



FMPA BOARD OF DIRECTORS AGENDA PACKAGE

August 19, 2021

9:00 a.m. [NOTE TIME]

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

Meeting Number: 180 480 4319#

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
Keith Trace, St. Cloud
John Holman, Starke
Tony Guillen, Tallahassee
James Braddock, Wauchula
Jackie Gorman, 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: August 10, 2021
RE: **FMPA Board of Directors Meeting - 9:00 a.m., August 19, 2021
(NOTE DATE/TIME)**
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 180 480 4319# - PASSWORD – 8553# - LINK:
<https://fmpa.webex.com/fmpa/j.php?MTID=m98ecf786c16e9dc04642521a07052c17>
(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 Quorum.....4
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b. Review of Finance Committee Items * (Linda S. Howard).....**47**

10. Member Comments.....49

11. Adjournment.....50

***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
August 19, 2021**

**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

**Board of Directors Meeting
August 19, 2021**

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

**Board of Directors Meeting
August 19, 2021**

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

**Board of Directors Meeting
August 19, 2021**

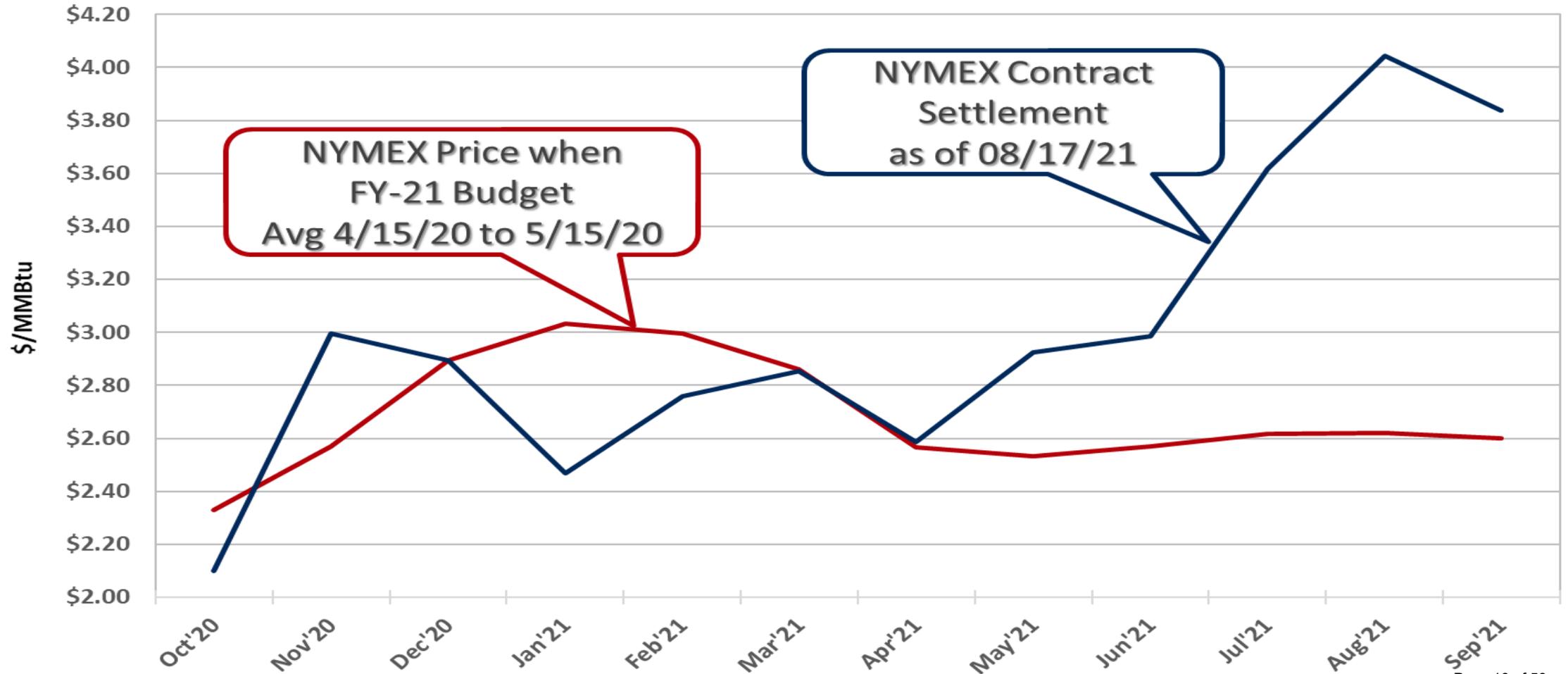
**AGENDA ITEM 5 – REPORT FROM
THE GENERAL MANAGER**

**Board of Directors Meeting
August 19, 2021**

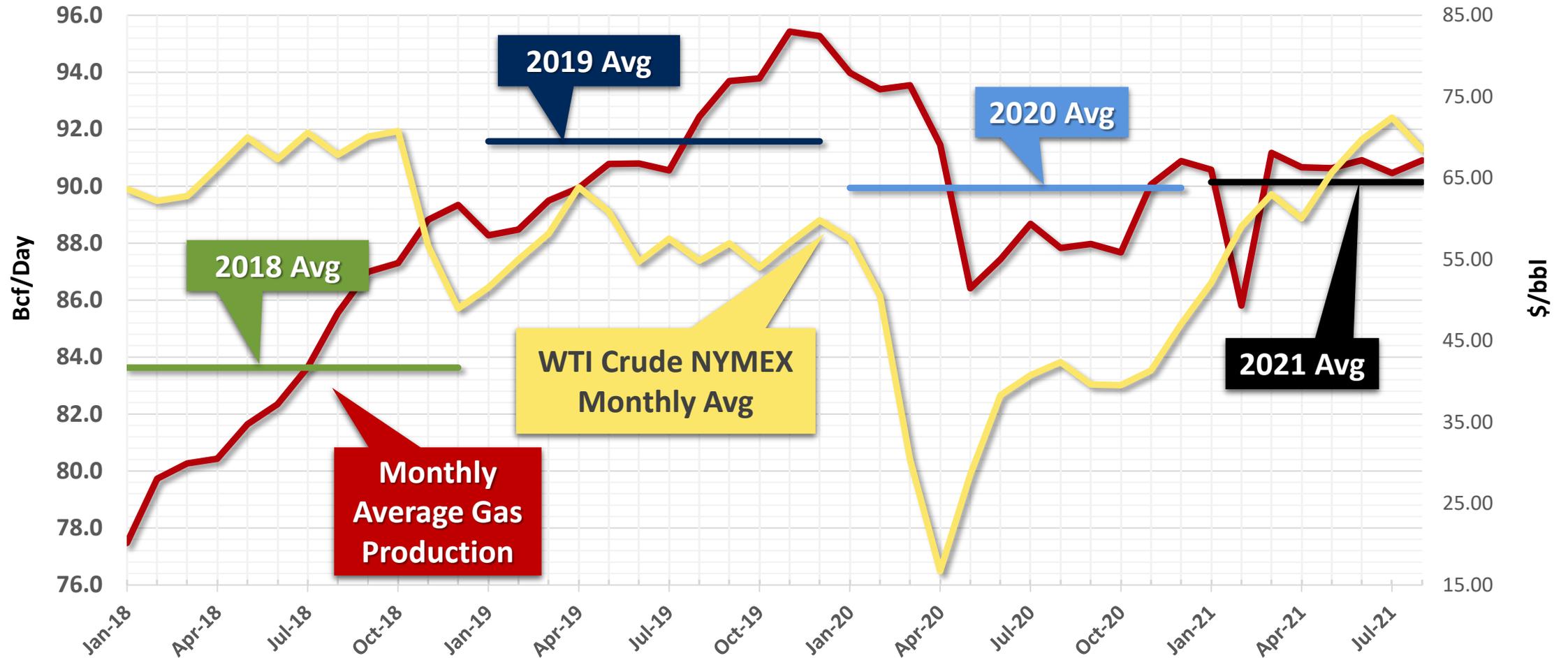
Fiscal 2021 Management Goals through July 31, 2021

Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
1.Safety	Lost-time Accidents	0	1	0	0	No lost-time accidents in July
	OSHA Recordables	0	1	0	0	
2.Compliance	Environmental	0	0	0	0	Potential CIP self report related to scanning external media
	Financial	0	0	0	0	
	Regulatory	0	0	0	0	
3.Low Cost (\$/MWh)	Under \$70/MWh	\$66.92*	\$69.24*	\$71.88	< \$70.00	*Data estimate for July. YTD July 2021 MWh sales 3.0% > budget. All-in costs ~\$2.64 /MWh (3.82%) < YTD target due to O&M (8%), assigned project costs (11%), admin & gen.(12%) < target offset by net fuel costs 7% > target.
	Fuel	\$27.23*	\$24.02*	\$22.24	\$22.19	
	Non-Fuel	\$39.69*	\$45.22*	\$49.64	\$47.81	
4.Stanton I and Stanton II Decision from OUC to reduce power costs and emissions						OUC Board approved plan to acquire 510 MW of peakers and close Stanton 1. OUC recommendation on timing of conversion and closure by Oct./Dec.

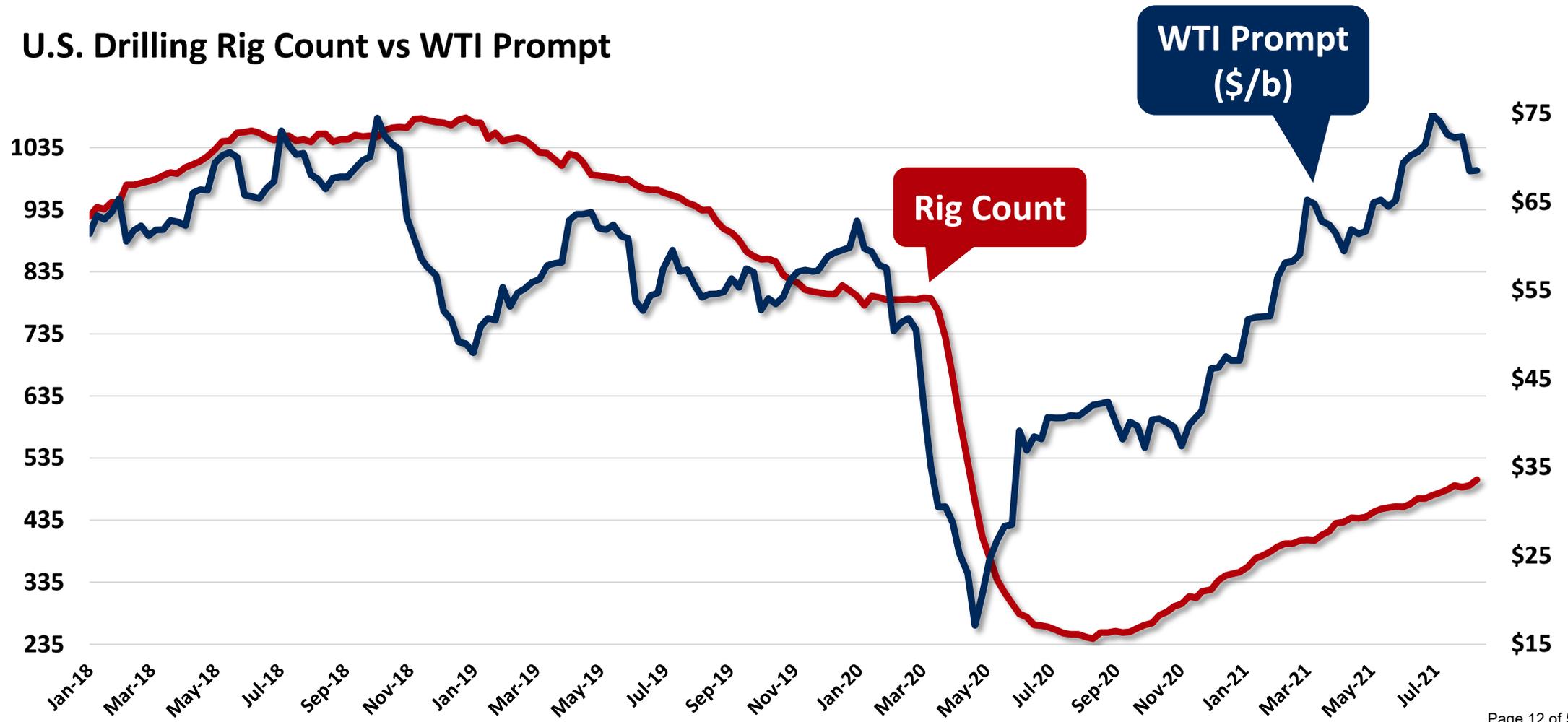
NYMEX Contract \$0.32/MMBtu above Budget



