



FINANCE COMMITTEE

AGENDA PACKAGE

June 9, 2021

2:00 p.m.

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

Meeting Number 180 138 3168#

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: June 1, 2021
SUBJECT: FMPA Finance Committee Meeting
June 9, 2021 at 2:00pm
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
138 3168# 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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2. Recognition of Guests.....5
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LSH/bs

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
June 9, 2021**

**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

**Finance Committee Meeting
June 9, 2021**

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

**Finance Committee Meeting
June 9, 2021**

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

**Finance Committee Meeting
June 9, 2021**

**AGENDA ITEM 5 – APPROVAL OF
MINUTES**

- a. Approval of Minutes – Finance
Committee Minutes – Meeting
Held May 19, 2021**

**Finance Committee Meeting
June 9, 2021**

CLERKS DULY NOTIFIED.....May 11, 2021
AGENDA PACKAGE SENT TO MEMBERS.....May 11, 2021

**MINUTES
FINANCE COMMITTEE MEETING
WEDNESDAY, MAY 19, 2021
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL**

**PARTICIPANTS
PRESENT**

Karen Nelson, Jacksonville Beach
Howard McKinnon, Havana (arrived after roll call)

**PRESENT
BY TELEPHONE**

Barbara Mika, Fort Pierce
Barbara Quinones, Homestead
Alternate Jesse Perloff, Key West
Larry Mattern, Kissimmee
Jim Williams, Leesburg
Steve Langley, Mount Dora
Marie Brooks, Ocala
James Braddock, Wauchula

**PARTICIPANTS
ABSENT**

Jody Young, Bushnell
Dallas Lee, Newberry

**OTHERS
PRESENT**

Craig Dunlap, Dunlap & Associates, Inc.
Michael Mace, PFM

STAFF PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Mark McCain, VP of Member Services & Public Relations
Sharon Adams, VP of HR & Shared Services
Rich Popp, Treasurer and Risk Director
Danyel Sullivan-Marrero, Controller
Gloria Reyes, Assistant Treasurer/Investments
Sena Mitchell, Assistant Treasurer
Denise Fuentes, Budget & Financial Analyst II
Steve Ruppel, Senior Financial Analyst
Louis DeSimone, Financial Planning & Rates Analyst II
Liyuan Woerner, Audit Manager
Jason Wolfe, Financial Planning Rates and Budget Director
Sue Utley, Executive Assistant to CEO/Asst. Sec. Bd. Dir.
Isabel Montoya, IT Specialist
Bianca Scott, Administrative Specialist
Ryan Dumas, PR Specialist
Andrei Benjamin, Sharepoint Administrator

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

Karen Nelson, Jacksonville Beach, called the FMPA Finance Committee Meeting to order at 2:00 pm on Wednesday, May 19, 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 9 of 12 members present.

ITEM 2 – RECOGNITION OF GUESTS

None present

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 amended to move information item 9d before 8c. Barbara Quinones, Homestead, seconded the motion. Motion carried 9-0.

ITEM 5 – APPROVAL OF THE MINUTES

a. Approval of Minutes – Finance Committee Minutes – Meeting Held April 14, 2021

MOTION: Larry Mattern, Kissimmee, moved the approval of the minutes presented for the meeting held April 14, 2021. Barbara Quinones, Homestead, seconded the motion. Motion carried 9-0.

ITEM 6 – CHAIRPERSON'S REMARKS

None.

ITEM 7 – CFO REPORT

Linda Howard presented on the following items

1. Alternate Sandee Braxton was approved for the City of Wauchula by the Board of Directors and Executive Committee Chairs.
2. Accounting is looking at the depreciable lives of FMPA assets
3. Discussed some St. Lucie debt options
4. Reminded the Finance Committee of the special June 3rd Finance Committee meeting
5. Assessing a solar loan that may be needed quickly
6. Jacob Williams gave an update on the Colonial Pipeline cyber attack

ITEM 8 – ACTION ITEMS

- a. Approval of FY2022 Agency General Budget for Recommendation to the Executive Committee for Approval**

MOTION: Larry Mattern, Kissimmee, moved approval of the FY2022 Agency General Budget for recommendation to the Executive Committee for Approval. Barbara Quinones, Homestead, seconded the motion. Motion carried 9-0.

b. Approval of FY2022 Agency Allocation for Recommendation to the Board of Directors for Approval

MOTION: Larry Mattern, Kissimmee, moved approval of the FY2022 Agency Allocation for Recommendation to the Board of Directors for Approval. Barbara Quinones, Homestead, seconded the motion. Motion carried 9-0.

Howard McKinnon entered after the vote on this item.

c. Review and Approval of FY2022/FY2023 Small Project Budgets (Stanton, Tri-City, Stanton II, St. Lucie, Solar, Solar II, Pooled Loan) for Recommendation to the Board of Directors for Approval

MOTION: Howard McKinnon, Havana, moved approval of FY2022/FY2023 Small Project Budgets (Stanton, Tri-City, Stanton II, St. Lucie, Solar, Solar II, and Initial Pooled Loan Projects) for Recommendation to the Board of Directors for Approval. Barbara Quinones, Homestead, seconded the motion. Motion carried 10-0.

d. Approval of Appendix K Origination Transaction Policy

MOTION: Larry Mattern, Kissimmee, moved approval of Appendix K Origination Transaction Policy. Barbara Quinones, Homestead, seconded the motion. Motion carried 10-0.

e. Approval of Appendix M Contingency Planning Risk Management Policy

MOTION: Larry Mattern, Kissimmee, moved approval of Appendix M Contingency Planning Risk Management Policy. Barbara Quinones, Homestead, seconded the motion. Motion carried 10-0.

ITEM 9 – INFORMATION ITEMS

a. Review of Risk Management and Credit Policies

Rich Popp presented on the review of risk management and credit policies. There are 2 policies included in the presentation for review, but no recommended changes.

b. Review of Risk Policy Compliance Reports

Liyuan Woerner presented on the review of risk policy compliance reports. There are 4 policies covered during this review cycle: origination transaction, contingency planning, risk management and credit policies. Recommended changes stated above by Rich. Based on our review there were no exceptions noted.

c. 2021 Credit Card Audit Report

Liyuan Woerner presented on the 2021 credit card audit report. They identified 4 exceptions, 3 receipts were not submitted on time and 1 was not approved on time. This is a significant improvement over last year where there were 14 exceptions.

Howard asked about the process used last year that identified the 14 of 40 exceptions and whether or not the scope needed to be expanded. After further explanation, he agreed that the process is working and that we saw improvement with only 4 exceptions this year.

d. Proposed Revisions to FY 2021 Demand Billings for Stanton, Tri-City, and Stanton II projects *This item was moved ahead of 8C on the agenda*

Jason Wolfe presented on the proposed revisions to the FY2021 Demand Billings for Stanton, Tri-City and Stanton II projects. In June, we will ask the Finance Committee for the recommendation to approve the revised budget demand billings and the Board of Directors to approve the revised budget and billings.

e. Review of FMPA's Risk Inventory

Rich Popp presented on FMPA's risk inventory. The heat map shows that ARP Generation – Limited Partnership and Legislative Affairs are the top two risks in 2021.

ITEM 10 – REPORTS

None.

ITEM 11 – COMMENTS

None.

ITEM 12 – ADJOURNMENT

There being no further business, the meeting was adjourned at 3:18 pm.

Approved: _____ Date _____ LSH/bs

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

**Finance Committee Meeting
June 9, 2021**

AGENDA ITEM 7 – CFO REPORT

**Finance Committee Meeting
June 9, 2021**

AGENDA ITEM 8 – ACTION ITEMS

- a. Approval of Revisions to Demand Billings for Stanton, Tri-City, and Stanton II Projects for the Remainder of FY 2021**

**Finance Committee Meeting
June 9, 2021**



8a - Approval of Revisions to Demand Billings for Stanton, Tri-City, and Stanton II Projects for the Remainder of FY 2021

Finance Committee

June 9, 2021

Tri-City Project FY 21 Demand Billing Increase Needed

Other Billings Can Be Reduced to Offset This Cost Increase

- Tri-City O&M Fund balance currently sufficient but projected to drop to ~15 days cash by end of FY 2021 if demand billings not increased
- Error discovered in FY 2021 budget process that materially overstated Tri-City Project FY 2021 beginning O&M Fund balance
- Resulted in too much money being returned to Tri-City Participants in FY 2021 through lower demand billings
- Stanton and Stanton II Projects currently have cash well above 60-day target
- Proposing to increase Tri-City demand billings and decrease Stanton and Stanton II demand billings for June through September
- Overall, all participants in these Projects will see a net decrease in costs

Tri-City Projected Below 30 Days Cash by 9/30/21

Stanton and Stanton II Projects Still Well Above 60-Day Target

	60-Day Cash Need (\$000)	Cash Balance @ 3/31/21 (\$000)	Current Days Cash on Hand	Projected Cash Balance @ 9/30/21 (\$000)	Projected Days Cash on Hand
Tri-City Project	\$1,100	\$1,176	64	\$278	15
Stanton Project	\$3,032	\$7,732	153	\$5,952	118
Stanton II Project	\$7,777	\$12,316	95	\$9,913	76

Proposed Change Keeps Tri-City Near 60 Days Cash

While Tri-City Costs Increase, Total Costs for Participants Decrease

	Current Participant Demand Billings for June – September (\$000)	Proposed Participant Demand Billings for June – September (\$000)	Increase/(Decrease) in Participant Demand Billings (\$000)	Projected Days Cash on Hand @ 9/30/21 with Revised Demand Billings
Tri-City Project	\$368	\$1,100	\$732	55
Stanton Project	\$1,493	\$680	(\$813)	102
Stanton II Project	\$8,817	\$8,000	(\$817)	70
Total	\$10,678	\$9,780	(\$898)	

All Impacted Members Receive at Least Small Net Overall Cost Decrease

Total Net Impact to Members from Proposed Change to Stanton, Tri-City, and Stanton II Demand Billings

Member [1]	Total Demand Billings for June – September (\$)	Total Proposed Demand Billings for June – September (\$)	Total Net Increase/(Decrease) in Demand Billings (\$)
Homestead	\$992,624	\$992,471	(\$153)
Lake Worth Beach	\$242,686	110,568	(\$132,118)
St. Cloud	\$1,293,590	\$1,173,688	(\$119,902)
ARP [2]	\$8,149,303	\$7,503,273	(\$646,030)
Total	\$10,678,203	\$9,780,000	(\$898,203)

[1] The impact to each Participant in each Project is shown in the supplemental information to this presentation.

