



FMPA BOARD OF DIRECTORS AGENDA PACKAGE

November 19, 2020

9:00 a.m. [NOTE TIME]

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

Meeting Number 856 727 731#

PASSWORD – 8553#

Board of Directors

Barbara Quiñones, Homestead –Chair
Lynne Tejada, 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
Bill Kaufman, 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: November 10, 2020
RE: **FMPA Board of Directors Meeting – 9:00 a.m., DATE, 2020**
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 856 727 731# – PASSWORD – 8553#
(If you have trouble connecting via phone or internet, call 407-355-7767)

AGENDA

Chairperson Barbara Quiñones, Presiding

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 - b. **Approval of the Projects' Preliminary Financials as of September 30, 2020**25
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***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
November 19, 2020**

**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

**Board of Directors Meeting
November 19, 2020**

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

**Board of Directors Meeting
November 19, 2020**

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

**Board of Directors Meeting
November 19, 2020**

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

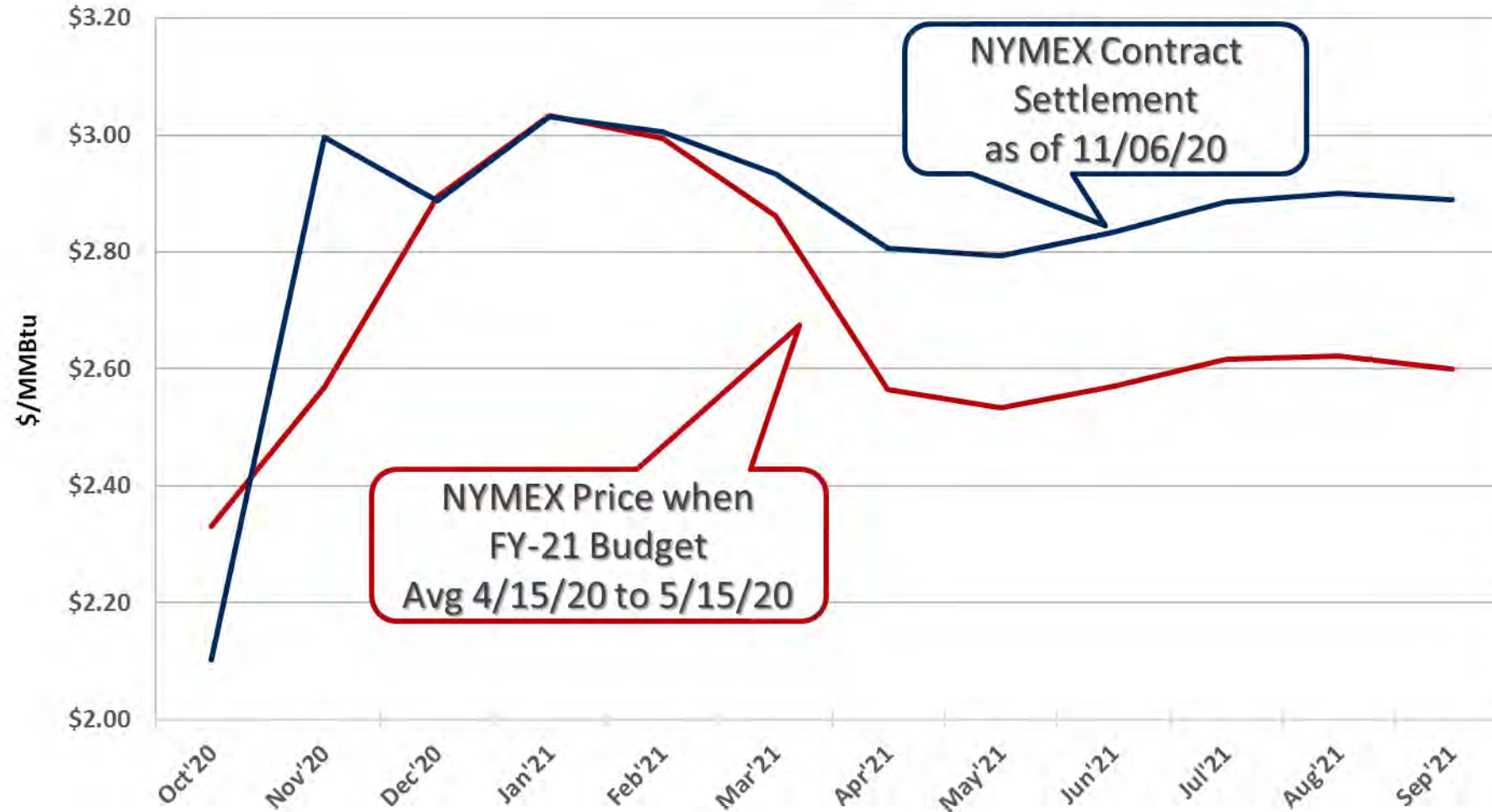
**Board of Directors Meeting
November 19, 2020**

Fiscal 2021 Management Goals

Goal		Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
1.Safety	Lost-time Accidents		1	1	0	0	One lost time accident. CI employee was injured.
	OSHA Recordables		0	0	0	0	
2.Compliance	Environmental		0	0	0	0	
	Financial		0	0	0	0	
	Regulatory		0	0	0	0	
3.Low Cost	Under \$70/MWh					< \$70.00	Numbers will be updated prior to the meeting.
	Fuel					\$22.19	
	Non-Fuel					\$47.80	
4.Stanton I and Stanton II Decision from OUC to reduce power costs and emissions							OUC released executive summary of IRP. Discussions continue with OUC on specifics of their IRP recommendation

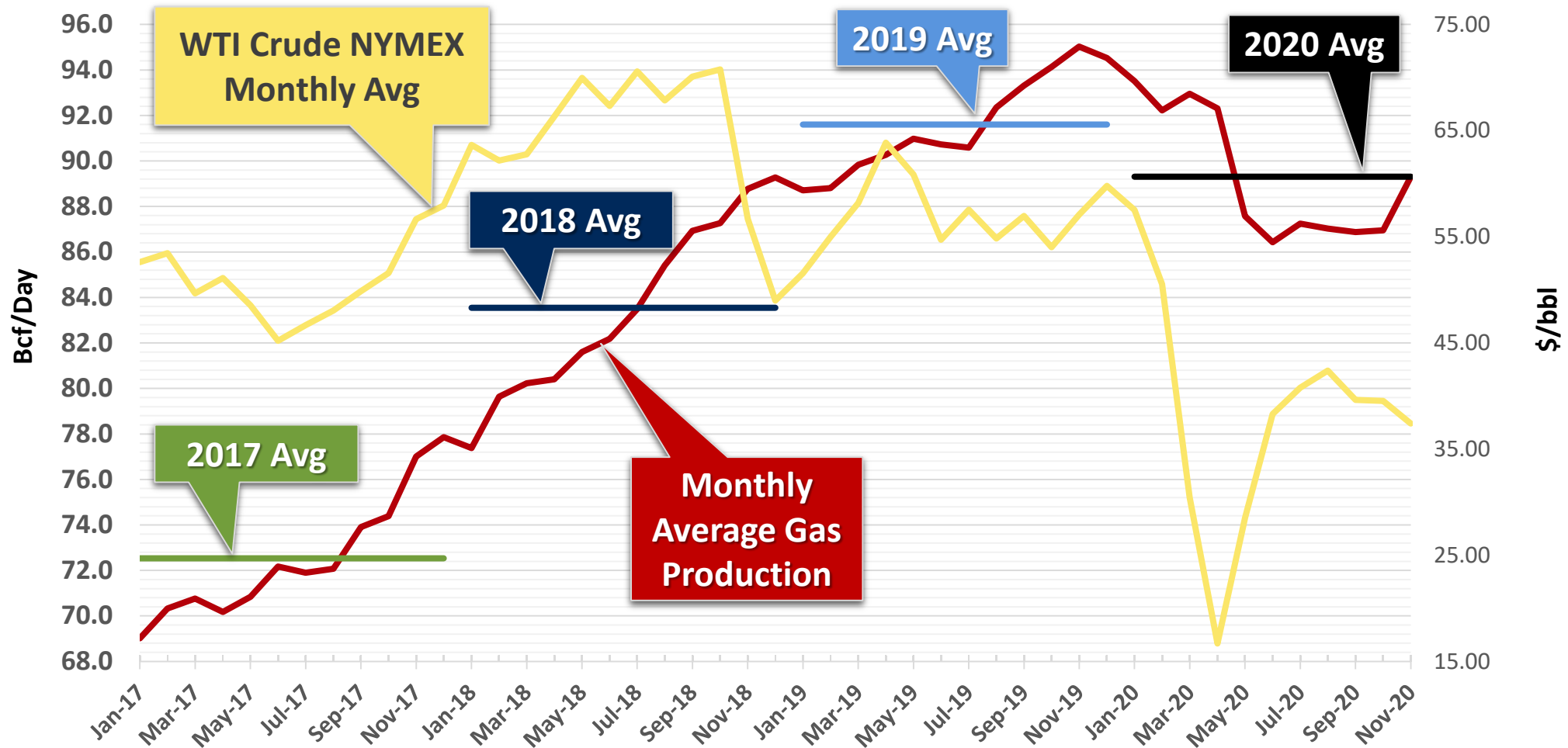
FY 2021 NYMEX Contract \$0.16/MMBtu Above Budget

NYMEX Natural Gas FY21 October Settlement (11/06/20)



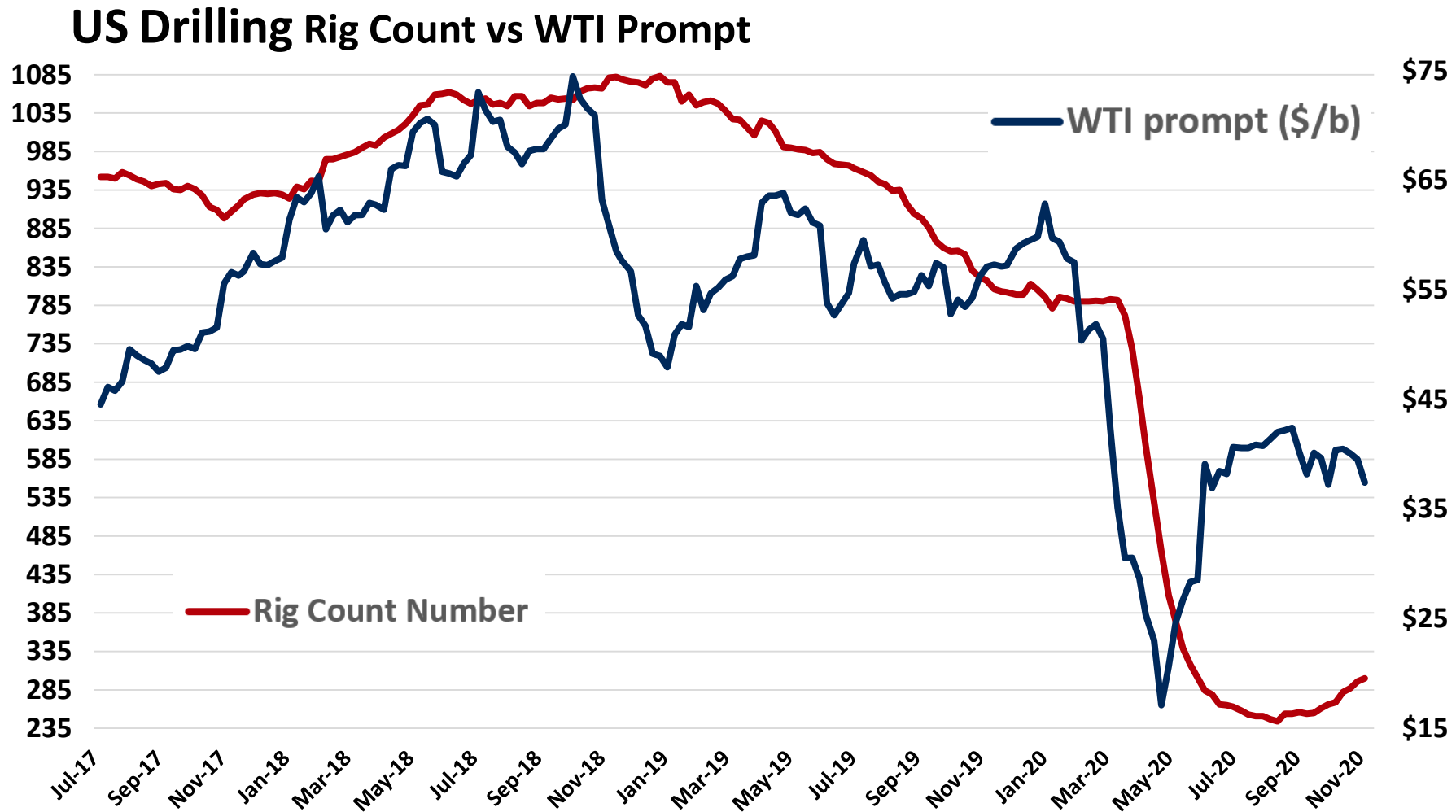
Natural Gas Production Following Changes in Oil Prices

