



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

November 19, 2020

**9:15 a.m. [NOTE TIME] (or immediately
following the Board of Directors Meeting)**

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

Meeting Number 856 727 731#

Meeting Password: 8553

Committee Members

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chairwoman

Jody Young, Bushnell

Lynne Mila, Clewiston

Jan Bagnall, Fort Meade

Paul Jakubczak, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee

Brad Chase, Leesburg

Bill Conrad, Newberry

Eric Weaver, Ocala

John Holman, Starke

Meeting Location

Florida Municipal Power Agency

8553 Commodity Circle

Orlando, FL 32819

(407) 355-7767



MEMORANDUM

TO: FMPA Executive Committee
FROM: Jacob A. Williams, General Manager and CEO
DATE: November 10, 2020
RE: FMPA Telephonic Executive Committee Meeting
Thursday, November 19, 2020 at 9:15 a.m. [NOTE TIME]
(or immediately following the Board of Directors meeting)
PLACE: Florida Municipal Power Agency
8553 Commodity Circle, Orlando, FL 32819
Fredrick M. Bryant Board Room

DIAL-IN: (877) 668-4493 or 650-479-3208, Meeting 856 727 731#
PASSWORD 8553#

(If you have trouble connecting via phone or internet, call 407-355-7767)

Chairman Howard McKinnon, Presiding

AGENDA

1. Call to Order, Roll Call, Declaration of Quorum4
2. Set Agenda (by vote)5
3. Recognition of Guests6
4. Public Comments (Individual public comments limited to 3 minutes).....7
5. Comments from the Chairman (Howard McKinnon)8
6. Report from the General Manager (Jacob Williams)9
7. Consent Agenda
 - a. Approval of Meeting Minutes – Meeting Held October 15, 2020 and ARP Telephonic Rate Workshop Held October 13, 2020 11
 - b. Approval of Treasury Reports – As of September 30, 2020 18
 - c. Approval of the Preliminary Agency and All-Requirements Project Financials as of September 30, 202022
 - d. Approval of Report on Exception to Procurement Policy for New Budget System24

8. Action Items	
a. None	32
9. Information Items	
a. Discussion of Extending the Economic Development Rate Rider (Jason Wolfe)...	34
b. Summary of Finance Committee Items * (Linda S. Howard)	42
10. Member Comments	46
11. Adjournment	47

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

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

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

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

**Executive Committee
November 19, 2020**

AGENDA ITEM 2 – SET AGENDA (By Vote)

**Executive Committee
November 19, 2020**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
November 19, 2020**

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

**Executive Committee
November 19, 2020**

VERBAL REPORT

AGENDA ITEM 5 – COMMENTS FROM THE CHAIRMAN

**Executive Committee
November 19, 2020**

VERBAL REPORT

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

**Executive Committee
November 19, 2020**

AGENDA ITEM 7 – CONSENT AGENDA

- a) Approval of Meeting Minutes – Meeting held October 15, 2020 and ARP Telephonic Rate Workshop Held October 13, 2020**

**Executive Committee
November 19, 2020**

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

MINUTES
TELEPHONIC EXECUTIVE COMMITTEE MEETING
THURSDAY OCTOBER 15, 2020
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS
PRESENT:

Jody Young, Bushnell (via telephone)
Lynne Mila, Clewiston (via telephone)
Paul Jakubczak, Fort Pierce (via telephone)
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West (via telephone)
Larry Mattern, Kissimmee
Brad Chase, Leesburg (via telephone)
Bill Conrad, Newberry
Eric Weaver, Ocala
John Holman, Starke

OTHERS
PRESENT

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

STAFF
PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, Deputy General Counsel (via telephone)
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Cairo Vanegas, Manager of Member Services Development
Chris Gowder, Business Development and System Operations
Director
Dan O'Hagan, Assistant General Counsel and Regulatory
Compliance Counsel
Rich Popp, Treasurer and Risk Director
Mark McCain, Assistant General Manager, Member Services
and Public Relations
Sharon Adams, Human Resources Director
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Susan Schumann, Public Relations and External Affairs Manager
Carter Manucy, IT/OT & Cybersecurity Manager
Melisa Inanc, Public Relations Specialist
Isabel Montoya, IT Specialist

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

Chairman Howard McKinnon, Havana, called the FMPA telephonic Executive Committee Meeting to order at 11:30 a.m., 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 12 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the agenda as presented. Larry Mattern, Kissimmee, seconded the motion. Motion carried 12 – 0.