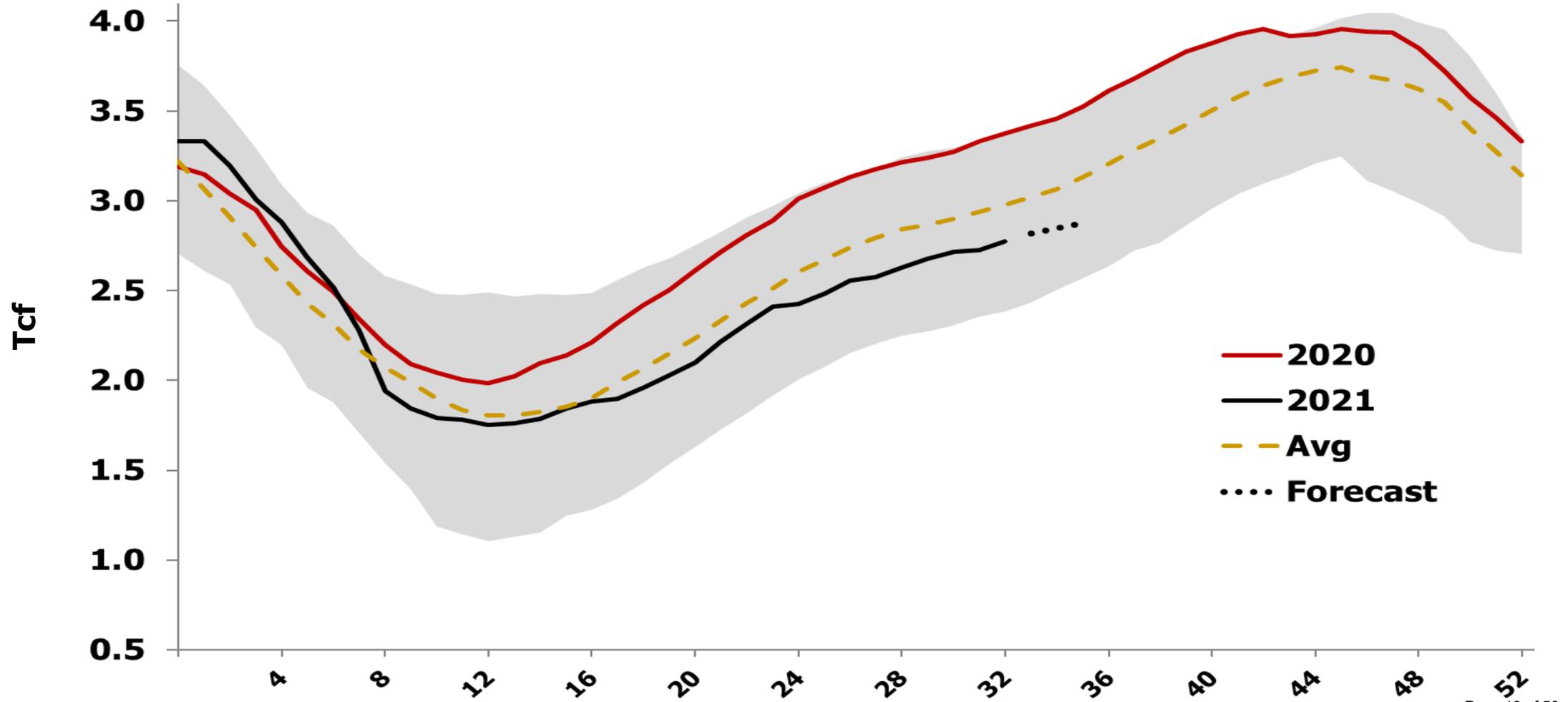
Natural Gas Production No Longer Following Oil Prices



Drilling Rig Count Increases, Oil Prices Move Higher



Gas Storage Inventory as of August 6



~35% of Natural Gas Burn Bought for Fiscal 2021

Value vs. Budget

- Locked in ~35% of annual burn at a weighted average cost of gas of \$2.55/MMBtu
- The fixed price purchases are roughly \$(0.212)/MMBtu lower than budget
- **The extended fixed price value is roughly \$4.0 million below budget**

Value vs. Market

Month	Purchase WACOG (\$/MMBtu)	FGT Zn3 Market Pricing as of 08/17/2021 (\$/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	\$2.79	\$2.46	-\$0.33	-\$590,859
Feb-21	\$2.75	\$2.76	\$0.00	\$4,341
Mar-21	\$2.68	\$2.84	\$0.17	\$296,456
Apr-21	\$2.49	\$2.55	\$0.06	\$33,108
May-21	\$2.44	\$2.92	\$0.47	\$292,975
Jun-21	\$2.49	\$3.04	\$0.54	\$325,908
Jul-21	\$2.57	\$3.62	\$1.05	\$651,397
Aug-21	\$2.59	\$4.07	\$1.48	\$916,645
Sep-21	\$2.57	\$3.84	\$1.27	\$764,184

Total Extended Value vs. Current Market	\$4,296,732
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Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
5.Cyber Security	Breaches	0	0	0	0	
	Phishing tests	2.7%	3.7%	5% or <	5% or <	Two people clicked the email link this month. Mailbox storage limit notification.
	Member assessments	1	3	3	5	Bushnell assessment – completed. Five assessments in progress.
6.Reliability	CC EAF	99.8%	93%	89.4%	90%	TCEC was in forced outage due to lightning damage to the fuel gas pressure regulating subsystem.
	SI black start and trans. backup	1	12	12	100%	Units started but not needed for tie line outage support.
	SAIDI Reduction	0	6	8	10	
7.Member Services	Leadership member visits	6	67	62.5	75	
	Projects managed for members	3	17	17	20	Bartow GIS update, NSB 5-yr Construction Work Plan, Wauchula generation bldg. demolition
8.Value of Muni	Member info updates	1	12	13	16	Alachua, Bartow, Chattahoochee, FPUA, GCS, Havana, Jacksonville Beach, KUA, New Smyrna Beach, Ocala, Wauchula, Williston
	Presentations Social media	2	9	8	10	Bartow, Chattahoochee, FPUA, KUA, Lake Worth, Leesburg, New Smyrna Beach (9/28), Newberry, Starke, Wauchula

Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment	
9.Load Management	Dev. opportunities for 5 MW		0	0	5	Visits underway with 13 ARP cities. 5 cities surveyed with potential for 2 MW	
10.Financing	Restructure debt		0	1	1	Done	
	Extend debt to include R&R funding		0	0	0	1	St. Lucie refinancing expected to close late Aug. /early Sept. NPV of 5% or greater
	Prepaid gas min. svgs. of \$0.20/mmBtu		0	1	1	1	Two transactions approved awaiting one closure and summer only
11.Transmission	Neg. service upgrade for LWB & Homestead					LWB engineer work ongoing, Homestead development in progress	
12.People	360 training for Leadership & mgmt.		0	11	6.4	11	All 11 Directors/Managers completed
	Mgmt. outreach to diverse prof. groups		0	2.5	2.5	3	Jacob - AABE membership Linda – NABA membership; contact at NSBE
	Individual development plans		21	50	50	50	Completed by March 31. Following up on plans
	FMPA Fleet Team Sharing – Days		0	131	83	100	

VERBAL REPORT

AGENDA ITEM 6 – SUNSHINE LAW UPDATE

**Board of Directors Meeting
August 19, 2021**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of the Minutes for the
Meeting for the Meeting Held July
21, 2021**

**Board of Directors Meeting
August 19, 2021**

CLERKS DULY NOTIFIED JULY 13, 2021
AGENDA PACKAGES POSTED..... JULY 13, 2021

MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
NAPLES GRAND BEACH RESORT
475 SEAGATE DRIVE
NAPLES, FL 34103
WEDNESDAY, JULY 21, 2021
8:00 A.M.