Average Monthly Change Since 2017 to Date (11/06/20)



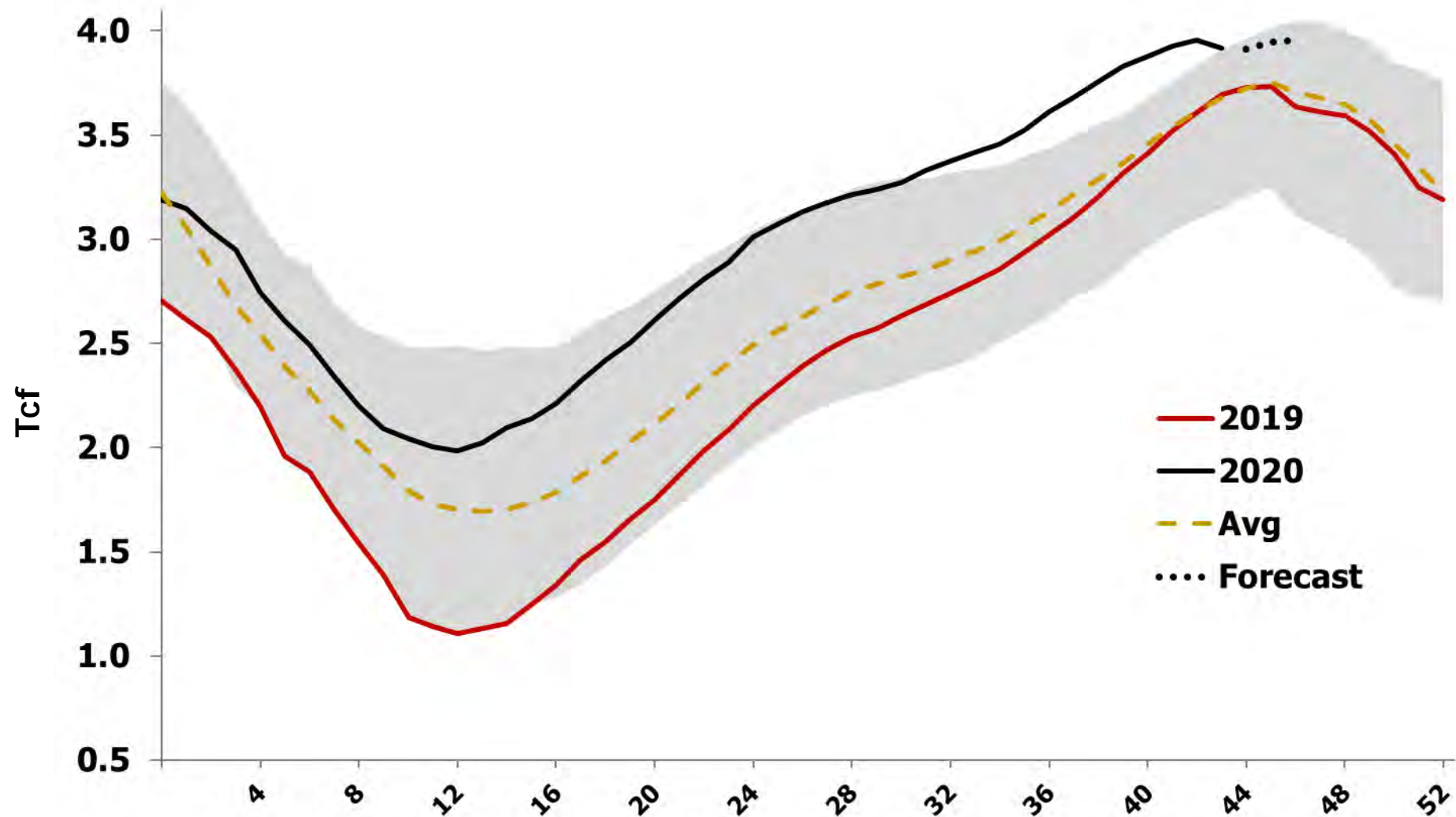
Drilling Rig Count marginally increases though Oil Prices Move Lower

Drilling Rig Expansion increases though WTI Price recovery falters (as of November 6th)



Gas Storage Inventory as of Week Ending October 30th

2020 Injection Season 5.4% above high inventory level of the last 5 years



Roughly 29% of FMPA Annual Natural Gas Burn bought for FY21

\$(0.185) / MMBtu below budget

Value vs. Budget

- No new purchases since last month's report
- Locked in ~29% of annual burn at a weighted average cost of gas of \$2.55/Mmbtu
- The fixed price purchases are roughly \$(0.185)/MMBtu lower than budget
- The extended fixed price value is roughly \$2.05 million below budget
- FGU continues to look for opportunities to secure pricing well below budget up to the 50% maximum fixed pricing directive.

Value vs. Market

Month	Purchase WACOG (\$/MMBtu)	FGT Zn3 Market Pricing as of 11/06/2020 (\$/MMBtu)	\$ Value or (lost opportunity) vs. Current Market (\$/MMBtu)	Extended Value or (lost opportunity) vs. Current Market
Oct-20	\$1.81	\$2.28	\$0.46	\$467,838
Nov-20	\$2.24	\$2.96	\$0.72	\$921,174
Dec-20	\$2.72	\$2.87	\$0.15	\$203,024
Jan-21	\$2.88	\$3.02	\$0.14	\$182,746
Feb-21	\$2.83	\$3.00	\$0.17	\$197,471
Mar-21	\$2.73	\$2.92	\$0.19	\$251,119
Apr-21	\$2.49	\$2.77	\$0.28	\$165,708
May-21	\$2.44	\$2.78	\$0.34	\$211,135
Jun-21	\$2.49	\$2.89	\$0.39	\$235,908
Jul-21	\$2.57	\$2.89	\$0.32	\$197,557
Aug-21	\$2.59	\$2.93	\$0.33	\$207,365
Sep-21	\$2.57	\$2.89	\$0.33	\$195,384
Total Extended Value vs. Current Market				\$3,436,429

Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
5.Cyber Security	Breaches	0	0	0	0	
	Phishing tests	8.3%	8.3%		5% or <	We had 6 people click for the month of October. Email simulated a real phishing campaign relating to Microsoft Teams.
	Member assessments	0	0	0	5	3 assessments - in progress
6.Reliability	CC EAF	87%	92%	98%	90%	Cane Island was in scheduled maintenance.
	Stock Island black start and trans. backup	1	1	1	100%	SI 4 ran Oct 6 based on a requested pool run.
	SAIDI Reduction	0	0	1	10	
7.Member Services	Leadership member visits	8	8	6.25	75	8 Member cities visited by senior leadership team
	Projects managed for members	3	3	2	20	Blounstown mapping, Bushnell water plant PQ, FPUA restaurant PQ
8.Value of Muni	Member info updates	0	0	1.3	16	Report development in progress
	Presentations Social media	1	1	0.83	10	Leesburg Public TV Filming

Goal		Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
9.Load Management	Dev. opportunities for 5 MW						IDed ~22 MW of previous. Met with Beaches/FPUA
10.Financing	Restructure debt		0	0	0	1	Presentation to FC - Nov
	Extend debt to include R&R funding		0	0	0	1	Presentation to FC - Nov
	Prepd gas min. svgs. Of \$0.20/mmBtu		0	0	0	1	
11.Transmission	Neg. service upgrade for LWB & Homestead						LOI Finalized, EOY target to complete agreements. Agree with FPL in principle on terms
12.People	360 training for Leadership & mgmt.					11	5 In process
	Mgmt. outreach to diverse prof. groups		1	1	.25	3	Jacob-AABE membership
	Individual development plans					50	
	FMPA Fleet Team Sharing – Days		12	12	8.33	100	Total of 12 days FYTD. Cane Island staff to Stock Island 12 days in October.

VERBAL REPORT

AGENDA ITEM 6 – SUNSHINE LAW UPDATE

**Board of Directors Meeting
November 19, 2020**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of the Minutes for the
Meeting Held October 15, 2020**

**Board of Directors Meeting
November 19, 2020**

CLERKS DULY NOTIFIED OCTOBER 6, 2020
AGENDA PACKAGES POSTED..... OCTOBER 6, 2020

MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
THURSDAY, OCTOBER 15, 2020
9:00 A.M.

MEMBERS Jody Young, Bushnell * (via telephone)
PRESENT Lynne Mila, Clewiston (via telephone)
John Tompeck, Fort Pierce (via telephone)
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Barbara Quinones, Homestead
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West (via telephone)
Larry Mattern, Kissimmee
Ed Liberty, Lake Worth Beach (via telephone)
Michael Beckham, Lakeland (via telephone)
Brad Chase, Leesburg (via telephone)
Steve Langley, Mount Dora
Bill Conrad, Newberry
Joe Bunch, New Smyrna Beach (via telephone)
Bill Kaufman, Ocala (via telephone)
John Holman, Starke
David Byrne, Tallahassee (via telephone)
James Braddock, Wauchula (via telephone)
Justin Isler, Winter Park

*joined after roll call.

OTHERS Paul Jakubczak, Fort Pierce
PRESENT Karen Nelson, Jacksonville Beach
Eric Weaver, Ocala
Kelly Ryman, Dunlap & Associates, Inc. (via telephone)
Craig Dunlap, Dunlap & Associates, Inc. (via telephone)
Rafael Couret, Power Engineers

STAFF Jacob Williams, General Manager and CEO
PRESENT Jody Finklea, General Counsel and CLO (via telephone)
Ken Rutter, Chief Operating Officer
Linda S. Howard, Chief Financial Officer
Mark McCain, Vice President, 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
Sharon Adams, Human Resources Director
Cairo Vanegas, Manager of Member Services Development
Jason Wolfe, Financial Planning, Rates and Budget Director
Isabel Montoya, Information Technology Intern
Susan Schumann, Manager of External Affairs and Solar Projects
Melisa Inanc, Public Relations Specialist
Ryan Dumas, Public Relations Specialist
David Schumann, Power Generation Fleet Director
Liyuan Woerner, Audit Manager
Carter Manucy, IT/OT & Cybersecurity Director

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, October 15, 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 17 members present representing 28 votes out of a possible 47.5. Jody Young, Bushnell and Joe Bunch, New Smyrna Beach, joined after roll call bringing the total members present to 19 representing 32 votes out of a possible 47.5.

ITEM 2 – Recognition of Guests

Chair Barbara Quiñones recognized Kelly Ryman from Dunlap & Associates, Inc. & Rafael Couret, Power Engineers.

The Chair yielded the floor to Jacob Williams who announced that Dean Shaw, the former Chairman of FMPA's Board for 16 years and retired Electric Director from Ocala, passed away.