ITEM 3 – RECOGNITION OF GUESTS

None

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

Chairman McKinnon wished Allen Putnam of Jacksonville Beach a happy birthday.

ITEM 6 – REPORT FROM GENERAL MANAGER

None

ITEM 7 –CONSENT AGENDA

**Item 7a – Approval of Meeting Minutes – Meeting Held September 17, 2020 and
ARP Telephonic Rate Workshop Held September 10, 2020**

Item 7b – Approval of the Treasury Reports – As of August 31, 2020

**Item 7c – Approval of the Agency and All-Requirements Project Financials as of
August 31, 2020**

MOTION: Larry Mattern, Kissimmee, moved approval of the Consent Agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 12 – 0.

ITEM 8 – ACTION ITEMS

a. Approval of FY 2021 Management Goals

MOTION: John Holman, Starke, moved approval of FY 2021 Management Goals. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 12 – 0.

b. Approval of Revised Rate Schedule B-1 (), Incentive Rate Riders (**), and CROD Implementation Protocols to be Effective October 1, 2020**

Jason Wolfe presented the revised Rate Schedule B-1, Incentive Rate Riders and CROD Implementation Protocols which became effective October 1, 2020.

MOTION: Bob Page Green Cove Springs, moved approval of the revised ARP Rate Schedule B-1, effective October 1, 2020. John Holman, Starke, seconded the motion. Motion carried 12 – 0.

MOTION: John Holman, Starke, moved approval of the revised Load Attraction Incentive Rate Rider and Economic Development Rate Rider, effective October 1, 2020. Bob Page, Green Cove Springs, seconded the motion. Motion carried 12 – 0.

MOTION: Larry Mattern, Kissimmee, moved approval of the revised Contract Rate of Delivery Implementation Protocols, effective October 1, 2020. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 12 – 0.

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

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the elimination of both the Statutory & Regulatory Policy and the Records Management Policy from the Agency's Risk Management Exhibits. Larry Mattern, Kissimmee, seconded the motion. Motion carried 12 – 0.

ITEM 9 – INFORMATION ITEMS:

a. Summary of Finance Committee Items

No further questions.

ITEM 10 – Member Comments

None

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 11:46 a.m.

Howard McKinnon
Chairman, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKSOCTOBER 6, 2020
AGENDA PACKAGES SENT TO MEMBERSOCTOBER 12, 2020

**MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, OCTOBER 13, 2020
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819**

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Christina Simmons, Bushnell
Lynne Mila, Clewiston
Paul Jakubczak, Fort Pierce
Allen Putnam, Jacksonville Beach
Lynne Tejada, Key West
Larry Mattern, Kissimmee
Brad Chase, Leesburg
Bill Conrad, Newberry
Maria Brooks & Eric Weaver, Ocala

*arrived after roll call.

COMMITTEE MEMBERS ABSENT

Jan Bagnell, Fort Meade
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Bob Milner, Starke

STAFF PRESENT

Jacob Williams, General Manager and CEO
Linda Howard, Chief Financial Officer
Jason Wolfe, Financial Planning, Rates and Budget Director
Steve Ruppel, Financial Planning, Senior Financial Analyst
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board
Bianca Scott, Human Resources, Administrative Specialist

Item 1 – Call to Order

Lynne Tejeda called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:02 p.m. on Tuesday, October 13, 2020, via telephone. A speaker telephone for public attendance and participation was located in the Accounting Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Information Items

Steve Ruppel gave a verbal update on the natural gas markets; provided an overview of the September loads and reviewed the September ARP rate calculation.