MEMBERS Brad Hiers, Bartow
PRESENT Jody Young, Bushnell
Lynne Mila, Clewiston
Jan Bagnall, Fort Meade
John Tompeck, Fort Pierce
Howard McKinnon, Havana
Barbara Quinones, Homestead
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Ed Liberty, Lake Worth Beach
Michael Beckham, Lakeland
Jim Williams, Leesburg
Steve Langley, Mount Dora
Joe Bunch, New Smyrna Beach
Mike New, Newberry
Claston Sunanon, Orlando
James Braddock, Wauchula
Dan D'Alessandro, Winter Park

*joined after roll call.

OTHERS Paul Jakubczak, Fort Pierce
PRESENT L. Brad Johnson, Havana
William Branch, Homestead
Wayne Young, Jacksonville
George Forbes, Jacksonville Beach
Robert Barrios, Key West
Brian Horton, Kissimmee
Joy Ditto, APPA
Donna Painter, nFront Consulting
Jonathan Nunes, nFront Consulting
Elizabeth Columbo, Nixon Peabody
Michael Nolan, MJN Consulting
Kelly Ryman, Dunlap & Associates, Inc.
Bridgett Freese, KCI

John Walsh, KCI
Bill Tuggle, KCI
Kenji Plement, KCI
Kene Dominguez, Black & Veatch

STAFF PRESENT Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Mark McCain, Vice President of Member Services & Public Relations
Linda S. Howard, Chief Financial Officer
Dan O'Hagan, Assistant General Counsel, Regulatory Compliance Counsel
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Mike McCleary, Manager of Member Services Development
Sharon Adams, Vice President of Human Resources & Shared Services
Cairo Vanegas, Manager of Member Services Development
Ryan Dumas, Public Relations Specialist
Susan Schumann, Manager of External Affairs and Solar Projects
Carter Manucy, IT/OT & Cybersecurity Director
Alan O'Heron, Manager of Member Services Development

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

Chair Barbara Quiñones, Homestead, called the Board of Directors meeting to order at 8:00 a.m. on Wednesday, July 21, 2021, in the Naples Grande Beach Resort ????? Room at 475 Seagate Dr, Naples, Florida. The roll was taken and a quorum was declared with 19 members present representing 31 votes out of a possible 47.5.

ITEM 2 – Recognition of Guests

Chair Barbara Quiñones welcomed Robert Barrios, Board member, Keys Energy Services.

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

None

ITEM 4 – SET AGENDA (by vote)

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the agenda as presented. Lynne Tejeda, Key West, seconded the motion. Motion carried 31 – 0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Jacob Williams reported on the following items:

1. Howard McKinnon's 15-year Anniversary as Board of Directors and Executive Committee representative for the Town of Havana.
2. Bill Conrad is moving out of Newberry and will no longer be the representative from Newberry on the Board of Directors and Executive Committee.
3. Staff discovered an issue with compliance to CIP-003 related scanning removable media that interacts with critical generation control equipment. As a result, we will submit a self-report to SERC on this. FMPA has provided the plants with scanning equipment for USB drives, CDs and laptops that will connect. However, GE routinely sends software upgrades via CD format. It wasn't clear to staff that even OEM provided files needed to be scanned. We will self-report and have several different forms of mitigation we will implement to prevent future issues.
4. Goals Scorecard

ITEM 6 – SUNSHINE LAW UPDATE

Dan O'Hagan discussed whether ex officio, non-voting members of a public agency's governing body are subject to the Florida Government in the Sunshine Law.

ITEM 7 – CONSENT AGENDA

- a. Approval of Minutes – Meeting Held June 10, 2021
- b. Approval of the Projects' Preliminary Financials as of May 31, 2021
- c. Approval of the Treasury Reports as of May 31, 2021

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Howard McKinnon, Havana, seconded the motion. Motion carried 31 – 0.

ITEM 8 – ACTION ITEMS

- a. Approval of Resolution 2021-B2 – St. Lucie Debt Refinancing

Resolution 2021-B2 was read by title:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY (I) RECITING STATEMENT OF AUTHORITY; (II) APPROVING AND ADOPTING THE SERIES 2021A SUPPLEMENTAL ST. LUCIE PROJECT REVENUE BOND RESOLUTION (FIXED RATE BONDS) WHICH AUTHORIZES THE ISSUANCE OF THE FLORIDA MUNICIPAL POWER AGENCY ST. LUCIE PROJECT REFUNDING REVENUE BONDS, SERIES 2021A TO BE SOLD ON OR

