21, 2020, FMPA's Board approved one-year termination notice for the FMPA-ECG Alliance Agreement
  - ECG was notified that the Agreement will terminate June 30, 2021
  - FMPA members participating in the Lineman Safety Training Program were notified that the agreement will terminate June 30, 2021
  - Today's action for ECG services from July 1, 2020, through June 30, 2021
- FMPA in the process of creating new lineman safety and training programs after June 30, 2021

FMPA-ECG Alliance Agreement

Lineworker Safety Training for FMPA Members

Annual Budget Process



FMPA MUNICIPAL POWER

ECG Budget for FMPA – Fiscal 2021

Allocation to Florida Cities Down Slightly

FMPA Budget (July 2020 – June 2021) $427,985

- $125,000 Alliance Fee – Paid by Agency
- $302,985 for Safety Training
  - Paid by 17 participating members
  - Training for 264 staff

FMPA MUNICIPAL POWER

Safety Training Participants Can Access Other Services

Value-Added Features for Participants

Monthly safety training (10 times/year)

- MOT & CPR/First Aid training
- Incident investigation
- Powerline School at reduced costs

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[1]	$1,600	$3,200
Storm Assessor[1]	$375	$750
Hotline School[1]	$1,000	$2,000

[1] Recent offerings

FMPA MUNICIPAL POWER

Final Budget for FY ’21 (Revised 6-10-20)

Final 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	$12,398	$1,033	-1%	$1,510	$10,888	$907
Bartow	$23,926	20	20	$23,584	$1,965	-1%	$2,870	$20,714	$1,726
Blountstown	$5,756	4	4	$5,687	$474	-1%	$0	$5,687	$474
Bushnell	$9,163	7	6	$7,924	$660	-14%	$0	$7,924	$660
Chattahoochee	$5,756	4	4	$5,687	$474	-1%	$0	$5,687	$474
Clewiston	$8,027	6	6	$7,924	$660	-1%	$0	$7,924	$660
Havana	$4,620	3	3	$4,569	$381	-1%	$558	$4,010	$334
Homestead	$20,519	17	17	$20,228	$1,686	-1%	$2,462	$17,766	$1,480
Jacksonville Beach	$31,876	27	27	$31,413	$2,618	-1%	$0	$31,413	$2,618
Key West	$35,283	30	24	$28,058	$2,338	-20%	$0	$28,058	$2,338
Kissimmee	$61,403	53	53	$60,495	$5,041	-1%	$0	$60,495	$5,041
Mount Dora	$11,434	9	9	$11,280	$940	-1%	$0	$11,280	$940
Moore Haven	$3,995	3	2	$2,825	$235	-29%	$345	$2,480	$207
Newberry	$6,891	5	5	$6,806	$567	-1%	$830	$5,975	$498
Ocala	$55,724	48	48	$54,902	$4,575	-1%	$6,677	$48,225	$4,019
Quincy	$10,298	8	8	$10,161	$847	-1%	$0	$10,161	$847
Starke	$9,163	7	7	$9,043	$754	-1%	$1,102	$7,941	$662
TOTAL	$ 316,405	261	253	$302,985					
Total Budget Including $125,000 Alliance Fee	$ 441,405			$ 427,985		-3%			

Note: Change in # of employees

Recommended Motion

- Move approval of the ECG Service Confirmation for ECG Fiscal Year 2021 (July 1, 2020 through June 30, 2021) and authorize the General Manager and CEO to execute the ECG Service Confirmation.

ECG Service Confirmation

This Service Confirmation (this "Confirmation") is being executed pursuant to, and subject to, the Alliances Services Contract, dated as of January 1, 2011, by and between Electric Cities of Georgia, Inc. ("ECG") and Florida Municipal Power Agency ("FMPA"), as amended and supplemented (the "Contract"), and constitutes a confirmation as contemplated in Section (3)(b) of the Contract, respecting the ECG fiscal year beginning July 1, 2020 and ending June 30, 2021 ("FY21 Contract Year"), evidencing the FMPA's agreement to take, and ECG's agreement to provide, the services indicated herein in accordance with the terms of the Contract, including as amended, supplemented or modified by this Confirmation. The terms of this Confirmation are binding upon execution and delivery by FMPA and acknowledgment by ECG. Capitalized terms used herein but not defined have the meaning set forth in the Contract.

Confirmed Service:

<u>Monthly Safety & Training Meetings</u> (True-Up Applicable). FMPA desires to take safety and training services as described in Exhibit B-1 to the Contract ("Safety & Training Services") provided that the limitation respecting the maximum number of additional Participating FMPA Members is removed.

Estimated Aggregate Budgeted Standard Cost: The estimated aggregate cost allocable to, and budgeted for, Safety & Training Services for the FY21 Contract Year for FMPA is ***<u>$302,985</u>***, in addition to the annual FMPA-ECG Alliance Fee of ***<u>$125,000</u>***. The cost per person trained (based on such budget) for any additional Participating FMPA Members that begins participation after July 1, 2020 is ***<u>$140 Monthly</u>*** through the end of ECG FY21 Contract Year. ***<u>Schedule 1</u>*** attached hereto sets forth the monthly payments due from FMPA to ECG respecting Safety & Training Services based on such budget and other terms provided herein. All estimates are based on the expectation that Participating FMPA Members (approx. 254 persons to be trained) participate in the Safety & Training Services. During the ECG FY21 Contract Year, FMPA may request that additional Participating FMPA Members be added to Safety & Training Services or that additional persons be trained under such service. The estimated aggregate cost allocable to such service respecting each such addition is anticipated to be equal to the per person trained estimate set forth above, subject to the true-up provision at year-end.

Executed and delivered this ____ day of ___________, 2020.	Acknowledged and Accepted:
FMPA: **Florida Municipal Power Agency**	**ECG:** **Electric Cities of Georgia, Inc.**
By:______________________________	By:______________________________
Name:___________________________	Name:___________________________
Its:______________________________	Its:______________________________

Schedule 1

Schedule of Monthly Payments
(Based on the Final Budget)

July 2020	$35,665
August 2020	$35,665
September 2020	$35,665
October 2020	$35,665
November 2020	$35,665
December 2020	$35,665
January 2021	$35,665
February 2021	$35,665
March 2021	$35,665
April 2021	$35,665
May 2021	$35,665
June 2021	$35,670
Total FY21 Contract Year	$427,985
254 Employees Trained	$1,685 per employee
Monthly Cost per Employee	$140

AGENDA ITEM 8 – ACTION ITEMS

b. Approval of Amendment Number Eight to the Interlocal Agreement for Revisions to Member Assessments

Board of Directors Meeting
June 18, 2020

BOD 8b – Approval of Amendment Number Eight to the Interlocal Agreement

Board of Directors

June 9, 2020

Proposed Amendment No. 8 to Interlocal Agreement

- Amends article V and schedule B to revise member assessment methodology
- Removes gender specific references in use of pronouns and gender specific titles
- Amends schedule A to incorporate Solar projects into voting schedule
- For future proposed amendments, removes requirement for advance copies to be sent to members via mail
  - Still required to be provided in writing in advance

FMPA MUNICIPAL POWER

Proposing Change to Member Assessments

- 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
- Proposing change to member assessment methodology that would be effective for the FY 2021 budget year

FMPA MUNICIPAL POWER

Member Assessments

Rates Static for Past 36 Years

- 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. 12 members currently pay assessments; will eventually be reduced to 8 after solar projects come online
- 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

FMPA MUNICIPAL POWER

Member Assessments Have Not Kept Pace with Increased Value Provided or Costs to Support

- 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
- All of these services 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

FMPA MUNICIPAL POWER

Staff Recommendation: Move to Flat $5k Annual Charge for Each Non-Project Member

- Staff analysis suggests full costs to support the increased member service offerings for each member range from $36k - 60k regardless of size
- A jump to that level is not reasonable, wise, or needed, however
- Staff recommended implementing a flat charge of $5,000 per year for each non-project member as a reasonable step to ensure all members pay some portion of the value they receive
- Current methodology recovers ~$28k in revenue per year, while proposed methodology would recover $60k based on current 12 non-project members

FMPA MUNICIPAL POWER

Finance Committee and Board Recommended Changes

- Members were generally supportive of increasing dues and the $5k level
- FC recommended a phased-in approach due to the current economic environment (year 1 Member increase capped at $2k above current level)
- Other requested changes from Members:
  - Include the ability for the Board to revise the dues without requiring amendment to the Interlocal Agreement
  - Include an automatic inflationary adjustment
  - Provide for the ability to keep the assessments flat for a member that does not wish to have its assessment increase, but require that member to reimburse FMPA for costs incurred by FMPA on behalf of that member in excess of its assessment amount

FMPA MUNICIPAL POWER

Proposed Changes to Member Assessments in Interlocal Agreement

- Effective 10/1/2020, member assessments increase to $5,000 per year, except that no member's assessment can increase more than $2,000 from current fiscal year
  - If FY 2020 assessment >= $3,000, FY 2021 assessment = $5,000
  - If FY 2020 assessment < $3,000, FY 2021 assessment = FY 2020 assessment + $2,000
- Effective 10/1/2021, all member assessments at $5,000 per year
- Any member that does not want its assessment to increase based on the above will be responsible for paying all direct costs incurred by FMPA on behalf of that member, in excess of its assessment
- Effective 10/1/2022, assessments increased annually for any inflationary (CPI) increase from prior year (no change if CPI decrease)
- Board may revise assessments at any time in the future by 75% approval of a Resolution

FMPA MUNICIPAL POWER

FY 2021: 11 of 12 Cities Would See Higher Assessments

8 Cities Would See Increases Capped

City	FY 2019	FY 2021 Proposed	Increase/ (Decrease)
Bartow	$1,817	$3,817	$2,000
Blountstown	[1] $500	$2,500	$2,000
Chattahoochee	[1] $500	$2,500	$2,000
Gainesville	$4,424	$5,000	576
Lakeland	$4,909	$5,000	$91
Mount Dora	$587	$2,587	$2,000

City	FY 2019	FY 2021 Proposed	Increase/ (Decrease)
OUC	$6,001	$5,000	($1,001)
Quincy	$835	$2,835	$2,000
Tallahassee	$4,757	$5,000	$243
Wauchula	[1] $500	$2,500	$2,000
Williston	[1] $500	$2,500	$2,000
Winter Park	$2,511	$4,511	$2,000
Total	**$27,841**	**$43,750**	**$15,909**

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

FMPA MUNICIPAL POWER

FY 2022: All Cities at $5,000

City	FY 2021 Proposed	FY 2022 Proposed	Increase/ (Decrease)
Bartow	$3,817	$5,000	$1,183
Blountstown	$2,500	$5,000	$2,500
Chattahoochee	$2,500	$5,000	$2,500
Gainesville	$5,000	$5,000	$0
Lakeland	$5,000	$5,000	$0
Mount Dora	$2,587	$5,000	$2,413

City	FY 2021 Proposed	FY 2022 Proposed	Increase/ (Decrease)
OUC	$5,000	$5,000	$0
Quincy	$2,835	$5,000	$2,165
Tallahassee	$5,000	$5,000	$0
Wauchula	$2,500	$5,000	$2,500
Williston	$2,500	$5,000	$2,500
Winter Park	$4,511	$5,000	$489
Total	**$43,750**	**$60,000**	**$16,250**

FMPA MUNICIPAL POWER

Member Assessments

Questions?

Motion

- Move Approval of Amendment Number Eight to the Interlocal Agreement for Revisions to Member Assessments

FMPA MUNICIPAL POWER

Supplemental Information

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.

FMPA MUNICIPAL POWER

INTERLOCAL AGREEMENT CREATING THE
FLORIDA MUNICIPAL POWER AGENCY

. . . .

ARTICLE V
Cash Contributions

Effective as of the commencement of the fiscal year of the Agency beginning October 1, 2020~~1980~~, each party of 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 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.

SCHEDULE A

FLORIDA MUNICIPAL POWER AGENCY
BOARD OF DIRECTORS VOTING SCHEDULE

Member System	Project Participation	Votes
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
Quorum to Conduct Business		24

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

Schedule B – ~~Cash~~ Member Assessments

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

(a) Except as provided in clause (d), for the fiscal year beginning October 1, 2020, and ending September 30, 2021 ("**FY 2021**"), the assessment for each such member is $5,000, except that no such member's assessment will increase by more than $2,000 from the previous fiscal year. So, (i) for members whose previous fiscal year assessment was greater than $5,000,the FY 2021 assessment is $5,000, (ii) for members whose previous fiscal year assessment was $3,000 or greater, the FY 2021 assessment is $5,000; and (iii) for members whose previous fiscal year assessment was less than $3,000, the FY 2021 assessment is $2,000 greater than the previous fiscal year assessment.~~$6.75 per million kWh for the first 300 million kWh~~

(b) Except as provided in clause (d), for the fiscal year beginning October 1, 2021 and ending September 30, 2022 ("**FY 2022**"), the assessment for each such member is $5,000.

(c) For the fiscal year beginning October 1, 2022, and ending September 30, 2023 ("**FY 2023**"), and each fiscal year thereafter, the assessment of the previous fiscal year for each such member will be increased in the same amount of any increase in the Consumer Price Index in the previous fiscal year. Such increase shall be calculated by multiplying the assessment of the previous fiscal year by a fraction whose numerator is the Consumer Price Index for September, which is the last month of the preceding fiscal year, and whose denominator is the Consumer Price Index for the September, which immediately preceded the first month of such previous fiscal year. (For example, for FY 2023 the Consumer Price Index would be calculated using a fraction where September 2022 is the numerator and September 2021 is the denominator.) In no event shall the member assessment be decreased due to changes in the Consumer Price Index. For purposes hereof, "**Consumer Price Index**" means the Consumer Price Index for All Urban Consumers (CPI-U), published by the Bureau of Labor Statistics of the United States Department of Labor on its website at http:///www.bls.gov/cpi.

(d) For any such member that does not want its assessment to increase pursuant to clauses (a) or (b), it must notify FMPA staff in writing before the start of the fiscal year. Upon receipt of that notice, FMPA staff will coordinate payment arrangements and provide for direct billing to such member of all direct costs incurred by FMPA on behalf of that member, in excess of its assessment. A member who has made such an election shall pay for all such direct costs incurred by FMPA within 30 days of an invoice from FMPA.

(e) Notwithstanding clauses (b) through (d), the Board of Directors may for FY 2022 or at any point afterwards revise the Member Assessments methodology set out in this Schedule B by adoption of a resolution at a duly called and held meeting, where it is approved by a seventy-five percent (75%) vote of such quorum at any meeting thereof. The Secretary will provide for such resolution to be filed as required for amendments to this Interlocal Agreement.

~~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, unless approved by the Board of Directors pursuant to Article V.

Schedule B
Amended at Board of Directors Meeting June 18, 2020~~January 13, 1984~~

AGENDA ITEM 8 – ACTION ITEMS

c. Approval of Resolution 2020-B1 – Approval of the Stanton, Tri-City, Stanton II, St. Lucie Solar and Pooled Loan Project Budgets for Fiscal Year 2021 and Agency Allocations

Board of Directors Meeting
June 18, 2020

BOD 8c: Approval of Resolution 2020-B1- Approval of the FY 2021 Small Project Budgets and Agency Allocations

Board of Directors

June 9, 2020

St. Lucie Project

St. Lucie Project Summary

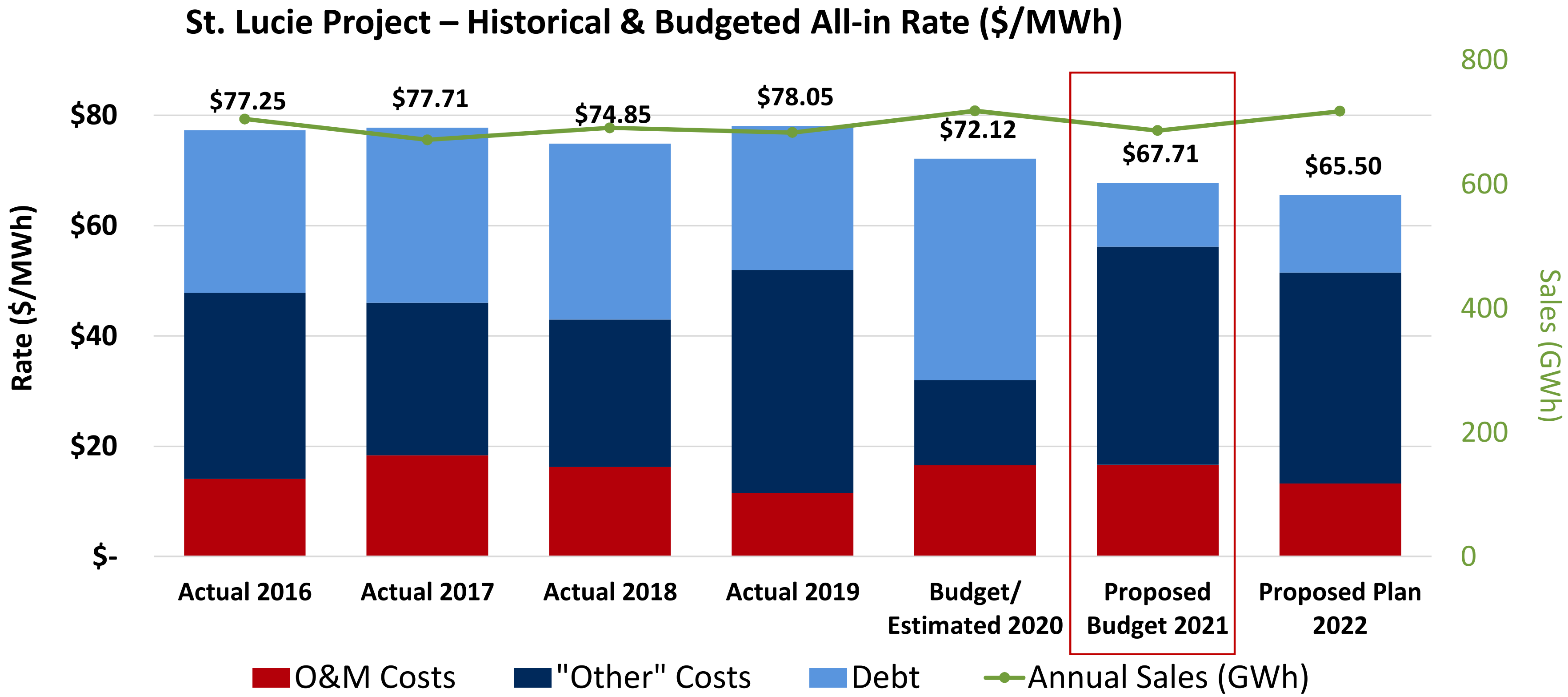
Targeting Continued Lower Rate for FY 2021

- Total St. Lucie FY 2021 Participant cost of $67.71/MWh, continuing the goal of incrementally reducing Participant costs
- Generation down from FY 2020 budget with both St. Lucie units scheduled for refueling outages during FY 2021
- FY 2021 budgets for FPL O&M and A&G costs again developed based on historical experience
- R&R funding reduced with condenser tube replacement project ($69M total, ~$6M FMPA share) removed from FPL capital plan
- Debt Service costs for FY 2021 lower than FY 2020, partially offset by higher funding of General Reserve Fund in 2021 to save for future debt service costs

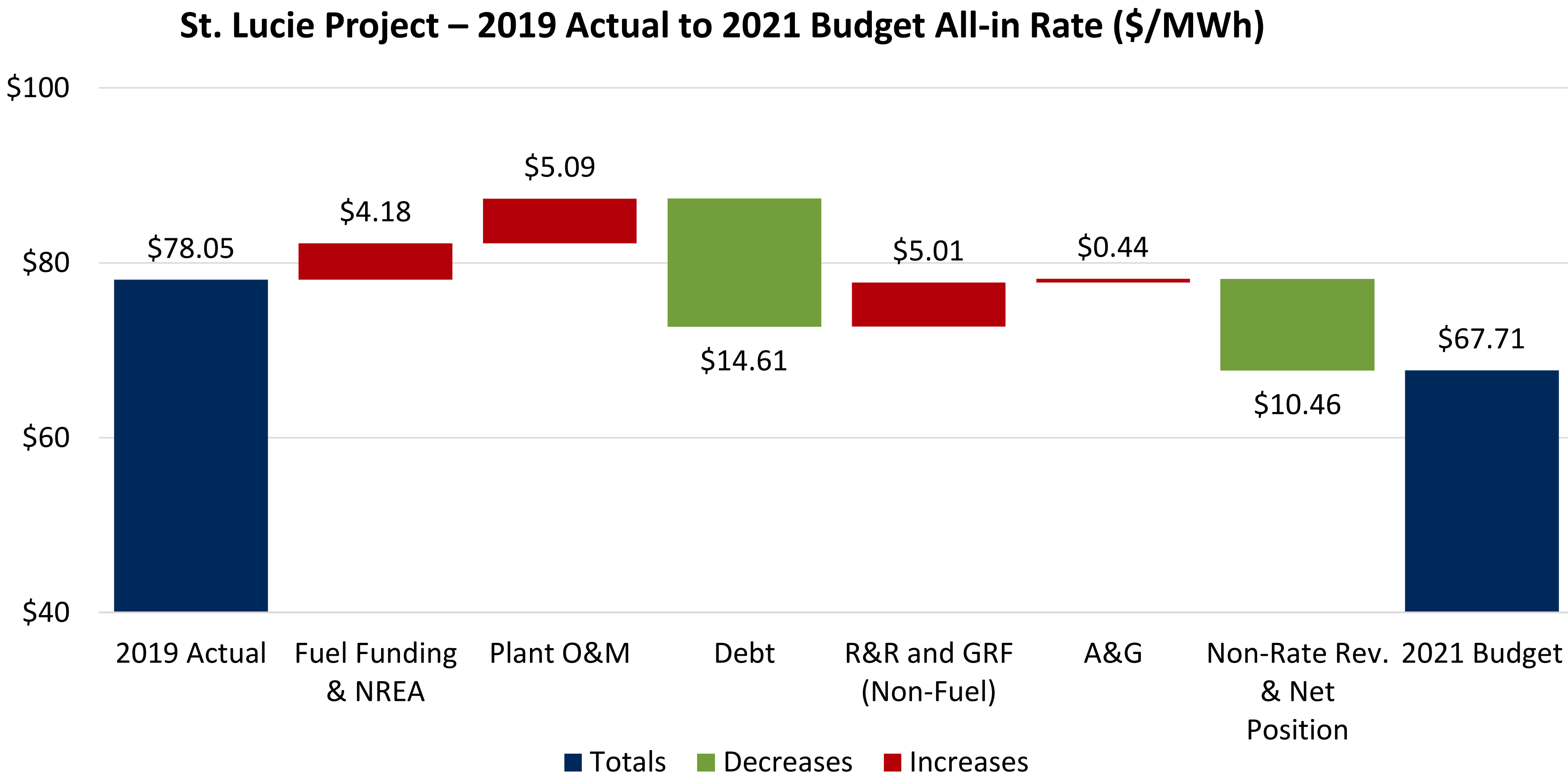
FMPA MUNICIPAL POWER

FY 2021 St. Lucie Project Rate is $67.71/MWh

Continuing to Target a Gradual Step Down in Rates over Next Several Years



Lower Debt Service Costs in FY 2021 Offsets Other $/MWh Cost Increases from FY 2019



Stanton and Tri-City Projects

Stanton and Tri-City Projects Summary

Key Points to Note

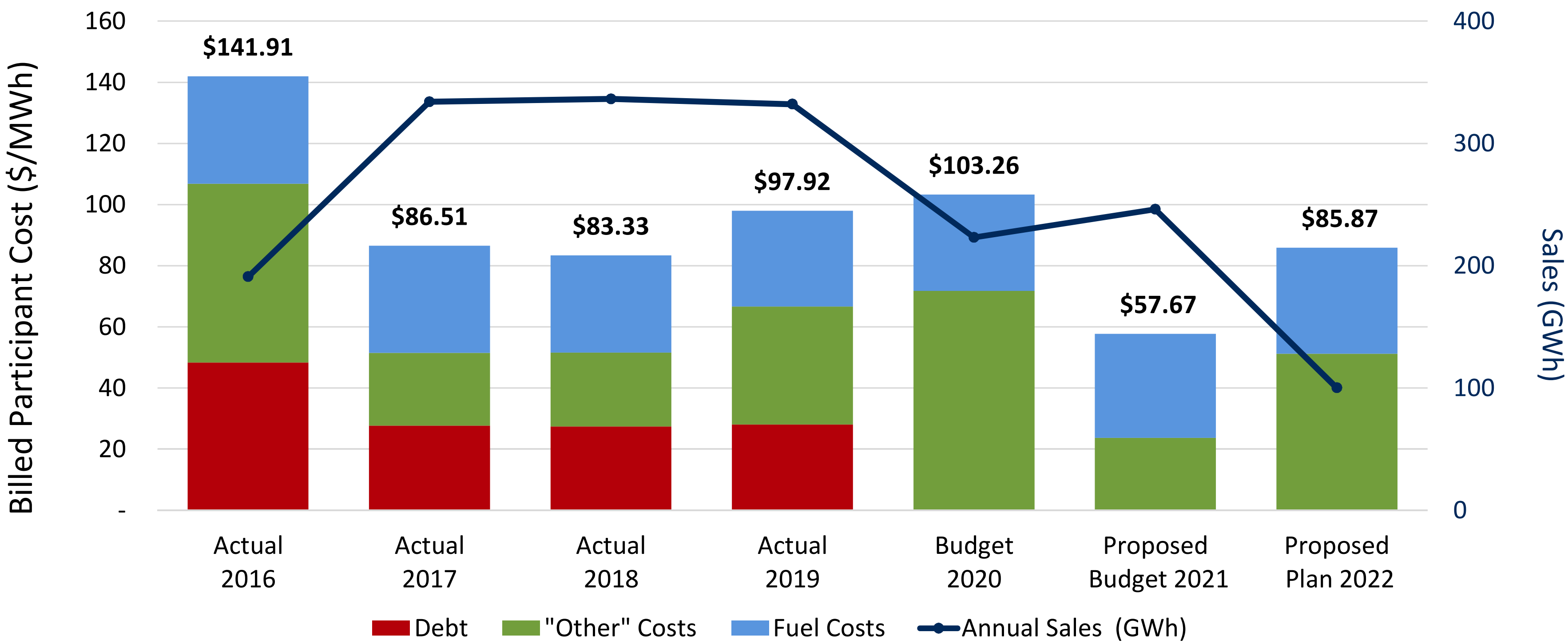
- Both Projects' 2021 total expenses and $/MWh cost significantly lower than 2019 due to debt payoff, lower capital funding
- FY 2021 lower generation assumed in simulation runs due to assumed economics-based operation with the completion of pond expansion project
- Capital spending returning to lower levels after higher-cost years
- Both Projects' 2021 budgets assume some excess funds held for rate stabilization, returned in 2022 to help lower projected higher costs
- Low $/MWh costs in FY 2021 due to non-operating cost savings; continuing to work with OUC for opportunities to lower operating costs and to understand plans for the future

FMPA MUNICIPAL POWER

Stanton FY 2021 $/MWh Cost Down Significantly

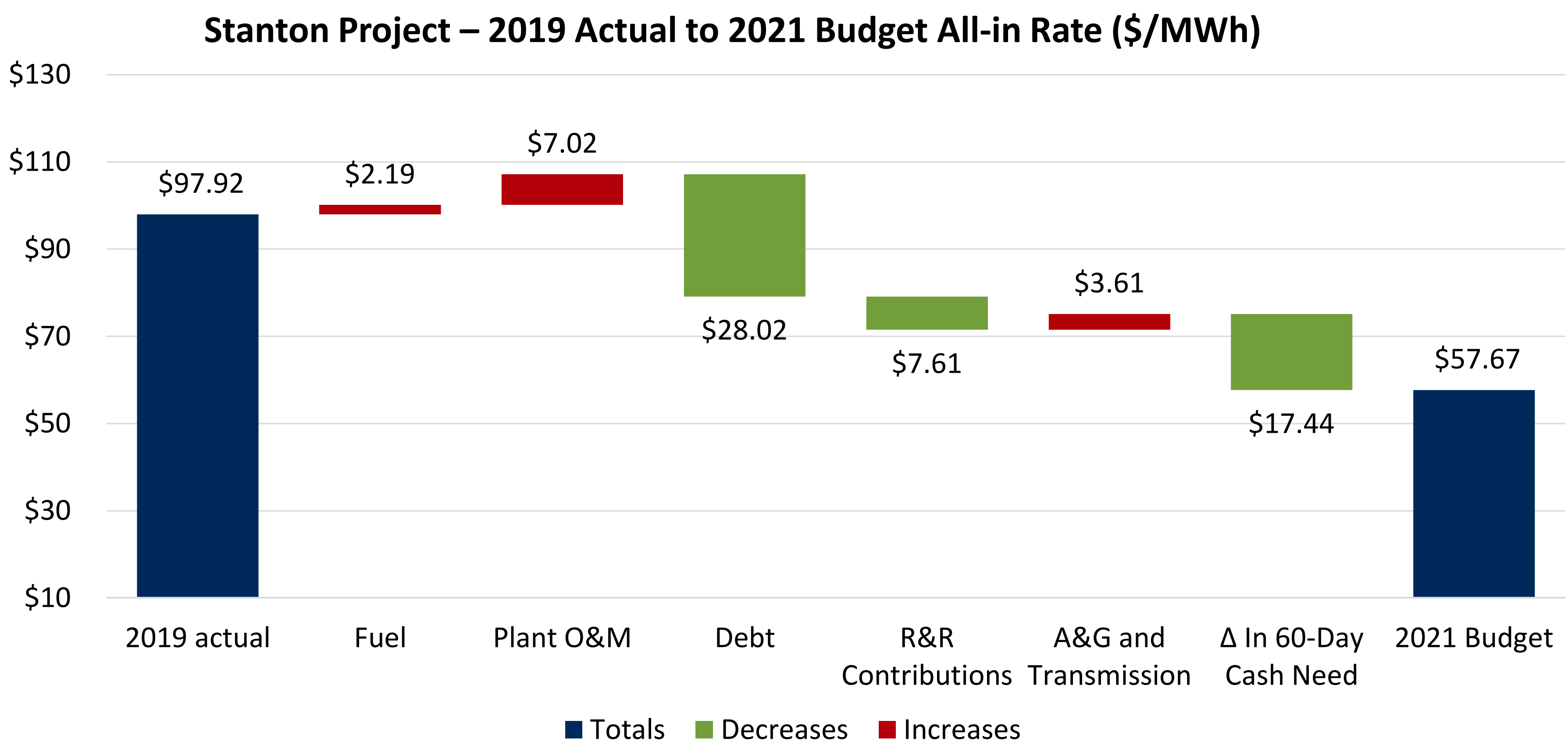
No Debt, Lower Capital Funding, & Excess Cash Position Drive Rate Much Lower; Operating Costs Still > $70/MWh

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



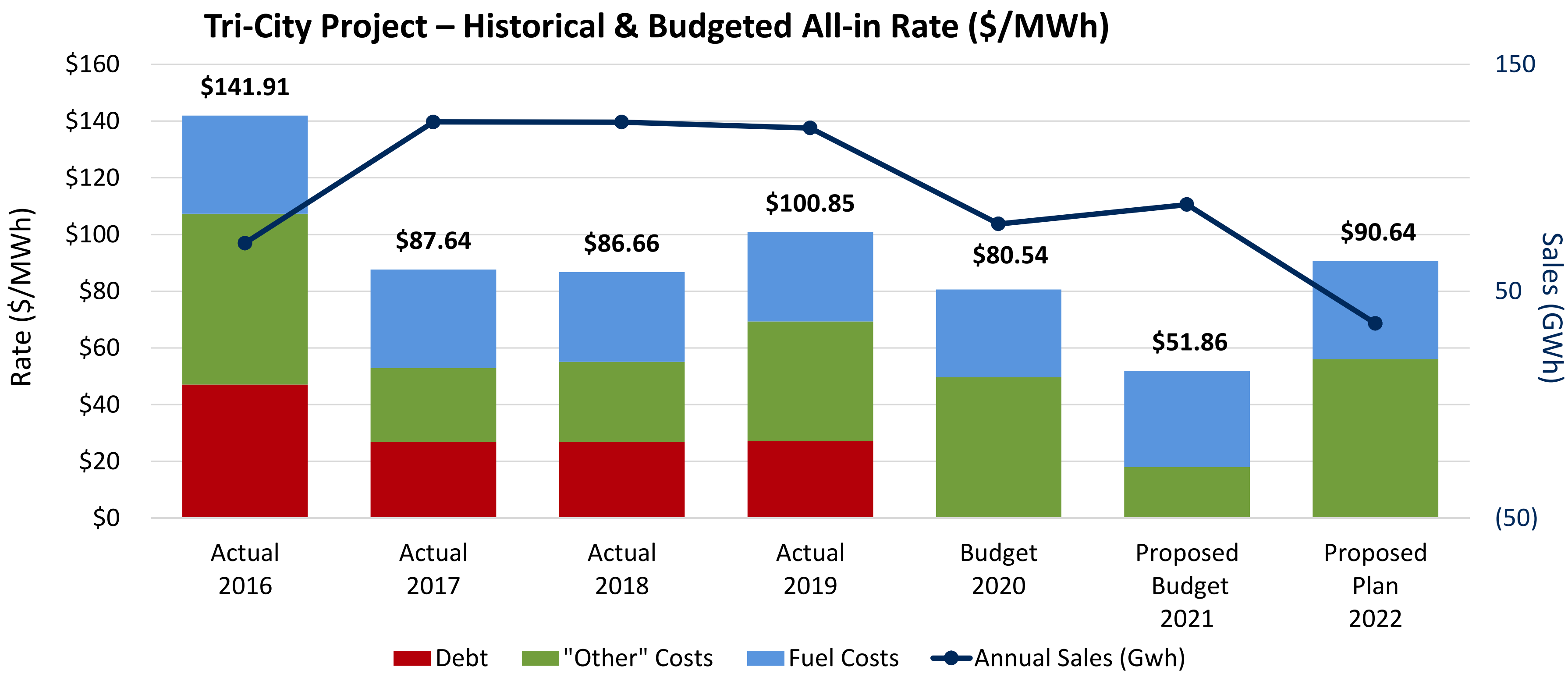
FMPA MUNICIPAL POWER

Despite Lower Projected Generation, Payoff of Project Debt Drives $/MWh Cost Decrease from 2019 Actuals



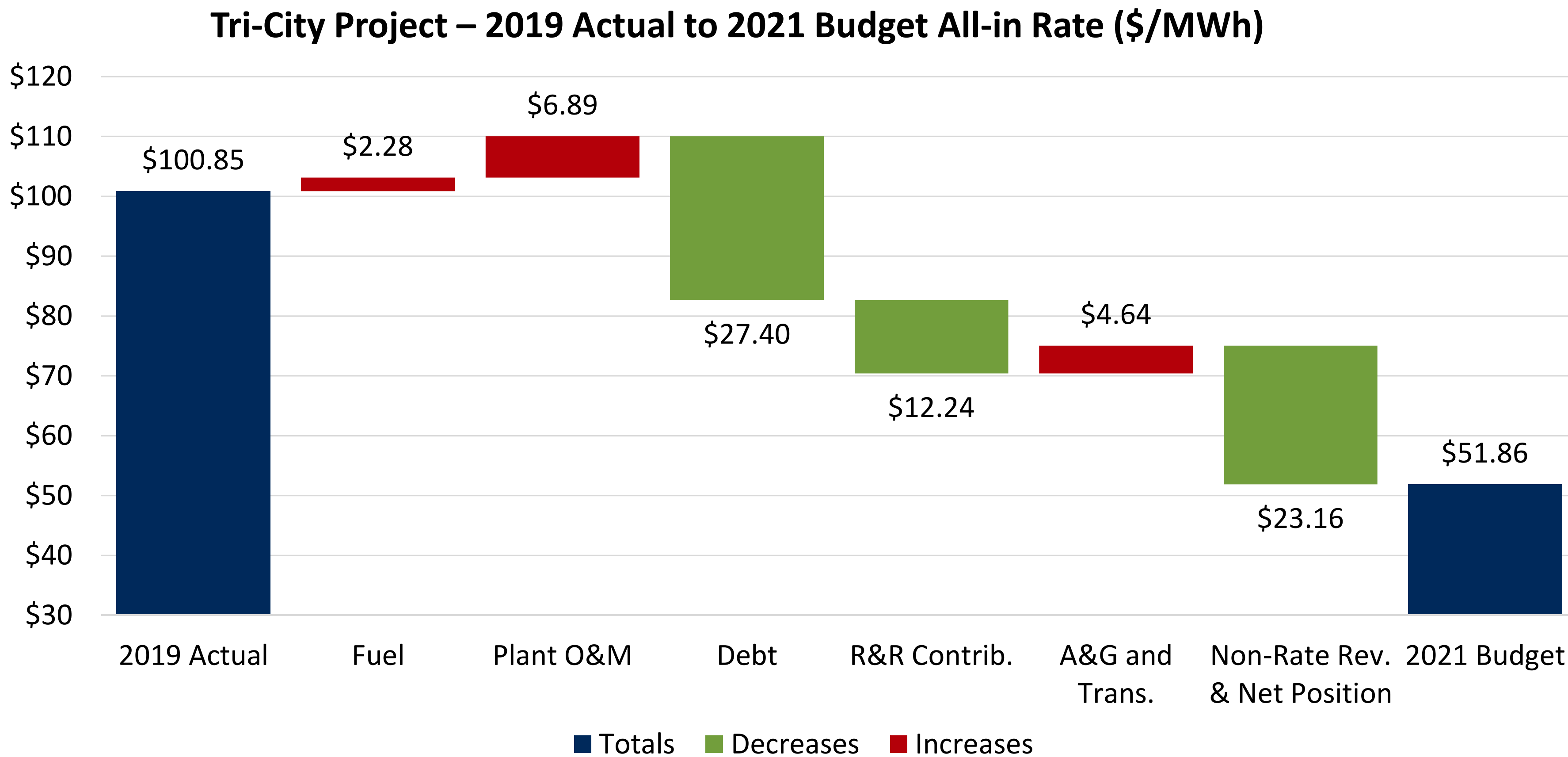
FY 2021 Tri-City Project Rate is ~$52/MWh

No Debt, Lower Capital Funding, & Excess Cash Position Drive Rate Much Lower; Operating Costs Still > $70/MWh



FMPA MUNICIPAL POWER

Despite Lower Projected Generation, Payoff of Project Debt Drives $/MWh Cost Decrease from 2019 Actuals



FMPA MUNICIPAL POWER

Stanton II Project

Stanton II Project FY 2021 Budget

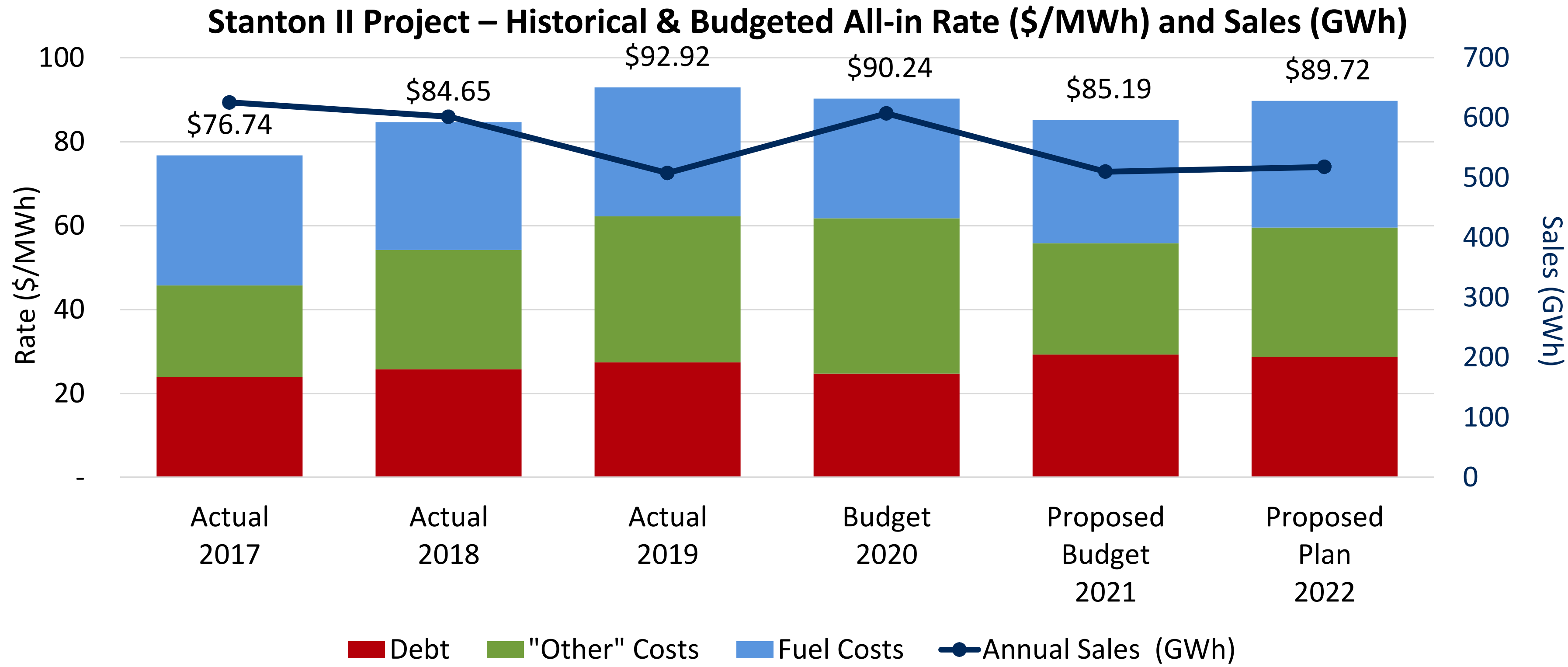
Key Points to Note

- FY 2021 Stanton II Project $/MWh budgeted $5/MWh lower than FY 2020 budget, $7/MWh lower than FY 2019 actuals
- FY 2021 again assumes more economics-driven operation due to completion of pond expansion project, Unit 2 more efficient unit
- FY 2021 capital spending dropping to more typical levels
- Stanton II is highest cost FMPA Project for FY 2021; continuing to work with OUC for opportunities to lower operating costs and to understand plans for the future

FMPA MUNICIPAL POWER

FY 2021 Stanton 2 Participant Cost is ~ $85/MWh

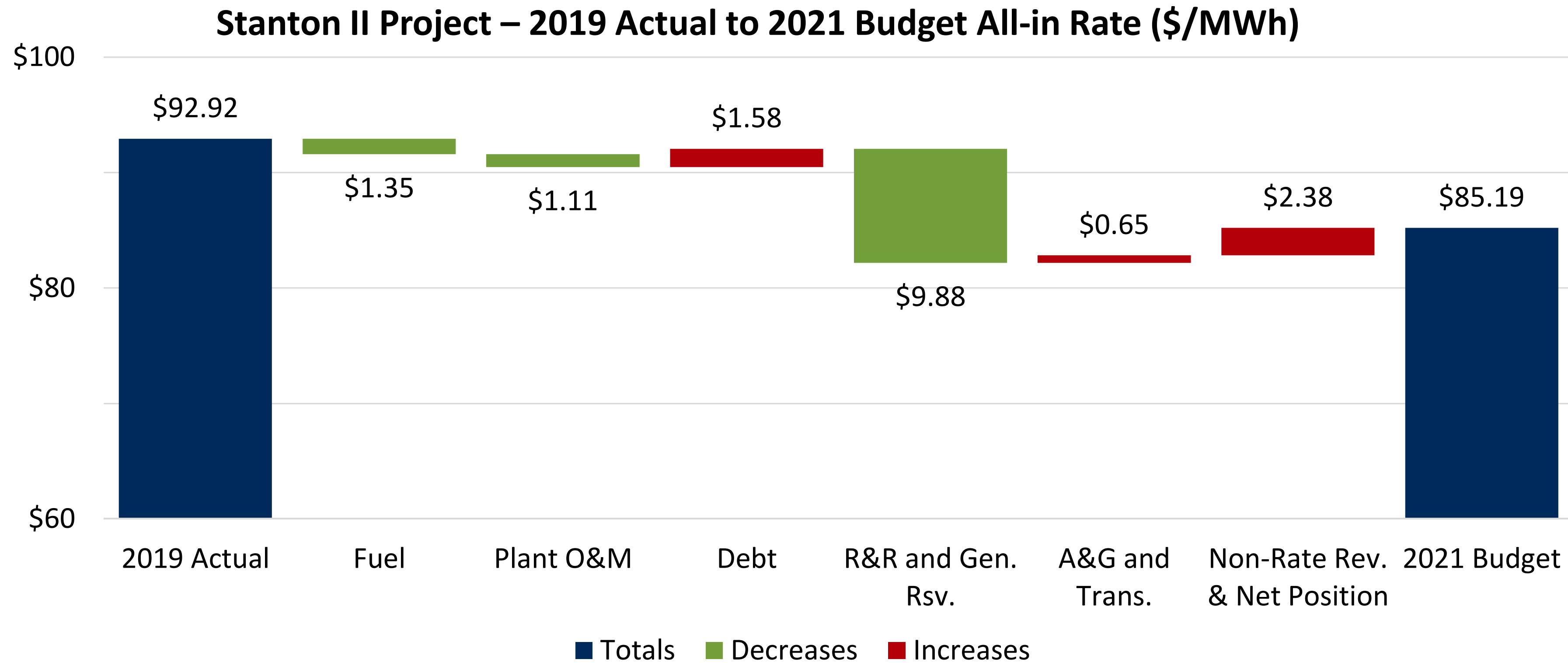
Project Costs without Debt ~$62/MWh



FMPA MUNICIPAL POWER

FY 2021 Budget ~ $8/MWh < FY 2019 Actuals

2021 R&R and General Reserve Funding $5M < 2019 Levels



Solar Projects

Solar Project Summary

Key Points to Note

- FY 2021 Budgets assumes the Solar Projects do not come online during FY 2021
- FY 2021 and FY 2022 developed based on currently known assumptions
- Will bring back to the Board of Directors for budget amendment if needed