[2] Includes the ARP's Power Entitlement Shares in the Stanton and Stanton II Projects (Vero Beach), as well as ARP Participant Power Entitlement Shares in the Stanton, Tri-City, and Stanton II Projects paid by the ARP.

Recommended Motion

- Move approval of recommending the proposed revised Participant demand billings for the Stanton, Tri-City, and Stanton II Projects for the months of June 2021 through September 2021, to the Board of Directors for approval



Supplemental Information



Tri-City Project Billings Increase by ~\$732k

~2x Increase from Current FY 21 Demand Billings

Project Participants	Power Entitlement Share (%)	Current Total Participant Demand Billings for June – September (\$000)	Proposed Participant Demand Billings for June – September (\$000)	Increase/ (Decrease) (\$000)
Fort Pierce [1]	22.7270%	\$83,701	\$249,997	\$166,296
Homestead	22.7270%	\$83,701	\$249,997	\$166,296
Key West [1]	54.5460%	\$200,918	\$600,006	\$399,088
Total	100.0000%	\$368,320	\$1,100,000	\$731,680

[1] Paid by ARP

Stanton Project Billings Decrease by ~\$813k

54% Decrease from Current FY 21 Demand Billings

Project Participants	Power Entitlement Share (%)	Current Total Participant Demand Billings for June – September (\$)	Proposed Participant Demand Billings for June – September (\$)	Increase/ (Decrease) (\$)
Fort Pierce [1]	24.3900%	\$364,037	\$165,852	(\$198,185)
Homestead	12.1950%	\$182,020	\$82,926	(\$99,094)
KUA [1]	12.1950%	\$182,018	\$82,926	(\$99,092)
Lake Worth Beach	16.2600%	\$242,686	\$110,568	(\$132,118)
Starke [1]	2.4390%	\$36,403	\$16,585	(\$19,818)
ARP (from Vero Beach)	32.5210%	\$485,391	\$221,143	(\$264,248)
Total	100.0000%	\$1,492,555	\$680,000	(\$812,555)

[1] Paid by ARP

Stanton II Project Billings Decrease by ~\$817k

9% Decrease from Current FY 21 Demand Billings

Project Participants	Power Entitlement Share (%)	Current Total Participant Demand Billings for June – September (\$)	Proposed Participant Demand Billings for June – September (\$)	Increase/ (Decrease) (\$)
Fort Pierce [1]	16.48870%	\$1,453,887	1319,096	(\$134,791)
Homestead	8.24435%	\$726,903	659,548	(\$67,355)
KUA [1]	32.97735%	\$2,907,693	2638,188	(\$269,505)
Key West [1]	9.89320%	\$872,297	791,456	(\$80,841)
St. Cloud	14.67110%	\$1,293,590	\$1173,688	(\$119,902)
Starke [1]	1.23660%	\$109,071	\$98,928	(\$10,143)
ARP (from Vero Beach)	16.48870%	\$1,453,887	\$1,319,096	(\$134,791)
Total	100.0000%	\$8,817,328	\$8,000,000	(\$817,328)

[1] Paid by ARP

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**a. Discussion on Depreciation
Recommendations**

**Finance Committee Meeting
June 9, 2021**



9a - Recommended Changes in Depreciation for Generation Units

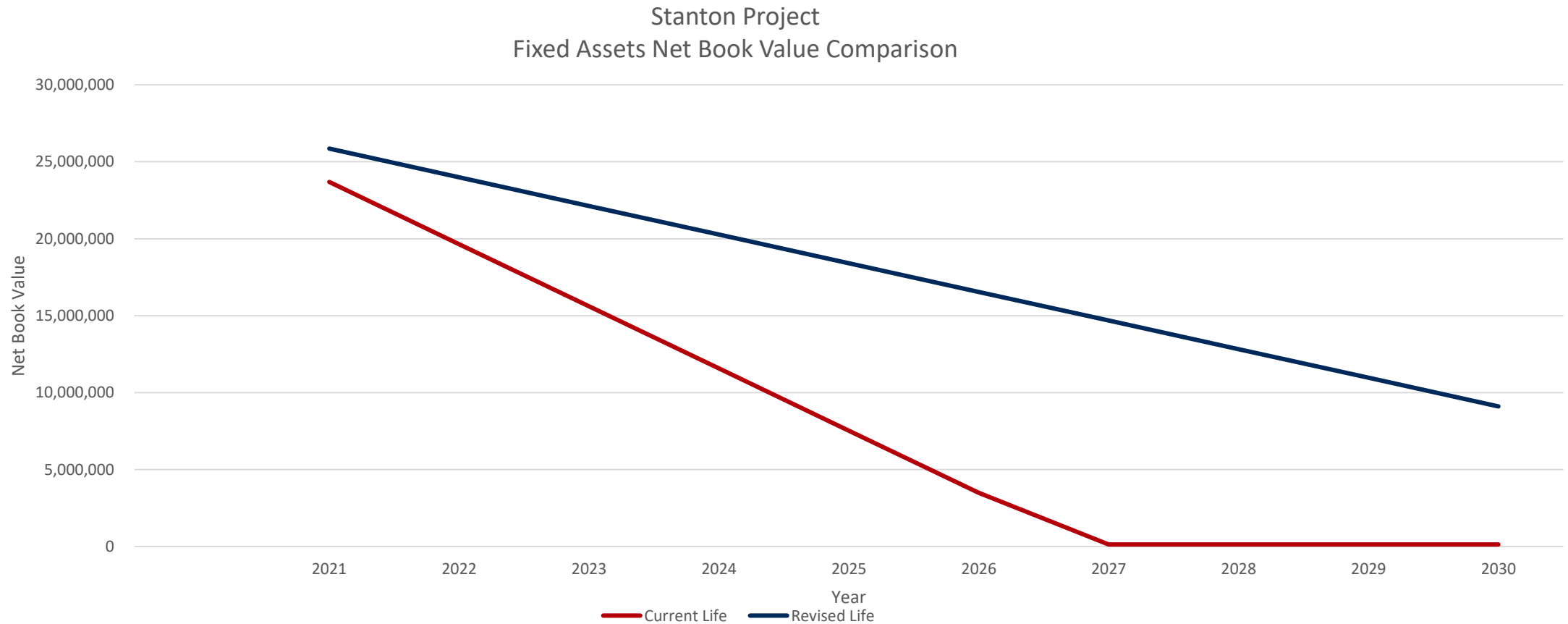
Finance Committee
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Why Change Our Estimates?

- These changes do not affect rates
- Originally useful estimates were very conservative and associated with bond retirement dates, with the exception of Stanton II
- Based on maintenance schedules and capital improvements, the units will last longer than our current useful life estimates reflect
- Extending the useful lives beyond the related bond retirement dates will create equity in the assets
- Increased equity should be received positively by the rating agencies
- When borrowings for capital improvements are needed, the useful life is more accurately shown