BEFORE DECEMBER 1, 2021 IN A PRINCIPAL AMOUNT PLUS ANY ORIGINAL ISSUE PREMIUM AND MINUS ANY ORIGINAL ISSUE DISCOUNT NOT TO EXCEED TWENTY MILLION DOLLARS (\$20,000,000) IN GROSS REFUNDING PROCEEDS FOR THE PURPOSE OF PAYMENT OF ALL OR ANY PART OF THE COST OF REFUNDING FMPA'S ST. LUCIE PROJECT REVENUE BONDS, SERIES 2011B AND PAYMENT OF COSTS OF ISSUANCE RELATED THERETO AND DELEGATES TO AUTHORIZED SIGNATORIES AND AUTHORIZED OFFICERS CERTAIN MATTERS RELATING TO THE ISSUANCE OF SUCH SERIES 2021A BONDS INCLUDING (1) WHEN TO ISSUE SUCH SERIES 2021A BONDS, (2) DETERMINATION OF THE PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, SINKING FUND INSTALLMENTS AND OTHER REDEMPTION PROVISIONS OF THE SERIES 2021A BONDS, (3) APPROVAL OF THE SALE AND PURCHASE PRICE FOR THE SERIES 2021A BONDS, (4) DETERMINATION OF AMOUNT, IF ANY, OF THE DEBT SERVICE RESERVE REQUIREMENT FOR THE SERIES 2021A BONDS, AND (5) DETERMINING THE ADVISABILITY OF SECURING BOND INSURANCE FOR SUCH SERIES 2021A BONDS; (II) APPROVING AND ADOPTING THE SERIES 2021B SUPPLEMENTAL ST. LUCIE PROJECT REVENUE BOND RESOLUTION (FIXED RATE BONDS – FORWARD DELIVERY) WHICH AUTHORIZES THE ISSUANCE OF FLORIDA MUNICIPAL POWER AGENCY ST. LUCIE PROJECT REFUNDING REVENUE BONDS, SERIES 2021B (FORWARD DELIVERY) TO BE SOLD ON OR BEFORE DECEMBER 1, 2021 IN A PRINCIPAL AMOUNT PLUS ANY ORIGINAL ISSUE PREMIUM AND MINUS ANY ORIGINAL ISSUE DISCOUNT NOT TO EXCEED FORTY-THREE MILLION DOLLARS (\$43,000,000) IN GROSS REFUNDING PROCEEDS FOR THE PURPOSE OF PAYMENT OF ALL OR ANY PART OF THE COST OF REFUNDING FMPA'S ST. LUCIE PROJECT REVENUE BONDS, SERIES 2012A, AND FOR PAYMENT OF COSTS OF ISSUANCE RELATED THERETO AND DELEGATES TO AUTHORIZED SIGNATORIES AND AUTHORIZED OFFICERS CERTAIN MATTERS RELATING TO THE ISSUANCE OF SUCH SERIES 2021B BONDS INCLUDING (1) WHEN TO ISSUE SUCH SERIES 2021B BONDS, (2) DETERMINATION OF THE PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, SINKING FUND INSTALLMENTS AND OTHER REDEMPTION PROVISIONS OF THE SERIES 2021B BONDS, (3) APPROVAL OF THE SALE AND PURCHASE PRICE FOR THE SERIES 2021B BONDS, (4) DETERMINATION OF AMOUNT, IF ANY, OF THE DEBT SERVICE RESERVE REQUIREMENT FOR THE SERIES 2021A BONDS, AND (5) DETERMINING THE ADVISABILITY OF SECURING BOND INSURANCE FOR SUCH SERIES 2021B BONDS, AMONG OTHER THINGS; (IV) MAKING CERTAIN FINDINGS AS TO THE REASONS REQUIRING THE NEGOTIATED SALE OF THE SERIES 2021A BONDS AND THE SERIES 2021B BONDS; (V) ACKNOWLEDGING REQUIREMENT TO OBTAIN DISCLOSURE STATEMENT FROM THE UNDERWRITERS AND APPROVING THE FORM DISCLOSURE STATEMENT; (VI) AUTHORIZING AND APPROVING THE NEGOTIATED SALE OF (A) FLORIDA MUNICIPAL POWER AGENCY ST. LUCIE PROJECT REFUNDING REVENUE BONDS, SERIES 2021A AND (B) FLORIDA

MUNICIPAL POWER AGENCY ST. LUCIE PROJECT REFUNDING REVENUE BONDS, SERIES 2021B (FORWARD DELIVERY) TO ONE OR MORE OF THE FIRMS THAT RESPONDED TO THE REQUEST FOR PROPOSAL FROM FMPA FOR UNDERWRITER OF THE SERIES 2021A BONDS AND THE SERIES 2021B BONDS AND THE EXECUTION OF THE PURCHASE CONTRACT AND THE FORWARD DELIVERY PURCHASE CONTRACT BETWEEN FMPA AND SAID UNDERWRITER; (VII) APPROVING THE PREPARATION, EXECUTION, DELIVERY AND USE OF A PRELIMINARY AND AN OFFICIAL STATEMENT AND A SUPPLEMENTED OFFICIAL STATEMENT FOR THE SERIES 2021B BONDS, THE DEEMING “FINAL” OF THE PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION, DELIVERY AND PERFORMANCE OF A CONTINUING DISCLOSURE AGREEMENT AND ESCROW DEPOSIT AGREEMENTS; (VIII) DESIGNATING AUTHORIZED OFFICERS AND APPROVING AND RATIFYING PREVIOUS ACTIONS; (IX) PROVIDING FOR THE TAKING OF CERTAIN OTHER ACTIONS; (X) PROVIDING FOR SEVERABILITY; AND (X) PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Joe Bunch, New Smyrna Beach, moved approval of Resolution 2021-B2. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 31 – 0.

Green Cove Springs was not present for the vote but sent an email that they would have voted no on Resolution 2021-B2 – St. Lucie debt refinancing.

b. Nomination and Election of Board of Directors Officers for 2021-2022

MOTION: Howard McKinnon, Havana, nominated the Election of the current slate of Board of Directors Officers for 2021-2022, Barbara Quiñones, Homestead as Chair, Lynne Tejada, Key West, as Vice Chair, Larry Mattern, Kissimmee, as Secretary and Allen Putnam, Jacksonville Beach, as Treasurer. John Tompeck, Fort Pierce, seconded the motion. Motion carried 31 – 0.

ITEM 9 – INFORMATION ITEMS

a. FY21 Sales Margin Summary

Ken Rutter presented the FY21 sales margin summary.

b. APPA Climate Discussions and Comparison of Legislative Proposals

Jacob Williams presented information on the APPA climate discussions and comparison of the legislative proposals. Joy Ditto, APPA, emphasized that APPA’s position is interim.

c. Distribution Reliability Best Practices Toolkit

Cairo Vanegas presented the distribution reliability best practices toolkit.

d. Notice of Annual Continuing Disclosure Report for the Fiscal Year Ended September 30, 2020

Linda S. Howard presented the notice of annual Continuing Disclosure Report for the fiscal year ended September 30, 2020. The report was filed on June 25, 2021 before the June 30 deadline.

ITEM 10 – MEMBER COMMENTS

None

ITEM 11 – ADJOURNMENT

There being no further business, the meeting was adjourned at 9:40 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 June
30, 2021**

**Board of Directors Meeting
August 19, 2021**



Linda S. Howard, CPA, CTP
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors
FROM: Linda Howard
DATE: August 10, 2021
ITEM: 7b – Approval of Projects’ Financials as of June 30, 2021

Discussion: The summary financial statements and detailed financial statements, which include GASB #62 transactions, of the Projects for the period ended June 30, 2021 are posted on the Document Portal section of FMPA’s website.

Recommended: Move approval of the Preliminary Projects’ Financial Reports for the month ended June 30, 2021.

