



FINANCE COMMITTEE

AGENDA PACKAGE

FEBRUARY 17, 2021

3:00 p.m.

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

Meeting Number 180 402 4891#

Password 8553

Committee Members

Karen Nelson, Jacksonville Beach – Chairwoman
Jody Young, Bushnell
Barbara Mika, Fort Pierce
Howard McKinnon, Havana
Barbara Quiñones, Homestead
Jack Wetzler, Key West
Larry Mattern, Kissimmee
Jim Williams, Leesburg
Steve Langley, Mount Dora
Dallas Lee, Newberry
Marie Brooks, Ocala
James Braddock, Wauchula

Meeting Location

Florida Municipal Power Agency 8553
Commodity Circle Orlando, FL 32819

(407) 355-7767



Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: FMPA Finance Committee
FROM: Linda S. Howard
DATE: February 9, 2021
SUBJECT: FMPA Finance Committee Meeting
February 17, 2021 at 3:00pm
PLACE: Florida Municipal Power Agency Board Room
8553 Commodity Circle,
Orlando, FL 32819

**DIAL-IN INFORMATION: 877-668-4493 or 650-479-3208, Meeting 180
402 4891# PASSWORD 8553**
(If you have trouble connecting via phone or internet, please call 407-355-7767)

Chairperson Karen Nelson, Presiding

AGENDA

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LSH/pm

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 1-(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**

**Finance Committee Meeting
February 17, 2021**

**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

**Finance Committee Meeting
February 17, 2021**

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

**Finance Committee Meeting
February 17, 2021**

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

**Finance Committee Meeting
February 17, 2021**

**AGENDA ITEM 5 – APPROVAL OF
MINUTES**

- a. Approval of Minutes – Finance
Committee Minutes – Meeting
Held January 20, 2021**

**Finance Committee Meeting
February 17, 2021**

CLERKS DULY NOTIFIED.....January 12, 2021
AGENDA PACKAGE SENT TO MEMBERS.....January 12, 2021

**MINUTES
TELEPHONIC FINANCE COMMITTEE MEETING
WEDNESDAY, JANUARY 20, 2021
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL**

**PARTICIPANTS
PRESENT BY
TELEPHONE**

Karen Nelson, Jacksonville Beach
Jody Young, Bushnell
Barbara Mika, Fort Pierce
Howard McKinnon, Havana (in person)
Barbara Quinones, Homestead (in person)
Jack Wetzler, Key West
Larry Mattern, Kissimmee
Jim Williams, Leesburg
Steve Langley, Mount Dora
Dallas Lee, Newberry
Marie Brooks, Ocala
James Braddock, Wauchula

**OTHERS
PRESENT VIA
TELEPHONE**

Craig Dunlap, Dunlap & Associates, Inc.
Tim Westgate, Purvis Gray
Michael Mace, Public Financial Management

STAFF PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Linda Howard, Chief Financial Officer
Mark McCain, VP of Member Services & Public Relations
Sharon Adams, VP of HR & Shared Services
Danyel Sullivan – Marrero, Controller
Isabel Montoya, IT Specialist
Paige Arnett, HR Assistant
Ryan Dumas, PR Specialist
Melisa Inanc, PR Specialist

ITEM 1 – Call to Order, Roll Call and Declaration of Quorum

Karen Nelson, Jacksonville Beach called the FMPA Finance Committee Meeting to order at 3:01 pm on Wednesday, January 20, 2021. A speaker telephone was present for public attendance and participation in the Fredrick M. Bryant Board Room, at FMPA, 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared, with 11 of 12 members present.

ITEM 2 – RECOGNITION OF GUESTS

Chairperson Karen Nelson, Jacksonville Beach, regonized the following guests in attendance

via telephone.

1. Tim Westgate, Purvis Gray
2. Craig Dunlap, Dunlap & Associates, Inc.
3. Michael Mace, Public Financial Management

ITEM 3 – PUBLIC COMMENTS (INDIVIDUAL PUBLIC COMMENTS LIMITED TO 3 MINUTES)

None.

ITEM 4 – SET AGENDA (BY VOTE)

MOTION: Howard McKinnon, Havana, moved approval of the agenda as presented. Barbara Quinones, Homestead, seconded the motion. Motion carried 12-0.

ITEM 5 – APPROVAL OF THE MINUTES

- a. **Approval of Minutes – Finance Committee Minutes – Meeting Held December 9, 2020**

MOTION: Larry Mattern, Kissimmee, moved the approval of the minutes presented for the meeting held December 9, 2020. Barbara Quinones, Homestead, seconded the motion. Motion carried 12-0.

ITEM 6 – CHAIRPERSON'S REMARKS

None.

ITEM 7 – CFO REPORT

Nothing to report.

ITEM 8 – ACTION ITEMS

- a. **Recommend Approval of External Audit Report & Audited Financial Statements to the Board of Directors and Executive Committee**

Danyel Sullivan-Marrero presented the External Audit Report and Audited Financial Statements to the Board of Directors and Executive Committee.

Barbara Quinones, Homestead, commented that the audit highlights the success of the finance team and commended the team for their efforts.

MOTION: Barbara Quinones, Homestead, moved approval of the External Audit Report & Audited Financial Statements and recommended approval to the Board of Directors and Executive Committee. Howard McKinnon, Havana, seconded the motion. Motion carried 12-0.

ITEM 9 – INFORMATION ITEMS

None.

ITEM 10 – REPORTS

a. FGU November and December Storage Report

The reports were provided for information only. There were no questions.

ITEM 11 – COMMENTS

None.

ITEM 12 – ADJOURNMENT

There being no further business, the meeting was adjourned at 3:10 pm.

Approved: _____ Date _____ LM/pm

**AGENDA ITEM 6 – CHAIRPERSON'S
REMARKS**

**Finance Committee Meeting
February 17, 2021**

AGENDA ITEM 7 – CFO REPORT

**Finance Committee Meeting
February 17, 2021**



CFO Report

Finance Committee

February 17, 2021

Items of Note

Upcoming

- Update on debt transaction
- New report/Budget system
- Annual risk inventory
- Potential new pooled loan

AGENDA ITEM 8 – ACTION ITEMS

**a. Approval of Human Resources
Risk Management Policy Changes**

**Finance Committee Meeting
February 17, 2021**



Approval of Human Resources Risk Management Policy Changes

Finance Committee

February 17, 2021

Human Resources Risk Management Policy

Major Areas Covered

- Types of Risk Exposure
- Personnel Management
- Internal Controls
- Reporting Requirements

Human Resources Risk Management Policy Changes

Compensation and Administrative Updates

Section	Changes Made
4.3 Compensation	<ul style="list-style-type: none">• Review of salary ranges changed from every 2 years to every 5 years• Included additional metrics of review for proposed salary range adjustments
Throughout	<ul style="list-style-type: none">• Administrative Updates

Recommended Motion

- Move approval of changes to the Risk Management Policy: Human Resources Policy, as presented.

**RISK MANAGEMENT POLICY
APPENDIX N
FLORIDA MUNICIPAL POWER AGENCY
HUMAN RESOURCES RISK MANAGEMENT POLICY
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HUMAN RESOURCES RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY

This Human Resources Risk Management Policy (the “Policy”) and any effective subordinate procedures establish the governance, framework and the controls under which Florida Municipal Power Agency (FMPA) may engage in activities to identify, measure and minimize future business risk resulting from employment practices. This Policy is Appendix N of the FMPA Risk Management Policy.

1.0 Policy Statement

The Board of Directors and Executive Committee of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby authorized to put mechanisms into place, such as those more fully described in Section 5.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse impact on FMPA’s legal or financial standing.

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

- ❖ Functions of the Human Resources (HR) Department shall comply with all applicable laws and regulations, and Board or Executive Committee approved policies.
- ❖ The HR Department shall oversee employee benefits and compensation and strive to maintain a competitive and cost-effective program.
- ❖ The HR Department shall coordinate with management to oversee and guide the recruitment, hiring, and termination of personnel.
- ❖ Authority is delegated to the ~~Human Resource Director~~VP of HR & Shared Services to create procedures to implement this Policy.
- ❖ Deviations from this Policy shall be reported to the Finance Committee.

This Policy serves to create a framework that enables the ~~Human Resource Director~~VP of HR & Shared Services to document controls that will minimize FMPA's exposure to risk and enable compliance with established employment and payroll laws and regulations, as well as all Board or Executive Committee approved policies.

2.0 Scope

This Policy applies to all personnel management practices of the Agency, regardless of the normal office location of the employee. As used in this Policy, references to "employee" shall mean any full-time, part-time, casual part-time, or intern staff member employed directly by the Agency. This Policy does not apply to consultants or other professionals engaged by the Agency.

Authority for day-to-day actions is hereby granted to the ~~Human Resource Director~~VP of HR & Shared Services, under the direction of the CEO. The ~~Human Resource Director~~VP of HR & Shared Services is responsible for ensuring that all minimum standards and procedures regarding personnel management are in compliance with federal and state laws, rules, and regulations. The HR Policy that was approved by the BOD is being followed.

3.0 Types of Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to safeguard the Agency's personnel and assets. The ~~Human Resource Director~~VP of HR & Shared Services will cause procedures to be created that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. While not intended to be a comprehensive listing of risk encountered by FMPA during the normal course of the business cycle, the following provides insight into the major areas of personnel management risk exposure for FMPA.

3.1 Operational Risk: The risk that internal practices, policies, procedures or systems will not perform as intended. An example of operational risk would be if a failure in internal control processes in the HR Department resulted in the processing of inaccurate or fraudulent payroll. This type of failure in the payroll process could cause financial and reputation loss to the Agency.

3.2 Legal Risk: The risk of financial or economic losses incurred by an organization through an unauthorized deviation from any legal obligations imposed by law, rules, regulations, ordinances, or contracts. An example of legal risk would be violating federal or state regulations concerning discrimination in the workplace. Such a violation could cause financial and reputation loss to the Agency.

3.3 Strategic Risk: The risk that the actions of management or the governing body do not promote the successful attainment of organization objectives. An example of strategic risk might occur if FMPA's Compensation Policy is not applied consistently across the Agency. Such a failure could lead to employee dissatisfaction, increased turnover, or an inability to attract qualified personnel which could impede the Agency in meeting its goals.

4.0 Personnel Management

FMPA's HR Department is responsible for maintaining all personnel records, coordinating the hiring, orientation, and termination processes, administering benefits and compensation programs, and coordinating personnel related activities such as performance evaluations, wellness programs, and professional development opportunities. The Employee Manual addresses many of these responsibilities. The following provides further risk-related detail for significant areas within the HR Department.

4.1 Payroll: The Agency's payroll function is completed by the HR Department. Sufficient segregation of duties shall be in place to ensure that payroll entries are approved at appropriate levels and verified for accuracy. The Agency currently uses a professional third-party vendor to process payroll, which mitigates risk of noncompliance with tax laws and federal filing requirements.

The HR Department must maintain adequate backup documentation to support time worked by employees, to record employee absences due to vacation, sick leave or other leave, and to document payments for overtime worked or other pay types (such as retroactive pay or bonuses). The HR Department shall cooperate with reviews of these controls conducted by internal or external auditors.

Additional guidelines regarding employee payroll and leave during specific Events are located in the Contingency Planning Policy, Appendix M of this FMPA Risk Management Policy.

4.2 Benefits Administration: All employee health and wellness records shall be maintained per Health Insurance Portability and Accountability Act ("HIPAA") regulations. The HR Department is responsible for securing all employee information regarding personal health and wellness as required by HIPAA. The ~~Human Resource Director~~VP of HR & Shared Services shall cause to be completed employee enrollment in eligible benefits. The HR Department shall also ensure that benefit eligibility records are properly maintained for all employees.

The ~~Human Resource Director~~VP of HR & Shared Services shall cause an annual review of FMPA's health and wellness plans to be conducted to assess competitiveness and cost effectiveness of the benefits program.

4.3 Compensation: FMPA's Compensation Policy is contained within the Employee Manual. The Compensation Policy can only be modified by approval of the Board of Directors. The HR Department is responsible for enforcing consistent application of the Compensation Policy across the Agency.

Salary ranges are reviewed and may be adjusted to market during the annual budget process. As required in the Compensation Policy in the Employee Manual, the ~~Human Resources Director~~ VP of HR & Shared Services shall cause to be completed on a ~~biennial 5-year~~ basis by a professional third-party review of salary ranges. Such a review shall be conducted to determine maximum and minimum salary range points based on a statistically validated range. In ~~the alternating years between third-party salary range reviews,~~ any proposed salary range adjustment shall be based on the Consumer Price Index and/or metrics provided by professional associations such as the Society for Human Resources Management or World at Work, or via a survey of individual agencies FMPA competes with for employees (i.e. through contracting comparable jurisdictions to determine what percentage adjustment they are making to their pay scales). ~~year change announced in the prior year.~~

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The HR Department is also responsible for ensuring that all personnel are classified correctly and that all payroll laws and regulations are followed, as required in the Fair Labor Standards Act ("FLSA"). The HR Department shall also strive to ensure that the Agency's compensation structure remains competitive with industry standards.

4.4 Employment: The HR Department shall ensure that all employment laws and regulations are followed consistently and fairly. This includes, but is not limited to, FLSA, Americans with Disabilities Act ("ADA"), Family Medical Leave Act ("FMLA"), HIPAA, Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and Equal Opportunity Employment ("EEO") requirements.

The ~~Human Resource Director~~VP of HR & Shared Services and FMPA's labor law attorney, in consultation with General Counsel, shall cause to be implemented legal requirements and advise management to ensure compliance with applicable employment laws.

- 4.5 Succession Planning:** The HR Department shall provide support to management in the recruitment and development of employees, so that employees are prepared for advancement within the organization. The HR Department shall assist management in identifying and preparing suitable employees for succession opportunities. Succession planning shall ensure that existing employees are prepared for new leadership opportunities and the Agency's operations are not adversely impacted by the departure of key personnel. If a key management position will be vacated through a planned retirement, a placement in advance of the expected departure date is desirable to minimize the risks of an ineffective succession.

5.0 Internal Controls

The ~~Human Resources Director~~VP of HR & Shared Services shall cause to be established a system of written internal controls to safeguard the Agency's personnel and financial assets, consistent with this Policy and Human Resources Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. The controls shall be designed to meet the requirements of applicable legal regulations. FMPA shall use a cost-benefits analysis when making decisions regarding the implementation of internal controls.

- 5.1 System of Controls:** The system of internal controls includes the Employee Manual issued by the Agency to all employees. The FMPA Employee Manual includes guidelines for complying with legal requirements, recruitment and employment practices, compensation, employee conduct, benefits, and a

variety of Agency procedures. Further internal controls are established in the HR Department governing the separation of payroll duties.

5.2 Ongoing Training: The ~~Human Resource Director~~VP of HR & Shared Services shall ensure that all employees receive any training as required by law or regulation. Records must be maintained by the ~~Human Resource Director~~VP of HR & Shared Services sufficient to show compliance with training requirements.