Stanton Project - Effect on Net Book Value

Placed in service in 1987, Extending Useful Life from 2027 to 2035



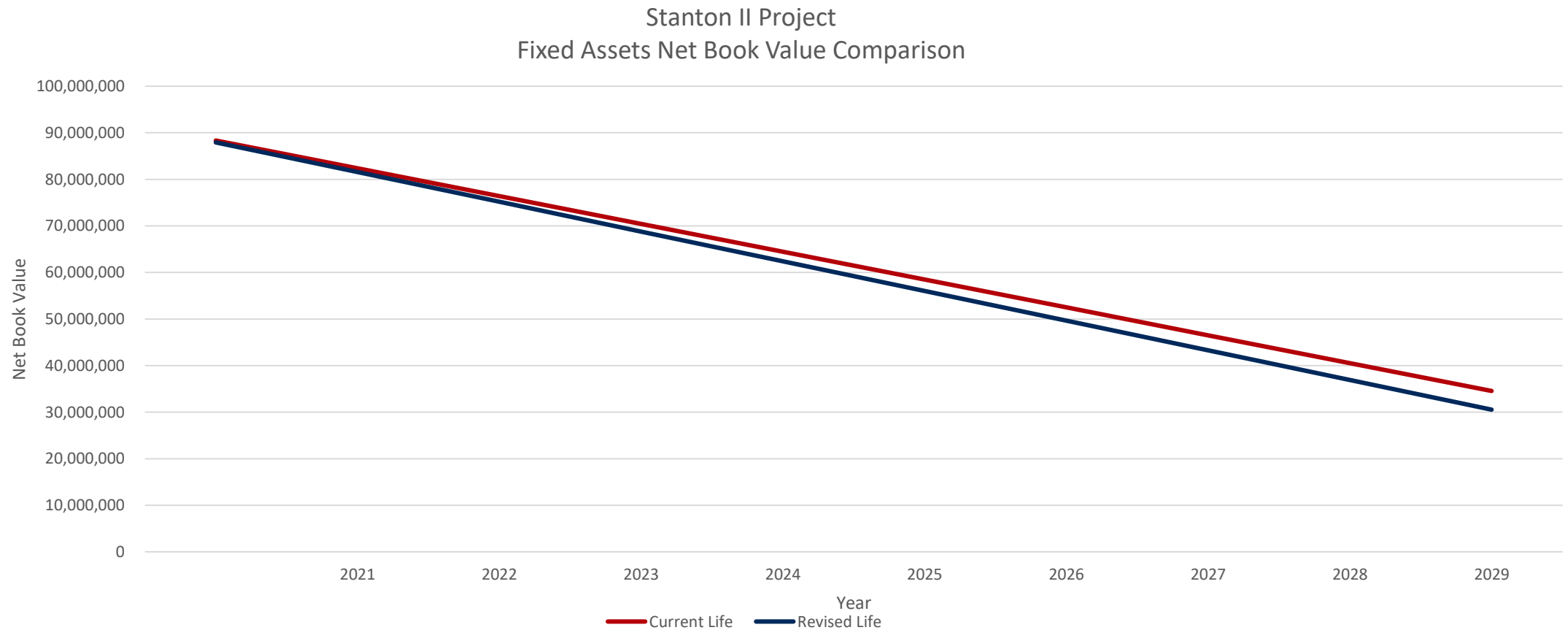
Stanton Project Details

Detailed Changes to Net Book Value over the Next Ten Years

		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Current Depreciation Schedule											
Total Assets		95,599,699	95,599,699	95,599,699	95,599,699	95,599,699	95,599,699	95,599,699	95,599,699	95,599,699	95,599,699
Accumulated Depreciation		(71,917,157)	(75,955,560)	(79,993,962)	(84,032,364)	(88,070,766)	(92,109,169)	(95,474,504)	(95,474,504)	(95,474,504)	(95,474,504)
Net Book Value		23,682,542	19,644,139	15,605,737	11,567,335	7,528,933	3,490,530	125,195	125,195	125,195	125,195
Current Depreciation Expense		71,917,157	4,038,403	4,038,402	4,038,402	4,038,402	4,038,403	3,365,335	0	0	0
Proposed Depreciation Schedule											
Total Assets		95,599,669	95,599,669	95,599,669	95,599,669	95,599,669	95,599,669	95,599,669	95,599,669	95,599,669	95,599,669
Accumulated Depreciation		(69,748,621)	(71,609,716)	(73,470,811)	(75,331,906)	(77,193,001)	(79,054,096)	(80,915,191)	(82,776,286)	(84,637,381)	(86,498,476)
Net Book Value		25,851,048	23,989,953	22,128,858	20,267,763	18,406,668	16,545,573	14,684,478	12,823,383	10,962,288	9,101,193
Current Depreciation Expense		69,748,621	1,861,095	1,861,095	1,861,095	1,861,095	1,861,095	1,861,095	1,861,095	1,861,095	1,861,095
Depreciation Change		(2,168,536)	(2,177,308)	(2,177,307)	(2,177,307)	(2,177,307)	(2,177,308)	(1,504,240)	1,861,095	1,861,095	1,861,095
Net Changes in Book Value		\$2,168,506	\$4,345,814	\$6,523,121	\$8,700,428	\$10,877,735	\$13,055,043	\$14,559,283	\$12,698,188	\$10,837,093	\$8,975,998

Stanton II Project - Effect on Net Book Value

Placed in Service in 1996, Reducing Useful Life from 2036 to 2035



Stanton II Project

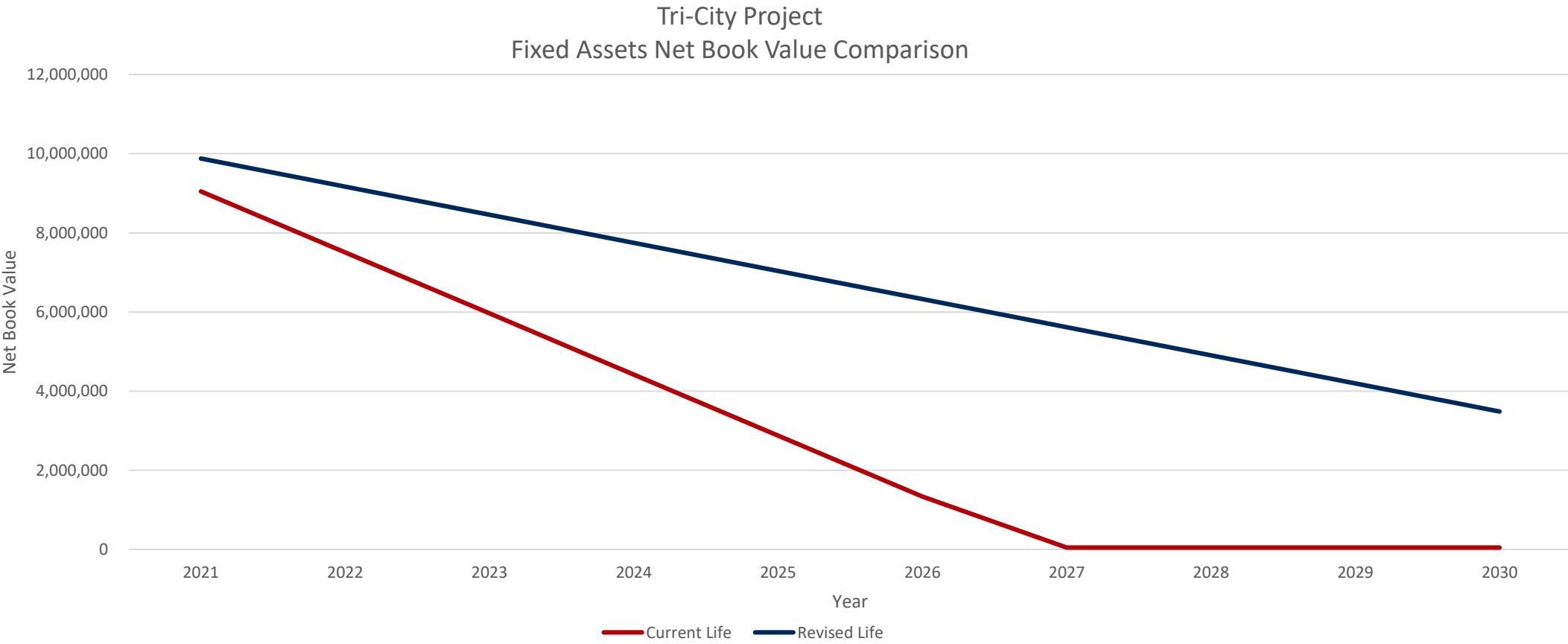
*Detailed Changes to Net Book Value over the Next Ten Years **

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Current Depreciation Schedule										
Total Assets	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251
Accumulated Depreciation	(121,822,275)	(127,796,846)	(133,771,416)	(139,745,987)	(145,720,558)	(151,695,129)	(157,669,700)	(163,644,271)	(169,618,841)	(175,593,412)
Net Book Value	88,341,976	82,367,405	76,392,835	70,418,264	64,443,693	58,469,122	52,494,551	46,519,980	40,545,410	34,570,839
Current Depreciation Expense	5,939,661	5,974,571	5,974,570	5,974,571	5,974,571	5,974,571	5,974,571	5,974,571	5,974,570	5,974,571
Proposed Depreciation Schedule										
Total Assets	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251	210,164,251
Accumulated Depreciation	(122,225,077)	(128,604,868)	(134,984,659)	(141,364,450)	(147,744,241)	(154,124,032)	(160,503,823)	(166,883,614)	(173,263,405)	(179,643,196)
Net Book Value	87,939,174	81,559,383	75,179,592	68,799,801	62,420,010	56,040,219	49,660,428	43,280,637	36,900,846	30,521,055
Current Depreciation Expense	6,342,463	6,379,791	6,379,791	6,379,791	6,379,791	6,379,791	6,379,791	6,379,791	6,379,791	6,379,791
Depreciation Change	402,802	405,220	405,221	405,220	405,220	405,220	405,220	405,220	405,221	405,220
Net Changes in Book Value	(\$402,802)	(\$808,022)	(\$1,213,243)	(\$1,618,463)	(\$2,023,683)	(\$2,428,903)	(\$2,834,123)	(\$3,239,343)	(\$3,644,564)	(\$4,049,784)