FMPA MUNICIPAL POWER

FMPA
MUNICIPAL POWER

Pooled Loan Project

Pooled Loan Project Summary

- Bushnell closed on a loan
- Evaluating options on additional loans
- Approved for up to $25,000,000 in loans
- Currently $7,935,000 issued

FMPA MUNICIPAL POWER

Spending Authority
Budget Amount

- Annual Allocation of Start-up Costs (Collected over 10 years) $ 8,107 *(c*d/10 years)*
  - Start-up Costs (Legal Fees, Trustee, Bank) $81,070 (a)
  - Total Authorized Pool Loan $25,000,000 (b)
  - BPS per Pool Loan Dollar *(a/b)* .00324 (c)
  - Pooled Loans Original Par Amount $25,000,000 (d)
- A&G $ 12,188
- Trustee Fees $ 17,500

$ 37,795

FMPA MUNICIPAL POWER

Agency Allocation

Changes to Agency Cost Allocation to Projects

- Existing methodology based on key positions' percent of time spent to manage the projects, last revised in FY 2006 budget
- Does not consider that some work benefits all projects and some work benefits coal projects as a group vs individually
- Also, does not take into account the increasing range of additional services/ support FMPA provides
- Staff proposing revised methodology for FY 2021 budget

FMPA MUNICIPAL POWER

Methodology

- 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

Methodology (continued)

- 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

FMPA MUNICIPAL POWER

FY 2021 Proposed Agency Overhead Allocations

	FY 2020 Budget ($)	FY 2021 Budget ($) [2]	% Change from FY 2020
Member Assessments [1]	$27,966	$43,750	56.4% [3]
St. Lucie Project	438,276	651,963	48.8%
Stanton Project	438,276	393,859	-10.1%
Tri-City Project	438,276	393,859	-10.1%
Stanton II Project	438,276	469,517	7.1%
Pooled Loan Project	10,235	12,188	19.1%
Solar Project	--	--	--
Solar II Project	--	--	--
Joint Owner Contract Audits	112,400	118,000	5%
All-Requirements Project	13,510,832	13,671,220	1.2%
Total	**$15,414,537**	**$15,754,356**	

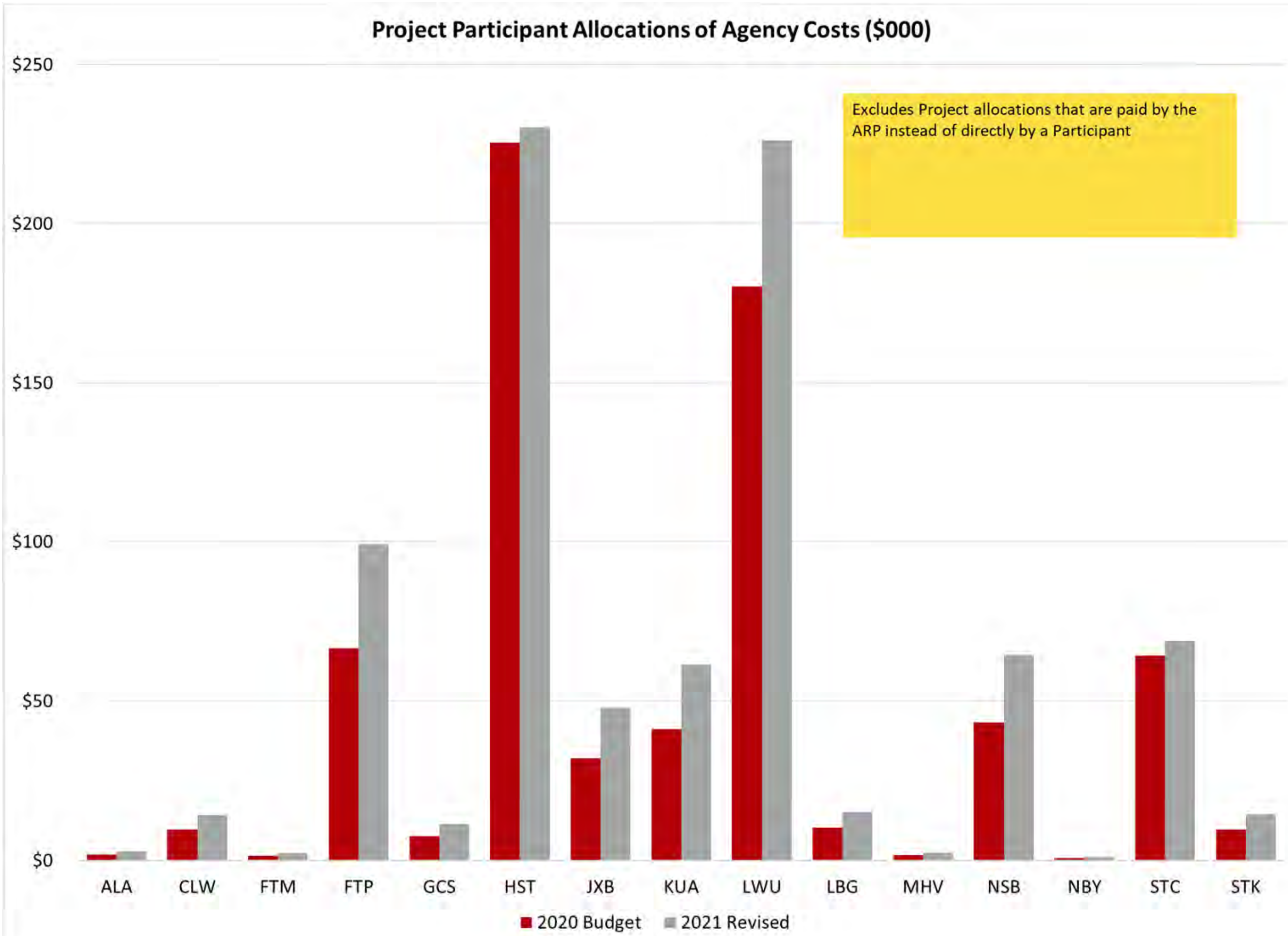
[1] Assessments to FMPA members that do not participate in an FMPA power supply project.

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

[3] Based on proposed methodology change. Maximum $2,000 increase in FY2021.

FMPA MUNICIPAL POWER

Allocation by Participant



FMPA MUNICIPAL POWER

Recommended Motion

- Move adoption of the Budget Resolution 2020-B1, which will approve the Fiscal Year 2021 Stanton, Tri-City, Stanton II, St. Lucie, Solar, Solar II, and Pooled Loan Project Budgets and the Fiscal Year 2021 Agency Allocations

FMPA MUNICIPAL POWER

Resolution 2020-B1
FMPA Board of Directors
June 18, 2020

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

FORTY-NINE MILLION TWO HUNDRED FIFTY-FOUR THOUSAND DOLLARS ($49,254,000) FOR THE ST. LUCIE PROJECT,

SEVENTEEN MILLION FOUR HUNDRED SEVENTY-FOUR THOUSAND DOLLARS ($17,474,000) FOR THE STANTON PROJECT,

FORTY-SIX MILLION THREE HUNDRED SIXTEEN THOUSAND DOLLARS ($46,316,000) FOR THE STANTON II PROJECT,

SIX MILLION FIVE HUNDRED EIGHTEEN THOUSAND DOLLARS ($6,518,000) FOR THE TRI-CITY PROJECT,

ZERO DOLLARS ($0) FOR THE SOLAR PROJECT,

ZERO DOLLARS ($0) FOR THE SOLAR II PROJECT, AND

THIRTY-SEVEN THOUSAND SEVEN HUNDRED NINTY-FIVE DOLLARS ($37,795) FOR THE INITIAL POOLED LOAN PROJECT

FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021, AND THE CORRESPONDING BUDGET DOCUMENTS; (II) DEFINING BUDGET AMENDMENTS; (III) ESTABLISHING LEVELS OF APPROVAL REQUIRED FOR BUDGET AMENDMENTS; (IV) PROVIDING FOR ACCOUNT ADJUSTMENTS; (V) PROVIDING FOR LAPSE

OF UNEXPENDED FUNDS; (VI) PROVIDING FOR ALLOCATIONS OF THE FLORIDA MUNICIPAL POWER AGENCY GENERAL BUDGET TO THE PROJECTS; (VII) PROVIDING FOR INTERIM FUNDING AND REIMBURSEMENT FROM DEBT FINANCING OF CAPITAL IMPROVEMENTS AND PROVIDING FOR THE RELATED DELEGATION TO AUTHORIZED OFFICERS; (VIII) MAKING A DETERMINATION OF A PUBLIC PURPOSE FOR BUDGETED EXPENDITURES; (IX) PROVIDING FOR A CAP ON FINANCIAL ADVISOR FEES; (X) PROVIDING FOR USE OF THE AGENCY DEVELOPMENT FUND; (XI) PROVIDING FOR SEVERABILITY; AND (XII) PROVIDING AN EFFECTIVE DATE.

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

Whereas, pursuant to these requirements the annual budget documents for the budgets of the Agency's projects, other than the All-Requirements Power Supply Project, for the fiscal year beginning October 1, 2020, and ending September 30, 2021, ("**Fiscal Year 2021**") have been prepared and presented by Agency staff, reviewed and approved by the Finance Committee, and recommended for approval to the Board of Directors.

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

SECTION I. **Project Budgets**. (A) The budgets for the Agency's projects, other than the All-Requirements Power Supply Project, for Fiscal Year 2020 are hereby established as follows:

(i) *$49,254,000* for the St. Lucie Project,
(ii) *$17,474,000* for the Stanton Project,
(iii) *$46,316,000* for the Stanton II Project,
(iv) *$6,518,000* for the Tri-City Project,
(v) *$0* for the Solar Project,
(vi) $*0* for the Solar II Project, and
(vii) *$37,795* for the Initial Pooled Loan Project.

(collectively, the St. Lucie Project, Stanton Project, Stanton II Project, Tri-City Project, Solar Project, Solar II Project, and Initial Pooled Loan Project budgets established in this Section I(A) are the "**Fiscal Year 2021 Project Budgets**"). The Fiscal Year 2021 Project Budgets are established hereby as finally approved by the Finance Committee, and described in detail in the "**Fiscal Year 2021 Budget Book**." The Fiscal Year 2021 Budget Book as it relates to the Fiscal Year 2021Project Budgets is incorporated by this reference as a material part of this resolution.

(B) The Fiscal Year 2021 Project Budgets, as established in subsection (A) above and described in detail in the Fiscal Year 2021 Budget Book, are hereby approved and adopted. Approval is also hereby given to those documents in the Fiscal Year 2021 Budget Book related to the plan for the Agency's projects, other than the All-Requirements Power Supply Project, for the fiscal year beginning October 1, 2021, and ending September 30, 2022 ("**Fiscal Year 2022**"), which are hereby approved as the plan to be used to prepare the Fiscal Year 2022 budgets for the Agency's projects, other than the All-Requirements Power Supply Project (the "**Fiscal Year 2022 Projects Budget Plan**").

SECTION II. **Definition of Budget Amendments**. For purposes of this Resolution, "**Budget Amendment**" means an increase or decrease in any expenditure within the Fiscal Year 2021 Project Budgets, the effect of which alters the total dollar amount of any of the Fiscal Year 2021 Project Budgets.

SECTION III. **Approval of Budget Amendments**. The Fiscal Year 2021 Project Budgets may only be amended by the Board of Directors at a duly called meeting of the Board of Directors by resolution and in accordance with Agency requirements and requirements of law.

SECTION IV. **Account Adjustment**. The General Manager may adjust the appropriate accounts for the Fiscal Year 2021 Project Budgets by a maximum amount of unexpended funds for approved and appropriated project expenditures (other than expenditures for the All-Requirements Power Supply Project) for undertakings remaining active as of September 30, 2020. However, any such adjustment must be reported to and approved by the Board of Directors, in accordance with Section III.

SECTION V. **Lapse of Unexpended Funds**. Any funds in the Fiscal Year 2020 Project Budgets appropriated but not expended, unless otherwise amended pursuant to Section III, automatically lapse upon FMPA's close of business on September 30, 2021, unless otherwise approved by a resolution of the Board of Directors.

SECTION VI. **Project Allocations**. The Board of Directors hereby allocates financial responsibility for the Agency general budget for Fiscal Year 2020, as adopted by the Executive Committee, to the Agency's projects in the following percentages: [NB]

(i)	All-Requirements Power Supply Project	86.78%
(ii)	St. Lucie Project	4.14%
(iii)	Stanton Project	2.50%
(iv)	Stanton II Project	2.98%
(v)	Tri-City Project	2.50%
(vi)	Solar Project	0%
(vii)	Solar II Project	0%
(viii)	Initial Pooled Loan Project	0.08%

[NB] The amounts shown in clauses (i) through (viii) of this Section VI do not add to 100% due to rounding and the inclusion of other revenue amounts, other than project allocations, for the coverage of certain costs, as described in the Fiscal Year 2021 Budget Book and the Agency and ARP Fiscal Year 2021 Budgets, as defined in Resolution 2020-EC2, adopted by the FMPA Executive Committee on an even date herewith.

SECTION VII. **Interim Funding of Total Capital Financed**. Capital improvements described in the Fiscal Year 2021 Project Budgets under the heading of "Capital Funded from Financing" or otherwise described as expected to be financed with loans or other debt obligations may initially be paid with other temporarily available funds of the Agency, pending issuance of such loans or other debt; it is the expectation of the Agency that such expended amounts will be reimbursed when the proceeds of such debt become available, that the maximum principal amount of debt issued for such purposes will also include the amount necessary to fund associated issuance costs, debt reserve funds, capitalized interest and similar items customarily included in a debt financing of such capital expenditures (as grossed up, for purposes of this Section VII, the "**Maximum Principal Amount**"), and it is the Agency's intention that this Section VII be treated as a statement of the Agency's "official intent" within the meaning of IRS regulations section 1.150-2. While this is the current intention of the Agency, it does not in any way obligate the Agency to proceed with tax-exempt financing for any such expenditures, or to reimburse itself from the proceeds of any such loan or debt financing or financings which may be undertaken, in the event that the Agency later determines that such action is not in its best interest. In addition, in the event that it becomes apparent during Fiscal Year 2021 that the actual costs of capital improvements for Fiscal Year 2021 may or will exceed the amount set forth in the Fiscal Year 2021 Project Budgets as adopted, or the Agency determines that the amount expected to be financed with loans or other debt obligations will exceed the Maximum Principal Amount, a further statement of "official intent" under applicable federal income tax regulations may be subsequently adopted by the Authorized Officers (as set forth further in this Section VII) in a timely manner in order to preserve the ability to reimburse such excess from the proceeds of additional loans or debt obligations. For purposes of this Section VII, "**Authorized Officers**" means (i) the Chairman of the Board of Directors or the Vice Chairman of the Board of Directors or the elected Treasurer of the Board of Directors and (ii) the General Manager and CEO of FMPA or the Chief Financial Officer of FMPA.

SECTION VIII. **Determination of a Public Purpose**. The Board of Directors hereby determines that all budgeted expenditures described in the Fiscal Year 2021 Project Budgets, and those otherwise permitted and within the limits established in the Fiscal Year 2021 Project Budgets, have and do serve a public purpose and further the purposes of the Agency and each of the Agency's projects (other than the All-Requirements Power Supply Project), as provided for in the Interlocal Agreement, the Power Sales Contracts and Project Support Contracts between FMPA and each of the Project Participants (as defined therein) and other applicable project agreements, and applicable law.

SECTION IX **Cap on Financial Advisor Fees**. In March 2018 the FMPA Board of Directors and FMPA Executive Committee approved engaging Dunlap & Associates, Inc. ("**Dunlap**") and PFM Financial Advisors LLC ("**PFM**") as the Managing Financial Advisor and Co-Financial Advisor, respectively, with the understanding that the total fees paid for both firms would not exceed the total fees paid for financial advisor services in the previous year. The Board of Directors hereby caps the budgetary authority for financial advisor fees paid to both Dunlap and PFM, together, at no more than a total of $219,000 for Fiscal Year 2021, regardless of whether those financial advisor fees are provided for in the Agency and ARP Fiscal Year 2021 Budgets, or elsewhere.

SECTION X. **Use of the Agency Development Fund**. For any use of the Agency Development Fund authorized during Fiscal Year 2021 by the Board of Directors, consideration must be given to whether moneys to be repaid to the Development Fund should be repaid with interest, or not. In making such consideration, the Board of Directors hereby directs the staff to make a recommendation, including a recommended interest rate or methodology, for the term of repayment, considering then-current interest rate and other financial market conditions.

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

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

This Resolution 2020-B1 is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on June 18, 2020.

____

Chairman, Board of Directors

I HEREBY CERTIFY that on June 18, 2020, the above Resolution 2020-B1 was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2020-B1.

ATTEST:

_________________________________ SEAL

Secretary or Assistant Secretary

Jason Wolfe
Financial Planning Rates and Budget Director

MEMORANDUM

TO: Board of Directors
FROM: Jason Wolfe
DATE: June 9, 2020
SUBJECT: St. Lucie Project FY 2021 Budget / FY 2022 Plan Overview

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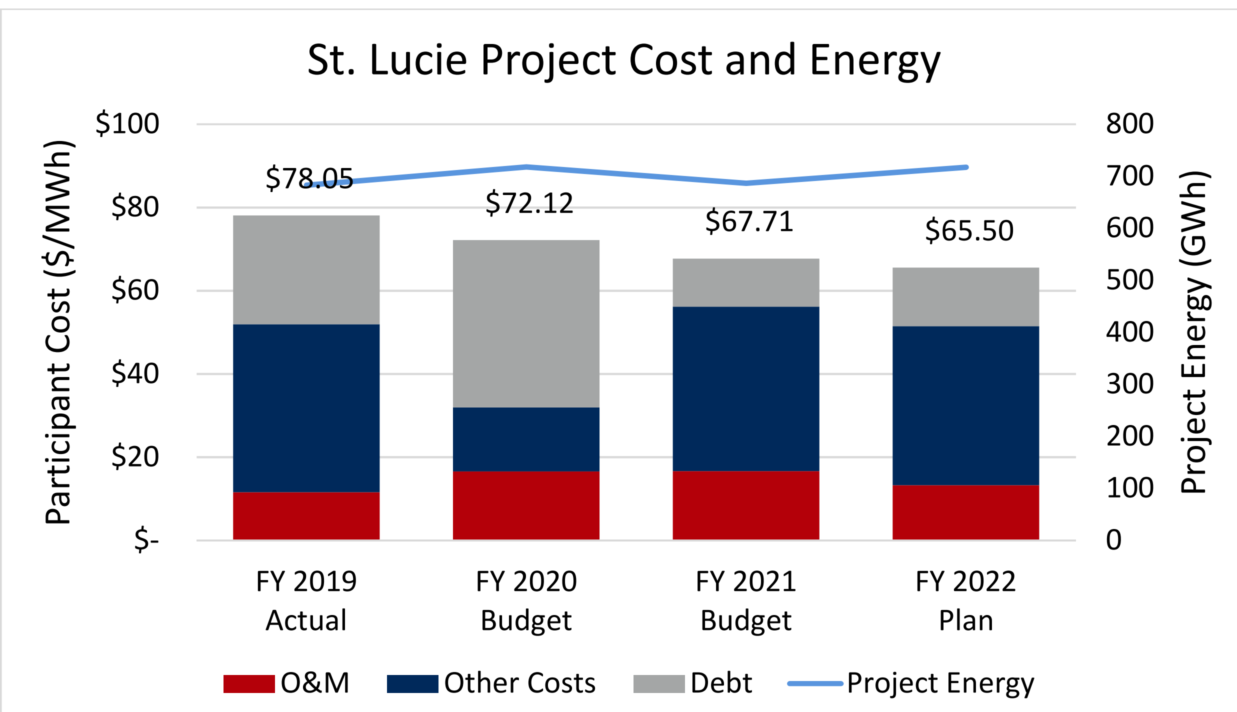
Project Costs and Energy

The proposed St. Lucie Project budget for FY 2021 would result in an average cost to Participants of $67.71 per MWh billed (excluding transmission costs). This represents a 6% decrease from the budgeted per-unit Participant cost for FY 2020, as well as a 13% decrease from the actual per-unit billed Participant cost for FY 2019.

The proposed plan for FY 2022 would result in an average cost to Participants of $65.50 per MWh billed. This represents a 3% decrease from the proposed budgeted per-unit Participant cost for FY 2021.

The following chart summarizes recent historical and budgeted Project $/MWh costs and energy.



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

	Total Project Costs [1] ($/MWh)	Billed Costs to Participants [1] ($/MWh)	Delivered Energy (GWh)	Capacity Factor (%)
FY 2021 Budget	$71.06	$67.71	686	92.7%
FY 2022 Plan	$71.05	$65.50	718	96.9%

[1] Excludes transmission costs for the St. Lucie Project, which are only paid by Alachua and KUA.

The 6% billing rate decrease for FY 2021 is primarily driven by the continuation of the long-term cost reduction strategy FMPA has implemented for the St. Lucie Project. With final payoff of project debt currently scheduled for October 1, 2026, as well as healthy levels of project reserves, FMPA is targeting an incremental annual reduction in project $/MWh billed costs over the next several years. With St. Lucie 2 currently licensed to operate until 2043 and interest rates at very low levels, FMPA is investigating opportunities to refinance project debt to effectuate additional rate reductions to the St. Lucie Project.

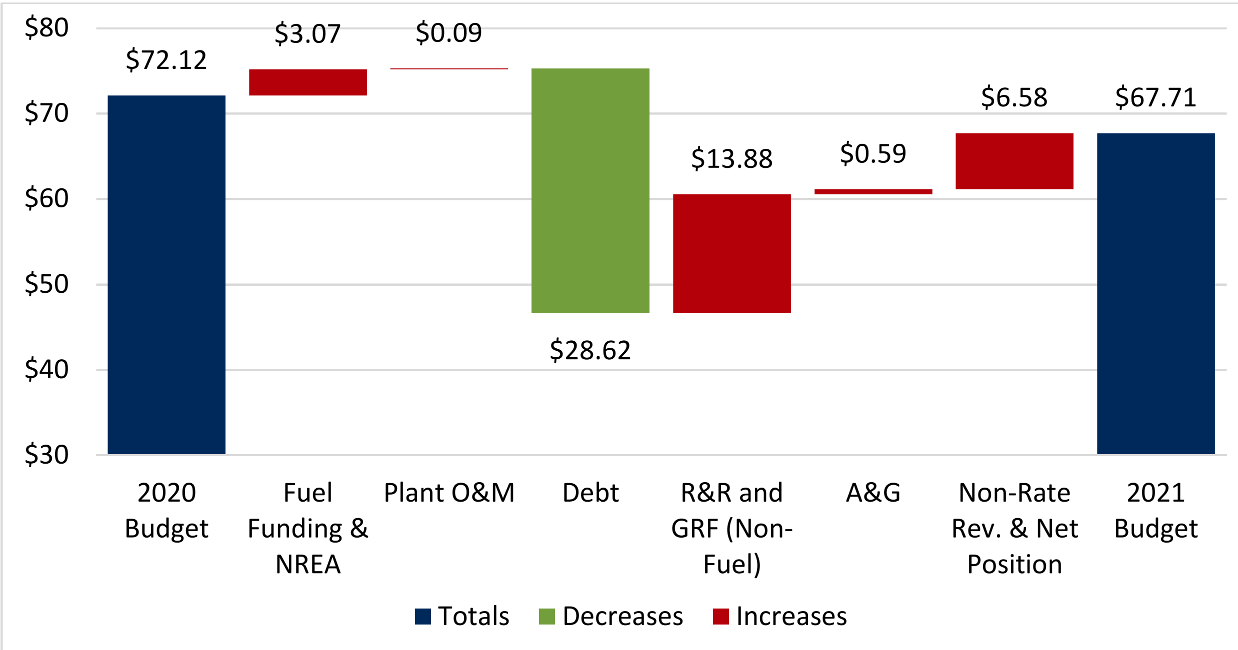
The largest decrease in costs for FY 2021 compared to the FY 2020 budget is due to a $21 million reduction in debt service costs, primarily due to the final payoff of the Series 2011A Bonds. This decrease is somewhat offset by an increase in funding of the General Reserve Fund to provide funding for future debt service costs (see the "General Reserve Fund" section for details).

St. Lucie Project O&M costs are somewhat cyclical (i.e., higher in fiscal years in which refueling outages occur, and lower in fiscal years without refueling outages), but Project O&M costs have overall been trending downward over the past decade as FPL has implemented cost reduction strategies. The FY 2021 budget reflects a 3.9% decrease in O&M costs from the FY 2020 budget, while the plan for FY 2022 assumes O&M costs 17% below the FY 2021 budget with no refueling outage anticipated.

Project MWh billed energy is budgeted to be 4% lower in FY 2021 (92.7% capacity factor) than the FY 2020 budget (97.0% capacity factor) due to scheduled refueling outages for both St. Lucie 1 and St. Lucie 2 in FY 2021. Under the Nuclear Reliability Exchange Agreement (NREA) with FPL, the St. Lucie Project exchanges 50% of its entitlement to capacity and energy from St. Lucie 2 for a like entitlement to capacity and energy from St. Lucie 1. For FY 2022, which is currently the final year for the NREA, the projected capacity factor is 96.9%, as only St. Lucie 1 is scheduled to have a refueling outage.

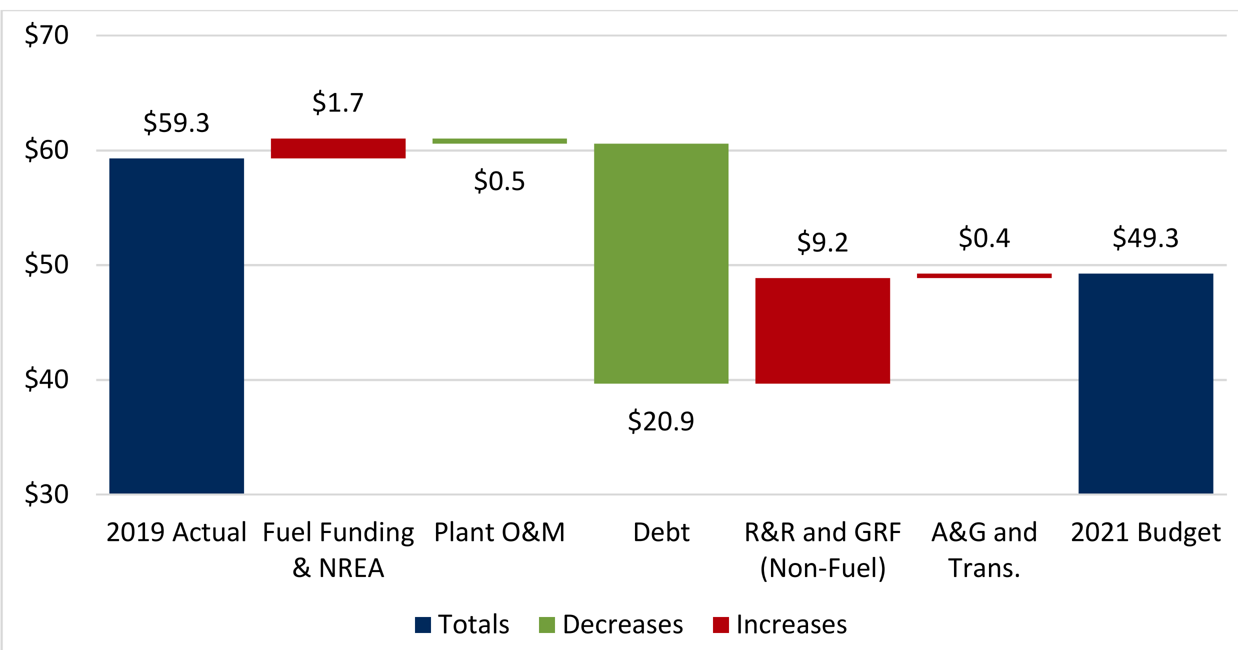
The following charts compare the budgeted Participant costs ($/MWh) and total Project expenses for Fiscal Years 2020 and 2021.

St. Lucie Project
FY 2021 Budgeted Participant Costs Compared to FY 2020 ($/MWh) [1]



[1] Excludes transmission costs for the St. Lucie Project, which are only paid by Alachua and KUA.

St. Lucie Project
FY 2021 Budgeted Expenses Compared to FY 2020 ($Millions)



Detailed operating budget information can be found in Exhibit 1. A summary of budgeted revenues and expenses to historical actuals is presented in Exhibit 2.

Capital Plan and Renewal and Replacement Account

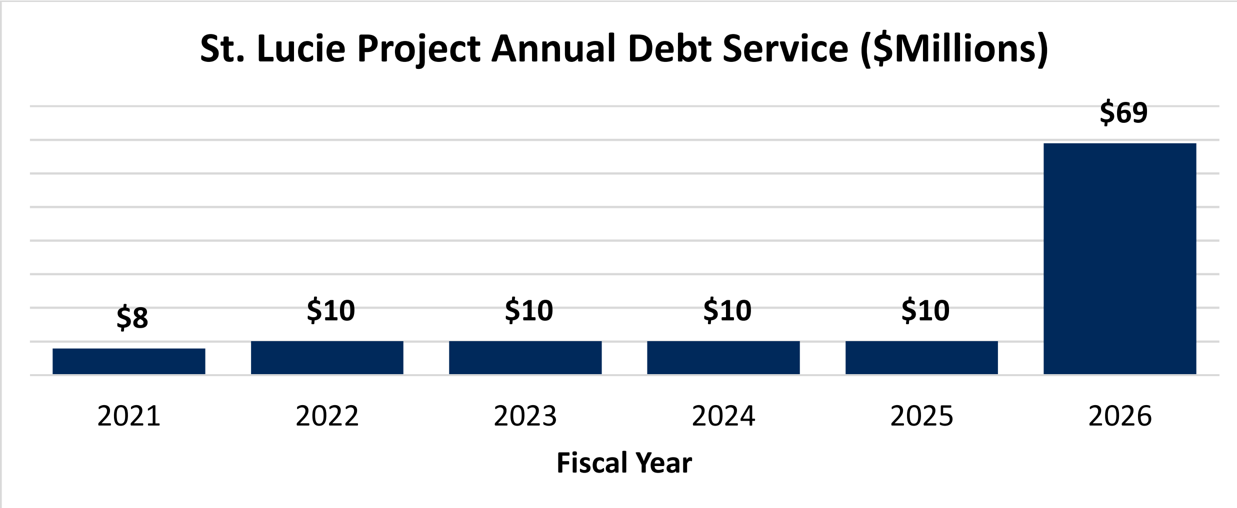
A summary of the Four-Year Capital Plan and funding of the Renewal and Replacement (R&R) Account is shown in Exhibit 4. No significant capital projects are forecasted over the four-year horizon. The most significant capital project included in last year's capital plan was the condenser tube replacement project that was planned for the FY 2022-2023 timeframe ($69 million total cost, or approximately $6 million St. Lucie Project share) but is no longer planned over the four-year horizon. Total budgeted capital expenditures for the Project for FY 2021 are approximately $5 million.

FMPA targets an $8 million balance for the R&R Account for the Project to fund for future capital needs and unanticipated capital expenditures. R&R Account funding for FY 2021 is budgeted at $6.5 million, with a step-down to $4 million per year targeted by FY 2023 based on the current capital forecast.

Debt and Debt Service

The St. Lucie Project currently has five remaining series of Bonds – Series 2010A, Series 2011A (final payoff of October 1, 2020), Series 2011B, Series 2012A, and Series 2013A, with a total of approximately $93.8 million principal outstanding after October 1, 2020. The final payoff date for the Project debt is October 1, 2026. At present, no additional debt is anticipated to be issued for the St. Lucie Project, although staff is investigating whether the combination of low interest rates and St. Lucie 2 being licensed to operate until 2043 – with no indication of an earlier planned retirement – would provide an opportunity to refinance existing debt to provide additional cost savings to the Project.

The following chart illustrates the annual debt service accruals for the Project. As discussed under the "General Reserve Fund" section, staff currently plans that a significant portion of the debt service requirement for FY 2026 will be funded by monies held in the General Reserve Fund and not through rates.



O&M Fund and Working Capital

The St. Lucie Project's Operation and Maintenance Fund (O&M Fund) consists of three accounts: i) the Operation and Maintenance Account, ii) the Working Capital Account and iii) the Rate Stabilization Account. The total O&M Fund balance is typically budgeted at an amount projected to support a 60-day average balance of operating expenses, with any over or under funding requirement returned or billed, respectively, the following fiscal year.

General Reserve Fund

All of the Project's excess funds will reside in the General Reserve Fund until required.

As part of the debt payment strategy for the Project, FMPA is accumulating money in the General Reserve Fund to pay a portion of the final debt service payments due October 1, 2026. For FY 2021, $10.2 million is budgeted from rates for deposits to the General Reserve Fund, and annual deposits over the period 2021 through 2025 are forecasted to average approximately $11 million. Staff projects that this level of annual funding of the General Reserve Fund can be accomplished while continuing to steadily lower overall Project rates over the same period.

The General Reserve Fund also includes the Nuclear Fuel Stabilization Account. Similar to the R&R Account, this account was established in recent years to attempt to provide more levelized funding of nuclear fuel purchases, which are treated as capital expenditures for the Project. FMPA targets a $5 million balance for the Nuclear Fuel Stabilization Account to fund for both budgeted and unanticipated nuclear fuel purchase expenses. Nuclear Fuel Stabilization Account funding for FY 2021 is budgeted at $6 million, with a step-down to $4 million per year targeted by FY 2023 based on the current nuclear fuel budget provided by FPL.

Projected fund activity and balances for Fiscal Years 2021 and 2022 for the Project's various funds and accounts are shown in Exhibit 3.

Project Participants

Participant	Power Entitlement Share (%)	Participant	Power Entitlement Share (%)
Alachua	0.4310%	Lake Worth Beach	24.8700%
Clewiston	2.2020%	Leesburg	2.3260%
Fort Meade	0.3360%	Moore Haven	0.3840%
Fort Pierce	15.2060%	New Smyrna Beach	9.8840%
Green Cove Springs	1.7570%	Newberry	0.1840%
Homestead	8.2690%	Starke	2.2150%
Jacksonville Beach	7.3290%	All-Requirements Project [1]	15.2020%
Kissimmee	9.4050%		

[1] Effective December 17, 2018, the All-Requirements Project took an assignment and transfer of Vero Beach's entitlement share in the St. Lucie Project.

FLORIDA MUNICIPAL POWER AGENCY
ST. LUCIE PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Operating Budget ($000)

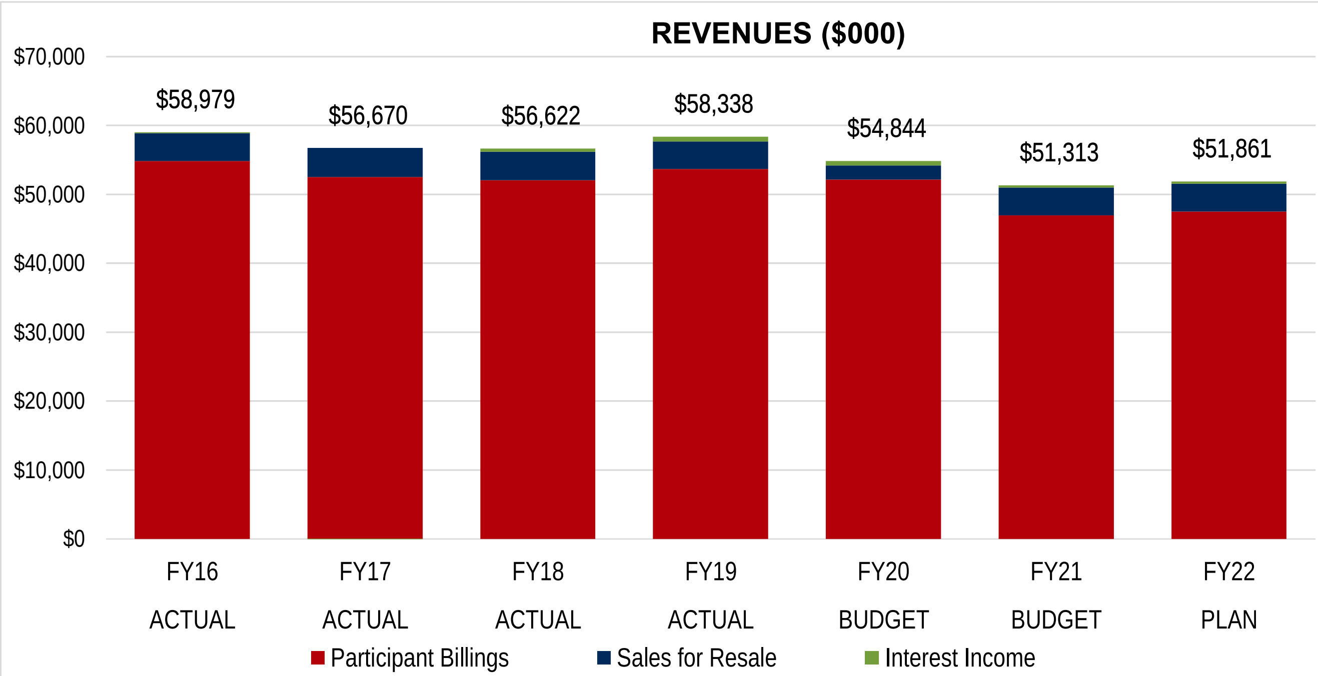
Line No.	Description	ACTUAL FY 2019	BUDGET FY 2020	6 Months ACTUAL FY 2020	Proposed BUDGET FY 2021	Proposed PLAN FY 2022	20 Bdgt / 21 Bdgt Increase / Decrease%	21 Bdgt / 22 Plan Increase Decrease%
	REVENUES							
1	Participant Billings	$ 53,669	$ 52,151	$ 26,076	$ 46,950	$ 47,512	(10.0%)	1.2%
2	Sales for Resale	3,971	2,031	2,282	4,000	$ 4,000	96.9%	0.0%
3	Interest Income	698	662	304	363	349	(45.2%)	(3.9%)
4	TOTAL REVENUES	$ 58,338	$ 54,844	$ 28,662	$ 51,313	$ 51,861	(6.4%)	1.1%
	EXPENSES							
5	Fixed Operating & Maintenance	$ 7,887	$ 11,881	$ 6,772	$ 11,423	$ 9,509	(3.9%)	(16.8%)
6	Fuel Payments	480	$ -	$ -	$ -	-	NA	NA
7	Reliab. Exchg. Agrmt. Purch.	3,116	$ 2,255	$ 1,417	$ 4,000	$ 4,000	77.4%	0.0%
8	Transmission - FPL [1]	205	$ 211	$ 100	$ 303	318	43.6%	5.0%
9	- OUC [2]	144	$ 159	$ 79	$ 167	184	5.0%	10.2%
10	Gen'l & Admin - FPL	1,585	1,865	1,509	1,865	1,912	0.0%	2.5%
11	FMPA G&A - Agency Allocation	428	438	219	737	835	68.3%	13.3%
12	- Trustee Fees	15	1	8	8	8	700.0%	0.0%
13	- Bond Remarketing	142	10	-	-	-	(100.0%)	NA
14	- Dues	75	76	39	79	81	3.9%	2.5%
15	- Other	185	61	20	58	59	(4.9%)	1.7%
16	TOTAL EXPENSES	$ 14,262	$ 16,957	$ 10,163	$ 18,640	$ 16,906	9.9%	(9.3%)
	FUND CONTRIBUTIONS							
17	Renewal & Replacement	2,000	7,500	3,750	6,500	5,500	(13.3%)	(15.4%)
18	Debt Service Deposits	17,858	28,829	14,664	7,914	10,088	(72.5%)	27.5%
19	General Reserve Fund & FSA [3]	11,194	-	-	10,200	14,000	NA	37.3%
20	Nuclear Fuel Fund	3,500	6,000	3,000	6,000	5,000		
21	TOTAL EXPENSES & CONTRIBUTIONS	$ 48,814	$ 59,286	$ 31,577	$ 49,254	$ 51,494	(16.9%)	4.5%
22	NET INCOME BEFORE REGULATORY ADJ	$ 9,524	$ (4,442)	$ (2,915)	$ 2,059	$ 367		
23	MWhs Delivered (In thousands)	683	718	314	686	718		
24	Capacity Factor	92.2%	97.0%	84.7%	92.7%	96.9%		
25	$ / MWh Billed (Excluding Transmission)	$ 78.05	$ 72.12	$ 82.54	$ 67.71	$ 65.50	(6.1%)	-3.3%
26	$ / MWh Generated (Excluding Transmission)	$ 70.95	$ 82.06	$ 100.07	$ 71.06	$ 71.05		
27	% Change in Rates		-7.6%		-6.1%	-3.3%		
28	Outages Scheduled	Unit 1	Unit 2		Unit 1&2	Unit 1		

[1] Applies to KUA and Alachua only
[2] Applies to KUA only
[3] FSA was terminated during FY 2019

FLORIDA MUNICIPAL POWER AGENCY
ST. LUCIE PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan

Comparison of Budget to Historical Revenues and Expenses

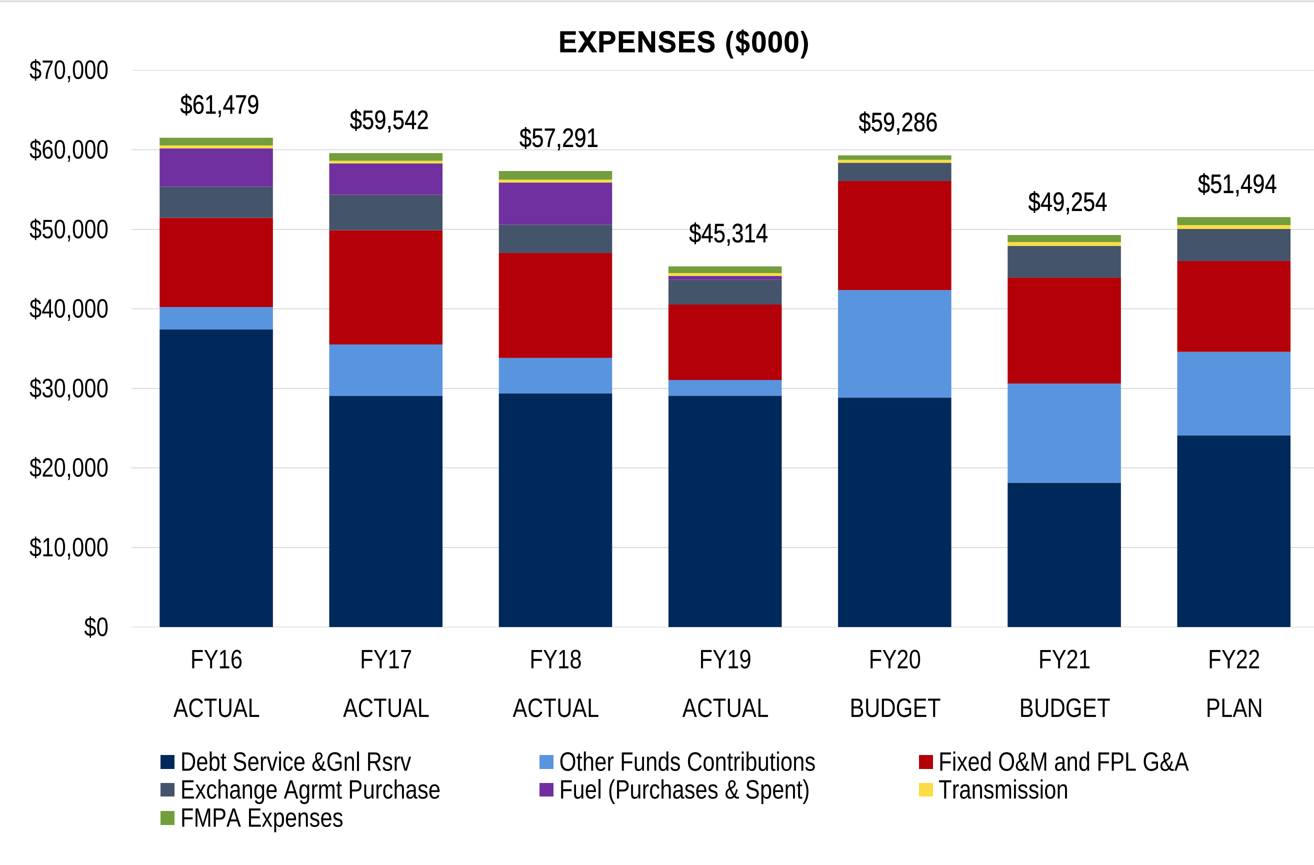


REVENUES	($000) ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Participant Billings	$ 54,842	$ 52,505	$ 52,049	$ 53,669	$ 52,151	$ 46,950	$ 47,512
Sales for Resale	4,004	4,229	4,099	3,971	2,031	4,000	4,000
Interest Income	133	(64)	474	698	662	363	349
Total Revenues	$ 58,979	$ 56,670	$ 56,622	$ 58,338	$ 54,844	$ 51,313	$ 51,861

FLORIDA MUNICIPAL POWER AGENCY
ST. LUCIE PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan

Comparison of Budget to Historical Revenues and Expenses



	($000)						
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	PLAN
EXPENSES	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Debt Service &Gnl Rsrv	$ 37,390	$ 29,009	$ 29,331	$ 29,052	$ 28,829	$ 18,114	$ 24,088
Other Funds Contributions	2,800	6,500	4,500	2,000	13,500	12,500	10,500
Fixed O&M and FPL G&A	11,257	14,371	13,166	9,472	13,746	13,288	11,421
Exchange Agrmt Purchase	3,874	4,431	3,540	3,116	2,255	4,000	4,000
Fuel (Purchases & Spent)	4,820	3,947	5,338	480	0	0	0
Transmission	380	321	350	349	370	470	502
FMPA Expenses	958	963	1,066	845	586	882	983
Total Expenses	$ 61,479	$ 59,542	$ 57,291	$ 45,314	$ 59,286	$ 49,254	$ 51,494
Delivered MWhs (In 000)	705	672	691	683	718	686	718
Unit Cost of Power - $/MWh*	$ 87.20	$ 88.67	$ 82.91	$ 66.33	$ 82.57	$ 71.80	$ 71.72

* Includes Transmission

FLORIDA MUNICIPAL POWER AGENCY
ST. LUCIE PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2021 BUDGET

OPERATION AND MAINTENANCE FUND

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Operation & Maintenance (O&M) Account	$ 4,118	$ 2,059	$ -	$ 6,177	$ 6,177
Working Capital Account	1,150	-	-	1,150	1,150
Rate Stabilization Account	770	-	-	770	770
Total Operating and Maintenance Fund	$ 6,038	$ 2,059	$ -	$ 8,097	$ 8,097 *

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

DEBT SERVICE FUND

		Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021	Minimum Recmd Bal.
*Debt Service Accounts						
(Series '10, '11A,'13A)	Principal	$ 23,895	$ 3,495	$ 23,320	$ 4,070	
(Series '10, '11A, '11B, 12A, '13A)	Interest	2,754	4,419	4,963	2,210	
Total Debt Service Accounts		$ 26,649	$ 7,914	$ 28,283	$ 6,280	

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

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021	Minimum Recmd Bal.
Debt Service Reserve Account	$ 9,371	$ -	$ -	$ 9,371	$ 9,371 ***

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

RESERVE AND CONTINGENCY FUND

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Renewal & Replacement Account	$ 4,121	$ 6,500	$ 4,986	$ 5,635	
Contingency Account	$ 2,391	$ -	$ -	$ 2,391	

FLORIDA MUNICIPAL POWER AGENCY
ST. LUCIE PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2021 BUDGET

DECOMMISSIONING FUND

	Beginning Bal. 10/1/2020	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2021
Decommissioning Fund Account *	$ 93,344	$ 5,601	$ -	$ 98,945

* Deposits are interest earnings

GENERAL RESERVE FUND

	Beginning Balance 10/1/2020	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
General Reserve Fund [1]	$ 31,081	$ 10,717	$ -	$ 41,798	
Collateral Account	$ -	$ -	$ -	$ -	
Nuclear Fuel Stabilization	$ 4,648	$ 6,000	$ 5,365	$ 5,283	
Total General Reserve Fund	$ 35,729	$ 16,717	$ 5,365	$ 47,081	5,000

[1] Deposits shown include accrued and retained interest earnings.