The ~~Human Resource Director~~VP of HR & Shared Services and other appropriate human resource staff shall be required to complete annually (each fiscal year) 4 hours of continuing professional education in subject courses of study related to personnel management.

5.3 Policy Compliance: Risk Management Team shall monitor compliance with this Policy, to include recommendations to the Finance Committee (FC) for external legal compliance reviews when determined necessary. Results of such reviews shall be reported to the Risk Management Team and FC.

6.0 Reporting

The ~~Human Resource Director~~VP of HR & Shared Services shall cause any deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The Finance Committee shall cause to be completed an annual report on the operation and effectiveness of this Human Resources Policy as described in the FMPA Risk Management Policy, Section 7.0. Managers shall report as needed on the current risk environment affecting human resource management to the Risk Management Team, and engage any necessary discussion before moving related items to Advisory or Board Committees.

Florida Municipal Power Agency
Risk Management Reporting Calendar
Human Resource Management Reporting Requirements

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<u>Reporting Item</u>	<u>Frequency of Report</u>	<u>Responsible Party</u>	<u>Policy Reference</u>	<u>Link to Policy Reference</u>
<u>Review of Health and Wellness Plans</u>	<u>Annually</u>	<u>VP of HR & Shared Services</u>	<u>Section 4.2</u>	<u>Benefits Administration</u>
<u>Review of Salary Ranges</u>	<u>Every 5 years</u>	<u>VP of HR & Shared Services</u>	<u>Section 4.3</u>	<u>Compensation</u>
<u>Policy Compliance</u>	<u>As Needed</u>	<u>Risk Management Team</u>	<u>Section 5.3</u>	<u>Policy Compliance</u>
<u>Deviations from Policy</u>	<u>As Needed</u>	<u>VP of HR & Shared Services</u>	<u>Section 6.0</u>	<u>Reporting</u>
<u>Policy Operation & Effectiveness</u>	<u>Annually</u>	<u>Finance Committee</u>	<u>Section 6.0</u>	<u>Reporting</u>

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- a. Budget Vs. Actuals Quarterly
Update through December 2020**

**Finance Committee Meeting
February 17, 2021**



9a - FY 2021 Budget Status through December 2020

Finance Committee

February 17, 2021

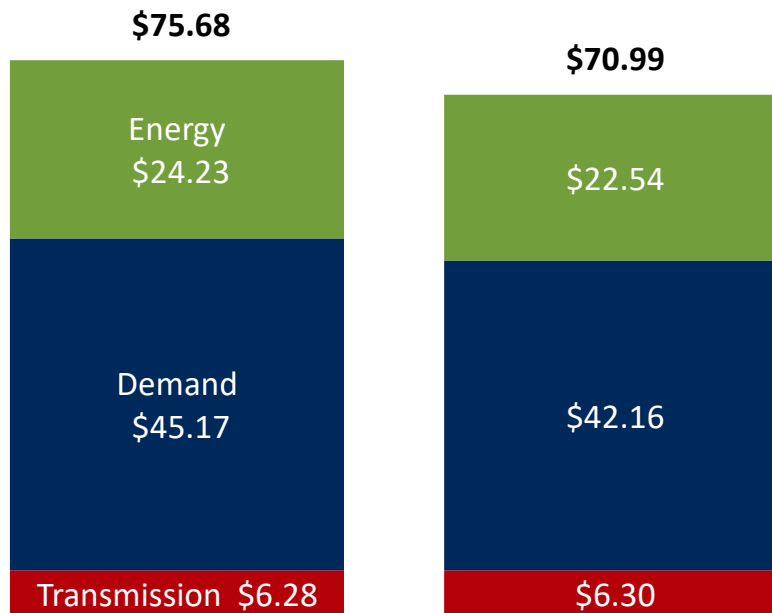
Summary

- Through December, Agency and Projects all under or near target spending levels
- MWh sales 6% above target lead to ARP expenses 3% above target but \$/MWh costs 6% below target
- St. Lucie Project expenses 9% below target levels
- Stanton and Tri-City Projects \$/MWh costs well below targets due to generation above targeted levels
- Stanton II Project expenses and \$/MWh costs near target levels
- Agency expenses at target levels

YTD ARP Participant Costs ~\$4.70/MWh (6%) < Budget

\$/MWh Savings Primarily Driven by MWh Sales 5.6% > Budget

ARP Participant Costs (\$/MWh)

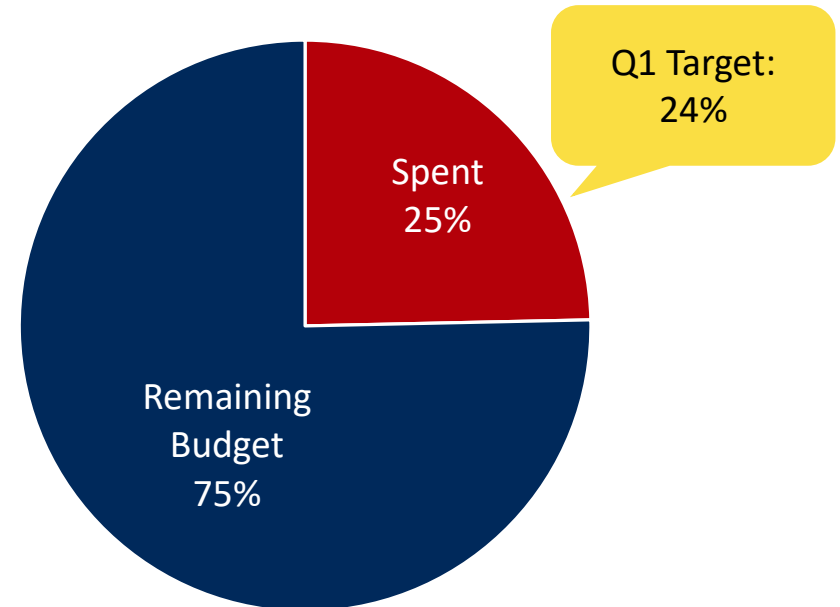


FY 2021 YTD Budget

FY 2021 YTD Actual

Results shown through December 2020

ARP Budget Status

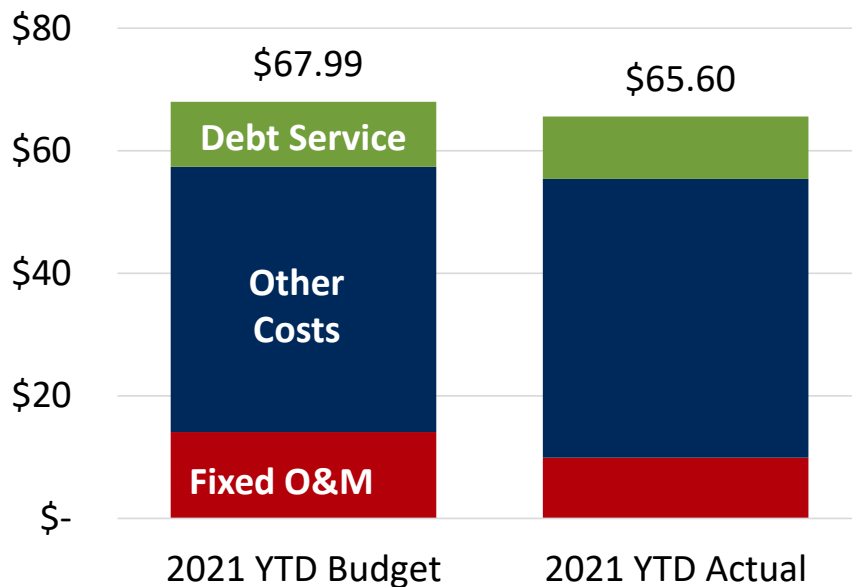


Note: remaining budget includes \$5M approved spending authority contingency

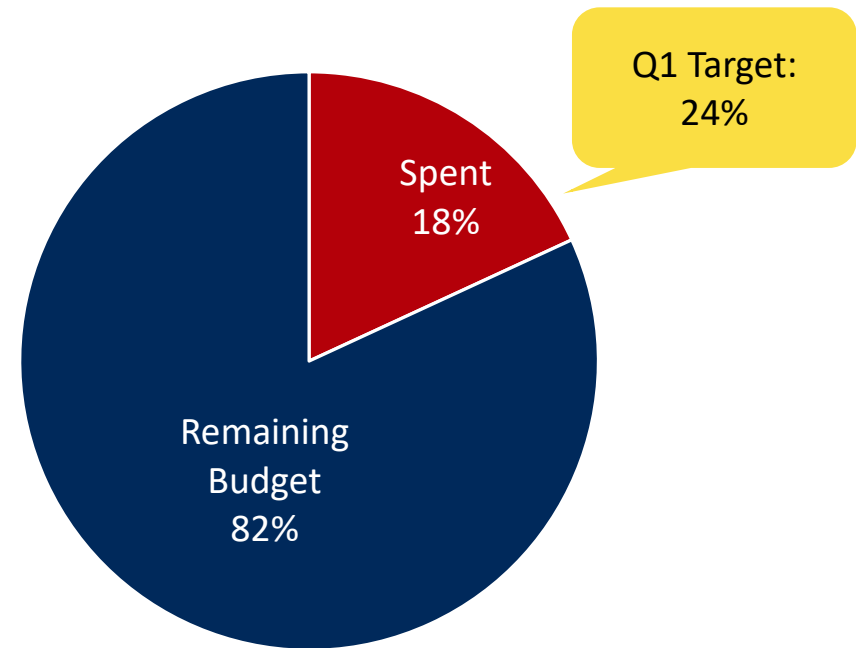
St. Lucie YTD Participant Costs ~\$2.40/MWh < Budget

Costs Should Increase in Q4 w/ Planned Refueling Outage

St. Lucie Project Participant Costs (\$/MWh)



St. Lucie Project Budget Status



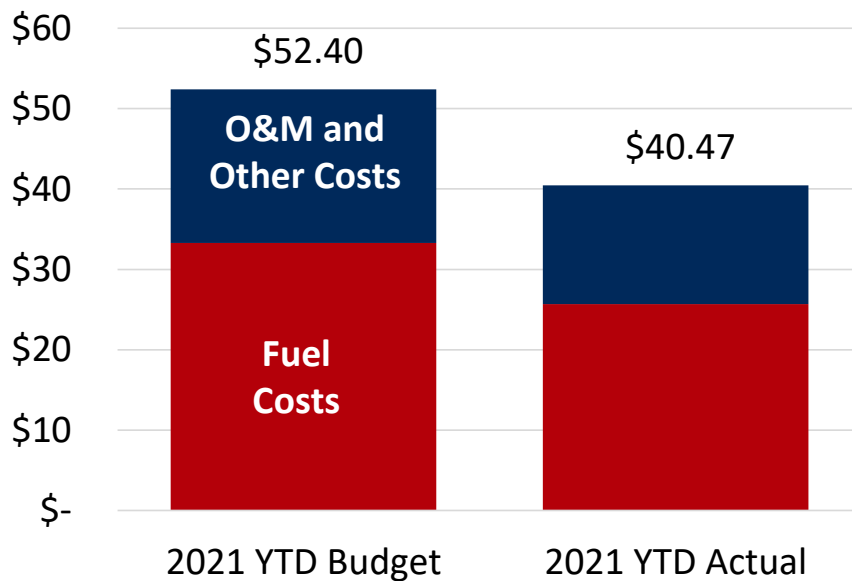
Note: "Other Costs" Include Deposits to General Reserve Fund to Pay Future Debt Costs

Results shown through December 2020

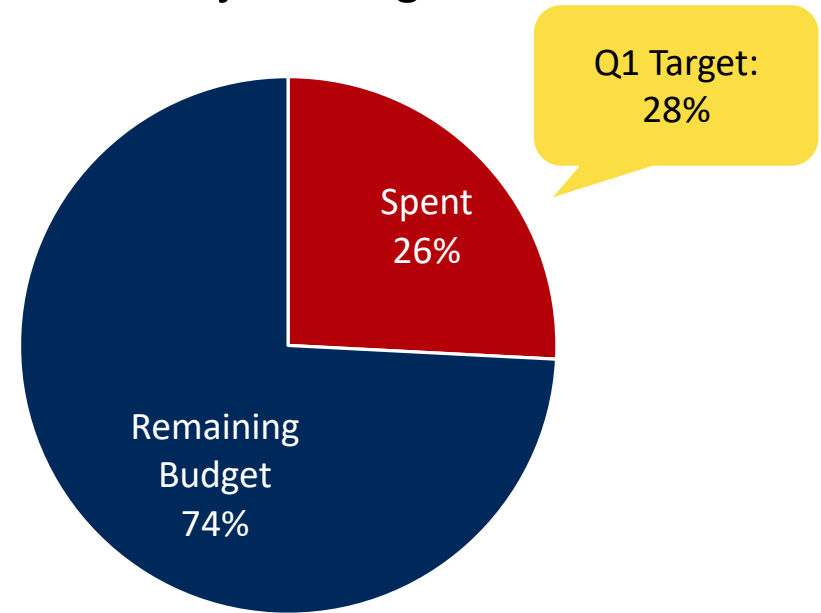
Stanton YTD Part. Costs ~\$12/MWh (23%) < Budget

Sales 29% > Budget; Fuel Cost True-up Brings Additional Savings

Stanton Project Participant Costs
(\$/MWh)