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. Larry Mattern, Kissimmee, seconded the motion. Motion carried 32 – 0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Jacob Williams reported on the following items:

1. Goals Scorecard
2. Procurement Policy oversight in purchasing the new budget system.
3. Upcoming Continuing Disclosure training
4. New Board Room chairs
5. FMPA Members and TVPPA introductory meeting October 28, 2020 in person or via Teams.

ITEM 6 – SUNSHINE LAW UPDATE

Dan O'Hagan reported the Governor's Executive Order resuming public meetings in person as of November 1, 2020.

ITEM 7 – CONSENT AGENDA

- a. Approval of Minutes – Meeting Held September 17, 2020
- b. Approval of the Projects' Preliminary Financials as of August 31, 2020
- c. Approval of the Treasury Reports as of August 31, 2020
- d. Approval of the Job Descriptions for the General Manager and CEO and General Counsel and CLO

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. John Holman, Starke, seconded the motion. Motion carried 32 – 0.

ITEM 8 – ACTION ITEMS

- a. Approval of FY 2021 Management Goals

Jacob Williams reported on the proposed FY 2021 Management Goals.

MOTION: Howard McKinnon, Havana, moved approval of the FY 2021 Management Goals. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 32 – 0.

- b. Approval of the General Manager and CEO and General Counsel and CLO Evaluations.

Chair Barbara Quiñones briefed the Board on the meetings held by the Officers of the Board and Executive Committee September 4, 2020 to solicit input from members on the performance of the General Manager and CEO and General Counsel and CLO this

past year. Another Officers meeting was held September 16, 2020 to discuss compensation philosophy and evaluate Jacob Williams' and Jody Finklea's performance this past year.

MOTION: Howard McKinnon, Havana, moved approval of the Board Officers recommendation for the General Manager and CEO of a ten (10%) increase to the base salary of the General Manager and CEO and authorize the Chairman to execute amendments to the employment agreements for the compensation changes approved by the Board. This percentage is being recommended by all the Board Officers and the Executive Committee Chairman. Bob Page, Green Cove Springs, seconded the motion. Motion carried 32 – 0.

MOTION: Larry Mattern, Kissimmee, moved approval of the recommendation from the Board Officers and Executive Committee Chairman for the General Counsel and CLO of a ten percent (10%) increase to the base salary of the General Counsel and CLO and authorize the Chairman to execute amendments to the employment agreements for the compensation changes approved by the Board. This percentage is being recommended by all the Board Officers and the Executive Committee Chairman. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 32 – 0.

- c. Approval of the Removal of the Statutory and Regulatory and Records Management Policies from the Risk Management Policy Exhibits

Linda Howard reported on the staff request and Finance Committee's recommendation to remove these two policies from the Risk Management Policy Exhibits.

MOTION: Allen Putnam, Jacksonville Beach, moved to approve the elimination of both the Statutory and Regulatory and the Records Management Policy from the Agency's Risk Management Exhibits. Bob Page, Green Cove Springs, seconded the motion. Motion carried 32 – 0.

ITEM 9 – INFORMATION ITEMS

- a. Transmission Rate Case Update

Ken Rutter gave an update on the transmission rate cases with FPL and Duke.

- b. Power Cost Trade-Offs of Carbon Reduction Levels Beyond the 50% Reduction Level in Florida

Jacob Williams presented information on the power cost trade-offs of carbon reduction levels beyond the 50% reduction level in Florida.

- c. Summary of Finance Committee Items

Linda S. Howard presented a summary of the Finance Committee items that will come before the Board for approval.

ITEM 10 – MEMBER COMMENTS

Howard McKinnon, Havana, said on the way down to Orlando he saw Lakeland Electric trucks all with American flags flying on them coming back from storm restoration in Louisiana. He commended Lakeland Electric for that.

Barbara Quiñones, Homestead, said she was glad to see all the support from the Florida cities helping the Gulf Coast states hit by the storms.

ITEM 11 – ADJOURNMENT

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

Barbara Quiñones
Chairperson, Board of Directors

Larry Mattern
Secretary

Approved: _____

Seal

BQ/LM/su

**AGENDA ITEM 7 – CONSENT
AGENDA**

- b. Approval of the Projects’
Preliminary Financials as of
September 30, 2020**

**Board of Directors Meeting
November 19, 2020**



Linda S. Howard, CPA, CTP
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors
FROM: Linda Howard
DATE: November 10, 2020
ITEM: 7b – Approval of Preliminary Projects’ Financials as of September 30, 2020

Discussion: The summary preliminary financial statements and detailed financial statements, which include GASB #62 transactions, of the Projects for the period ended September 30, 2020 are posted on the Document Portal section of FMPA’s website.

Recommended: Move approval of the Preliminary Projects’ Financial Reports for the month ended September 30, 2020.

LH/GF

**AGENDA ITEM 7 – CONSENT
AGENDA**

- c. Approval of the Treasury Reports
as of September 30, 2020**

**Board of Directors Meeting
November 19, 2020**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors
FROM: Gloria Reyes
DATE: November 10, 2020
ITEM: BOD 7(c) – Approval of Treasury Reports as of September 30, 2020

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

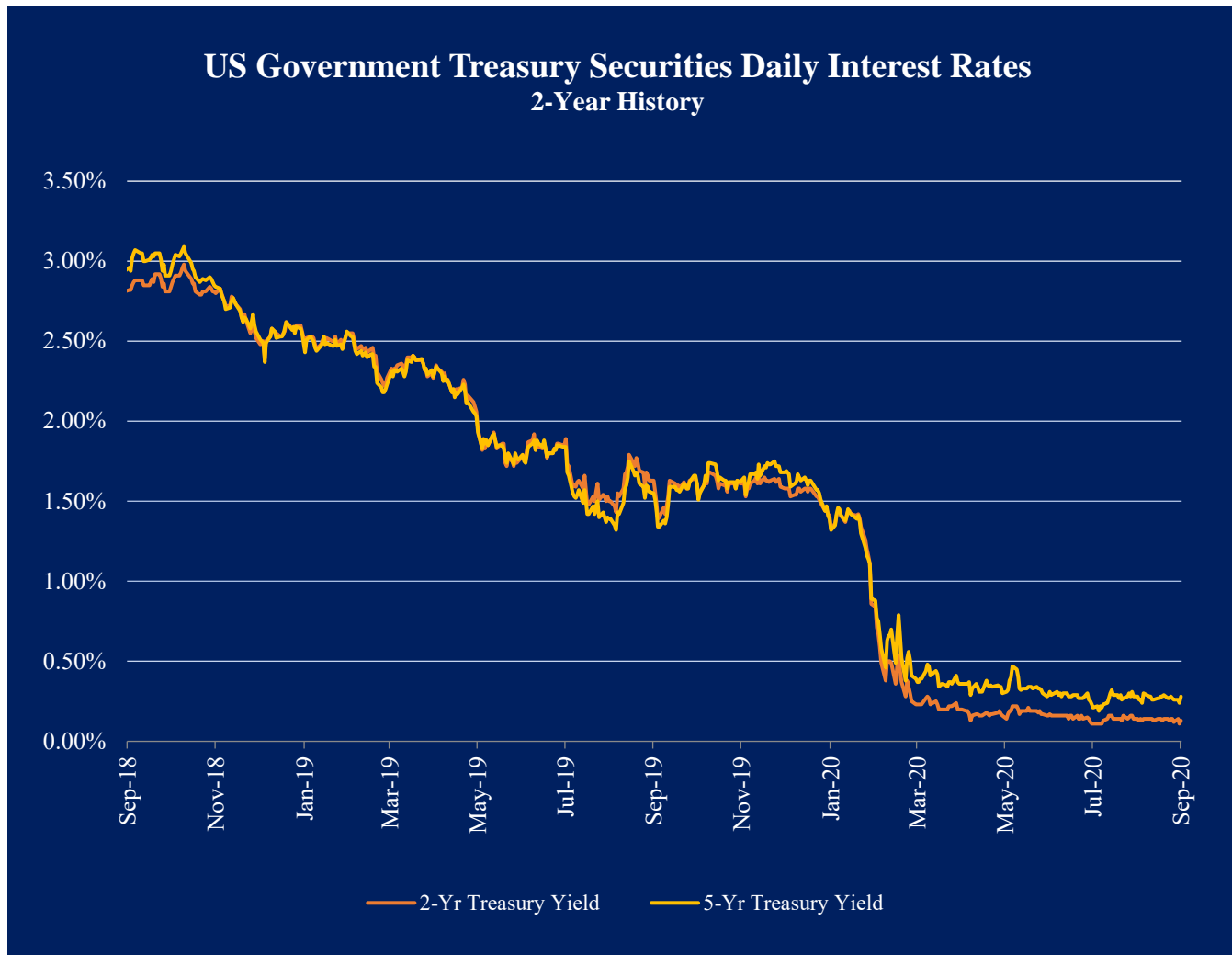
The Treasury Department reports for September are posted in the member portal section of FMPA's website.

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 September 30, 2020.

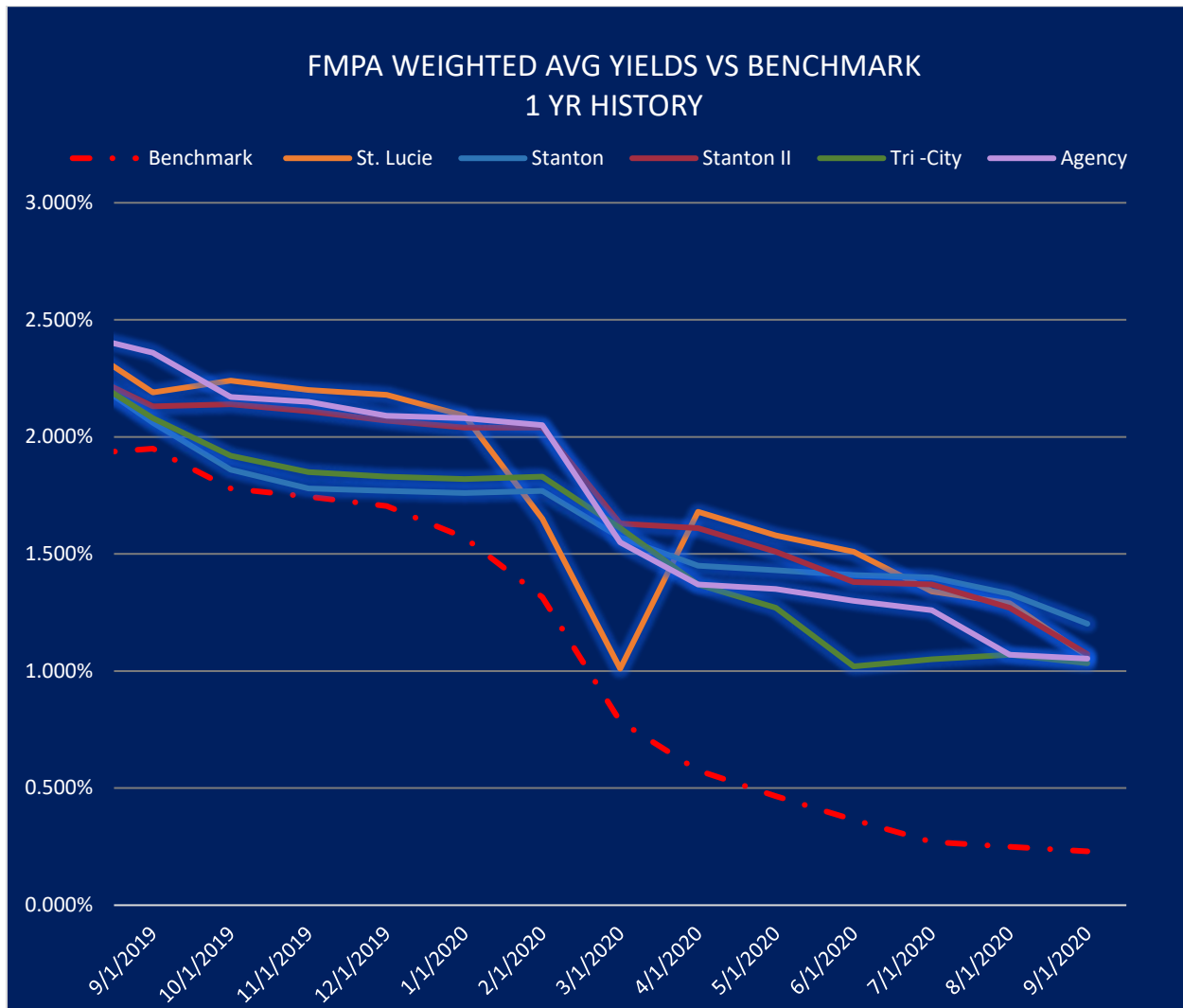
	Total debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
Agency	0.00	0%	0%	0%
St Lucie	117,135,000	100%	0%	0%
Stanton	0.00	0%	0%	0%
Stanton II	111,735,350	100%	0%	0%
Tri City	0.00	0%	0%	0%

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 daily US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of September at .13%. The yellow line is the 5-year Treasury which was .28%.