CAPITAL PLAN

	Fiscal Year 2021
Capital Funded from Renewal & Replacement	
Per FPL Capital Plan	$ 4,986
Total Withdrawals - Renewal & Replacement Payments	$ 4,986

FLORIDA MUNICIPAL POWER AGENCY
ST. LUCIE PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2022 PLAN

OPERATION AND MAINTENANCE FUND

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance	
Operation & Maintenance (O&M) Account	$ 6,177	$ 367	$ -	$ 6,544	$ 6,544	
Working Capital Account	1,150	-	-	1,150	1,150	
Rate Stabilization Account	770	-	-	770	770	
Total Operating and Maintenance Fund	$ 8,097	$ 367	$ -	$ 8,464	$ 8,464	*

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

DEBT SERVICE FUND

		Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022	Minimum Recmd Bal.	
*Debt Service Accounts							
(Series '10, '11A,'13A)	Principal	$ 4,070	$ 3,495	$ 5,765	$ 1,800		
(Series '10, '11B, 12A, '13A)	Interest	2,210	4,323	4,371	2,162		
Total Debt Service Accounts		$ 6,280	$ 7,818	$ 10,136	$ 3,962		

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

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022	Minimum Recmd Bal.	
Debt Service Reserve Account	$ 9,371	$ -	$ -	$ 9,371	$ 9,371	***

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

RESERVE AND CONTINGENCY FUND

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Renewal & Replacement Account	$ 5,635	$ 5,500	$ 4,906	$ 6,229	
Contingency Account	$ 2,391	$ -	$ -	$ 2,391	

FLORIDA MUNICIPAL POWER AGENCY
ST. LUCIE PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2022 PLAN

DECOMMISSIONING FUND

	Beginning Bal. 10/1/2021	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2022
Decommissioning Fund Account *	$ 98,945	$ 5,937	$ -	$ 104,882

* Deposits are interest earnings

GENERAL RESERVE FUND

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
General Reserve Fund [1]	$ 41,798	$ 14,695	$ -	$ 56,493	
Collateral Account	$ -	$ -	$ -	$ -	
Nuclear Fuel Stabilization	$ 5,283	$ 5,000	$ 5,314	$ 4,969	
Total General Reserve Fund	$ 47,081	$ 19,695	$ 5,314	$ 61,462	5,000

[1] Deposits shown include accrued and retained interest earnings.

CAPITAL PLAN

	Fiscal Year 2022
Per FPL Capital Plan	$ 4,906
Total Capital - Renewal & Replacement Payments	$ 4,906

FLORIDA MUNICIPAL POWER AGENCY
ST. LUCIE PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Four-Year Capital and Fuel Purchase Plans ($000)

4-Year Capital Plan

Activity	FY 2021	FY 2022	FY 2023	FY 2024
Renewal & Replacement Account Beginning Balance	$ 6,124	$ 7,638	$ 8,232	$ 7,671
Capital Expenses:				
St. Lucie Common Facilities [1]	(3,144)	(3,158)	(2,644)	(1,960)
St. Lucie Unit 2 - Capital Improvements [1]	(1,842)	(1,748)	(1,917)	(1,484)
Total Capital Expenses	(4,986)	(4,906)	(4,561)	(3,444)
Renewal and Replacement Contributions	6,500	5,500	4,000	4,000
Renewal & Replacement Account Ending Balance	$ 7,638	$ 8,232	$ 7,671	$ 8,227

4-Year Nuclear Fuel Purchase Plan

Activity	FY 2021	FY 2022	FY 2023	FY 2024
Nuclear Fuel Stabilization Account Beginning Balance	$ 4,648	$ 5,283	$ 4,969	$ 7,358
Nuclear Fuel Purchases [1]	(5,365)	(5,314)	(1,611)	(3,065)
Nuclear Fuel Stabilization Contributions	6,000	5,000	4,000	4,000
Nuclear Fuel Stabilization Account Ending Balance	$ 5,283	$ 4,969	$ 7,358	$ 8,293

[1] Amounts per FPL

Jason Wolfe
Financial Planning Rates and Budget Director

MEMORANDUM

TO: Board of Directors
FROM: Jason Wolfe
DATE: June 9, 2020
SUBJECT: Stanton Project FY 2021 Budget / FY 2022 Plan Overview

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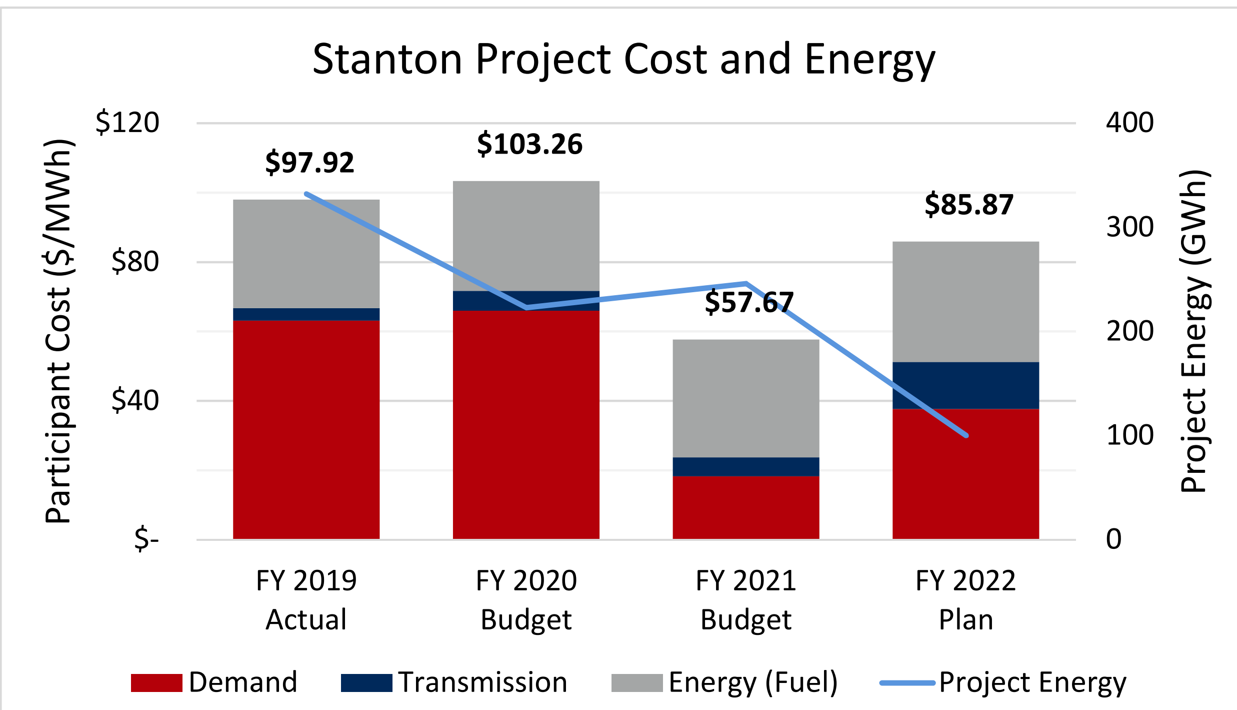
Project Costs and Energy

The proposed Stanton Project budget for FY 2021 would result in an average cost to Participants of $57.67 per MWh billed. This represents a 44% decrease from the budgeted per-unit Participant cost for FY 2020, as well as a 41% decrease from the actual per-unit billed Participant cost for FY 2019.

The proposed plan for FY 2022 would result in an average cost to Participants of $85.87 per MWh billed. This represents a 49% increase from the proposed budgeted per-unit Participant cost for FY 2021.

The following chart summarizes recent historical and budgeted Project $/MWh costs and energy.



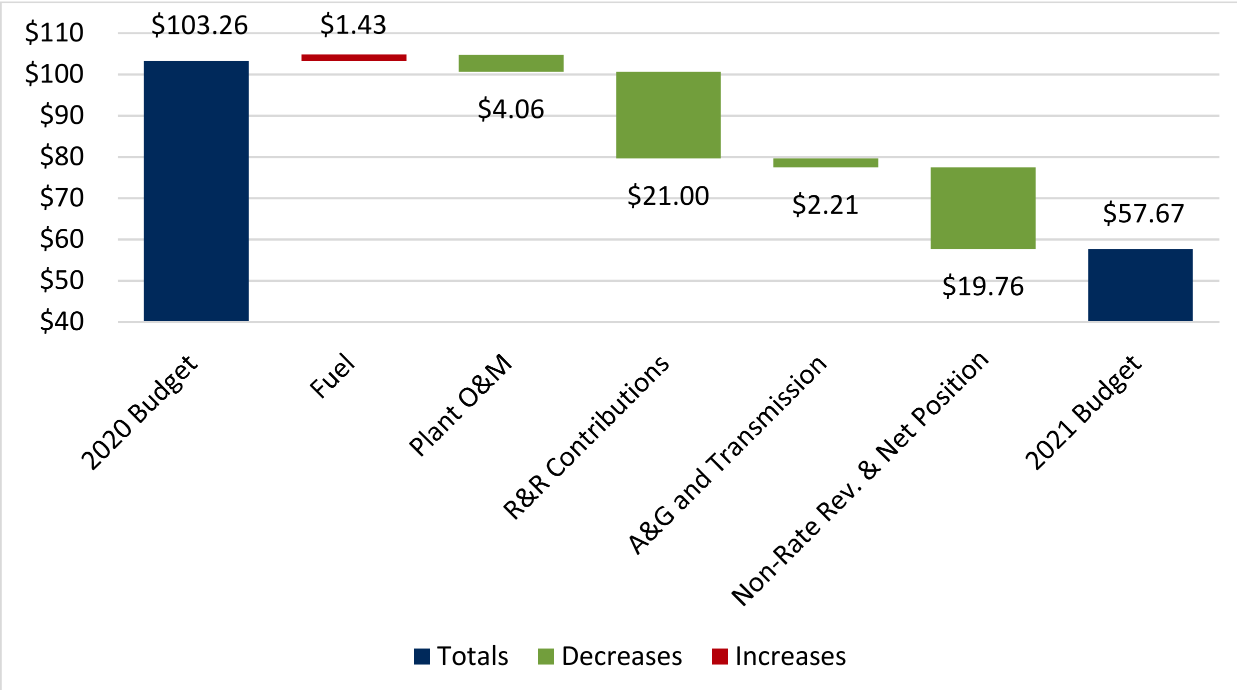
The expected per unit costs and operating data for the proposed budget and budget plan years are as follows:

	Total Project Costs ($/MWh)	Billed Costs to Participants ($/MWh)	Delivered Energy (GWh)	Capacity Factor (%)
FY 2021 Budget	$71.03	$57.67	246	41%
FY 2022 Plan	$107.66	$85.87	100	17%

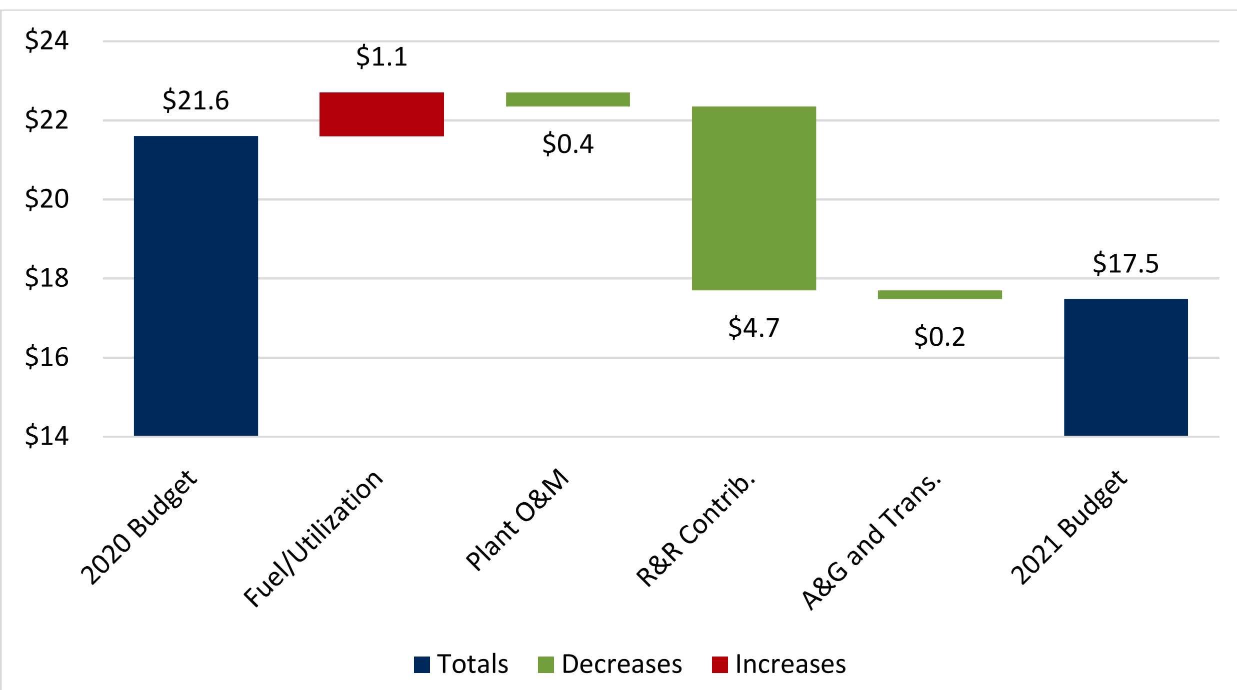
The 44% billing rate decrease in FY 2021 from the FY 2020 budget is primarily driven by significantly lower budgeted contributions to the Renewal and Replacement Account (see the "Capital Plan and Renewal and Replacement Account" section below), along with lower O&M costs and a 10% increase in forecasted billed energy (fixed costs spread over additional MWhs). These decreases are partially offset by higher budgeted fuel costs due to the expiration of the coal contract (and uncertainty over the renewal price), as well as a 5% increase assumed for OUC transmission costs.

The following charts compare the budgeted Participant costs ($/MWh) and total Project expenses for Fiscal Years 2020 and 2021.

Stanton Project
FY 2021 Budgeted Participant Costs Compared to FY 2020 ($/MWh)



Stanton Project
FY 2021 Budgeted Expenses Compared to FY 2020 ($Millions)



Detailed operating budget information can be found in Exhibit 1. A summary of budgeted revenues and expenses to historical actuals is presented in Exhibit 2.

Capital Plan and Renewal and Replacement Account

A summary of the Five-Year Capital Plan and funding of the Renewal and Replacement (R&R) Account is shown in Exhibit 4. Major capital activity for FY 2021 includes completion of the landfill expansion project (common facilities), closure costs for the previous landfill cell, and a roof replacement project for Stanton 1. Total Stanton Project capital expenditures budgeted for FY 2021 are $1.9 million, which is down from $3.4 million budgeted for FY 2020. Beyond FY 2021, no significant new capital projects are forecasted over the 5-year horizon.

FMPA targets a $3 million balance for the R&R Account for the Project to fund for future capital needs and unanticipated capital expenditures. Due to refunds of amounts previously contributed by the Stanton Project for a turbine upgrade project that was subsequently moved to Stanton 2, the Stanton Project is anticipated to have a beginning balance in the R&R Account of approximately $5 million at October 1, 2020. For Fiscal Years 2021 through 2025, annual contributions to the R&R Account are projected at $350,000 per year, which should allow the Project to maintain at or near a $3 million balance over the 5-year horizon.

Debt and Debt Service

The final payoff date for the Stanton Project debt was October 1, 2019. No additional debt is currently anticipated to be issued for the Stanton Project.

O&M Fund and Working Capital

The Stanton Project's Operation and Maintenance Fund (O&M Fund) consists of three accounts: i) the Operation and Maintenance Account, ii) the Working Capital Account and iii) the Rate Stabilization Account. The total O&M Fund balance is typically budgeted at an amount projected to support a 60-day average balance of operating expenses, with any over or under funding requirement returned or billed, respectively, the following fiscal year. Due to the significant increase in forecasted $/MWh Project costs from FY 2021 to FY 2022 (primarily due to the lower utilization projected for Fiscal Year 2022), the FY 2021 budget assumes that $1 million of anticipated excess O&M Fund balance will be retained in FY 2021 for rate stabilization purposes and returned to Participants in FY 2022.

General Reserve Fund

All of the Project's excess funds will reside in the General Reserve Fund until required. Aside from interest earnings on existing balances, no deposits or withdrawals are forecasted for the General Reserve Fund for either FY 2021 or FY 2022.

Projected fund activity and balances for Fiscal Years 2021 and 2022 for the Project's various funds and accounts are shown in Exhibit 3.

Project Participants

Participant	Power Entitlement Share (%)
Fort Pierce [1]	24.390%
Homestead	12.195%
Kissimmee [1]	12.195%
Lake Worth Beach	16.260%
Starke [1]	2.439%
All-Requirements Project [2]	32.521%

[1] Participant in the All-Requirements Project. Participant's entitlement share of Stanton Project generation is purchased and paid for by the All-Requirements Project.

[2] Effective December 17, 2018, the All-Requirements Project took an assignment and transfer of Vero Beach's entitlement share in the Stanton Project.

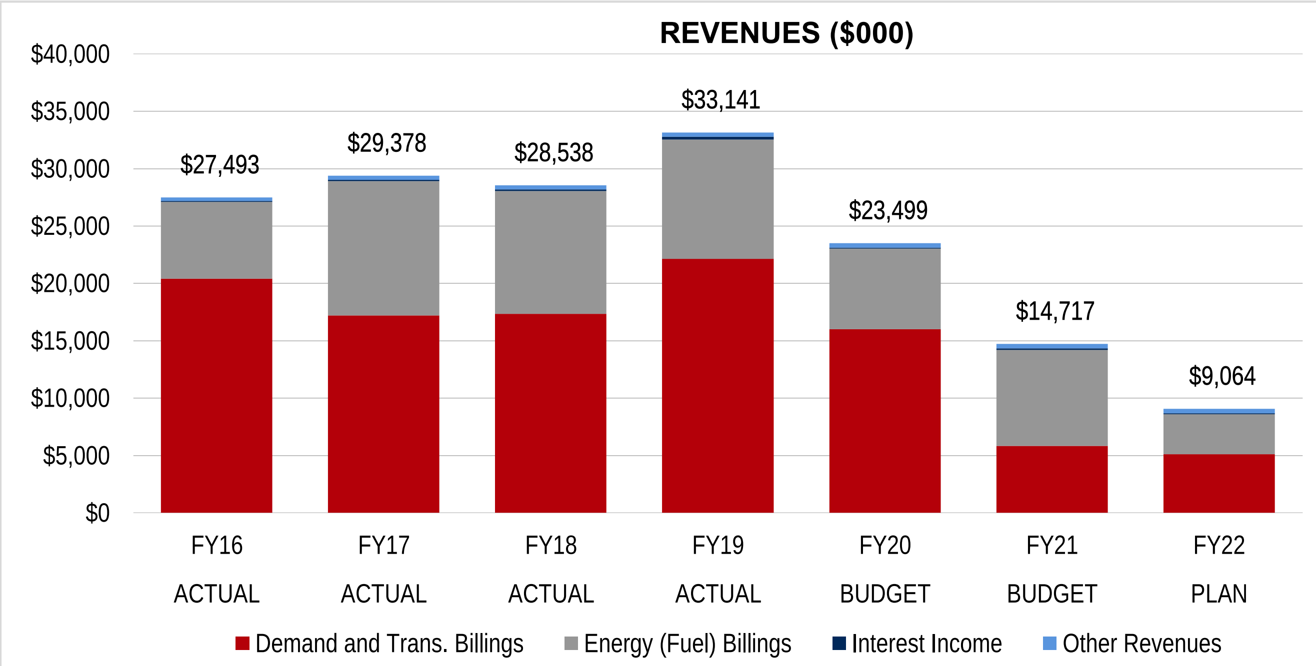
FLORIDA MUNICIPAL POWER AGENCY
STANTON PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Operating Budget ($000)

Line No.	Description	ACTUAL FY 2019	BUDGET FY 2020	6 Months ACTUAL FY 2020	Proposed BUDGET FY 2021	Proposed PLAN FY 2022	20 Bdgt / 21 Bdgt Increase / Decrease%	21 Bdgt / 22 Plan Increase Decrease%
	REVENUES							
	Participant Billings:							
1	Demand	$ 20,953	$ 14,698	$ 7,349	$ 4,478	$ 3,761	(69.5%)	(16.0%)
2	Transmission	1,185	1,291	645	1,353	1,353		
3	Fuel - Variable	10,383	7,039	2,802	8,356	3,473	18.7%	(58.4%)
4	Total Billing	$ 32,521	$ 23,028	$ 10,796	$ 14,187	$ 8,587	(38.4%)	(39.5%)
5	Brine Plant	360	380	195	380	390	0.0%	2.6%
6	Interest Income	260	91	106	150	87	64.8%	(42.0%)
7	TOTAL REVENUES	$ 33,141	$ 23,499	$ 11,097	$ 14,717	$ 9,064	(37.4%)	(38.4%)
	EXPENSES							
8	Fixed O&M	$ 5,574	$ 6,213	$ 2,500	$ 5,666	$ 3,787	(8.8%)	(33.2%)
9	Fuel Burned - Variable	10,383	7,039	2,773	8,356	3,473	18.7%	(58.4%)
10	User Fee	172	217	75	190	195	(12.4%)	2.6%
11	Transmission -OUC	1,170	1,291	644	1,353	1,353	4.8%	0.0%
12	Gen'l & Admin -OUC	1,032	1,330	514	1,126	1,153	(15.3%)	2.4%
13	-FMPA	428	498	219	416	438	(16.5%)	5.3%
14	Debt Management Costs	103	14	13	17	17	21.4%	0.0%
15	TOTAL EXPENSES	$ 18,862	$ 16,602	$ 6,738	$ 17,124	$ 10,416	3.1%	(39.2%)
	FUND CONTRIBUTIONS							
16	Renewal & Replacement [1]	3,000	5,000	2,500	350	350	(93.0%)	0.0%
17	General Reserve Funding / (Transfer to R&R)		-		-	-	NA	NA
18	Debt Service Deposit	9,305	-	-	-	-	NA	NA
19	Loan Principal	-	-	-	-	-	NA	NA
20	Loan Interest	-	-	-	-	-	NA	NA
21	TOTAL EXPENSES & CONTRIBUTIONS	$ 31,167	$ 21,602	$ 9,238	$ 17,474	$ 10,766	(19.1%)	(38.4%)
22	NET INCOME BEFORE REGULATORY ADJ	$ 1,974	$ 1,897	$ 1,859	$ (2,757)	$ (1,702)		
23	MWhs Generated (In thousands)	332	223	93	246	100		
24	Capacity Factor	60%	37%	31%	41%	17%		
25	$'s/MWh Billed	$97.92	$ 103.26	$116.39	$ 57.67	$ 85.87		
26	$'s/MWh Generated	$93.85	$ 96.87	$99.59	$ 71.03	$ 107.66		
27	% Change in Rates		10%		(44%)	49%		

[1] The FY 2019 Budget assumed that, in order to minimize the impact on Participant billings, $3 million of the $6 million total planned contribution to the R&R Account for FY 2019 would be made using a short-term borrowing from the General Reserve Fund (reflected as a negative value on the General Reserve Funding line). Based on changes to OUC's planned capital spending on Stanton 1, such borrowing ultimately may not be necessary.

FLORIDA MUNICIPAL POWER AGENCY
STANTON PROJECT

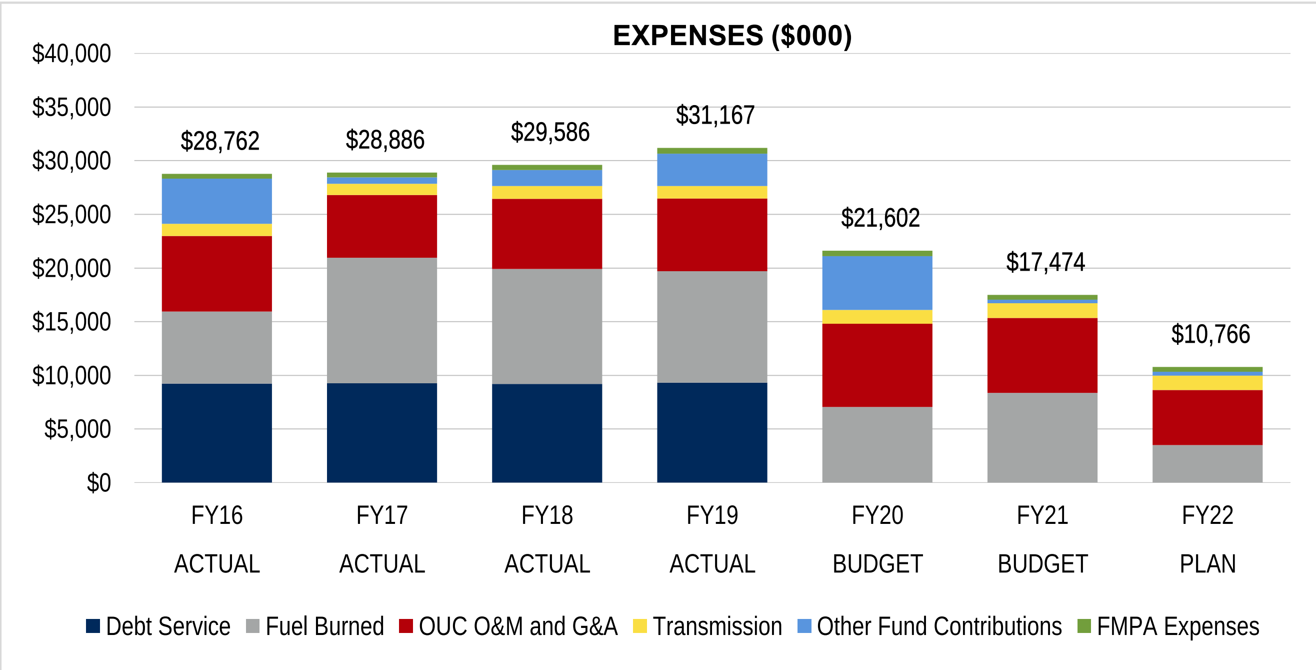
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Comparison of Budget to Historical Revenues and Expenses



	($000)						
REVENUES	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Demand and Trans. Billings	$ 20,399	$ 17,192	$ 17,328	$ 22,138	$ 15,989	$ 5,831	$ 5,114
Energy (Fuel) Billings	6,703	11,716	10,700	10,383	7,039	8,356	3,473
Interest Income	64	114	158	260	91	150	87
Other Revenues	327	356	352	360	380	380	390
Total Revenues	$ 27,493	$ 29,378	$ 28,538	$ 33,141	$ 23,499	$ 14,717	$ 9,064

FLORIDA MUNICIPAL POWER AGENCY
STANTON PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Comparison of Budget to Historical Revenues and Expenses



EXPENSES	($000) ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Debt Service	$ 9,223	$ 9,235	$ 9,200	$ 9,305	$ -	$ -	$ -
Fuel Burned	6,703	11,716	10,700	10,383	7,039	8,356	3,473
OUC O&M and G&A	7,052	5,827	6,536	6,778	7,760	6,982	5,135
Transmission	1,132	1,062	1,176	1,170	1,291	1,353	1,353
Other Fund Contributions	4,200	600	1,500	3,000	5,000	350	350
FMPA Expenses	452	446	474	531	512	433	455
Total Expenses	$ 28,762	$ 28,886	$ 29,586	$ 31,167	$ 21,602	$ 17,474	$ 10,766
Delivered MWhs (In Thousands)	191.0	334.2	336.4	332.1	223.0	246.0	100.0
Unit Cost of Power - $/MWh	$ 150.60	$ 86.44	$ 87.96	$ 93.85	$ 96.87	$ 71.03	$ 107.66

FLORIDA MUNICIPAL POWER AGENCY
STANTON PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2021 BUDGET

OPERATION AND MAINTENANCE FUND

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Operation & Maintenance (O&M) Account	$ 5,670	$ -	$ 2,757	$ 2,913	$ 2,913
Working Capital Account	600	-	-	600	600
Rate Stabilization Account	400	1,000	-	1,400	1,400
Total Operating and Maintenance Fund	$ 6,670	$ 1,000	$ 2,757	$ 4,913	$ 4,913 [1]

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

DEBT SERVICE FUND

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021
*Debt Service Accounts				
Principal	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total Debt Service Accounts	$ -	$ -	$ -	$ -

*Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021
*Loans				
Principal	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total Loans	$ -	$ -	$ -	$ -

*Subordinated Debt paid from O&M account

FLORIDA MUNICIPAL POWER AGENCY
STANTON PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2021 BUDGET

RESERVE AND CONTINGENCY FUND

	Beginning Balance 10/1/2020	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance	
Renewal & Replacement (R&R) Account	$ 4,969	$ 350	$ 1,945	$ 3,374	$ 3,000	[2]
Contingency Account	1,086	$ -	$ -	$ 1,086	$ 1,000	

[2] The Stanton Project's goal is to achieve a minimum balance of $3 million over the next 3 fiscal years.

GENERAL RESERVE FUND

	Beginning Balance 10/1/2020	Deposits **	Withdraw-als/ Payments	Ending Balance 9/30/2021
General Reserve Fund	$ 11,240	$ 132	$ -	$ 11,372

** Deposits are Retained Interest Earnings

CAPITAL FUNDING PLAN

	Fiscal Year FY 2021
Capital Funded from Renewal & Replacement	
Per OUC Capital Plan	$ 1,945
Total Capital	$ 1,945

FLORIDA MUNICIPAL POWER AGENCY
STANTON PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2022 PLAN

OPERATION AND MAINTENANCE FUND

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Operating & Maintenance (O&M) Account	$ 2,913	$ -	$ 1,702	$ 1,211	$ 1,211
Working Capital Account	600	-	-	$600	$600
Rate Stabilization Account	1,400	-	1,000	$400	$400
Total Operating and Maintenance Fund	$ 4,913	$ -	$ 2,702	$ 2,211	$ 2,211 [1]

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

DEBT SERVICE FUND

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022
*Debt Service Accounts				
Principal	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total Debt Service Accounts	$ -	$ -	$ -	$ -

*Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022
*Loans				
Principal	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total Loans	$ -	$ -	$ -	$ -

*Subordinated Debt paid from O&M account

FLORIDA MUNICIPAL POWER AGENCY
STANTON PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2022 PLAN

RESERVE AND CONTINGENCY FUND

	Beginning Balance 10/1/2021	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Renewal & Replacement (R&R) Account	$ 3,374	$ 350	$ 761	$ 2,963	3,000 [2]
Contingency Account	$ 1,086	$ -	$ -	$ 1,086	1,000

[2] The Stanton Project's goal is to achieve a minimum balance of $3 million over the next 3 fiscal years.

GENERAL RESERVE FUND

	Beginning Balance 10/1/2021	Deposits **	Withdrawals/ Payments	Ending Balance 9/30/2022
General Reserve Fund	$ 11,372	$ 133	$ -	$ 11,505

** Deposits are Retained Interest Earnings

CAPITAL FUNDING PLAN

	Fiscal Year FY 2022
Capital Funded from Renewal & Replacement	
Per OUC Capital Plan	$ 761
Total Capital	$ 761

FLORIDA MUNICIPAL POWER AGENCY
STANTON PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Five-Year Capital Plan ($000)

Activity	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Renewal and Replacement Beginning Balance	$ 4,969	$ 3,374	$ 2,963	$ 2,994	$ 3,177
Capital Expenses	(1,945)	(761)	(319)	(167)	(148)
Transfer (to)/from General Reserve Fund	0	0	0	0	0
Renewal and Replacement Contributions	350	350	350	350	350
Renewal and Replacement Ending Balance [1]	$ 3,374	$ 2,963	$ 2,994	$ 3,177	$ 3,379

[1] Plan is to fund to and maintain a $3 million balance for future capital needs and unanticipated capital changes made by the operator owner.

MEMORANDUM

TO: Board of Directors
FROM: Jason Wolfe
DATE: June 9, 2020
SUBJECT: Tri-City Project FY 2021 Budget / FY 2022 Plan Overview

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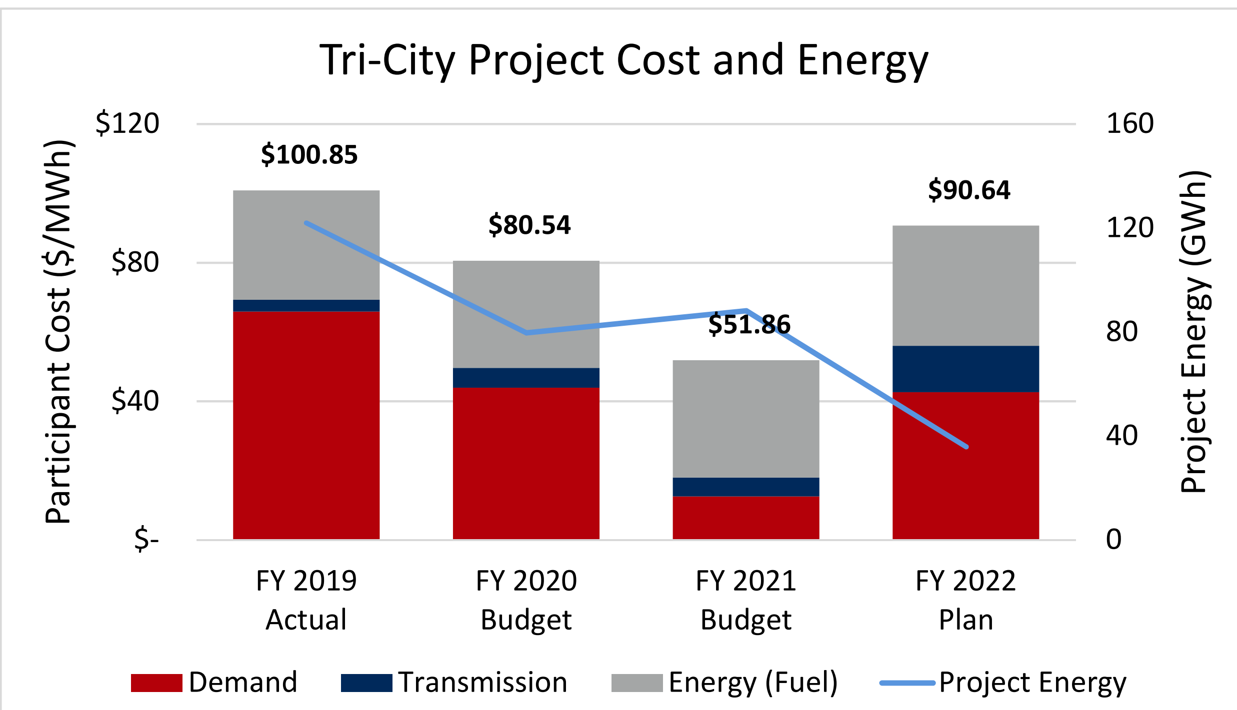
Project Costs and Energy

The proposed Tri-City Project budget for FY 2021 would result in an average cost to Participants of $51.86 per MWh billed. This represents a 36% decrease from the budgeted per-unit Participant cost for FY 2020, as well as a 49% decrease from the actual per-unit billed Participant cost for FY 2019.

The proposed plan for FY 2022 would result in an average cost to Participants of $90.64 per MWh billed. This represents a 75% increase from the proposed budgeted per-unit Participant cost for FY 2021.

The following chart summarizes recent historical and budgeted Project $/MWh costs and energy.

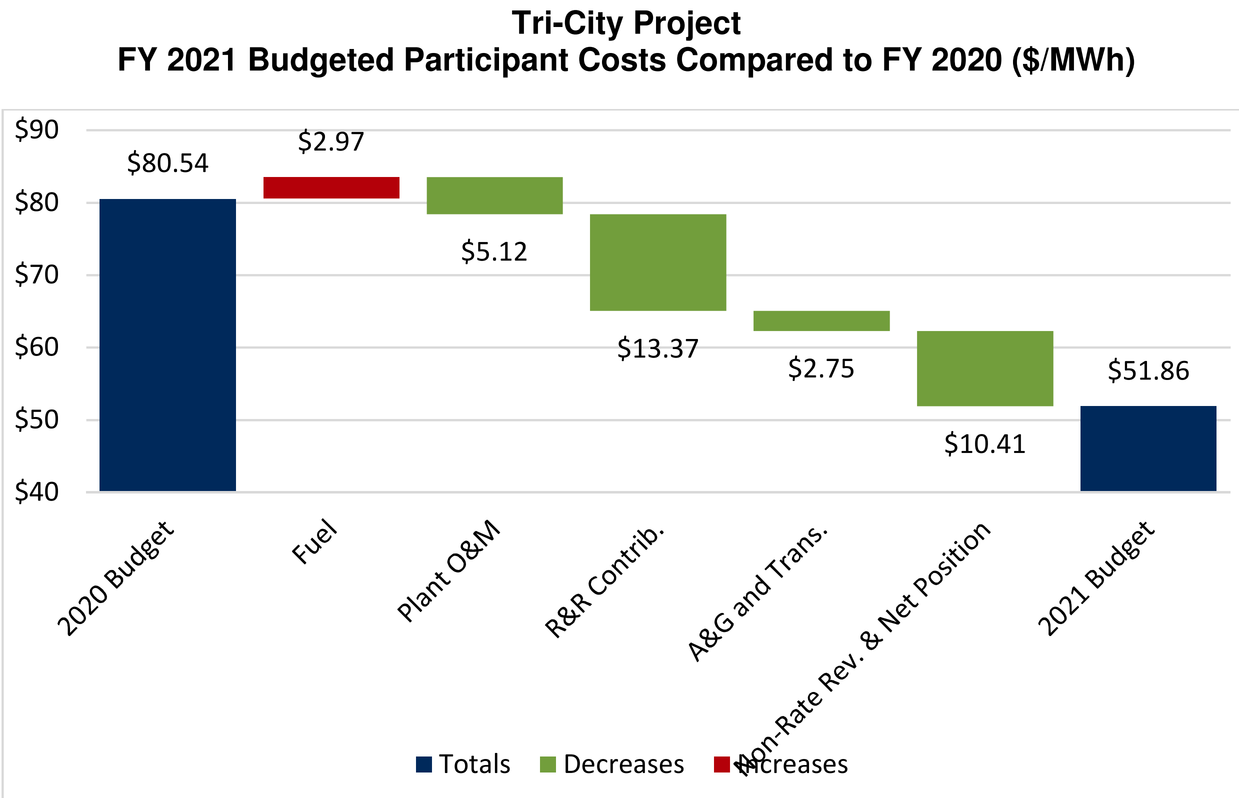


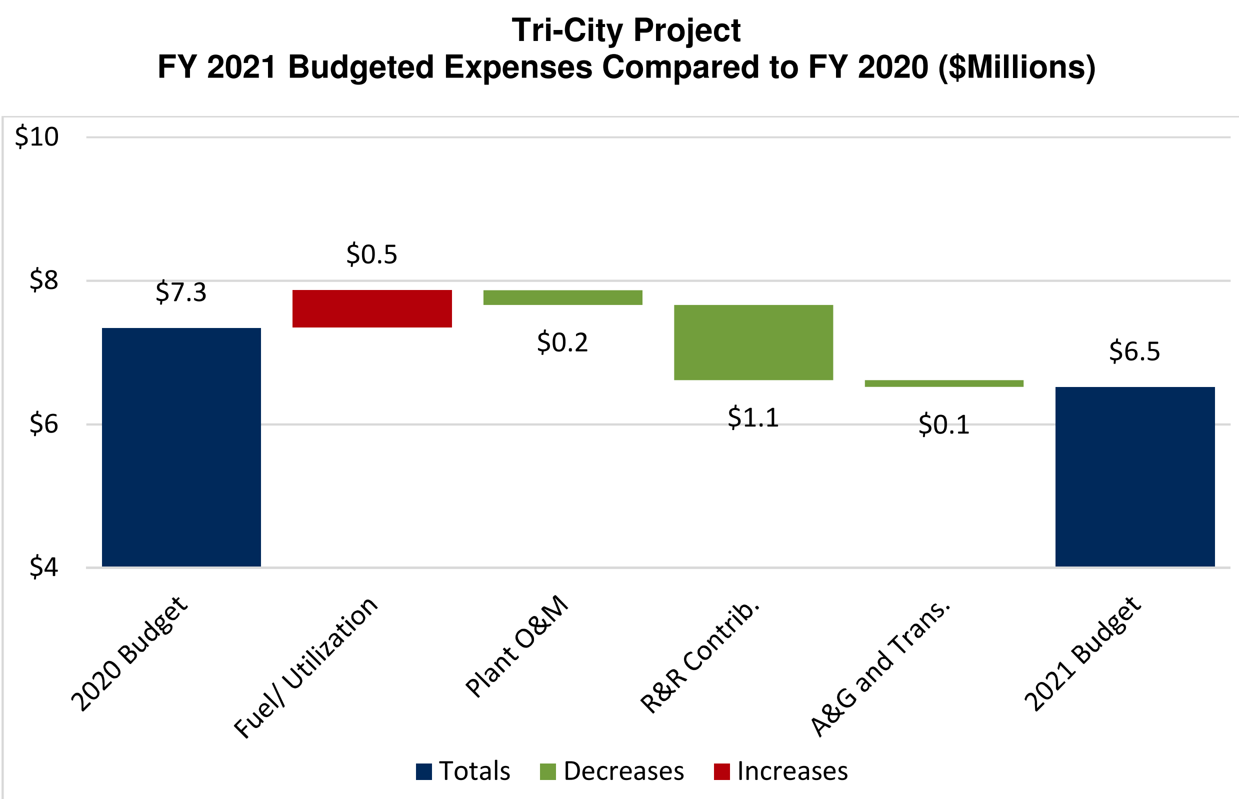
The expected per unit costs and operating data for the proposed budget and budget plan years are as follows:

	Total Project Costs ($/MWh)	Billed Costs to Participants ($/MWh)	Delivered Energy (GWh)	Capacity Factor (%)
FY 2021 Budget	$73.94	$51.86	88	45%
FY 2022 Plan	$114.23	$90.64	36	18%

The 36% billing rate decrease in FY 2021 from the FY 2020 budget is primarily driven by significantly lower budgeted contributions to the Renewal and Replacement Account (see the "Capital Plan and Renewal and Replacement Account" section below), along with lower O&M costs and an 11% increase in forecasted billed energy (fixed costs spread over additional MWhs). These decreases are partially offset by higher budgeted fuel costs due to the expiration of the coal contract and uncertainty over the renewal price, as well as a 5% increase assumed for OUC transmission costs.