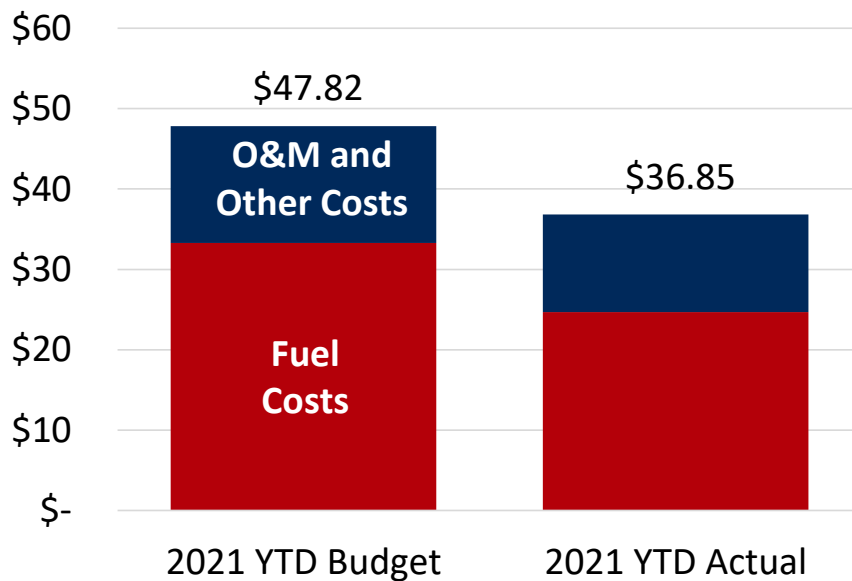
Stanton Project Budget Status



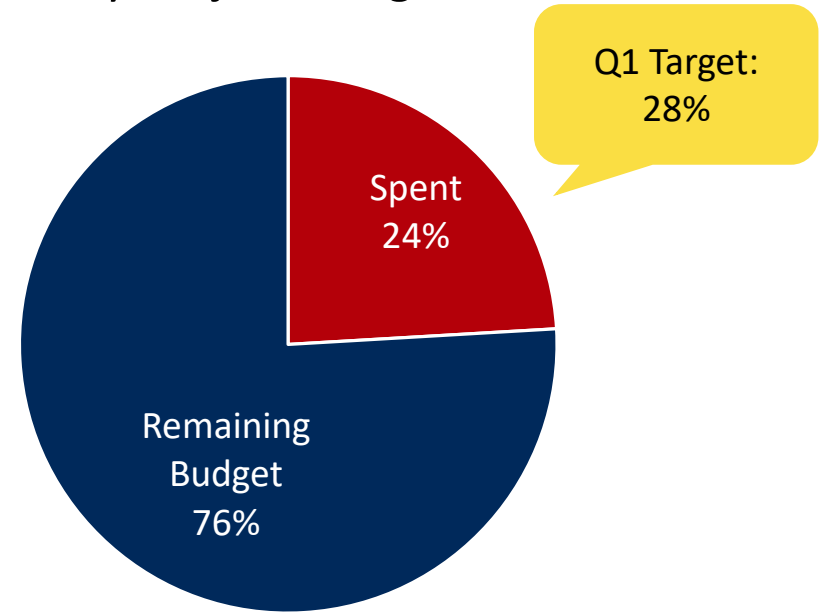
Tri-City YTD Part. Costs ~\$11/MWh (23%) < Budget

Sales 19% > Budget; Fuel Cost True-up Brings Additional Savings

Tri-City Project Participant Costs
(\$/MWh)



Tri-City Project Budget Status

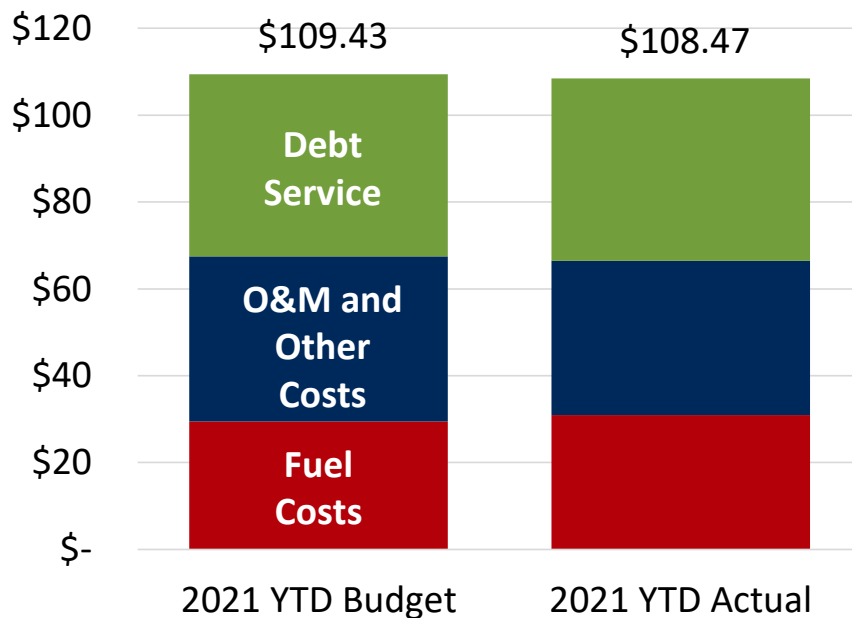


Results shown through December 2020

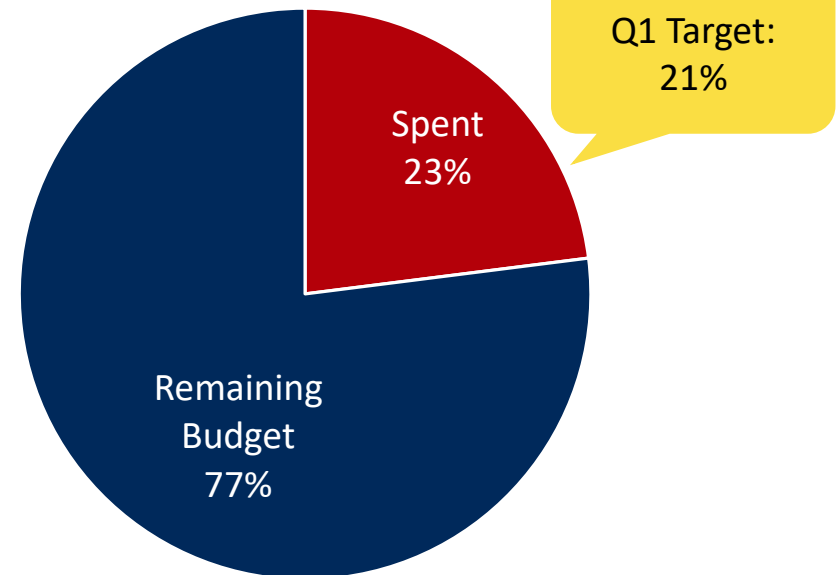
YTD Stanton II Project Participant Costs ~ Target

Spending Slightly > Target through 1st Quarter of FY 2021

Stanton II Project Participant Costs (\$/MWh)



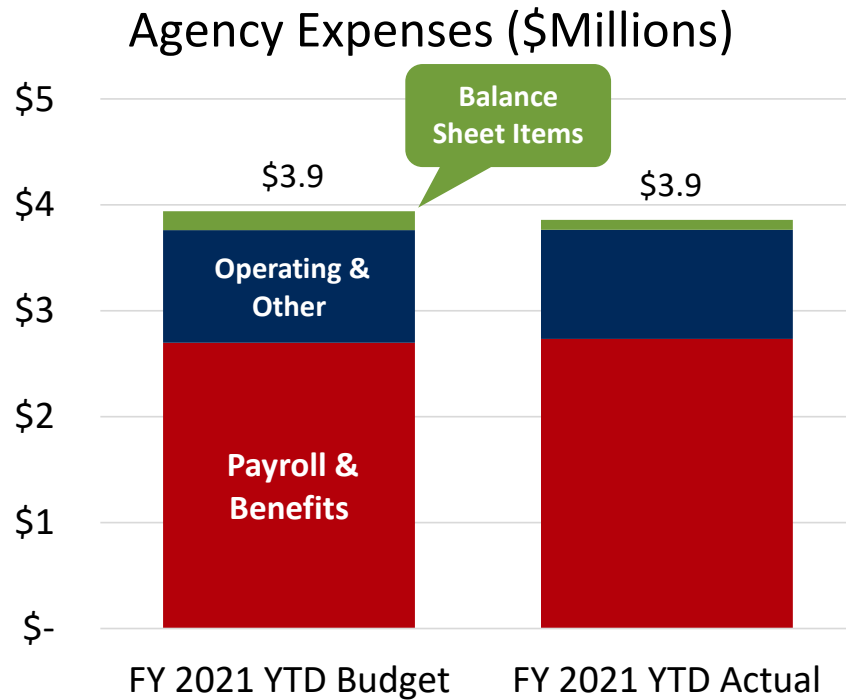
Stanton II Project Budget Status



Results shown through December 2020

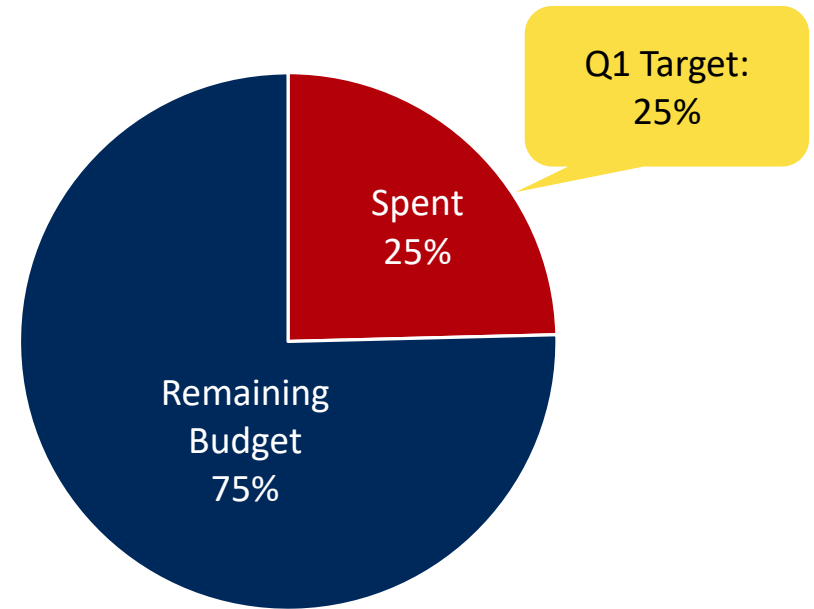
YTD Agency Costs ~ Target

Travel and Training 72% Below Target



Results shown through December 2020

Agency Budget Status



Recommended Motion

- For information only. No action requested.



Supplemental Slides

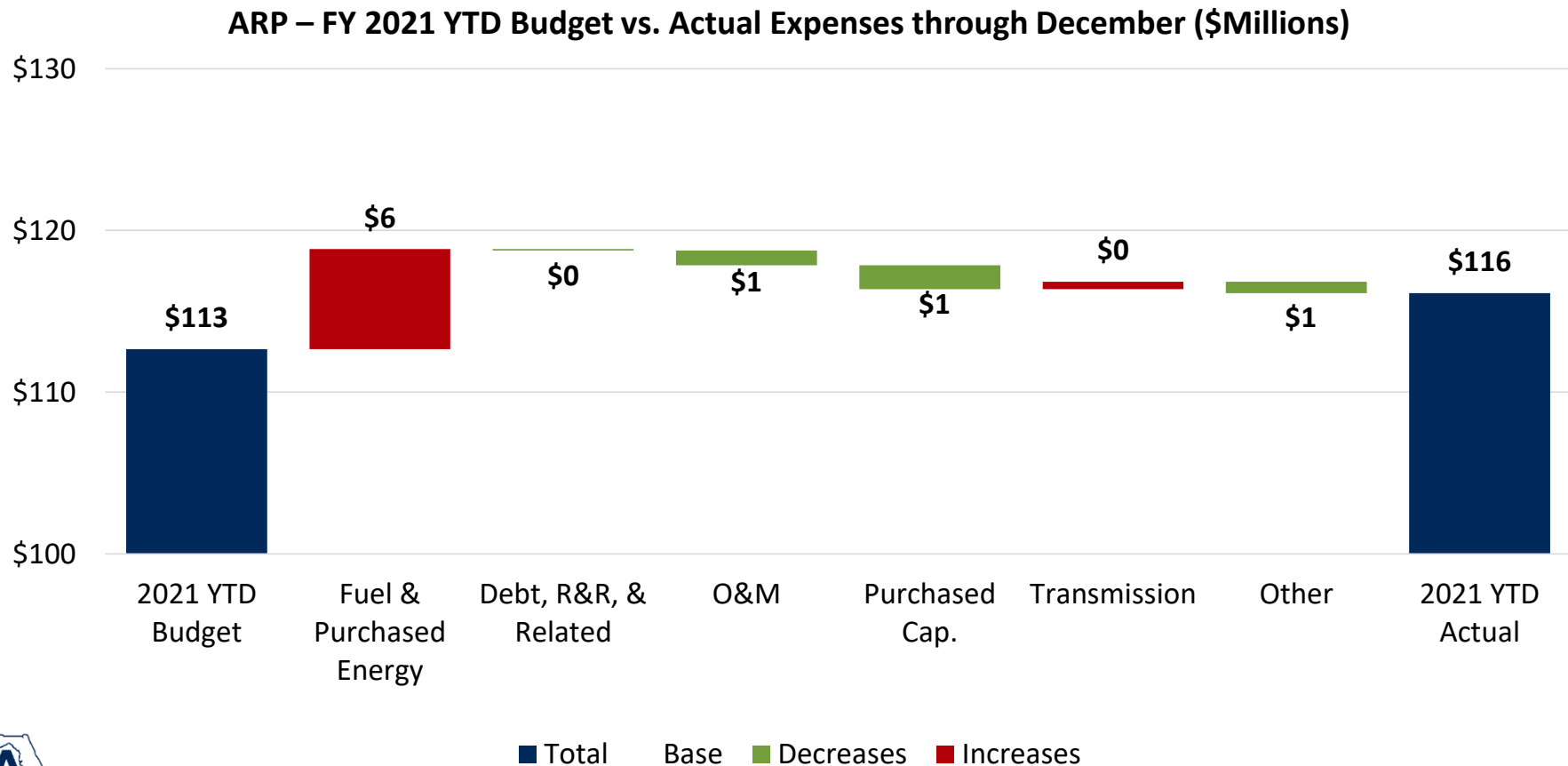
Sales > Budget Drive ARP YTD \$/MWh Cost Savings

ARP – FY 2021 YTD Budget vs. Actual Participant Costs through December (\$/MWh)