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

**AGENDA ITEM 7 – CONSENT
AGENDA**

- d. Approval of Report on
Procurement Policy Exception
for New Budget System**

**Board of Directors Meeting
November 19, 2020**



Jacob A. Williams
General Manager and CEO

MEMORANDUM

TO: File
FROM: Jacob Williams
DATE: November 5, 2020
SUBJECT: Approval of Deviation from FMPA Procurement Policy for New Budget System

This memorandum documents a deviation from FMPA's Procurement Policy and my approval of the deviation. The pertinent background information is as follows:

At the beginning of Fiscal Year 2020, the Agency converted its accounting system from Microsoft Dynamics SL 2011 to Acumatica Cloud ERP. The Agency subsequently needed to acquire a new budgeting and forecasting system, because the Agency budgeting system was a custom-designed module of the outgoing accounting software package. Staff began working on the procurement of the new budgeting software in early 2020, beginning with the establishment of minimum requirements for a new system. In working with the accounting system vendor, staff learned that only two budgeting software packages would meet the minimum requirements, including certified compatibility with the Acumatica software, as well as a structure that was not Microsoft Excel-based.

Staff requested and received written quotes from the two identified budget system vendors that would meet FMPA's minimum requirements, as well as for a third system that would only satisfy a portion of FMPA's needs. While the latter system was by far the lowest cost option, since it did not meet FMPA's most critical minimum requirements, it was excluded from further consideration. Staff believed both of the other systems would meet FMPA's requirements. One of the systems specified a three-year contract term in the proposal, while the other system required a minimum of one year. When comparing the total costs of the two proposals over an equivalent three-year period, staff believed the cost difference would be minimal. The evaluation team unanimously selected Centage Planning Maestro as the "lowest and best" option for FMPA.

While the total three-year contractual cost for the Centage system was \$121,450, the annual cost for each of the three years was less than \$50,000. Especially given that fewer than three systems were available to meet FMPA's needs, staff was under the mistaken assumption that, since the contractual cost of each year was 1) separately set forth in the proposal, and 2) less than \$50,000 in each year, having three written quotes was sufficient to satisfy the requirements in the procurement policy. With that, staff proceeded with contract discussions with Centage, and I executed a three-year agreement for the Planning Maestro software on April 1, 2020.

At the annual procurement policy training held on September 28, 2020, it became apparent to staff that the budget system procurement deviated from the policy. Even though only two systems would meet FMPA's requirements, because each of the two proposals for these systems had a total contract value over \$50,000, per the policy either 1) an RFP should have been issued, or 2) staff

Approval of Deviation from FMPA Procurement Policy for New Budget System

November 5, 2020

Page 2

could have asked me to approve a deviation from the procurement policy at that time, with the deviation reported to the Executive Committee at its next scheduled meeting. Following the training, staff immediately notified the General Counsel and CLO that there was an issue. This deviation was subsequently reported to the Finance Committee on October 14, 2020, as well as the Board of Directors and Executive Committee on October 15, 2020, which were the next scheduled meetings for each of these bodies.

Based on the limited options available to meet FMPA's needs, as well as staff's belief that the selected budget system represents the "lowest and best" option for FMPA, I authorize a deviation from the FMPA Procurement Policy for the acquisition of the Centage Planning Maestro system.

Attached to this memorandum is a copy of the presentation made to the Finance Committee on October 15, 2020.

DocuSigned by:

Jacob Williams

36475226FC51467...

Jacob A. Williams



Review Procurement Policy Exception for New Budget System

Finance Committee

October 6, 2020

Requesting Exception to Procurement Policy

Acquisition of New Budget System Did Not Meet Policy

- With FMPA's change in accounting systems, we needed to acquire a new budget system
 - Existing system (Agency budget only) was a custom-build module of our old accounting system
 - Projects and ARP budgets were developed through spreadsheets
- Vendor for our new accounting system
 - Budget system would not be a sole source
 - 2 budget systems could meet our requirements (e.g., compatibility, not spreadsheet-based)
 - FMPA identified a third system that met compatibility requirement but would require continued use of spreadsheets

Budget System Procurement Process

- FMPA received written quotes for all three systems
 - Lowest cost system did not meet FMPA's needs
 - For the selected system, while annual costs were < \$50k, total value of 3-year proposal was \$121,450
 - Cost of second place system would have been comparable over the 3-year period, but staff believed would have been more difficult to maintain
- FMPA had no existing or prior business relationships with any of these companies
- Misunderstanding led staff to believe RFP not needed and that three written quotes would suffice
- Staff selected Centage Planning Maestro based on best combination of cost vs. benefit to the Agency
- 3-year contract executed in April 2020

Discovery of Policy Violation and Follow-Up

- At September 2020 procurement policy training, it became apparent that the budget system procurement did not follow policy
- Even though we received written quotes for the only systems that would meet our needs, based on the total contract value we should have either:
 - Gone through an RFP process, or
 - Sought approval of policy deviation at that time from the General Manager and reported it at next EC meeting
- Because policy was not followed, staff is reporting it at the earliest possible meeting
- Based on limited options, staff still believes that the selected system does represent the best combination of cost and benefit to the Agency

Corrections/Adjustments Moving Forward

- Staff will issue a budget system RFP in two years (prior to expiration of current agreement)
 - Existing vendor would not be precluded from bidding
- Developing a form/flow chart that can be utilized to ensure the Procurement Policy is followed when making a purchase

AGENDA ITEM 8 – ACTION ITEMS

a. None

**Board of Directors Meeting
November 19, 2020**

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- a. Proposed Amendments to the
Policy Makers Liaisons Committee
Charter**

**Board of Directors Meeting
November 19, 2020**



BOD 9a – Proposed Amendments to the Policy Makers Liaisons Committee Charter

FMIPA Board of Directors
November 19, 2020

PMLC Has a Charter to Guide Committee's Function

Committee Recommends Some Changes to Its Charter

- FMPA's Policy Makers Liaisons Committee (PMLC) has a Charter that guides the Committee's function, operation
- Charter was previously approved by FMPA's Board of Directors
- PMLC reviewed its Charter on Oct. 14, 2020, as it periodically does for familiarity and as an effective governance practice
- PMLC approved and recommends to the Board changes to the PMLC quorum requirement and other minor wording revisions

Committee Approved Change to Quorum Requirement

Recommends Modifying Quorum Based on Average Attendance

- PMLC not able to achieve a quorum at its annual meeting on July 29, 2020
- PMLC recommends that FMPA report the average attendance for previous four Committee meetings, counting only 1 Liaison/city, and counting Liaisons present in person or participating by electronic means
- Quorum to be determined as majority of the average attendance for the previous four Committee meetings (e.g., average attendance of previous meetings equals 8, then 5 is a quorum)
- Quorum only necessary for election of officers, but not necessary to hold meetings otherwise, which always has been the case for PMLC

Recommended Action

- Information Item in November
- Action Item in December
 - Recommended motion will be:

Move approval of the recommended revisions to the PMLC Charter for defining the quorum and other minor wording revisions, as shown in the attached document

FLORIDA MUNICIPAL POWER AGENCY

POLICY MAKERS LIAISONS COMMITTEE CHARTER

(as last adopted in revised form ~~on~~as of August ~~22, 2013~~25, 2011)

[NOTE: DATE WILL BE CHANGED TO REFLECT NEW REVISIONS]

This Policy Makers Liaisons Committee Charter is intended to guide the function and operation of the Policy Makers Liaisons Committee (the "Committee") of Florida Municipal Power Agency ("FMPA") in fulfillment of its role as established by the FMPA Board of Directors.

I. MISSION.

The mission of the Committee is to facilitate the education of elected or appointed governing body members of FMPA's member utility systems, and to foster opportunities for greater communication and knowledge among governing body members regarding the business and projects of FMPA. The Committee shall serve as a channel for Committee members (the "Liaisons") to communicate with each other and FMPA staff about the Liaisons' concerns, questions, and suggestions.

II. MEMBERSHIP.

A. Liaisons and Alternates; Appointment. Each Liaison must be an appointed or elected member of the governing body or an individual appointed by the governing body of an FMPA member utility system. There may be one Liaison appointed by each member of FMPA. Appointments of a Liaison shall be made by each FMPA member's director in writing to the Assistant Secretary of the Board of Directors, together with a brief biography of the appointed Liaison, and may include one or more alternates as the member chooses. Appointments of Liaisons or alternates may be made at any time, with each Liaison and alternate serving on the Committee at the pleasure of the FMPA member that he or she represents. (For all other purposes in this charter, unless otherwise provided, references to a Liaison includes the alternate(s) acting in the absence of his or her Liaison.)

III. MEETINGS.

A. Election of Officers. The Committee shall elect two officers: Chair and Vice Chair. Election of officers shall be done by the Committee by majority vote for a regular election or any time there is an officer vacancy, with each Liaison having one vote. (No alternate(s) may vote if the Liaison for whom he or she serves as the alternate is also present.) Nominations of Liaisons to fill the officer positions shall come from the Committee, prior to the elective vote. Regular elections shall be held once each year at the meeting held during the FMEA-~~FMPA~~ Annual Conference.

B. Term of Office. Each elected officer shall serve upon election until the next FMEA-~~FMPA~~ Annual Conference annual meeting.

C. Quorum. At each meeting of the Committee, FMPA staff will report to the Committee the average attendance for the previous four Committee meetings. (No alternate(s) present will be counted if the Liaison for whom he or she serves as an alternate was also present.) A quorum of the Committee is present at a meeting ~~of the Committee~~ when ~~at least a majority of the~~ there is a sufficient number of appointed Liaisons ~~are~~ present and able to participate in the meeting in person or by electronic means to represent a majority of the average attendance for the previous four Committee meetings. (As an example, if the average attendance for the previous four meetings of the Committee is eight, then five Liaisons present is a quorum.) A quorum of the Committee is necessary to hold an election for any officer position, but not necessary for the Committee to hold meetings otherwise.

D. Meeting Requirements. The Committee shall meet at least annually, and must meet, in addition to other meetings the Committee may hold, each year during the FMEA-FMPA Annual Conference. Notice of the time, date, and place of each meeting will be provided to each Liaison at least 20 days prior to any meeting. The conduct of the meetings will follow *Roberts Rules of Order Newly Revised*, with the Chair acting as moderator.

IV. COMMUNICATIONS.

The General Manager of FMPA shall appoint a staff person to serve as the staff representative to the Committee (the "Committee Staff Representative"). The Committee Staff Representative shall have responsibility for coordinating the communications of the Committee and coordinating Committee meetings, including providing meeting notices to all Liaisons. Communications with FMPA by the Committee will be handled primarily through the Committee Staff Representative or directly with the General Manager or General Counsel (for legal matters).

