



FMPA BOARD OF DIRECTORS AGENDA PACKAGE

December 10, 2020

9:00 a.m. [NOTE TIME]

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

Meeting Number 856 673 550#

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
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: December 1, 2020
RE: **FMPA Board of Directors Meeting – 9:00 a.m., December 10, 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 856 673 550# – PASSWORD – 8553#
(If you have trouble connecting via phone or internet, call 407-355-7767)

AGENDA

Chairperson Barbara Quiñones, Presiding

- 1. Call to Order, Roll Call, Declaration of Quorum4**
- 2. Recognition of Guests.....5**
- 3. Public Comments (Individual public comments limited to 3 minutes).....6**
- 4. Set Agenda (by vote)7**
- 5. Report from the General Manager (Jacob Williams).....9**
- 6. Sunshine Law Update (Dan O'Hagan)..... 17**
- 7. Consent Agenda**
 - a. Approval of the Minutes for the Meeting Held November 19, 2020 19
 - b. Approval of the Projects' Preliminary Financials as of October 31, 202024
 - c. Approval of the Treasury Reports as of October 31, 202026
 - d. Approval of Annual Report on Late Fees as of September 30, 2020.....30

8. Action Items

- a. Approval of Amendments to the Policy Makers Liaisons Committee's Charter (Mark McCain) 33
- b. Approval of Finance Committee Charter Changes (Jody Finklea) * 41
- c. Approval of the Calendar Year 2021 Meeting Schedule (Jacob Williams) * .49

9. Information Items

- a. Preliminary Financial Results September 30, 2020 (Danyel Sullivan-Marrero) * 53
- b. Regulatory Compliance Quarterly Update (Truong Le) * 65
- c. 2020 Member Relations Survey Results (Melisa Inanc) 74
- d. Summary of Finance Committee Items (Linda S. Howard) * 81

10. Member Comments..... 83

11. Adjournment..... 84

***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
December 10, 2020**

**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

**Board of Directors Meeting
December 10, 2020**

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

**Board of Directors Meeting
December 10, 2020**

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

**Board of Directors Meeting
December 10, 2020**

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

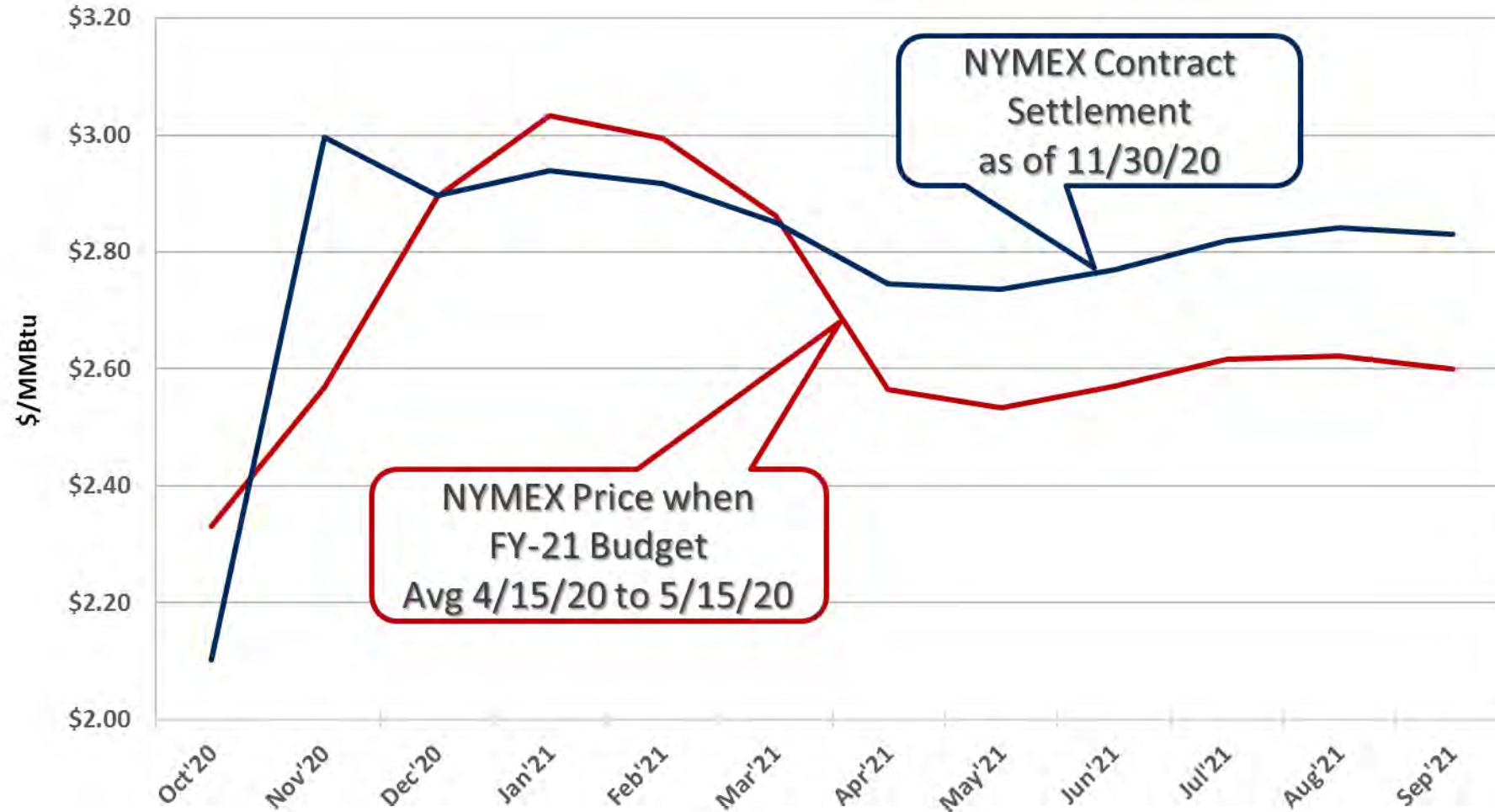
**Board of Directors Meeting
December 10, 2020**

Fiscal 2021 Management Goals through November 30, 2020

Goal		Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
1.Safety	Lost-time Accidents		0	1	0	0	No lost time accidents.
	OSHA Recordables		0	1	0	0	
2.Compliance	Environmental		0	0	0	0	Evaluating a potential self-report for a NERC CIP violation related to a GE monitoring network connection
	Financial		0	0	0	0	
	Regulatory		0	0	0	0	
3.Low Cost (\$/MWh)	Under \$70/MWh		\$64.13*	\$64.13*	\$75.03	< \$70.00	Nov. results will not be ready for the meeting. * Oct. 2020 MWh sales 10%> budget. All-in Costs ~\$6/MWh (9%) < YTD target due to O&M (22%) and assigned Project Costs (10%) < target, but TXMS Expenses (~13%) above target.
	Fuel		\$19.20*	\$19.20*	\$20.62	\$22.19	
	Non-Fuel		\$44.93*	\$44.93*	\$54.41	\$47.80	
4.Stanton I and Stanton II Decision from OUC to reduce power costs and emissions							OUC presented executive summary to stakeholders on 11/17. OUC seeking Board approval for broad IRP strategy , that includes refining in Dec.

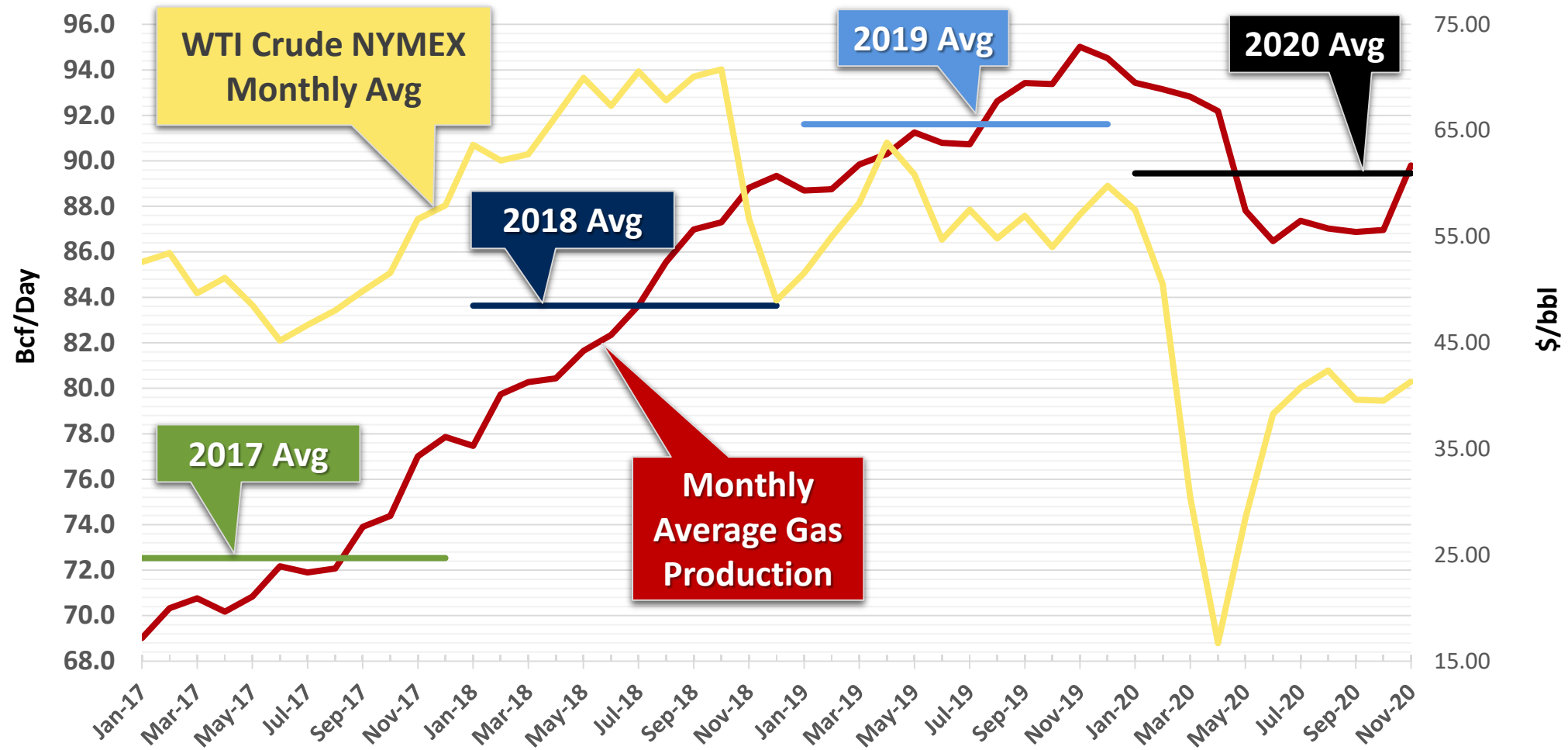
FY 2021 NYMEX Contract \$0.10/MMBtu Above Budget

NYMEX Natural Gas FY21 October Settlement (11/30/20)