LH/GF

**AGENDA ITEM 7 – CONSENT
AGENDA**

- c. Approval of the Treasury Reports
as of June 30, 2021**

**Board of Directors Meeting
August 19, 2021**

AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors
FROM: Gloria Reyes
DATE: August 19, 2021
ITEM: BOD 7(c) – Approval of Treasury Reports as of June 30, 2021

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

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

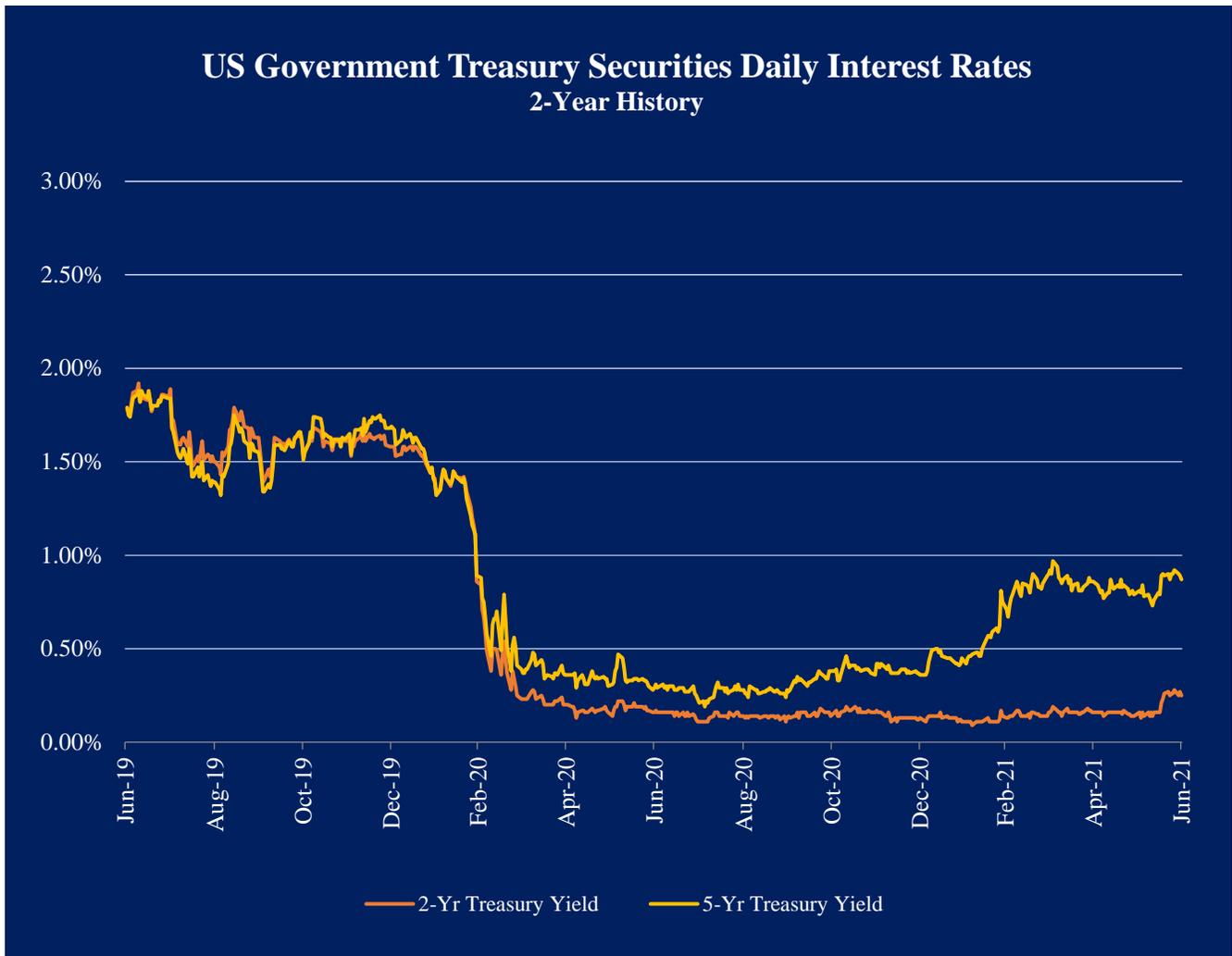
Debt Discussion Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of June 30, 2021.

	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	100,740,471	100%	0%	0%
Tri City	0.00	0%	0%	0%