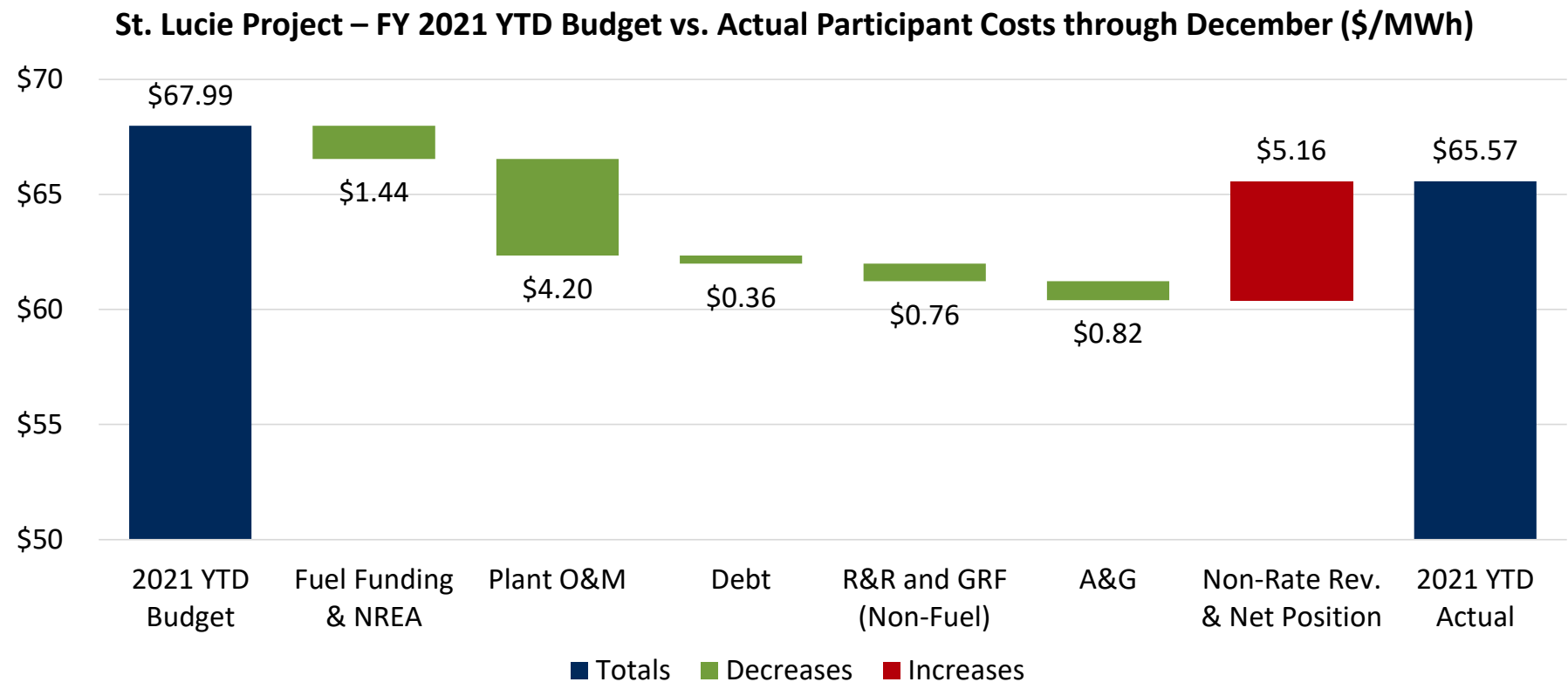
YTD ARP Expenses \$3M (2.7%) > Budget

Primarily Due to Fuel Expense for Sales > Budgeted Levels



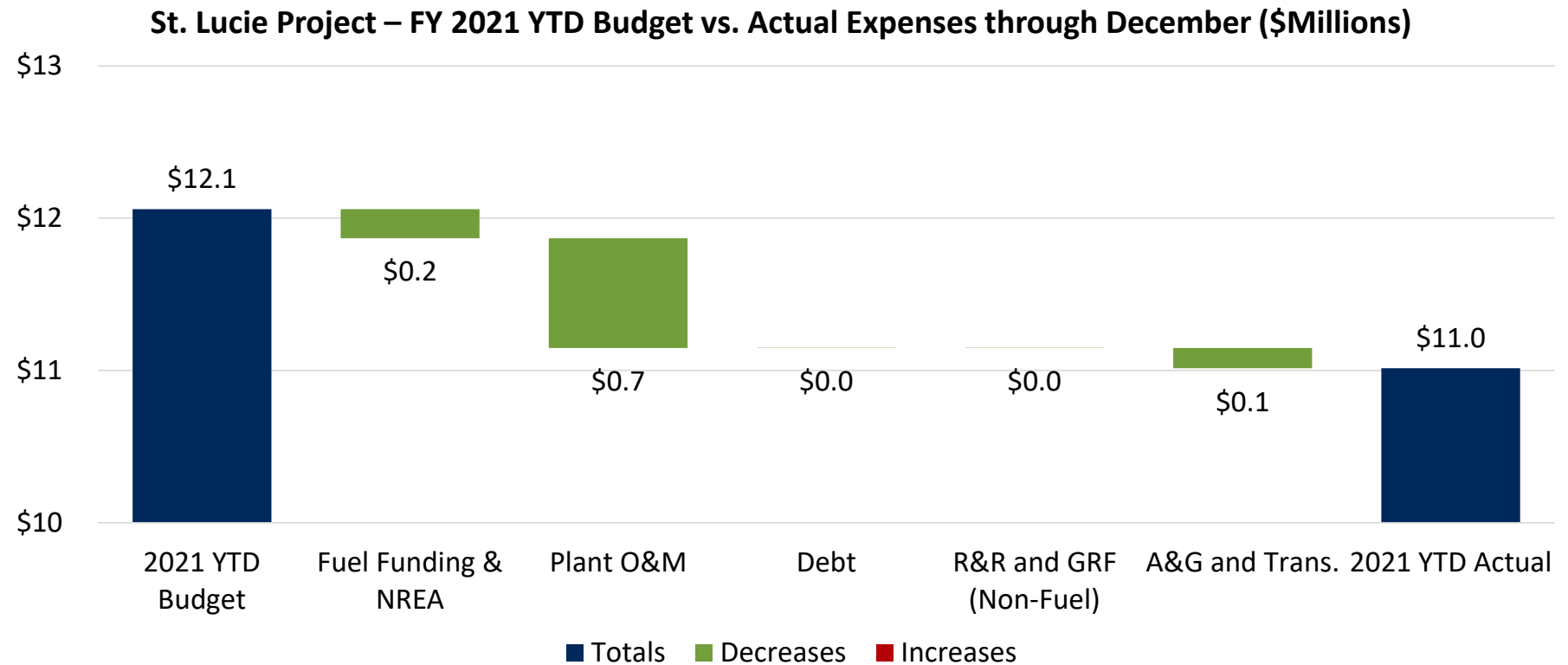
St. Lucie FY 2021 YTD Costs ~\$2.40 /MWh < YTD Target

Primarily Due to O&M < Target, Generation 3.5% > Target



St. Lucie FY 2021 YTD Expenses \$1.1M < Target

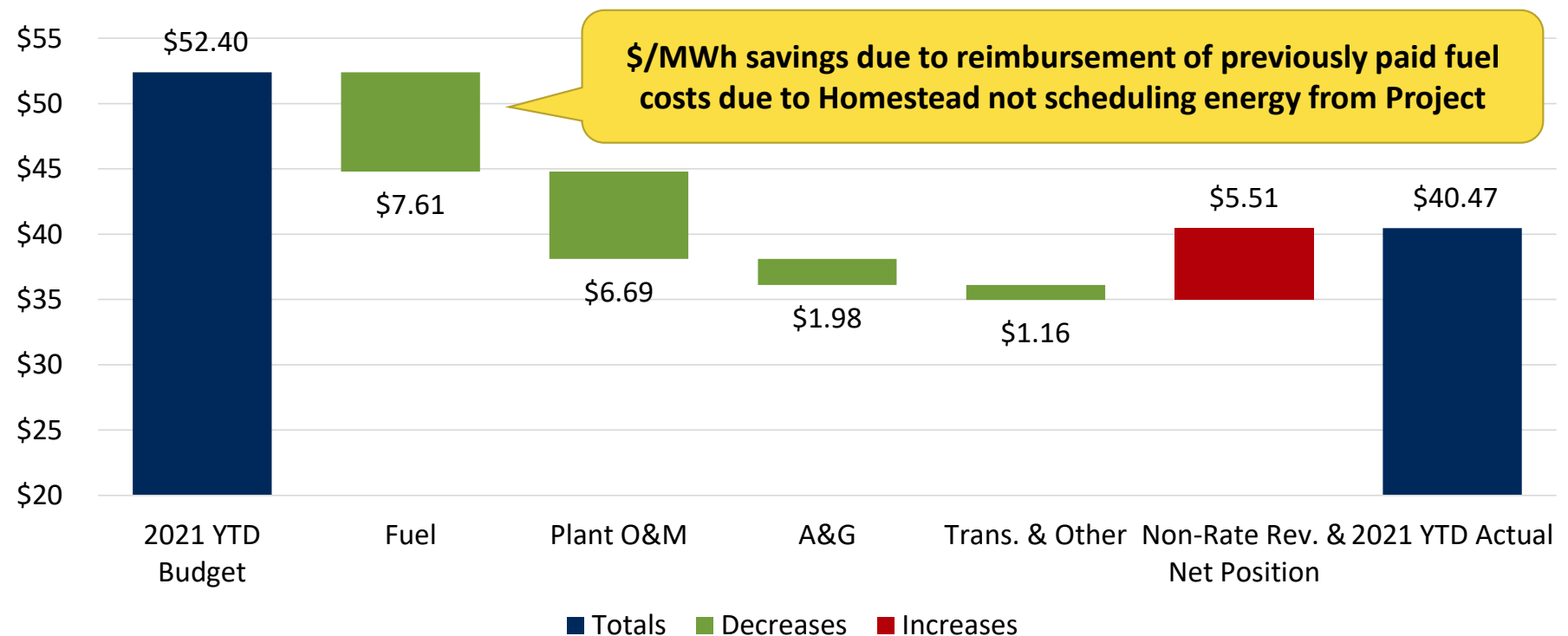
O&M Costs \$0.7M < Target Are Main Driver



Stanton YTD \$/MWh Costs 23% < Target

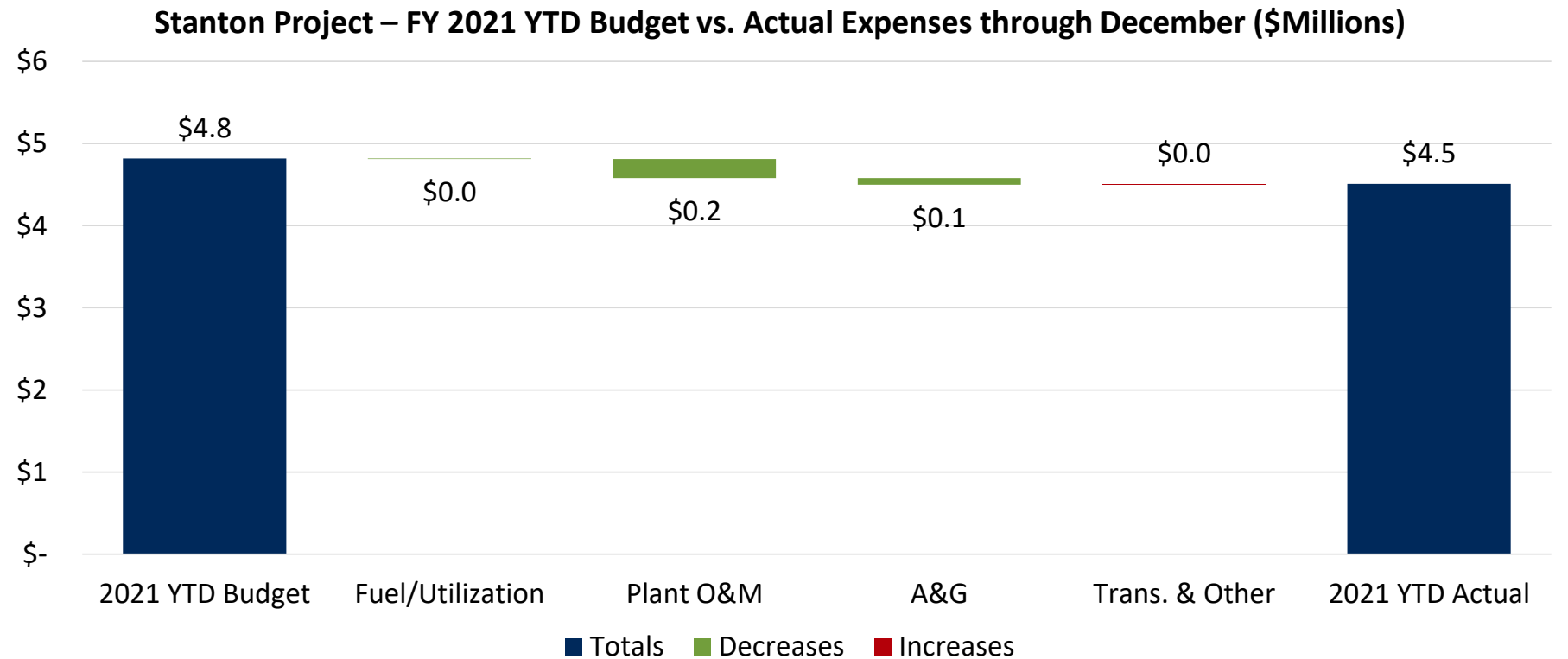
Largest Drivers are Fuel Expense True-ups, Generation > Target

Stanton Project – FY 2021 YTD Budget vs. Actual Participant Costs through December (\$/MWh)



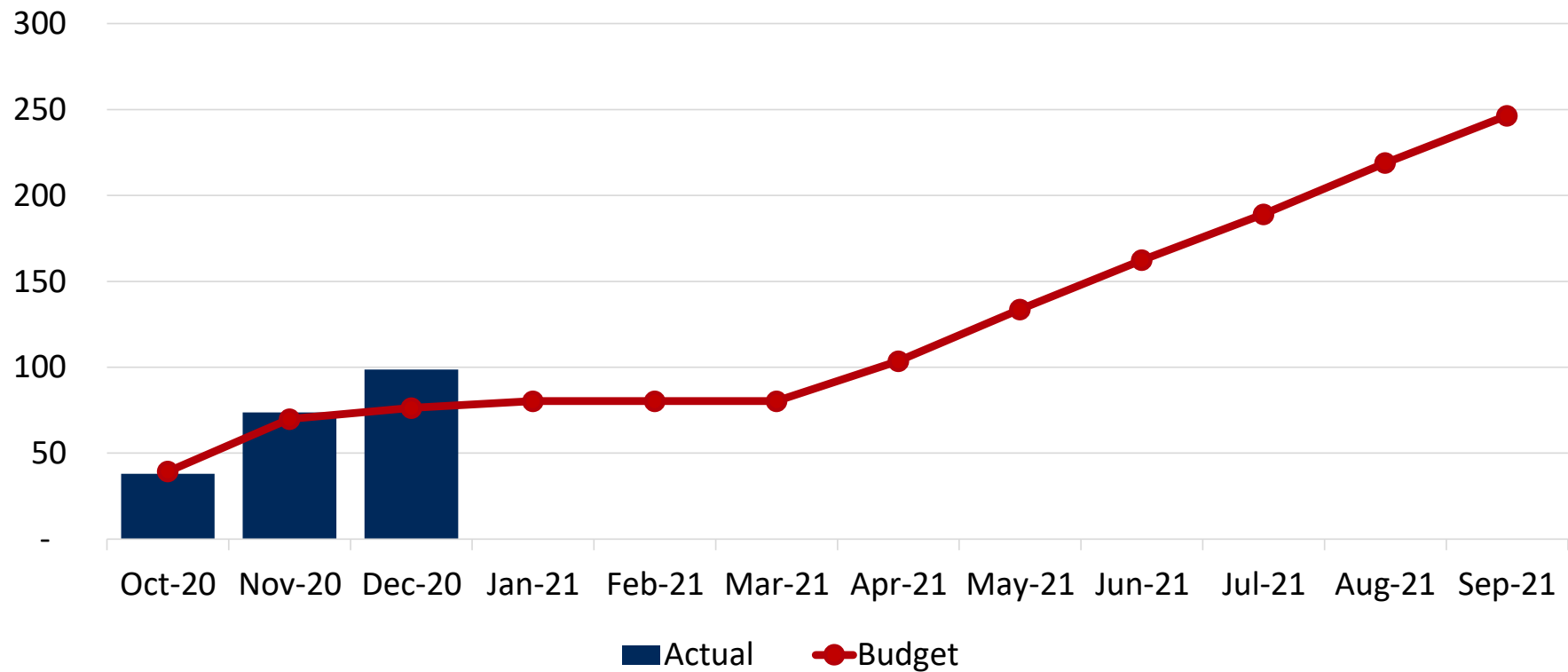
YTD Stanton Project Expenses ~ \$0.3M < Target