* Stanton II Useful Life Reduced to align with Stanton & Tri-City Projects

Tri-City Project - Effect on Net Book Value

Placed in Service 1983, Increasing Useful Life from 2025 to 2035



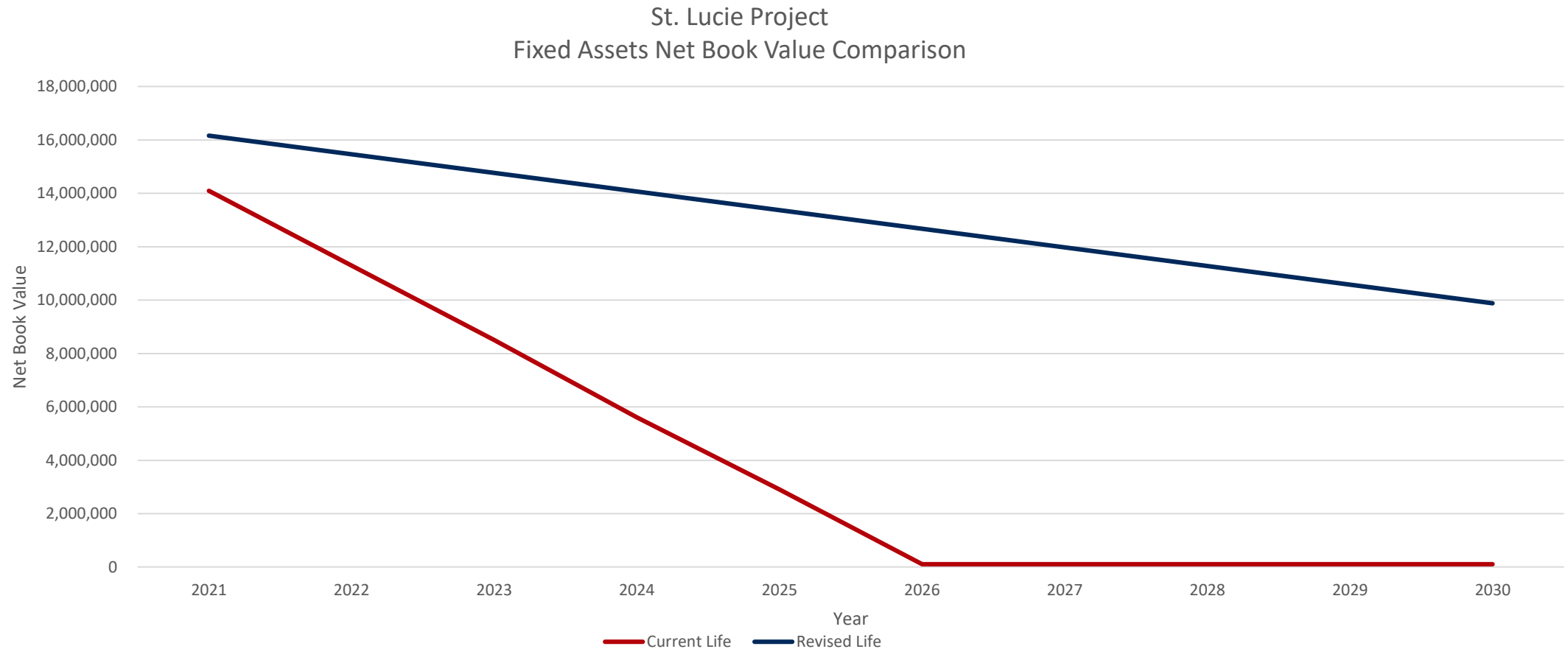
Tri-City Project

Effect on Net Book Value Over the Next Ten Years

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Current Depreciation Schedule										
Total Assets	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573
Accumulated Depreciation	(28,957,309)	(30,500,435)	(32,043,561)	(33,586,687)	(35,129,813)	(36,672,939)	(37,958,878)	(37,958,878)	(37,958,878)	(37,958,878)
Net Book Value	9,049,264	7,506,138	5,963,012	4,419,886	2,876,760	1,333,634	47,695	47,695	47,695	47,695
Current Depreciation Expense	1,537,441	1,543,126	1,543,126	1,543,126	1,543,126	1,543,126	1,285,939	0	0	0
Proposed Depreciation Schedule										
Total Assets	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573	38,006,573
Accumulated Depreciation	(28,127,987)	(28,838,654)	(29,549,321)	(30,259,988)	(30,970,655)	(31,681,322)	(32,391,989)	(33,102,656)	(33,813,323)	(34,523,990)
Net Book Value	9,878,586	9,167,919	8,457,252	7,746,585	7,035,918	6,325,251	5,614,584	4,903,917	4,193,250	3,482,583
Current Depreciation Expense	708,119	710,667	710,667	710,667	710,667	710,667	710,667	710,667	710,667	710,667
Depreciation Change	(829,322)	(832,459)	(832,459)	(832,459)	(832,459)	(832,459)	(575,272)	710,667	710,667	710,667
Net Changes in Book Value										
	\$829,322	\$1,661,781	\$2,494,240	\$3,326,699	\$4,159,158	\$4,991,617	\$5,566,889	\$4,856,222	\$4,145,555	\$3,434,888

St. Lucie Project - Effect on Net Book Value

Placed in Service 1983, Increasing Useful Life from 2025 to 2043



St. Lucie Project - Changes in Net Book Value

Effect on Net Book Value Over the Next Ten Years

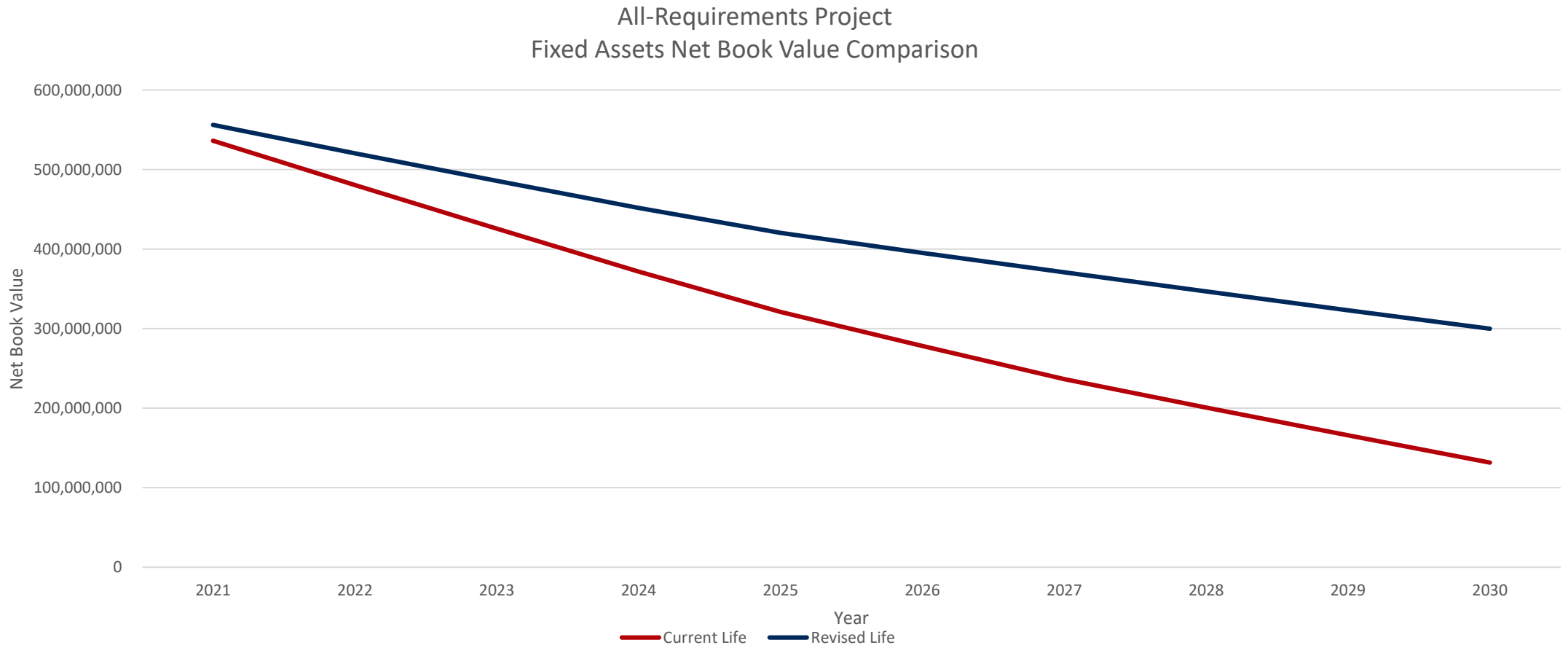
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Current Depreciation Schedule										
Total Assets	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719
Accumulated Depreciation	(294,951,965)	(297,751,082)	(300,550,199)	(303,439,317)	(306,148,435)	(308,947,553)	(308,947,553)	(308,947,553)	(308,947,553)	(308,947,553)
Net Book Value	14,099,754	11,300,637	8,501,520	5,612,402	2,903,284	104,166	104,166	104,166	104,166	104,166
Current Depreciation Expense	2,753,944	2,799,117	2,799,117	2,889,118	2,709,118	2,799,118	0	0	0	0
Proposed Depreciation Schedule										
Total Assets	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719	309,051,719
Accumulated Depreciation	(292,885,474)	(293,583,825)	(294,282,175)	(294,980,526)	(295,678,877)	(296,377,228)	(297,075,579)	(297,773,930)	(298,472,281)	(299,170,632)
Net Book Value	16,166,245	15,467,894	14,769,544	14,071,193	13,372,842	12,674,491	11,976,140	11,277,789	10,579,438	9,881,087
Current Depreciation Expense	687,453	698,351	698,350	698,351	698,351	698,351	698,351	698,351	698,351	698,351
Depreciation Change	(2,066,491)	(2,100,766)	(2,100,767)	(2,190,767)	(2,010,767)	(2,100,767)	698,351	698,351	698,351	698,351
Net Changes in Book Value										
	\$2,066,491	\$4,167,257	\$6,268,024	\$8,458,791	\$10,469,558	\$12,570,325	\$11,871,974	\$11,173,623	\$10,475,272	\$9,776,921

All Requirements Project Changes Include:

- Stanton – Increasing Useful Life from 2027 to 2035
- Stanton II – Decreasing Useful Life from 2036 to 2035
- Cane Island 2 – Increasing Useful Life from 2025 to 2030
- Cane Island 3 – Increasing Useful Life from 2031 to 2036
- Cane Island 4 – Increasing Useful Life from 2034 to 2046
- Treasure Coast – Increasing Useful Life from 2031 to 2043