V. EDUCATION.

Any Liaison may request that the Committee be provided educational materials, including presentations at a Committee meeting or at the Liaison's member system, on any topic regarding FMPA's projects and business or the municipal electric utility industry generally. Educational materials, including presentations, can be provided to the Committee on a more general level, and also tailored to the needs of a particular Liaison's member system.

VI. AUTHORITY.

The Committee has no authority to bind FMPA or to make any decision on behalf of the FMPA Board of Directors or Executive Committee. The Committee is not advisory to the FMPA Board of Directors, the Executive Committee, nor any other decision-making body of FMPA. The Committee is a facilitator and communication opportunity for Liaisons and the FMPA members represented by Liaisons.

VII. RESPONSIBILITIES.

Liaisons are expected to attend at least one meeting of the Committee each year, with attendance at the FMEA-FMPA Annual Conference meeting greatly encouraged.

The Committee has responsibility for keeping Liaisons informed of FMPA's projects and business matters, and facilitating the opportunity for discussion and feedback on those projects and business matters. Requests for educational opportunities requested by Liaisons, regarding FMPA or the municipal electric industry generally, shall be addressed by the Committee in coordination with the Committee Staff Representative.

**AGENDA ITEM 9 – INFORMATION
ITEMS**

b. EV Market Update

**Board of Directors Meeting
November 19, 2020**



BOD 9b – EV Market Update

November 19, 2020

EV Momentum Continues At Slow and Steady Pace

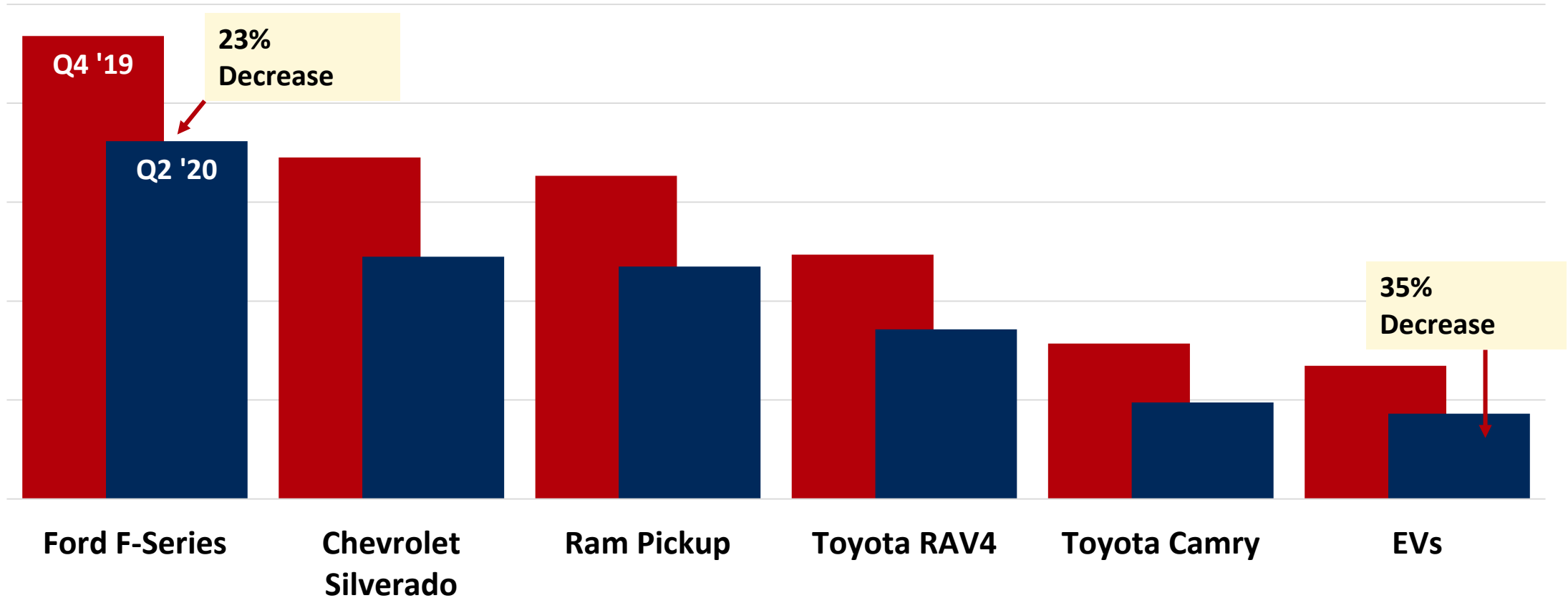
COVID Sales Declines Haven't Deterred Model Advances

- US Automotive market likely to contract by ~15% in 2020¹
- EV sales share for new vehicles up to 1.9%, Tesla primary option²
- EV impacts for FL up slightly to ~2.5% of FRCC peak by 2029
- When EVs reach 30% market share, rate design and technology will help mitigate distribution system impacts
- Transportation emissions now exceed power emissions
 - Election could be catalyst for a step change in regulation or new policies

US Automotive Market Still Dominated by Pickups

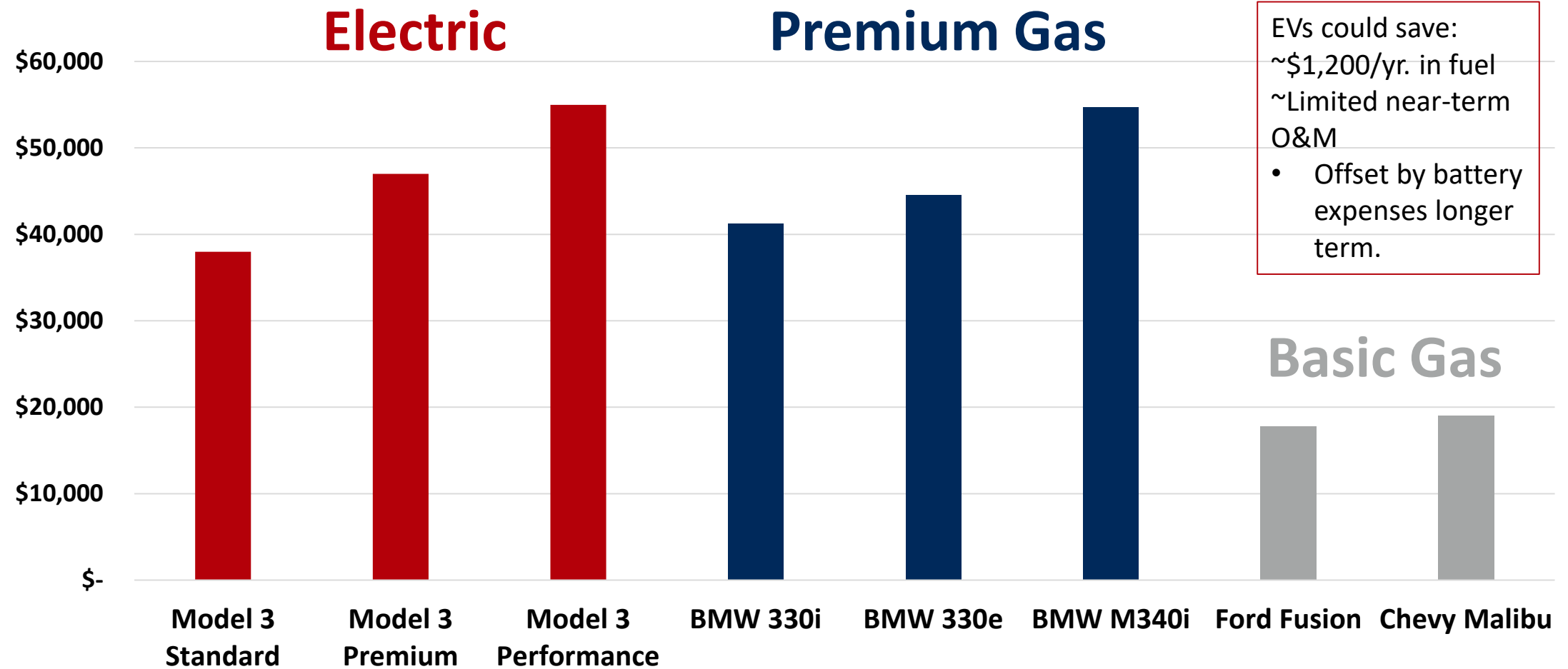
COVID Worries Decreased US Total Car Sales

US Quarterly Sales for Top 5 Models^{1,2}



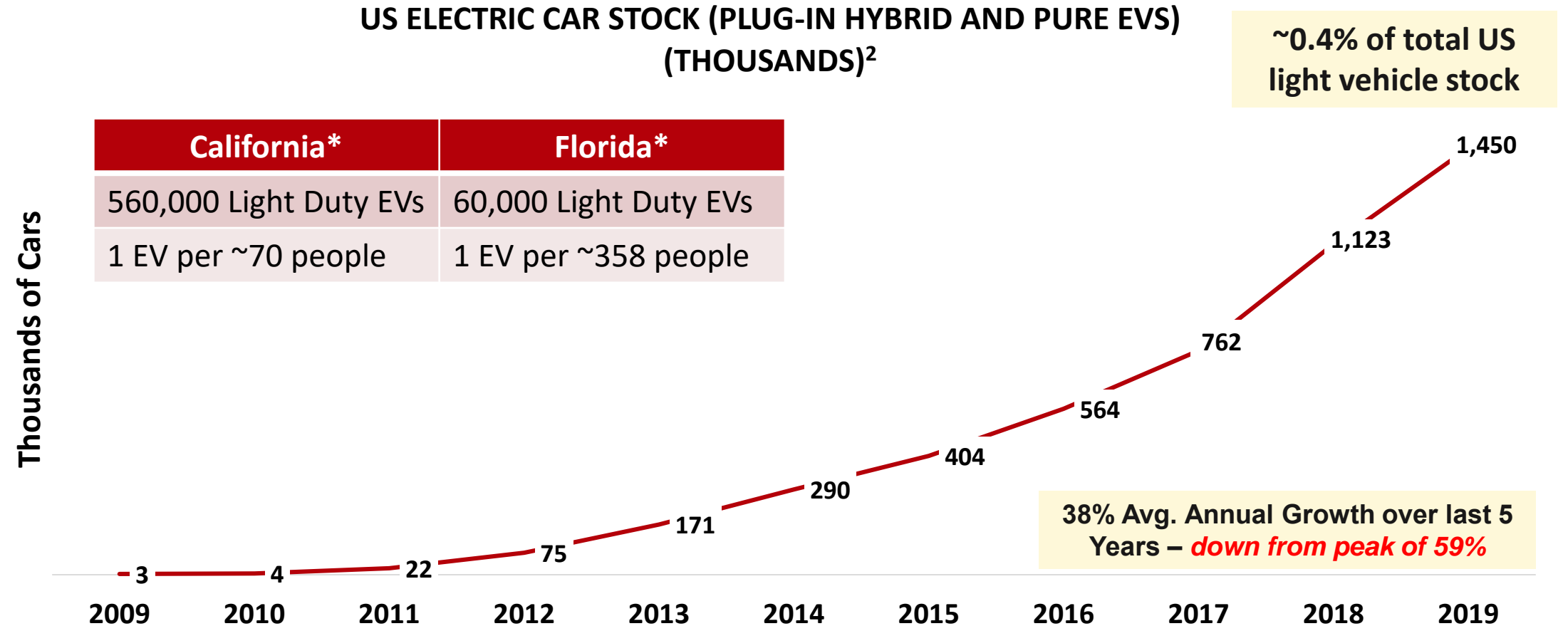
Prevailing EV Still ~3x More Costly Than Basic Cars

*Parity Generally Achieved with Like-Featured Gas Vehicles**



EVs Share Up to ~1.9% of US New Sales¹

Existing Gas-Powered Stock and Truck Sales Serve as Offsets



1 - <https://afdc.energy.gov/data/10567> and <https://www.goodcarbadcar.net/usa-auto-industry-total-sales-figures/>