Item 3 – Member Comments

There being no further business, the meeting was adjourned at 2:11 p.m.

Approved

AP/bs

AGENDA ITEM 7 – CONSENT AGENDA

- b) Approval of Treasury Reports as of
September 30, 2020**

**Executive Committee
November 19, 2020**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Gloria Reyes
DATE: November 10, 2020
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of September 30, 2020

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

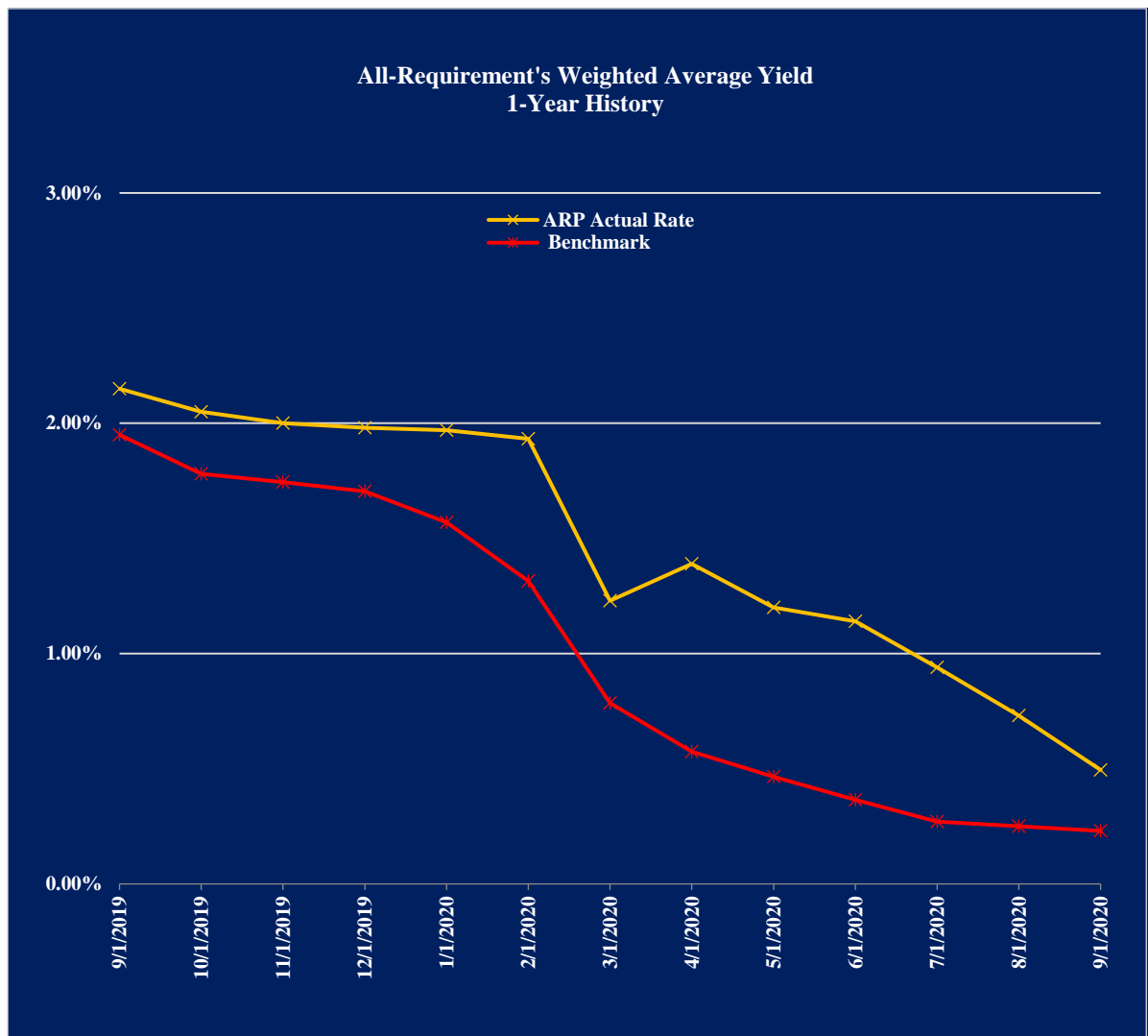
Debt Discussion

The All-Requirements Project has fixed rate debt. The fixed rate percentage of total debt is 100%. The estimated debt interest funding for fiscal year 2020 as of September 30, 2020 is \$38,747,561.28. The total amount of debt outstanding is \$785,140,000.