All Requirements Project - Effect on Net Book Value

Includes Stanton I & II, Cane Island 2, 3 & 4, & Treasure Coast



All Requirements Project - Changes in Net Book Value

Effect on Net Book Value Over the next Ten Years

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Current Depreciation Schedule										
Total Assets	1,303,593,226	1,303,593,226	1,303,593,226	1,303,593,226	1,303,593,226	1,303,593,226	1,303,593,226	1,303,593,226	1,303,593,226	1,303,593,226
Accumulated Depreciation	(767,272,410)	(823,154,339)	(877,808,831)	(931,890,463)	(982,493,586)	(1,025,518,571)	(1,066,953,348)	(1,102,932,338)	(1,137,696,129)	(1,172,139,528)
Net Book Value	536,320,816	480,438,887	425,784,395	371,702,763	321,099,640	278,074,655	236,639,878	200,660,888	165,897,097	131,453,698
Current Depreciation Expense	56,568,324	55,881,929	54,654,492	54,081,632	50,603,123	43,024,985	41,434,777	35,978,990	34,763,791	34,443,399
Proposed Depreciation Schedule										
Total Assets	1,303,232,460	1,303,232,460	1,303,232,460	1,303,232,460	1,303,232,460	1,303,232,460	1,303,232,460	1,303,232,460	1,303,232,460	1,303,232,460
Accumulated Depreciation	(747,044,561)	(782,870,660)	(817,472,089)	(851,550,198)	(882,769,910)	(908,073,439)	(932,261,048)	(956,355,912)	(980,173,020)	(1,003,469,300)
Net Book Value	556,187,899	520,361,800	485,760,371	451,682,262	420,462,550	395,159,021	370,971,412	346,876,548	323,059,440	299,763,160
Current Depreciation Expense	36,340,475	35,826,099	34,601,429	34,078,109	31,219,712	25,303,529	24,187,609	24,094,864	23,817,108	23,296,280
Depreciation Change	(20,227,849)	(20,055,830)	(20,053,063)	(20,003,523)	(19,383,411)	(17,721,456)	(17,247,168)	(11,884,126)	(10,946,683)	(11,147,119)
Net Changes in Book Value										
	\$19,867,083	\$39,922,913	\$59,975,976	\$79,979,499	\$99,362,910	\$117,084,366	\$134,331,534	\$146,215,660	\$157,162,343	\$168,309,462

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**b. Budget Status and Potential
Amendments Needed**

**Finance Committee Meeting
June 9, 2021**



9b – FY 2021 Budget Status and Potential Budget Amendments Needed

Finance Committee

June 9, 2021

Additional FY 21 Spending Authority Anticipated to Be Needed for Several Projects

Project	% of Budget Spent to Date	YTD Target Spend	Budget Status	Month Additional Spending Authority Anticipated to be Needed	Estimated Additional Spending Authority Needed
Agency	55%	58%		N/A	N/A
ARP	58%	56%		September	\$5M - \$15M
Stanton Project	54%	51%		September	\$0 - \$2M
Tri-City Project	51%	51%		September	\$0 - \$1M
Stanton II Project	57%	56%		September	\$2M - \$4M
St. Lucie Project	55%	61%		September	\$0 - \$1M
Solar Project	0%	0%		N/A	N/A
Solar II Project	0%	0%		June – September	\$0 - \$0.5M
Pooled Loan Project	27%	58%		June – September	\$0 - \$0.6M

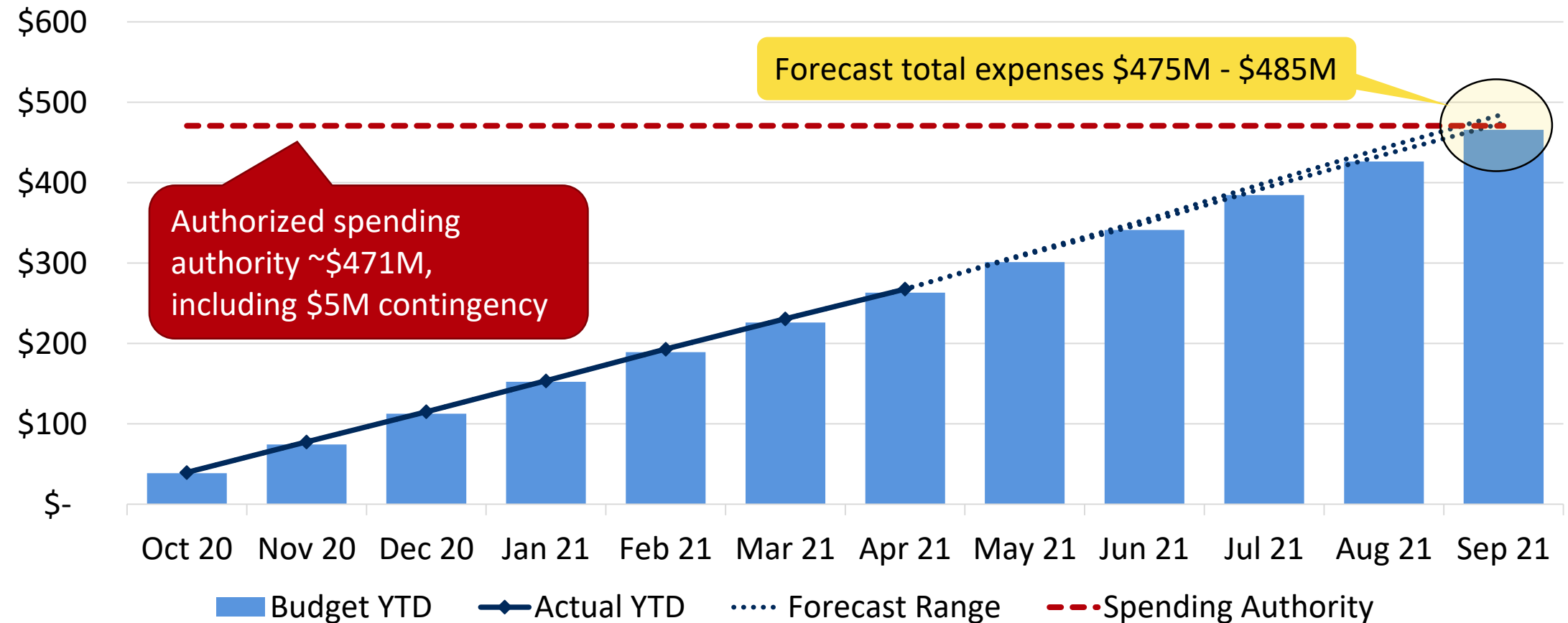
Summary of Budget Amendment Drivers

- ARP increase driven by fuel expense above budget
 - YTD Participant sales 2.6% above budget; 3rd party sales 15% above budget
 - While \$ expenses above budget, \$/MWh Participant costs ~\$4/MWh (5%) below budget through April
- Stanton, Tri-City, and Stanton II increases driven by fuel expense above budget due to generation above budget
- St. Lucie currently well below budget, but September refueling outage costs may push total expenses close to or above total budget
- Solar II Project amendment not currently anticipated but may be needed if project funds network upgrades
- Staff looking into whether Pooled Loan Project needs to record Stanton II loan principal and interest costs as an expense for spending authority purposes

ARP Forecasted \$4M to \$14M > Budget + Contingency

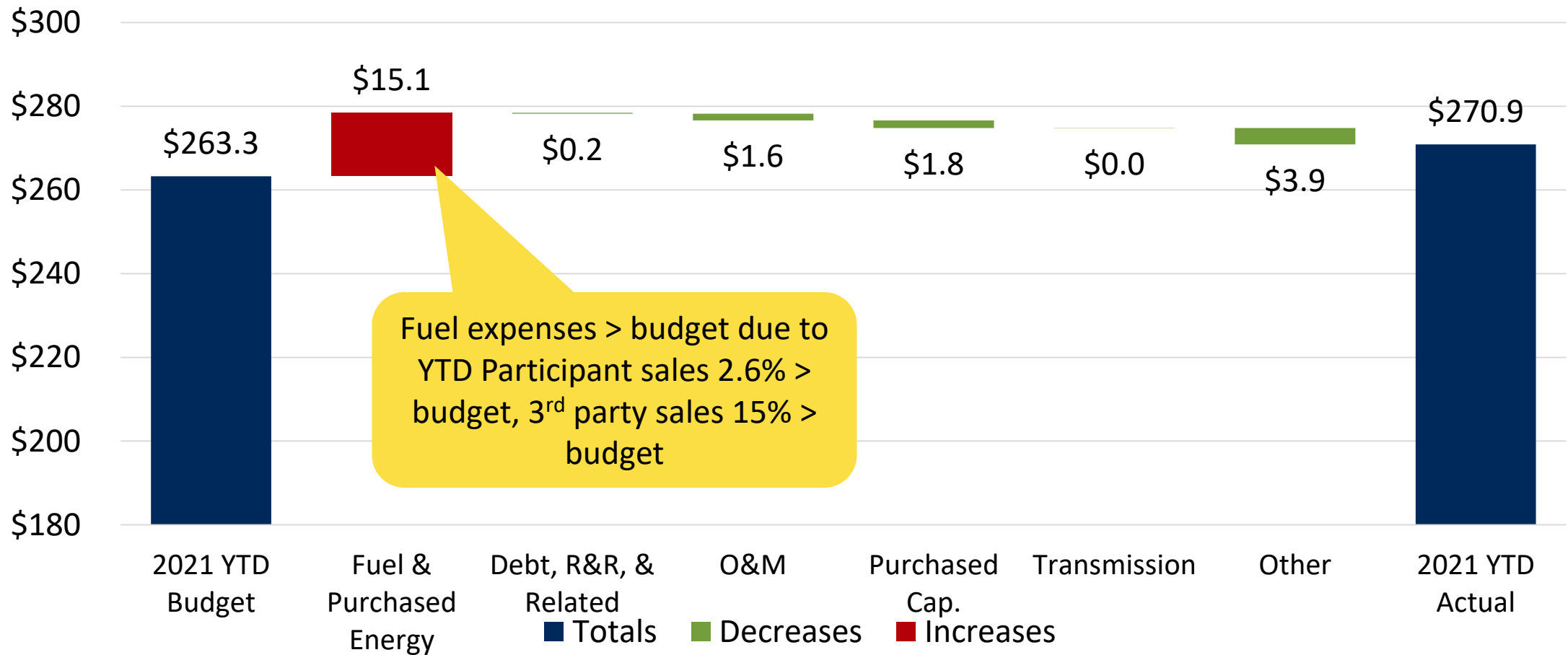
Driven by Sales > Budget, Higher Summer Gas Curve