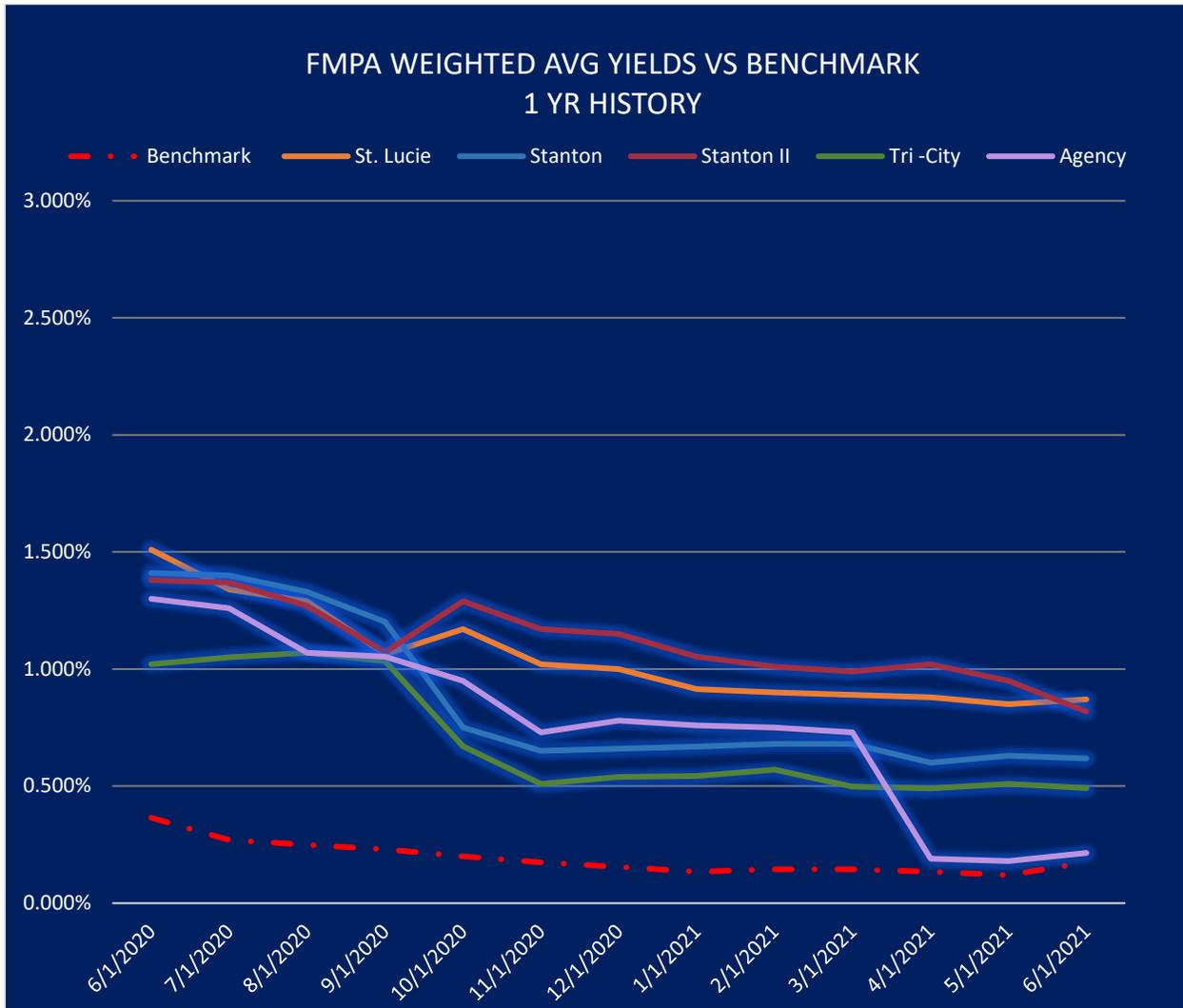
**Investment
Discussion**

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 June at .25. The yellow line is the 5-year Treasury which was .87%.



The weighted average yields on investments earned as of June 30, 2021 in the Projects, along with their benchmark (Average of Florida Prime Fund and 2-year treasury), are as follows:



**** Decline in Agency for June 2021 is due to maturity of high yielding bonds.**

Recommended
Motion

Move approval of the Treasury Reports for June 30, 2021.

AGENDA ITEM 8 – ACTION ITEMS

- a. Approval of Appendix M
Contingency Planning Policy**

**Board of Directors Meeting
August 19, 2021**



BOD 8a – Approval of Contingency Planning

Board of Directors

August 19, 2021

Contingency Planning Policy

Major Areas Covered

- Business Continuity and Disaster Plan.
- Defined responsibilities for Human Resources, Facilities, Power Generation and Information Technology during an Event.
- Internal Controls
- Reporting

Contingency Planning Policy

Internal Controls, Contingency Plan, FEMA, and Administrative Updates

Section	Changes Made
1.0 Statement	Defined plan responsibilities. COO responsible for Plant and Operational contingency planning and disaster preparedness. VP of Human Resources and Shared Services is responsible for the Orlando Facilities preparedness.
4.3 Facilities	Added reference to section in Business Continuity and Disaster Recovery Plan specifically referencing the filling of the generator fuel tank while keeping it nonoperational until an Event due to potential electrical risk.
4.4 Power Generation	COO will have staff available 24/7 during an event and will work with city personnel to document damage.
4.5 Information Technology	Information Technology will ensure establishing and supporting remote access for all essential systems
5.2 FEMA Requirement	FEMA Requirements was added in place of Continuing Education. Legal to ensure training of appropriate staff to include FEMA guidance and regulations and mutual aid agreements
Throughout	Administrative Updates

Recommended Motion

- Move approval of the recommended changes as presented to the Contingency Planning Risk Management Policy

**RISK MANAGEMENT POLICY
APPENDIX M
FLORIDA MUNICIPAL POWER AGENCY
CONTINGENCY PLANNING RISK MANAGEMENT POLICY
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Reporting Calendar	Appendix A

**CONTINGENCY PLANNING
RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY**

This Contingency Planning 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 a range of natural and man-made disasters or events including physical security breach, hurricane, tropical storm, tornado, fire and flood (each an “Event”). In this context an Event is one of the above or another disaster that causes the facilities of the Agency to be partially or completely unusable for FMPA’s business purposes. This Policy is Appendix M 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 the operations and financial position of the Agency.

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

- ❖ Necessary plans be in place for the continued operation of the Agency and Power Generation during (if applicable) and following an Event.
- ❖ Necessary plans be in place to address human resources needs during and after an Event.
- ❖ The plans for Event scenarios shall be tested via drills or other simulations at least once every two years. The Chief Operating Officer (COO) exercises overall responsibility for FMPA’s Plant’s and Operational contingency planning and disaster preparedness while the VP of Human Resources and

Shared Services has overall responsibility for the Orlando facilities preparedness.

- ❖ The FMPA ARP cities through the contractual operation arrangements have ownership for physical security protections and procedures at all the FMPA generation facilities with periodic review from the FMPA COO.
- ❖ Deviations from this Policy shall be reported to the Finance Committee.

2.0 Scope and Responsibilities

This Policy applies to all business-critical functions of the Agency and generating facilities to include Information Technology, Accounting, Treasury, Administrative Facilities, and Power Generation.

The Information Technology Department is responsible for the partial or full rebuilding of the Agency computer network and data following an Event. Information Technology is also responsible for taking reasonable precautionary steps to protect the computer network and data against foreseeable effects of an Event.

The Accounting and Treasury Departments are responsible for coordinating efforts and preplanning so that the ability to make payments can be restored within 48 hours after an Event.

The Storm Team as defined in section 2.1 of the Business Continuity and Disaster Recovery Plan, which includes Facilities staff, is responsible for overall coordination of employees in preparing the Agency for Events such as a hurricane or tropical storm and overall coordination of employees following an Event.

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 assets during and after Events. The CEO delegates authority to the VP of Human Resources and Shared Services and to the COO to cause procedures to be written 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 that could be encountered by FMPA during and after an Event, the following provides insight into the major areas of business continuity risk exposure for FMPA.

3.1 Operational Risk: The risk that the Agency will not be able to conduct business as needed. An example of operational risk would be if a hurricane caused sufficient damage to make the FMPA offices unusable for FMPA's business purposes for an extended period of time, which could affect the operating abilities of the Agency. Operational risk is mitigated if plans are in place to allow staff to quickly react and recover from an Event.

3.2 Reputation Risk: The risk that the Agency will be negatively perceived by Members or the public. An example of reputation risk would be if staff was unable to access financial systems due to an Event and was therefore unable to pay bills on time, which could cause non-compliance with bond resolutions or other financial loss resulting in a negative perception by Members or the public. Reputation risk is mitigated if Events are properly planned for and the effects of Events are promptly and effectively communicated to all constituents.

4.0 Contingency Plans

FMPA's Business Continuity Statement and Disaster Response Plan outline the processes and procedures for preparing for and recovering from an Event. The VP of Human Resources and Shared Services shall cause the Business Continuity and Disaster Response Plan to be updated at least once each year prior to the beginning of hurricane season. The Business Continuity and Disaster Response Plan is available

on the FMPA InSite. Each department with responsibilities assigned in the Disaster Response Manual shall establish procedures to complete the assigned duties during and after an Event. The COO shall coordinate with the leadership team and responsible managers to conduct tests of Event scenarios at least once every two years. This includes tests of the ability of the Information Technology Department to restore critical financial data and the ability of the Finance Division to access the restored data.