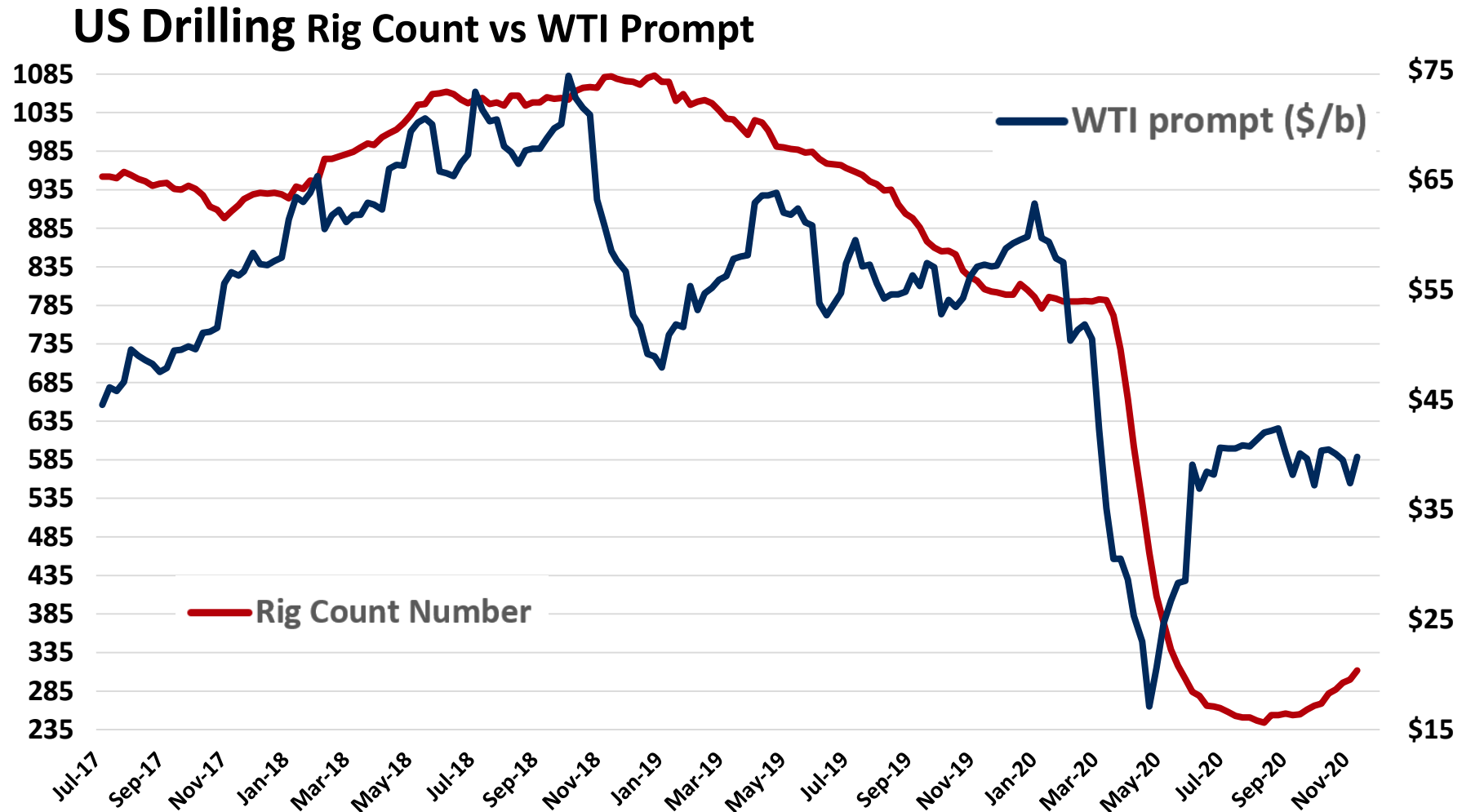
Natural Gas Production Following Changes in Oil Prices

Average Monthly Change Since 2017 to Date (11/30/20)



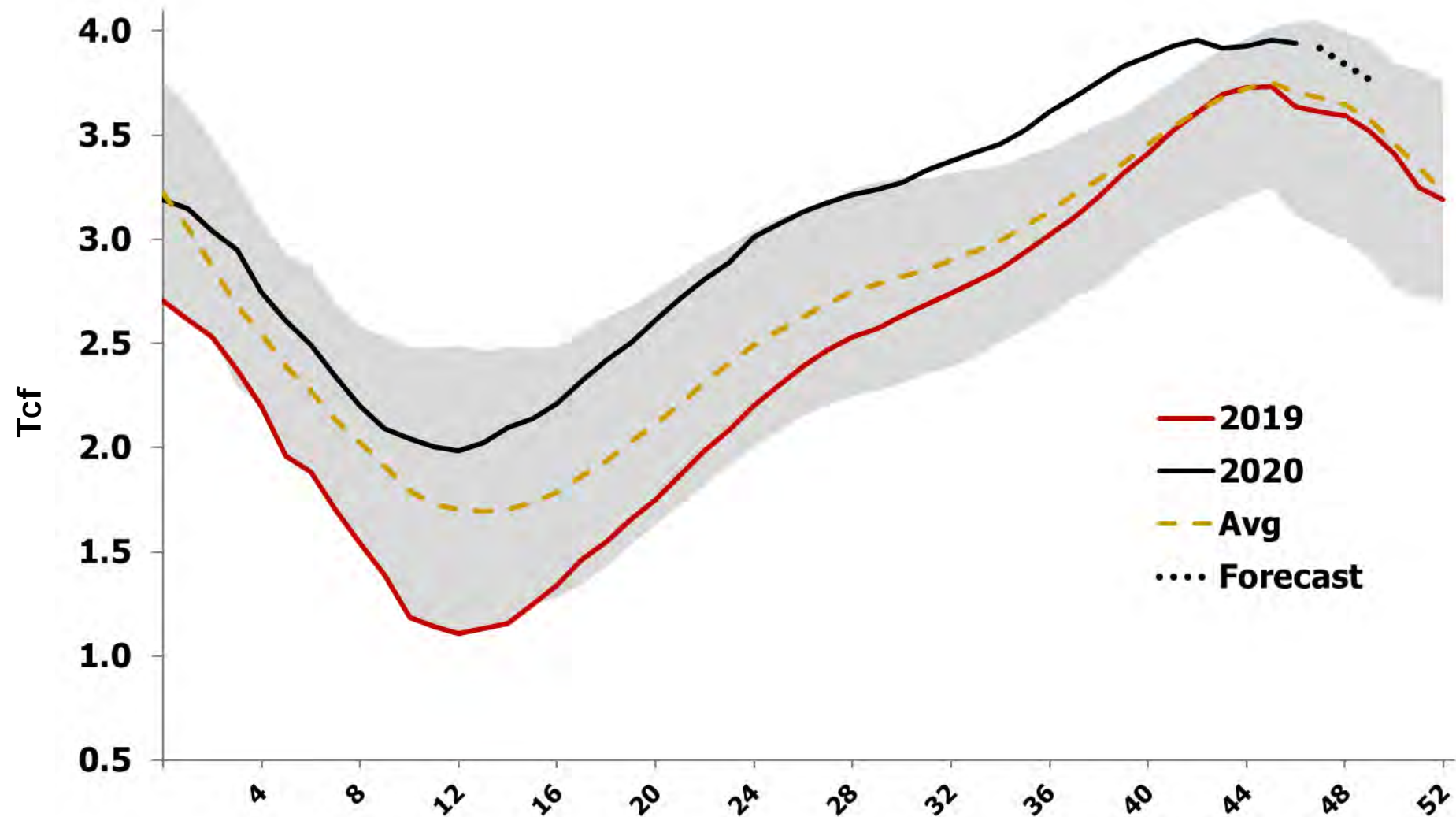
Drilling Rig Count marginally increases though Oil Prices Move Lower

Drilling Rig Count increasing with WTI Prices in the ~\$40 Range (as of November 30th)



Gas Storage Inventory as of Week Ending November 20th

2020 Injection Season extending into November – Inventory drops below 5 Year Average



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 11/30/2020 (\$/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	\$2.88	\$0.16	\$213,564
Jan-21	\$2.88	\$2.93	\$0.05	\$62,854
Feb-21	\$2.83	\$2.91	\$0.08	\$93,941
Mar-21	\$2.73	\$2.84	\$0.11	\$144,401
Apr-21	\$2.49	\$2.71	\$0.22	\$129,108
May-21	\$2.44	\$2.73	\$0.28	\$176,415
Jun-21	\$2.49	\$2.82	\$0.33	\$197,508
Jul-21	\$2.57	\$2.82	\$0.26	\$158,497
Aug-21	\$2.59	\$2.87	\$0.28	\$170,785
Sep-21	\$2.57	\$2.84	\$0.27	\$160,584

Total Extended Value vs. Current Market

\$2,896,669

Goal		Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
5.Cyber Security	Breaches		0	0	0	0	
	Phishing tests		2.8%	5.6%	5% or <	5% or <	2 people clicked on link simulating an email from Amazon concerning an order
	Member assessments		0	0	0	5	3 assessments - in progress
6.Reliability	CC EAF		%	%	78.4%	90%	Numbers will be available at the meeting.
	SI black start and trans. backup		0	1	1	100%	
	SAIDI Reduction		0	0	2	10	
7.Member Services	Leadership member visits		8	16	12.5	75	8 member cities visited by senior leadership team
	Projects managed for members		3	6	3.3	20	Williston Recloser Training, NSB Wholesale Power Purchasing Policy, Havana PCA/Revenue Sufficiency Review
8.Value of Muni	Member info updates		0	0	1.5	16	Report development in progress
	Presentations Social media		1	2	2.5	10	Newberry presentation:Page 15 of 84 Leesburg TV show

Goal		Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
9.Load Management	Dev. opportunities for 5 MW						ID'd ~22 MW from previous. Info item in Dec. on approach.
10.Financing	Restructure debt		0	0	0	1	Released RFP in November
	Extend debt to include R&R funding		0	0	0	1	Info item to EC in January
	Prepd gas min. svgs. Of \$0.20/mmBtu		0	0	0	1	
11.Transmission	Neg. service upgrade for LWB & Homestead						Ongoing design meetings on schedule.
12.People	360 training for Leadership & mgmt.		5	5	1.84	11	5 In process
	Mgmt. outreach to diverse prof. groups		0	1	.5	3	Jacob-AABE membership Linda – NABA membership; contact at NSBE
	Individual development plans		0	0	0	50	Evaluations started 11/2; dev plans will be part of process.
	FMPA Fleet Team Sharing – Days		22	34	16.66	100	FMPA to TCEC 15 days and Stock Island 2 days. Cane Island staff to TCEC for 5 days.

VERBAL REPORT

AGENDA ITEM 6 – SUNSHINE LAW UPDATE

**Board of Directors Meeting
December 10, 2020**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of the Minutes for the
Meeting Held November 19, 2020**

**Board of Directors Meeting
December 10, 2020**

MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
THURSDAY, NOVEMBER 19, 2020
9:00 A.M.