The following charts compare the budgeted Participant costs ($/MWh) and total Project expenses for Fiscal Years 2020 and 2021.


Tri-City Project
FY 2021 Budgeted Participant Costs Compared to FY 2020 ($/MWh)
$90
$80
$70
$60
$50
$40
$80.54
$2.97
$5.12
$13.37
$2.75
$10.41
$51.86
2020 Budget
Fuel
Plant O&M
R&R Contrib.
A&G and Trans.
Non-Rate Rev. & Net Position
2021 Budget
Totals
Decreases
Increases


Tri-City Project
FY 2021 Budgeted Expenses Compared to FY 2020 ($Millions)
$10
$8
$6
$4
$7.3
$0.5
$0.2
$1.1
$0.1
$6.5
2020 Budget
Fuel/ Utilization
Plant O&M
R&R Contrib.
A&G and Trans.
2021 Budget
Totals
Decreases
Increases

Detailed operating budget information can be found in Exhibit 1. A summary of budgeted revenues and expenses to historical actuals is presented in Exhibit 2.

Capital Plan and Renewal and Replacement Account

A summary of the Five-Year Capital Plan and funding of the Renewal and Replacement (R&R) Account is shown in Exhibit 4. Major capital activity for FY 2021 includes completion of the landfill expansion project (common facilities) and a roof replacement project for Stanton 1. Total Tri-City Project capital expenditures budgeted for FY 2021 are $0.7 million, which is down from $1.2 million budgeted for FY 2020. Beyond FY 2021, no significant new capital projects are forecasted over the 5-year horizon.

FMPA targets a $1 million balance for the R&R Account for the Project to fund for future capital needs and unanticipated capital expenditures. Due to refunds of amounts previously contributed by the Tri-City Project for a turbine upgrade project that was subsequently moved to Stanton 2, the Tri-City Project is anticipated to have a beginning balance in the R&R Account of approximately $1.7 million at October 1, 2020. For Fiscal Years 2021 through 2025, annual contributions to the R&R Account are projected at $150,000 per year, which should allow the Project to maintain at least a $1 million balance over the 5-year horizon.

Debt and Debt Service

The final payoff date for the Tri-City Project debt was October 1, 2019. No additional debt is currently anticipated to be issued for the Tri-City Project.

O&M Fund and Working Capital

The Tri-City Project's Operation and Maintenance Fund (O&M Fund) consists of three accounts: i) the Operation and Maintenance Account, ii) the Working Capital Account and iii) the Rate Stabilization Account. The total O&M Fund balance is typically budgeted at an amount projected to support a 60-day average balance of operating expenses, with any over or under funding requirement returned or billed, respectively, the following fiscal year. Due to the significant increase in forecasted $/MWh Project costs from FY 2021 to FY 2022 (primarily due to the lower utilization projected for Fiscal Year 2022), the FY 2021 budget assumes that $400,000 of anticipated excess O&M Fund balance will be retained in FY 2021 for rate stabilization purposes and returned to Participants in FY 2022.

General Reserve Fund

All of the Project's excess funds will reside in the General Reserve Fund until required. Aside from interest earnings on existing balances, no deposits or withdrawals are forecasted for the General Reserve Fund for either FY 2021 or FY 2022.

Projected fund activity and balances for Fiscal Years 2021 and 2022 for the Project's various funds and accounts are shown in Exhibit 3.

Project Participants

Participant	Power Entitlement Share (%)
Fort Pierce [1]	22.727%
Homestead	22.727%
Key West	54.546%

[1] Participant in the All-Requirements Project. Participant's entitlement share of Tri-City Project generation is purchased and paid for by the All-Requirements Project.

FLORIDA MUNICIPAL POWER AGENCY

TRI-CITY PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan

Operating Budget ($000)

Exhibit 1
Page 1 of 1

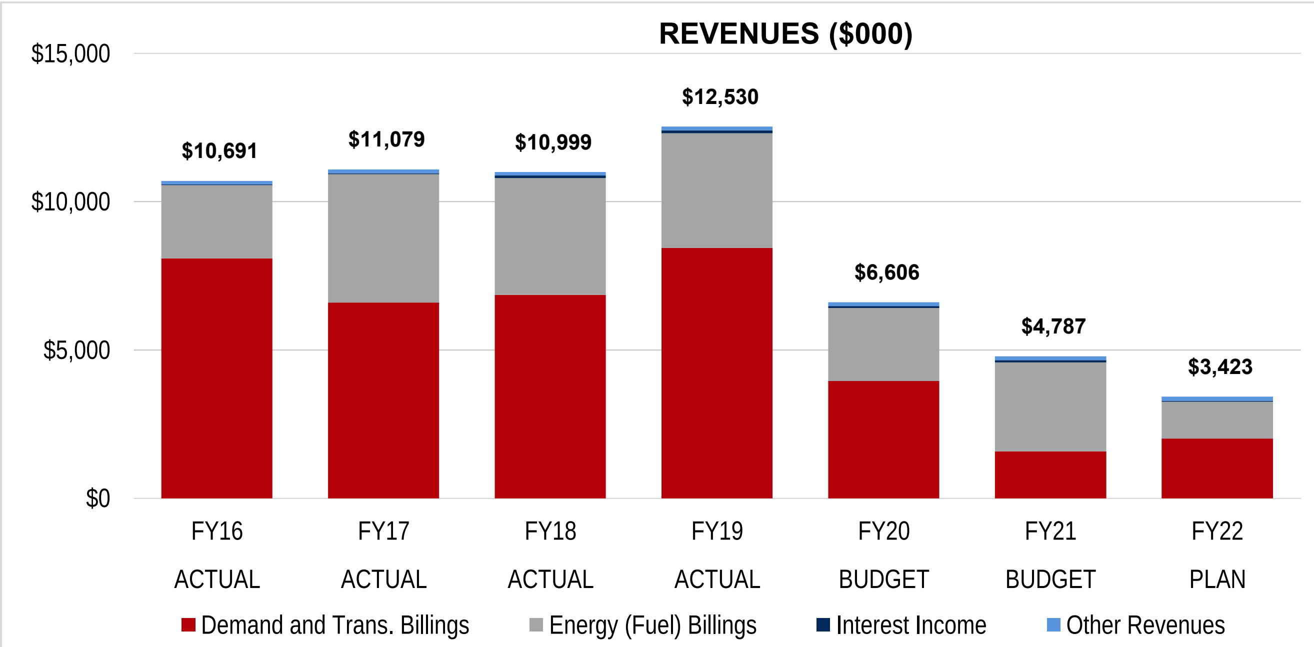
Line No.	Description	ACTUAL FY2019	BUDGET FY2020	6 Months ACTUAL FY2020	Proposed FY 2021 BUDGET	Proposed FY 2022 PLAN	19 Bdgt / 20 Bdgt Increase / Decrease%	20 Bdgt / 21 Bdgt Increase / Decrease%
	REVENUES							
	Participant Billings:							
1	Demand	$ 8,024	$ 3,494	$ 1,747	$ 1,105	$ 1,527	(68.4%)	38.2%
2	Transmission	419	457	228	479	479	4.8%	0.0%
3	Fuel - Variable	3,853	2,463	1,062	2,988	1,241	21.3%	(58.5%)
4	Total Billing	$ 12,296	$ 6,414	$ 3,037	$ 4,572	$ 3,247	(28.7%)	(29.0%)
5	Brine Plant	129	136	70	136	139	0.0%	2.2%
6	Interest Income	105	56	48	79	37	41.1%	(53.2%)
7	TOTAL REVENUES	$ 12,530	$ 6,606	$ 3,155	$ 4,787	$ 3,423	(27.5%)	(28.5%)
	EXPENSES							
8	Fixed O&M	$ 1,995	$ 2,221	$ 906	$ 2,027	$ 1,329	(8.7%)	(34.4%)
9	Fuel Burned - Variable	3,853	2,463	1,092	2,988	1,241	21.3%	(58.5%)
10	User Fee	62	79	26	68	70	(13.9%)	2.9%
11	Transmission -OUC	415	457	228	479	479	4.8%	0.0%
12	Gen'l & Admin -OUC	369	476	184	404	413	(15.1%)	2.2%
13	-FMPA	428	438	219	394	403	(10.0%)	2.3%
14	Debt Management Costs	39	9	7	8	7	(11.1%)	(12.5%)
15	TOTAL EXPENSES	$ 7,161	$ 6,143	$ 2,662	$ 6,368	$ 3,942	3.7%	(38.1%)
	FUND CONTRIBUTIONS							
16	Renewal & Replacement [1]	1,700	1,500	600	150	150	(90.0%)	0.0%
17	General Reserve Funding / (Transfer to R&R)		(300)		-	-	(100.0%)	NA
18	Debt Service Deposit	3,302	-	-	-	-	NA	NA
19	Loan Principal	-	-	-	-	-	NA	NA
20	Loan Interest	-	-	-	-	-	NA	NA
21	TOTAL EXPENSES & CONTRIBUTIONS	$ 12,163	$ 7,343	$ 3,262	$ 6,518	$ 4,092	(11.2%)	(37.2%)
22	NET INCOME BEFORE REGULATORY ADJ	$ 367	$ (737)	$ (107)	$ (1,731)	$ (669)		
23	MWhs Generated (In thousands)	122	80	35	88	36		
24	Capacity Factor	62%	40%	36%	45%	18%		
25	$'s/MWh Billed	$100.85	$ 80.54	$89.65	$ 51.86	$ 90.64		
26	$'s/MWh Generated	$99.76	$ 92.20	$92.69	$ 73.94	$ 114.23		
27	% Change in Rates		(20%)		(36%)	75%		

[1] The FY 2019 Budget assumed that, in order to reduce the impact on Participant Billings, $300k of the $2 million total planned contribution to the R&R Account for FY 2019 would be made using a short-term borrowing from the General Reserve Fund (reflected as a negative value on the General Reserve Funding line). Based on changes to OUC's planned capital spending on Stanton 1, such borrowing ultimately may not be necessary.

FLORIDA MUNICIPAL POWER AGENCY
TRI-CITY PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan

Comparison of Budget to Historical Revenues and Expenses

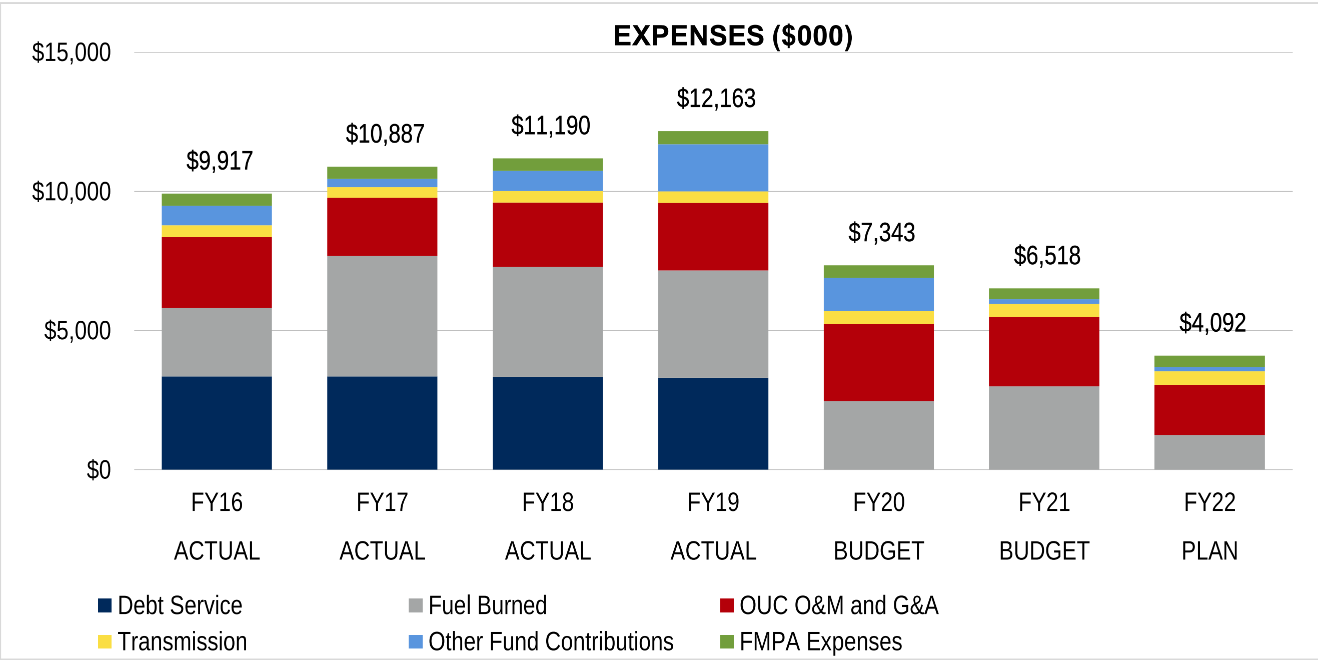


REVENUES	($000) ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Demand and Trans. Billings	$ 8,082	$ 6,594	$ 6,858	$ 8,443	$ 3,951	$ 1,584	$ 2,006
Energy (Fuel) Billings	2,466	4,325	3,936	3,853	2,463	2,988	1,241
Interest Income	27	33	79	105	56	79	37
Other Revenues	116	127	126	129	136	136	139
Total	$ 10,691	$ 11,079	$ 10,999	$ 12,530	$ 6,606	$ 4,787	$ 3,423

FLORIDA MUNICIPAL POWER AGENCY
TRI-CITY PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan

Comparison of Budget to Historical Revenues and Expenses



EXPENSES	($000) ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Debt Service	$ 3,349	$ 3,348	$ 3,342	$ 3,302	$ -	$ -	$ -
Fuel Burned	2,466	4,325	3,936	3,853	2,463	2,988	1,241
OUC O&M and G&A	2,540	2,096	2,317	2,426	2,776	2,499	1,812
Transmission	427	382	415	415	457	479	479
Other Fund Contributions	700	300	731	1,700	1,200	150	150
FMPA Expenses	435	436	449	467	447	402	410
Total Expenses	$ 9,917	$ 10,887	$ 11,190	$ 12,163	$ 7,343	$ 6,518	$ 4,092
Delivered MWhs (In Thousands)	71.2	124.6	124.6	121.9	79.6	88.2	35.8
Unit Cost of Power - $/MWh	$ 139.34	$ 87.38	$ 89.84	$ 99.76	$ 92.20	$ 73.94	$ 114.23

FLORIDA MUNICIPAL POWER AGENCY
TRI-CITY PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2021 BUDGET

OPERATING AND MAINTENANCE FUND

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance	
Operating & Maintenance (O&M) Account	$ 3,178	$ -	$ 1,731	$ 1,447	$ 1,447	
Working Capital Account	225	-	-	225	225	
Rate Stabilization Account	150	400	-	550	550	
Total Operating and Maintenance Fund	$ 3,553	$ 400	$ 1,731	$ 2,222	$ 2,222	[1]

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

DEBT SERVICE FUND

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021
*Debt Service Accounts				
Principal	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total Debt Service Accounts	$ -	$ -	$ -	$ -

* Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021
*Loans				
Principal	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total Loans	$ -	$ -	$ -	$ -

* Subordinated Debt paid from O&M account

FLORIDA MUNICIPAL POWER AGENCY
TRI-CITY PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2021 BUDGET

RESERVE AND CONTINGENCY FUND

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance	
Renewal & Replacement (R&R) Account	$ 1,716	$ 150	$ 696	$ 1,170	$ 1,000	[2]
Contingency Account	$ 1,121	$ -	$ -	$ 1,121	$ 1,000	

[2] The Tri-City Project's goal is to achieve a minimum balance of $1 million over the next 3 fiscal years.

GENERAL RESERVE FUND

	Beginning Balance 10/1/2020	Deposits **	Withdrawals/ Payments	Ending Balance 9/30/2021
General Reserve Fund	$ 670,000	$ -	$ -	$ 670,000

* Deposits include Retained Interest Earnings
**Transfer to R&R Account

CAPITAL PLAN

	Fiscal Year FY 2021
Capital Funded from Renewal & Replacement	
Per OUC Capital Plan	$ 696
Total Capital	$ 696

FLORIDA MUNICIPAL POWER AGENCY
TRI-CITY PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2022 PLAN

OPERATING AND MAINTENANCE FUND

	Beginning Balance 10/1/2021	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Operating & Maintenance (O&M) Account	$ 1,447	$ -	$ 669	$ 778	$ 778
Working Capital Account	225	-	-	225	225
Rate Stabilization Account	550	-	400	150	150
Total Operating and Maintenance Fund	$ 2,222	$ -	$ 1,069	$ 1,153	$ 1,153 [1]

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

DEBT SERVICE FUND

	Beginning Balance 10/1/2021	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2022
*Debt Service Accounts				
Principal	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total Debt Service Accounts	$ -	$ -	$ -	$ -

* Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE

	Beginning Balance 10/1/2021	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2022
*Loans				
Principal	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total Loans	$ -	$ -	$ -	$ -

* Subordinated Debt paid from O&M account

FLORIDA MUNICIPAL POWER AGENCY
TRI-CITY PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2022 PLAN

RESERVE AND CONTINGENCY FUND

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance	
Renewal & Replacement (R&R) Account	$ 1,170	$ 150	$ 272	$ 1,048	$ 1,000	[2]
Contingency Account	$ 1,121	$ -	$ -	$ 1,121	$ 1,000	

[2] The Tri-City Project's goal is to achieve a minimum balance of $1 million over the next 3 fiscal years.

GENERAL RESERVE FUND

	Beginning Balance 10/1/2021	Deposits **	Withdraw-als/ Payments	Ending Balance 9/30/2022
General Reserve Fund	$ 670,000	$ -	$ -	$ 670,000

* Deposits include Retained Interest Earnings & Fund Contributions

CAPITAL PLAN

	Fiscal Year FY 2022
Capital Funded from Renewal & Replacement	
Per OUC Capital Plan	$ 272
Total Capital	$ 272

FLORIDA MUNICIPAL POWER AGENCY
TRI-CITY PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Five-Year Capital Plan ($000)

Activity	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Renewal and Replacement Beginning Balance	$ 1,716	$ 1,170	$ 1,048	$ 1,084	$ 1,174
Capital Expenses	(696)	(272)	(114)	(60)	(53)
Renewal and Replacement Contributions	150	150	150	150	150
Renewal and Replacement Ending Balance [1]	1,170	1,048	1,084	1,174	1,271

[1] Plan is to fund and maintain a $1 million balance for future capital needs and unanticipated capital changes made by the operator owner.

Jason Wolfe
Financial Planning Rates and Budget Director

MEMORANDUM

TO: Board of Directors
FROM: Jason Wolfe
DATE: June 9, 2020
SUBJECT: Stanton II Project FY 2021 Budget / FY 2022 Plan Overview

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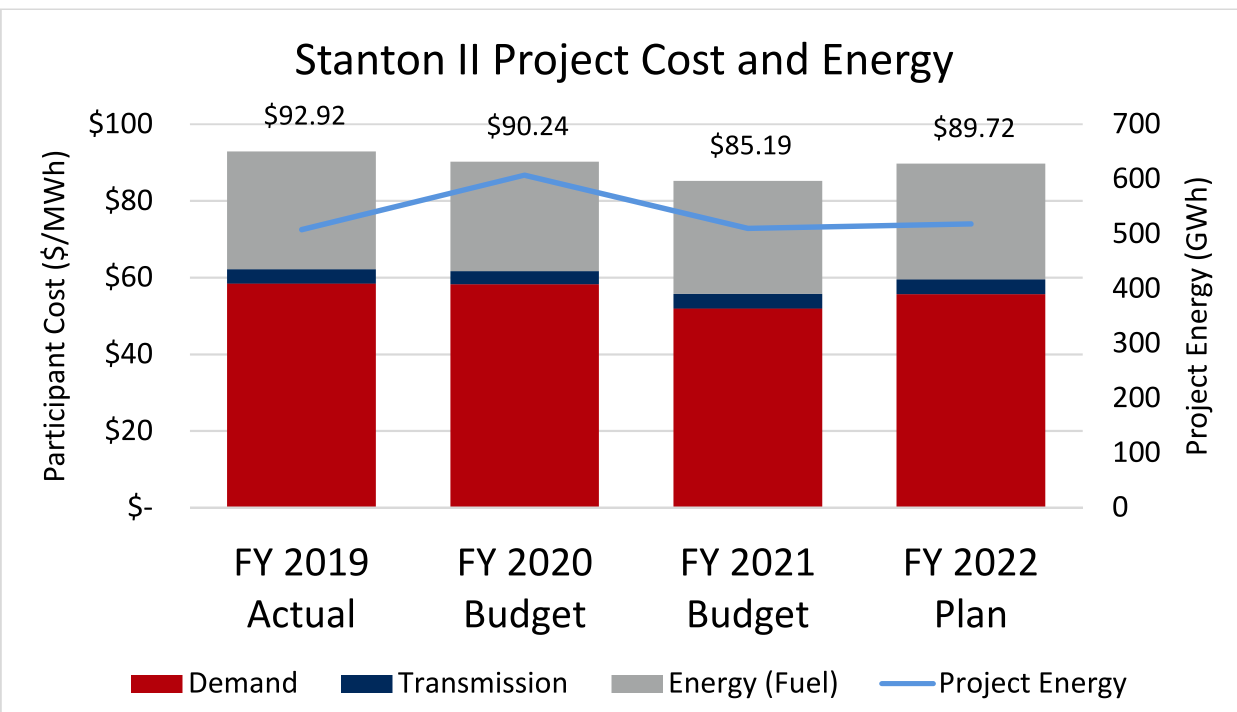
Project Costs and Energy

The proposed Stanton II Project budget for FY 2021 would result in an average cost to Participants of $85.19 per MWh billed. This represents a 6% decrease from the budgeted per-unit Participant cost for FY 2020, as well as an 8% decrease from the actual per-unit billed Participant cost for FY 2019.

The proposed plan for FY 2022 would result in an average cost to Participants of $89.72 per MWh billed. This represents a 5% increase from the proposed budgeted per-unit Participant cost for FY 2021.

The following chart summarizes recent historical and budgeted Project $/MWh costs and energy.



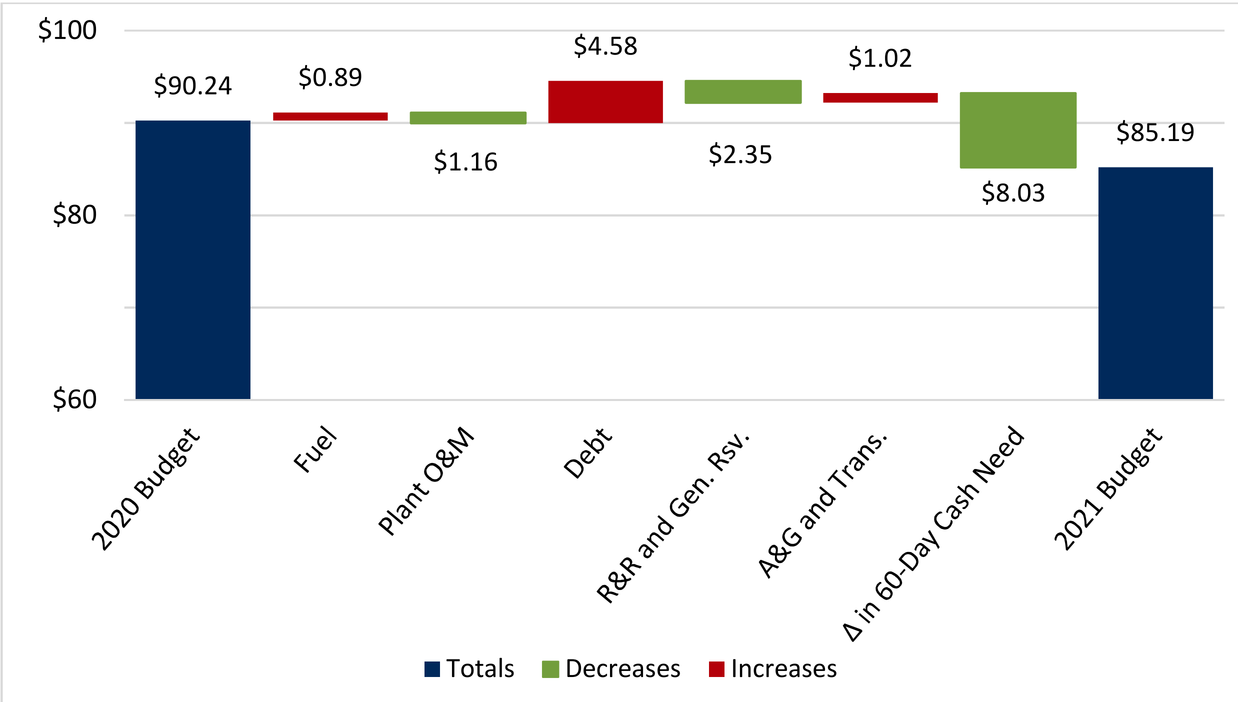
The expected per unit costs and operating data for the proposed budget and budget plan years are as follows:

	Total Project Costs ($/MWh)	Billed Costs to Participants ($/MWh)	Delivered Energy (GWh)	Capacity Factor (%)
FY 2021 Budget	$90.82	$85.19	510	54%
FY 2022 Plan	$91.09	$89.72	518	55%

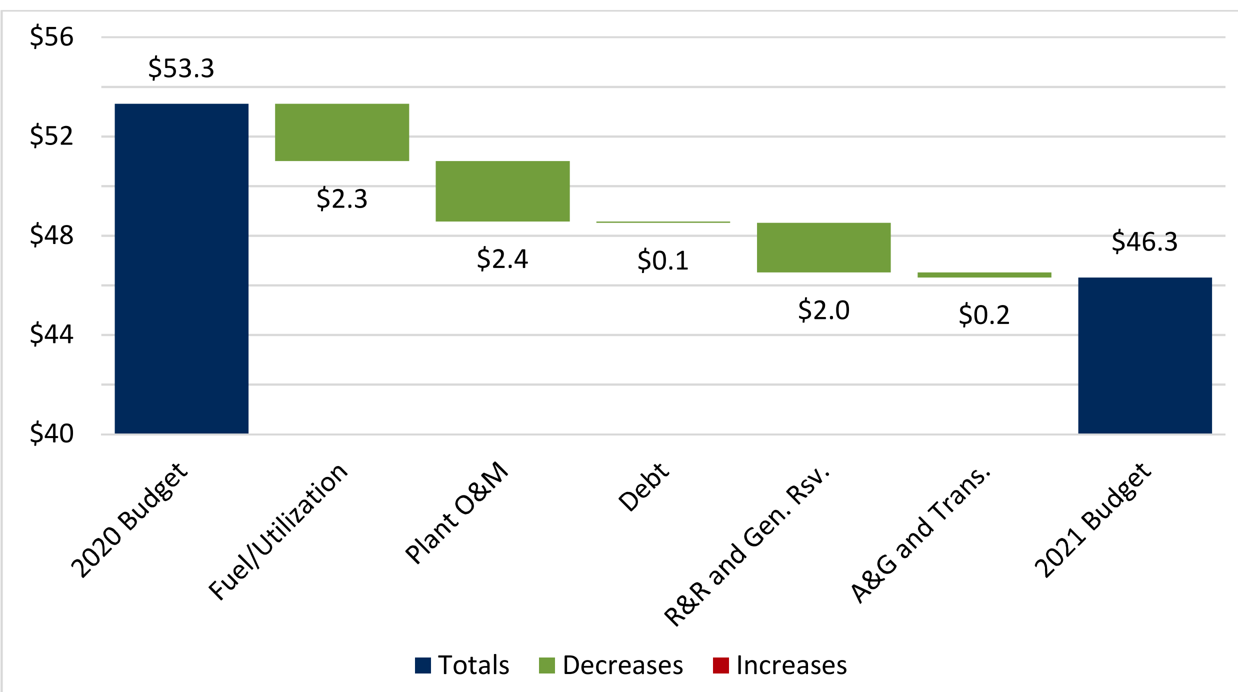
The 6% billing rate decrease in FY 2021 from the FY 2020 budget is primarily driven by lower capital funding requirements in 2021, as well as an anticipated cash position for the Project in 2021 that would be in excess of the 60-day funding target (i.e., the surplus cash would be returned to Participants). This decrease is somewhat offset by an increase in $/MWh debt service, A&G, transmission, and fuel costs for the Project, which are driven by lower budgeted billed energy. Project generation for FY 2021 (54% capacity factor) is projected to be approximately 16% below the FY 2020 budget but approximately equal to actual generation for FY 2019.

The following charts compare the budgeted Participant costs ($/MWh) and total Project expenses for Fiscal Years 2020 and 2021.

Stanton II Project
FY 2021 Budgeted Participant Costs Compared to FY 2020 ($/MWh)



Stanton II Project
FY 2021 Budgeted Expenses Compared to FY 2020 ($Millions)



Detailed operating budget information can be found in Exhibit 1. A summary of budgeted revenues and expenses to historical actuals is presented in Exhibit 2.

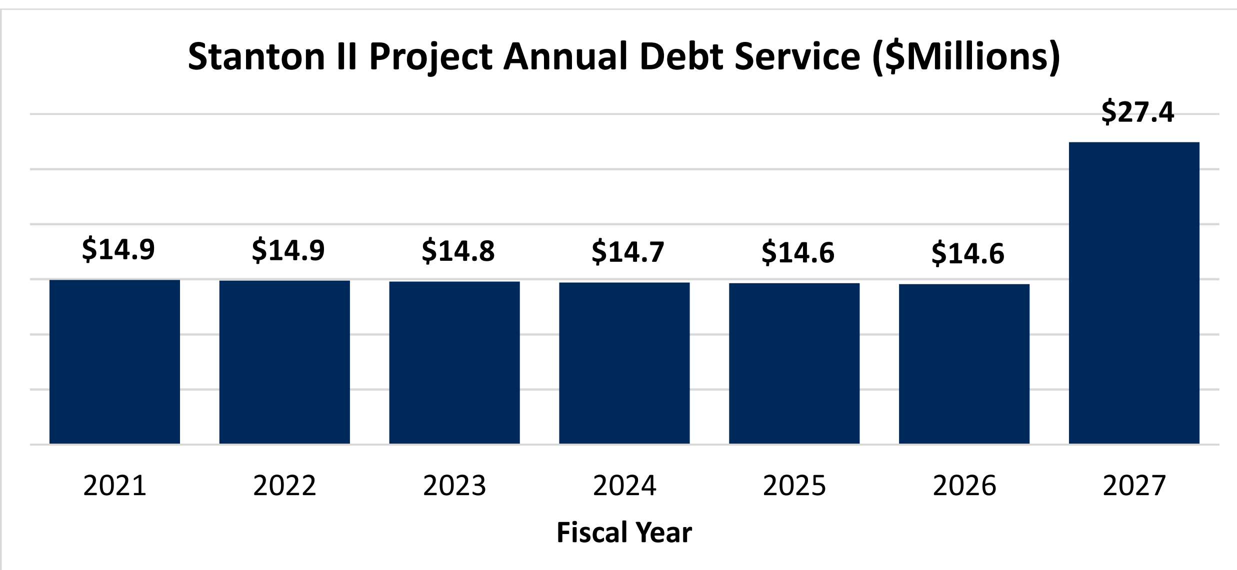
Capital Plan and Renewal and Replacement Account

A summary of the Five-Year Capital Plan and funding of the Renewal and Replacement Account is shown in Exhibit 4. Major capital activity for FY 2021 includes the completion of the landfill expansion project (common facilities), closure costs for the previous landfill cell (common facilities), and completion of the turbine upgrade project. Total capital expenditures budgeted for FY 2021 are $2.8 million.

Debt and Debt Service

The Stanton II Project currently has four remaining series of Bonds – Series 2009A, Series 2012A, Series 2017A, and Series 2017B, with a total of approximately $101.0 million principal outstanding after October 1, 2020. The final payoff date for the Project debt is October 1, 2027. No additional new money debt is currently anticipated to be issued for the Stanton II Project.

The following chart illustrates the annual debt service accruals for the Project. As discussed under the "General Reserve Fund" section, staff currently plans that a significant portion of the debt service requirement for FY 2027 will be funded by monies held in the General Reserve Fund and not through rates.



O&M Fund and Working Capital

The Stanton II Project's Operation and Maintenance Fund (O&M Fund) consists of three accounts: i) the Operation and Maintenance Account, ii) the Working Capital Account and iii) the Rate Stabilization Account. The total O&M Fund balance is typically budgeted at an amount projected to support a 60-day average balance of operating expenses, with any over or under funding requirement returned or billed, respectively, the following fiscal year.

General Reserve Fund

All of the Project's excess funds will reside in the General Reserve Fund until required. The Project currently has approximately $28 million in the General Reserve Fund. It is currently anticipated that a portion of these funds will be utilized to pay a portion of the final debt service payment due October 1, 2027. Aside from interest earnings on existing balances, no deposits or withdrawals are forecasted for the General Reserve Fund for either FY 2021 or FY 2022.

Projected fund activity and balances for Fiscal Years 2021 and 2022 for the Project's various funds and accounts are shown in Exhibit 3.

Project Participants

Participant	Power Entitlement Share (%)
Fort Pierce [1]	16.4887%
Homestead	8.2444%
Key West [1]	9.8932%
Kissimmee [1]	32.9774%
St. Cloud	14.6711%
Starke [1]	1.2366%
All-Requirements Project [2]	16.4887%

[1] Participant in the All-Requirements Project. Participant's entitlement share of Stanton II Project generation is purchased and paid for by the All-Requirements Project.

[2] Effective December 17, 2018, the All-Requirements Project took an assignment and transfer of Vero Beach's entitlement share in the Stanton II Project.

FLORIDA MUNICIPAL POWER AGENCY
STANTON II PROJECT

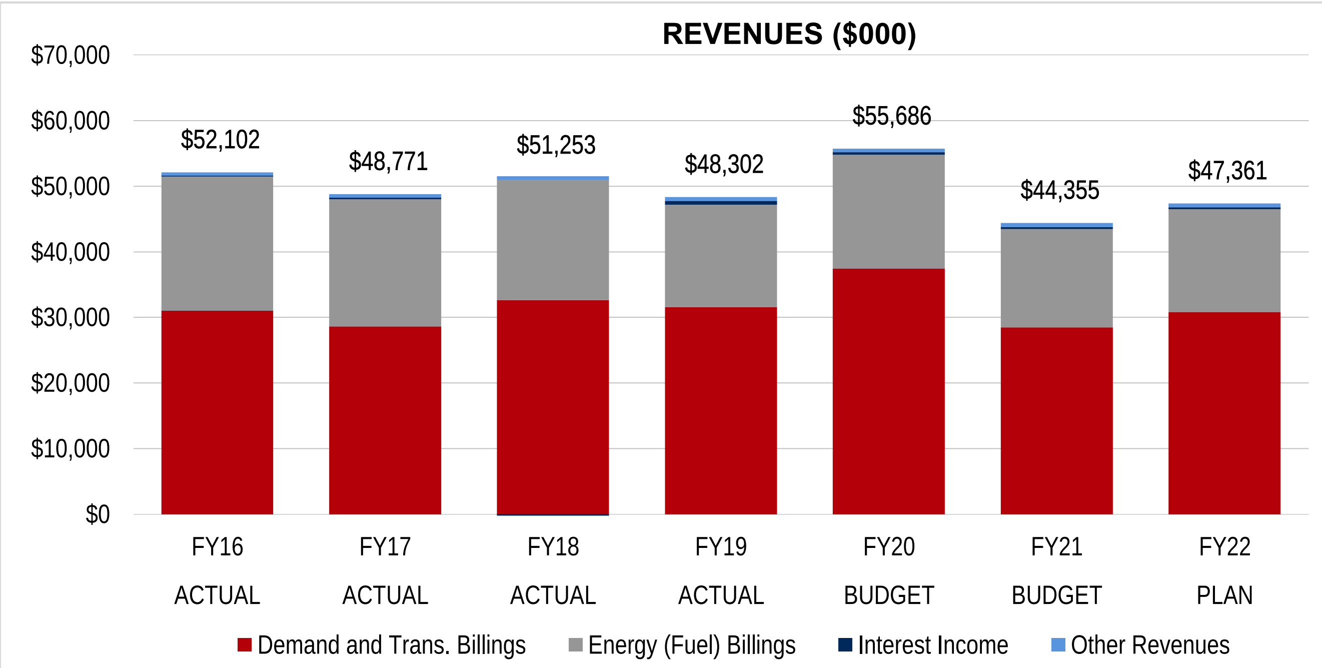
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan

Operating Budget ($000)

Line No.	Description	ACTUAL FY2019	BUDGET FY2020	6 Months ACTUAL FY2020	Proposed BUDGET FY 2021	Proposed PLAN FY 2022	20 Bdgt / 21 Bdgt Increase / Decrease%	21 Bdgt / 22 Bdgt Increase Decrease%
	REVENUES							
	Participant Billings:							
1	Demand	$ 29,636	$ 35,371	$ 17,686	$ 26,452	$ 28,824	(25.2%)	9.0%
2	Transmission	1,915	2,085	1,043	1,990	1,990		
3	Fuel - Variable	15,620	17,317	8,678	15,004	15,660	(13.4%)	4.4%
4	Total Billing	$ 47,171	$ 54,773	$ 27,407	$ 43,446	$ 46,474	(20.7%)	7.0%
							NA	NA
5	Brine Plant	565	525	306	600	615	14.3%	2.5%
6	Interest Income	566	388	219	309	272	(20.4%)	(12.0%)
7	TOTAL REVENUES	$ 48,302	$ 55,686	$ 27,932	$ 44,355	$ 47,361	(20.3%)	6.8%
	EXPENSES							
8	Fixed O&M	$ 9,386	$ 11,261	$ 4,603	$ 8,850	$ 9,073	(21.4%)	2.5%
9	Fuel Burned - Variable	15,620	17,317	8,678	15,004	15,660	(13.4%)	4.4%
10	User Fee	229	265	98	245	251	(7.5%)	2.4%
11	Transmission -OUC	1,895	2,085	1,041	1,990	1,990	(4.6%)	0.0%
12	-FPL	-	-	-	-	-	NA	NA
13	Gen'l & Admin -OUC	1,617	1,921	806	1,785	1,829	(7.1%)	2.5%
14	-FMPA	428	438	219	470	482	7.3%	2.6%
15	Debt Management Costs	$ 176	$ 41	$ 34	$ 45	$ 46	9.8%	2.2%
16	TOTAL EXPENSES	$ 29,351	$ 33,328	$ 15,479	$ 28,389	$ 29,331	(14.8%)	3.3%
	FUND CONTRIBUTIONS							
17	Renewal & Replacement & General Reserve	8,000	5,000	2,500	3,000	3,000	(40.0%)	0.0%
18	Debt Service Deposit	13,883	14,987	7,493	14,927	14,855	(0.4%)	(0.5%)
19	Loan Principal	-	-	-	-	-	NA	NA
20	Loan Interest	-	-	-	-	-	NA	NA
21	TOTAL EXPENSES & CONTRIBUTIONS	$ 51,234	$ 53,315	$ 25,472	$ 46,316	$ 47,186	(13.1%)	1.9%
22	NET INCOME BEFORE REGULATORY ADJ	$ (2,932)	$ 2,371	$ 2,460	$ (1,961)	$ 175		
23	MWhs Generated (In thousands)	508	607	327	510	518		
24	Capacity Factor	58%	66%	75%	54%	55%		
25	$'s/MWh Billed	$92.92	$ 90.24	$85.37	$ 85.19	$ 89.72		
26	$'s/MWh Generated	$100.92	$ 87.83	$77.85	$ 90.82	$ 91.09		
27	% Change in Rates		(3%)		(6%)	5%		

FLORIDA MUNICIPAL POWER AGENCY
STANTON II PROJECT

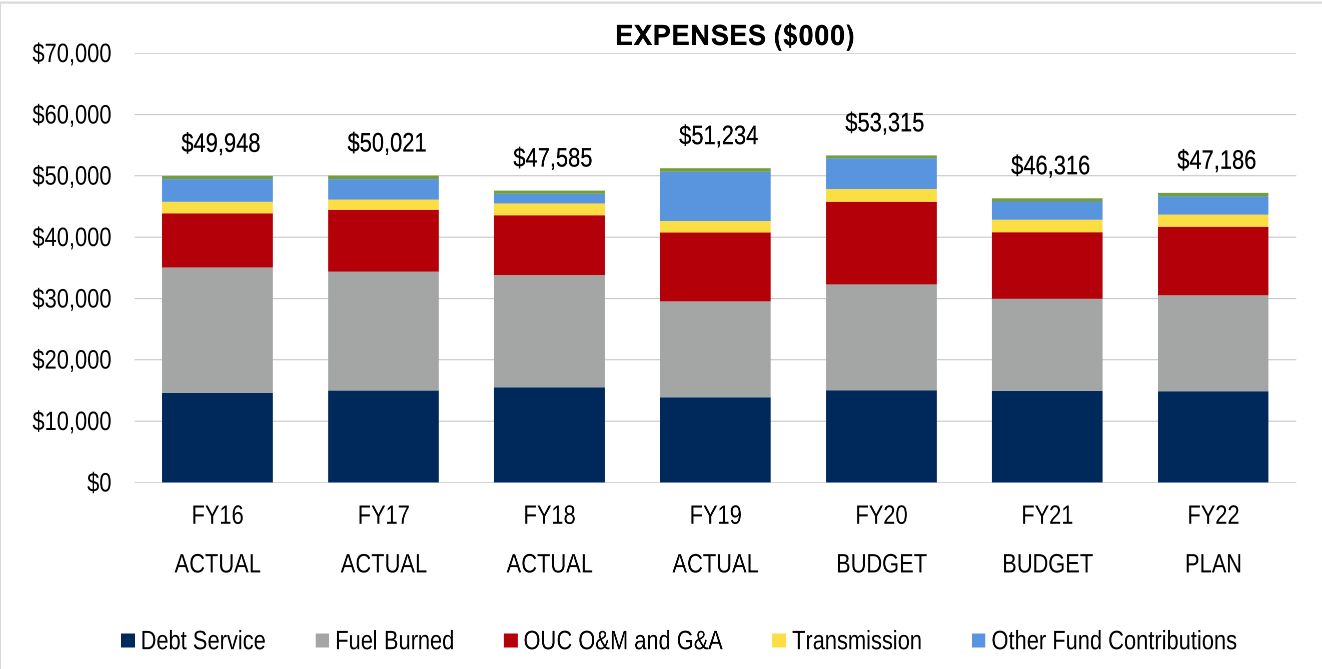
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Comparison of Budget to Historical Revenues and Expenses



	($000)						
REVENUES	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Demand and Trans. Billings	$ 30,977	$ 28,599	$ 32,609	$ 31,551	$ 37,456	$ 28,442	$ 30,814
Energy (Fuel) Billings	20,486	19,402	18,324	15,620	17,317	15,004	15,660
Interest Income	128	212	(232)	566	388	309	272
Other Revenues	511	558	552	565	525	600	615
Total	$ 52,102	$ 48,771	$ 51,253	$ 48,302	$ 55,686	$ 44,355	$ 47,361

FLORIDA MUNICIPAL POWER AGENCY
STANTON II PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan

Comparison of Budget to Historical Revenues and Expenses



EXPENSES	($000) ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Debt Service	$ 14,569	$ 14,965	$ 15,479	$ 13,883	$ 14,987	$ 14,927	$ 14,855
Fuel Burned	20,486	19,402	18,324	15,620	17,317	15,004	15,660
OUC O&M and G&A	8,832	10,081	9,770	11,232	13,447	10,880	11,153
Transmission	1,844	1,677	1,895	1,895	2,085	1,990	1,990
Other Fund Contributions	3,710	3,345	1,600	8,000	5,000	3,000	3,000
FMPA Expenses	507	551	517	604	479	515	528
Total	$ 49,948	$ 50,021	$ 47,585	$ 51,234	$ 53,315	$ 46,316	$ 47,186
Delivered MWhs (In Thousands)	635.9	625.0	601.7	507.7	607.0	510.0	518.0
Unit Cost of Power - $/MWh	$ 78.54	$ 80.03	$ 79.09	$ 100.92	$ 87.83	$ 90.82	$ 91.09

FLORIDA MUNICIPAL POWER AGENCY
STANTON II PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2021 BUDGET

OPERATING AND MAINTENANCE FUND

	Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Operating & Maintenance (O&M) Account	$ 8,517	$ -	$ 1,961	$ 6,556	$ 6,556
Working Capital Account	600	-	-	600	600
Rate Stabilization Account	400	-	-	400	400
Total Operating and Maintenance Fund	$ 9,517	$ -	$ 1,961	$ 7,556	$ 7,556 *

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

DEBT SERVICE FUND

		Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021
*Debt Service Accounts (Series '09A, 12A, 17A, 17E	Principal	$ 11,082	$ 11,432	$ 11,082	$ 11,432
	Interest	1,204	3,496	3,700	1,000
Total Debt Service Accounts		$ 12,286	$ 14,928	$ 14,782	$ 12,432

*Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE

		Beginning Balance 10/1/2020	Deposits	Withdrawals/ Payments	Ending Balance 9/30/2021
*Loans					
	Principal	$ -	$ -	$ -	$ -
	Interest	-	-	-	-
Total Loans		$ -	$ -	$ -	$ -

*Subordinated Debt paid from O&M account

FLORIDA MUNICIPAL POWER AGENCY
STANTON II PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2021 BUDGET

RESERVE AND CONTINGENCY FUND

	Beginning Balance 10/1/2020	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2021
Renewal & Replacement (R&R) Account	$ 2,170	$ 3,000	$ 2,752	$ 2,418
Contingency Account	$ 1,125	$ -	$ -	$ 1,125

GENERAL RESERVE FUND

	Beginning Balance 10/1/2020	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2021
General Reserve Fund	$ 28,714	$ -	$ -	$ 28,714
Interest Retained	-	407	-	407
Total General Reserve	$ 28,714	$ 407	$ -	$ 29,121

CAPITAL PLAN

	Fiscal Year FY2021
Capital Funded from Proceeds and Renewal & Replacement	
Per OUC Capital Plan	$ 2,752
Total Capital	$ 2,752

FLORIDA MUNICIPAL POWER AGENCY
STANTON II PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2022 PLAN

OPERATING AND MAINTENANCE FUND

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Operating & Maintenance (O&M) Account	$ 6,556	$ 175	$ -	$ 6,731	$ 6,731
Working Capital Account	600	-	-	600	600
Rate Stabilization Account	400	-	-	400	400
Total Operating and Maintenance Fund	$ 7,556	$ 175	$ -	$ 7,731	$ 7,731 *

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

DEBT SERVICE FUND

		Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022
*Debt Service Accounts (Series '09A, 12A, 17A, 17E	Principal	$ 11,432	$ 11,785	$ 11,432	$ 11,785
	Interest	1,000	3,070	3,283	787
Total Debt Service Accounts		$ 12,432	$ 14,855	$ 14,715	$ 12,572

*Account minimums will be in compliance with Bond Resolution.

