



FMPA BOARD OF DIRECTORS AGENDA PACKAGE

**March 17, 2022
9:00 a.m. [NOTE TIME]
Dial-in Info: 1-321-299-0575
Conference ID Number: 313 033 47#**

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
Steve Macholz, Bushnell
Robert Presnell, Chattahoochee
Lynne Mila, Clewiston
David Lord, Fort Meade
Javier Cisneros, 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
Mike New, Newberry
Joe Bunch, New Smyrna Beach
Bill Kaufman, Ocala
Claston Sunanon, Orlando
Vacant, Quincy
Keith Trace, St. Cloud
Drew Mullins, Starke
Tony Guillen, Tallahassee
James Braddock, Wauchula
Vacant, Williston
Dan D'Alessandro, Winter Park

Meeting Location

**Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819
(407) 355-7767**



MEMORANDUM

TO: FMPA Board of Directors
FROM: Jacob A. Williams, General Manager and CEO
DATE: March 8, 2022
RE: **FMPA Board of Directors Meeting – 9:00 a.m., March 17, 2022**
PLACE: Florida Municipal Power Agency
8553 Commodity Circle, Orlando, FL 32819
DIAL-IN: **DIAL-IN INFO 321-299-0575**
Meeting Number: 313 033 47#
Meeting Link: [Click here to join the meeting](#)
(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
2. **Recognition of Guests**5
3. **Public Comments (Individual public comments limited to 3 minutes)**6
4. **Set Agenda (by vote)**7
5. **Report from the General Manager (Jacob Williams)**9
6. **Sunshine Law Update (Dan O'Hagan)** 19
7. **Consent Agenda**
 - a. Approval of the Minutes for the Meeting Held February 17, 202221
 - b. Approval of the Projects' Preliminary Financials as of January 31, 202227
 - c. Approval of the Treasury Reports as of January 31, 202229

8. Action Items

- a. None32

9. Information Items

- a. Revising Guidelines for Chargeable Member Service
Projects (Sharon Adams)35
- b. Human Resources Quarterly Report (Sharon Adams)44
- c. Results of Stanton II Project Series 2022 A Bond Closing (Rich Popp)50
- d. Quarterly Compliance Update * (LaKenya VanNorman)56

10. Member Comments62

11. Adjournment63

***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
March 17, 2022**

**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

**Board of Directors Meeting
March 17, 2022**

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

**Board of Directors Meeting
March 17, 2022**

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

**Board of Directors Meeting
March 17, 2022**

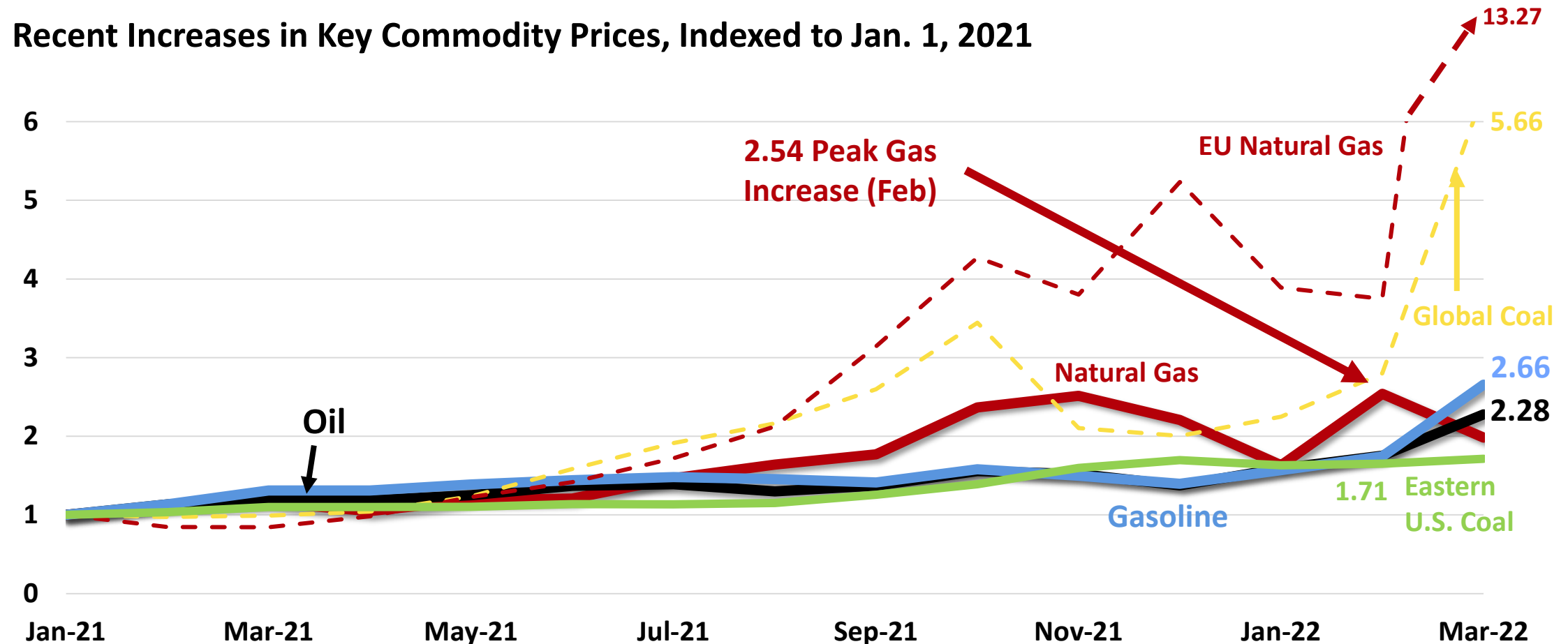
**AGENDA ITEM 5 – REPORT FROM
THE GENERAL MANAGER**