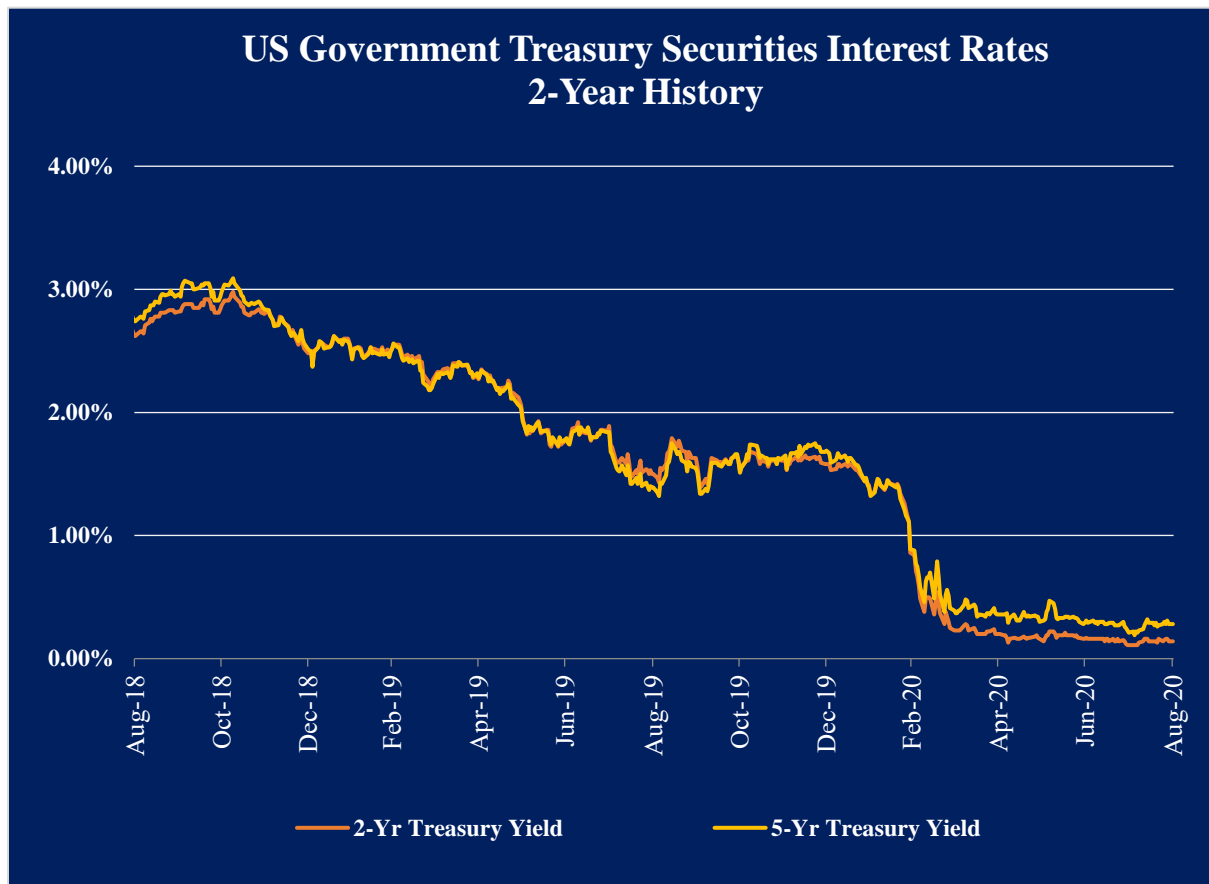
Investment Discussion

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

As of September 30, 2020, the All-Requirements Project investment portfolio earned a weighted average yield of .49%, reflecting the All-Requirements Project need for liquidity. The benchmarks (SBA's Florida Prime Fund and the 2-year US Treasury Note) and the Project's yields are graphed below:



Below is a graph of 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 Investment Report for September is posted in the “Member Portal” section of FMPA’s website.