SUBORDINATED DEBT SERVICE

		Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022
*Loans					
	Principal	$ -	$ -	$ -	$ -
	Interest	-	-	-	-
Total Loans		$ -	$ -	$ -	$ -

*Subordinated Debt paid from O&M account

FLORIDA MUNICIPAL POWER AGENCY
STANTON II PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Project Fund Balances

FISCAL YEAR 2022 PLAN

RESERVE AND CONTINGENCY FUND

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022
Renewal & Replacement (R&R) Account	$ 2,418	$ 3,000	$ 2,017	$ 3,401
Contingency Account	$ 1,125	$ -	$ -	$ 1,125

GENERAL RESERVE FUND

	Beginning Balance 10/1/2021	Deposits	Withdraw-als/ Payments	Ending Balance 9/30/2022
General Reserve Fund	$ 28,714	$ -	$ -	$ 28,714
Interest Retained	407	413	-	820
Total General Reserve	$ 29,121	$ 413	$ -	$ 29,534

CAPITAL PLAN

	Fiscal Year FY2022
Capital Funded from Renewal & Replacement	
Per OUC Capital Plan	$ 2,017
Total Capital	$ 2,017

FLORIDA MUNICIPAL POWER AGENCY
STANTON II PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Five-Year Capital Plan ($000)

Activity	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Renewal and Replacement Beginning Balance	$ 2,170	$ 2,418	$ 3,401	$ 4,372	$ 5,309
Capital Expenses	2,752	2,017	529	563	511
Renewal and Replacement Contributions	3,000	3,000	1,500	1,500	1,500
Renewal and Replacement Ending Balance [1]	2,418	3,401	4,372	5,309	6,297

[1] Plan is to maintain a $5 million balance for future capital needs and unanticipated capital changes made by the operator owner.

Jason Wolfe
Financial Planning Rates and Budget Director

MEMORANDUM

TO: Board of Directors

FROM: Jason Wolfe

DATE: June 9, 2020

SUBJECT: Solar Project FY 2021 Budget / FY 2022 Plan Overview

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Project Costs and Energy

The Solar Project is not anticipated to come online until FY 2023; therefore, the FY 2021 budget is currently set at $0. If it becomes evident that expenses will be incurred during FY 2021, a revised budget will be developed based on then-current expectations and presented for approval. The plan for FY 2022 is also $0.

The Solar Project is set up as a power purchase Agreement; therefore, the budget will include fewer line item expenses than FMPA's generation-based projects. Anticipated expenses of the Project include, but ultimately may not be limited to:

- Purchased power expenses
- Dispatch fees
- Bank and other account fees
- Development Fund repayment
- Allocated Agency expenses

Project Participants

Participant	Power Entitlement Share (%)
Alachua	15.7890%
Bartow	22.8070%
Homestead	17.5440%
Lake Worth Beach	17.5440%
Wauchula	8.7720%
Winter Park	17.5440%

Jason Wolfe
Financial Planning Rates and Budget Director

MEMORANDUM

TO: Finance Committee
FROM: Jason Wolfe
DATE: June 9, 2020
SUBJECT: Solar II Project FY 2021 Budget / FY 2022 Plan Overview

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Project Costs and Energy

The Solar II Project is not anticipated to come online until FY 2024; therefore, the FY 2021 budget is currently set at $0. If it becomes evident that expenses will be incurred during FY 2021, a revised budget will be developed based on then-current expectations and presented for approval. The plan for FY 2022 is also $0.

The Solar II Project is set up as a power purchase Agreement; therefore, the budget will include fewer line item expenses than FMPA's generation-based projects. Anticipated expenses of the Project include, but ultimately may not be limited to:

- Purchased power expenses
- Dispatch fees
- Bank and other account fees
- Development Fund repayment
- Allocated Agency expenses

Project Participants

Participant	Power Entitlement Share (%)
Homestead	9.3370%
Lake Worth Beach	49.5800%
Mount Dora	3.7350%
New Smyrna Beach	18.6740%
Winter Park	18.6740%

Jason Wolfe
Financial Planning Rates and Budget Director

MEMORANDUM

TO: Board of Directors

FROM: Jason Wolfe

DATE: June 9, 2020

SUBJECT: Pooled Loan Project FY 2021 Budget / FY 2022 Plan Overview

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Project Costs and Energy

The Pooled Loan Project has one active participant. Bushnell closed on its loan through the Project in FY2020. FMPA is currently evaluating options on additional loans.

The project is approved for up to $25 million in loans and to-date only $7.935 million has been issued.

The FY 2021 budget is currently set at $37,795. The plan for FY 2022 is $38,161. These budgets represent the 10-year amortization of the Project's start-up costs, allocated administrative and general expenses from the Agency and the Project's trustee fees.

Project Participants

Participant
Bushnell

Exhibit 1
Page 1 of 1

FLORIDA MUNICIPAL POWER AGENCY
POOLED LOAN PROJECT
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan
Operating Budget

Line No.	Description	ACTUAL FY 2019	BUDGET FY 2020	6 Months ACTUAL FY 2020	Proposed BUDGET FY 2021	Proposed PLAN FY 2022	20 Bdgt / 21 Bdgt Increase / Decrease%	21 Bdgt / 22 Plan Increase Decrease%
	REVENUES							
	Participant Billings:							
1	Annual Allocation of Start-up costs	$ -	$ 12,500	$ 858	$ 8,107	$ 8,107	(35.1%)	0.0%
2	Gen'l & Admin	-	10,235	3,412	12,188	12,554	19.1%	3.0%
3	Trustee Fees	-	17,500	1,167	17,500	17,500	0.0%	0.0%
4	TOTAL REVENUES	$ -	$ 40,235	$ 5,436	$ 37,795	$ 38,161	(6.1%)	1.0%
	EXPENSES							
5	Annual Allocation of Start-up costs	$ -	$ 12,500	$ 858	$ 8,107	$ 8,107	(35.1%)	0.0%
6	Gen'l & Admin FMPA	-	10,235	3,412	12,188	12,554	19.1%	3.0%
7	Trustee Fees	-	17,500	1,167	17,500	17,500	0.0%	0.0%
8	TOTAL EXPENSES & CONTRIBUTIONS	$ -	$ 40,235	$ 5,436	$ 37,795	$ 38,161	(6.1%)	1.0%
9	NET INCOME BEFORE REGULATORY ADJ	$ -	$ -	$ -	$ -	$ -	NA	NA

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, ~~and~~ Stanton II, Solar, Solar II, and Pooled Loan Projects (Projects) has been revised for Fiscal Year 2021.~~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-establishment of the Pooled Loan Program.~~ The process is as follows:

1) Staff determines the FMPA positions~~-~~ that would be essential to effective management of the Projects and providing ~~member~~ services to members of the Projects.[1] 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) ~~T~~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[2] of the salary range of the position as maintained by FMPA's Human Resources Department and approved by the Board.
~~3)~~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. 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

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[1] Staff will review these positions annually to ensure that ~~For Fiscal Year 2021, staff has revised and expanded the positions included in~~ the calculation is~~to be more~~ representative of the services currently provided.
[2] 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.

Calculation of Agency Revenues

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. [3]

~~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;~~

~~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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[3] 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 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 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.

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%
Total	$2,320,834	$1,330,971	$140,140	$130,401	$243,204	$335,910	$6,413	$69,042	$64,753
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.

Florida Municipal Power Agency
Agency Operating Budget - Fiscal Year 2021
Revenue Summary

REVENUES	FYE 2019 ACTUAL	FYE 2020 BUDGET	FYE 2021 BUDGET	FYE2021 BUDGET INCLUDING SOLAR	FYE 21 Budget/ FYE 20 Budget Increase / (Decrease) $'s	%
PROJECT REVENUES						
Member Assessments	$ 27,842	$ 27,966	$60,000	$60,000	32,034	114.5%
St. Lucie Project	428,171	438,276	651,963	638,413	213,687	48.8%
Stanton Project	428,171	438,276	393,859	393,859	(44,417)	-10.1%
All-Requirements Project	12,865,266	13,510,832	13,654,970	13,360,728	144,138	1.1%
Tri-City Project	428,171	438,276	393,859	393,859	(44,417)	-10.1%
Stanton II Project	428,171	438,276	469,517	462,222	31,241	7.1%
Pooled Loan Project	0	10,235	12,188	12,188	1,953	19.1%
Solar Project	0	0	0	157,544	0	100.0%
Solar Project II	0	0	0	157,544	0	100.0%
Joint Owner Contract Compliance	126,105	112,400	118,000	118,000	5,600	5.0%
	$ 14,731,896	$ 15,414,537	$ 15,754,356	$ 15,754,356	339,819	2.2%
Interest Income	219,097	240,000	120,000	120,000	(120,000)	-50.0%
Total Revenues	$ 14,950,993	$ 15,654,537	$ 15,874,356	$ 15,874,356	$ 219,819	1.4%

AGENDA ITEM 8 – ACTION ITEMS

d. Approval of Risk Management Policy Changes

Board of Directors Meeting
June 18, 2020

BOD 8d / EC 8C
Approval of Risk Management Policy Changes

FMPA Board of Directors and Executive Committee

June 18, 2020

Finance Committee Responsibility

Risk Management Policies

- The mission of the Finance Committee (FC) is to oversee the administration of the Risk Management Policy including all appendices (each appendix covers a specific risk area at FMPA)
- To fulfill this mission , the FC shall regularly hear detailed reports from staff on the risk management activities.
- Internal Audit staggers the policy reviews such that each area is reviewed once a year
- See list on next page

Risk Areas Identified

Appendices in the Risk Management Policy

Risk Area	Appendix
Fuel Management	Appendix A
Debt Management Investment	Appendix B
Investment Management	Appendix C
Insurance Program Management	Appendix D
Credit Risk Management	Appendix E
Contract Administration	Appendix F
Statutory and Regulatory Matters	Appendix G
Power Supply and Resource Planning	Appendix H
Asset Management and Operations	Appendix I
Accounting and Internal Controls	Appendix J
Origination Transaction Management	Appendix K
Records Management	Appendix L
Contingency Planning	Appendix M
Human Resource Management	Appendix N
Information Technology	Appendix O

Summary of Policy Review Process

- Policies are reviewed annually to
  - Determine operational and effectiveness assessment
  - Increased awareness and compliance
  - Serve as a tool for revision of policies as necessary

Policies Covered This Cycle

- Fuel Portfolio Management Policy (appendix A)
- Origination Transaction Policy (appendix K)
- Credit Policy (appendix E)
- FMPA Risk Management Policy (main)

Fuel Portfolio Management Policy
Major Areas Covered

- FMPA reviewed new natural gas and fuel oil purchase, sale, storage, or transportation strategy(s) and/or risk mitigation transaction instrument(s) under consideration by Agency staff/management.
- Forward physical natural gas purchases were coordinated through an approved fuel agent.
- All fixed price forward physical natural gas purchases with durations greater than one month were approved by the Executive Committee prior to commitment.
- Reviews of storage limits, financial transactions, and reports.
- Existing transaction details presented to FC and/or EC.

FMPA MUNICIPAL POWER

Fuel Portfolio Management Policy

Recommended Changes

- Section 9.0: Removal of Finance Division managers and changed to All managers report on current risk environment to the Agency Risk Manager.
- Various Sections: Title changes updated.

Origination Transaction Policy

Major Areas Covered

- Commodity transactions less than or equal to 1 month but over $5 million were approved by EC.
- Commodity transactions greater than 1 month but less than or equal to 2 years were approved by COO or the EC if over $15 million.
- Commodity transactions greater than 2 years but less than 7 years were approved by CEO or the EC if over $50 million.
- Commodity transactions greater than or equal to 7 years were approved by the EC.
- Book of record was maintained internally and through deal tickets system when applicable.

Origination Transaction Policy

Recommended Changes

- Section 2.1: Addition of language. Commodity transactions with liquidated damages shall be considered firm.
- Section 4.3.1: Addition of language. Trading capacity reserves for a sale transaction with duration greater than six months. Staff will secure 10% reserve margin within 30 days prior to start of relevant month.
- Section 4.3.4: Addition of section. Capacity shortfalls resulting from planned outages.
- Various Sections: Title changes updated

Credit Policy

Major Areas Covered

- Deviations from the Policy
- Credit Risk Procedures
- Administrative update for personnel title changes
- List of approved counterparty transactions to be maintained
- Credit limit overages
- Approval thresholds

FMPA MUNICIPAL POWER

Credit Policy

Recommended Changes

- Updated active counterparty list

FMPA Risk Management Policy (main)

Major Areas Covered

- Review of any policy violations
- Review of processes and procedures for listed Agency activities
- Risk framework methodology utilization
- Reported policy deviations if necessary
- Administrative update for personnel title changes
- External review of enterprise risk management every five years

FMPA MUNICIPAL POWER

FMPA Risk Management Policy (main)
Recommended Changes

- Section 5.0:
  - Addressing plan for new SME of Contract Management Appendix F.
  - Planning to have a significant rewrite of Statutory & Regulatory Matters Appendix G

Discussion

Motion on Policy Changes

- Finance Committee approved these changes. Move approval of recommended policy changes.

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY - APPENDIX A

FUEL PORTFOLIO MANAGEMENT POLICY

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(Continued)

FUEL PORTFOLIO RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Fuel Portfolio Risk Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework and controls under which Florida Municipal Power Agency ("FMPA" or "Agency") may engage in activities to identify, measure and minimize future business risk impacting the All Requirements Power Supply Project ("ARP") resulting from price and/or supply uncertainty in the natural gas and fuel oil markets. This Policy is Appendix A of the FMPA Risk Management Policy.

1.0 Policy Statement

The Executive Committee ("EC") of FMPA recognizes that FMPA is exposed to various risks specific to generation fuel as an integral aspect in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the risk tolerance levels expressed by FMPA's members. As such, FMPA staff is hereby authorized to implement various mechanisms, such as those more fully described throughout Sections 5 and 6 of this Policy, which will control, transfer, or mitigate these risks to help safeguard the Agency's ability to provide reliable power.

The design standards of this Policy ensure that the risk control oversight functions are independent from any asset management or daily operational activities. Further, any and all actions taken by FMPA are strictly to provide reliable power to the ARP members and manage any associated risks deemed appropriate by the ARP members and will not be speculative in nature to achieve additional monetary gain using the commodity market.

The following summarizes the Policy of the EC:

- ❖ FMPA is granted authority to enter into natural gas transportation contracts, storage agreements, or physical purchase and sales contract commitments, subject to the details on authorized products are contained in Section 5.4 of this policy.
- ❖ FMPA is authorized to enter into "Enabling Agreements" that define the terms and conditions of any subsequent transaction agreements related to generation fuel commodity purchases, sales, storage, transportation or risk mitigation transactions. Details of these authorized Enabling Agreements are contained in Section 5.3 of this policy.
- ❖ FMPA may undertake natural gas or fuel oil risk mitigation transactions with the specific prior approval of the EC.

- ❖ FMPA shall maintain a Generation Review & Assessment Management (“GR&A”) Group as detailed in Section 5.1.
- ❖ Section 6.1 of this Policy sets defined limits for purchased physical natural gas volumes.
- ❖ Section 6.2 of this Policy sets defined limits for purchased fuel oil quantities.
- ❖ All individuals authorized to execute trades shall be approved by the CEO and reported to the GR&A Group and Finance Committee (“FC”).
- ❖ Authority is delegated to the Chief Operating Officer (COO) (or designee) and the Agency Risk Manager to cause the creation of and subsequent administration of any underlying procedures defined by this Policy and deemed appropriate and/or necessary.
- ❖ Deviations from this Policy shall be reported to the FC as prescribed in Section 4.1 of the FMPA Risk Management Policy.
- ❖ FMPA may not enter into transactions to mitigate natural gas price fluctuation exposure related to (i) energy sales by FMPA when the contract sales price is not concurrently based upon a corresponding (fixed or floating) natural gas purchase price or (ii) the volume of gas related to net energy sales to the Florida Municipal Power Pool (“FMPP”) as detailed in Section 5.4.

2.0 Scope

FMPA is exposed to risk by its participation in the physical natural gas and fuel oil commodity market and the corresponding financial derivative market for each respective underlying commodity. FMPA participates in various mitigation efforts in order to manage exposure to these risks. Without risk management, FMPA’s ARP is subject to potentially significant energy rate volatility and operational reliability limitations that result from generation fuel cost changes, fuel receipt/delivery constraints, and cash flow requirements to meet operational cost liabilities and obligations.

Mitigation efforts would consist of executing physical and financial transactions designed to reduce the ARP’s exposure to energy rate volatility and operating risks associated with its need to participate in the physical commodity market to ensure delivery of generator fuel, as required, for generating power to meets its obligations and commitments. Currently, the EC has not authorized any program designed to mitigate near term price risk associated with spikes in natural gas fuel costs, as detailed in Section 5.2. As such, no near term price hedging type transactions will be entered into without obtaining specific EC guidelines, goals and the subsequent approval for such transactions related to natural gas fuel.

3.0 Objectives

The objective of the risk management program described in this Policy is to identify risk exposures; to understand their potential impact on the ARP's financial statements and continued economic well-being; to measure and report these impacts; and to take appropriate steps to manage or mitigate any adverse effect to an acceptable level as specified by the EC. This will be accomplished through the use of operational techniques and trading instruments which are consistent with this policy.

3.1 Manage Generation Fuel Requirement Projections:

FMPA shall strive to effectively manage its natural gas and fuel oil programs. It is expressly understood that risk management is intended to mitigate exposure to adverse outcomes and is not intended to result in increased financial profitability or result in the lowest cost for natural gas and fuel oil. The purpose of this Policy is to ensure that planning and control methods are in place and utilized to manage generation fuel supply reliability.

3.2 Manage Volumetric Exposure:

FMPA shall only manage its physical natural gas and fuel oil volumetric requirements related to serving the needs of the ARP. Fuel volume requirements are based on dynamically changing variables such as load forecasts, weather forecasts, generation resource availability, and projections of optimal generation unit dispatch. Changes in any of these variables will impact the ARP's required quantities of natural gas and/or fuel oil and inhibit the intended effectiveness of this Policy. To mitigate these impacts, this Policy defines review and update parameters to revise volumetric exposure projections in Section 5.4.4.

3.3 Maintaining Balance between Cost and Reliability:

FMPA efforts strive to control costs and ensure reliable delivery of electric power to its members and other commitments, if any. Ensuring the highest level of reliability is in opposition to achieving the lowest possible cost. The less focus placed upon reliability to control costs increases the risk that energy delivery and regulatory obligation failures may occur. Balancing between these opposing objectives is a primary focus of staff at all times.

The equilibrium point between cost and reliability to achieve the desired balance is defined and established by the EC.

4.0 Types of Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of risk control measures to provide reliable power at market prices. The COO and the Agency Risk Manager will ensure that procedures, as needed, are created and followed specific to the areas of risk noted below and define ways for measuring and controlling these risks to within defined levels of exposure as established by the EC. The FMPA Risk Management Policy identifies ten areas comprising FMPA's key risk areas. While not intended to be a comprehensive listing of all risks encountered in its normal business cycle by FMPA, the framework provides insight into the major areas of exposure. The following identified areas are the risks most typically faced when managing any commodity intensive business like the power generation industry.

4.1 Market Risk:

The risk of potential change in the value of an asset caused by adverse changes in market factors. An example is the commodity price risk occurs when FMPA purchases fuel, usually natural gas, for its generating facilities. The timing and unit price of these fuel purchases expose FMPA to potential adverse or beneficial cost impacts with changing market conditions.

4.1.1 Price Risk:

The uncertainty associated with changes in the unit price of an underlying commodity. For example:

> A fixed price fuel purchase can create market risk. The fixed purchase price set for a future delivery period may not reflect the then current market price when delivery is made. If the market price is less than the pre-established purchase price, the purchase cost would be higher than market. Conversely, if the market price was higher, then the purchase cost would be less than market.

Price risk can be caused by any one or a combination of the following:

1) Changes in the value of wholesale energy transactions (i.e. $/MWh),
2) Commodity fuel costs (i.e. $/MMBtu),

3) Basis exposure due to the value difference of a commodity at different geographic locations (i.e. gas price at a pipeline receipt point versus the pipeline delivery point),
4) Index Price Risk is the exposure created by the process to establish a unit index value of an underlying commodity at a given location. This generally entails surveys of buyers and sellers at that location and weighing the results to determine the "Index" value,
5) Intra-Month Price Risk is the daily changes in the unit price of a commodity at a given geographic location during a given month of flow (the monthly index price vs the daily index price, etc.).

4.1.2 Liquidity Risk:

The risk associated with a constrained or limited ability for transacting trades, causing a potential inability to acquire a commodity when needed or to liquidate a previously acquired commodity that is no longer needed. For example:

> In the fixed price fuel purchase example above, finding a buyer of the fuel purchase might prove difficult to find if, prior to the delivery period, it was desired to eliminate the purchase obligation. In general, a physical trade has greater liquidity risk that a financial trade.

4.1.3 Margin Risk:

The risk that a portfolio's overall net value might decrease to certain predetermined credit exposure thresholds that requires the portfolio holder to post collateral. This can be measured by margin-at-risk metrics which gauges 1) the probability that a portfolio's value will adversely change sufficiently to initiate a margin call and 2) the magnitude of any resulting required collateral posting.

4.1.4 Volumetric Risk:

The risk that the quantity of fuel supply projected to be required during a future period is either over or under estimated from actual requirements during the period. For example:

> Volume risk occurs when a sudden change in the daily fuel needs resulting from a forced outage of a generation facility causing a fuel quantity surplus. Volume risk can also include circumstances where

supply was acquired using a previous longer term forecast that later exceeds the defined limits of this Policy as a result of reductions of fuel needs in subsequent forecasts.

4.1.5 Calendar Risk:

The risk associated with differences of unit commodity value resulting from the time disparity between the settlement date of a financial instrument (contract index posting, swap, option, etc.) and the actual market price of the underlying physical commodity at time of delivery.

4.2 Credit Risk:

The potential for financial loss due to adverse changes to the credit rating of a counterparty that increases the potential of their inability to fulfill the terms of a contract or financial commitment. An example of this type of risk would be the exposure of a counterparty failing to pay the financial gains due that resulted from the settlement of a financial transaction. FMPA would be exposed to the current market price for the corresponding quantity defined by the transaction in addition to the costs related to establishing the transaction's position(s), if any (i.e. broker fees, transport commitments, etc.).

Credit risk exposure is significantly lower when transacting on the New York Mercantile Exchange (NYMEX) versus transacting via the Over-the-Counter (OTC) market, though there are exceptions. The credit risk associated with exchange traded instruments is mitigated since the government regulated institutional exchanges guarantee financial performance through margin posting and then further backed up by the actual exchange members, if necessary.

Credit risk exposure does exist for OTC traded transactions because the financial integrity of the trade is totally dependent upon the counterparty's ability or willingness to perform. Credit risk primarily applies to physical commodity transactions. The failure to deliver or receive purchased natural gas or fuel oil under a long-term commitment could expose FMPA to purchasing/selling quantizes above or below cost, especially during periods of fuel shortages and/or surplus.

4.3 Administrative Risk:

The potential of financial loss rising from deficiencies of internal control structures and/or management reporting resulting from human error, fraud and/or system failures. An example would be failing to implement the necessary accounting system modifications required by changes in generally accepted accounting practices (GAAP) and any associated reporting requirements. The Agency must ensure that proper accounting treatment is being used for booking transactions and that processes comply with changes in applicable financial accounting standards that impact the timing of financial recognition and/or rate determination.

5.0 Fuel Portfolio Risk Management Program

The natural gas and fuel oil risk management program will be based on the following components:

5.1 Generation Review & Assessment Group:

The CEO shall maintain a Generation Review & Assessment ("GR&A") Group. The GR&A Group shall, at a minimum, be composed of the Agency Risk Manager, COO,Business Development and System Operations Director, Power Generation Fleet Director, and may include other participants such as the Power Resource Managers or a fuel agent representative. Other participant participation will depend upon the subject matter and relevance for their respective areas of responsibility and expertise. The Agency Risk Manager shall serve as the chairman with no actual voting responsibilities. Other delegates may be assigned/removed as deemed appropriate by the CEO.

In addition to the duties listed below, the GR&A Group shall review and approve (by consensus of its voting members) any new natural gas and fuel oil purchase, sale, storage, or transportation strategy(s) and/or risk mitigation transaction instrument(s) under consideration by Agency staff/management. If, upon review, unanimous consensus cannot be obtained by the GR&A, the CEO will be requested to review and resolve any non-consensus items. In the event that a new strategy, transaction or risk mitigation instrument requires governing body approval, the new strategy, transaction or risk mitigation instrument will be presented to and approved by the appropriate governing body prior to being implemented in any manner.

The GR&A Group responsibilities for oversight of other natural gas and fuel oil functions shall include:

- Review third party performance in managing contracted natural gas storage capacity.

- Evaluate proposed risk mitigation strategies, asset optimization opportunities or other applicable transactions including, but not limited to:
  1. Purpose of proposed strategy or applicable transactions.
  2. Type of pricing instruments, market(s) and counterparties to be used
  3. Expected results and associated probabilities of their achievement.
  4. Potential adverse outcomes associated with the strategy and/or applicable transaction(s).
  5. Margin Risk for each counterparty, total Margin Risk, and other analytical metrics that may be used to assist the GR&A Group in the performance of their duties.
- Review any trading/origination transaction being negotiated pursuant to the Annual Reporting requirements of Section 6.2 of the Origination Transaction Policy, Appendix K of this FMPA Risk Management Policy.
- Review any generation capital/maintenance expenditure item being contemplated during the annual budget process pursuant to Section 4.2 of the Asset Management and Operations Policy, Appendix I of this FMPA Risk Management Policy.

5.2 Authorized Strategies:

FMPA currently has no approved fuel price risk mitigation strategy approved by the EC. Until such time that a fuel price risk mitigation goal and corresponding strategy is defined and approved by the EC, no fuel price risk mitigation transactions will be entered into by FMPA staff.

5.3 Enabling Agreements:

Master Agreements or enabling agreements establish the general terms and conditions that govern any subsequent commodity or derivative product transaction with a counterparty. These Master Agreements are a prerequisite for doing business in today's commodity marketplace. They, by their very nature, only define general terms and conditions and do not commit FMPA to any form of financial of physical obligation. As such, FMPA is authorized to execute these types of enabling agreements without individual EC approval and their execution is governed pursuant to the Contract Management Risk Policy. All other aspects of any subsequent transaction is governed by the Origination Risk Policy. Types of these enabling agreements include utility interchange agreements, NAESB form contracts, EEI form contracts, and ISDA form contracts.

5.4 Authorized Transactions:

The following types of risk mitigation instrument transactions are authorized by the EC but are limited to only the purchase or sale of these instruments solely for near term price risk mitigation of projected physical fuel requirements and/or financial exposure to the fuel purchase requirements of others for serving FMPA generation assets (Stanton A would be an example of this exposure where OUC manages the fuel supply) and/or long-term energy supply purchase commitments.

It should be noted that the EC has not approved any near-term price hedging risk mitigation program as discussed in Section 2.0. Until such a program is authorized, these instruments can only be used for managing natural gas storage inventory valuations.

5.4.1 Exchange Based Futures:

FMPA is authorized to set up accounts with one or more licensed brokerage firms in order to purchase or sell futures contracts or other exchange offered products through a recognized exchange such as the NYMEX. Alternatively, FMPA is authorized to designate an agent through which to transact exchange traded products.

5.4.2 Over-the-Counter Transactions (OTC):

FMPA is authorized to negotiate and execute ISDA agreements (refer to Section 5.3) and subsequently, pursuant to an approved risk mitigation program (refer to Section 5.2), transact with counterparties in order to purchase and/or sell derivative products such as forwards, swaps, and options on forwards or any combination of the same.

A comparison is included in Exhibit B of the characteristic features of Exchange versus OTC transactions.

New and existing transactions using the OTC market are subject to the Credit Risk Policy, Appendix E of the FMPA Risk Management Policy.

5.4.3 Forward Physical Purchases:

FMPA is authorized to negotiate, contract with, and purchase physical quantities of natural gas and fuel oil pursuant to the Credit Risk Policy and the Origination Risk Policy.

All physical purchases of natural gas shall be coordinated through an FMPA designated fuel agent in order to schedule, receive, transport and deliver such purchased gas volumes. Any forward purchases of natural gas or fuel oil must be limited to the physical volume requirements forecast for only serving the energy requirements of the ARP and its obligations, if any.

Any natural gas purchases or sales greater than a one-month (thirty one day) duration shall be pursuant to the approval process defined by the Origination Policy prior to any commitment, i.e. defined approval authority of FMPA staff member making such commitment

5.4.4 Physical Natural Gas Purchases:

Physical natural gas purchases with a term of one month (thirty-one days) or greater will not exceed 75% of the respective monthly fuel needs based upon the most recent load forecast and generation dispatch projection at the time of the commitment of such purchases.

To ensure monthly fuel needs are as current as possible, each month an updated load forecast/dispatch projection will be generated no later than five (5) business days prior to the beginning of the following month. This forecast projection will be the basis for determining the 75% fuel need maximum described above.

5.4.5 Fixed Price Physical Natural Gas Purchases:

Any fixed price purchase with a duration of greater than one month is viewed as a near term price risk mitigation transaction and requires the approval of the EC prior to commitment unless such fixed price purchase is pursuant to an approved price risk mitigation strategy as described in Section 5.2 above.

5.4.6 Natural Gas Storage:

Upon approval of both the FC and the EC, FMPA may enter into natural gas storage agreements. Counterparties are subject to the Credit Risk Policy. The primary purpose of any natural gas storage agreement shall be to ensure the reliability of natural gas supplies. Secondarily, natural gas storage may be used as an operational pipeline balancing tool or in conjunction with other authorized energy management transactions when financially advantageous for the ARP, as determined by a storage management agent and/or the GR&A Group if no such agent is authorized.

5.4.7 Fuel Oil Storage:

The primary purpose for maintaining a minimum amount of fuel oil shall be to ensure that a reasonable level of alternate fuel is available for dual fuel fired generating units in the event that natural gas deliveries are reduced or interrupted due to supply and/or pipeline constraints. Recognizing that the Stock Island generating units operate solely with fuel oil, the minimum inventory criteria applies to the Island's fuel oil storage inventory as well.

6.0 Risk Limits and Measurement

FMPA may only enter into transactions to manage risks associated with the physical and financial exposure related to meeting the ARP's forecast fuel requirements of natural gas and/or fuel oil related only to fulfilling all applicable ARP energy obligations.

Proactive monitoring of current market performance, existing and potential risk exposure, risk management alternatives (acquiring or liquidating positions), and evaluation of prior strategic results are necessary to ensure the goals and expectations defined by this Policy are achieved.

The GR&A Group shall use the following limits and measurements, as calculated using applicable reference pricing, to monitor the performance of and compliance with current approved risk management strategies and procedures.

Before any transaction is executed, the individual executing the transaction is required to ensure that it is compliant with the parameters of this Policy, any approved price risk mitigation program, if any, and respective periodic reviews by the GR&A Group. This requirement will be fulfilled by analyzing the natural gas portfolio and any associated risk mitigation transactions to ensure that the resulting incremental credit and market exposures do not exceed any defined limits set forth in this Policy.

6.1 Natural Gas Storage Limits:

The minimum inventory volume of natural gas in storage during the primary hurricane season (June through November) shall be 50% of FMPA's contracted storage capacity. During all other months the minimum level of storage inventory shall be 10% of contracted storage capacity.

6.1.1 Outsourcing:

FMPA may outsource the management of its natural gas storage capacity for optimizing this asset by issuing a Request for Proposal. Final selection of the qualified storage management agent ("Agent") must be approved by the FC and EC.

The Agent shall provide information to the Agency Risk Manager for review and discussion during monthly GR&A Group meetings. The Agent must comply with FMPA Directives and the terms and conditions of FMPA's managed natural gas storage contracts and all applicable tariffs and other legal requirements. The agent will be granted access to trading platforms or other needed counterparty information required to execute transactions within FMPA's contractual relationships. The Agent must agree to the obligations of this Policy and FMPA's respective counterparty trading account(s) requirements.

6.1.2 Annual Storage Plan:

The Agent must provide an Annual Storage Plan for the upcoming fiscal year to FMPA by August 1 of each year for approval by the GR&A Group.

6.1.3 Storage Optimization Restrictions:

Storage management activities shall strive to generally maintain a net zero optimization position. Net zero optimization is when all physical gas stored in the ground (Storage) and/or financial long/short positions (i.e. purchased/sold NYMEX natural gas contracts or their equivalent) representing volumes to be injected/withdrawn in a forward period has an off-setting financial long/short position (i.e. purchased/sold NYMEX natural gas contracts or their equivalent) representing volumes to be withdrawn/injected in a forward period (Transaction).

1) Any "net zero" tolerance deviation greater than 10,000 MMBtu and less than 50,001 MMBtu ("Minor Tolerance Deviation") must be corrected by the end of the fifth (5^{th}) business day following the day on which it occurred and must be reported by the Agent to GR&A on a monthly basis, with sufficient details to explain why the Minor Tolerance Deviation occurred.
2) Any "net zero" tolerance deviation greater than 50,000 MMBtu ("Major Tolerance Deviation"), must be reported by the Agent to GR&A. Such Major Tolerance Deviation report will be in writing detailing the circumstances of the deviation within three business days of the occurrence.

FMPA's CEO must authorize any net zero imbalance outside of approved limits.

6.1.4 Optimization Trade Period:

Storage management transactions are restricted for the settlement date to be no more than 24 months into the future from the transaction date of the trade.

6.1.5 Inventory Limit Deviations:

Storage inventory levels may deviate outside of the above stated limits only when required to meet FMPA's operational requirements ("Reliability Event"). The Agent shall inform FMPA's Risk Manager immediately after any such Reliability Event. Within 3 business days after such Reliability Event, the Agent shall provide FMPA's Risk Manager with a written action plan to reestablish the pre Reliability Event inventory level unless such has already been achieved.

6.1.6 Storage Management Reports:

The Agent shall provide storage management reports for each FC meeting. These reports shall include physical gas inventory and any optimization transactions.

6.1.7 Cash Flow Report:

The Agent shall provide, by the fifth of each month, a cash flow report detailing the impacts of existing and projected storage management activities for review by the GR&A Group. If directed, the Agent must contractually agree to adjust storage inventory to meet FMPA's liquidity requirements.

6.2 Fuel Oil Storage Limits:

The Agency shall maintain, as conditions warrant, a fuel oil inventory of no less than 50% and no more than 100% of available storage tank capacity located solely at each respective generating facility. In the event that the fuel oil inventory falls below 50% at a generation site, the Power Generation Fleet Director will implement an action plan to achieve the minimum 50% inventory level within a reasonable period of time or provide justification for a reduced inventory level. This plan or justification will be provided to FMPA's Risk Manager and the COO for review and approval. The GR&A Group will discuss the resulting action plan at its next meeting.

7.0 Internal Controls

The COO, CFO and Agency Risk Manager shall be responsible for the establishment of appropriate internal controls and segregation of duties to proper execution of the natural gas and fuel oil risk mitigation program, consistent with this Policy and in accordance with all policies and procedures established by the FMPA Risk Management Policy, or by NERC and FERC regulations.

7.1 Segregation of Duties:

Individuals responsible for legally binding the organization to a transaction will not also perform confirmation, clearing and/or accounting functions related to those transactions. The official book of record of FMPA shall also be maintained by a person(s) other than those executing such transactions. This maintenance responsibility, includes the valuation of mark-to-market positions (when applicable) and the calculation of applicable risk metric(s). Clear separation of duties shall be maintained between the front office (marketing functions and transaction execution), the middle office (confirmation, valuation, and reporting functions), and the back office (processing, accounting, invoicing and reconciliation activities).

7.2 Policy Compliance:

The Agency Risk Manager shall ensure that compliance with this Policy and associated Procedures are monitored on an ongoing basis. Any unresolved compliance issues will be presented to the FC by the Agency Risk Manager at the next regularly scheduled meeting.

From time to time, but no less than once every five years, the Agency Risk Manager shall direct a review of trading and risk management practices by a party external to the Agency possessing appropriate credentials and expertise to conduct such review.

7.3 Conflicts of Interest:

Personnel responsible for executing and managing the Agency's trading activity shall not engage in any activity that could pose a conflict of interest and interfere with the proper execution of Agency risk mitigation activities or which could impair their ability to make impartial and objective trading decisions. Such personnel shall disclose to the Agency Risk Manager any personal financial interests in any financial institutions, firms, or other entities that conduct business with FMPA.

7.4 Policy Questions:

The Agency Risk Manager is authorized to provide clarification and explanation on any questions regarding this Policy. All legal matters stemming from this Policy will be referred to the Agency's Office of the General Counsel.

7.5 Training:

Appropriate training on the risks associated with different market conditions, financial products and physical products shall be provided as needed to educate FMPA staff and governing body members.

8.0 Reporting

- Current market conditions affecting FMPA's natural gas and fuel oil costs, risk management programs, or FMPA's current financial and physical risk management strategies shall be reported during each meeting of the FC and/or EC.
- The following information shall be reported at each meeting of the FC and/or EC:
  1) The volume of all natural gas portfolios.
  2) Margin Risk.
  3) Monthly financial natural gas portfolio gains or losses.

4) Any additional relevant information about FMPA's natural gas and fuel oil risk management program and activities.

- Acceptance of the reported information bythe FC and/or the EC is required
- The Agency Risk Manager shall report any deviations from this Policy according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The Agency Risk Manager shall cause an annual report to be completed on the operation and effectiveness of this Fuel Portfolio Risk Management Policy as described in the FMPA Risk Management Policy, Section 7.0.

9.0 Oversight Structure

The Agency Risk Manager shall cause any material deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. An annual report on the operation and effectiveness of this Policy shall be presented to the Finance Committee as described in Section 7.0 of the FMPA Risk Management Policy. All managers shall report on the current risk environment affecting FMPA's material financial transactions to the Agency Risk Manager and engage any necessary discussion before moving items to the appropriate governing body.

Appendix A

Florida Municipal Power Agency Risk Management Reporting Calendar Natural Gas and Fuel Oil Risk Management Planning Reporting Requirements				
Reporting Item	**Frequency Of Report**	**Responsible Party**	**Policy Reference**	**Policy Reference**
Volumetric Projection Update	Monthly	Business Development and System Operations Director	Section 5.4.4	Physical Natural Gas Purchases:
Annual Storage Plan and Update	Annually	Agent	Section 6.1.2	Annual Storage Plan:
Storage Balance Restriction Deviations	As Needed	Agent	Section 6.1.3	Storage Optimization Restrictions:
Reliability Event	As Needed	Agent	Section 6.1.5	Inventory Limit Deviations:
Storage Report	Each FC Meeting	Agent	Section 6.1.6	Storage Management Reports:
Storage Cash Flow	Monthly	Agent	Section 6.1.7	Cash Flow Report:
External Review	Every five years	Agency Risk Manager	Section 7.2	Policy Compliance:
Fuel Oil Action Plan	As Needed	Power Generation Fleet Director	Section 6.2	Fuel Oil Storage Limits:
Market Conditions	Each FC Meeting	Agency Risk Manager	Section 8.0	Reporting
Fuel Portfolio Update	Each FC and EC Meeting	Agency Risk Manager	Section 8.0	Reporting
Policy Operation & Effectiveness	Annually	Agency Risk Manager	Section 8.0	Reporting
Policy Compliance Deviations	As Needed	Agency Risk Manager	Section 7.2	Policy Compliance:

Appendix B

Features of Exchange Traded vs. Over-The-Counter Traded Products

FEATURES	Exchange Traded	Over-The-Counter
Examples	Futures and Options	Swaps, Caps, Floors, Collars, etc.
Market	Organized exchanges in Chicago, New York, Kansas City, and other commodity markets around the world.	Networks consisting of market makers who exchange information, provide bids/offers, and negotiate transactions.
Agreements	Standardized contracts.	Custom-tailored to meet any specific needs of the counter-parties within accepted guidelines (NAESB, EEI, ISDA).
Risk	Guaranteed contract performance.	Performance, default and/or credit risk to the counter-parties.
Regulation	U.S. exchanges regulated by Commodity Futures Trading Commission CFTC).	Not formally regulated.
Ability to Value	Market transparency resulting from the electronic posting of daily settlement and intra-day prices. All prices are generally based upon a single geographic location..	- Varies by market and location. No standardized or consistent methodology. - Some have electronic posting or periodic publications, - Some require individual inquiry and valuation.

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY - APPENDIX K

ORIGINATION TRANSACTION POLICY

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ORIGINATION TRANSACTION RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Origination Transaction Risk Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework and controls under which Florida Municipal Power Agency ("FMPA") may engage in activities for the All Requirements Power Supply Project ("ARP") to identify, measure and minimize future business risk resulting from the origination of Commodity transactions as defined in Section 2.0 of this Policy. This Policy is Appendix K of the FMPA Risk Management Policy.

1.0 Policy Statement

The Executive Committee (EC) of FMPA recognizes that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby granted authority to put mechanisms into place, such as those more fully described in Section 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse impact on the ability of the Agency to provide reliable and affordable power.