ARP FY 2021 Cumulative Budget vs. Actual Expenses (\$Millions)



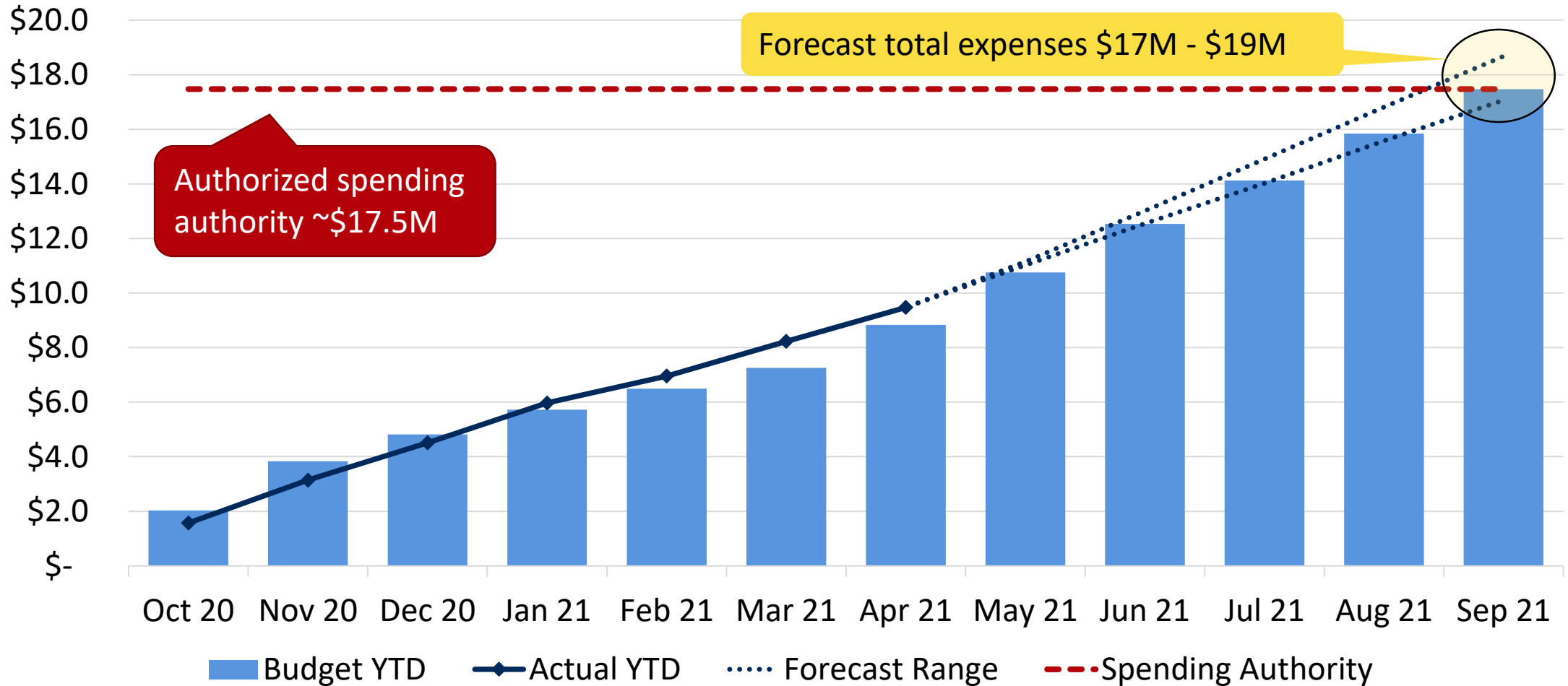
ARP \$7.3M > Budget through April

ARP FY 2021 YTD Budget vs. Actual Expenses through April (\$Millions)



Stanton Project Forecasted \$0.5M < Budget to \$1.5M > Budget

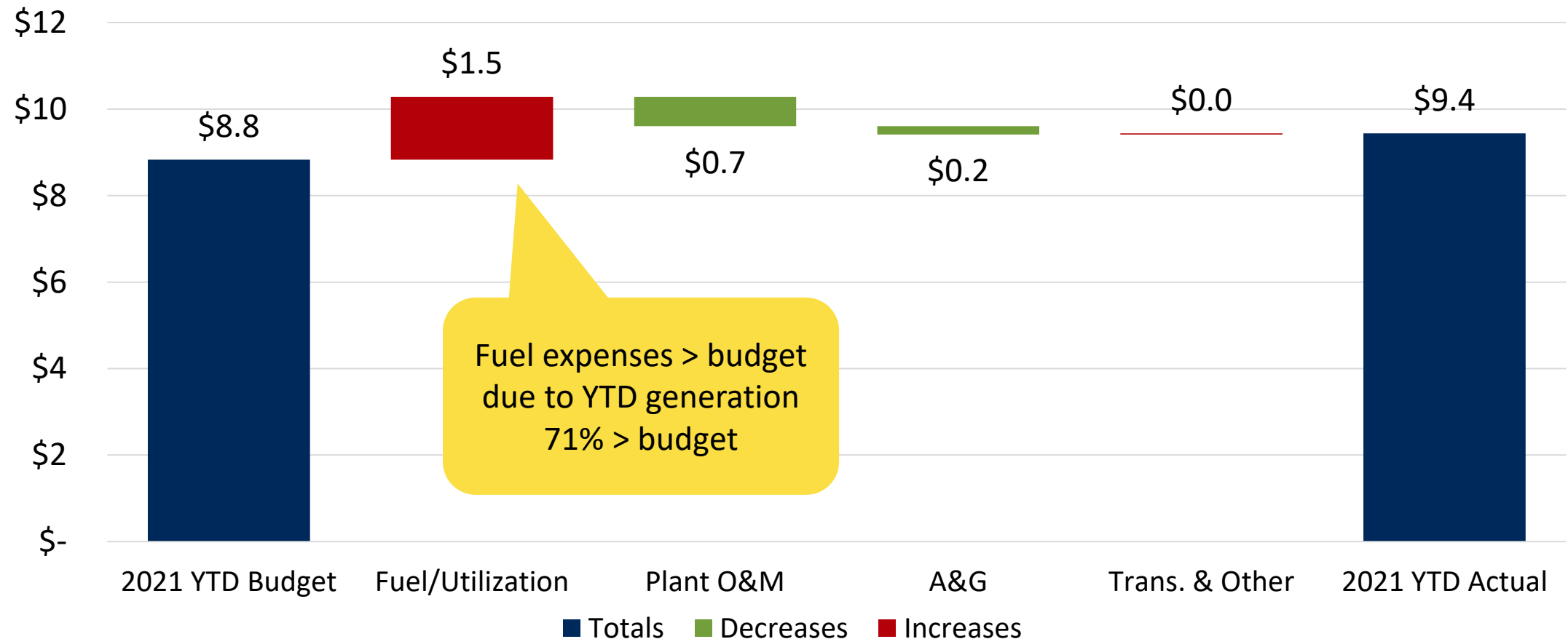
Stanton Project FY 2021 Cumulative Budget vs. Actual Expenses (\$Millions)



Stanton Project \$0.6M > Budget through April

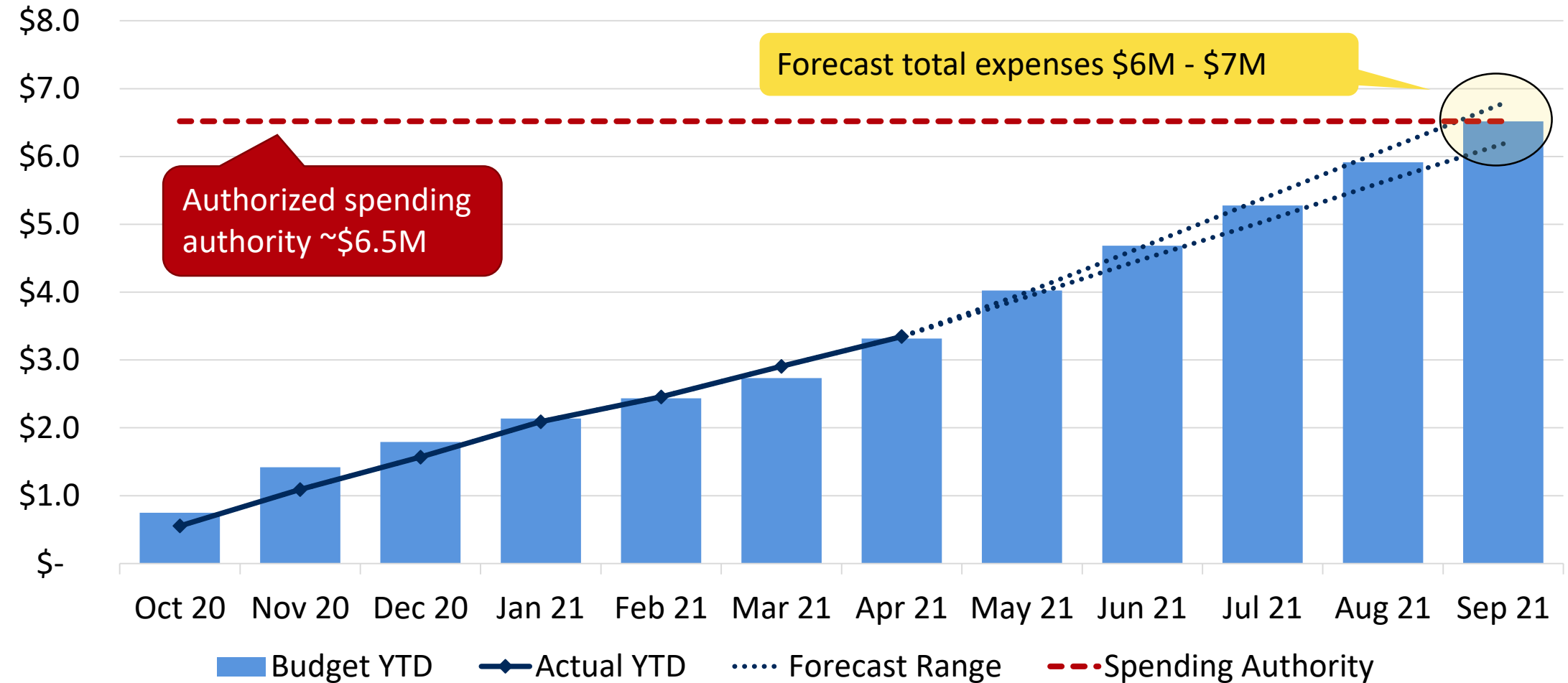
Fuel Expense > Budget Offsets O&M and Other Cost Savings