2 - Intl' Energy Agency – Global EV Outlook 2020

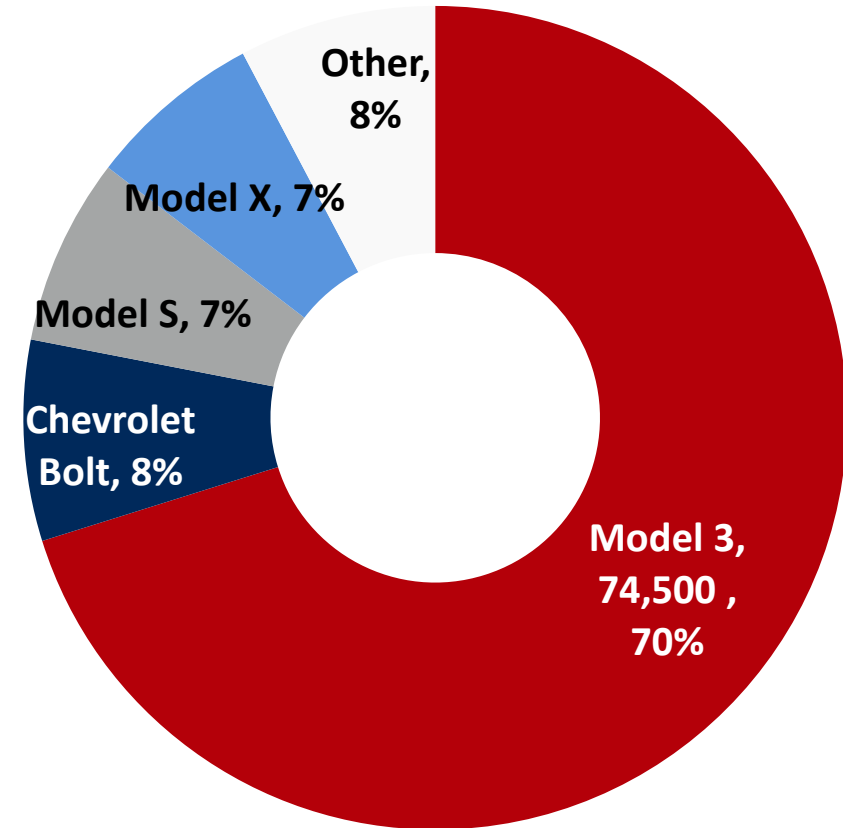
*Sources: Energy.ca.gov; Emergency Evacuation of Florida EVs Interim Report

Model 3 Has Broken the Barrier in America

One of Best Selling Passenger Cars, #1 US Manufacturer Car



2020 EV US Sales Breakdown¹

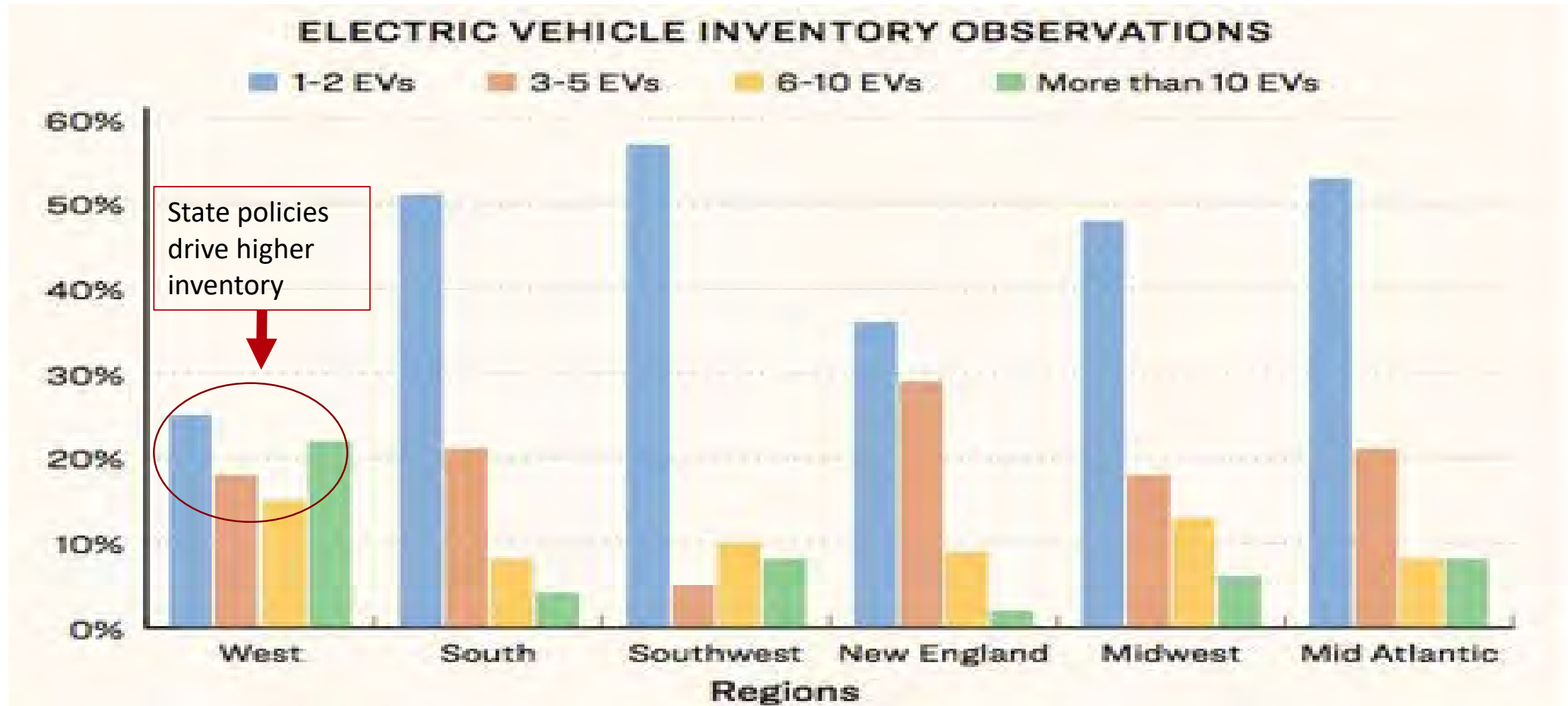


Tesla's share of the global EV market was 16% in 2019, and the Model 3 made up 13% of sales.²

- Target Market – higher income professionals, tech-savvy early adopters, entry level luxury car buyers

But Others Have Not Stocked Their Shelves

Dealership Inventory Still Limited, Experience Mixed



Tesla Not Alone in Expanding Product Market

US EVs Generally Up-Market or Focused for Global Market

KIA SOUL EV (200 miles)



Hyundai Kona EV (258 miles)



Nissan Leaf Long Range (~200 miles)



KIA NIRO EV (239 miles)



MERCEDES-BENZ EQC (279 miles)



Audi E-Tron SUV (222 miles)



Ford EV Mustang Long Range (est. ~300 miles)

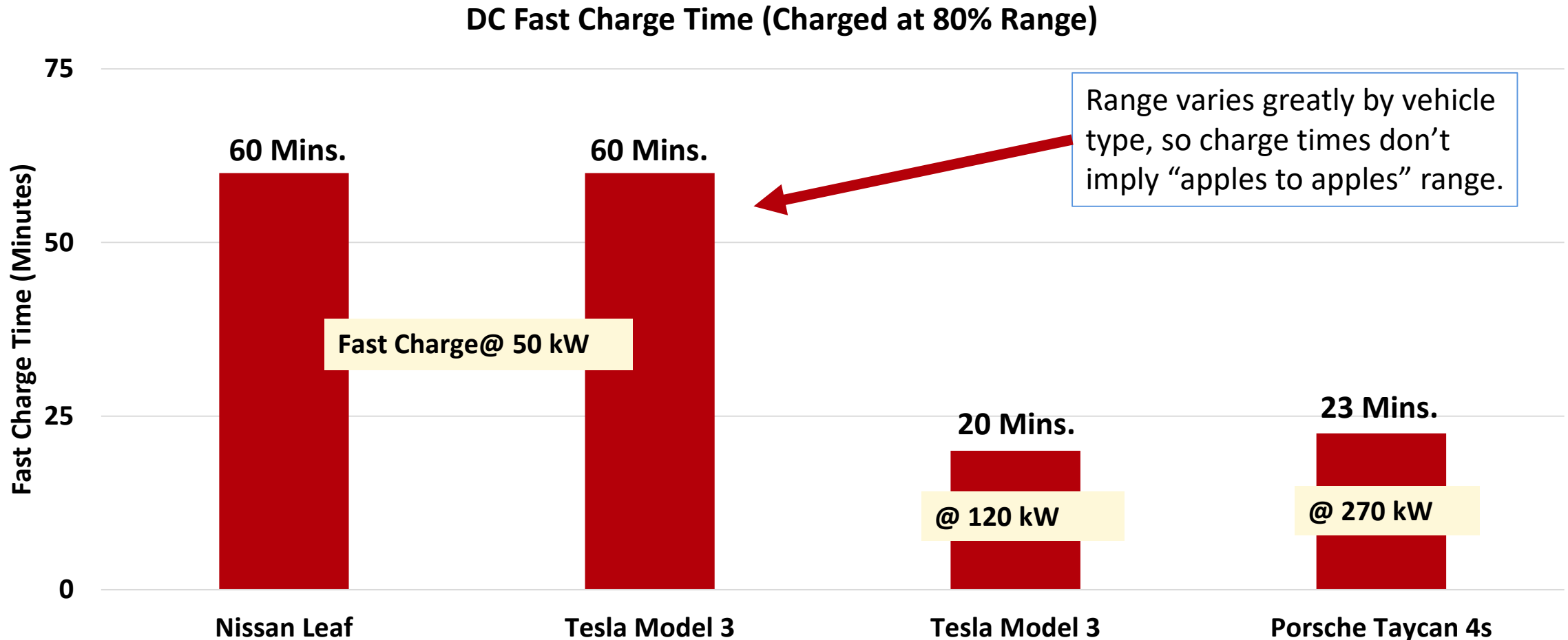


Porsche Taycan (201 miles)