MEMBERS Jody Young, Bushnell (via telephone)
PRESENT John Tompeck, Fort Pierce (via telephone)
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Barbara Quinones, Homestead
Allen Putnam, Jacksonville Beach (via telephone)
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)
Bill Conrad, Newberry (via telephone)
Joe Bunch, New Smyrna Beach * (via telephone)
Eric Weaver, Ocala
Claston Sunanon, Orlando (via telephone)
Bill Sturgeon, St. Cloud (via telephone)
John Holman, Starke (via telephone)
James Braddock, Wauchula (via telephone)

*joined after roll call.

OTHERS Paul Jakubczak, Fort Pierce
PRESENT Craig Dunlap, Dunlap & Associates, Inc.

STAFF Jacob Williams, General Manager and CEO
PRESENT 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, Vice President of Member Services and Public Relations
Dan O'Hagan, Assistant General Counsel and Regulatory
Compliance Counsel
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Rich Popp, Treasurer and Risk Director
Carter Manucy, IT / OT & Cybersecurity Director
Sharon Adams, Vice President of Human Resources and Shared Services
Cairo Vanegas, Manager of Member Services Development

Jason Wolfe, Financial Planning, Rates and Budget Director
Luis Cruz, Information Technology Manager
Isabel Montoya, Information Technology Specialist
Susan Schumann, Manager of External Affairs and Solar Projects
David Schumann, Power Generation Fleet Director
Melisa Inanc, Public Relations Specialist
Ryan Dumas, Public Relations Specialist

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 a.m. on Thursday, November 19, 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 30 votes out of a possible 47.5. Joe Bunch, New Smyrna Beach, arrived after roll call bringing the total members present to 18 representing 31.5 votes out of a possible 47.5.

ITEM 2 – Recognition of Guests

None

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

None

ITEM 4 – SET AGENDA (by vote)

MOTION: Larry Mattern, Kissimmee, moved approval of the agenda as presented. Bob Page, Green Cove Springs, seconded the motion. Motion carried 31.5 – 0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Jacob Williams reported on the following items:

1. **Stanton Energy Center Lawsuit Dismissed with Prejudice**
2. **Goals Scorecard**
3. **FMPA Won Top Employer Awards from Orlando Sentinel**
4. **FMPA's Dragos System Caught a Possible Violation at TCEC and Cane Island – Analyzing Data Now**
5. **APPA's Legislative Rally Update – Virtual in March 2021**

ITEM 6 – SUNSHINE LAW UPDATE

Dan O'Hagan reported on a recent Florida Public Service Commission Internal Affairs meeting at which PSC staff and Commissioners discussed potential legislation that would permit PSC Sunshine Law "shade" meetings in a manner similar to those permitted by municipal electric utilities.

ITEM 7 – CONSENT AGENDA

- a. Approval of Minutes – Meeting Held October 15, 2020
- b. Approval of the Projects' Preliminary Financials as of September 30, 2020
- c. Approval of the Treasury Reports as of September 30, 2020
- d. Approval of Report on Procurement Policy Exception for New Budget System

MOTION: Bob Page, Green Cove Springs, moved approval of the Consent Agenda as presented. Larry Mattern, Kissimmee, seconded the motion. Motion carried 31.5 – 0.

ITEM 8 – ACTION ITEMS

- a. None

ITEM 9 – INFORMATION ITEMS

a. Proposed Amendments to the Policy Makers Liaisons Committee Charter

Mark McCain reported on the Policy Makers Liaisons Committee's recommended charter changes regarding quorum requirements.

b. EV Market Update

Navid Nowakhtar presented an update on the current EV market.

c. Summary of Finance Committee Items

Linda S. Howard reported on an upcoming debt transaction timeline to secure new money for capital projects for the ARP.

d. Update on Transmissions Rate Cases

Ken Rutter presented and update on the transmission rate cases with FPL and DEF.

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

Carter Manucy reported on the recently released Cybersecurity Readiness Report on Electric Utilities by Moody's Investors Services.

ITEM 10 – MEMBER COMMENTS

Bob Page, Green Cove Springs, asked what the process is to help members inform customers on what's going on with solar energy and also carbon emissions.

ITEM 11 – ADJOURNMENT

There being no further business, the meeting was adjourned at 11:00 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
October 31, 2020**

**Board of Directors Meeting
December 10, 2020**



Linda S. Howard, CPA, CTP
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: FM&PA Board of Directors
FROM: Linda Howard
DATE: December 1, 2020
ITEM: 7b – Approval of Projects’ Financials as of October 31, 2020

Discussion: The summary financial statements and detailed financial statements, which include GASB #62 transactions, of the Projects for the period ended October 31, 2020 are posted on the Document Portal section of FM&PA’s website.

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

LH/GF

**AGENDA ITEM 7 – CONSENT
AGENDA**

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

**Board of Directors Meeting
December 10, 2020**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors
FROM: Gloria Reyes
DATE: December 1, 2020
ITEM: BOD 7(c) – Approval of Treasury Reports as of October 31, 2020

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

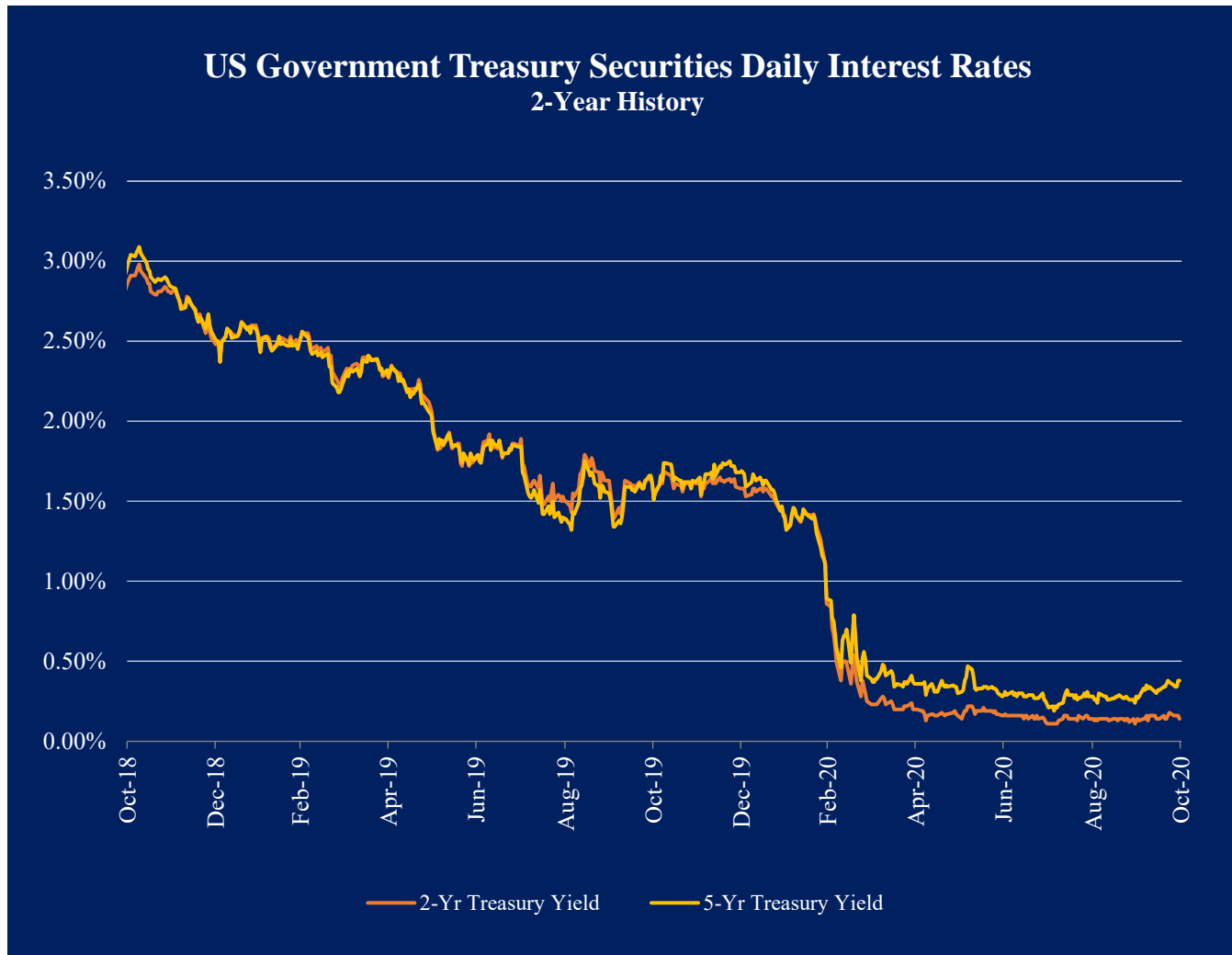
The Treasury Department reports for October are posted in the member portal section of FMPA's website.

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 October 31, 2020.

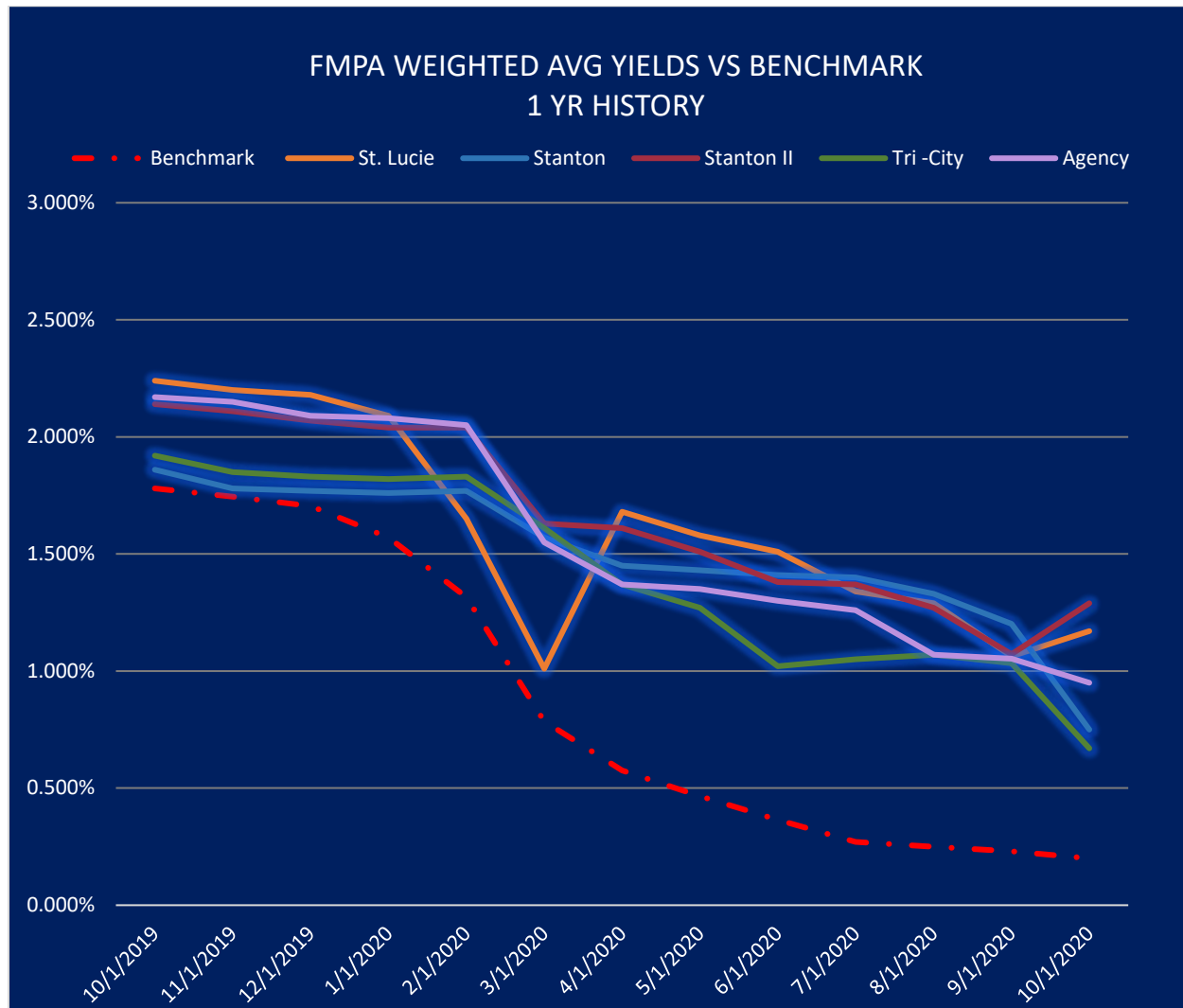
	Total debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
Agency	0.00	0%	0%	0%
St Lucie	93,815,000	100%	0%	0%
Stanton	0.00	0%	0%	0%
Stanton II	100,993,350	100%	0%	0%
Tri City	0.00	0%	0%	0%

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 October at .14%. The yellow line is the 5-year Treasury which was .38%.