**Board of Directors Meeting
March 17, 2022**

U.S. Energy Prices Up 70%-165% in Last Year

Global Energy Prices Up 120 – 1,200% YOY

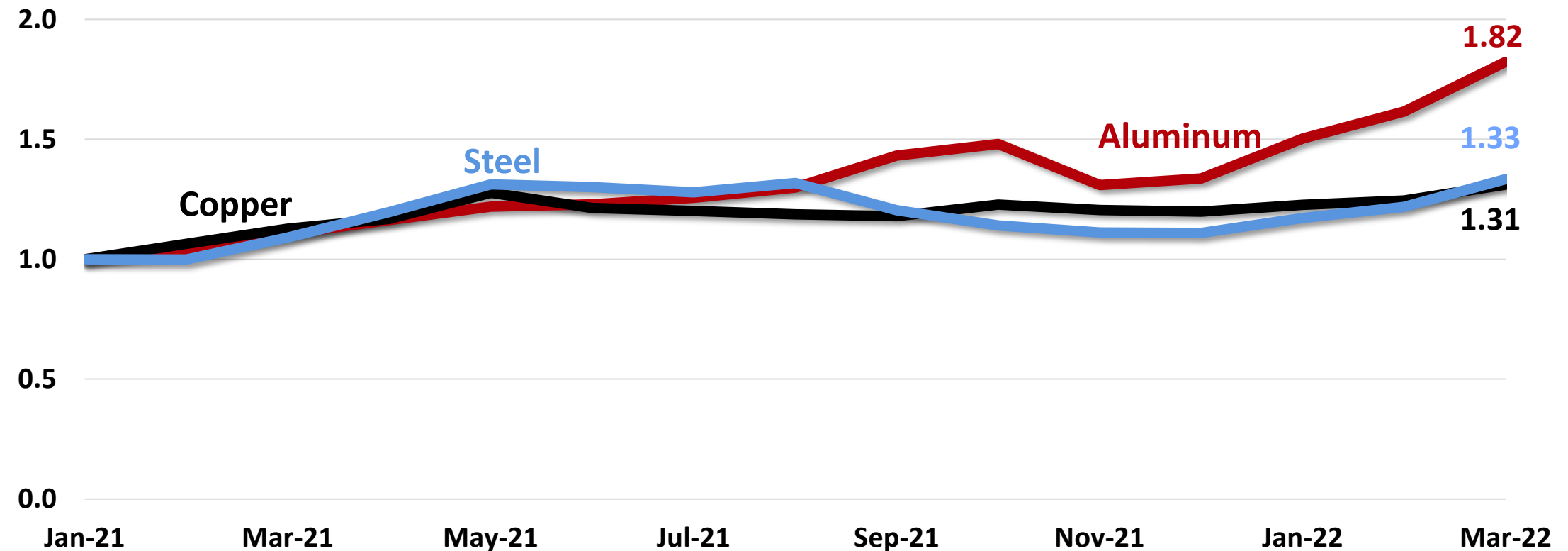
Recent Increases in Key Commodity Prices, Indexed to Jan. 1, 2021