Stanton Project FY 2021 YTD Budget vs. Actual Expenses through April (\$Millions)



Tri-City Project Forecasted \$0.5M < Budget to \$0.5M > Budget

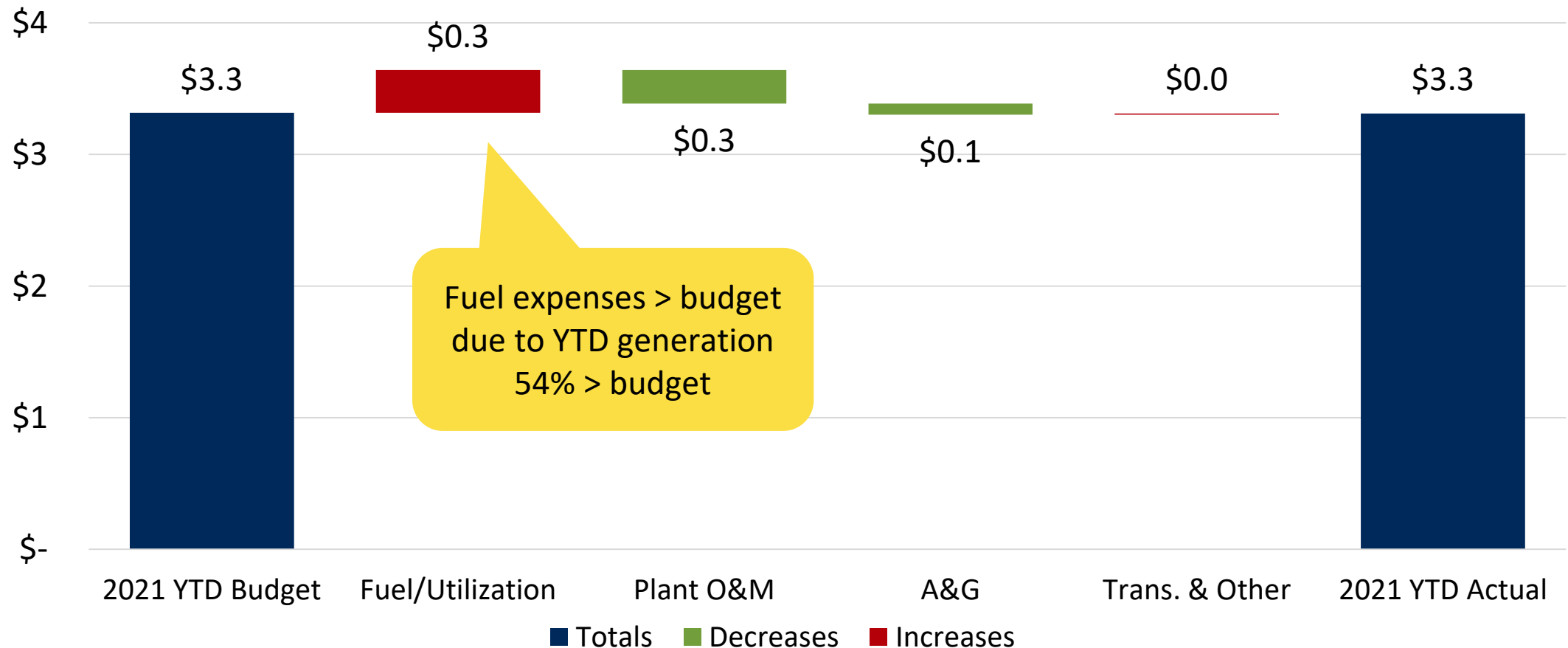
Tri-City Project FY 2021 Cumulative Budget vs. Actual Expenses (\$Millions)



Tri-City Project at Budget through April

Fuel Expense > Budget Offsets O&M and Other Cost Savings

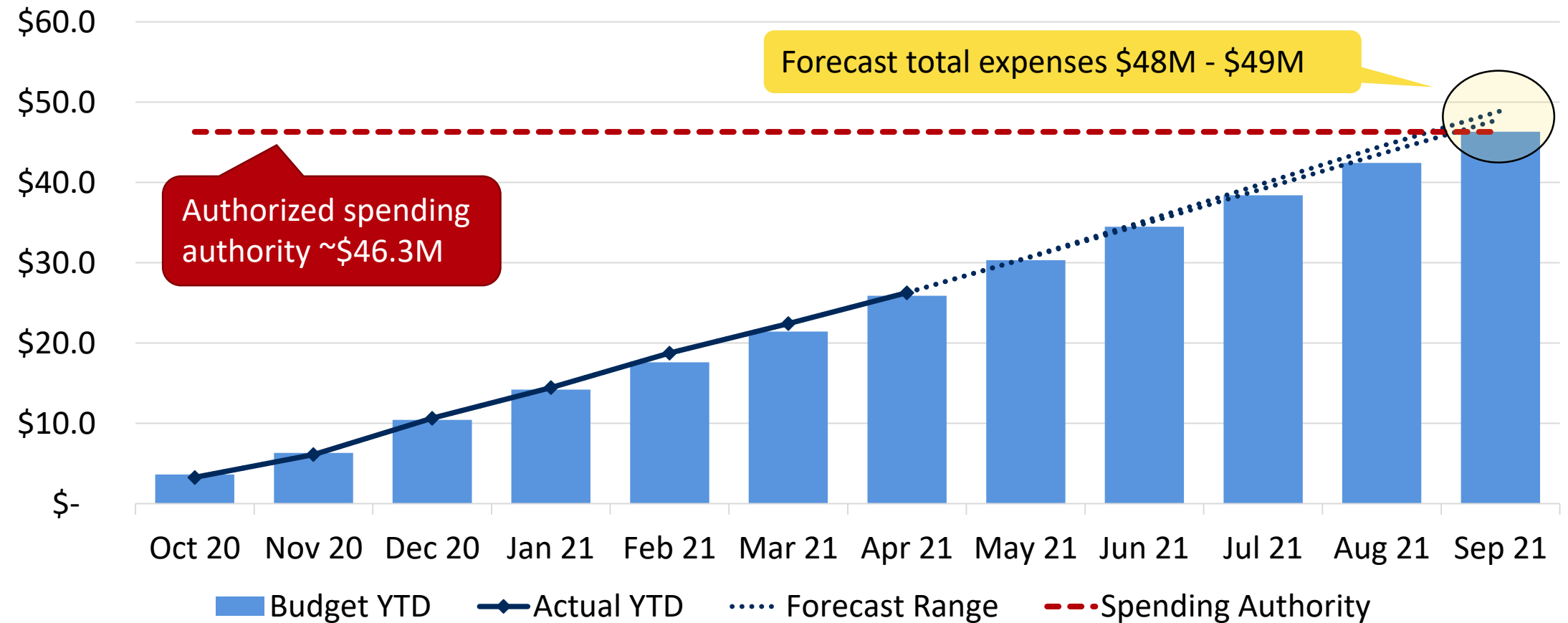
Tri-City Project FY 2021 YTD Budget vs. Actual Expenses through April (\$Millions)