Commented [CM1]: I believe all of the Finance Division applications (and many others) are now cloud based. We should probably narrow the scope of this item to only those applications identified as "hosted by FMPA" or some similar term.

Commented [GR2]: This paragraph was moved from 5.1 to 4.0. This section is more appropriate for what this paragraph is saying.

4.1 Human Resources: FMPA shall strive to maintain the safety of all employees before, during, and after an Event. Employees with duties assigned in the Disaster Response Manual shall communicate with management to ensure those required duties are fulfilled in case of an Event.

4.1.1 Post-Event Employment: If an Event causes sufficient damage to the FMPA offices so as to significantly disrupt normal operations (as determined in the sole discretion of the CEO), the Agency will continue to pay all employees at their pre-Event pay rate until such time, but not to exceed two months, that normal operations are resumed and the employee's position is available or has been reassigned by the CEO. The CEO has sole discretion to grant salaried employees overtime pay of time and one-half for hours in excess of 40 hours per week worked due to Post-Event recovery. FMPA shall maintain documentation showing time worked, nature of work, and supervisor approval.

4.1.2 Working From Home: Each senior leadership team member, with the approval of the CEO, has discretion to allow an employee who, due to the Event, is unable to report to the FMPA office (or temporary office location) to work from home for a limited period of time following an Event. Such approved exceptions shall last no more than one week, after which time the exception must either be extended one week by the

appropriate senior leadership team member and CEO, or the employee must return to the FMPA office or temporary office location.

4.2 Communications: The VP of Public Relations & Member Services is responsible for coordinating all public communications following an Event. This includes communications to rating agencies and responses to press inquiries or information requests from Members regarding the Agency’s recovery, financial situation, and status of employees. As determined appropriate, the VP of Public Relations & Member Services may authorize other members of management to make public statements regarding the Event.

4.3 Facilities: The VP of Human Resources and Shared Services, and the building administrative staff will follow the procedures as outlined in the Business Continuity and Disaster Recovery Plan. FMPA staff in the Orlando and Tallahassee offices will not be on premises during a storm. As described in Section 1.1 of the Business Continuity and Disaster Recovery Plan, the generator fuel tank will be filled; however, it will not be operational until after an Event due to potential electrical risk.

4.4 Power Generation: The COO will ensure the Power Plants will have staff available 24/7 during an Event. Power Generation staff will work with operation city personnel to document all damage and coordinate operating facilities as referenced the Hurricane Preparation and Restoration Procedures.

4.5 Information Technology: The IT/OT & Cybersecurity Director is responsible for establishing and supporting remote access for all essential systems which includes VPN, communications (corporate and plant support), cameras, finance and treasury systems, etc.

Commented [GR3]: Add sections for these areas

4.6 Emergency Spending: As described in the Procurement Policy, purchases made in times of emergency (as determined in the sole discretion of the CEO) are not subject to the requirements of the Procurement Policy. The CEO or designee must declare a state of emergency within 5 days of an Event to the chairpersons of the Executive Committee and Board of Directors. The CEO or designee may then direct emergency spending with no limit. A report of emergency expenditures shall be made to the Executive Committee and Board of Directors at their next regular meeting. The CEO may request authorization for further emergency spending as needed.

5.0 Internal Controls

The VP of Human Resources and Shared Services and the COO shall cause to be established a system of written internal controls to safeguard assets during and after an Event. 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 severe weather or emergency closing of the Agency. The Business Continuity and Disaster Recovery Plan provide further internal controls to address the requirements of various positions in the Agency for preparation and response to an Event.

5.2 FEMA Requirements: The Agency's Assistant General Counsel and Regulatory Compliance Counsel shall ensure that appropriate staff maintains current knowledge of disaster recovery and business contingency planning, to include FEMA guidance and regulations, mutual aid agreements, and requirements.

Commented [GR4]: Ken and Carter, do you have specific internal controls that should be mentioned here?

Commented [GR5]: The paragraph that was originally here (The COO shall coordinate.... Was moved to Section 4.0

Commented [GR6]:

5.3 Policy Compliance: The Internal Audit Manager shall cause compliance with this Policy and associated Procedures to be monitored on an ongoing basis. Any unresolved compliance issues will be presented to the Finance Committee (FC) by the Internal Audit Manager.

6.0 Reporting

If an Event occurs, the Board of Directors and Executive Committee shall be notified within 5 days of the following information by the CEO or designee: (1) the extent of the damage to the building; and, (2) an estimate of the time when full operations of the Agency will be restored. The COO shall cause the results of any completed tests of Event scenarios to be reported to the FC at their next regularly scheduled meeting.

The CEO 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 FC shall cause to be completed an annual report on the operation and effectiveness of this Policy as described in the FMPA Risk Management Policy, Section 7.0. Managers shall report as needed on the current risk environment affecting disaster recovery plans or business continuity to the Treasurer and Risk Director, and engage any necessary discussion before moving related items to Board Committees.

**Florida Municipal Power Agency
Risk Management Reporting Calendar
Contingency Planning Reporting Requirements**

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Policy Reference
Update Business Continuity Plan	Annually	VP of Human Resources and Shared Services	Section 4.0	Business Continuity Plan
Event Scenario Tests	Every two years	COO and VP of Human Resources and Shared Services	Section 5.1	Internal Controls
Policy and Procedure Compliance	As Needed	Internal Audit Manager	Section 5.3	Policy Compliance
Post Event Report	As Needed	CEO	Section 6.0	Reporting
Deviations from Policy	As Needed	CEO	Section 6.0	Reporting
Policy Operation & Effectiveness	Annually	The FC	Section 6.0	Reporting

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- a. Evaluations of the General
Manager and CEO and General
Counsel and CLO and FMPA’s
Officers’ Recommendation to the
Board – Verbal**

**Board of Directors Meeting
August 19, 2021**

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**b. Review of Finance Committee
Items**

**Board of Directors Meeting
August 19, 2021**



Summary of Finance Committee Items

BOD 9b / EC 9d

Board of Directors & Executive Committee
August 19, 2021

Other Items

Review and/or Approval Required

- Approval of Risk Policies
- Update on interim and year end external audits
- Review of St. Lucie audit results
- Review of internal audit operational reports
- Amendment to the pooled loans documents, when required

**AGENDA ITEM 10 – MEMBER
COMMENTS**

**Board of Directors Meeting
August 19, 2021**

AGENDA ITEM 11 – ADJOURNMENT

**Board of Directors Meeting
August 19, 2021**