The following summarizes the Policy of the EC:

- ❖ FMPA shall follow all applicable laws and/or regulations concerning the origination of Commodity transactions. (Section 5.0)
- ❖ Authority is delegated to the Chief Operating Officer (COO) to create procedures and to administer this policy. (Section 2.0)
- ❖ FMPA shall utilize a natural gas fuel Agent for daily physical natural gas trading and scheduling functions subject to the Agent's policies regarding such activities. (Section 2.5.1)
- ❖ FMPA shall utilize a dispatch Agent for electricity trading and tagging functions up to 8 calendar days into the future subject to the Agent's policies regarding such activities. (Section 2.5.2)

- FMPA shall not commit to any firm electric commodity **Trading** transaction which would reduce its capacity reserve levels below 10% of projected capacity requirements at the time of commitment. (Section 4.3.1)
- When initiating electric **Origination** transactions, FMPA shall strive to maintain capacity reserve levels above 15%. (Section 4.3.2)
- FMPA shall maintain a sufficient level of natural gas pipeline capacity entitlements in an economically prudent manner to maintain reliable operations. Such capacity entitlements shall, at a minimum, support the monthly daily average forecast need to serve the ARP Net Energy Load (NEL) and other firm energy obligations, if any. Any excess capacity entitlement above the forecast monthly daily average need may be released with or without recall rights. (Section 4.3.3)
- Deviations from this Policy shall be reported to the Finance Committee ("FC"). (Section 7.0)

2.0 Scope

This Policy creates a framework that enables the COO to facilitate a process for commodity transactions of the Agency. This Policy applies to commodity transactions not specifically addressed in any other Risk Management Policy.

2.1 Commodity Defined:

For the purposes of this Policy, the term **Commodity** shall mean products that are traded in bulk on a commodity exchange or in a spot market and consist of any of the following:

- Natural gas and fuel oil used as fuel for generating electricity
- Electric energy, power capacity, ancillary services, and transmission capacity, firm and/or interruptible.
- Commodity transactions with liquidated damages shall be considered firm
- Natural gas pipeline and storage capacity, firm and/or interruptible
- Emissions, allowances, energy credits, etc.

- For the purposes of this Policy, the term Commodity shall mean any of the products listed above.

2.2 Delegated Authority:

EC grants authority for staff, in accordance with Section 4.1, to initiate Commodity origination and trading transactions which provide opportunities to lock in net revenue or reduce cost. Commodity transactions shall only be authorized if supported by an analysis projecting benefits with no adverse impact on reliable power delivery.

2.3 Enabling Agreements:

Master Agreements or enabling agreements establish the general terms and conditions that govern any subsequent commodity or derivative product transaction with a counterparty. These Master Agreements are a prerequisite for doing business in today’s commodity marketplace. They, by their very nature, only define general terms and conditions and do not commit FMPA to any form of financial of physical obligation. As such, FMPA is authorized to execute these types of enabling agreements without individual EC approval and their execution is governed pursuant to the Contract Management Risk Policy. Types of these enabling agreements include utility interchange agreements, NAESB form contracts, EEI form contracts, and ISDA form contracts.

2.4 Functional Distinction:

The term **Trading** shall mean the process of buying, selling, or exchanging commodities at a wholesale level with a term of up to three years. The term Origination is defined as those commodity transactions with a term of greater than three years. Staff, under the direction of the COO, is responsible for the implementation of origination and trading transactions pursuant to this Policy. Power and energy transactions that fulfill resource needs beyond three years into the future are addressed in the Power Supply and Resource Planning Policy, Appendix H of this FMPA Risk Management Policy.

2.5 Outsourcing Authority:

FMPA may outsource trading and/or origination activities to a third party.

2.5.1 Short Term Natural Gas

FMPA has partnered with a Gas Agent for transacting physical natural gas trading activities. These trading activities are subject to the policies and procedures established such Agent. All trading activity is limited to daily transactions without prior approval from FMPA.

2.5.2 Short Term Energy

FMPA has outsourced electricity trading activities to an energy dispatch Agent. These trading activities are subject to the policies and procedures established by such Agent. All trading activity is limited to not exceed 8 calendar days into the future. Any outsourcing of functions as described above includes granting the Agent the authority to either utilize an associated FMPA agreement or the Agent's agreement and thereby obligate FMPA to the terms and conditions of the transactions and corresponding financial expenditure of funds for such transactions.

2.5.3 Longer Term Transactions

Transactions with a term in excess of those specified in Sections 2.5.1 or Section 2.5.2 may be done by either a designated Agent or by FMPA, as deemed appropriate pursuant to Section 4.1 herein.

3.0 Types of Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to ensure the effective and efficient origination and trading of commodity transactions. The COO will cause processes to be documented, as deemed appropriate, that identify risks in the areas noted below and ways to measure, control and mitigate FMPA's exposure to these risks. The FMPA Risk Management Policy identifies ten risks that comprise FMPA's common risk framework. While not intended to be a comprehensive listing of risks potentially encountered by FMPA during the normal course of its business cycle, the framework provides insight into the major areas of risk exposure for FMPA. The following selected framework risks are those risks presented by typical commodity transactions.

3.1 Volumetric Risk:

The potential adverse impact of unanticipated changes in fuel/energy supply and/or demand of resources and/or obligations. An example of volumetric risk might be if the actual volume of natural gas required during a particular period of time is greater than the volume of natural gas purchased through commodity transactions or scheduled for deliver for such period of time. This resulting deficiency of supply could result in FMPA having to buy natural gas at disadvantageous market prices to meet the need for the additional volume.

3.2 Credit Risk:

The potential of financial loss due to the failure of counterparties to fulfill the terms of a contract on a timely basis and/or adverse changes to credit ratings of an organization. An example of credit risk might occur if a counterparty defaults on a commodity delivery obligation due FMPA under the terms of a trading/origination transaction. This default would expose FMPA to potential financial loss as well as operational risk when replacing the quantity of the delivery obligation. Too much reliance upon a single counterparty in the overall trading/origination portfolio can compound the potential exposure to this form of credit risk.

4.0 Origination of Commodity Deals

For all the transmission commodity transactions approved in accordance with Section 4.1, the COO has delegated the transmission commodity transaction processes not outsourced to third parties to the Business Development and System Operations Director. For all other types of commodity transactions approved in accordance with Section 4.1, the COO will delegate trading/origination transactions not outsourced to third parties to a designated Manager as appropriate. Commodity transactions are also subject to the requirements of the Credit Risk Policy and the Contract Administration Policy, Appendices E and F respectively of this FMPA Risk Management Policy. These Policies provide guidelines for the approval of counterparties and the negotiation and execution of contracts. All commodity transactions shall be entered into in good faith and must be for a legitimate business purpose (economic, reliability, risk-reducing, etc.) and must comply with other applicable aspects of the FMPA Risk Management Policy.

4.1 Approval Thresholds:

When not otherwise required under the above Policies or other policies and/or resolutions of the governing body to seek approval for spending authority or contract execution, the following approval thresholds shall apply to all commodity transactions:

Transaction Term	Authority to Approve	Risk/GFM Review	EC Approval
Less than or equal to three months	Designated Manager, or Approved Agent	No ≤ 1 Month Yes > 1 Month	Required if notional value is over $5 million
Less than or equal to three years	COO	Yes	Required if notional value is over $25 million
Less than seven years	CEO	Yes	Required if notional value is over $50 million
Greater than or equal to seven years	Executive Committee	Yes	Required

- The designated Manager is authorized to approve trading transactions with a term no more than three months in duration with a notional value not to exceed $5 million.
- The COO is authorized to approve trading/origination transactions less than or equal to three years in duration and a notional value not to exceed $25 million.
- The CEO is authorized to approve trading/origination commodity transactions less seven years in duration with a notional value not to exceed $50 million.
- All trading/origination commodity transactions equal to or greater than seven years in duration or with a notional value in excess $50 million must be approved by the EC.

4.2 Transaction Review Requirement:

All commodity transactions exceeding three (3) months in duration or $5 Million of notional value must be presented to the Generation Review & Assessment ("GR&A") Group as defined in Section 5.1 of the Fuel Portfolio Management Policy, Appendix A of the FMPA Risk Management Policy for a risk review of financial and operational impacts prior to commitment and/or agreement execution. The Agency Risk Manager may delay execution of the transaction until identified impact issues are presented to and resolved by CEO.

4.3 Reliability Standard:

FMPA shall strive at all times to maintain reliable wholesale power delivery operations pursuant to the standards defined in this Section. Origination transactions with a term greater than three years must maintain reliability standards for long-term planning as detailed in Section 4.1 of the Power Supply and Resource Planning Policy, Appendix H of this FMPA Risk Management Policy.

4.3.1 Trading Capacity Reserves

FMPA shall not commit to any firm electric commodity trading transaction which would result in its monthly peak capacity reserve levels falling below 10% of projected capacity requirements, exclusive of planned outages, at the time of commitment. However, if a sale transaction with duration greater than six months results in a capacity short fall in no more than a quarter of the term, staff will secure the 10% reserve margin within 30-days prior to the start of the relevant month. Zonal capacity reserve requirements are monitored and controlled by FMPP policy.

4.3.2 Origination Capacity Reserves

When initiating electric origination transactions, FMPA shall strive to maintain annual peak planning capacity reserve levels above 15%.

4.3.3 Natural Gas Pipeline Capacity

Natural gas trading/origination transactions shall not be committed to which would result in pipeline capacity entitlement levels falling below the monthly daily average forecast natural gas burn. Any excess natural gas capacity entitlement above the monthly daily average forecast need to serve NEL and other firm energy obligations, if any, may be released without recall rights.

4.3.4 Capacity Shortfalls Resulting from Planned Outages

If any month capacity reserve position falls below 10% due to a planned generation outage, staff must purchase a capacity or firm energy transaction to cover the shortfall within 30 days prior to the start of the relevant month.

4.4 Book of Record

FMPA shall internally maintain the official book of record for trading/origination transactions greater than thirty one days in duration if such is not maintained by the applicable Agent. Such transactions shall be maintained through an electronic deal ticket system when applicable to the transaction. The book of record shall be maintained by a department external to Power Resources. This maintenance includes validating, tracking and reporting of transactions as required.

4.5 Settlement and Invoicing:

The Business Development and System Operation Department is responsible for confirmation with the counterparty on final delivered quantity and price for those transactions not done by a designated Agent. The responsible manager of each respective transaction shall coordinate with the Business Development and System Operation Department and forward all invoicing information to the Accounting Department to be entered into the accounts payable/receivable ledgers, as applicable.

5.0 Internal Controls

The COO shall maintain evidence of a system of internal controls necessary to ensure origination transactions adhere to and are consistent with this Policy and applicable Origination Procedures, if any, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. FMPA shall use a cost-benefits analysis when making decisions regarding the implementation of internal controls.

5.1 Ethical Standards:

FMPA shall not engage in any activity which would amount to market abuse, manipulation, or fraud, nor relay information known to be false or misleading. The trading/origination of commodity transactions shall comply with the Federal Energy Regulatory Commission ("FERC") Code of Conduct.

5.2 Segregation of Duties:

The COO or the assigned designee is responsible for entering into origination transactions and reporting all such transactions to the individual(s) responsible for maintaining the official book of record. The individual entering into origination transactions shall not have the ability to directly change the book of record or resulting reports. Any modifications to the book of record must be verified by a person outside of Power Resources.

5.3 Continuing Education:

Each Manager with responsibilities related to trading/origination activity shall ensure that appropriate staff develop and maintain an applicable level of knowledge regarding the trading/origination of commodity transactions.

6.0 Reporting

6.1 Power Resources

The COO is responsible for causing the completion of the following reporting requirements:

6.1.1 Reserve Levels:

The Business Development and System Operations Director shall cause current relevant reserve levels to be reported to at least each regular meeting of the FC.

6.1.2 Origination Transaction Report:

The Agency Risk Manager shall coordinate a FC report of all FMPA staff committed trading/origination transactions, if any, in the prior year that had a term greater than three (3) months. This report shall be attached to the annual report relating to the operation and effectiveness of this Policy pursuant to Section 6.2.

6.2 Operation and Effectiveness Report

An annual report on the operation and effectiveness of this Policy shall be presented to the FC as described in Section 7.0 of the FMPA Risk Management Policy.

7.0 Oversight Structure

The Agency Risk Manager shall cause any material deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. Each Manager responsible for trading/origination activities shall report on the current risk environment affecting the origination of commodity transactions to the Risk Management Team as needed and engage any necessary discussion before moving items to the FC or governing bodies.

Appendix A

Florida Municipal Power Agency Risk Management Reporting Calendar Origination Transaction Policy				
Reporting Item	Frequency of Report	Responsible Party	Policy Section Reference	Policy Category Reference
Reserve levels	Each FC	Business Development and System Operations Director	Section 6.1.1	Reserve Levels:
Annual transactions report	As required	Agency Risk Manager	Section 6.1.2	Origination Transaction Report:
Policy Operation & Effectiveness	Annually	Agency Risk Manager	Section 6.2	Operation and Effectiveness Report
Deviations from Policy	As Needed	Agency Risk Manager	Section 7.0	Oversight Structure

RISK MANAGEMENT POLICY
APPENDIX E

FLORIDA MUNICIPAL POWER AGENCY

CREDIT RISK MANAGEMENT POLICY

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CREDIT RISK MANAGEMENT POLICY
FLORIDA MUNICIPAL POWER AGENCY

This Credit Risk Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework, and the controls under which Florida Municipal Power Agency (FMPA) may extend credit to counterparties. This Policy is Appendix E of the FMPA Risk Management Policy.

1.0 Policy Statement

The Board of Directors and Executive Committee of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby authorized to put mechanisms in place, such as those more fully described in this Policy, that will control, transfer or mitigate these risks so that, to the extent possible, there will not be an adverse effect on FMPA's ability to provide reliable, affordable power to its members.

It is the Policy of the Board of Directors and Executive Committee that:

- ❖ Authority is delegated to the Treasurer and Risk Director to create procedures to administer this Policy.
- ❖ This Policy shall apply only to those material transactions as defined herein or to transactions otherwise specified by the Finance Committee (FC).
- ❖ Material transactions shall be transacted only with qualified counterparties.
- ❖ Counterparty transactions shall be approved by the appropriate body or bodies according to the approval threshold levels described herein.
- ❖ A list of active approved counterparty transactions shall accompany this Policy in Appendix A, and shall be updated as necessary.

- ❖ The Treasurer and Risk Director shall report deviations and other reports as required in this Policy to the FC.

This Policy serves as a framework that enables the Treasurer and Risk Director to minimize the financial impact of unfavorable outcomes of credit risks by establishing minimum standards to systematically identify potential exposure to credit risks and measure the possible impact of those risks.

2.0 Scope and Authority

This Policy applies to all material counterparty transactions (as defined in 2.2 below) in which FMPA extends credit to a counterparty. For this Policy "extends credit" is defined as any agreement where repayment or satisfaction to FMPA of a debt and/or claim to goods and services is deferred to some future date. Material transactions may include, but are not limited to, contracts, reoccurring vendors, purchase power agreements, construction vendors and limited use vendors.

2.1 Authority: The Board of Directors' and Executive Committee's authority to create this Policy is derived from the Interlocal Agreement establishing FMPA. The Board of Directors and Executive Committee have delegated authority to the Team (Treasurer and Risk Director and assigned staff (T&RD), as the operational arm of the FC, to administer this Policy. The T&RD may deviate from this Policy when deemed necessary, but the Treasurer and Risk Director must report all deviations to the FC within 5 business days.

2.2 Materiality: For this Policy, materiality is defined as any transaction(s) involving a single counterparty where the present value of financial loss potential resulting from the counterparty's non-performance exceeds $5,000,000. All transactions for a single counterparty shall be included in the calculation of financial loss potential. The T&RD has authority to determine that specific transactions which are less than the materiality threshold but are determined to represent a significant credit risk to the Agency will be governed by this Policy, on a case-by-case basis.

3.0 Types of Credit Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to safeguard the Agency's ability to provide reliable affordable power to its Members. The Treasurer and Risk Director shall cause procedures to be written that identify the credit risks noted below and provide ways to measure, control, and mitigate FMPA's exposure to those risks. While not intended to be a comprehensive listing of risk encountered by FMPA during the normal course of the business cycle, the following provides insight into FMPA's credit risk exposure.

3.1 Counterparty Risk: The risk that a counterparty will fail to deliver on an obligation. An example of counterparty risk might occur if a Member defaulted on a financial obligation due to FMPA under the terms of a power supply contract. This default would expose FMPA to potential financial loss as well as strategic and reputation risk. The level of concentration of the counterparty in the overall transaction portfolio can compound counterparty risk.

3.2 Transaction Risk: The inherent risk in all transactions that fraud, error, or changes to law, regulation or custom will place the expected performance of the transaction in jeopardy. Transaction risks generally increase as the time between entering into a contract and the delivery of goods and/or services increases. An example of transaction risk might occur if FMPA entered into a prepaid contract with a counterparty for future delivery of natural gas. If the Internal Revenue Service reinterprets their ruling on the legality of such transactions, the prepaid contract may become void and unenforceable. FMPA would then be exposed to the current market price of natural gas, which may or may not be favorable at the time of the non-performance. Again, the level of concentration of the counterparty can compound this transaction risk.

4.0 Evaluation and Approval of Counterparty Transactions

Managers are responsible for nominating counterparty transactions to the T&RD for evaluation. Upon nomination, T&RD shall calculate the present value of financial loss potential. Transactions determined to be below the materiality threshold are not subject to this Policy. For material transactions, T&RD shall conduct a counterparty credit evaluation and report the results to the nominating manager. The nominating manager shall then submit a formal written plan for managing the identified credit risks to the T&RD. Some tools may be but not limited to for mitigating credit risk are Letter of Credit, deposit, parent company guarantees and netting transactions. The T&RD shall cause to be established Credit Risk Procedures to facilitate the completion of the financial loss potential calculation and the credit evaluation.

4.1 Approval Thresholds: The following credit risk management approval thresholds apply to material counterparty transactions:

Present Value of Financial Loss Potential	Authority to Approve Credit
$5 million - $10 million	T&RD and nominating manager
$10 million - $50 million	Finance Committee
Greater than $50 million	Governing Body (BOD/EC)

All material counterparty transactions and the accompanying credit risk management plan must be presented to the T&RD for approval. Upon T&RD approval, transactions greater than $10 million shall be forwarded to the FC for approval of the credit risk management plan. Upon FC approval, transactions greater than $50 million shall be forwarded to the appropriate governing body for approval of the credit risk management plan. The approvals prescribed here address the credit risk management plan for a counterparty transaction; all transactions are also subject to any applicable FMPA Policies on spending authorities or purchasing requirements.

4.2 Counterparty Transaction List: The Treasurer and Risk Director shall cause to be maintained a list of counterparty transactions that have been approved as described in Section 4.0 and are therefore subject to ongoing credit reviews. The Active Counterparty Transaction List is shown in Appendix A of this Policy. Appendix A shall be updated as necessary to reflect changes in active counterparty transactions and approvals by the T&RD, FC, Executive Committee and Board of Directors and is therefore exempt from Section 6.0 of the FMPA Risk Management Policy requiring Board of Director and Executive Committee approval for changes.

5.0 Reporting

The Treasurer and Risk Director shall cause a credit file to be maintained for each approved material counterparty transaction. The Treasurer and Risk Director shall cause each such file to be reviewed annually. This formal review shall include an analysis of credit extended and current credit balance to determine any credit limit overage. Any credit limit overage shall be documented in the counterparty's credit file and reported to the FC within 5 business days. The Treasurer and Risk Director shall cause any other significant changes to the credit file to be reported to the FC as needed.

The Treasurer and Risk Director shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. An annual report on the operation and effectiveness of this Policy shall be completed by the FC as described in Section 7.0 of the FMPA Risk Management Policy. Managers shall report as needed on the current risk environment affecting a proposed or current counterparty to the T&RD, and engage any necessary discussion before moving related items to the FC.

APPENDIX A

ACTIVE COUNTERPARTY TRANSACTIONS LIST

This list contains the material counterparty transactions approved by the Team, Executive Committee or Board of Directors on or after the effective date of this Policy. These active counterparty transactions have a credit file and are subject to ongoing credit review.

AEGIS
Florida Power and Light
FM Global
JP Morgan Chase Bank
Lakeland Electric
Orlando Utilities Commission
Wells Fargo

Updated 04/13/2020

APPENDIX B

Florida Municipal Power Agency
Risk Management Reporting Calendar
Credit Risk Reporting Requirements

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Link to Policy Reference
Counterparty Evaluation	As needed	Treasurer and Risk Director	Section 4.0	Evaluation and Approval of Counterparty Transactions
Credit File Review	Every 6 months	Treasurer and Risk Director	Section 5.0	Reporting
Credit Limit Overages	As needed	Treasurer and Risk Director	Section 5.0	Reporting
Deviations from Policy	As needed	Treasurer and Risk Director	Section 5.0	Reporting
Policy Operation & Effectiveness	Annually	Finance Committee	Section 5.0	Reporting

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY

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RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Risk Management Policy (the "Policy") and subordinate policies and procedures establish the governance, framework, and controls under which Florida Municipal Power Agency ("FMPA") engages in enterprise risk management.

1.0 Policy Statement

Enterprise risk management utilizes the Agency's organizational structure, procedures, processes, and resources to identify, measure, monitor and report risks. As a result of these efforts the Agency will manage risk by choosing to eliminate, transfer, reduce, or accept some or all of each identified risk. The Executive Committee (EC) and Board of Directors (BOD) of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. It is the objective of this Risk Management Policy to formalize the enterprise risk management process so that financial and strategic impacts of unfavorable outcomes are minimized.

The following summarizes the Policy of the EC and BOD:

- ❖ The Finance Committee (FC) is authorized to oversee the administration of this Policy as detailed in Section 4.1.
- ❖ As detailed in Section 4.3, the Risk Management Team (Treasurer and Risk Director, along with designated staff) shall function as the operational arm of the FC to identify, measure, monitor and report on FMPA's business risks
- ❖ The Treasurer and Risk Director is designated the Agency Risk Manager, and shall cause risks to be reported to the FC as described in Section 4.3.
- ❖ Each defined Agency activity will have separately approved risk management policy as an Appendix to this Policy as listed in Section 5.0.
- ❖ This Policy and all Appendices shall consider the credit rating implications of risk management actions as described in Section 5.0
- ❖ The Internal Audit Manager must provide or cause to be provided written risk assessments to the FC at least annually as detailed in Section 7.0.

2.0 Types of Risk

This Policy establishes minimum standards for risk awareness and enterprise risk management to minimize unfavorable outcomes of risk. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the following provides definitions for major categories of risk exposures at FMPA, as established by the 2004 Deloitte & Touche risk assessment. Each Policy Appendix further describes these risks as applicable to specific Agency functions.

2.1 Operational Risk:

The potential economic loss caused by ineffectiveness, inefficiency or loss of power generation, transmission or fuel supply facilities or assets.

2.2 Market Risk:

The risk of potential change in the value of an asset caused by adverse changes in market factors.

2.3 Environmental Risk:

The potential environmental impact associated with a failure to comply with federal and state environmental regulations

2.4 Volumetric Risk:

The potential adverse impact of unanticipated changes in supply or demand of resources and/or obligations.

2.5 Regulatory Risk:

The potential adverse impact of an action or direction from a regulatory body such as, but not limited to, FERC, EPA, DOE, or IRS.

2.6 Strategic Risk:

The risk that the policies and actions of a governing body or management do not promote the successful attainment of strategic goals and objectives.

2.7 Legal Risk:

The potential financial losses incurred through an unauthorized deviation from any legal commitments under local, state, federal law or contracts.

2.8 Reputational Risk:

The potential losses incurred when stakeholders or the public negatively perceive an organization.

2.9 Credit Risk:

The potential of financial losses due to the failure of counterparties to fulfill the terms of a contract on a timely basis, or adverse changes to credit ratings of an organization.

2.10 Administrative Risk:

The potential of financial loss due to deficiencies in internal control structure and management reporting due to human error, fraud or a system failure.

3.0 Enterprise Risk Management Program

This Policy applies to all business activities of the Agency. FMPA has established the following four components for its enterprise risk management program.

3.1 Governance:

Strong organizational governance paths, from employee to governing body, back to employee, are essential for facilitating risk communication up and down the Agency. See Section 4.0 for further details on FMPA's risk management governance structure.

3.2 Internal Control:

Internal control is the system of processes and people designed to provide reasonable assurance that the Agency is able to meet its strategic goals. See Sections 4.0, 5.0 and all Policy Appendices for further details on FMPA's internal control system.

3.3 Risk Framework:

The risk framework of the Agency provides the general structure of the enterprise risk management program. FMPA's risk framework components address the following:

- Risk appetite for each risk category
- Risk tolerances within risk appetite
- Risk aware culture
- Risk metrics
- Risk policies

See Sections 4.0 and 5.0 for further details on specific risk management activities and risk assessment.

3.4 Monitoring and Reporting:

The enterprise risk management program of the Agency must be monitored and reported on so that staff and governing bodies can make decisions inclusive of current and emerging risks. The Agency has established a Risk Management Team (RMT) to facilitate risk monitoring and reporting. See Sections 4.3 and 7.0 for further details on risk monitoring and reporting for the Agency

4.0 Risk Management Governance:

The Agency's enterprise risk management program begins with recognition of the parties (employees and governing bodies) with responsibilities under this Policy. The risk management governance structure includes the key elements outlined below:

- Segregation of duties among the parties in the enterprise risk management program.
- Independence of the Agency Risk Manager such that risk and control information flows without restriction or bias due to self-interest.

- All FMPA staff are required to work in cooperation with the RMT to facilitate risk management processes.

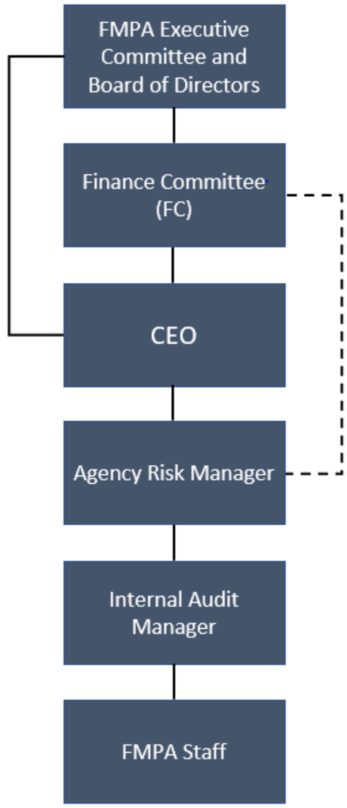
4.1 Oversight Structure- Finance Committee:

Members are appointed to the FC according to the Committee Charter. The FC shall oversee the administration of this Policy and any subsequent procedures relating to Agency risk management activities.

This Policy and all included appendices shall be reviewed on at least an annual basis by the Internal Audit Department. Completed policy compliance reviews shall be reported to the FC. The Agency Risk Manager will from time to time report to the FC on Agency risks as described in Section 2.0.

The Agency Risk Manager may use discretion to report Policy violations directly to the General Manager and/or the FC as deemed necessary. The FC shall advise the Agency Risk Manager and the General Manager on desired next steps for addressing the Policy violation.

4.2 Organizational Structure for Risk Control



4.3 Delegation of Authority:

It is recognized that there are times when a member of the FMPA management team may be absent for some period of time. Through the use of FMPA's "Delegation of Authority" form, any management team member can designate a direct report to fulfill all of their respective organizational responsibilities during their absence, without limitation.

If a member of the management team has failed to delegate their authority, the manager to whom the member reports has the expanded authority to either assume that member's organizational responsibilities or to delegate such to a subordinate of the member. Upon such action, any and all rights provided by the "Delegation of Authority" form will be authorized as if the form had been completed prior to their absence.

4.4 Risk Management Team:

The RMT is the operational arm of the FC. The mission of the RMT is to facilitate the effective identification, monitoring and reporting of the Agency's risks in support of achieving the goals of the Agency and all of the Agency's Projects, in accordance with this Policy. The RMT is responsible for facilitating an enterprise risk management culture and fulfilling compliance and reporting roles as appropriate. It remains the responsibility of the CEO and governing bodies to set risk appetites and tolerances and to establish risk management strategies.

The Treasurer and Risk Director is designated FMPA's Agency Risk Manager, and is responsible for causing FMPA's risk exposures to be prioritized and reported to the FC. Risks are prioritized by the RMT using the Agency's risk framework for level of severity, likelihood of occurrence, and quality of controls, as well as the judgment of the Agency Risk Manager.

5.0 Risk Management Strategies:

The Agency is subject to numerous risks. These risks can arise from actions taken (or not taken) by Agency staff, parties external to the Agency and from "acts of God." The following Agency activities shall have risk management policies approved by the FC and appropriate governing body, consistent with this Policy and included as Appendices to it.

Appendices to FMPA Risk Management Policy

Appendix A	Fuel Portfolio Management
Appendix B	Debt Risk Management Investment
Appendix C	Investment Management
Appendix D	Insurance Program Management
Appendix E	Credit Risk Management
Appendix F	Contract Management
Appendix G	Statutory and Regulatory Matters
Appendix H	Power Supply and Resource Planning
Appendix I	Asset Management and Operations
Appendix J	Accounting and Internal Controls
Appendix K	Origination Transaction Management
Appendix L	Records Management
Appendix M	Contingency Planning
Appendix N	Human Resource Management
Appendix O	Information Technology

6.0 Risk Assessment and Evaluation

Section 2.0 of this Policy establishes FMPA's risk categories to assist with identifying critical risk factors during decision-making. These risk categories will be used in the process of assessing risk and to facilitate independent measurement of risk by providing common understanding of risks.

When deciding between two or more competing alternate courses, each course of action or decision should be evaluated using the risk framework (Section 3.3). Components of the Agency's risk framework shall be used as a reference for risk assessments presented to the FC and governing bodies. Specific risk assessment and evaluation criteria are established in each of the Policy Appendices.

7.0 Review and Revisions to Policy

The FC is granted authority by the Board of Directors and Executive Committee of FMPA to oversee this Policy. The FC directs the Internal Audit Manager to cause a review of the operation and effectiveness of this Policy through risk assessment reports. The Internal Audit Manager shall present or cause to be presented a written risk assessment report to the FC for approval at least annually. The risk assessment report shall include a synopsis of the current state of the enterprise risk management program.

Based on the findings of each risk assessment report, the FC may make recommendations regarding risk management processes to the CEO and Internal Audit Manager, and if appropriate, recommend a course of action promoting changes to this Policy to the Board of Directors and/or Executive Committee. This Policy may be changed only with approval of the appropriate governing body.

The appropriate governing bodies may, as business needs arise, approve changes to this Policy outside of the annual review process described above.

AGENDA ITEM 8 – ACTION ITEMS

e. Approval of FMPA's Corporate Risk Inventory Assessment

Board of Directors Meeting
June 18, 2020

BOD 8e-EC 8d – Approval of FMPA's Corporate Risk Inventory Assessment

Board of Directors and
Executive Committee

June 9, 2020

Risk Score Components

Severity/Likelihood/Controls

Severity

1 through 5 (1 = Minor, 5 = Severe)

Likelihood

1 through 3 (1 = Remote, 3 = Almost Certain)

Controls

1 through 3 (1 = Tight Control, 3 = Bare Minimum)

Top Risks and Significant Risk Score Changes

From 2017-2020

Risk	Risk Score			
	2017	2018	2019	2020
ARP generation limited partnership	20	20	20	45
Natural gas price	30	24	24	30
ARP Rates - rate increases/rate instability	24	24	24	24
FERC transmission rate filing activity	16	16	16	24
Transmission - Energy Delivery	36	36	36	24
KEYS delivery point	N/A	N/A	N/A	24
Long-term Transmission	20	30	30	12
Credit rating (ARP)	30	30	30	10

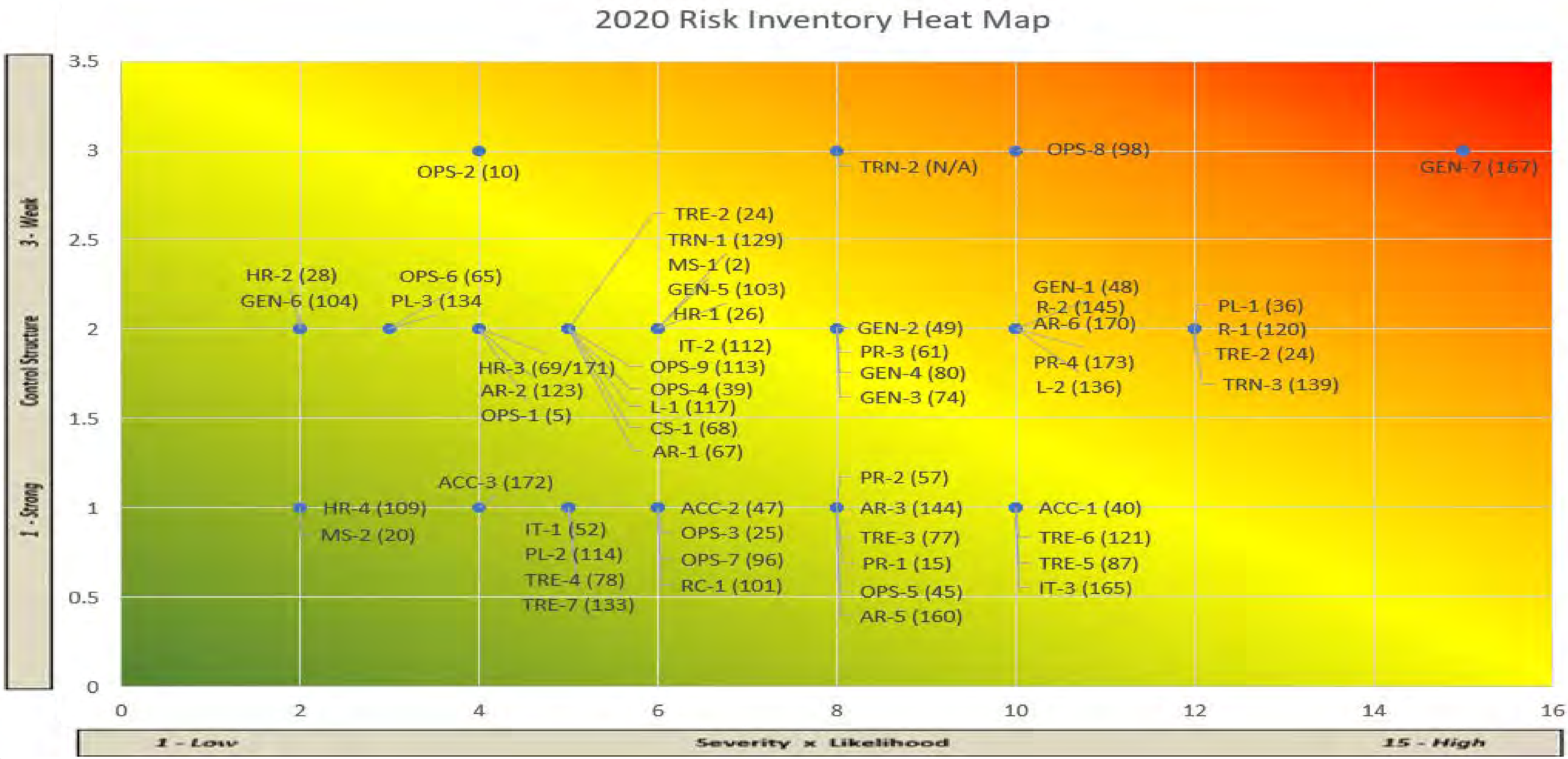
Actions To Manage Risk

- ARP Generation Limited Partnerships
  - Leadership Team meetings with Partners
- Natural Gas
  - Gas & Oil wells shutting down and fixed price gas expired
  - Prepaid gas helps mitigate overall risk
- ARP Rates
  - Workshop to review rate design
- FERC Transmission Rate Filing
  - FPL and Duke activity to increase rate up significantly

Actions To Manage Risk (contd.)

- Transmission Energy Delivery
  - Looking at purchasing firm transmission at time of delivery
- KEYS Delivery Point
  - New for this year (maintaining 60% on island, operations out of economics)
- Long-term Transmission
  - Duke contract mitigated financial exposure
- Credit Rating ARP
  - Fitch upgraded credit rating: Lower Rates, and Paying Down Debt

Risk Heat Map



FMPA MUNICIPAL POWER

Action

- Move approval of the 2020 FMPA Risk Inventory

AGENDA ITEM 8 – ACTION ITEMS

f. Approval of Resolution 2020-B2 – Pooled Loan Obligation Resolution

Board of Directors Meeting
June 18, 2020

Board 8f – Approval of Resolution 2020 B2 – Pooled Loan Obligation

Linda S. Howard

June 18, 2020

Pooled Loan Project
Recap

- Relaunched Pooled Loan Project was approved in April of 2019
- Pooled loans can be used for FMPA projects and Member projects
- Required Parameters as set forth in the resolution, which are reviewed with each new loan (max amount, maturity limit, interest rate limit, etc.

FMPA MUNICIPAL POWER

Supplemental Resolution

Highlights

- Changes the maximum redemption price from 102% to 103%
- Provides that the definition of bank shall include successors and permitted assigns of Capital Bank (which currently includes First Horizon Bank, a Tennessee banking corporation)
- Authorizing the authorized signatories to execute loan agreements with a project participant and the bank in substantially the form of the original loan agreement in the initial pooled loan project 2019 obligation resolution with any amendments approved by the authorized signatories
- Designating authorized officers and authorized signatories

FMPA MUNICIPAL POWER

Motion

- Move approval of Resolution 2020- B2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY ("FMPA" OR THE "AGENCY"): (I) APPROVING AND ADOPTING THE SUPPLEMENT TO SERIES B SUPPLEMENTAL INITIAL POOLED LOAN PROJECT OBLIGATION RESOLUTION FOR THE PURPOSE OF AMENDING THE SUPPLEMENTAL SERIES B RESOLUTION TO (A) INCREASE THE MAXIMUM REDEMPTION PRICE FOR THE SERIES B OBLIGATIONS THAT CAN BE DETERMINED BY THE AUTHORIZED SIGNATORIES TO MATCH THE TERMS OF THE BANK LOAN AGREEMENT AND (B) PROVIDE THAT THE DEFINITION OF "BANK" SHALL INCLUDE SUCCESSORS AND PERMITTED ASSIGNS OF CAPITAL BANK (WHICH CURRENTLY INCLUDES FIRST HORIZON BANK, A TENNESSEE BANKING CORPORATION); (II) AUTHORIZING THE AUTHORIZED SIGNATORIES TO EXECUTE LOAN AGREEMENTS WITH A PROJECT PARTICIPANT AND THE BANK IN SUBSTANTIALLY THE FORM OF THE LOAN AGREEMENT ATTACHED AS EXHIBIT A TO THE INITIAL POOLED LOAN PROJECT 2019 OBLIGATION RESOLUTION, WITH SUCH CHANGES AS ARE APPROVED BY THE AUTHORIZED SIGNATORIES (THE "PROJECT PARTICIPANT LOAN AGREEMENTS"); (III) DESIGNATING AUTHORIZED OFFICERS AND AUTHORIZED SIGNATORIES; (IV) DEFINING CERTAIN TERMS; (V) AUTHORIZING FURTHER ACTIONS; (VI) PROVIDING FOR SEVERABILITY; AND (VII) PROVIDING FOR AN EFFECTIVE DATE.

SECTION 1. APPROVAL AND ADOPTION OF THE SUPPLEMENT TO SERIES B SUPPLEMENTAL INITIAL POOLED LOAN PROJECT OBLIGATION RESOLUTION. The terms of the Supplement to Series B Supplemental Initial Pooled Loan Project Obligation Resolution (the "Supplemental Series B Resolution"), in the form attached hereto as Exhibit A, which increases the maximum redemption price that can be determined by Authorized Signatories as defined in and pursuant to the Series B Supplemental Initial Pooled Loan Project Obligation Resolution adopted by FMPA on April 18, 2019 (the "Series B Resolution") and amends and restates the definition of "Bank" under the Series B Resolution to include successors and permitted assigns of Capital Bank (which currently includes First Horizon Bank, a Tennessee banking corporation), are hereby approved and said Supplemental Series B Resolution is hereby adopted and the Authorized Officers designated herein are hereby authorized and directed to execute and file the same with the Trustee. The Authorized Signatories are authorized to execute and deliver Obligation Series Certificates relating to Series B Obligations authorized by the Series B Resolution.

SECTION 2. AUTHORIZATION OF EXECUTION OF PROJECT PARTICIPANT LOAN AGREEMENTS RELATING TO SERIES B OBLIGATIONS. The Authorized

Signatories (defined below) are hereby authorized to execute Loan Agreements to be entered into between FMPA, as agent for the Initial Pooled Loan Project, the Project Participants and Capital Bank (including its successors and permitted assigns, which currently includes First Horizon Bank, a Tennessee banking corporation (the "Bank")) in substantially the form of the form of Loan Agreement appearing in Exhibit A to the Initial Pooled Loan Project 2019 Obligation Resolution adopted by FMPA on April 18, 2019 (the "Project Participant Loan Agreement") and with such changes therein as the Bank approves and as the Authorized Signatories may approve as necessary or desirable, such approval to be evidenced conclusively by the execution and delivery of each Project Participant Loan Agreement by the Authorized Signatories.

SECTION 3. DESIGNATION OF AUTHORIZED OFFICERS AND AUTHORIZED SIGNATORIES; LIMITATIONS ON AUTHORITY.

3.01. As the term is used in this Resolution, "**Authorized Officer**" means the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, the General Manager and CEO of FMPA, the Chief Financial Officer of FMPA, the Secretary of FMPA, the Treasurer of FMPA, and any Assistant Secretary of FMPA, and each of which are hereby designated as (i) Authorized Officers for the purposes of executing and delivering the Supplemental Series B Resolution and taking any other actions authorized by this Resolution and (ii) as Authorized Officers as defined in Section 1.02 of the Initial Pooled Loan Project 2019 Obligation Resolution adopted by FMPA on April 18, 2019 (the "Obligation Resolution").

3.02. As the term is used in this Resolution, "**Authorized Signatories**" means the (i) Chairman or the Vice Chairman of the Board of Directors of FMPA and (ii) the General Manager and CEO of FMPA or the Chief Financial Officer of FMPA, and any documents signed by Authorized Signatories will be approved for form and legality by the FMPA General Counsel and Chief Legal Officer.

SECTION 4. DEFINITION OF CERTAIN TERMS. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in Resolution 2019-B4 adopted by FMPA on April 18, 2019, the Series B Resolution and the Obligation Resolution, as applicable.

SECTION 5. FURTHER ACTIONS. Each Authorized Officer designated hereunder is hereby authorized and empowered to take all further actions as may be necessary or desirable in carrying out the terms and provisions of this Resolution and each of the documents referred to herein and the Authorized Signatories are hereby authorized and empowered to execute and deliver, in the name of and on behalf of FMPA, the Project Participant Loan Agreements and such other documents, certificates or papers, not specifically referred to in this Resolution, as are required or contemplated by the provisions of the Obligation Resolution, Series B Resolution, Project Participant Loan Agreement, and the Loan Agreement, dated as of June 24, 2019, by and between Florida Municipal Power Agency, as agent for the Initial Pooled Loan Project and Capital Bank, a division of First Tennessee Bank National Association, together with its successors and permitted assigns (the "Bank Loan Agreement"), and take all such further action as may be necessary or desirable in carrying out the terms and provisions of the Obligation Resolution, the Series B Resolution, the Project Participant Loan Agreements, and Bank Loan Agreement.

SECTION 6. SEVERABILITY. If one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof, and shall in no way affect the validity or enforceability of such remaining provisions.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank]

This Resolution 2020-B2 is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on June 18, 2020.

____
Chairman, Board of Directors

I hereby certify that on June 18, 2020 the above Resolution 2020-B2 was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and complete copy of Resolution 2020-B2.

ATTEST:

____
Secretary or Assistant Secretary [SEAL]

Exhibit A

SUPPLEMENT TO SERIES B SUPPLEMENTAL INITIAL POOLED LOAN PROJECT OBLIGATION RESOLUTION

[attached hereto]

FLORIDA MUNICIPAL POWER AGENCY

INITIAL POOLED LOAN PROJECT

SUPPLEMENT
TO
SERIES B SUPPLEMENTAL
INITIAL POOLED LOAN PROJECT
OBLIGATION RESOLUTION
ADOPTED APRIL 18, 2019

Adopted June 18, 2020

SUPPLEMENT TO SERIES B SUPPLEMENTAL INITIAL POOLED LOAN PROJECT OBLIGATION RESOLUTION

BE IT RESOLVED by the Florida Municipal Power Agency ("FMPA") as follows:

ARTICLE I.

DEFINITIONS AND STATUTORY AUTHORITY

SECTION 1.01. Supplemental Resolution. This Supplement adopted on June 18, 2020 (this "Supplement No. 1") to Series B Supplemental Initial Pooled Loan Project Obligation Resolution adopted on April 18, 2019 (the "Supplemental Resolution") is supplemental to the Initial Pooled Loan Project 2019 Obligation Resolution adopted by FMPA on April 18, 2019, as supplemented and amended prior to the date hereof (the "PLP Resolution"), including as supplemented by the Supplemental Resolution. The PLP Resolution, as supplemented by the Supplemental Resolution and this Supplement No. 1, is hereinafter referred to as the "Resolution".

SECTION 1.02. Definitions. Except as modified by this Supplement No. 1, all terms which are defined in Section 1.01 of the PLP Resolution or Section 1.02 of the Supplemental Resolution shall have the same meanings, respectively, in this Supplement No. 1 as such terms are given in the PLP Resolution or the Supplemental Resolution.

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

ARTICLE II.