Recommended
Motion

Move for approval of the Treasury Reports for September 30, 2020

AGENDA ITEM 7 – CONSENT AGENDA

- c) Approval of the Preliminary Agency and All-Requirements Project Financials as of September 30, 2020**

**Executive Committee
November 19, 2020**



Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: FMPA Executive Committee
FROM: Linda Howard
DATE: November 10, 2020
SUBJECT: EC 7c – Approval of the Preliminary Agency and All-Requirements Project Financials for the period ended September 30, 2020

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

Recommended Motion: Move approval of the preliminary Agency and All-Requirements Project Financial reports for the month of September 30, 2020.

LH/GF

AGENDA ITEM 7 – CONSENT AGENDA

**d) Approval of Exception to Procurement
Policy**

**Executive Committee
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 FMIPA Procurement Policy for New Budget System

This memorandum documents a deviation from FMIPA'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 FMIPA's minimum requirements, as well as for a third system that would only satisfy a portion of FMIPA's needs. While the latter system was by far the lowest cost option, since it did not meet FMIPA's most critical minimum requirements, it was excluded from further consideration. Staff believed both of the other systems would meet FMIPA'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 FMIPA.

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 FMIPA'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 FMIPA'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 14, 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

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

**Executive Committee
November 19, 2020**

AGENDA ITEM 9 – INFORMATION ITEMS

- a) Discussion of Extending the Economic Development Rate Rider**

**Executive Committee
November 19, 2020**



EC 9a – Discussion of Extending the Economic Development Rate Rider

Executive Committee

November 19, 2020

Economic Development Rate Incentive Sunsetting

- The Economic Development Rate rider is currently set to sunset on December 31, 2020
- While the new ARP demand billing structure reduces the impact for the Load Attraction Incentive Rate***
- Looking for feedback on whether the EC wishes to keep this incentive
- If there is sufficient interest, we will come back for approval of an extension in December