\$/MWh Fuel Savings Offsets Cost of Generation > Target



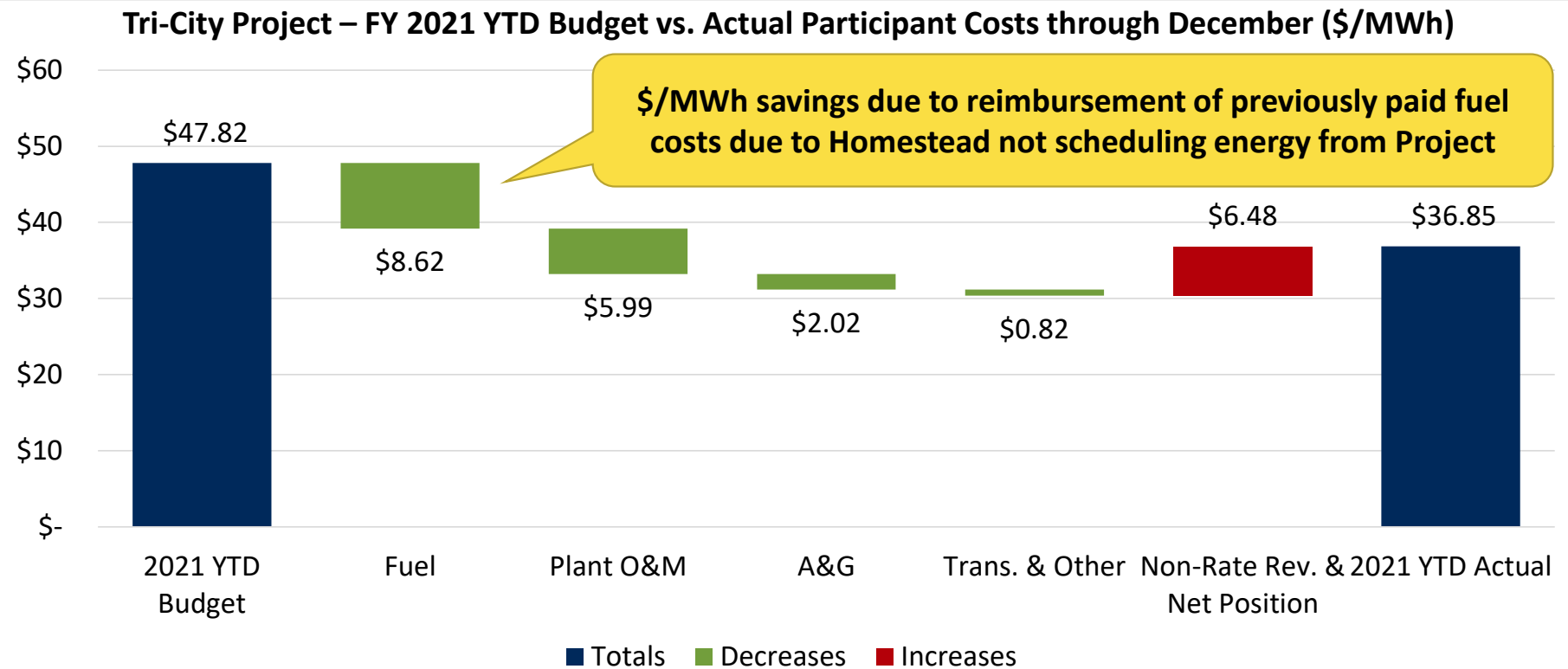
Stanton Project YTD Generation 29% > Budget

Stanton Project FY 2021 Cumulative Generation (GWh)



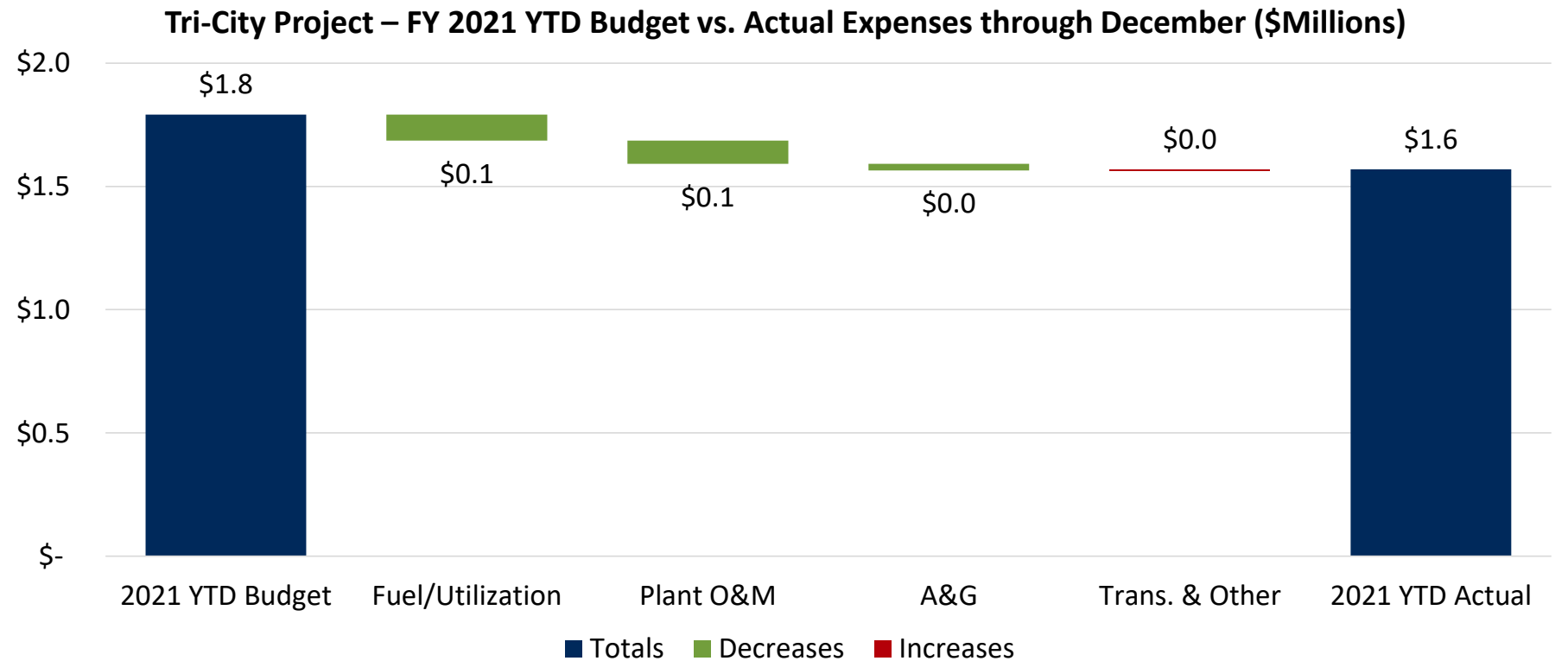
Tri-City YTD \$/MWh Costs 23% < Target

Largest Drivers are Fuel Expense True-ups, Generation > Target



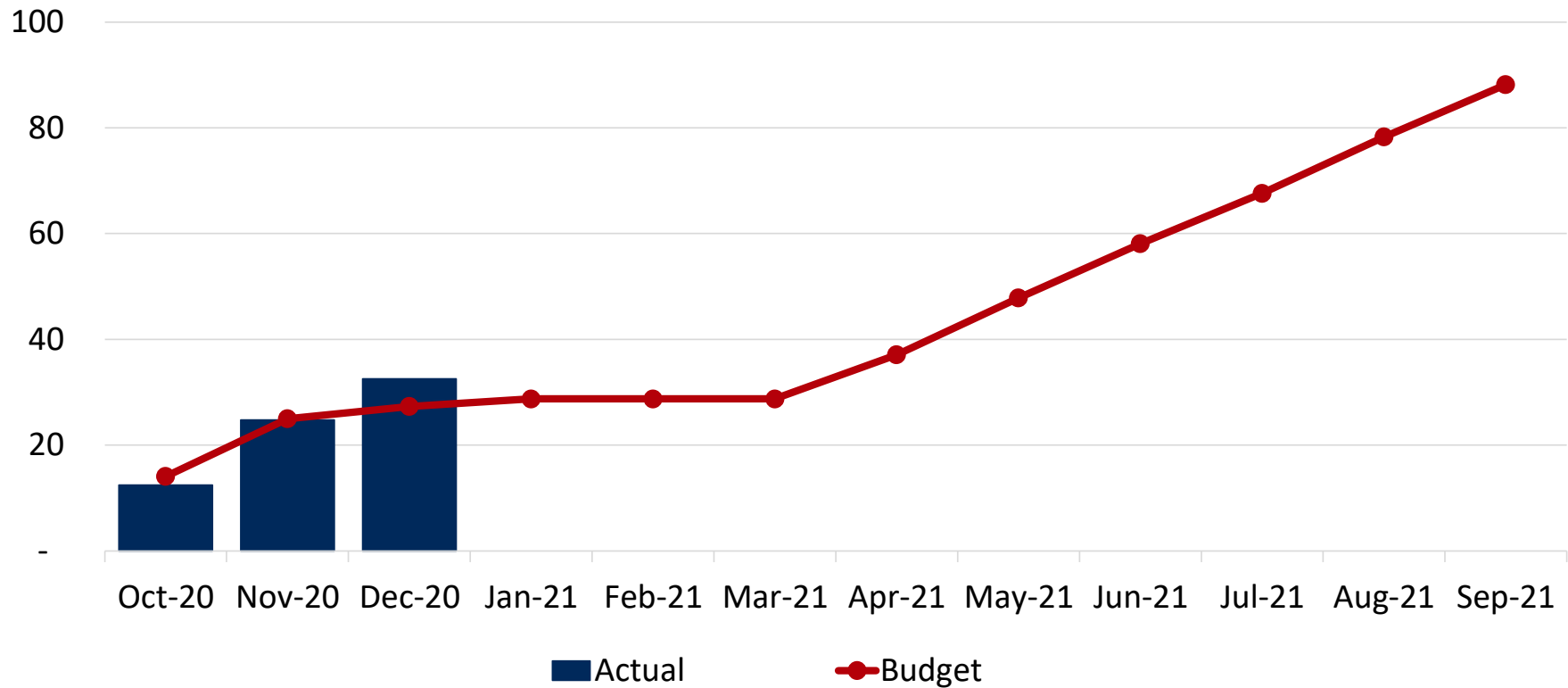
Tri-City Project YTD Expenses \$0.2M < Target

\$/MWh Fuel Savings Offsets Cost of Generation > Target



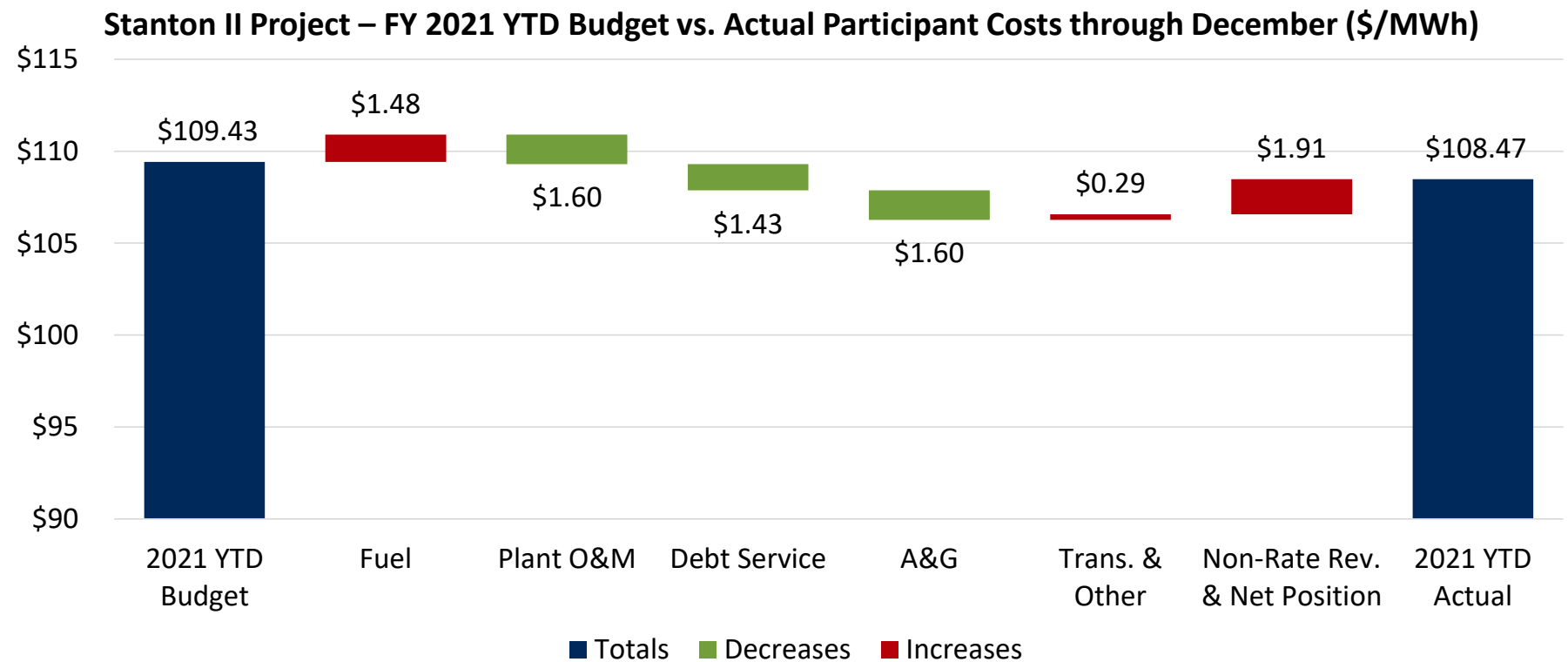
Tri-City Project YTD Generation 19% > Budget

Tri-City Project FY 2021 Cumulative Generation (GWh)