AMENDMENTS TO SUPPLEMENTAL RESOLUTION

SECTION 2.01. Amendment to Section 2.08. Sub-clause (e) of Section 2.08.1 of the Supplemental Resolution is hereby amended and restated as provided below (with additions being indicated by double-underlining and deletions being enclosed in brackets and struck-through):

> "(e) to determine the Redemption Price or Redemption Prices, if any, and the redemption terms, if any, for the Series B Obligations; provided, however, that if the Series B Obligations are to be redeemable at the election of FMPA, the Redemption Price shall not be greater than one hundred [~~two~~] three percent [~~(102%)~~] (103%) of the principal amount of the Series B Obligations to be redeemed, plus accrued interest thereon up to but not including the date of redemption;"

SECTION 2.02. Amendment to Section 2.09. The definition of the "Bank" in Section 2.09.1 of the Supplemental Resolution is hereby amended and restated as follows (with additions being indicated by double-underlining and deletions being enclosed in brackets and struck-through):

> "Capital Bank (including its successors and permitted assigns, which currently includes First Horizon Bank, a Tennessee banking corporation (the "Bank"))"

ARTICLE III.

MISCELLANEOUS

SECTION 3.01. Effective Date. This Supplement No. 1 shall take effect immediately after its adoption by the Board of Directors of FMPA and the filing of a copy thereof certified by the Secretary or Assistant Secretary of said Board with the Trustee.

SECTION 3.02. Designation of Authorized Officers of FMPA. The Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, the General Manager and CEO of FMPA, the Chief Financial Officer of FMPA, the Secretary of FMPA, the Treasurer of FMPA, and any Assistant Secretary of FMPA are each hereby designated as Authorized Officers of FMPA for the purpose of executing and delivering this Supplement No. 1 and taking any other actions relating thereto.

SECTION 3.03. Further Actions. Subject to the requirements in the PLP Resolution and in Resolution 2020-B2 adopted by the FMPA Board of Directors on June 18, 2020, for actions to be taken by the Authorized Signatories, each Authorized Officer of FMPA is hereby authorized and empowered to take all further actions as may be necessary or desirable in carrying out the terms and provisions of this Supplement No. 1 and each of the documents referred to herein**.**

[Remainder of page intentionally left blank]

FLORIDA MUNICIPAL POWER AGENCY

By: ________________________________
Chairman of the Board of Directors

ATTEST:

By: ____________________________
Secretary or Assistant Secretary

[Signature Page to Supplement No. 1 to
Series B Supplemental Initial Pooled Loan Project Obligation Resolution]

AGENDA ITEM 8 – ACTION ITEMS

g. Approval of Resolution 2020-B3 – Subordinated Debt Resolution 3 for the Stanton II Pooled Loan

Board of Directors Meeting
June 18, 2020

8g – Approval of Resolution 2020-B3 Stanton II Refunding with Pooled Loan

FMPA Board of Directors
June 18, 2020

Pooled Loans Were Frequent Source of Funds

FMPA Borrowed $285M & Members Borrowed $125M

Borrower	Dated Date	Original Amount
All Requirements	7/6/1988	7,034,000.00
All Requirements	10/10/1996	17,400,000.00
All Requirements	2/24/1999	30,000,000.00
All Requirements	8/7/2001	11,000,000.00
All Requirements - CI III	1/31/2002	10,500,000.00
All-Requirements - Brine Plant	12/19/2003	715,000.00
All-Requirements - Key West	8/1/2005	33,000,000.00
All-Requirements - TCEC	8/1/2005	17,765,000.00
All-Requirements - Coal Plant	8/9/2005	25,000,000.00
All-Requirements - TCEC	2/1/2006	17,348,000.00
All-Requirements - TCEC #3	8/28/2007	8,400,000.00
All-Requirements - GE Option	3/29/2007	56,312,000.00
All-Requirements - TCEC #4	2/15/2008	7,224,000.00
Bushnell	7/6/1988	621,000.00
Bushnell	/21/2005	235,000.00
Clewiston	5/1/2000	1,600,000.00
Clewiston	2/15/2006	8,000,000.00
FMPA	11/1/1990	490,000.00
FMPA	2/28/1999	1,000,000.00
FMPA	8/18/1999	3,000,000.00
Fort Meade	8/30/2004	3,501,000.00
Fort Pierce	4/15/2004	4,000,000.00
Fort Pierce	7/2/2004	2,000,000.00
Fort Pierce	9/22/2004	5,000,000.00
Fort Pierce	6/23/2006	10,000,000.00
Fort Pierce	10/20/2006	20,000,000.00
Key West (Utility Board of)	11/22/1999	1,700,000.00
Key West	3/15/2005	1,185,000.00
Kissimmee Utility Auth.	9/30/1999	10,000,000.00
Kissimmee Utility Auth.	1/10/2000	25,000,000.00
Lake Worth	11/1/1990	12,965,000.00
Leesburg	11/1/1990	3,075,000.00
New Smyrna Beach	3/8/2000	12,200,000.00
New Smyrna Beach	9/13/2000	3,000,000.00
St. Cloud	12/1/1995	505,000.00
St Lucie	1/29/2007	15,600,000.00
St Lucie	3/18/2008	8,000,000.00
Stanton - Brine Plant	12/19/2003	907,000.00
Stanton II - Brine Plant	12/19/2003	1,422,000.00
Stanton Project	4/7/1992	9,175,000.00
Tri City Project - Brine Plant	12/19/2003	325,000.00
Tri City Project	4/7/1992	3,204,468.00
		409,408,468.00

- Program Life 1990-2009
- Total of 41 loans for $409 Million
  - FMPA 22 loan
  - Members 19 loans
- Administrative Cost
  - ~ FY 2008: 66bps

FMPA MUNICIPAL POWER

Pooled Loan Interest Rate Tied To Treasury Curve

Treasury Rates All-Time Lows, Even Lower This Month

Gray bands are recessionary periods

Pool Loans Advantages For Borrowings Under $10 Million

Issuance Costs Very Competitive Compared to Alternatives

- FMPA has locked down issuance cost with Bank, Legal Team and Trustee
  - All Loans have same Cost of Issuance $17,600
  - Annual FMPA fees tied to number of outstanding loans
    - FMPA fee goes down as more loans are issued
  - Interest Rate Formula:
    - Tax-Exempt: (Treasury Rate+.86+Credit Adjustment)*.825
      - **Credit Adjustment ~.74**
      - **As of 05/08/2020 Interest Rate of 1.77%**

FMPA MUNICIPAL POWER

Stanton II 2020 Refunding Pooled Loan

Second Pooled Loan from the 2019 Pooled Loan Project

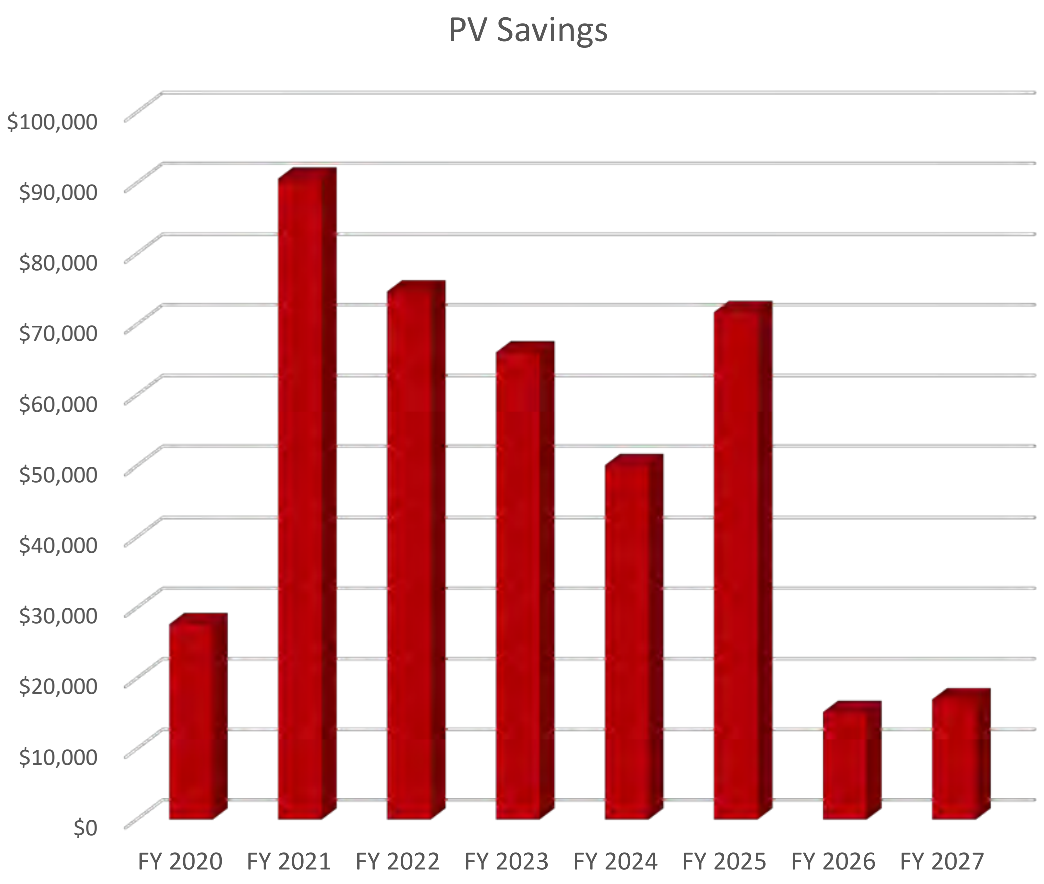
- Since FMPA restarted the Pooled Loan project, this will be the 2nd loan representing a total $12M in loans outstanding
- Pooled Loan Structure
  - Fixed Rate tax-exempt
    - First Horizon's variable rate offer was higher than fixed rate
  - Level Debt Service Payment
  - Same term as 2009A refinanced bonds, last payment 10/1/2027
  - Callable after 3 years without penalty
- Debt Finance Team
  - Supports refinancing with the Pool Loan
    - Refinancing amount is below $10 million
    - Market competitive rate

FMPA MUNICIPAL POWER

Pooled Loan Refinancing Savings ~$422,000

Present Value Savings Greater Than 3% Debt Policy Minimum

- Estimate Pool Loan Interest Rate
  - As of 5/15/2020 1.77%
  - Est. Admin Fees .015%
- Estimated Gross Savings (including issuance costs)
  - $422,000
- Present Value Savings 8.3%



FMPA MUNICIPAL POWER

Stanton II Resolution & Loan Agreement Details

- Pooled Loan Amount no greater than $5,000,000
  - Refund in its entirety Series 2009A plus cost of issuance
- Interest Rate shall achieve a minimum of 3% present value savings as a percentage of the Refunded Bonds
- Shall constitute Stanton II Project Subordinated Indebtedness
- Redemption Price shall not be greater than 103%
- Maturity date 10/1/2027

Next Steps: Before June 30th Closing

- Board of Directors approve Pooled Loan for Stanton II
- Open Trustee accounts
- Give notice of refinancing Stanton II Project Series 2009A bonds
- Pay issuance costs, and refund 2009A Series

Recommended Action

- Move approval of Resolution 2020-B3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY, AS AGENT FOR THE STANTON II PROJECT (I) APPROVING AND ADOPTING THIS STANTON II PROJECT SUBORDINATED DEBT RESOLUTION NO. 3; (II) APPROVING AND AUTHORIZING THE EXECUTION OF THE INITIAL POOLED LOAN PROJECT LOAN AGREEMENT AND PROMISSORY NOTE BY FLORIDA MUNICIPAL POWER AGENCY, AS AGENT FOR THE STANTON II PROJECT; (III) DELEGATING CERTAIN MATTERS RELATING THERETO TO AUTHORIZED SIGNATORIES; (IV) DESIGNATING AUTHORIZED SIGNATORIES; (V) DESIGNATING AUTHORIZED OFFICERS; (VI) TAKING CERTAIN OTHER ACTIONS; AND (VII) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FLORIDA MUNICIPAL POWER AGENCY, AS AGENT FOR THE STANTON II PROJECT ("FMPA"):

ARTICLE I.
Definitions and Authority

SECTION 1.01. Authority for this Resolution. This Resolution is adopted pursuant to Chapter 361, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, and Chapter 163, Part I, Florida Statutes, as amended, and other applicable provisions of law.

SECTION 1.02. Supplemental Resolution. This Stanton II Project Subordinated Debt Resolution No. 3 is supplemental to the Stanton II Project Revenue Bond Resolution (the "Bond Resolution") adopted by FMPA on June 26, 1991, as amended and restated in its entirety on April 10, 2002, as supplemented and amended. The Bond Resolution as so supplemented and amended is hereinafter referred to as the "Resolution."

SECTION 1.03. Terms. Except as otherwise defined herein, all terms which are defined in the Loan Agreement to be entered into by FMPA, as agent for the Initial Pooled Loan Project, and FMPA, as agent for the Stanton II Project, and First Horizon Bank, a Tennessee banking corporation (the "Loan Agreement"), shall have the same meanings herein as such terms are given in said Loan Agreement attached hereto, in substantial form, as Exhibit A, together with such changes therein as the Authorized Signatories may deem necessary or desirable, such execution and delivery to be conclusive evidence of the approval of the terms and conditions thereof by the Authorized Signatories.

The term “Subordinated Debt Resolution No. 3” shall mean this Stanton II Project Subordinated Debt Resolution No. 3. This Subordinated Debt Resolution No. 3 shall constitute a “Supplemental Resolution” within the meaning of the Resolution.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

SECTION 1.04. Authority for this Subordinated Debt Resolution No. 3. This Subordinated Debt Resolution No. 3 is adopted pursuant to the provisions of the Act and in accordance with Article X of the Resolution.

ARTICLE II

Authorization to Borrow and Execute the the Loan Agreement and the Promissory Note

SECTION 2.01. Authorization to Borrow. Pursuant to the provisions of the Resolution, FMPA, as agent for the Stanton II Project, is hereby authorized to borrow from the Initial Pooled Loan Project an amount not to exceed Five Million Dollars ($5,000,000.00), which may be in increments as determined by the Authorized Signatories, pursuant to the terms and conditions of the Loan Agreement, which terms and conditions are incorporated by reference herein, as fully and effectively as if set forth herein in full. Such borrowing (i) shall be for the purpose of payment of a portion of the amounts necessary to accomplish the refunding of the outstanding Stanton II Project Revenue Bonds, Series 2009A (the “Refunded Bonds”) and for the payment of costs of issuance related thereto, (ii) shall have a maturity date that does not exceed the maturity date of the Refunded Bonds, (iii) shall achieve a minimum of 3% present value savings as a percentage of the Refunded Bonds, and (iv) shall constitute Subordinated Indebtedness under the Resolution having the terms and conditions set forth in the Loan Agreement and the Promissory Note referred to herein.

SECTION 2.02. Delegation to Authorized Signatories; Execution of Loan Agreement and Promissory Note. The Authorized Signatories are hereby authorized to execute and deliver the Loan Agreement and the Promissory Note (attached to the Loan Agreement as Exhibit C and incorporated by reference therein) and to issue the same under this Subordinated Debt Resolution No. 3, in substantially the form attached hereto, together with such changes therein as the Authorized Signatories may deem necessary or desirable, such execution and delivery to be conclusive evidence of the approval of the terms and conditions thereof by the Authorized Signatories; provided that the borrowing is in compliance with the parameters set forth in Section 2.01.

ARTICLE III

Security for the Promissory Note
and Application of Funds

SECTION 3.01. Sources of Payment and Security for the Promissory Note.

1. The Promissory Note shall be a special obligation of the Stanton II Project, payable from and secured by amounts in the Subordinated Debt Fund, subject and subordinate in all respects, to the pledge created by the Resolution as security for the Bonds.

2. There is hereby pledged and assigned for the payment of the principal of, and interest on, the Promissory Note, in accordance with its terms and the provisions of this Subordinated Debt Resolution No. 3, for the benefit of the Holders of the Promissory Note, the Subordinated Debt Fund, including the funds, moneys and securities contained therein; provided, however, that such pledge and assignment shall be subordinate in all respects to the pledge created by the Resolution as security for the Bonds.

3. The funds, moneys and securities hereby pledged and assigned for the benefit of the Holders of the Promissory Note shall immediately be subject to the lien and charge of this Subordinated Debt Resolution No. 3 without any physical delivery thereof or further act, and the lien and charge of this Subordinated Debt Resolution No. 3 shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise, against FMPA, irrespective of whether such parties have notice thereof.

4. The principal of, and interest on, the Promissory Note is payable solely from amounts in the Subordinated Debt Fund, and neither the State of Florida nor any political subdivision thereof, nor any city or other entity which is a member of FMPA, other than the Stanton II Project, is obligated to pay the principal of, and interest on, the Promissory Note, and neither the faith and credit nor the taxing power of the State of Florida, or any political subdivision thereof, or of any such city or other entity, is pledged to the payment of the principal of, and interest on, the Promissory Note.

SECTION 3.02. Application of Moneys in the Subordinated Debt Fund. Subject to the provisions of Article V of the Bond Resolution, amounts in the Subordinated Debt Fund shall be applied to the payment of the principal of, and interest on, the Promissory Note when due.

ARTICLE IV

Payments into the Subordinated Debt Fund
from Revenues

SECTION 4.01. In accordance with the provisions of Section 505 of the Bond Resolution, FMPA shall withdraw from the Revenue Fund and forward to the Trustee for deposit in the Subordinated Debt Fund (a) in each month such amounts as shall be provided in the Annual Budget to be deposited in the Subordinated Debt Fund, (b) from time to time as shall be determined by FMPA as agent for the Stanton II Project, such amounts as FMPA shall specify for the payment or prepayment of the Promissory Note, and (c) in any event, on any date that any principal of, and interest on, the Promissory Note shall become due and payable, an amount which, together with other amounts then on deposit in such Subordinated Debt Fund, including the proceeds of the sale of Subordinated Debt, will be sufficient and available to make such payment in full on such payment date.

ARTICLE V

Miscellaneous

SECTION 5.01. Defeasance.

1. If FMPA, as agent for the Stanton II Project, shall pay, or cause to be paid, or there shall otherwise be paid to the Holder of the Promissory Note all of the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Loan Agreement, then the funds, moneys and securities pledged under this Subordinated Debt Resolution No. 3 with respect to such Promissory Note, and all covenants, agreements and other obligations of the Stanton II Project to such Holder, shall thereupon cease, terminate, and become void and be discharged and satisfied.

2. Notwithstanding the provisions of paragraph 1 of this Section 5.01, the Revenues and other moneys and securities, pledged under the Resolution and the covenants, agreements and other obligations of the Stanton II Project to the Holders of Bonds, shall remain in full force and effect so long as any Bonds remain outstanding.

SECTION 5.02. No Recourse on Promissory Note. No official, officer, agent or employee of FMPA shall be individually or personally liable for the payment of the principal or interest on the Promissory Note.

SECTION 5.03. Designation of Authorized Signatories of FMPA. The term Authorized Signatories means (i) Chairman of the Board of Directors of FMPA or the Vice Chairman of the Board of Directors of FMPA and (ii) the General Manager and CEO of FMPA or the Chief Financial Officer of FMPA, and the Authorized Signatories are Authorized Signatories of FMPA, as agent for the Stanton II Project, for the purpose of executing and delivering the Loan Agreement and the Promissory Note and taking any other actions authorized by this Resolution and in connection with execution and delivery of the Loan Agreement and the Promissory Note.

SECTION 5.04. Designation of Authorized Officers of FMPA. The Chairman of the Board of Directors, Vice Chairman of the Board of Directors, the General Manager and CEO of FMPA, the Chief Financial Officer of FMPA, the Treasurer of FMPA the Secretary of FMPA, and any Assistant Secretary of FMPA are each hereby designated as Authorized Officers of FMPA, as agent for the Stanton II Project.

SECTION 5.05. Further Actions. Each Authorized Officer of FMPA, as agent for the Stanton II Project, is hereby authorized and empowered to take all such further actions as may be necessary or desirable in carrying out the terms and provisions of the Loan Agreement, the Promissory Note and this Resolution.

SECTION 5.06. Severability. If any one or more of the covenants, agreements or provisions of this Subordinated Debt Resolution No. 3, the Loan Agreement or the Promissory Note should be held contrary to any express provision of law or contrary to the policy of any such provision of law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from remaining covenants, agreements and provisions of this Subordinated Debt Resolution No. 3, the Loan Agreement or the Promissory Note issued hereunder, as the case may be.

SECTION 5.07. Effective Date. This Stanton II Project Subordinated Debt Resolution No. 3 shall take effect immediately after its adoption by the Board of Directors of FMPA and a filing of a copy thereof, certified by the Secretary of said Board, with the Trustee.

This Stanton II Project Subordinated Debt Resolution No. 3 is approved and adopted by the Board of Directors of Florida Municipal Power Agency on June 18, 2020.

FLORIDA MUNICIPAL POWER AGENCY,
as Agent for the Stanton II Project

By:__________________________________
Chairman

Attest:

____
Assistant Secretary

FLORIDA MUNICIPAL POWER AGENCY
INITIAL POOLED LOAN PROJECT

LOAN AGREEMENT

AMONG

FLORIDA MUNICIPAL POWER AGENCY,
AS AGENT FOR THE
INITIAL POOLED LOAN PROJECT

AND

FLORIDA MUNICIPAL POWER AGENCY,
AS AGENT FOR THE
STANTON II PROJECT

AND

FIRST HORIZON BANK, A TENNESSEE BANKING CORPORATION

DATED _________, 2020

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LOAN AGREEMENT

This **LOAN AGREEMENT**, dated as of the commencement date set forth on Exhibit A attached hereto and made a part hereof (the "Loan Agreement") and entered into by and among **FLORIDA MUNICIPAL POWER AGENCY**, a legal entity organized under the laws of the State of Florida, as agent for the Initial Pooled Loan Project ("FMPA"), and FMPA, as agent for the Stanton II Project (the "Project Participant") and **FIRST HORIZON BANK**, a Tennessee banking corporation (together with its permitted successors and assigns, the "Credit Facility Issuer").

WITNESSETH:

WHEREAS, pursuant to the Constitution and laws of the State of Florida, including particularly Section 163.01, Florida Statutes, as amended, Chapter 166, Part II, Florida Statutes, as amended, Chapter 361, Part II, Florida Statutes, as amended, and the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended and supplemented, and other applicable provisions of law (collectively, the "Act"), and in accordance with the Initial Pooled Loan Project 2019 Obligation Resolution adopted April 18, 2019, as the same may be further amended and supplemented from time to time in accordance with the provisions thereof (the "Resolution"), FMPA has determined to loan to the Project Participant the amount necessary to enable the Project Participant to finance and refinance all or a portion of the Costs of the Participant's Project described in Exhibit A and the Project Participant has determined to borrow such amount from FMPA, subject to the terms and conditions of and for the purposes set forth in this Loan Agreement; and

WHEREAS, the Project Participant is authorized and has taken all action necessary to enter into this Loan Agreement for the purposes set forth herein; and

WHEREAS, FMPA has no taxing power and the bonds, notes, and any other obligations issued from time to time under the Resolution and all obligations to be undertaken by FMPA pursuant to the Resolution are special obligations of FMPA payable solely from Revenues; and FMPA shall be required to pay and perform its obligations under the Resolution only to the extent that there are Revenues sufficient to provide therefor;

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter contained, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions. Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the Resolution, as applied to the Loan Agreement. The following terms have the meanings indicated below for all purposes of this Loan Agreement unless the context clearly requires otherwise.

"Administrative Expenditures" means any expenditures of FMPA reasonably or necessarily incurred by FMPA in connection with the administration of the Initial Pooled Loan Project including, without limitation, those incurred by reason of its issuance of the particular Series of the Obligations in order to finance or refinance the Applicable Project Fund applicable to Series of Obligations from which the amounts loaned to the Project Participant hereunder are taken, including (without limitation) fees and expenses of auditing; the fees and expenses of the Trustee and the Registrar and Paying Agent allocable to such Series of Obligations; legal, financing, and administrative expenses; and any expenses incurred by

FMPA or the Trustee to compel full and punctual performance of all the provisions of the Loan Agreements and the Credit Facility in accordance with the terms thereof.

"Authorized Officer" means, in the case of the Project Participant, any person or persons authorized pursuant to a resolution of the governing body of the Project Participant to perform any act or execute any document relating to the Loan or this Loan Agreement.

"Commencement Date" means the date of commencement of the term of this Loan Agreement, which shall be the Commencement Date set forth in Exhibit A, which is attached hereto and made a part hereof.

"Cost," with respect to a Project Participant, shall mean the Project Participant's costs, expenses, and liabilities paid or incurred or to be paid or incurred by the Project Participant, including any costs relating to any project designed or intended to decrease the costs of Project Participant's Eligible Utility System or to increase the capacity or reliability of Project Participant's Eligible Utility System including, without limitation, costs incurred in connection with the planning, engineering, designing, acquiring, leasing, constructing, installing, financing, operating, maintaining, retiring, decommissioning, and disposing of (A) any part of Project Participant's Eligible Utility System; (B) any part of an electric, water, wastewater, waste or refuse disposal, telecommunications, resource recovery or gas facility or other Eligible Utility System facility in which a Project Participant has a joint ownership interest; or (C) any project entered into by FMPA permitted by law and the obtaining of all governmental approvals, certificates, permits, and licenses with respect thereto, including, but not limited to, any good faith or other similar payment or deposits required in connection with the purchase thereof, the cost of acquisition by or for the Project Participant of real and personal property related thereto, and costs of the Project Participant incidental to such construction or acquisition, the costs of acquisition of fuel or fuel inventory or facilities for the production or transportation of fuel and working capital and reserves therefore and working capital and reserves for reload fuel and for additional fuel inventories, all costs related to the payment or repayment of purchased power or other utility services, all costs relating to injury and damage claims relating to any item described in clause (A), (B) or (C) above, the cost of any indemnity or surety bonds and premiums on any insurance required to be obtained or which a Project Participant finds it desirable to obtain, self-insurance, including the funding of a pool for insurance purposes; preliminary investigation and development costs; engineering fees and expenses; contractors' fees and expenses; the costs of labor, materials, equipment, and utility services and supplies; legal and financial advisory fees and expenses; interest and financing costs, including, without limitation, bank commitment and letter of credit fees and bond insurance and indemnity premiums, fees, and expenses of the trustees, registrars, paying agents, administration and general overhead expense; and costs of keeping accounts and making reports required by the Resolution or the Project Participant's bond resolution prior to or in connection with the completion of construction of any item described in clauses (A), (B), or (C) above; amounts, if any, required by the Resolution or resolutions of the Project Participant relating to any item described in clauses (A), (B), or (C) above to be paid into various funds and accounts thereunder for any of the respective purposes thereof, including capitalized interest for any Loan and working capital of the Project Participant's Eligible Utility System; costs of paying or prepaying interest, principal, premium on any obligation issued to finance the Project Participant's Eligible Utility System or joint ownership interest described in clause (B) above; or cost of purchasing either on the open market or in response to a request for tenders or otherwise any of such obligations, payments or prepayments of any amounts owed to FMPA in connection with any project of FMPA, or any project entered into by FMPA permitted by law and reserves therefor to enable the Project Participant to implement and carry out such portion of the Initial Pooled Loan Project relating to such Project Participant. It is intended that this definition be broadly construed to encompass all costs, expenses, and liabilities of the Project Participant related to (A) the Project Participant's Eligible Utility System, (B) any part of an Eligible Utility System in which a Project Participant has a joint ownership interest, or (C) any project entered into by FMPA permitted by law which on the date hereof or in the future shall be permitted to be funded with the proceeds of bonds pursuant to the provisions of the Act or any other applicable laws of the State of Florida.

"Eligible Utility System" means the Project Participants electric, water, wastewater, waste or refuse disposal, telecommunications, resource recovery, or gas system or any other utility system of Project Participant.

"Event of Default" means any occurrence or event specified in Section 5.01 hereof.

"Loan" means the loan made by FMPA to the Project Participant to finance or refinance the Costs of the Participant's Project pursuant to this Loan Agreement.

"Loans" means this Loan and other Loans made to other Project Participants under Loan Agreements from the Applicable Project Fund and financed with the proceeds of a particular Series of Obligations issued by FMPA.

"Loan Agreement" means this Loan Agreement, including the Exhibits attached hereto, as it may be supplemented, modified, or amended from time to time in accordance with the terms hereof and of the Resolution.

"Loan Agreements" means this Loan Agreement and any other loan agreements entered into among FMPA, the Credit Facility Issuer, and one or more of the Project Participants pursuant to which such Project Participants will borrow money from the Applicable Project Fund financed with the proceeds of a particular Series of Obligations issued by FMPA.

"Loan Project" means the Initial Pooled Loan Project encompassing FMPA's program of making loans pursuant to the Act and the Resolution.

"Loan Rate Determination Date" means the dates specified in the definition of "Loan Rate Determination Date" set forth in Section 6.02 of the Resolution.

"Loan Repayments" means the payments payable by the Project Participant pursuant to Section 3.02 of this Loan Agreement, including payments payable under the Promissory Note.

"Loan Term" means the term of this Loan Agreement determined as provided in Sections 3.01 and 3.02 of this Loan Agreement and reflected on Exhibit B, which is attached hereto and made a part of this Loan Agreement, as the same may be amended or modified as provided herein.

"Promissory Note" means the Promissory Note executed and delivered by the Project Participant to FMPA to evidence the Loan, in substantially the form of Exhibit C, which is attached hereto and made a part hereof.

"Obligations" means a Series of Obligations as defined in the Resolution authenticated and delivered in order to finance or refinance the particular account in the Applicable Project Fund from which the amounts loaned to the Project Participant pursuant to this Loan Agreement are provided.

"Participant's Project" means the project of the Project Participant related to its Eligible Utility System described in Exhibit A, which is attached hereto and made a part hereof, which constitutes a project for which FMPA is permitted to make loans to the Project Participant pursuant to the Act, all or a portion of the Cost of which is financed or refinanced by FMPA through the making of the Loan under this Loan Agreement.

"Project Expenses" means the expenses of the Initial Pooled Loan Project applicable to a particular Series of Obligations, including (without limitation) all such amounts payable pursuant to or in connection with the Credit Facility Agreement, if any, applicable to such Series of Obligations, the Annual Administration Fee applicable to such Series of Obligations, the Administrative Expenditures and such other fees and expenses necessary or incidental to the Initial Pooled Loan Project applicable to such Series of Obligations as shall be approved by FMPA, including any amounts at any time constituting a rebate due or anticipated by FMPA to be due under the Code, as shall be approved by FMPA.

"Project Participant" means the member of FMPA that is described in the first paragraph of the Loan Agreement and its successors and assigns or FMPA, in any capacity other than as agent for the Initial Pooled Loan Project (which capacity shall be specified in the Loan Agreement entered into by FMPA in such capacity).

"Project Participants" means the members of FMPA or FMPA, in any capacity other than as agent for the Initial Pooled Loan Project (which capacity shall be specified in the Loan Agreement executed by FMPA in such capacity), that have entered into Loan Agreements with FMPA as agent for the Initial Pooled Loan Project pursuant to which such members of FMPA, or FMPA in such other capacity, will borrow money from the Applicable Project Fund financed or refinanced through the issuance of a particular Series of Obligations.

"Promissory Note" means the Promissory Note executed and delivered by the Project Participant to FMPA to evidence the Loan, in substantially the form of Exhibit C, which is attached hereto and made a part hereof.

"Resolution" means the Initial Pooled Loan Project 2019 Obligation Resolution as adopted by the Board of Directors of FMPA on April 18, 2019, and all further amendments and supplements thereto adopted in accordance with the provisions thereof applicable to the Obligations.

"Taxable Loan" means a Loan that is funded with proceeds of a particular Series of Obligations issued by FMPA the interest on which is *not* intended to be excluded from gross income for federal income taxes or which could be issued by FMPA in the future.

"Tax-Exempt Loan" means a Loan that is funded with proceeds of a particular Series of Obligations issued by FMPA the interest on which is intended to be excluded from gross income for federal income taxes or which could be issued by FMPA in the future as that status is governed by Section 103(a) of the Code or any rulings promulgated thereunder or as affected by a decision of any court of competent jurisdiction.

"Trustee" means the Trustee for the Series of Obligations issued to fund the Loan made hereunder and appointed pursuant to the Resolution and its successors as Trustee under the Resolution as provided in Section 9.01 of the Resolution.

"Utility System" means the Eligible Utility System of the Project Participant described in Exhibit A for which the Project Participant is making the borrowing under this Loan Agreement and from the revenues or other receipts of which the Project Participant will repay the Loan. In the case of a borrowing by FMPA, "Utility System" shall mean the capacity in and/or project for which FMPA is borrowing and the revenues or receipts related thereto.

ARTICLE II

REPRESENTATIONS AND COVENANTS OF PROJECT PARTICIPANT

SECTION 2.01 Representations of Project Participant. The Project Participant represents for the benefit of FMPA, the Trustee, the Holders, and the Credit Facility Issuer as follows:

(a) Organization and Authority.

(i) The Project Participant is "a public agency" as defined in Section 163.01(3)(b), Florida Statutes, as amended, and "an electric utility" as defined in Section 163.01(3(f), Florida Statutes, as amended, or a municipality for purposes of Section 163.01(7)(d), Florida Statutes, as amended, duly created and validly existing pursuant to the constitution and statutes of the State of Florida.

(ii) The Project Participant has full legal right and authority and all necessary licenses and permits required as of the date hereof to own and operate its properties, to carry on its activities, to enter into this Loan Agreement, to execute and deliver the Promissory Note, to undertake and complete the Participant's Project related to its Utility System, and to carry out and consummate all transactions contemplated by this Loan Agreement.

(iii) The proceedings of the Project Participant's governing body approving this Loan Agreement and the Promissory Note and authorizing their execution and delivery on behalf of the Project Participant and authorizing the Project Participant to undertake and complete the Participant's Project have been duly and lawfully adopted at a meeting or meetings duly called and held at which quorums were present and acting throughout and such meeting or meetings were duly called pursuant to necessary public notice and held in accordance with all applicable laws, including Section 286.011, Florida Statutes, as amended.

(iv) This Loan Agreement and the Promissory Note have been duly authorized, executed, and delivered by an Authorized Officer of the Project Participant and, assuming that each of FMPA and the Credit Facility Issuer has all the requisite power and authority to execute and deliver, and has duly authorized, executed, and delivered this Loan Agreement, this Loan Agreement and the Promissory Note constitute the legal, valid and binding obligations of the Project Participant enforceable in accordance with their respective terms.

(b) Full Disclosure. There is no fact that the Project Participant has not disclosed to the Credit Facility Issuer and FMPA in writing on the Project Participant's application for the Loan or otherwise that materially adversely affects or (so far as the Project Participant can now foresee) that will materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of the Project Participant or its Utility System or the ability of the Project Participant to make all Loan Repayments and otherwise perform its obligations under this Loan Agreement and the Promissory Note, and the information contained in Exhibit A, which is attached hereto and made a part hereof, is true and accurate in all respects.

(c) Pending Litigation. There are no proceedings pending, or to the knowledge of the Project Participant threatened, against or affecting the Project Participant in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of the Project Participant or its Utility System, or the ability of the Project Participant to make all Loan Repayments and otherwise perform its obligations under this Loan Agreement and the Promissory Note that have not been disclosed in writing to the Credit Facility Issuer and FMPA in the Project Participant's application for the Loan or otherwise.

(d) Compliance with Existing Laws and Agreements. The execution and delivery of this Loan Agreement and the Promissory Note by the Project Participant, the performance by the Project Participant of its obligations hereunder and thereunder and the consummation of the transactions provided for in this Loan Agreement and the Promissory Note and compliance by the Project Participant with the provisions of this Loan Agreement and the Promissory Note and the undertaking and completion of the Participant's Project will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon any property or assets of the Project Participant pursuant to any existing bond ordinance, trust agreement, indenture, mortgage, deed of trust, loan agreement, or other instrument (other than the subordinated lien on the revenues of the Utility System created under this Loan Agreement and the Promissory Note) to which the Project Participant is a party or by which the Project Participant, its Utility System or any of its property is or may be bound nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Project Participant was established or any laws, ordinances, governmental rules, regulations or court orders to which the Project Participant, its Utility System or its property or operations is subject.

(e) No Defaults. No event has occurred and no condition exists that, upon execution of this Loan Agreement and the Promissory Note or receipt or application of all or any portion of the amount of the Loan, would constitute an Event of Default hereunder. The Project Participant is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party or by which it, its Utility System or its property or operations may be bound, which violation would materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of the Project Participant or its Utility System or the ability of the Project Participant to make all Loan Repayments or otherwise perform its obligations under this Loan Agreement and the Promissory Note.

(f) Governmental Consent. The Project Participant has obtained all permits and approvals required to date by any governmental body or officer for the making and performance by the Project Participant of its obligations under this Loan Agreement and the Promissory Note or for the undertaking or completion of the Participant's Project and the financing and refinancing thereof, and the Project Participant has complied with any applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the making and performance by the Project Participant of its obligations under this Loan Agreement and the Promissory Note or with the undertaking or completion of the Participant's Project and the financing or refinancing thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority that has not been obtained is required on the part of the Project Participant as a condition to the execution and delivery of this Loan Agreement and the Promissory Note, the undertaking or completion of the Participant's Project or the consummation of any transaction herein contemplated.

(g) Compliance with Law. The Project Participant:

(i) is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Project Participant to conduct its activities or the condition (financial or otherwise) of the Project Participant or its Utility System; and

(ii) has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its activities which, if not obtained, would materially adversely affect the ability of the Project Participant to conduct its activities or undertake or complete the Participant's Project or the condition (financial or otherwise) of the Project Participant or its Utility System.

(h) Use of Proceeds from Taxable and Tax-Exempt Loans. (A) The Project Participant will apply the proceeds of the Taxable Loan received from FMPA as described in Exhibit A, which is attached hereto and made a part hereof, to finance all or a portion of the Cost of the Participant's Project; (ii) to reimburse the Project Participant for all or a portion of the Cost of the Participant's Project, or (iii) to retire indebtedness of the Project Participant incurred to finance the Cost of the Participant's Project. All of such costs constitute Costs for which FMPA is authorized to make Loans to the Project Participant pursuant to the Act and the Resolution. Before each and every disbursement of the proceeds of the Loan to the Project Participant, the Project Participant shall submit to FMPA a certificate meeting the requirements of Section 5.04(2) of the Resolution.

(i) Application of Proceeds. The Project Participant will apply the proceeds of the Tax-Exempt Loan received from FMPA as described in Exhibit A, (i) to finance all or a portion of the Cost of the Participant's Project; (ii) to reimburse the Project Participant for all or a portion of the Cost of the Participant's Project, which Cost was paid or incurred in anticipation of reimbursement by FMPA or any other issuer (including the Project Participant) of indebtedness the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code; or (iii) to retire indebtedness of the Project Participant incurred to finance the Cost of the Participant's Project, which Cost was paid or incurred in anticipation of reimbursement by FMPA or any other issuer (including the Project Participant) of indebtedness the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code. All of such costs constitute Costs for which FMPA is authorized to make Loans to the Project Participant pursuant to the Act and the Resolution. Before each and every disbursement of the proceeds of the Loan to the Project Participant, the Project Participant shall submit to FMPA a certificate meeting the requirements of Section 5.04(2) of the Resolution.

SECTION 2.02 Particular Covenants of Project Participant.

(a) The Project Participant agrees (i) to maintain its Utility System in good repair and operating condition; (ii) to cooperate with FMPA and the Credit Facility Issuer in the performance of the respective obligations of such Project Participant and FMPA under this Loan Agreement; (iii) to establish, levy and collect rents, rates, and other charges for the products and services provided by its Utility System, which rents, rates, and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Utility System; (B) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond ordinance, resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Project Participant, to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Utility System and to make any other payments required by the laws of the State of Florida; (C) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, this Loan Agreement; and (D) to pay all other amounts payable from or constituting a lien or charge on the revenues or other receipts of its Utility System; and (iv) to deliver to FMPA, the Credit Facility Issuer and any designee of such parties any report or certificate required to comply or to evidence compliance with the Credit Facility Agreement.

(b) The Project Participant further covenants and agrees that it will treat its integrated utility system as the Utility System for all purposes of this Loan Agreement. The Project Participant's Utility System shall be deemed to be a part of an integrated utility system for purposes of the Initial Pooled Loan Project if the revenues or other receipts of the Utility System (i) are commingled with the revenues or other receipts of one or more other utility systems owned by the Project Participant, or (ii) are utilized to pay operating expenses of the Project Participant's Utility System and one or more other utility systems owned by the Project Participant, or (iii) are pledged to secure bonds issued to finance one or more other utility systems owned by the Project Participant.

(c) The Project Participant shall not be required to make payments under this Loan Agreement except from the revenues or other receipts of its Utility System and from other funds of such Utility System legally available therefor. In no event shall the Project Participant be required to make payments under this Loan Agreement from ad valorem tax revenues.

(d) The Project Participant shall not sell, lease, abandon, or otherwise dispose of all or substantially all of its Utility System except on 90 days' prior written notice to FMPA and, in any event, shall not so sell, lease, abandon, or otherwise dispose of the same unless the following conditions are met: (i) the Project Participant shall assign this Loan Agreement in accordance with Section 4.02 herein and its rights and interests hereunder to the purchaser or lessee of the Utility System and such purchaser or lessee shall assume all obligations of the Project Participant under this Loan Agreement; and (ii) FMPA shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment, or other disposition will not adversely affect FMPA's ability to meet its obligations under the Resolution, and will not adversely affect the value of this Loan Agreement as security for the payment of the particular Series of Obligations issued by FMPA to fund the Loan made hereunder and the interest thereon or, if applicable, affect the eligibility of interest on such Series of Obligations then outstanding or which could be issued in the future for exclusion from gross income for federal income tax purposes; provided, however, that so long as the Credit Facility is securing the payment of principal and interest on such Series of Obligations, the Project Participant shall not sell, lease, abandon, or otherwise dispose of all or substantially all of its Utility System without the prior written consent of the Credit Facility Issuer.

(e) Solely with respect to a Tax-Exempt Loan, the Project Participant covenants and agrees that it shall not take any action or omit to take any action which would result in the loss of the exclusion from gross income for Federal income tax purposes of the interest on any Obligation or Obligations of the Series issued by FMPA to fund the Loan made hereunder the interest on which is intended to be excluded from gross income for federal income taxes or which could be issued by FMPA in the future as that status is governed by Section 103(a) of the Code or any rulings promulgated thereunder or as affected by a decision of any court of competent jurisdiction.

(f) The Project Participant covenants and agrees that it shall, in accordance with prudent utility practice, (1) at all times operate the properties of its Utility System and the business in connection therewith in an efficient manner; (2) maintain its Utility System in good repair, working order, and condition; and (3) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterment, and improvement with respect to its Utility System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted; provided, however, this covenant shall not be construed as requiring the Project Participant to expend any funds which are derived from sources other than the operation of its Utility System or other receipts of such Utility System and provided further that nothing herein shall be construed as preventing the Project Participant from doing so.

(g) The Project Participant shall keep accurate records and accounts for its Utility System, separate and distinct from its other records and accounts. Such records and accounts shall be audited annually by an independent certified public accountant, which may be part of the annual audit of the accounts of the Project Participant. Such records and accounts shall be made available for inspection by FMPA and the Credit Facility Issuer at any reasonable time, and a copy of such annual audit, including all written comments and recommendations of such accountants, shall be furnished to FMPA and the Credit Facility Issuer as soon as available. If such Utility System audit is part of a municipal audit, then the Project Participant shall furnish the entire municipal audit to FMPA and the Credit Facility Issuer.

(h) The Project Participant shall permit FMPA and the Credit Facility Issuer and any party designated by any of such parties to examine, visit, and inspect, at any and all reasonable times, the property, if any, constituting the Participant's Project and the Project Participant's other Utility System facilities, and to inspect and make copies of any accounts, books, and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments, and any other matters relating thereto and to its financial standing, and shall supply such reports and information as FMPA, the Trustee or the Credit Facility Issuer may reasonably require in connection therewith.

(i) The Project Participant shall maintain or cause to be maintained, in force, insurance with responsible insurers with policies or self-insurance providing against risk or direct physical loss, damage, or destruction of their Utility System, at least to the extent that similar insurance is usually carried by utilities constructing and operating Utility System facilities of the nature of the Utility System facilities of the Project Participant's Utility System, including liability all to the extent available at reasonable cost but in no case less than will satisfy all applicable regulatory requirements.

(j) The Project Participant certifies that the Cost of the Participant's Project is a reasonable. and accurate estimation thereof and, upon direction of the Credit Facility Issuer or FMPA, will supply the same with a certificate stating that such Cost of the Participant's Project is a reasonable and accurate estimation thereof.

(k) Concurrently with the execution and delivery of this Loan Agreement, the Project Participant will cause to be delivered to FMPA, the Credit Facility Issuer, and the Trustee each of the items required by Section 6.04 of the Resolution.

(l) The Project Participant shall promptly notify FMPA, Credit Facility Issuer, and any party designated by such parties of any material adverse change in the Project Participant's Utility System.