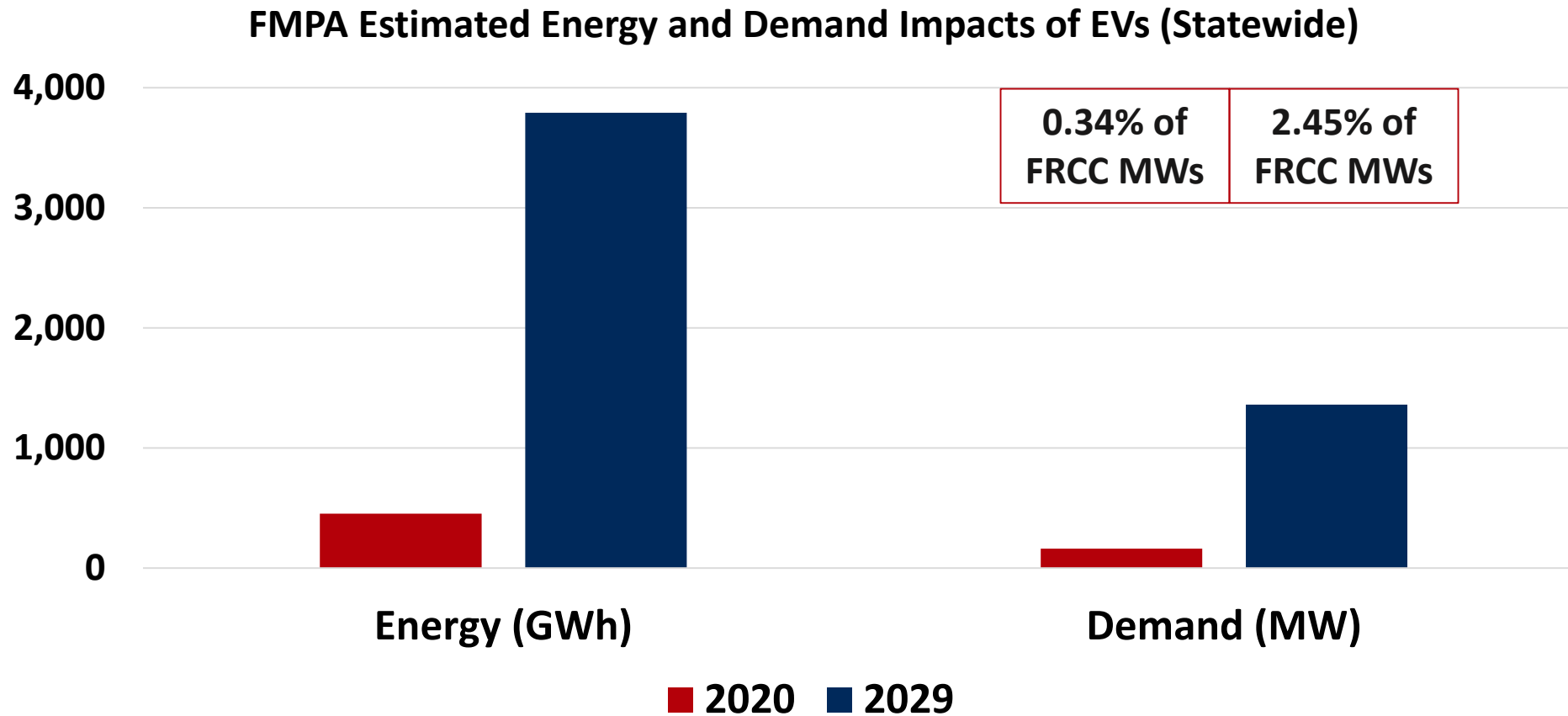
Higher DC Charger Rating Decreases Charge Time

Higher End Models are Pushing Fast Charge Limits



EVs Projected ~2.5% of FRCC Demand

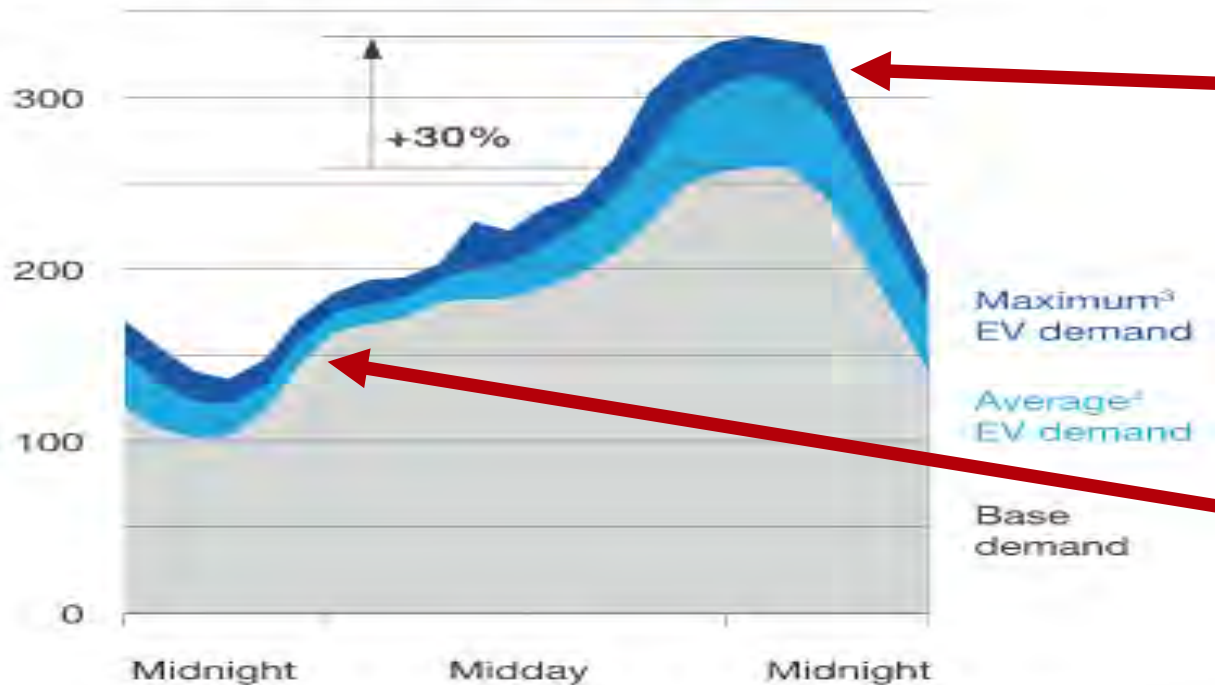
Regional Stock Shares Will Differ Materially



As EVs Hit 30% of Vehicles, Distribution Impacts Likely

Off Peak Rate Incentives & Tech Help Avoid System Upgrades

Feeder circuit load,¹ 150 homes with 2 vehicles per household,² with 25% electric-vehicle (EV) penetration, kilowatts



If 30% of homes plug in their EVs at the same time, can that feeder handle the new load?

Can we incentivize different charging behavior to periods where base load levels are lower?

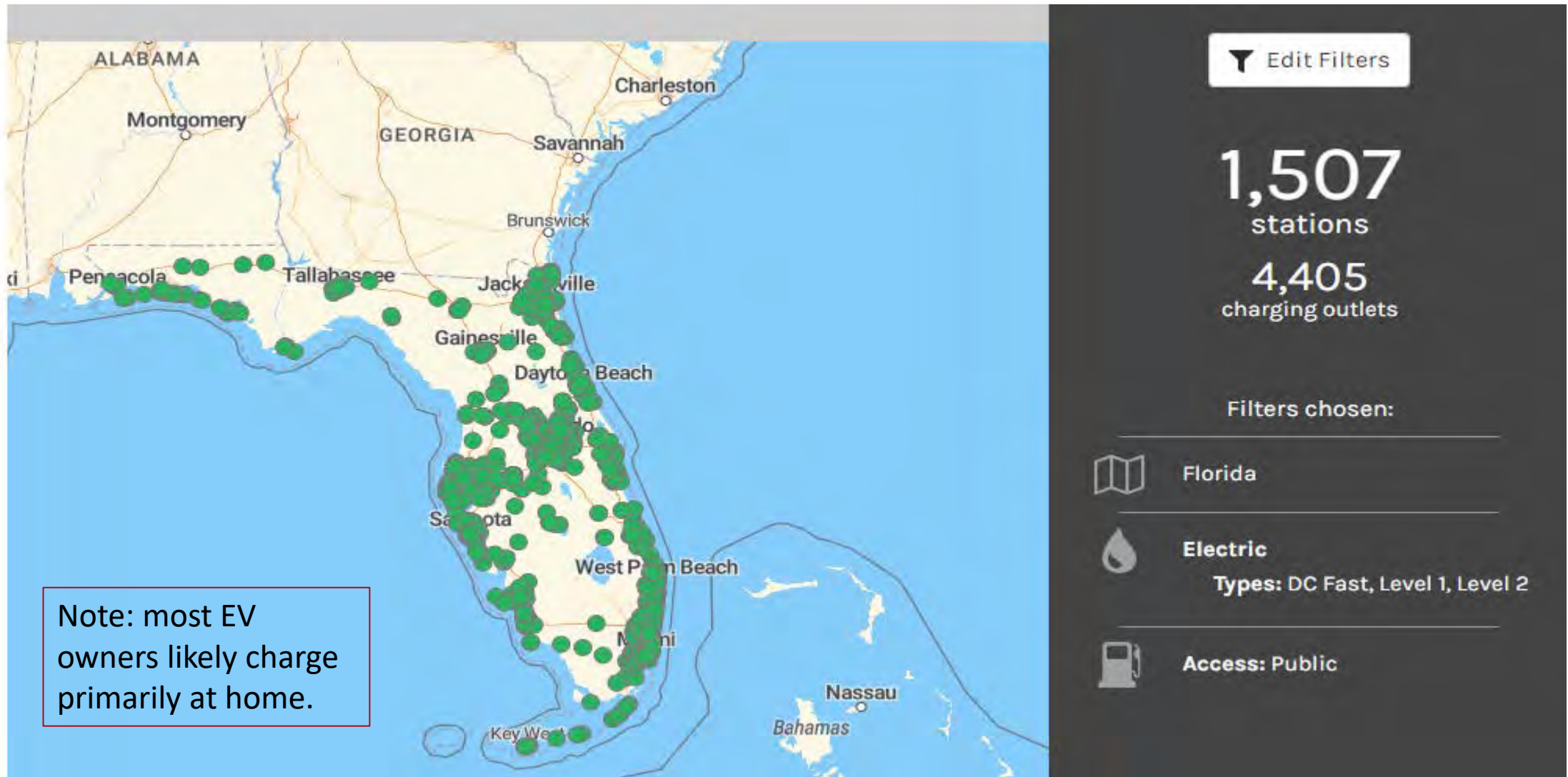
¹Load shape for a typical feeder with 150 houses at 8 megawatt-hours per year; example shown for Midwestern US on typical September day.

²The average US household owns 2.1 vehicles.

³Statistically expected maximum EV demand—"peak day."

⁴Statistically expected average EV demand—"typical day."

Florida Has ~1,500 Public Chargers Statewide*



Florida Leading EV Infrastructure Enhancements

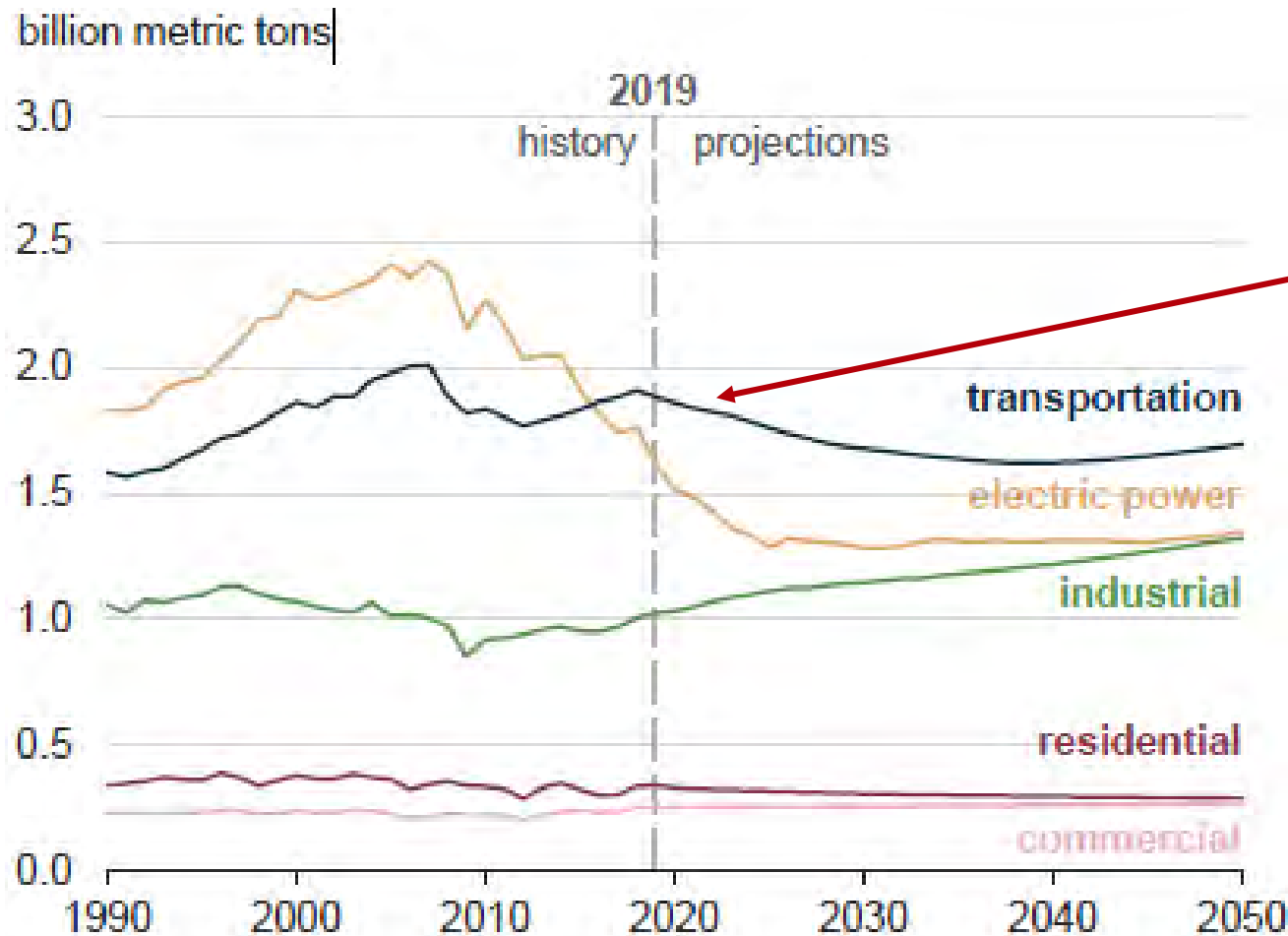
Using VW Settlement to Add 74 Fast Charge Stations