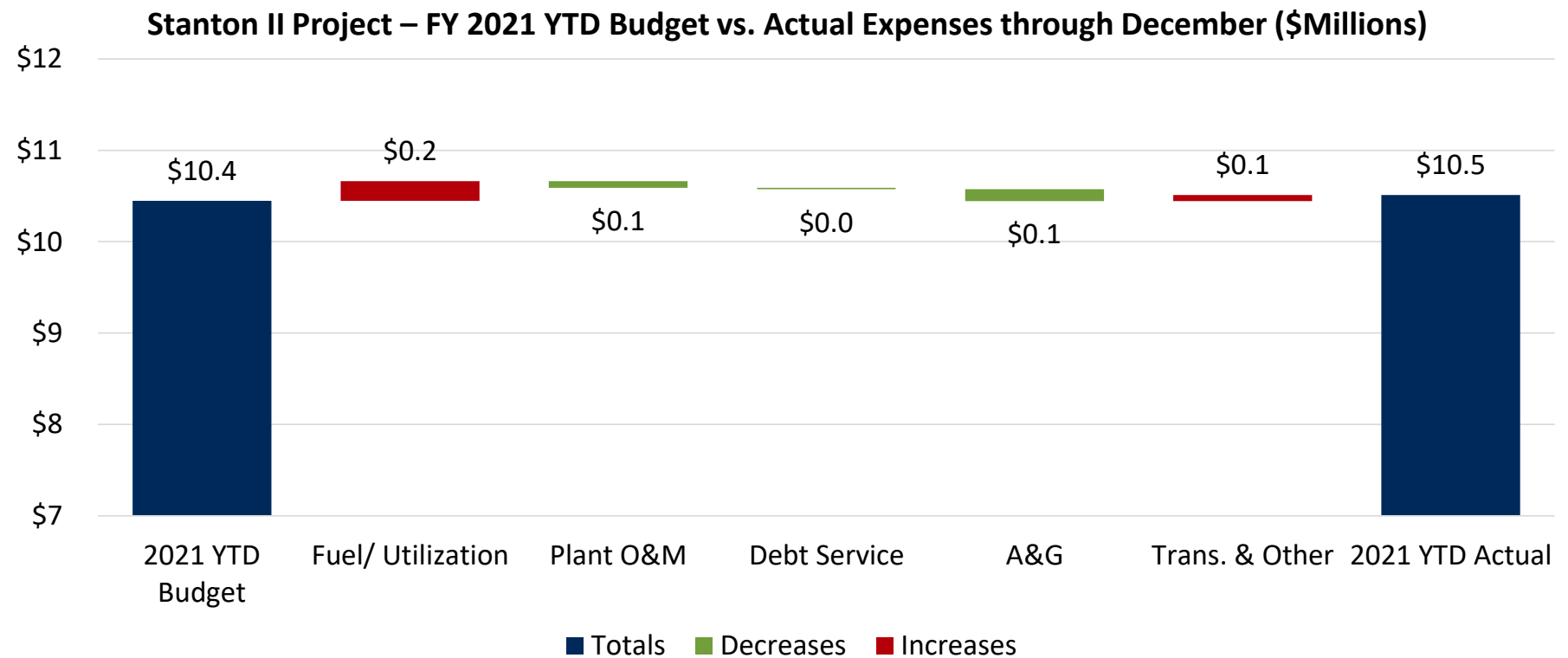
Stanton II YTD Participant \$/MWh Costs ~ Target

O&M and A&G < Target, but Fuel Costs > Target



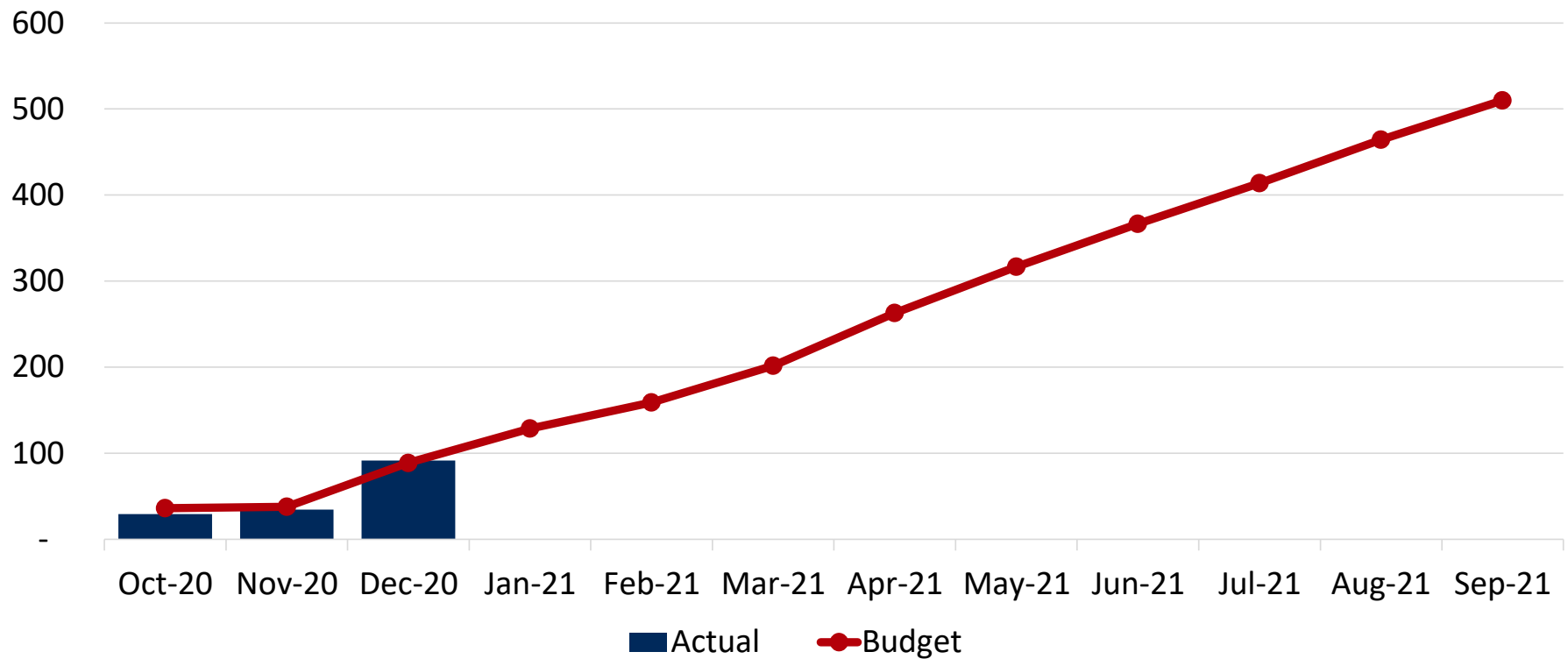
Stanton II YTD Expenses ~ YTD Target

Higher Fuel Costs Offset O&M and A&G Cost Savings



Stanton II Project YTD Generation ~ Budget

Stanton II Project FY 2021 Cumulative Generation (GWh)



**AGENDA ITEM 9 – INFORMATION
ITEMS**

b. Annual Insurance Update Report

**Finance Committee Meeting
February 17, 2021**



9b- Review of Annual Insurance Report

Finance Committee

February 17, 2021

Insurance Risk Management Policy Requirement

- Prior year actuals for premiums, claims and losses.
- Cost of insurance coverage.
- Change of coverage limits, amounts, or other material aspects of the policy within the current policy period year.
- Recommend changes to coverage limits, amounts or other material aspects of the policy within a future policy period.
- Any additional coverage purchases within the current or future policy periods.

Insurance Market Update

Pandemic Continues Last Year's "Hard" Insurance Market

No FM Global
Membership
Credit

Property Coverage
Expect 20%
Increase

Liability Coverages
dealing with
Social Inflation

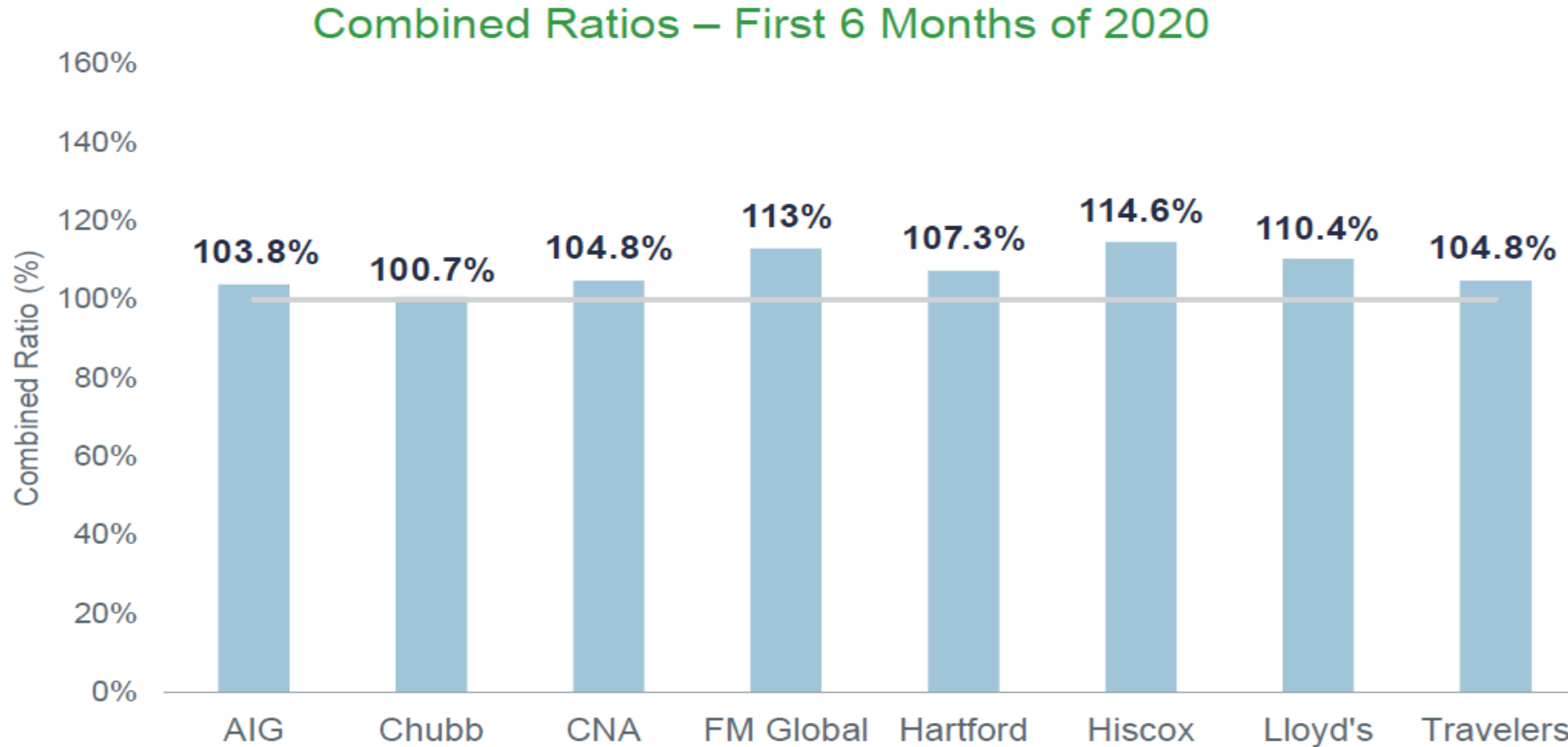
Non-Property
Expect 5%-30%
Increase

Reviewing
Deductibles and
Limits

COVID-19
Policy Exclusions

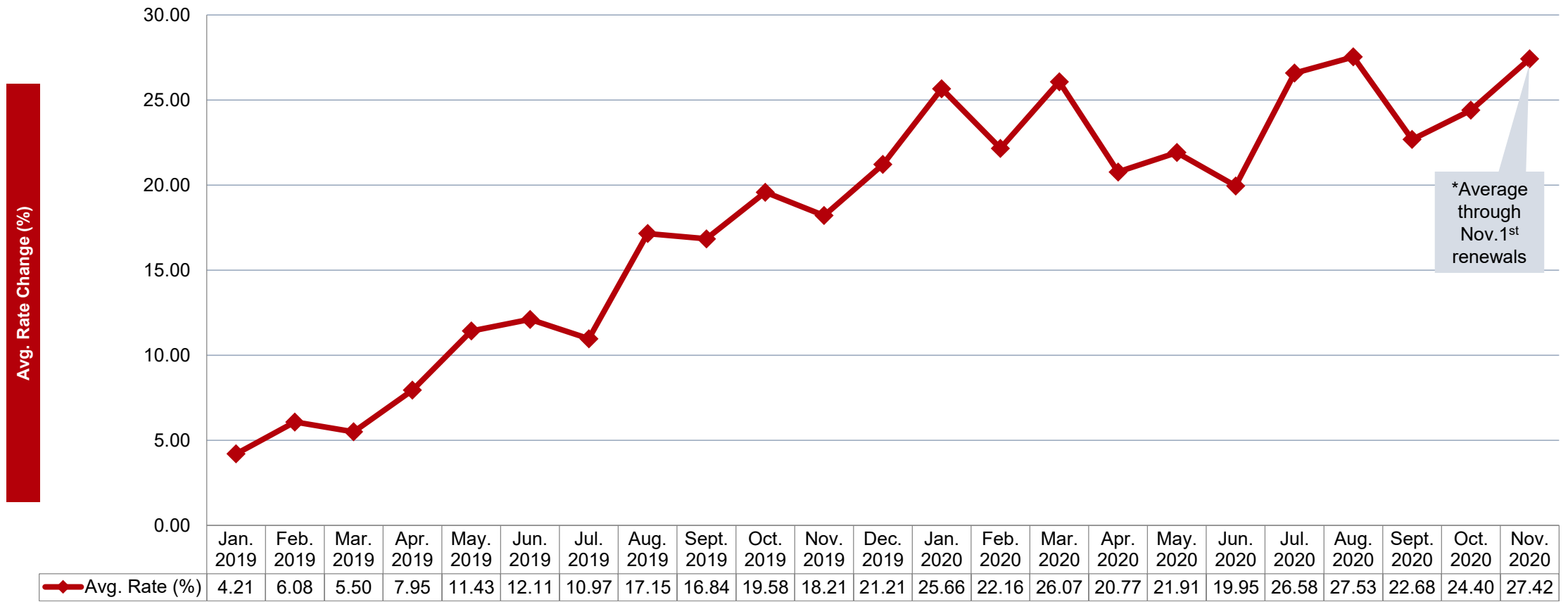
State of the Property Market – All Carriers Losing