(m) The Project Participant further agrees to comply with the additional covenants, if any, included on Exhibit E, which is attached hereto and made a part hereof.

(n) In the event that FMPA issued a particular Series of Obligations (as defined in the Resolution) to provide the moneys for the Loan made hereunder and is required to comply with the continuing disclosure undertakings of Rule 15(c)2-12 of the United States Securities and Exchange Commission (the "Rule") in connection with such issuance, the Project Participant agrees to provide to FMPA: (a) such financial and operating information as may be requested by FMPA including its most recent audited financial statements for use in FMPA's offering documents for such Series of Obligations; and (b) annual updates to such information and statements to enable FMPA to comply with the Rule. Failure by the Project Participant to comply with its agreement to provide such annual updates shall not be a default under this Loan Agreement, but any such failure shall entitle FMPA or an owner of such Series of Obligations to take such actions and to initiate such proceedings as may be necessary and appropriate to cause the Project Participant to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

SECTION 2.03 Particular Covenants of FMPA.

(a) FMPA, in good faith and in accordance with prudent utility practice, shall use its best efforts to issue and sell the Obligations of a particular Series to fund a Loan, provided that in each such case, Obligations of such Series may then be legally issued and sold.

(b) Notwithstanding any other provision of this Agreement, in the event that market conditions or other circumstances beyond FMPA's control render FMPA unable to issue and sell a Obligations or a particular Series of Obligations, or FMPA deems the issuance and sale of such Series of Obligations to be inconsistent with prudent utility practice, FMPA shall be under no obligation to issue or sell such Series of Obligations or to make a Loan to the Project Participant.

ARTICLE III

LOAN TO PROJECT PARTICIPANT; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01 The Loan; Loan Term. FMPA hereby agrees to loan to the Project Participant, and the Project Participant agrees to borrow from FMPA, the Loan in the principal amount of the commitment set forth on Exhibit A. The proceeds of the Loan shall be deposited in the funds and accounts as set forth on Exhibit A. FMPA shall cause the Trustee to disburse proceeds of the Loan deposited in the Applicable Project Fund to the Project Participant or its designee or to FMPA for payment to the Project Participant or its designee upon receipt of certificates meeting the requirements of Section 5.04(2) of the Resolution; provided, however, FMPA shall be under no obligation to disburse or cause to be disbursed all or any portion of the Loan to the Project Participant if an Event of Default has occurred and is continuing under the Resolution, the Credit Facility Agreement, or this Loan Agreement. Although FMPA intends to disburse the full amount of the proceeds of the Loan in the Applicable Project Fund to the Project Participant to pay the Cost of the Participant's Project, due to unforeseen circumstances, including, but not limited to, investment losses or application of amounts in the Applicable Project Fund to make Loan Repayments, there may not be a sufficient amount on deposit in the Applicable Project Fund on any date to disburse the full amount of the proceeds of the Loan in the Applicable Project Fund to the Project Participant; in such event, the Project Participant agrees that the obligation of the Project Participant to repay the Loan shall not be affected thereby, and neither FMPA, nor the Trustee nor the Credit Facility Issuer shall have any obligation to disburse any additional amounts to the Project Participant. The proceeds of the Loan shall be used strictly in accordance with Section 2.01(h) hereof.

This Loan Agreement is a special obligation of the Project Participant payable solely from the revenues or other receipts of the Utility System specified in Exhibit A hereto.

This Loan Agreement will terminate upon payment in full of all amounts payable hereunder.

SECTION 3.02 Amounts Payable. (a) The Project Participant shall repay the Loan in installments payable to the Trustee as follows:

(i) the principal of the Loan shall be repaid in accordance with the schedule set forth on Exhibit B attached hereto as the same may be amended or modified as provided herein; provided, however, that (1) if the Credit Facility Issuer shall at any time fail to extend the expiration date of the Credit Facility on or prior to the latest date available for such extension pursuant to the terms of the Credit Facility, and if the date of final principal payment set forth on Exhibit B hereto shall be later than the final expiration date of the Credit Facility (or if the Credit Facility Agreement provides for a term loan facility extending to a date later than such expiration date, the expiration date of such term loan facility), then, unless a substitute Credit Facility applicable to the Series of Obligations has been obtained or the Project Participant shall have delivered to the Trustee, FMPA, and the Credit Facility Issuer a commitment from a financial institution reasonably acceptable to the Credit Facility Issuer to refinance the remaining outstanding principal amount of the Loan on or before such expiration date, subject only to the condition that no Event of Default has occurred and is continuing hereunder and such other conditions as to which the Credit Facility Issuer does not reasonably object, at the option of FMPA, the Loan Term may be reduced to end on the day that is the first Business Day of the month prior to such expiration date and the principal payments due as set forth in Exhibit B hereto shall be recalculated so as to amortize the then outstanding principal balance of the Loan in equal monthly installments over the remaining Loan Term as so reduced; (2) if the expiration date of the Credit Facility (or any applicable term loan facility) shall later be extended or if a replacement Credit Facility with a later expiration date shall come into effect, the Loan Term shall be increased to end on the earlier of (i) the original date of final principal payment set forth on Exhibit B hereto or (ii) the first day of the month prior to such revised expiration date, and the principal payments due as set forth on Exhibit B hereto shall be similarly recalculated; and (3), subject to Sections 5.01 and 5.03

hereof, if this Loan Agreement shall be assigned or transferred to the Credit Facility Issuer pursuant to the Resolution, then the Loan Term shall be reduced to end on the date computed as provided in the Credit Facility Agreement, and the principal payments due as set forth on Exhibit B hereto shall be recalculated so as to amortize the then outstanding principal balance of the Loan in equal monthly installments over the Loan Term as so reduced; and

(ii) the interest on the Loan shall be received by the Trustee on the fifteenth day of each month commencing on the fifteenth day of the month following the month in which proceeds of a particular Series of Obligations are deposited in the Applicable Project Fund to fund the Loan to the Project Participant in the amount calculated in the manner prescribed by paragraph (b) of this Section; provided, however, that upon the occurrence of an Event of Default or the transfer of this Loan Agreement to the Credit Facility Issuer the interest rate payable on the Loan shall thereafter for the period specified in the Credit Facility Agreement be determined as provided in the Credit Facility Agreement, but in no event in excess of the maximum rate permitted by Florida Law.

On or prior to the date on which FMPA enters into an agreement to sell or issue a Series of Obligations the proceeds of which will provide amounts to be advanced to the Project Participant under this Loan Agreement, the Project Participant shall execute the Promissory Note to evidence such obligation in substantially the form of the Promissory Note attached hereto as Exhibit C and deliver the original Promissory Note to the Trustee. The obligations of the Project Participant under the Promissory Note shall be deemed to be amounts payable under this Section 3.02. Each payment made to the Trustee pursuant to the Promissory Note shall be deemed to be a credit against the corresponding obligation of the Project Participant under this Section 3.02 and any such payment made to the Trustee shall fulfill the Project Participant's obligation to pay such amount hereunder and under the Promissory Note. Except as otherwise provided in the Credit Facility Agreement, each payment made pursuant to this Section 3.02 shall be applied first to interest then due and payable on the Loan and then to the principal of the Loan.

(b) Except as otherwise provided in the Resolution and subject to Sections 5.01 and 5.03 of this Loan Agreement, the interest rate applicable to the Loan and the effective date of such rate (which shall be the first day of a month) shall be determined by FMPA on each Loan Rate Determination Date which date shall not be more than 15 days prior to the effective date (which rate shall apply until the effective date specified on the next succeeding Loan Rate Determination Date). FMPA shall notify the Project Participant of the rate determined on the Loan Rate Determination Date at least 10 days prior to the effective date of a new interest rate determined. Notwithstanding the foregoing, if at any time FMPA determines that the interest payable on the Loan will not provide sufficient funds, together with other funds available therefor under the Resolution (i) to pay the interest to become due on the particular Series of Obligations allocable to the Loan as provided in the Resolution and (ii) to pay the Project Expenses, FMPA may increase the interest rate on the Loan in an amount so that, together with amounts to be generated from identical increases in the interest rate on all other Loans, shall be sufficient to cure such deficiency; FMPA shall give the Project Participant notice of such increased interest rate on the Loan and the period for which such interest rate shall be effective at least ten days prior to the date such increased interest rate shall become effective.

(c) In addition to the payments of principal and interest on the Loan required by paragraph (a) of this Section, the Project Participant shall pay a late charge for any payment of principal of or interest on the Loan that is received by the Trustee later than the day following its due date, in an amount equal to 5% of such payment or such lesser amount as is necessary so that such late charges together with the interest rate payable on the Loan is not in excess of the maximum rate permitted by law; provided, however, that the interest rate payable on the Loan including such late charge shall not be in excess of the maximum rate permitted by law.

SECTION 3.03 Unconditional Obligations. The obligations of the Project Participant to make the Loan Repayments and all other payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed, or otherwise modified in any manner or to any extent whatsoever, while any Obligations of the Series issued to fund the Loan made hereunder remain outstanding or any Loan Repayments remain unpaid, regardless of any contingency, act of God, event, or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to Participant's Project or its Utility System, commercial frustration of purpose, any change in the laws of the United States of America or of the State of Florida or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of FMPA, the Trustee, or the Credit Facility Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with Participant's Project, this Loan Agreement or the Resolution or any rights of set off, recoupment, abatement, or counterclaim that the Project Participant might otherwise have against FMPA, the Trustee, the Credit Facility Issuer, or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights. Furthermore, the Project Participant is not obligated to make any payments required to be made by any other Project Participant under a separate Loan Agreement or the Resolution.

The obligations of the Project Participant to make the Loan Repayments and all other payments required hereunder are junior and subordinated in all respects to certain payments and obligations incurred as specified in Utility System Resolution (as defined in Exhibit E) as to source and security for payment from revenues, receipts, or other available moneys of the Project Participant's Utility System.

The Project Participant acknowledges that payment of Series of Obligations issued to fund the Loan made hereunder (including, if so provided in the Credit Facility Agreement, payment from funds drawn by the Trustee under the Credit Facility) does not constitute payment of the amounts due under this Loan Agreement and the Promissory Note and that if this Loan Agreement and the Promissory Note are assigned to the Credit Facility Issuer, the Credit Facility Issuer will be fully subrogated to the rights of FMPA and the Trustee under this Loan Agreement and the Promissory Note.

SECTION 3.04 Loan Agreement to Survive Resolution and Series of Obligations. The Project Participant acknowledges that its obligations hereunder shall survive the discharge of the Resolution and payment of the principal of and interest on the Series of Obligations issued to fund the Loan made hereunder.

SECTION 3.05 Disclaimer of Warranties. Neither FMPA nor the Credit Facility Issuer nor the Trustee nor any of their respective agents makes any warranty or representation, either express or implied as to the value, design, condition, merchantability, or fitness for particular purpose or fitness for use of Participant's Project or any portion thereof or any other warranty or representation with respect thereto. In no event shall FMPA, the Credit Facility Issuer, or the Trustee or their respective agents be liable for any incidental, indirect, special, or consequential damages in connection with or arising out of this Loan Agreement or the Participant's Project or the existence, furnishing, functioning, or use of the Participant's Project or any item or products or services provided for in this Loan Agreement.

SECTION 3.06 Option to Prepay Loan Repayments. The Project Participant may prepay the Loan Repayments, in whole or in part on any Business Day, and upon payment by the Project Participant to the Trustee of the principal amount of the Loan Repayments to be prepaid, plus the interest to accrue on such amount to the date of prepayment in accordance with the terms and provisions for such prepayments plus any premium set forth on Exhibit B attached hereto as the same may be amended or modified as provided herein. Except as otherwise provided in the Credit Facility Agreement, prepayments shall be applied first to accrued interest on the portion of the Loan to be prepaid and then to principal payments (including premium, if any) on the Loan in inverse order of their maturity. Any such full or partial prepayment may be made without compliance with the notice requirements set forth on Exhibit B attached hereto on any Business Day upon the occurrence of any event requiring or permitting the transfer of this Loan Agreement to the Credit Facility Issuer pursuant to the Resolution.

ARTICLE IV

ASSIGNMENT

SECTION 4.01 Assignment and Transfer. (a) The Project Participant expressly acknowledges that all right, subject to Section 5.07 herein, title and interest of FMPA in, to and under this Loan Agreement and the Promissory Note may be assigned to the Trustee as security for the Series of Obligations issued to fund the Loan made hereunder and amounts due under the Credit Facility Agreement as provided in the Resolution, and on and after the date of such assignment that if any Event of Default shall occur, the Trustee, subject to the provisions of the Credit Facility Agreement, or, at such time, if any, as this Loan Agreement is required to be transferred to the Credit Facility Issuer pursuant to the Resolution and the Credit Facility Agreement, the Credit Facility Issuer shall be entitled to act hereunder in the place and stead of FMPA and the Trustee. The Project Participant hereby approves the Resolution and consents to such assignment. This Loan Agreement and the Promissory Note including, without limitation, the right to receive payments required to be made by the Project Participant hereunder and to compel or otherwise enforce performance by the Project Participant of its other obligations hereunder, may be further transferred, assigned, and reassigned in whole or in part to one or more assignees or subassignees by the Trustee at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the Project Participant.

(b) The Project Participant acknowledges that following the occurrence of an Event of Default, the Resolution, or the Credit Facility Agreement may require that this Loan Agreement and the Promissory Note be transferred to the Credit Facility Issuer in the manner and to the extent provided therein and/or the amounts payable as interest hereunder may be increased and the time at which principal payments are due may be modified to the extent required in the Credit Facility Agreement. The Project Participant hereby consents to such transfer and/or increase and/or modification.

(c) The Project Participant further acknowledges that if the Obligations of a particular Series or the portion thereof applicable to the Loan are subject to purchase from moneys drawn under the Credit Facility and any other monies available to the Trustee upon the occurrence of certain events as may be provided for and set forth in the Credit Facility Agreement for such particular Series of Obligations and that upon the occurrence of any of such events, the Credit Facility Agreement requires that, if demanded by the Credit Facility Issuer, this Loan Agreement and the Promissory Note be transferred to the Credit Facility Issuer in the manner and to the extent provided therein. The Project Participant hereby consents to such transfer.

(d) Upon receipt of notice of any transfer of this Loan Agreement and the Promissory Note as set forth in paragraphs (b) and (c) of this Section, the Project Participant shall make all payments required hereunder and under the Promissory Note directly to the Credit Facility Issuer or its designee regardless of any defense or right of set-off that the Project Participant may have against FMPA or the Trustee.

(e) The Project Participant hereby approves and consents to any further assignment or transfer of this Loan Agreement and the Promissory Note that FMPA deems to be necessary in connection with any refunding of Series of Obligations issued to fund the Loan made hereunder under the Resolution or otherwise in connection with the Initial Pooled Loan Project or any successor pooled loan program of FMPA.

SECTION 4.02 Assignment by Project Participant. Neither this Loan Agreement nor the Promissory Note may be assigned by the Project Participant for any reason without the prior written consent of FMPA, the Trustee, and the Credit Facility Issuer.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.01 Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) failure by the Project Participant to pay any Loan Repayment required to be paid hereunder when due, which failure shall continue until the last day of the month in which such Loan Repayment was due;

(b) failure by the Project Participant to observe and perform any covenant, condition, or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a) of this Section, which failure shall continue for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Project Participant by the Credit Facility Issuer (or the Trustee at the direction of the Credit Facility Issuer) or the Trustee if no Credit Facility is then in effect, unless the Credit Facility Issuer (or the Trustee at the direction of the Credit Facility Issuer) or the Trustee if no Credit Facility is then in effect shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Credit Facility Issuer or the Trustee, as appropriate, may not unreasonably withhold their consent to an extension of such time up to 120 days from the delivery of the written notice referred to above if corrective action is instituted by the Project Participant within the applicable period and diligently pursued until the Event of Default is corrected;

(c) any representation made by or on behalf of the Project Participant contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is false or misleading in any material respect on the date on which such representation is made;

(d) a petition is filed by or against the Project Participant under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Project Participant such petition shall be dismissed within 30 days after such filing and such dismissal shall be final and not subject to appeal; or the Project Participant shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator, or trustee) of the Project Participant or any of its property shall be appointed by court order or take possession of the Project Participant or its property if such order remains in effect or such possession continues for more than 30 days; and

(e) The Project Participant shall be in default in the payment of any principal of or interest on any obligation for borrowed money or for the deferred purchase price of any property or asset (unless the failure to make payment of such deferred purchase price is contingent upon a contest or negotiation being diligently pursued and in connection with which adequate reserves have been established) or on any obligation guaranteed by the Project Participant or in respect of which it is otherwise contingently liable beyond any period of grace stated with respect thereto in any such obligation or in any agreement under which any such obligation is created, or shall default in the performance of any agreement under which any such obligation is created if the effect of such default is to cause such obligation to become, or to permit any holder or beneficiary thereof, or a trustee or trustee on behalf thereof, which notice is required, to declare such obligation to be due prior to its normal maturity, and any of the foregoing may (in the reasonable judgment of FMPA, or the Credit Facility Issuer) have a material adverse effect on the ability of the Project Participant to perform its obligations hereunder.

SECTION 5.02 Notice of Default. The Project Participant shall give the Trustee, the Credit Facility Issuer, and FMPA prompt telephonic notice followed by written confirmation of the occurrence of any event referred to in Section 5.01 hereof and of the occurrence of any other event or condition that constitutes an Event of Default at such time as any senior administrative or financial officer of the Project Participant becomes aware of the existence thereof.

SECTION 5.03 Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have happened and be continuing, FMPA shall have the right to direct the Trustee, to take any action permitted or required pursuant to the Resolution and to take one or more of the following remedial steps:

(a) declare all Loan Repayments and all other amounts due hereunder (including, without limitation, payments under the Promissory Note), to be immediately due and payable, and upon notice to the Project Participant the same shall become immediately due and payable by the Project Participant without further notice or demand; and

(b) take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any obligation, agreement, or covenant of the Project Participant hereunder.

In addition, if an Event of Default referred to in Section 5.01(a), (b), (c), or (e) shall have occurred and be continuing, the Credit Facility Issuer may, without declaring all Loan Repayments to be immediately due and payable, in the manner and for the period specified in the Credit Facility Agreement, direct FMPA to increase the rate of interest applicable to the Loan to the rate specified in the Credit Facility Agreement provided, however, the interest rate shall not be in excess of the maximum rate permitted by law, and the Trustee shall apply the additional amounts collected as interest as a result of such increase as provided in the Credit Facility Agreement.

Further, if an Event of Default referred to in Section 5.01(d) hereof shall have occurred, the Trustee shall declare all Loan Repayments and all other amounts due hereunder (including, without limitation, payments under the Promissory Note) to be immediately due and payable, and upon notice to the Project Participant the same shall become due and payable without further notice or demand.

SECTION 5.04 Attorney's Fees and Other Expenses. The Project Participant shall on demand pay to FMPA, the Credit Facility Issuer, or the Trustee the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred by any of them in the collection of Loan Repayments or any other sum due hereunder or in the enforcement of performance of any other obligations of the Project Participant upon an Event of Default. In addition, the Project Participant shall pay the reasonable expenses (including any fees required by a Credit Facility Issuer under the Credit Facility Agreement) of FMPA and the Trustee incurred in connection with the Loan (including fees of counsel to the Credit Facility Issuer) in excess of any amount of such expenses that shall be included in the Project Expenses.

SECTION 5.05 Application of Moneys. Any moneys collected by FMPA or the Trustee pursuant to Section 5.03 hereof, shall be applied (a) first, to pay any attorney fees or other fees and expenses of the Trustee owed hereunder; (b) second, to pay any attorney fees or other fees and expenses owed by the Project Participant pursuant to Section 5.04 hereof, (c) third, to pay interest due on the Loan, (d) fourth, to pay principal due on the Loan, (e) fifth, to pay any other amounts due hereunder, and (f) sixth, to pay interest and principal on the Loan and other amounts payable hereunder as such amounts become due and payable.

SECTION 5.06 No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to FMPA, the Credit Facility Issuer, or the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy, or power accruing upon any Event of Default shall impair any such right, remedy, or power or shall be construed to be a waiver thereof, but any such right, remedy, or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle FMPA, the Credit Facility Issuer, or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article V.

SECTION 5.07 Retention of FMPA's Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof or of the Resolution, or anything else to the contrary contained herein, FMPA shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation), bringing an action against the Project Participant at law or in equity, as FMPA may, in its discretion, deem necessary to enforce the obligations of the Project Participant to FMPA pursuant to Section 5.04 hereof.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01 Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the project Participant at the address specified on Exhibit A attached hereto and made a part hereof and to FMPA, the Trustee, and the Credit Facility Issuer at the following addresses:

(a) FMPA:

Florida Municipal Power Agency
(Initial Pooled Loan Project)
8553 Commodity Circle
Orlando, Florida 32819-9002
Attention: Chief Financial Officer
Telephone: (407) 355-7767
Facsimile: (407) 355-5796
Email: linda.howard@fmpa.com

With a copy to:

Florida Municipal Power Agency
Office of General Counsel
2061-2 Delta Way
Tallahassee, Florida 32303
Attention: General Counsel and Chief Legal Officer
Telephone: (850) 297-2011
Facsimile: (850) 297-2014

Email: jody.finklea@fmpa.com

(b) Trustee: TD Bank, National Association
2059 Springdale Road
Cherry Hill, New Jersey 08003
Attention: David Leondi, Vice President, Corporate Trust

(c) Credit Facility Issuer: First Horizon Bank
1000 Pine Island Road
Plantation, Florida 33324

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent, by notice in writing given to the others.

SECTION 6.02 Binding Effect. This Loan Agreement shall inure to the benefit of the parties and shall be binding upon FMPA, the Project Participant, and the Credit Facility Issuer and their respective successors and assigns.

SECTION 6.03 Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable, or otherwise affect any other provision hereof.

SECTION 6.04 Amendments, Changes, and Modifications. This Loan Agreement may not be amended without the prior written consent of the parties hereto.

SECTION 6.05 Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6.06 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 6.07 Consents and Approvals. Whenever the written consent or approval of FMPA shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by FMPA unless otherwise provided by law or by rules, regulations, or resolutions of FMPA or unless expressly delegated to the Trustee and except as otherwise provided in Section 6.10 hereof.

SECTION 6.08 Captions. The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit, or describe the scope or intent of any provisions or sections of this Loan Agreement.

SECTION 6.09 Benefit of Loan Agreement; Compliance with Resolution. This Loan Agreement is executed, among other reasons, to induce the purchase and sale of the Series of Obligations issued to fund the Loan made hereunder and the issuance of the Credit Facility by the Credit Facility Issuer. Accordingly, all covenants, representations, and agreements of the Project Participant herein contained are hereby declared to be for the benefit of and are enforceable by the Holders, FMPA, and the Credit Facility Issuer. The Project Participant covenants and agrees to comply with, and to enable FMPA to comply with, all covenants and requirements contained in the Resolution.

SECTION 6.10 Rights of Credit Facility Issuer. At such time as all rights, power, and privileges (collectively, the "Rights") under this Loan Agreement shall vest with the Credit Facility Issuer pursuant to the Resolution upon the termination of the assignment to the Trustee and transfer of this Loan Agreement to the Credit Facility Issuer, the Credit Facility Issuer shall be entitled to act hereunder in the place and stead of FMPA and the Trustee, and upon receipt of notice of the vesting of such Rights in the Credit Facility Issuer, the Project Participant shall make all payments required under this Loan Agreement and the Promissory Note directly to the Credit Facility Issuer, without any defense, set off, counterclaiming deduction, interruption, or deferment whatsoever, whether arising out of this Loan Agreement, the Initial Pooled Loan Project, the Participant's Project, or otherwise, and notwithstanding any rights that the Project Participant may have against FMPA, the Trustee, or any other person or entity. Thereafter, (a) the Credit Facility Issuer shall have all rights to receive notices and give consents and approvals hereunder, (b) the Credit Facility Issuer may exercise or not exercise any of the remedies set forth herein or otherwise provided at law with respect to any failure of the Project Participant to fulfill any of its obligations hereunder, and (c) all references to "FMPA" and the "Trustee" herein shall be deemed to be references to the "Credit Facility Issuer."

Upon the vesting of the rights under this Loan Agreement in the Credit Facility Issuer, this Loan Agreement, including (without limitation) the right to receive payments under this Loan Agreement and the Promissory Note and to enforce performance by the Project Participant of its other obligations hereunder, may be further transferred, assigned, and reassigned in whole or in part to one or more assignees or subassignees of the Credit Facility Issuer, without the necessity of obtaining the consent of, but after giving written notice to, the Project Participant.

SECTION 6.11 Further Assurances. The Project Participant shall, at the request of the Credit Facility Issuer or FMPA, execute, acknowledge, and deliver such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning, and confirming the rights, security interests, and agreements granted or intended to be granted by this Loan Agreement and the Promissory Note.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their proper officers, respectively, being thereunto duly authorized and their corporate seals, if applicable, to be hereto affixed as of the day and year first above written.

FLORIDA MUNICIPAL POWER AGENCY,
as Agent for the Initial Pooled Loan Project

(SEAL)

By: ________________________________
Barbara Quiñones
Chairman, Board of Directors

By: ________________________________
Jacob A. Williams
General Manager and CEO

ATTEST:

By: ________________________
Sue Utley
Assistant Secretary

Approved as to Form and Legality:

By: ________________________________
Jody Lamar Finklea
General Counsel and CLO

FLORIDA MUNICIPAL POWER AGENCY,
as Agent for the Stanton II Project

By: ________________________________
Name: Lynne Tejeda
Title: Vice Chairman, Board of Directors

By: ________________________________
Linda S. Howard
Chief Financial Officer

ATTEST:

By: ________________________
Sue Utley
Assistant Secretary

Approved as to Form and Legality:

By: ________________________________

[Signature page to Loan Agreement – 1 of 2]

FIRST HORIZON BANK, a Tennessee banking corporation

By: ______________________________________
Name:
Title:

[Signature Page to Loan Agreement – 2 of 2]

EXHIBIT A TO LOAN AGREEMENT

DESCRIPTION OF THE LOAN

(1) Commencement Date: [June [__]], 2020

(2) Name and Address of Project Participant: Florida Municipal Power Agency, as agent for the Stanton II Project, 8553 Commodity Circle, Orlando, Florida 32819

(3) Utility System for which Loan is being incurred: Stanton II Project

(4) Principal Amount of Loan Commitment: $[4,257,600]

Interest Rate: [__]%

Interest Payments Dates: Each April 1 and October 1, commencing October 1, 2020 and ending October 1, 2027.

Notwithstanding the provisions of Section 3.02 of the Loan Agreement, interest on the Principal Amount of the Loan Commitment shall be payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2020.

(5) [RESERVED]

(6) Series of Obligations of FMPA from which Loan is being financed: Series 2020-1 Notes

Single advance on Commencement Date or advances made from time to time: Single advance on Commencement Date

(7) (a) Loan Term: Commences on the Commencement Date and ends on the maturity date of October 1, 2027.

Notwithstanding the provisions of Section 3.02 of the Loan Agreement, the Loan Term will not be reduced nor will the principal payments be recalculated if the expiration date of the Credit Facility is earlier than the Loan Term.

(b) Prepayment Provisions: As follows:

Period During which Redemption is Made (Both Dates Inclusive)	Redemption Premium (Expressed as a Percentage of the Principal Amount to be Redeemed)
Advance Date through First Anniversary of Advance Date	103%
One Day After First Anniversary of Advance Date through Second Anniversary of Advance Date	102%
One Day After Second Anniversary of Advance Date through Third Anniversary of Advance Date	101%
One Day after Third Anniversary of Advance Date and Thereafter	100%

(8) (a) Description of the Participant's Project:

Payment of a portion of the amounts necessary to accomplish the refunding of the outstanding Stanton II Project Revenue Bonds, Series 2009A and for the payment of costs of issuance related thereto.

(b) Taxable Loan or Tax-Exempt Loan: Tax-Exempt Loan

(9) Amount of the Loan to be deposited into the Applicable Project Fund: $[4,257,600]

(10) Breakdown of Participant's Project Costs:

A. Portion of Participant's Project Costs to be directly financed:

Description	**Allocated Amount of Loan**
Costs of Participant's Project	$4,240,000
Costs of Issuance	$17,600

B. Portion of Participant's Project Costs for which Project Participant will be reimbursed, which the Project Participant hereby certifies were paid or incurred in anticipation of being reimbursed from FMPA or any other issuer of tax-exempt debt:

Description	**Allocated Amount of Loan**

(11) Security for repayment of loan: a special obligation of the Stanton II Project, payable from and secured by amounts in the Subordinated Debt Fund (as defined in the Utility System Resolution), subject and subordinate in all respects, to the pledge created by the Utility System Resolution as security for the Bonds (as defined in the Utility System Resolution). The "Utility System Resolution" is the Stanton II Project Revenue Bond Resolution adopted by FMPA on June 26, 1991, as amended and restated in its entirety on April 10, 2002, as supplemented and amended, included as supplemented by the Stanton II Project Subordinated Debt Resolution No. 3 adopted by FMPA on June 18, 2020.

EXHIBIT B TO LOAN AGREEMENT

PRINCIPAL REPAYMENT SCHEDULE

Payment Number	Payment Date	Principal Outstanding	Principal Amount Due	Principal Amount Remaining
1	October 1, 2020			
2	April 1, 2021			
3	October 1, 2021			
4	April 1, 2022			
5	October 1, 2022			
6	April 1, 2023			
7	October 1, 2023			
8	April 1, 2024			
9	October 1, 2024			
10	April 1, 2025			
11	October 1, 2025			
12	April 1, 2026			
13	October 1, 2026			
14	April 1, 2027			
15	October 1, 2027			

EXHIBIT C TO LOAN AGREEMENT

FORM OF
PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, Florida Municipal Power Agency, as agent for the Stanton II Project, (the “Project Participant”), hereby promises to pay to the order of Florida Municipal Power Agency, as agent for the Initial Pooled Loan Project (“FMPA”), the principal amount of [Four Million Two Hundred Fifty-Seven Thousand Six Hundred] dollars ($4,257,600) at the times and in the amounts determined as provided in the Loan Agreement, dated as of [June __, 2020] by and among FMPA, First Horizon Bank, a Tennessee banking corporation (the “Credit Facility Issuer”), and the Project Participant (the “Loan Agreement”), together with interest thereon in the amount calculated as provided in the Loan Agreement, payable on the dates and in the amounts and as provided in the Loan Agreement.

This Promissory Note is a special obligation of the Project Participant and neither the faith and credit nor the taxing power of the Project Participant is pledged to the payment of the Promissory Note.

This Promissory Note is issued pursuant to the Loan Agreement and is issued in consideration of the loan made thereunder (the “Loan”) and to evidence the obligations of the Project Participant set forth in Section 3.02(a) thereof. This Promissory Note has been assigned to TD Bank, National Association, as trustee (the “Trustee”) under the Initial Pooled Loan Project 2019 Obligation Resolution adopted by FMPA on April 18, 2019, and as further amended and supplemented in accordance with the terms thereof (the “Resolution”) and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Trustee for the account of FMPA pursuant to such assignment. Such assignment has been made as security for the payment of the Series of Obligations (as defined in the Resolution) issued by FMPA to finance or refinance the Applicable Project Fund (as defined in the Resolution) from which the Loan is being made, and the obligations to the Credit Facility Issuer (as defined in the Resolution) and as otherwise described in the Loan Agreement. This Promissory Note is subject to further assignment or endorsement in accordance with the terms of the Resolution. All of the terms, conditions, and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as a part of this Promissory Note.

Unless otherwise provided in the Loan Agreement, disbursements of the Loan proceeds shall be made by the Trustee at the direction of FMPA to the Project Participant, its designee, or FMPA under the Loan Agreement from time to time upon the terms and conditions set forth in the Loan Agreement, which disbursements shall be noted by the Trustee on the Disbursements and Payments Grid annexed hereto and all payments of principal on this Promissory Note shall be made to the Trustee and be noted by the Trustee on the Disbursements and Payments Grid annexed hereto; provided, however, that any failure by the Trustee to make any such notation shall not affect in any respect the Project Participant’s obligations hereunder.

This Promissory Note is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Project Participant to make the payments required hereunder shall be absolute and unconditional without any defense or right of set off, counterclaim, or recoupment by reason of any default by FMPA under the Loan Agreement or under any other agreement between the Project Participant and FMPA or out of any indebtedness or liability at any time owing to the Project Participant by FMPA or for any other reason.

This Promissory Note is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.06 of the Loan Agreement.

If an "Event of Default" occurs under Section 5.01 of the Loan Agreement, the principal of and interest on this Promissory Note may be declared due and payable in the manner and to the extent provided in Article V of the Loan Agreement.

This Promissory Note is a special obligation of the Stanton II Project, payable from and secured by amounts in the Subordinated Debt Fund (as defined in the Utility System Resolution), subject and subordinate in all respects, to the pledge created by the Utility System Resolution as security for the Bonds (as defined in the Utility System Resolution). The "Utility System Resolution" is the Stanton II Project Revenue Bond Resolution adopted by FMPA on June 26, 1991, as amended and restated in its entirety on April 10, 2002, as supplemented and amended, included as supplemented by the Stanton II Project Subordinated Debt Resolution No. 3 adopted by FMPA on June 18, 2020.

IN WITNESS WHEREOF, the Project Participant has caused this Promissory Note to be duly executed, sealed, and delivered, as of this __________, day of [June, 2020].

(SEAL)

FLORIDA MUNICIPAL POWER AGENCY,
As Agent for the Stanton II Project

By: ____
Name: Lynne Tejeda
Title: Vice Chairman, Board of Directors

By: ____
Linda S. Howard
Chief Financial Officer

ATTEST:

By: ______________________________
Sue Utley
Assistant Secretary

Approved as to Form and Legality:

By: ____

ASSIGNMENT

Florida Municipal Power Agency hereby assigns the foregoing Promissory Note to TD Bank, National Association, as Trustee under the Initial Pooled Loan Project 2019 Obligation Resolution adopted on April 18, 2019, all as of the date of this Promissory Note as security for the particular Series of the Obligations issued or to be issued to finance or refinance the Applicable Project Fund.

FLORIDA MUNICIPAL POWER AGENCY, as Agent for the Initial Pooled Loan Project

(SEAL)

By: ______________________________
Barbara Quiñones
Chairman, Board of Directors

By: ______________________________
Jacob A. Williams
General Manager and CEO

ATTEST:

By: ______________________________
Sue Utley
Assistant Secretary

Approved as to Form and Legality:

By: ______________________________
Jody Lamar Finklea
General Counsel and CLO

APPENDIX A
TO THE PROMISSORY NOTE

DISBURSEMENT AND PAYMENT GRID

Original Principal Amount: [$4,257,600]

Original Deposit to Proceeds Account [$4,257,600]

Date of Disbursement or Payment	Disbursement from Applicable Project Fund	Principal Amount Repaid	Principal Amount Outstanding	Trustee Signature

EXHIBIT D TO LOAN AGREEMENT

FORM OF OPINION OF COUNSEL TO PROJECT PARTICIPANT

[TO BE PUT ON LETTERHEAD OF COUNSEL TO PROJECT PARTICIPANT]

[DATED THE DATE OF THE FIRST DRAWING UNDER THE LOAN AGREEMENT]

Florida Municipal Power Agency
(Initial Pooled Loan Project)
8553 Commodity Circle
Orlando, Florida 32819

[Trustee]
[Address]
[Address]

First Horizon Bank
1000 Pine Island Road
Plantation, Florida 33324

Ladies and Gentlemen:

I am an attorney admitted to practice in the State of Florida and I have acted as counsel to Florida Municipal Power Agency, as agent for the Stanton II Project (the "Project Participant"), which has entered into a Loan Agreement (as hereinafter defined) with Florida Municipal Power Agency ("FMPA"), as agent for the Initial Pooled Loan Project, and have acted as such in connection with the authorization, execution, and delivery by the Project Participant of its Loan Agreement.

In so acting I have examined the Constitution and laws of the State of Florida and [add local ordinance, charter, and/or bylaws as appropriate] of the Project Participant. I have also examined originals, or copies certified or otherwise identified to my satisfaction, of the following:

(a) FMPA's Initial Pooled Loan Project 2019 Obligation Resolution, adopted by the Board of Directors of FMPA on April 18, 2019, which amends and restates in its entirety FMPA's Initial Pooled Loan Project Revenue Bond Resolution, adopted by the Board of Directors of FMPA on April 18, 1986, as amended and restated (as so amended and restated, the "Resolution");

(b) the Loan Agreement, dated as of [June __, 2020] (the "Loan Agreement"), by and among FMPA, the Project Participant, and First Horizon Bank, a Tennessee banking corporation (the "Credit Facility Issuer");

(c) proceedings of the governing body of the Project Participant relating to authorization of the Loan Agreement and the Participant's Project (each as defined in the Loan Agreement);

(d) the Promissory Note from the Project Participant to FMPA, dated [June__, 2020] (the "Note") (the Loan Agreement and the Note are referred to herein collectively as the "Loan Documents"); and

(e) all outstanding instruments relating to bonds, notes, or other indebtedness of or relating to the Project Participant's Utility System (as defined in the Loan Agreement).

I have also examined and relied upon originals or copies, certified or otherwise authenticated to my satisfaction, of such other records, documents, certificates, and other instruments, and made such investigation of law, as in my judgement have deemed necessary or appropriate to enable me to render the opinions expressed below.

I am of the opinion that:

(a) The Project Participant is "a public agency as defined in Section 163.01(3)(b), Florida Statutes, as amended" or "a municipality for purposes of Section 163.01(7) (d), Florida Statutes, as amended" duly created and validly existing pursuant to the constitution and statutes of the State of Florida, with the legal right to carry on the business of its Utility System as currently being conducted and as proposed to be conducted.

(b) The Project Participant has full legal right and authority to enter into the Loan Documents and to carry out its obligations thereunder and to undertake and complete the Participant's Project.

(c) The proceedings of the Project Participant's governing body approving the Loan Documents and the Participant's Project and authorizing the execution and delivery of the Loan Documents on behalf of the Project Participant have been duly and lawfully adopted at a meeting or meetings duly called and held at which quorums were present and acting throughout and such meeting or meetings were called pursuant to necessary public notice and held in accordance with all applicable law including Section 286.011, Florida Statutes.

(d) The Loan Documents have been duly authorized, executed, and delivered by the Authorized Officers of the Project Participant; and, assuming in the case of the Loan Agreement, that each of FMPA and the Credit Facility Issuer has all the requisite power and authority to execute and deliver, and has duly authorized, executed, and delivered, the Loan Agreement constitute the legal, valid, and binding obligation of the Project Participant enforceable in accordance with their respective terms subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally. No opinion is rendered as to the availability of any particular remedy.

(e) The execution and delivery of the Loan Documents by the Project Participant, the performance by the Project Participant of its obligations thereunder and the consummation of the transactions contemplated therein and the undertaking and completion of the Participant's Project do not and will not contravene any existing law or any existing order, injunction, judgment, decree, rule, or regulation of any court of administrative agency having jurisdiction over the Project Participant or its property or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any existing bond ordinance, trust agreement, indenture, mortgage, deed of trust, or other agreement to which the Project Participant is a party or by which it, its Utility System (as defined in the Loan Agreement), or its property is bound.

(f) All approvals, consents, or authorizations of, or registrations or filings with, any governmental or public agency, authority, or person required to date on the part of the Project Participant in connection with the execution, delivery, and performance of the Loan Documents and the undertaking and completion of the Participant's Project have been obtained or made.

(g) To my knowledge, after due inquiry, there is no litigation or other proceeding pending or threatened in any court or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization, or existence of the Project Participant of the validity, legality of enforceability of the Loan Documents, or the undertaking or completion of the Participant's Project.

I hereby authorize __________, acting as General Counsel and Chief Legal Officer of FMPA, and __________, acting as Bond Counsel to FMPA, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,

EXHIBIT E TO LOAN AGREEMENT

ADDITIONAL COVENANTS

Each defined term used herein and not otherwise defined herein shall have the meaning set forth in the Loan Agreement to which this Exhibit E is attached (determined without regard to the first sentence of Section 1.01 of the Loan Agreement) or, if not defined therein, in the Utility System Resolution.

[To be customized for each Project Participant]

[(1) For a Tax-Exempt Loan, the following covenant shall be applicable:

(a) The Project Participant will not use any of the proceeds of the Loan in a manner which would constitute either (1) private business use within the meaning of Section 141(b) of the Code or (2) a loan to a person other than a governmental unit within the meaning of Section 141(c) of the Code.

(b) Further, the Project Participant (or any related person, as defined in Section 144(a)(3) of the Code) shall not, pursuant to an arrangement, formal or informal, purchase Obligations of the Series issued to fund the Loan made hereunder in an amount related to the amount of the Loan.]

(3) Additional Definitions:

["Utility System Resolution" means, with respect to the Project Participant, Stanton II Project Revenue Bond Resolution adopted by FMPA on June 26, 1991, as amended and restated in its entirety on April 10, 2002, as supplemented and amended, included as supplemented by the Stanton II Project Subordinated Debt Resolution No. 3 adopted by FMPA on June 18, 2020, as amended and supplemented as of the date hereof and as in effect as of such date (whether or not (i) such resolution or resolutions are terminated after the date hereof and (ii) any debt is outstanding after the date hereof thereunder.]

VERBAL REPORT

AGENDA ITEM 8 – ACTION ITEMS

h. Appointment of a Nominating Committee

Board of Directors Meeting
June 18, 2020

AGENDA ITEM 9 – INFORMATION ITEMS

a. Quarterly Regulatory Update

Board of Directors Meeting
June 18, 2020

Regulatory Compliance Update

BOD 9a and EC 9a

FMPA Board of Directors & Executive Committee

June 18, 2020

Roles of FMPA Regulatory Compliance Department

- FMPA Regulatory Compliance Department perform three main functions related to NERC mandatory reliability standards
  - FMPA Compliance
    - Generation Plants (GO/GOP/TO/TP)
  - Member Support
    - Standards development, interptерion, and implementation support
    - Peer reviews, spot checks, audit process support
  - Industry Influence
    - Provide inputs to FERC, NERC, and SERC initiatives and policy
    - Balloting and Standards Development

FMPA MUNICIPAL POWER

FMPA Compliance

- FMPA had no reportable compliance violation since March 2019 update
- Internal Compliance Program (ICP) Review (Last completed Feb 2019)
  - Updating the ICP Document
  - Engineering Services and Fleet Generation teams reviewing and updating Compliance Documents
- Cyber Security
  - Cyber Security team is monitoring conditions at plant sites for continuous improvements
- Supply Chain Risk Management
  - CIP 005-6 (ESP/ “Firewall”), CIP 010-3 (Change Management and Vulnerability Assessments), CIP 013-1 (Supply Change Risk) effective 10/1/2020
  - Executive Order to secure the Bulk Power System (BPS: 69KV+) by limiting equipment supplied from vendors controlled by adversary countries and guidance from DOE

FMPA Compliance

- SMEs and other staff more active in FMPA Compliance
  - Engineering staff are reviewing and developing new procedures for standard requirements
  - Staff submitted a COVID-19 Impact Notification to SERC for MOD-025 (Data reporting of Generator Real and Reactive Power) to delay testing until safe to do so
- Compliance Department is updating its task management tools for better insight and visibility (PRC-005 [Protection systems and relays] & Power Automate)
- Necessity builds innovation and forward progress
  - Increased virtual meetings and collaboration due to COVID-19
  - FMPA adopts MS Teams as collaboration tool aiding productivity

Member Support

- Reduced direct contact due to Pandemic, but increase in volume of discussion and information sharing
  - On average, 25 individuals from 14 member cities on bi-weekly compliance conference call
  - Information sharing on COVID-19 impact, hurricane preparedness and resources, reliability standard implementation (CIP and O&P) on 6 calls for Q2
- Compliance Department is available for support and help with peer reviews as members return to work
- Beginning member cities and plant sites visits alongside Engineering Services and Fleet Generation staff as locations allow visitors

Industry Influence

- Staff continues to play an active role within NERC and with trade organizations such as North American Generator Forum, Transmission Access Policy Study Group and the American Public Power Association.
  - Increased meetings and discussion on NERC Standard Authorization Request and Rules of Procedure Change
  - Discussions on supply chain impact with Executive Order
  - Carol Chinn attended NERC's virtual spring Member Representative Committee and Board of Trustee meetings
- FMPA staff met with FERC Reliability staff along with other APPA members.
  - Addressed industry concerns including Align and SEL tools' budget and security risk

Industry Influence

- Standards Efficiency Review Phase II
  - Carol Chinn continues to play an active role and is on the SER Advisory Team
  - Phase II in progress
- Staff is engaging with TAPS to provide comments on ROP changes to Section 1003 and Appendix 4B
  - E-ISAC and Sanction Guidelines
- Staff is also engaging with the groups to give input as DOE Secretary issues guidance on Executive Order in the Fall
  - Staff will be providing comment recommendations to NERC on an upcoming NERC alert

AGENDA ITEM 10 – MEMBER COMMENTS

Board of Directors Meeting
June 18, 2020

AGENDA ITEM 11 – ADJOURNMENT

Board of Directors Meeting
June 18, 2020