U.S. Metal Material Prices Up 30%-80% in Last Year

Aluminum is Outpacing Copper and Steel, Impacting Part Costs

Recent Increases in Key Metal Prices, Indexed to Jan. 1, 2021

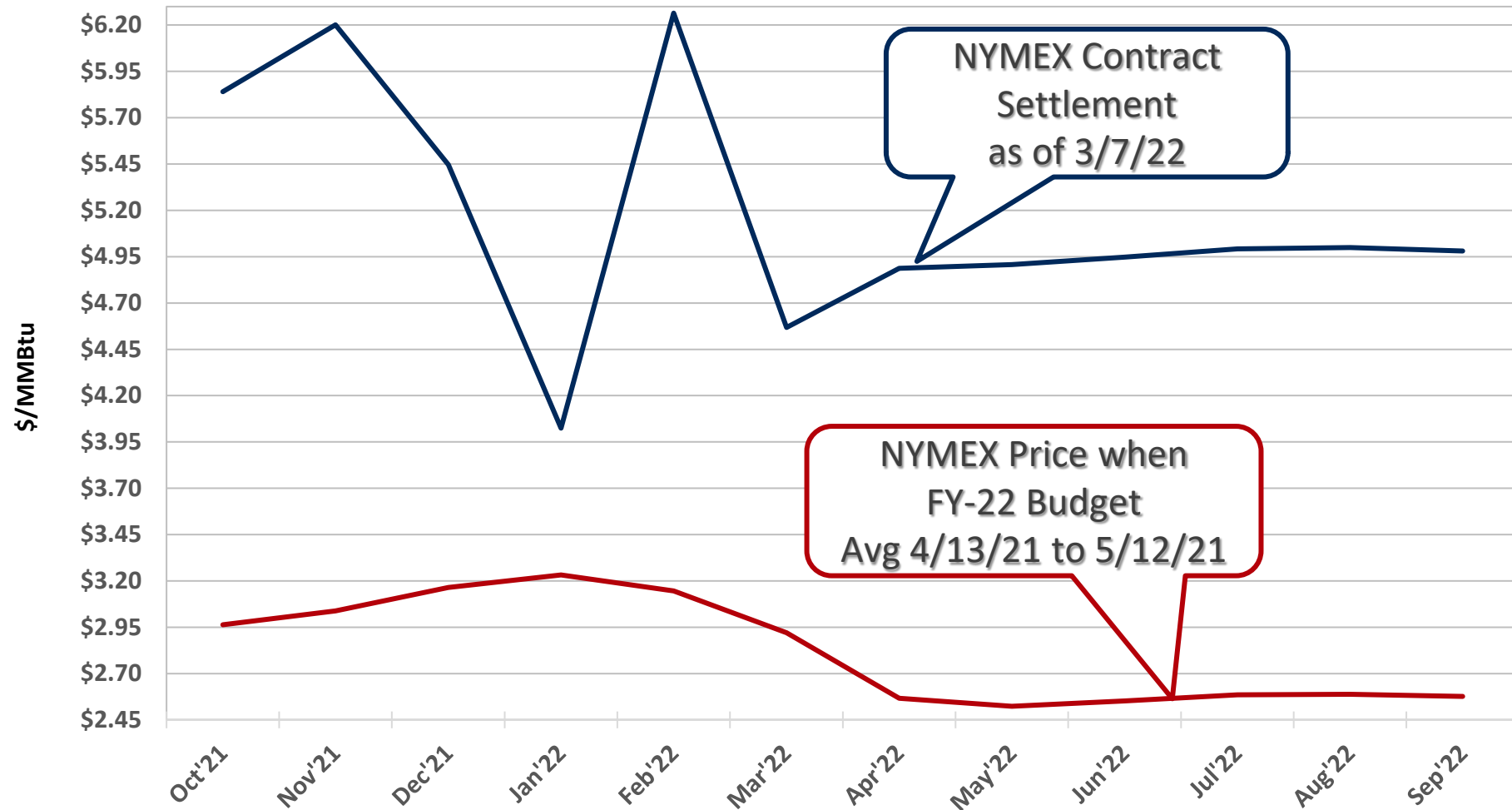


Fiscal 2022 Management Goals – Feb. 2022 Data

Goal		Status	Actual	YTD Actual	YTD Target	FY 2022 Target	Comment
1. Safety	Lost-time Accidents		0	0	0	0	
	OSHA Recordables		0	0	0	0	
2. Compliance	Environmental		0	0	0	0	Regulatory Compliance Department began internal NERC standard-by-standard top-down review – completed NERC standards PRC-005-6; EOP-004-4; COM-001-3; COM-002-4; IRO-001-4
	Financial		0	0	0	0	
	Regulatory		0	0	0	0	