Avg. Rate Trends: January 1, 2020 – June 1, 2020



State of the Property Market – Average Rate Change

Don't Focus Too Much On Averages; CAT Risks Hard To Cover



Premium Increases Due to 2020's Hard Market

Shopped Coverages Best Terms and Premium

Coverage	Deductible	Limits	Premium 20/21	% Change 19/20	Claims FY 2019/2020
Automobile	\$1,000	\$ 1,000,000	\$ 9,776	48%	None
Directors & Officers Liability	\$250,000	\$ 20,000,000	\$ 139,058	9%	None
Crime	\$125,000	\$ 10,000,000	\$ 20,541	5%	None
Cyber	\$25,000	\$ 5,000,000	\$ 32,047	0%	None
Excess Liability	\$200,000	\$ 50,000,000	\$ 278,810	10%	None
Professional Lawyer's Liability	\$25,000	\$ 5,000,000	\$ 15,204	0%	None
Property Agency & ARP	Tall/Orl. \$25,000 ARP \$525k-\$1.36M	\$850,000,000	\$2,649,800	22%	None
FEMA Flood (Stock Island)	\$3,000	\$ 6,000,000	\$ 16,698	0%	None
Flood Excess >\$20M (SI)	\$0	\$ 5,000,000	\$ 55,000	36%	None
Generation Outage (New)	\$750,000	\$3,000,000	\$166,000	N.A.	None
Workers Compensation		Statutory/ \$1,000,000	\$ 48,060	48%	None

Premium Increases Expected For 21/22 Renewals

Recommend Increasing Deductibles and Agency Self-Insurance Fund

- AEGIS D&O and Excess Liability Insurance
 - D&O and Excess expect 15% increase
 - Continued membership credits
 - Best coverage in market for FMIPA's risks
- Self-Insure Deductible Increases
 - Increase D&O and Excess Liability deductible to \$500,000 from \$200,000
 - Annual Agency funding of \$60,000 for five years, target balance \$300,000

Aggressive Ideas to Lower Property Premiums

Take On More Risk

- Eliminate Excess Flood Coverage at Stock Island, \$55k savings
- Increase max deductible on large combined cycles
 - \$1.36 million to \$2 or \$3 million, \$50K savings
 - Higher deductible in line with industry standard
 - Prior EC direction to self-fund 2.5 times max deductible
- Lower Policy Coverage Capacity from \$850 million to \$500 million.
 - Savings \$20k



QUESTIONS

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- c. Risk Management Policies
Reviewed: Insurance, Debt and
Information Technology**

**Finance Committee Meeting
February 17, 2021**



9c- Risk Management Policies Reviewed: Insurance, Debt, and Information Technology

Finance Committee

February 17, 2021

Other Policies Reviewed

No Changes Needed Except IT Policy

- Insurance Program
 - Reviewed policy language still appropriate for current operations
- Debt Policy
 - Reviewed policy language still appropriate for current operations
- Information Technology Policy
 - Policy needs significant rewrite due to changing cyber environment
 - Currently limited staff availability to do this effort
 - Targeting rewrite by the end of second quarter

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**d. Review of Risk Policy Compliance
Report**

**Finance Committee Meeting
February 17, 2021**



9d – Review of Risk Policy Compliance Report

Finance Committee

February 17, 2021

Compliance Covered

- Debt Policy (appendix B)
- Insurance Program Policy (appendix D)
- Human Resources Policy (appendix N)
- Information Technology Policy (appendix O)

Review Result

- Based on our review, there was no exception noted.
- There were two recommended changes:
 - Human Resource Policy (Sec 4.3)
 - Information Technology Policy (Sec 6.1)



Discussion

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the appropriate Executives and the CEO prior to being presented to the Finance Committee (FC) as an information item.

Review period **December 2019 to November, 2020**

Responsible Manager(s): Rich Popp, Treasurer and Risk Director

<i>Policy Compliance:</i> Indicate whether the following items required in the Debt Risk Management Policy were completed during the review period.			
REQUIREMENT	YES	NO	EXPLANATION
Financial Advisor provided written recommendations to the appropriate governing bodies prior to execution of debt. (Section 2.0)	X		Recommendations were contained in the respective debt resolutions presented for approval.
The CFO caused Treasury Procedures to be established. (Section 6.0)	X		
CFO presented all Debt Financing Team (DFT) recommendations to CEO. (Section 4.1)	X		All DFT recommendations become formal Agenda items which are set and approved by the CEO
Debt Financing Team explained risks of any proposed structure or transaction to the appropriate governing body. (Section 4.3)	X		All transactions have been fixed rate such as Stanton 2
Debt portfolio mix levels were measured at time of debt issuance, and any deviations approved by appropriate governing body. (Section 4.3)	X		Only fixed rate debt that is in the respective debt resolution presented for approval. July 2020 for Stanton 2 pool loan refi.
Policy requirements were met for any refunding bonds issued. (Section 4.9)	X		Met all requirements per policy/expectations were approved.
Derivatives were entered into only with the approval of the appropriate governing body. (Section 5.0)			N/A .
CFO, in consulting with Debt Financing Team, ensured active management of interest rate hedging program. (Section 5)			N/A
External entities were advised as required per Policy before entering into swap agreements. (Section 5.2)			N/A

Treasurer notified Debt Financing Team (DFT) of any collateral calls or collateral returns within 1 business day. (Section 5.3)			N/A – None occurred during review period
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<i>Policy Compliance continued:</i>			
REQUIREMENT	YES	NO	EXPLANATION
Hedging counterparties had long-term bond ratings of A-1/A+ or higher at time of execution. (Section 5.3)			N/A
CFO reported interest rate swap transaction defaults to the Debt Financing Team, CEO, and governing body chairs within 1 business day. (Section 5.3)			N/A
CFO reported to the FC when more than 35% of a Project's total debt was hedged with any one provider. (Section 5.5)			N/A
Appropriate governing body approved any optional interest rate swap terminations. (Section 5.6)			N/A.
Treasurer completed all post-issuance reporting and compliance requirements. (Section 6.2)	X		
CFO caused posted collateral to be reported to each FC with a strategy for handling related risk level. (Section 5.7)			N/A
Debt Portfolio reports were issued as required. (Section 7.1)	X		Report presented during February 2020 EC and BOD meeting
Post-closing reports were issued as required. (Section 7.2)	X		Reported July 2020

<i>Internal Control Assessment:</i> Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.					
OBJECTIVE	1	2	3	4	EXPLANATION
Controls are in place to identify and assess risks related to issuance of debt.			X		
Debt portfolio contributes to at least an A- or A3 credit rating.			X		
The cost and benefit of all aspects of proposed debt structures are fully considered.			X		
Debt service coverage remains at levels to comply with bond covenants.			X		

Internal Control Assessment: continued					
OBJECTIVE	1	2	3	4	EXPLANATION
Controls are in place to identify and assess risks related to interest rate swap transactions.			X		
Hedging transactions have authorized business purposes and measured risk.			X		
Sufficient segregation of duties is maintained.			X		
Off-balance sheet obligations are reported to the FC or higher governing body.					N/A.

Are there any concerns related to debt risk management which should be brought to the attention of the CEO as part of this review? Yes ☐ No ☒ If yes, describe below.

Are there internal control concerns related to debt risk management which require immediate attention? Yes ☐ No ☒ If yes, describe below including any change to risk inventory controls score.

Rate the overall functioning of debt risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Additional comments from responsible Manager(s):

Are there any emerging risks or environmental changes which impact debt risk management?

Yes ☐ No ☒ If yes, describe below including any proposed changes to risk inventory.

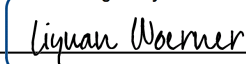
Other comments:

Rating scale for Policy compliance reviews:

- 1 = Risk management practices not in place.
- 2 = Risk management practices in place are not effective in meeting Policy requirements.
- 3 = Risk management practices in place meet Policy requirements.
- 4 = Risk management practices in place exceed Policy requirements.

Standard of compliance:

Completion of this review indicates that the Risk Management Reviewer has verified existence of applicable procedures or process documentation and believes them to be reasonably sufficient and up-to-date.

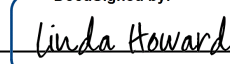
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Internal Audit Manager Signature

2/5/2021
Date

DocuSigned by:

Responsible Manager Signature
Risk Director Signature

2/5/2021
Date

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Responsible Executive Officer Signature

2/5/2021
Date

This Policy compliance review is conducted by the Internal Audit Department (IAD) to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the appropriate Executive and the CEO prior to being presented to the Finance Committee (FC) as an information item.

Review period: January 2020 to December 2020

Responsible Manager(s): Rich Popp, Treasurer and Risk Director

<i>Policy Compliance:</i> Indicate whether the following items required in the Insurance Program Policy were completed during the review period.			
REQUIREMENT	YES	NO	EXPLANATION
Deviations from Policy reported to the FC within 5 business days. (Section 2.1)	X		None during period
Treasurer and Risk Director caused Insurance procedures to be created. (Section 3.0)	X		P:\Risk Management\General Risk Dept info\Risk Dept procedures\2020
Treasurer and Risk Director caused an Annual review of areas of potential exposure to be completed. (Section 4.1)	X		January 2020 presented review.
Treasurer and Risk Director caused activities to be conducted to increase risk awareness of division and department heads. (Section 4.2)	X		Meetings between Rich Popp and managers from various departments were held during the year to assess any new areas of potential exposure. Generation outage insurance meetings.
Systematic reviews of identified exposures were completed. (Section 4.3)	X		See explanation above regarding annual report given.
Contracts over \$10,000,000 reviewed by RMD to identify and reduce contract liability. (Section 4.4)	X		N/A – no contracts over \$10M threshold were entered during review period.
Competitive selection of brokerage services completed every 5 years. (Section 5.1)	X		Extended to every 7 years from last year policy review, next due in 2022.
Treasurer and Risk Director developed and implemented procedures for reporting and handling of accidents and losses. (Section 5.2)	X		None this year
Treasurer and Risk Director and appropriate staff completed applicable training in risk management. (Section 5.3)	X		
Risk Manager presented annual report on insurance program to FC annually. (Section 6.0)	X		Presented at the January 2020 FC meeting

Internal Control Assessment: Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.					
OBJECTIVE	1	2	3	4	EXPLANATION
Controls are in place to identify and assess risks related to potential exposures to loss.			X		
A complete list of insurance carriers and policies is maintained.			X		
Insurance policies are annually reviewed for appropriate coverage and premiums.			X		
Incidents and claims are recorded, and remedial action taken as necessary.			X		
Documentation of decisions to self-insure or otherwise mitigate risk through non-insurance means is maintained.			X		Self-insurance levels set at provider minimum retention points.

Are there any concerns related to insurance program risk management which should be brought to the attention of the CEO as part of this review?
Yes ☐ No ☒ If yes, describe below.

Are there internal control concerns related to insurance program risk management which require immediate attention?
Yes ☐ No ☒ If yes, describe below including any change to risk inventory controls score.

Rate the overall functioning of insurance program risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

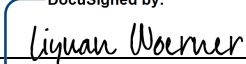
Additional comments from responsible Manager(s):

Are there any emerging risks or environmental changes which impact insurance program risk management?

Yes ☐ No ☒ If yes, describe below including any proposed changes to risk inventory.

Other comments:

Hard insurance market potentially impacting coverages and terms.

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 Internal Audit Reviewer

2/5/2021

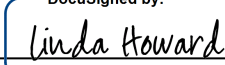
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 Responsible Manager Signature

2/8/2021

Date

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 Responsible Executive Officer Signature

2/5/2021

Date

Rating scale for Policy compliance reviews:

- 1 = Risk management practices not in place.
- 2 = Risk management practices in place are not effective in meeting Policy requirements.
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- 4 = Risk management practices in place exceed Policy requirements.

Standard of compliance:

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Review period: December 2019 to November 2020

Responsible Manager(s): Sharon Adams, VP Human Resources & Shared Services

<i>Policy Compliance:</i> Indicate whether the following items required in the Human Resources Policy were completed during the review period.			
REQUIREMENT	YES	NO	EXPLANATION
VP HR&SS caused procedures to be established (Section 3.0)	X		
HR Department cooperated with reviews of payroll controls by internal or external auditors. (Section 4.1)	X		
Employee health and wellness records were maintained per HIPAA regulations. (Section 4.2)	X		
An annual review of health and wellness plan was conducted by HR Department. (Section 4.2)	X		The health and wellness plan were reviewed in October 2020
HR Department enforced consistent application of the Compensation Policy across the Agency. (Section 4.3)	X		
The Human Resources Director shall cause to be completed on a biennial basis by a professional third-party review of salary ranges. (Section 4.3)		X	Review is not cost effective every other year. We do internal benchmark reviews against national salary surveys. Job descriptions are scheduled to be reviewed by outside party in 2021.
HR Department ensured employment laws and regulations were followed consistently and fairly. (Section 4.4)	X		
VP HR&SS caused a system of internal controls to be established. (Section 5.0)	X		
VP HR&SS ensured all employees received required training and maintained records of such. (Section 5.2)	X		EEOC Training Public Records, Procurement Policy Training.
VP HR&SS and appropriate staff completed 4 hours of professional education related to personnel management. (Section 5.2)	X		VP HR&SS HR staff attended training in August 2020, Executive leadership training by VP.

Internal Control Assessment: Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

OBJECTIVE	1	2	3	4	EXPLANATION
Controls are in place to identify and assess risks related to personnel management activities.			X		
Employee benefits and compensation are competitive and cost-effective.			X		Culture survey displayed our compensation is competitive and cost effective.
Appropriate segregation of duties is maintained related to the payroll function.			X		
Employees are enrolled in eligible benefits and eligibility records are maintained.			X		ADP Electronic Benefit Management System.
Personnel are correctly classified and all payroll laws and regulations are followed.			X		On-going
Succession planning is sufficiently supported and implemented across the Agency.			X		This is completed through the performance evaluation process. And through discussion by senior leadership team
External legal compliance reviews are conducted as deemed necessary by the CEO and/or General Counsel.			X		

Are there any concerns related to human resources risk management which should be brought to the attention of the CEO as part of this review?

Yes ☐ No ☒ If yes, describe below.

Are there internal control concerns related to human resources risk management which require immediate attention?

Yes ☐ No ☒ If yes, describe below including any change to risk inventory controls score.

Rate the overall functioning of human resources risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Additional comments from responsible Manager(s):

Are there any emerging risks or environmental changes which impact human resources risk management?

Yes ☒ No ☐ If yes, describe below including any proposed changes to risk inventory.

Recommend changing section 4.3 of the policy regarding the salary review frequency from biennial to 5 years.

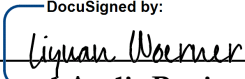
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Internal Audit Reviewer

2/5/2021
Date

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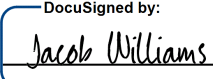
Responsible Manager Signature

2/8/2021
Date

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Risk Director Signature

2/5/2021
Date

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Responsible Executive Officer Signature

2/5/2021
Date

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Review period: November, 2019 to October, 2020

Responsible Manager(s): Luis Cruz, IT Manager and Carter Manucy, IT/OT & Cybersecurity Director

Policy Compliance: Indicate whether the following items required in the Information Technology Risk Management Policy were completed during the review period.