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



Recommended
Motion

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

**AGENDA ITEM 7 – CONSENT
AGENDA**

- d. Approval of Annual Report on
Late Fees as of September 30,
2020**

**Board of Directors Meeting
December 10, 2020**



BOD 7d - Acceptance of the Annual Report of Late Payments FYE September 30, 2020

Board of Directors
December 10, 2020

Late Fees Reporting Policy

- In accordance with Accounting and Internal Controls Policy, Section 7.0 Reporting
- Requires CFO to report to Executive Committee total amount of interest paid for late fees during proceeding fiscal year
- Late fees minimal – FMMPA closed account to avoid future late fees

Vendor	Period	Late Fee	Explanation
Sam's	October 2019	\$36.34	Did not receive September Statement

AGENDA ITEM 8 – ACTION ITEMS

- a. Approval of Amendments to the
Policy Makers Liaisons
Committee’s Charter**

**Board of Directors Meeting
December 10, 2020**



8a – Approval of Amendments to the Policy Makers Liaisons Committee’s Charter

Board of Directors

December 10, 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 previously approved by FMPA's Board of Directors
- PMLC not able to achieve a quorum at its meeting July 29, 2020
- PMLC reviewed its Charter on Oct. 14, 2020, 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

Current Quorum Language

A majority of the appointed Liaisons are present and able to participate in the meeting in person or by electronic means

Proposed Quorum Language

Average attendance for previous four Committee meetings, counting one Liaison/city that participates in person or by electronic means (e.g., average attendance is 8, then quorum is 5)

- Quorum only necessary for PMLC's annual meeting to elect officers, but not necessary to hold other meetings, which always has been the case for PMLC

Recommended Motion

- Move approval of amendments to the Policy Makers Liaisons Committee's 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 8 – ACTION ITEMS

**b. Approval of Finance Committee
Charter Changes**

**Board of Directors Meeting
December 10, 2020**



BOD 8b / EC 8b

Approval of Finance Committee Charter Revisions

Board of Directors & Executive Committee

December 10, 2020

Recommended Changes

Quorum and Administrative Comments

- Each member of the committee may designate another individual, who is an employee, elected or appointed official, or other representative of the same FMPA member utility as the committee member, to serve as her or his alternate member of the committee when the member cannot attend a committee meeting
- Members of the committee serve at the pleasure of the Executive Committee Chair or Board of Directors Chair, according to which officer appointed each member

Motion

Approve Recommended Changes

- Move approval of the proposed Finance Committee charter changes

FLORIDA MUNICIPAL POWER AGENCY

FINANCE COMMITTEE CHARTER

(as amended [NEW DATE] May 21, 2020)

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

I. MISSION.

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

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

II. MEMBERSHIP.

The membership of the Committee consists of a minimum of nine persons. The Executive Committee Chair shall appoint the chair of the Committee, who must be a member of the Executive Committee (or an Executive Committee alternate), and at least four other representatives of the All Requirements Project (ARP) participants. The Board of Directors Chair shall appoint at least four Committee members, who may be representatives of ARP participants or non-ARP members. Additional members of the committee may be appointed by Executive Committee Chair or the Board of Directors Chair, respectively. Members of the Committee serve at the pleasure of the Executive Committee Chair or Board of Directors Chair, according to which officer appointed each member.

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

Formatted: Header, Indent: Left: -0.08"

Formatted: Header, Right, Right: -0.08"

Formatted Table

Formatted: Header, Centered

Formatted: Header

Formatted: Indent: Left: 0", Right: -0.01"

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

Each member of the Committee may designate another individual, who is an employee, elected or appointed official, or other representative of the same FMPA member utility as the Committee member, to serve as her or his alternate member of the Committee when the member cannot attend a Committee meeting. Such designation must be made taking into account the experience of the alternate member, as described in (i)-(v) of the previous paragraph, except that the Chair of the Executive Committee may reject an alternate member designation if she or he determines the designated individual does not satisfy the experience requirements. And, such designation must be made in writing, at least three days before the initial meeting where the alternate will attend in the place of the Committee member, and delivered to the CFO or, in the absence of the CFO, one of the Committee Staff Representatives (as those terms are defined in IV).

III. MEETINGS.

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

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

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

IV. COMMUNICATIONS.

(1) The Chief Financial Officer (“CFO”) (or staff person with chief financial management responsibility, if such title is changed), (2) the General Manager, (3) the Audit Manager, and (4) the Treasurer and Risk Director (or person with chief risk management responsibility, if such title is changed) shall serve as the staff representatives to the Committee, or each of them may name a designee to fulfill their respective roles (the “Committee Staff Representatives”). The CFO shall have responsibility for coordinating the communications of the Committee and coordinating

Formatted: Header, Indent: Left: -0.08"

Formatted: Header, Right, Right: -0.08"

Formatted Table

Formatted: Header, Centered

Formatted: Header

Committee meetings, including providing meeting notices to the Committee. Reports or requests from the Committee to the Board of Directors or the Executive Committee will also be coordinated by the CFO or his or her delegate.

V. AUTHORITY.

The Committee has no authority to bind FMPA or to make any decision on behalf of the FMPA Board of Directors or Executive Committee unless such authority is delegated to the Committee by resolution. The Committee serves in an advisory capacity to the Board of Directors and the Executive Committee. The Committee's role and authority, as otherwise determined by the Board of Directors and the Executive Committee, shall be set forth in the Florida Municipal Power Agency Risk Management Policy, which may supplement and shall control over any conflicting terms of this Charter.

VI. RESPONSIBILITIES.

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

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

Formatted: Header, Indent: Left: -0.08"

Formatted: Header, Right, Right: -0.08"

Formatted Table

Formatted: Header, Centered

Formatted: Header

they arise.

5. *Access to Records and Others:* The Committee shall have the full resources and authority (i) to investigate any matter directly related to the mission of the Committee which is brought to the Committee's attention, with full access to all books, records, facilities and personnel of the Agency; and (ii) to request any officer or employee of the Agency, or the Company's independent auditors, to attend a meeting of the Committee or to meet with any members of the Committee.
6. *Asset Risk Management:* The Committee shall receive reports regularly, as deemed appropriate by the Committee, from risk management staff on the activities of the Asset Risk Management Group (Treasurer and Risk Director and assigned team members from operations and generation staff) and discuss matters related to asset risk management for the Agency as the Committee deems appropriate.
7. *Annual Review:* The Committee shall at least annually review and assess the adequacy of this Charter and request the Board of Directors or Executive Committee, as provided for in Section VII, to approve proposed amendments to this Charter as deemed appropriate by this Committee.
8. *Selection of Professionals:* The Committee shall review the selection process for financial professionals including external auditors, depository banks, trustee banks, underwriters, financial advisors, bond counsel, disclosure counsel, and others as deemed appropriate
9. *Compliance with Policies:* The Committee shall regularly hear reports from staff on the risk management activities of FMPA and all reports necessary for ensuring compliance with the Agency's risk management policies, including the Florida Municipal Power Agency-Wide Risk Management Policy and its constituent policies. The Committee is charged with oversight over the Agency's compliance with its risk management policies and shall report violations or discrepancies with those policies to the Board of Directors and Executive Committee, as appropriate.

VII. APPROVAL.

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

Formatted: Header, Indent: Left: -0.08"

Formatted: Header, Right, Right: -0.08"

Formatted Table

Formatted: Header, Centered

Formatted: Header

AGENDA ITEM 8 – ACTION ITEMS

**d. Approval of the Calendar Year
2021 Meeting Schedule**

**Board of Directors Meeting
December 10, 2020**



BOD 8c / EC 8d – Approval of the Calendar Year 2021 Meeting Schedule

Board of Directors & Executive Committee
December 10, 2020

Proposed Calendar Year 2021 Meeting Dates

Board of Directors and Executive Committee

Meeting Date
January 21
February 17 (APPA Legislative Rally March 1 & 2)
March 18
April 15
May 20 (budget)*
June 10 (APPA National Conference June 18-23)

Meeting Date
July 21 (during FMEA Annual Conference)
August 19
September 16
October 21
November 18
December 9 (2 nd Thursday due to Holidays)

Recommended Motion

- Move approval of the recommended calendar year 2021 meeting schedule.