Economic Development Rate Key Facts

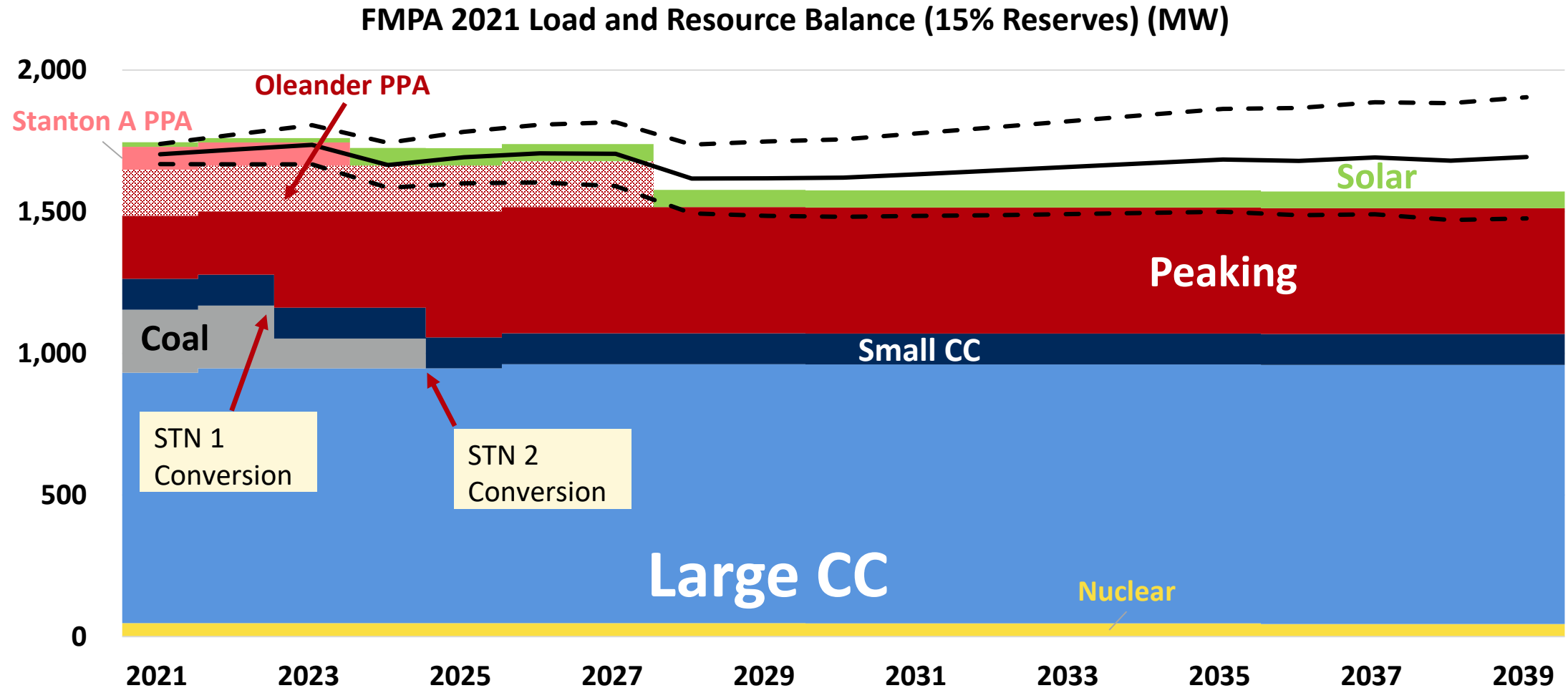
- Reduced demand charge for new load, negotiated on a case-by-case basis
- Energy charge tied to heat rate X natural gas prices + VOM adder
- The new load must be a minimum of 5 MW/month and energy-intensive
- Electricity price must be a significant determining factor in the site selection decision of the new or expanded business
- Participant must pass the EDR demand rate and energy rates directly to the new customer with no adders
 - Participant must discount its own distribution, metering, and customer charges through a fixed adder to the EDR demand rate
- Each use of the EDR must be approved by the EC

Economic Development Rate Not Used to Date

- No current use of the Economic Development Rate rider
- One potential opportunity in 2017 did not materialize
- Currently one additional potential opportunity

ARP Currently Has Limited Available Capacity

COVID-Related Impacts on Load Forecast Uncertain; Adding Large, Energy-Intensive Loads Benefits Entire ARP



Feedback Requested

- Does the EC wish to keep the EDR as a tool for incentivizing Participant load growth?
- If yes, for how long should the rider be extended?

Recommended Motion

- No action requested. For information only.

AGENDA ITEM 9 – INFORMATION ITEMS

b) Summary of Finance Committee Items

**Executive Committee
November 19, 2020**



EC 9b -Summary of Finance Committee Items

Board of Directors & Executive Committee

November 19, 2020

Upcoming Debt Transaction

Timeline to Secure New Money for Capital Projects

Action	Date	Responsible Party
Prepare documents with options for approval	December 1, 2020	Debt Financing team
Executive Committee (EC) approval <ul style="list-style-type: none"> Transaction options Resolution(s)/parameters RFP parameters 	December 10, 2020	EC
Issue RFP	December 10, 2020	FMPPA
Make rate change related to R&R adjustment, if approved	February, 2021	FMPPA
Select transaction type/financial partner	2 nd week of January 2021	FMPPA/Debt financing team
Close transaction	3 rd week of February 2021	FMPPA
Approve rate adjustment	March 2021	EC
Rate adjustment	April billing	FMPPA

Other Items

December Review/Approval

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



/FloridaMunicipalPowerAgency



@FMPANews



/company/fmpa

AGENDA ITEM 10 – MEMBER COMMENTS

**Executive Committee
November 19, 2020**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
November 19, 2020**