- FDOT has 104 DC Fast Chargers on the Florida Turnpike
- Volkswagen Settlement - Florida allotted \$166M to improve air quality
- July 2020 - FL governor allocated \$8.6M to strengthen FL's EV infrastructure – increase charging stations by 50% along most traveled corridors¹
 - 74 additional DC fast chargers will be installed statewide.
 - Each of the 34 locations will have at minimum 2 chargers each
 - Electric School Bus Project - \$5M allocated to replace diesel buses with electric buses²

Transportation Emissions Overtake Power in US

Transportation Will Become Target of Environmental Policy

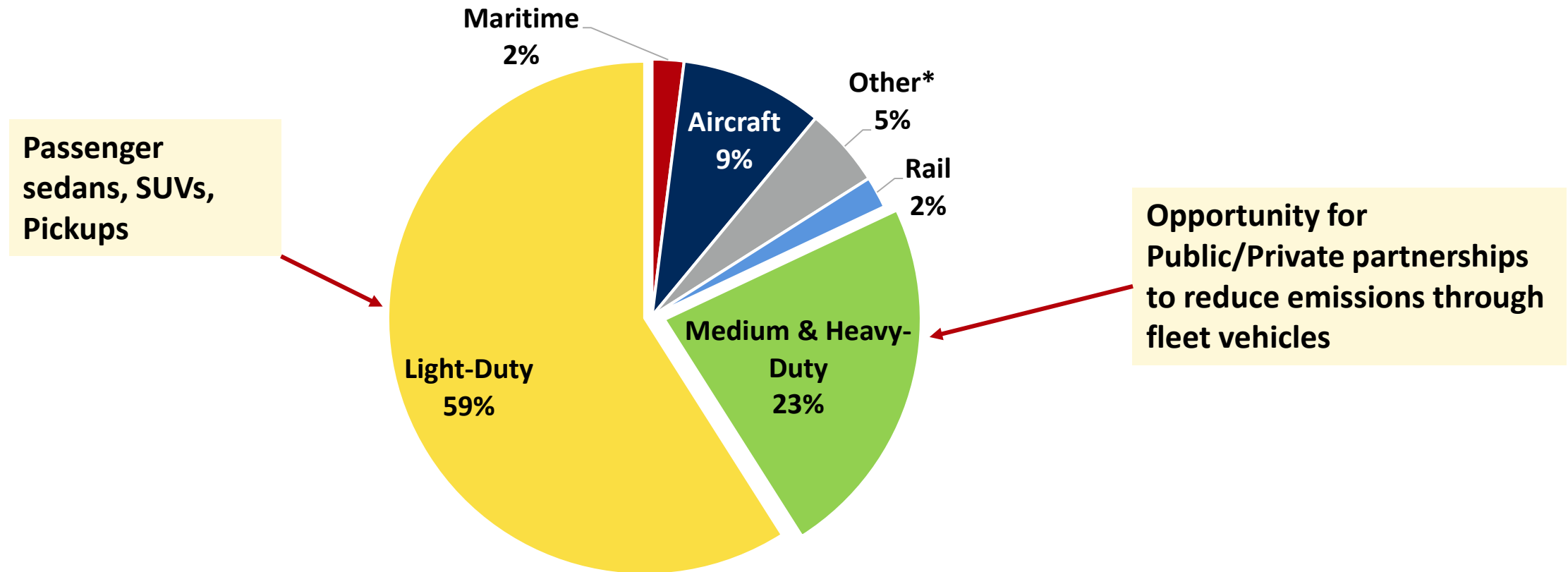
US Energy-related CO₂ emissions by energy sector (AEO 2020 Reference case)¹



Road Vehicles Biggest Contributor of Emissions

Fleet Vehicles Could Materially Impact Emission Reductions

Share of US Transportation Sector GHG Emissions by Source, 2018¹



1 – Fast Facts, US Transportation Sector Greenhouse Gas Emissions 1990-2018, EPA

*Other includes, buses, motorcycles, pipelines, lubricants (agriculture and construction vehicles are excluded).

Degree of Federal Action Will Drive Vehicle Turnover

SAFE Program Less Aggressive, But Cleaner Cars Affordable

- Federal Safer Affordable Fuel-Efficient Vehicles (SAFE)¹
 - Automakers required to increase fuel efficiency standards by 1.5% annually through 2026 (less aggressive)
 - Prior standards required 5% annual increase in efficiency through 2025
- National Highway Transportation & Safety Admin. suggests keeping cost increases lower helps customers replace older cars with newer, safer, and cleaner vehicles

State and Local Policy Changes Drive the Outcome

New CA Executive Order One Example

- Increase in EV uptake may be driven by new legislation
- September 2020 CA Executive Order
 - “It shall be a goal....100 percent of in-state sales of new passenger cars and trucks will be zero emission by 2035.”
 - Does not explicitly ban existing vehicles or vehicles purchased outside the state from being registered within the state
- Few details, but one example of template type approach that could be taken elsewhere

EVs Making Progress to Overcome Barriers

Cost Declines, Market and Tech Advances Still Needed

- EVs make up only about 0.4% of nationwide vehicle stock
- Costs must still decline for more widespread adoption beyond premium buyers, early adopters, and tech-focused
- EV trucks and SUVs further behind in being viable alternative
- Range anxiety reduced with ranges at 250 miles or more
- Utility fleet adoption, rate incentives, and technological advances with charging will continue to evolve to meet customer needs
- Legislative changes at state or national level could accelerate adoption

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**c. Summary of Finance Committee
Items**

**Board of Directors Meeting
November 19, 2020**



BOD 9c -Summary of Finance Committee Items

Board

November 19, 2020

Items on the Horizon

December Review/Approval

- Asset Management Policy review
- Finance Committee Charter Changes to allow for alternates

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**d. Update on Transmission Rate
Cases**

**Board of Directors Meeting
November 19, 2020**



BOD 9d - Transmission Rate Case Update

FMIPA Board of Directors

11/19/2020

Two Key Transmission Cases Coming to Conclusion

Agreement in Principle Reached with DEF and FPL

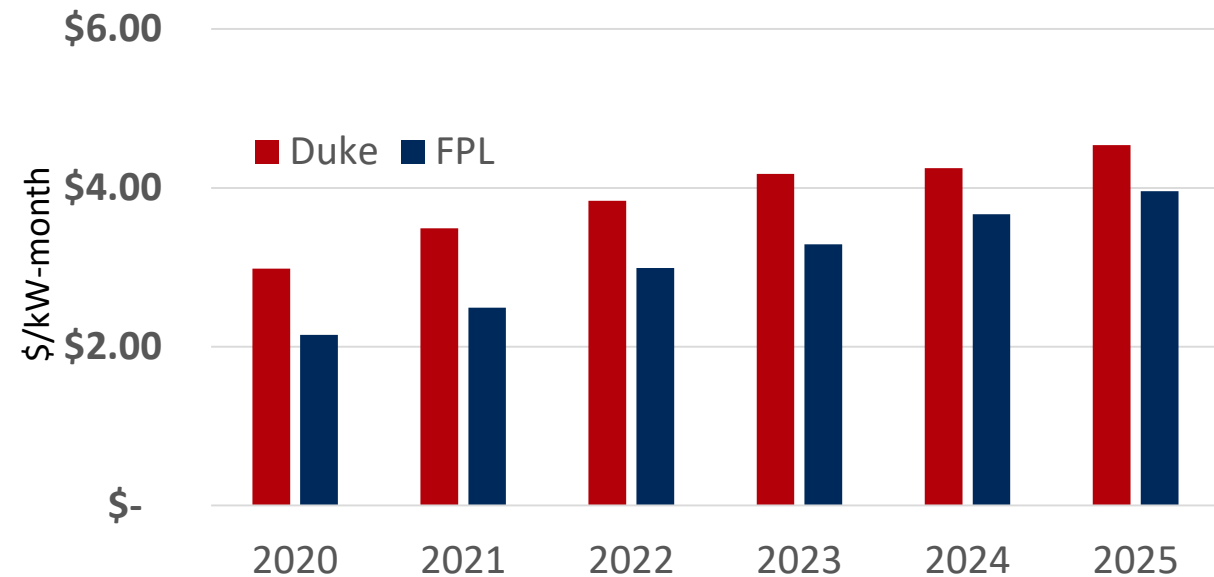
- FPL Transmission Rate Case
 - FMPA and other stakeholders have reached tentative agreement on the formula rate case filing that began in August 2019
 - Details of settlement are still confidential but will be shared once FPL has filed the proposed terms with FERC
- DEF Transmission ROE Discussions
 - FMPA and other stakeholders have reached a tentative agreement to do a one-time rate credit with a projected refund for period 1/1/20 through 12/31/2022
 - Details of agreement are still confidential but will be shared once DEF has filed the proposed terms with FERC

Agreement Caps Costs With Reliability for Members

Multi-year resolution that allows for new interconnections

- Rate change more than fully budgeted for FY21
- Tentative rate settlement over the relevant period result in at least \$3.1 million lower transmission costs than initial FPL projections
- FMPA expenditures to process rate case within expectations
 - Spiegel: \$155k
 - nFront: \$352k
 - GDS: \$ 15k
- Reactive power & loss adjustment also part of the overall agreement
- Key elements of settlements tied to specific Member interconnection requirements
- FPL rates projected to be below DEF rates

Illustrative Projections of Duke and FPL Transmission Rates*



*Not reflective of ongoing negotiation position

DEF Transmission Rate Evaluation Ongoing

Review of Formula Rate and ROE Focused on Detail Cost Elements

- Duke (DEF):
 - Rate change more than fully budgeted for FY21
 - FMPA, Seminole and other stakeholders discussing ROE adjustment directly with DEF outside a FERC filing
 - Distinct prospective refunds expected for the following cities
 - Tallahassee
 - Quincy
 - Chattahoochee
 - Mt. Dora
 - Wauchula
 - Winter Park
 - FMPA (ARP)
 - Ft. Meade
 - Bartow
 - Williston
 - Annual formula update process ongoing – expect negotiations to continue into Q2 2021

**Presentation will be added later –
A link will be sent to the updated
package**

AGENDA ITEM 9 – INFORMATION ITEMS

**e. Summary of Moody's Cybersecurity
Readiness Report on Electric Utilities**

**Board of Directors Meeting
November 19, 2020**

**AGENDA ITEM 10 – MEMBER
COMMENTS**

**Board of Directors Meeting
November 19, 2020**

AGENDA ITEM 11 – ADJOURNMENT

**Board of Directors Meeting
November 19, 2020**