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- a. Preliminary Financial Results
September 30, 2020**

**Board of Directors Meeting
December 10, 2020**



BOD 9a / EC 9a – Preliminary Financial Results

September 30, 2020

Board of Directors & Executive Committee
December 10, 2020

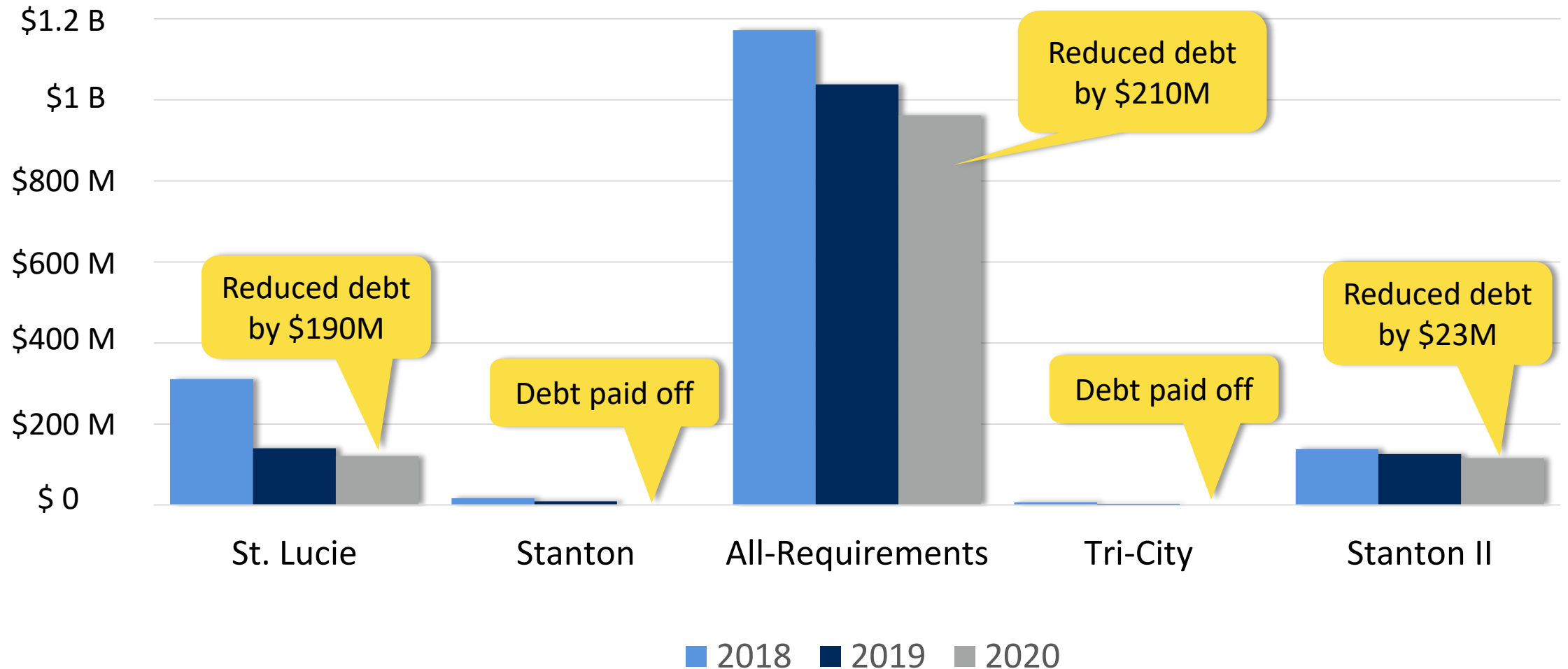
FMPA Financial Highlights

Fiscal Year 2020

- **Long-Term Debt:** Reduced by \$108.4 M, Stanton & Tri-City Paid Off
- **Swaps eliminated:** November 2019
- **St. Lucie:** \$28 million funded in excess of value included in 2015 decommissioning study – Updated Study Expected this month
- **Expenses:** Expenses below budget for all projects
- **Due to participants:** Net due \$9.598 M; Fiscal 2019 Net due \$7.789 M
- **Rates:** Remain very low