3. Low Cost (\$/MWh)	Under \$70/MWh		\$87.17	\$90.01	\$77.42	< \$70.00	YTD January 2022 MWh sales ~1% <budget. All-in costs \$12.59/MWh (14%) > YTD target, primarily due to net fuel expense 53% > target; partially offset by A&G 11%, O&M 24% and Assigned Project Costs 10% below target
	Fuel		\$36.14	\$37.87	\$24.78	\$22.00	
	Non-Fuel		\$51.03	\$52.14	\$52.64	\$48.00	
4. Capacity Replacement Plan Complete evaluation of alternatives meeting ARP needs to 2027 & provide Non-ARP members participation options						1	Negotiating final details on up to 155 MW PPA. Signed LOI on purchase of two facilities of ~220 MW. Due diligence to occur over next six months to finalize purchase. Potential of 2–4 non-ARP members participating in effort.

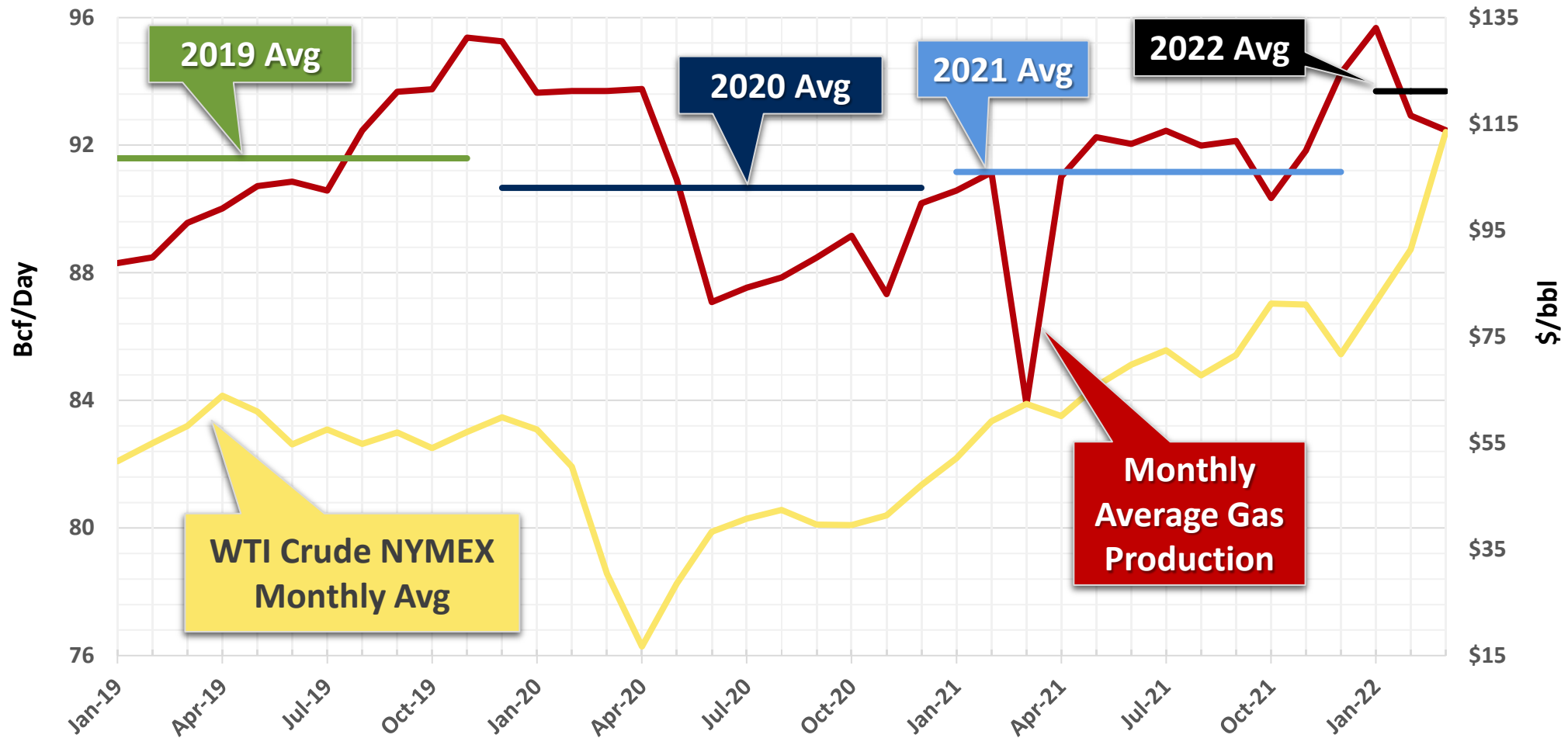
FY 2022 NYMEX Contract \$2.35/MMBtu above Budget