REQUIREMENT	YES	NO	EXPLANATION
IT Manager caused procedures to be established. (Section 3.0)	X		All procedures are on IT SharePoint site.
ITSC maintained list of current applications/systems owners. (Section 4.1)	X		On SharePoint
IT Manager logged reported security breaches and provided monthly report to Agency Risk Manager. (Section 4.1.1)	X		2 incidents were reported.
All ITSC recommendations were approved by General Manager prior to implementation. (Section 4.2)	X		No action items
Minimum standards for restoration times and off-site data storage were followed. (Section 4.3)	X		Monthly vendor support
Server rooms met minimum safeguards against unauthorized access. (Section 4.4.1)	X		Only IT and Facility Dept have access
Password strength for systems and applications was set per the assigned risk level. (Section 4.4.2)	X		
Inactivity periods were enforced. (Section 4.4.2)	X		
User access changes followed ITSC procedures. (Section 4.4.2)	X		
Manager owners performed annual user access reviews. (Section 4.4.2)	X		Review annually
Anti-virus software was maintained per policy requirements. (Section 4.4.3)	X		

<i>Policy Compliance continued:</i>			
REQUIREMENT	YES	NO	EXPLANATION
Market review of anti-virus software conducted every three years. (Section 4.4.3)	X		IT reviewed in 2020
IT Manager maintained and reviewed the firewall rule set per policy requirements. (Section 4.4.4)	X		Stored in SharePoint
FMPA maintained a test environment. (Section 4.4.5)	X		
IT Manager ensured logging and maintained logs per policy requirements. (Section 4.4.6)	X		Splunk is the software application
User training program was completed per policy requirements. (Section 5.3)	X		Phishing password, access, etc.
IT staff completed a minimum of 8 hours of education. (Section 5.4)	X		
IT Manager gave annual report to ITSC. (Section 6.1)		X	Changes are needed and the report will be given to the FC.
IT Manager presented annual report to the FC (Section 6.2)	X		Presented to FC in Oct 2020

<i>Internal Control Assessment:</i> Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.					
OBJECTIVE	1	2	3	4	EXPLANATION
Internal controls in place to secure IT assets from theft, fraud, damage, or breach of integrity.			X		
Custodians are responsible for IT assets under their control.			X		
Security breaches are reported to Risk Manager.			X		2 incidents were reported
All staff comply with copyright laws, contracts, and software licenses.			X		
Appropriate segregation of duties is maintained within the IT Department.			X		

Are there any concerns related to information technology risk management which should be brought to the attention of the CEO as part of this review? Yes ☐ No ☒ If yes, describe below.

Are there internal control concerns related to information technology risk management which require immediate attention? Yes ☐ No ☒ If yes, describe below including any change to risk inventory controls score.

Rate the overall functioning of information technology risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Regular communication with staff, budget requests met, and trainings provided.

Additional comments from responsible Manager(s):

Are there any emerging risks or environmental changes which impact information technology risk management?

Yes ☐ No ☒ If yes, describe below including any proposed changes to risk inventory.

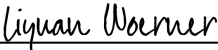
Other comments:

Rating scale for Policy compliance reviews:

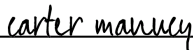
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Standard of compliance:


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Internal Audit Reviewer

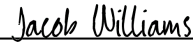
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2/8/2021
Date

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Risk Director Signature

2/5/2021
Date

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Responsible Executive Officer Signature

2/5/2021
Date

AGENDA ITEM 10 – REPORTS

a. FGU January Storage Report

**Finance Committee Meeting
February 17, 2021**

FMPA Storage Management Report

Florida Gas Utility

January 2021

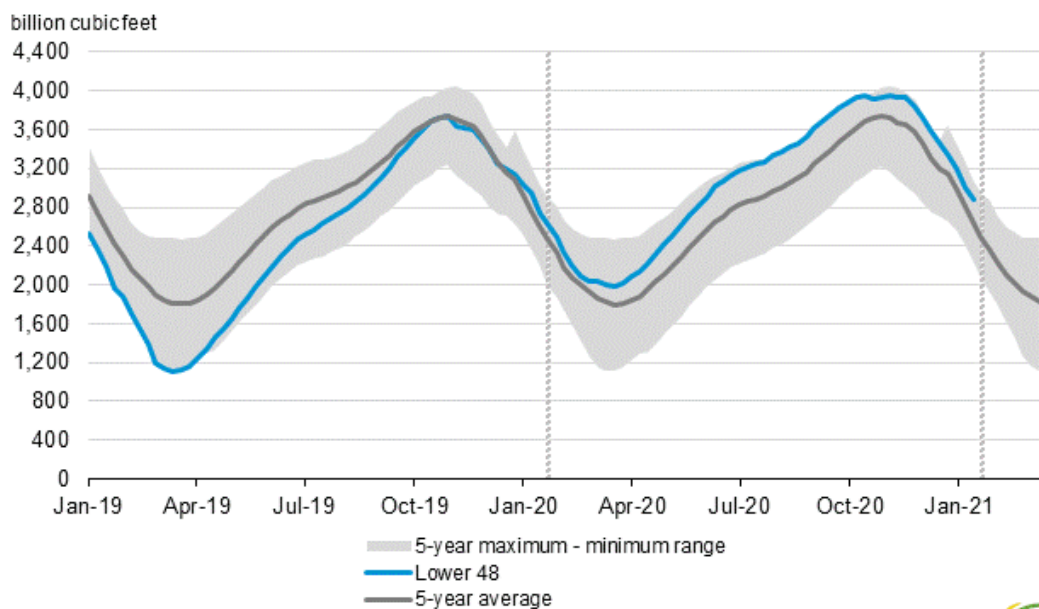


Executive Summary – January 2021 Activity

During January 2021, FGU withdrew 182,683 Dths of natural gas from FMPA's inventory ahead of the end of the term of its underlying storage service agreement. FGU executed the majority of the withdrawal, 155,000 Dths, as a baseload transaction (i.e., a planned monthly withdrawal) with the remainder conducted as opportunistic transactions on peak load days or for FMPA's operational balancing. FMPA's optimized storage position, as of January 31, 2021, is long 241,153 Dths of storage inventory (48% full) and short a total of 242,500 Dths of combined financial hedges (short 172,500 Dths of March 2021 futures) and physical positions (i.e., planned baseload withdrawal of 70,000 Dths during February 2021). FMPA's overall net optimized storage position decreased in value by \$15,388 during January with the benefits of the optimization transactions offset by the month-to-month decline in value of the assessed inventory and related hedges moving to the March 2021 contract upon expiration of the February contract.

The mild November weather experienced across much of the country transitioned to more normal winter temperatures in December and January. Natural gas prices in January gyrated in response to actual and forecasted weather patterns flipping from below normal, to above normal, and back. The prompt-month NYMEX contract reached a high of \$2.89/Dth during the first half of January, declined below \$2.42/Dth on 1/22/2021, and then expired at \$2.76/Dth the following week. Overall U.S. storage withdrawals in December and January were sufficient to reduce the inventory surplus relative to the year-ago inventory estimates. The EIA estimates that as of 1/22/2021, total inventory stands approximately 3% above the year-ago level compared to its estimate of a 10% year-over-year surplus at the end of November 2020.

Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration

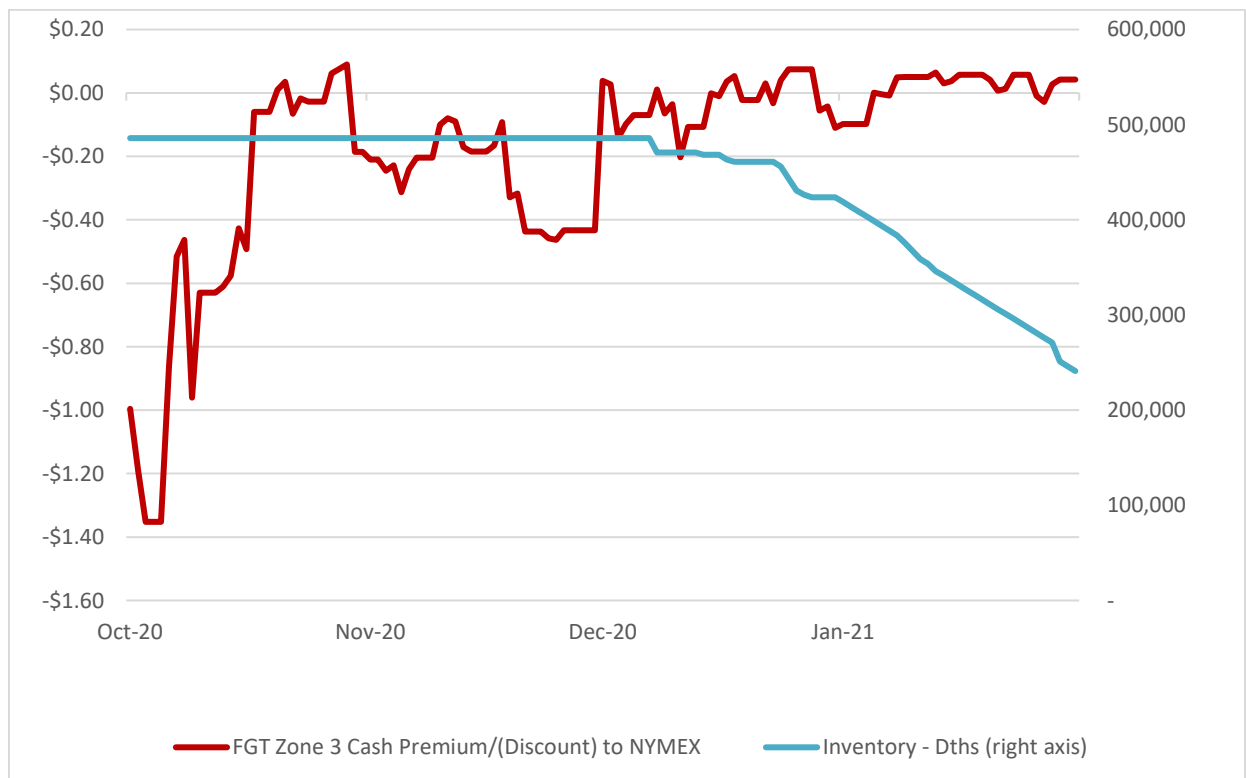


In addition to the daily and monthly withdrawals in January, FGU positioned FMPA's gas storage portfolio for a baseload withdrawal of 2,500 Dths/day (70,000 Dths total) for February 2021 to continue reducing FMPA's total inventory ahead of the end of the current storage agreement on March 31, 2021. Any extension of such storage agreement will be taken into account for March 2021 storage activity.

FGT Zone 3 Cash Market vs NYMEX Prompt-Month Futures



Cash Market Spread to NYMEX Prompt-Month vs FMPA Storage Inventory Level



Summary of Existing Physical Inventory Position (1/31/2021)

Total Inventory Volume	Total Inventory Cost	Inventory WACOG	Market Value	Marked to Market	Unrealized Gain/(Loss)
241,153	\$603,286	\$2.50	\$2.59	\$623,742	\$20,456

Summary of Existing Financial and Forward Physical Risk Management Positions (1/31/2021)

Delivery Month	Net Position (Dths)	Realized Gain/(Loss) to Date (\$)	Open Equity (\$)	Total Value (\$)
Nov-19	0	\$8,168	\$0	\$8,168
Dec-19	0	\$17,680	\$0	\$17,680
Jan-20	0	\$96,755	\$0	\$96,755
Feb-20	0	\$282,553	\$0	\$282,553
Mar-20	0	\$623	\$0	\$623
Apr-20	0	\$56,115	\$0	\$56,115
May-20	0	(\$31,785)	\$0	(\$31,785)
Jun-20	0	\$56,455	\$0	\$56,455
Jul-20	0	\$91,098	\$0	\$91,098
Aug-20	0	(\$73,548)	\$0	(\$73,548)
Sep-20	0	(\$153,440)	\$0	(\$153,440)
Oct-20	0	\$140,983	\$0	\$140,983
Nov-20	0	(\$55,000)	\$0	(\$55,000)
Dec-20	0	\$89,065	\$0	\$89,065
Jan-21	0	\$108,514	\$0	\$108,514
Feb-21	(70,000)	(\$64,298)	\$13,545	(\$50,752)
Mar-21	(172,500)	\$24,790	\$0	\$24,790
Apr-21	0	\$0	\$0	\$0

Summary of Historical Value - Physical and Financial (December 2009 through January 2021)

Optimization Activity	Net Position (Dths)	Total Realized Gain/(Loss)	Unrealized Gain/(Loss)	Total Storage Net Benefit
Current Physical/Financial Positions (1/31/2021)	-1,347	\$3,293,906	\$58,791	\$3,352,698
Fees & Commissions		(\$60,295)		\$3,292,403
NJRES Capacity Release		\$477,598		\$3,770,000
Sale of Call Options (Jan 2015)		\$26,000		\$3,796,000

Schedule of FMPA Gas and Cash Flows Related to FGU Storage Services

Month	Actual Injection Cost/ NYMEX Curve (1/31/2021)	Actual/ Anticipated Cash Flow (\$)	Net Injection Volume (Dths)	Net Withdrawal Volume (Dths)	Running Inventory Balance at End of Month (Dths)	Running Inventory Cost Balance (\$)	WACOG (\$/Dth)
Feb-20	\$0.00	\$0	0	0	497,948	\$1,245,710	\$2.502
Mar-20	\$0.00	\$0	0	0	497,948	\$1,245,710	\$2.502
Apr-20	\$0.00	\$0	0	0	497,948	\$1,245,710	\$2.502
May-20	\$0.00	(\$30,093)	0	12,029	485,919	\$1,215,617	\$2.502
Jun-20	\$0.00	\$0	0	0	485,919	\$1,215,617	\$2.502
Jul-20	\$0.00	\$0	0	0	485,919	\$1,215,617	\$2.502
Aug-20	\$0.00	\$0	0	0	485,919	\$1,215,617	\$2.502
Sep-20	\$0.00	\$0	0	0	485,919	\$1,215,617	\$2.502
Oct-20	\$0.00	\$0	0	0	485,919	\$1,215,617	\$2.502
Nov-20	\$0.00	\$0	0	0	485,919	\$1,215,617	\$2.502
Dec-21	\$0.00	(\$155,313)	0	62,083	423,836	\$1,060,304	\$2.502
Jan-21	\$0.00	(\$457,018)	0	182,683	241,153	\$603,286	\$2.502
Feb-21	\$2.58	(\$225,151)	0	90,000	151,153	\$378,135	\$2.502
Mar-21*	\$2.56	(\$378,135)	0	151,153	0	\$0	\$0.000

*FMPA's current storage agreement expires March 31, 2021. FGU assumes no extension of any storage agreement for purposes of projecting cash flows.

Winter months

Bold = actual data

- Negative values reflect withdrawals of storage gas that have already been paid for.
- Positive values reflect charges to FMPA for gas purchases to be injected into storage.
- Months above reflect the period of storage activity and the actual charge/credit from FGU would occur the following month.

AGENDA ITEM 11 – COMMENTS

**Finance Committee Meeting
February 17, 2021**

AGENDA ITEM 12 – ADJOURNMENT

**Finance Committee Meeting
February 17, 2021**