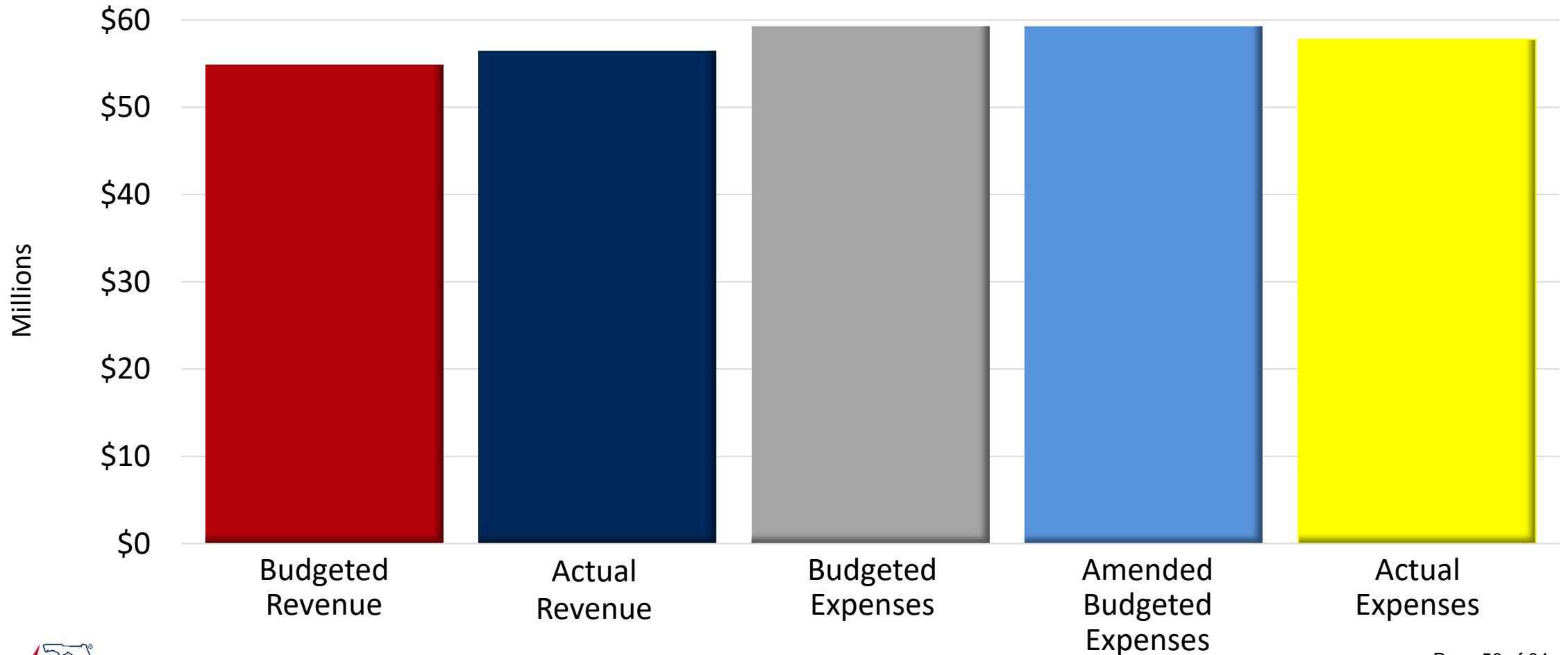
Long-Term Debt by Project

Two-Year Reduction of \$446 Million Since Fiscal 2018



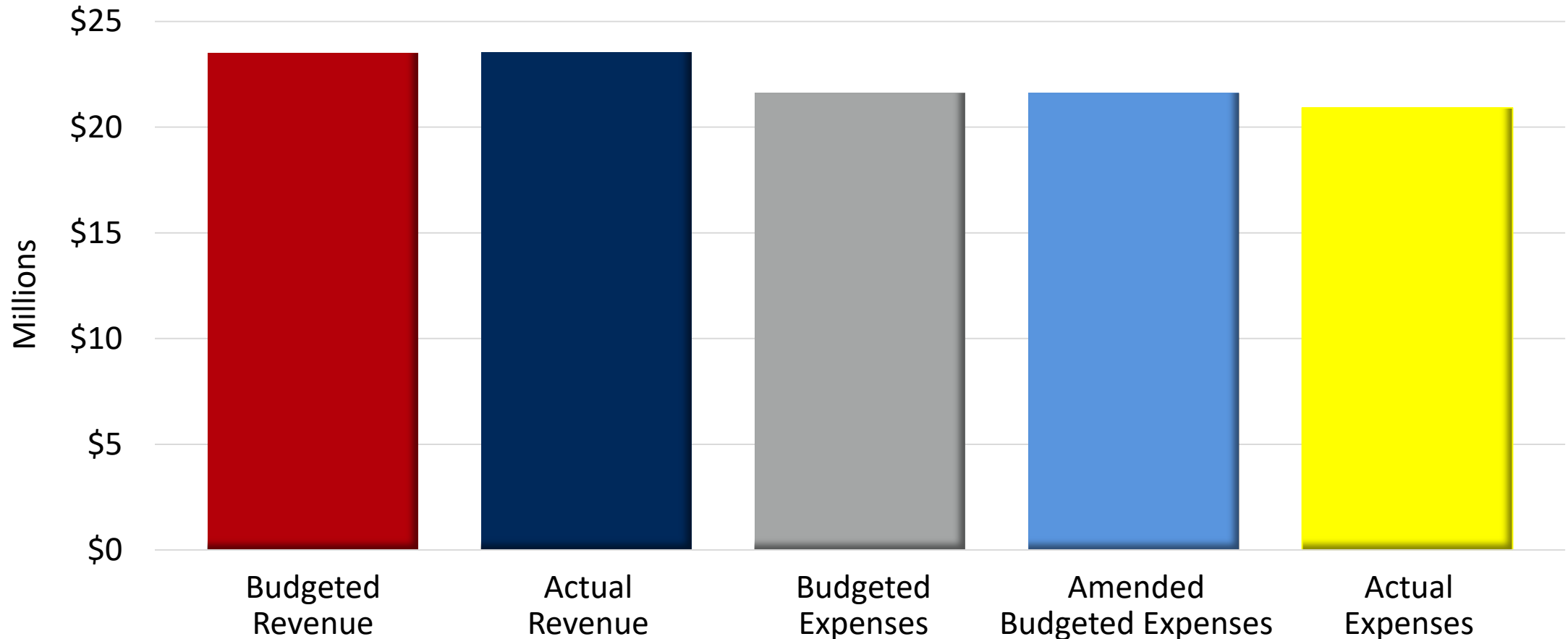
St. Lucie Project

Participants to Receive \$3.116M



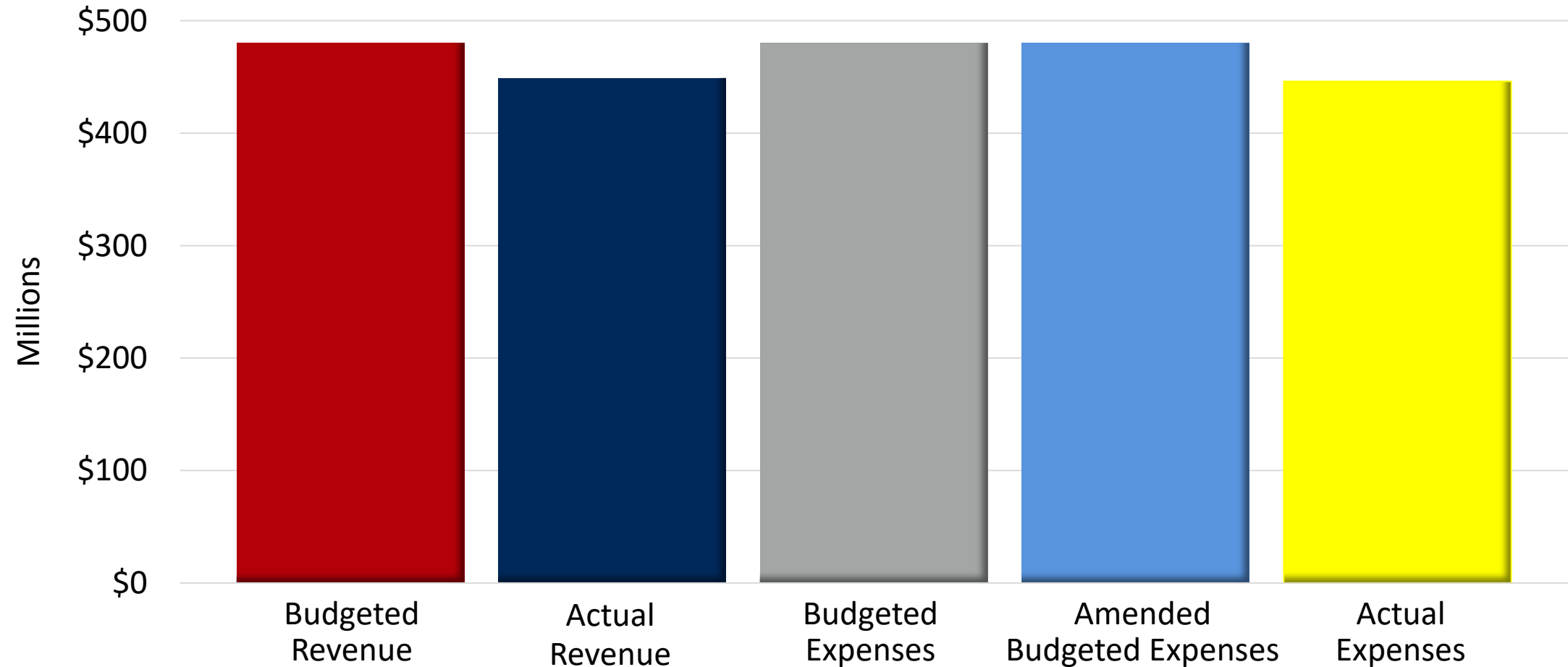
Stanton Project

Participants to Receive \$708,000



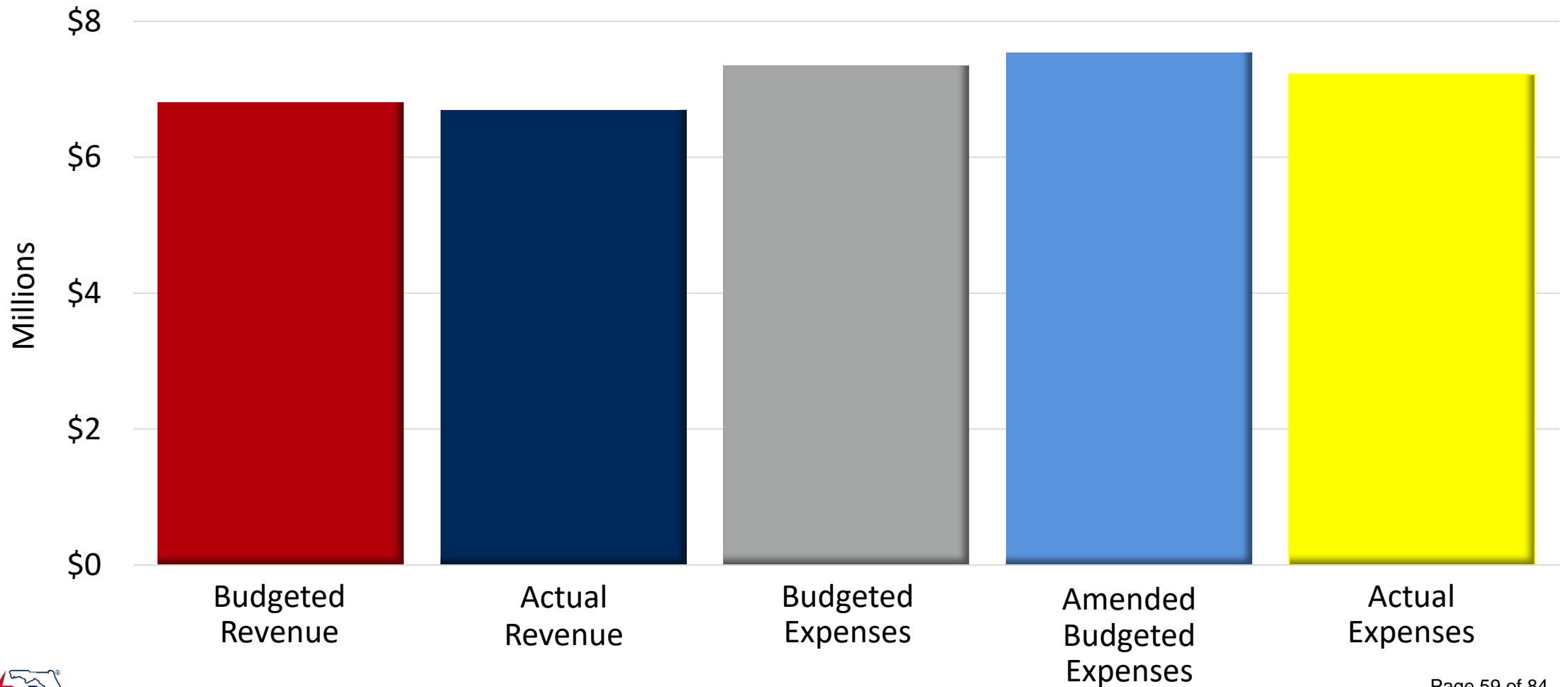
All-Requirements Project

Participants to Receive \$2.7 Million



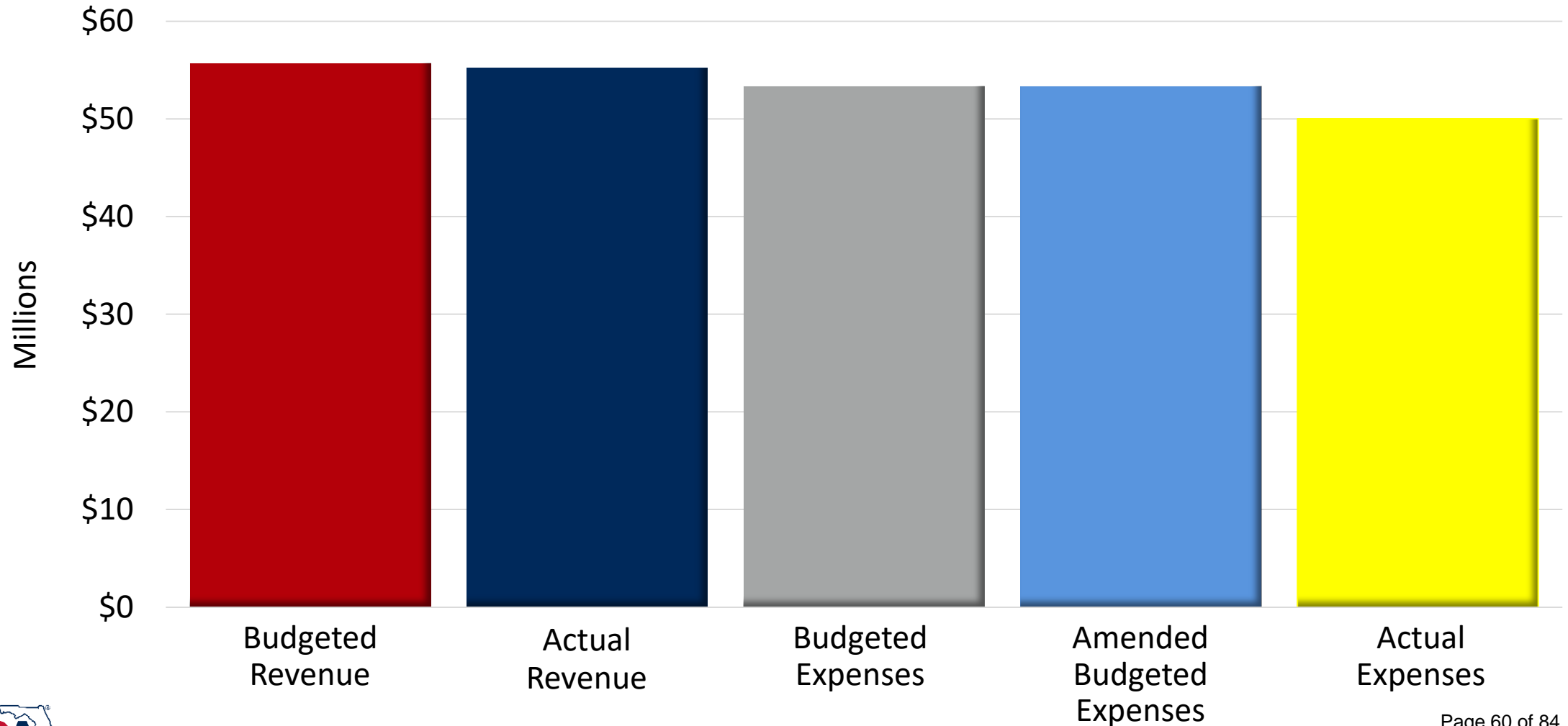
Tri-City Project

Participants to Receive \$207,000



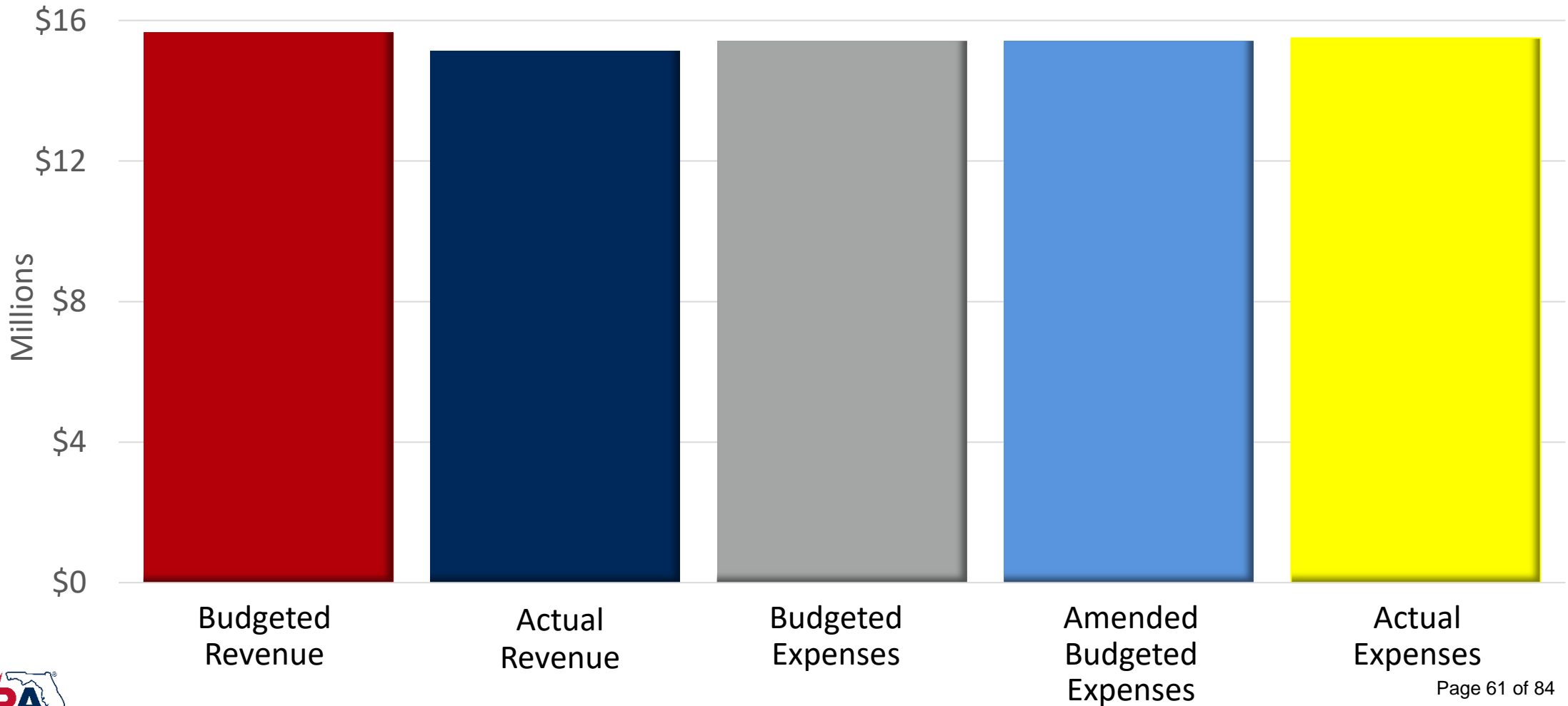
Stanton II Project

Participants to Receive \$2.8 Million



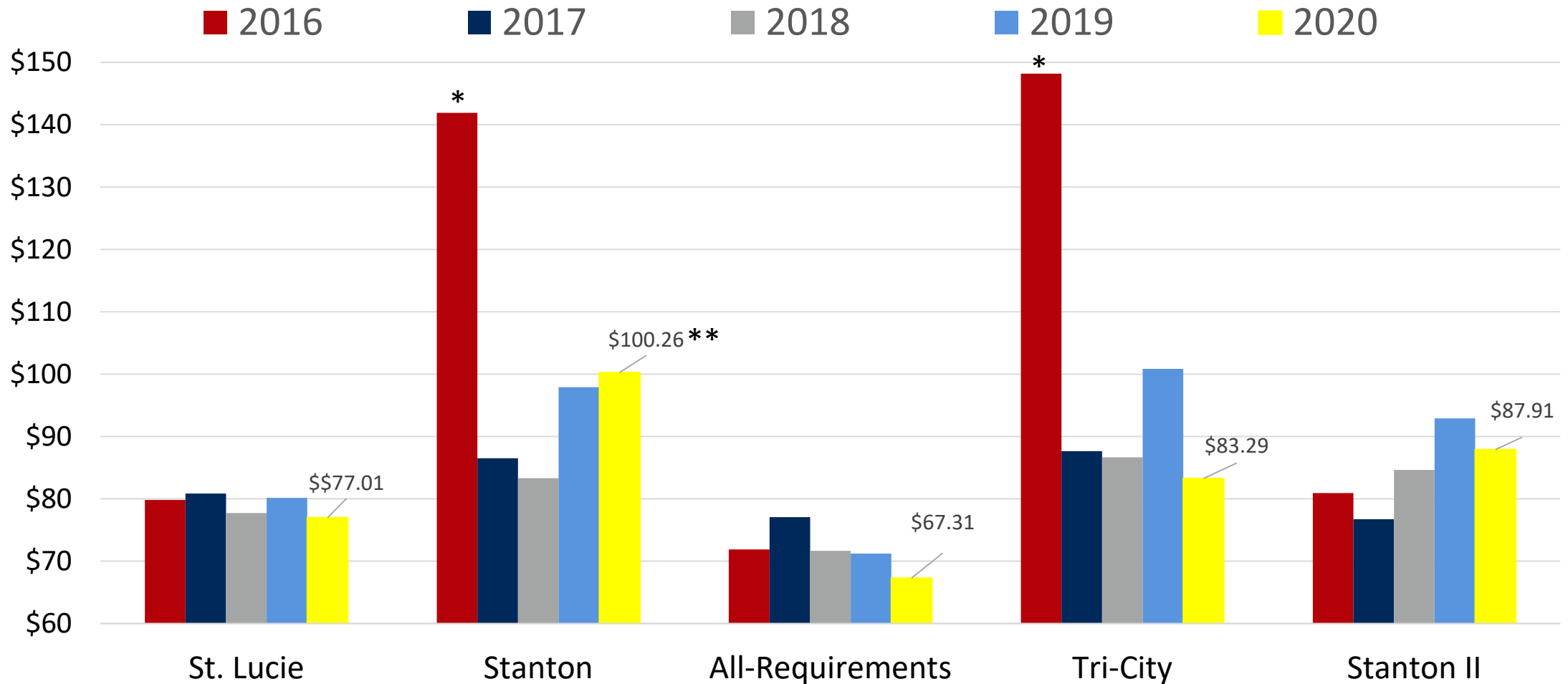
Agency

Spending \$472,000 Below Budget



Average Dollars Per Megawatt Hour Billed

By Project Years 2016 - 2020



Next Steps to Finalize Fiscal 2020 Financials

- Final leadership review of Financial Statements
- Final Review by external auditors Purvis Gray & Company
- Auditors to provide auditor report and opinion letter
- January 2020 – Provide Financial Statements & Audit Report to Board of Directors & Executive Committee for approval

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**b. Regulatory Compliance Quarterly
Update**

**Board of Directors Meeting
December 10, 2020**



9b – Regulatory Compliance Update

Board of Directors and Executive Committee
December 10, 2020

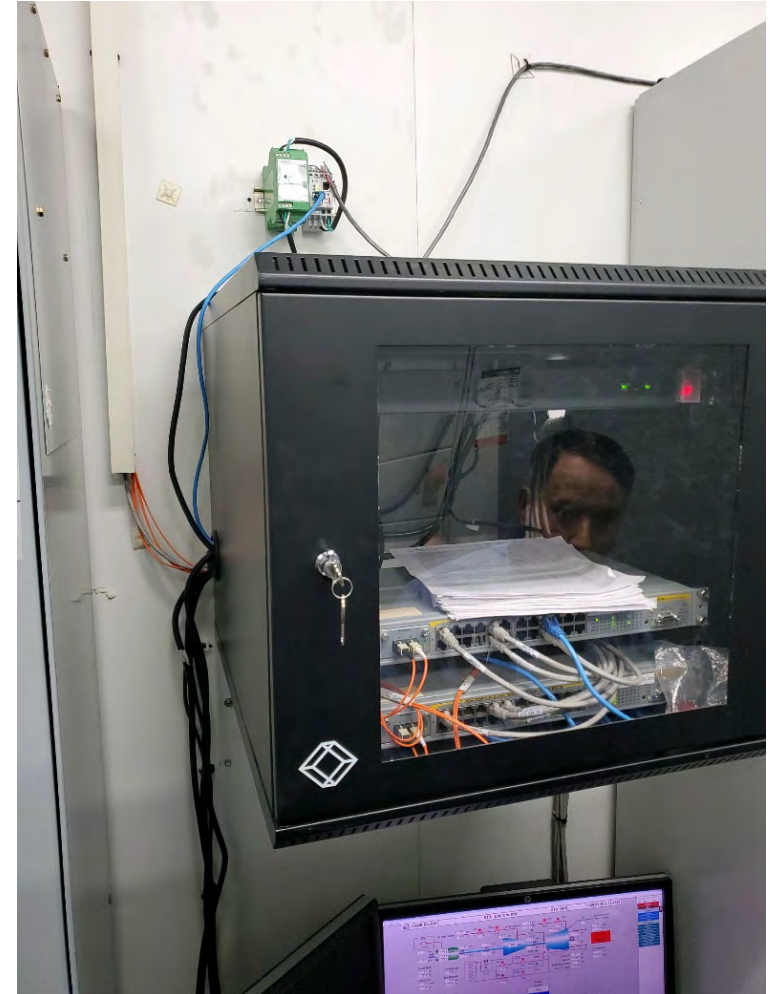
Roles of FMPA Regulatory Compliance Department

- Performs three main functions related to NERC mandatory reliability standards
 - **FMPA Compliance**
 - Generation Plants (GO/GOP/TO/TP) – Compliance manager site visits
 - Internal Compliance – CIP Self-report; FMPP Self-report
 - **Member Support**
 - Standards development, interpretation, and implementation support – FMPA Compliance Seminar
 - Peer reviews, spot checks, audit process support – peer review, member visits
 - **Industry Influence**
 - Provide feedback to FERC, NERC and SERC initiatives and policy – SERC & NERC Fall Seminar, Cold Weather Standard
 - Balloting & Standards Development – Facilities Rating Standards Efficiency Review