Stanton II Proj. Forecasted \$1.5M to \$3M > Budget

Driven by Actual & Projected Generation > Budget

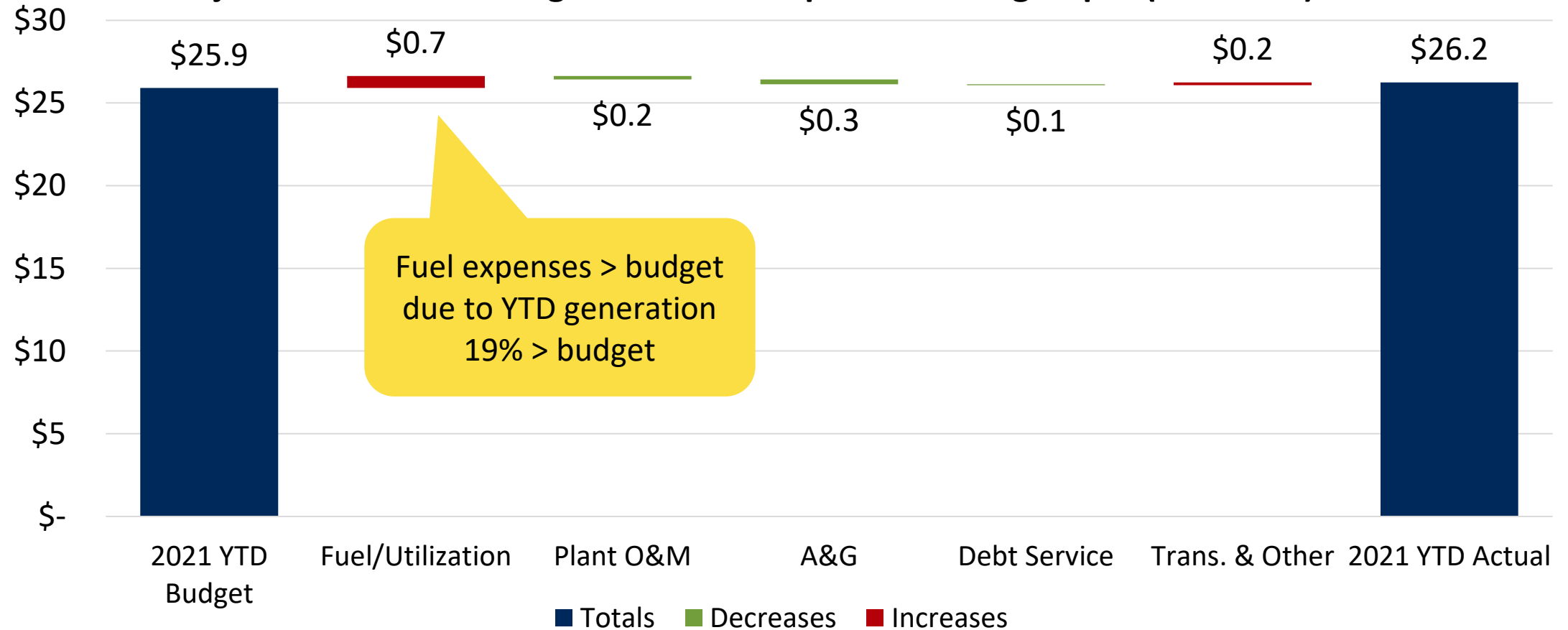
Stanton II Project FY 2021 Cumulative Budget vs. Actual Expenses (\$Millions)



Stanton II Project \$0.3M > Budget through April

Fuel Expense > Budget Offsets O&M and Other Cost Savings

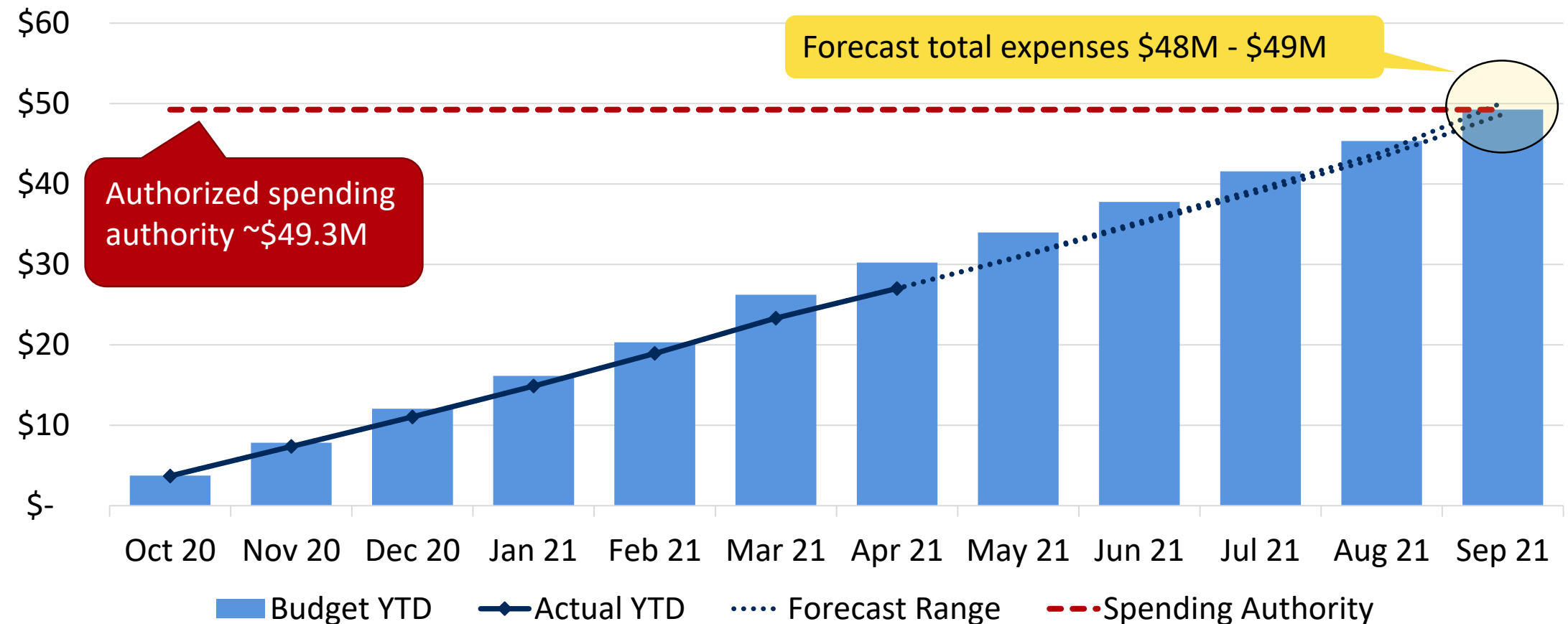
Stanton II Project FY 2021 YTD Budget vs. Actual Expenses through April (\$Millions)



St. Lucie Forecasted \$0.6M < Budget to \$0.9M > Budget

September Outage Costs Are Biggest Unknown

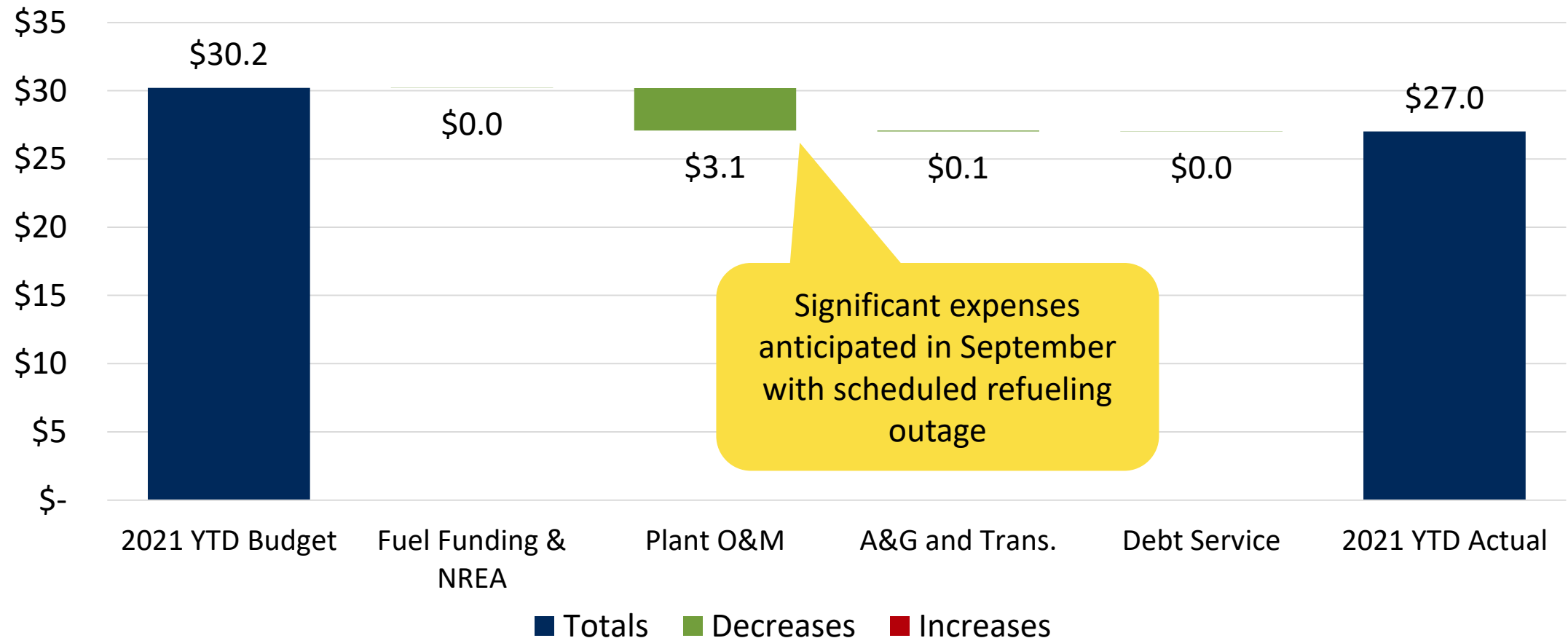
St. Lucie Project FY 2021 Cumulative Budget vs. Actual Expenses (\$Millions)



St. Lucie Currently Well Below Budget

Expected to Catch up With September Refueling Outage Costs

St. Lucie Project FY 2021 YTD Budget vs. Actual Expenses through April (\$Millions)



Recommended Motion

- No motion requested. For information only.

AGENDA ITEM 10 – REPORTS

**Finance Committee Meeting
June 9, 2021**

AGENDA ITEM 11 – COMMENTS

**Finance Committee Meeting
June 9, 2021**

AGENDA ITEM 12 – ADJOURNMENT

**Finance Committee Meeting
June 9, 2021**