FMPPA Compliance

- No reportable compliance violations since September 2020 update
 - Gathering facts for a CIP self-report to SERC for TCEC & CI plant sites
- Cyber Security
 - Team scanned plant sites with Dragos network monitoring platform
 - Offering same scanning service to members
- FMPP had a self-report – SERC completed findings and submitting compliance exception to NERC and FERC due to minimal risk
- Internal Compliance Program (ICP) Review (Last completed Feb 2019)
 - Completed ICP document update

FMMPA Compliance



FMPA Compliance

- SMEs and staff more active in FMPA Compliance
 - Engineering working on procedural development and efficiency improvement
 - Staff assisting with plant outage support
- Plant site visits
 - Visited TCEC & CI: Dynamic Ratings install at TCEC, CI Unit 1 relay upgrade
 - Re-engage with plants post outage for training and compliance update

Member Support

- 2021 SERC Audits
 - Assisting member with program spot check
- Bi-weekly compliance call has increased attendance
 - Continue to see more member engagement
- Compliance Department available for support and help with peer reviews, second looks and compliance questions

Industry Influence

- Active within NERC and trade organizations such as North American Generator Forum, Transmission Access Policy Study Group and American Public Power Association
 - Increased meetings and discussion on NERC cold weather standard
 - Carol Chinn attended NERC's virtual Member Representative Committee and Board of Trustee meetings – NERC policy input & Reliability Committee's risk-based approach
- NERC's Align and SEL release 2021 – Will not impact 2021 audits
 - Secure Evidence Locker (SEL) - Registered Entity Self-Built Locker

Industry Influence

- NERC August BOT and MRC meeting
 - Carol Chinn represents FMMPA and members' interest in the MRC
 - Carol re-elected to Board of Transmission Access Policy Study Group (TAPS)
- Staff engaging with TAPS on cold weather standard development

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**c. 2020 Member Relations Survey
Results**

**Board of Directors Meeting
December 10, 2020**



BOD 9c

FMIPA 2020 Member Relations Survey

Board of Directors
December 10, 2020

Survey Measured Member Relations with Staff

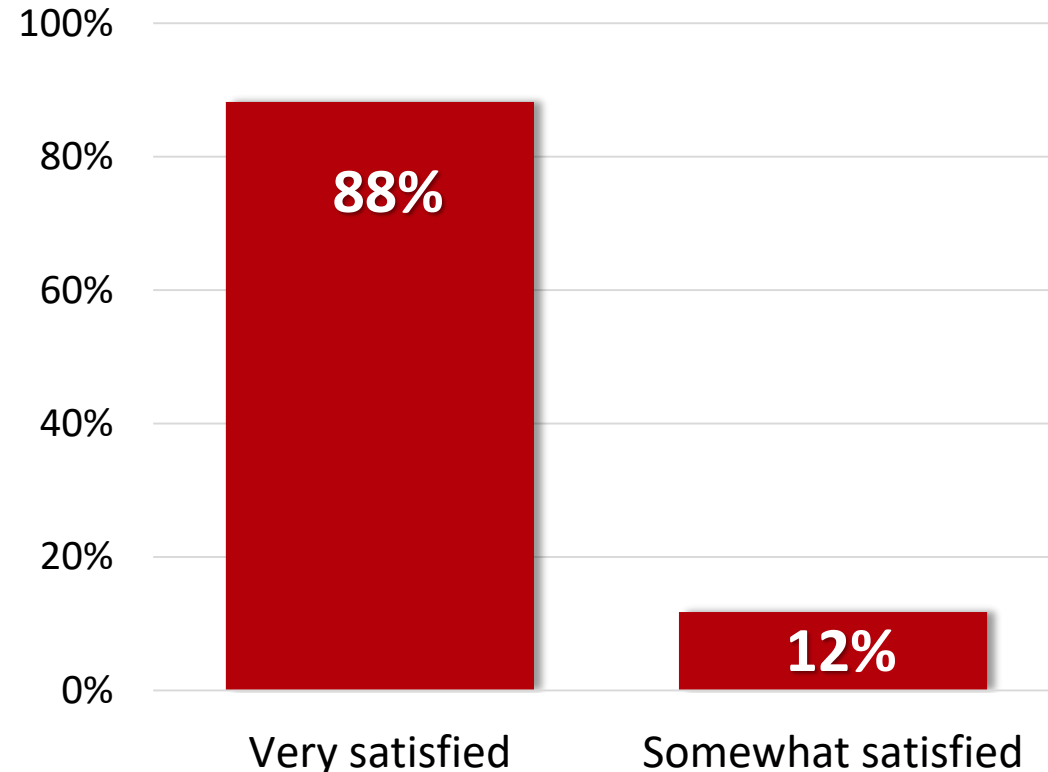
Satisfaction Remains High, Agency Headed in Right Direction

- 34 people from 13 known member cities responded to the biennial survey
- Survey distributed to FMPA's Board of Directors, Executive Committee, Finance Committee, PMLC and other interested parties
- Purpose to measure relationship between members and staff, confidence in Agency direction and alignment with member priorities
- Respondents said: FMPA headed in the right direction, and overall they're satisfied with FMPA
- Members appreciate FMPA's services, suggest areas for improvement

Overall, Members Highly Satisfied with FMPA

All Respondents Reported Being Satisfied, 88% Highly Satisfied

How would you rate your overall satisfaction with FMPA in meeting your utility's needs?



“

I can't imagine having any better services from FMPA. They have made a huge impact by helping our utility with anything we need including job interviews, power quality analysis, trip savers programming, hurricane restoration assistance and safety meetings.

”

“

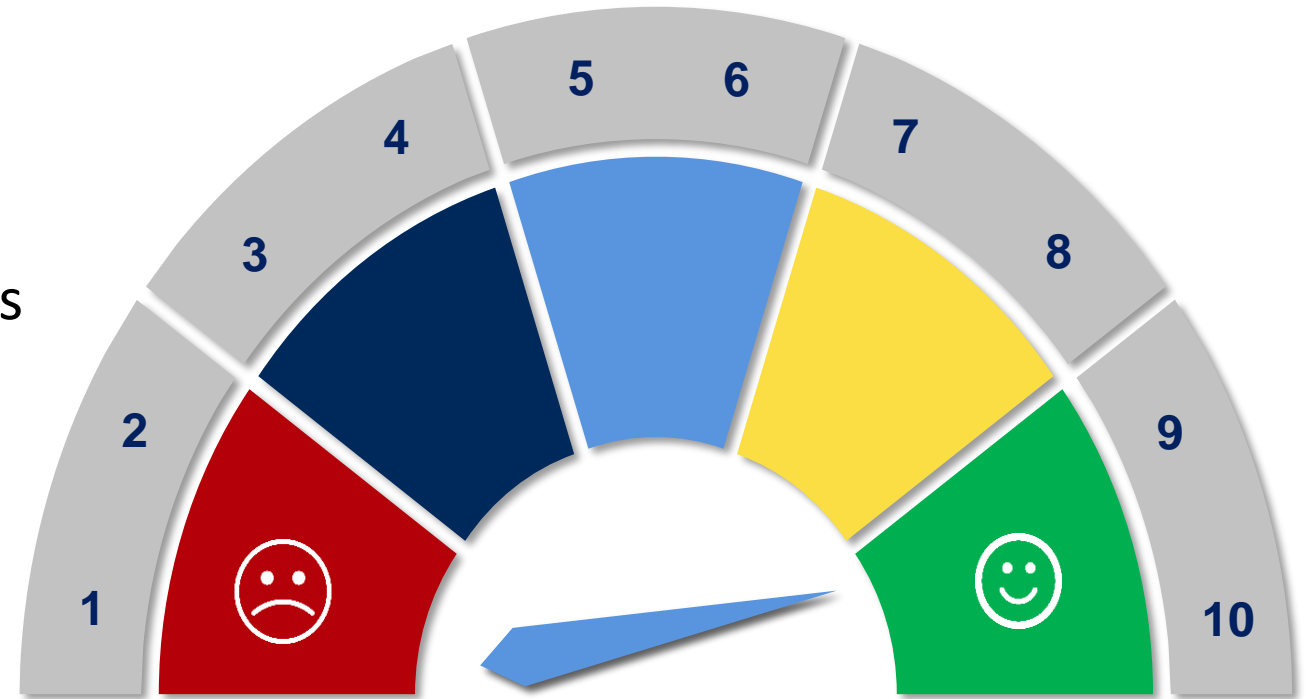
It would have been cost prohibitive for us to make venture into a solar project without the support of FMPA.

”

FMPA's Member Services Valuable in Meeting Mission

Nearly Half Give FMPA Perfect Score, No Response Less than 7

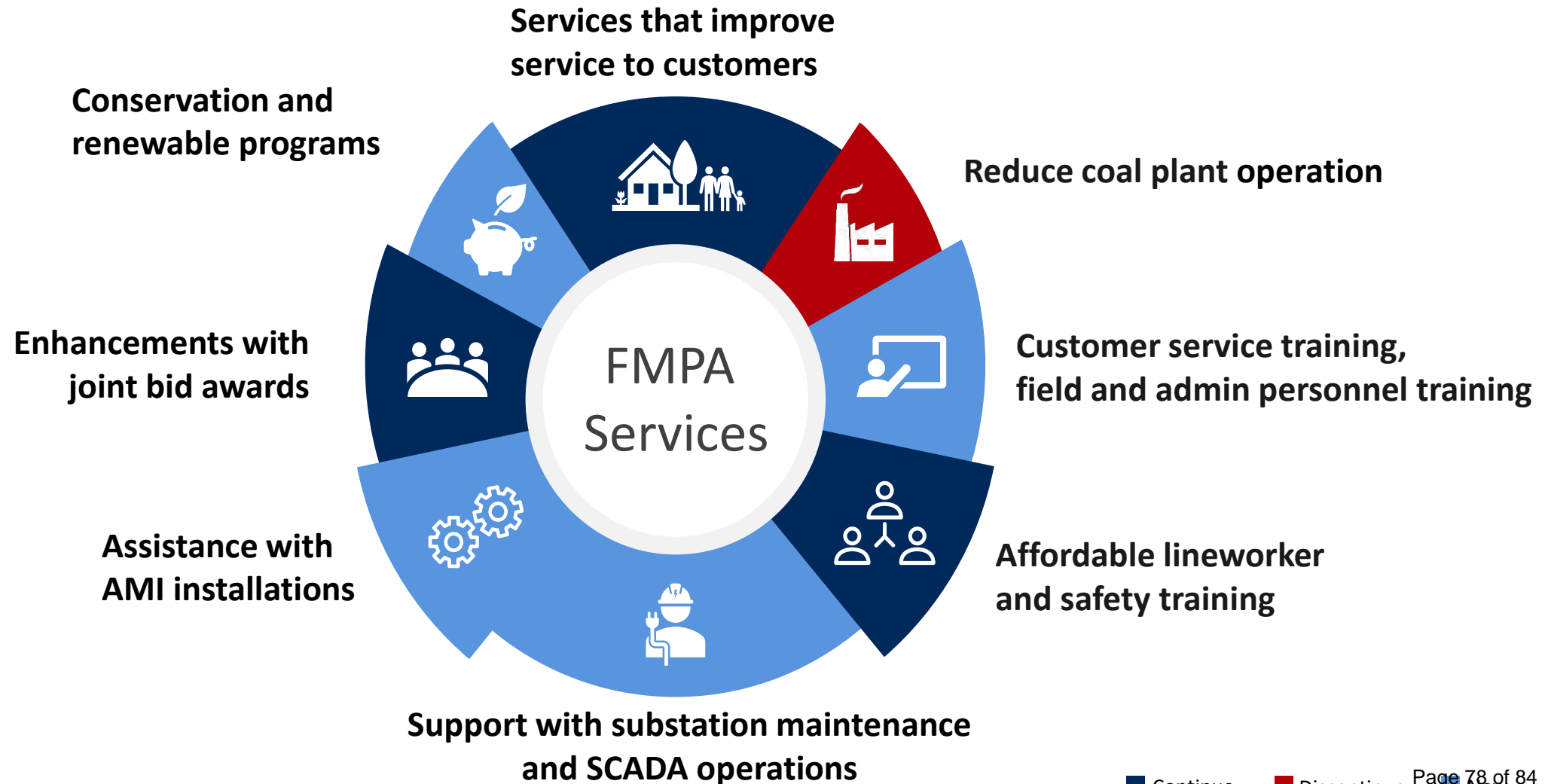
- Question added to measure how FMPA services provide value to members in meeting mission
- Members rated the value of FMPA's member services high in providing low-cost, reliable and clean power
- Average score of nine shows members highly value FMPA



How would you rate the value of FMPA's member services in providing low-cost, reliable and clean electricity?

Members Suggest Services to Continue and Discontinue

Costs, Reliability, Training and Retail Customers Key Focus Areas



Members Suggested Ways to Enhance Relations

Continue to Focus on 3 Rs: Rates, Reliability, Responsiveness

- Continued focus on rates, reliability and responsiveness (3 Rs)
- Reliability support is appreciated and there is need for more
- Staff should continue to put members' needs first and provide expert analysis and advice
- Provide responsive, member-focused services and training with retail customers in mind
- Send fewer emails, more concise messages and include a call to action in the subject line
- More interaction with FMPA's staff-level team members
- Shorten agenda packages to be clear, concise and easy to understand
- Continue to deliver projects on-time with minimal effort required from members



**AGENDA ITEM 9 – INFORMATION
ITEMS**

**d. Summary of Finance Committee
Items**

**Board of Directors Meeting
December 10, 2020**



BOD 9d / EC 9d

Summary of Finance Committee Items

Board of Directors & Executive Committee
December 10, 2020

Other Items

January Review/Approval

- Approval of Audited Financial Statements and Reports
- Review of Debt Financing Plan

**AGENDA ITEM 10 – MEMBER
COMMENTS**

**Board of Directors Meeting
December 10, 2020**

AGENDA ITEM 11 – ADJOURNMENT

**Board of Directors Meeting
December 10, 2020**