NYMEX Natural Gas FY22 Settlement as of March 7, 2022



Natural Gas Production Lagging Changes in Oil Prices

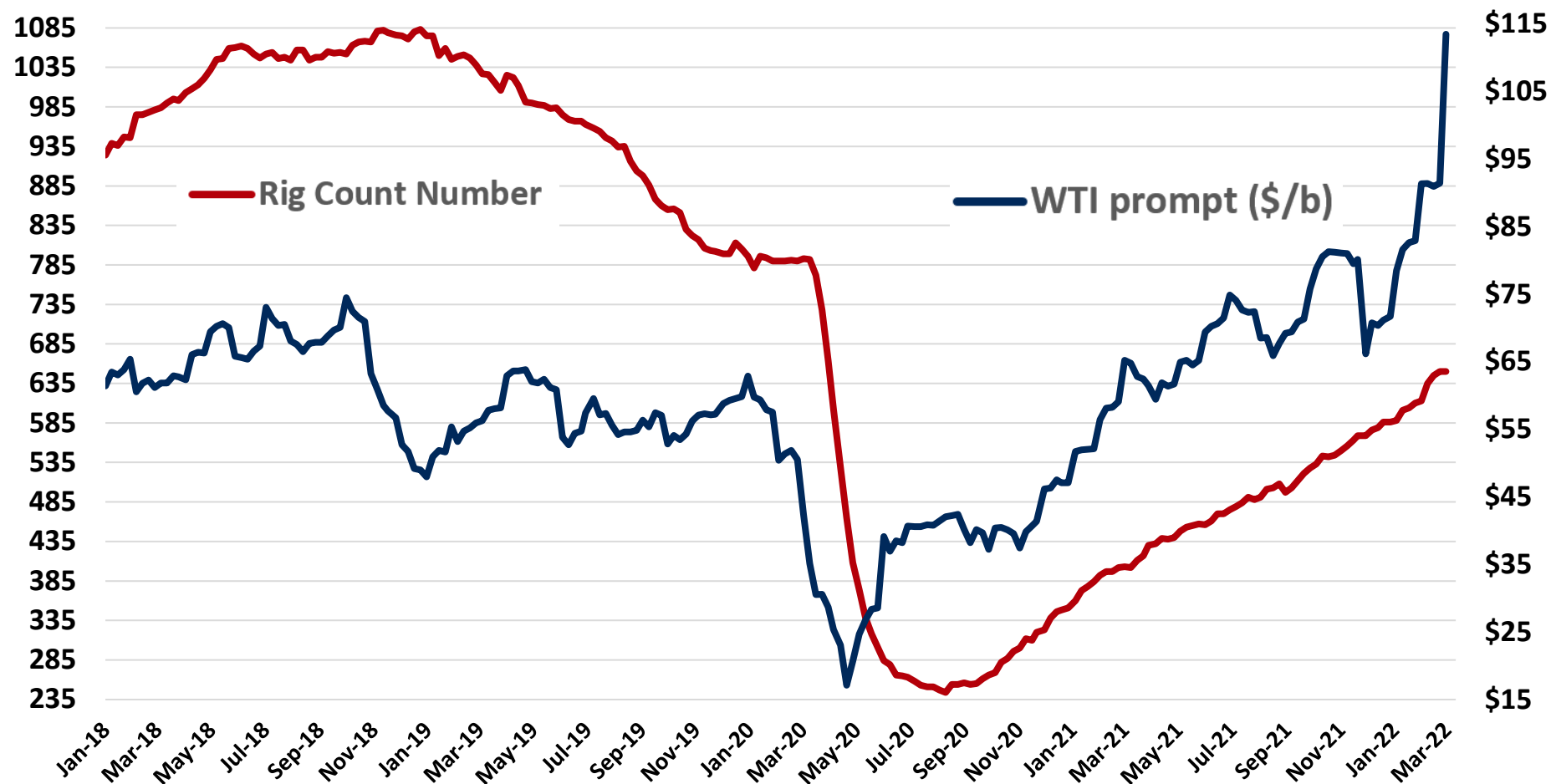
Average Monthly Change Since 2019 to Date (3/7/22)



Drilling Rig Count Slight Increase, Oil Prices Move Rapidly Upward

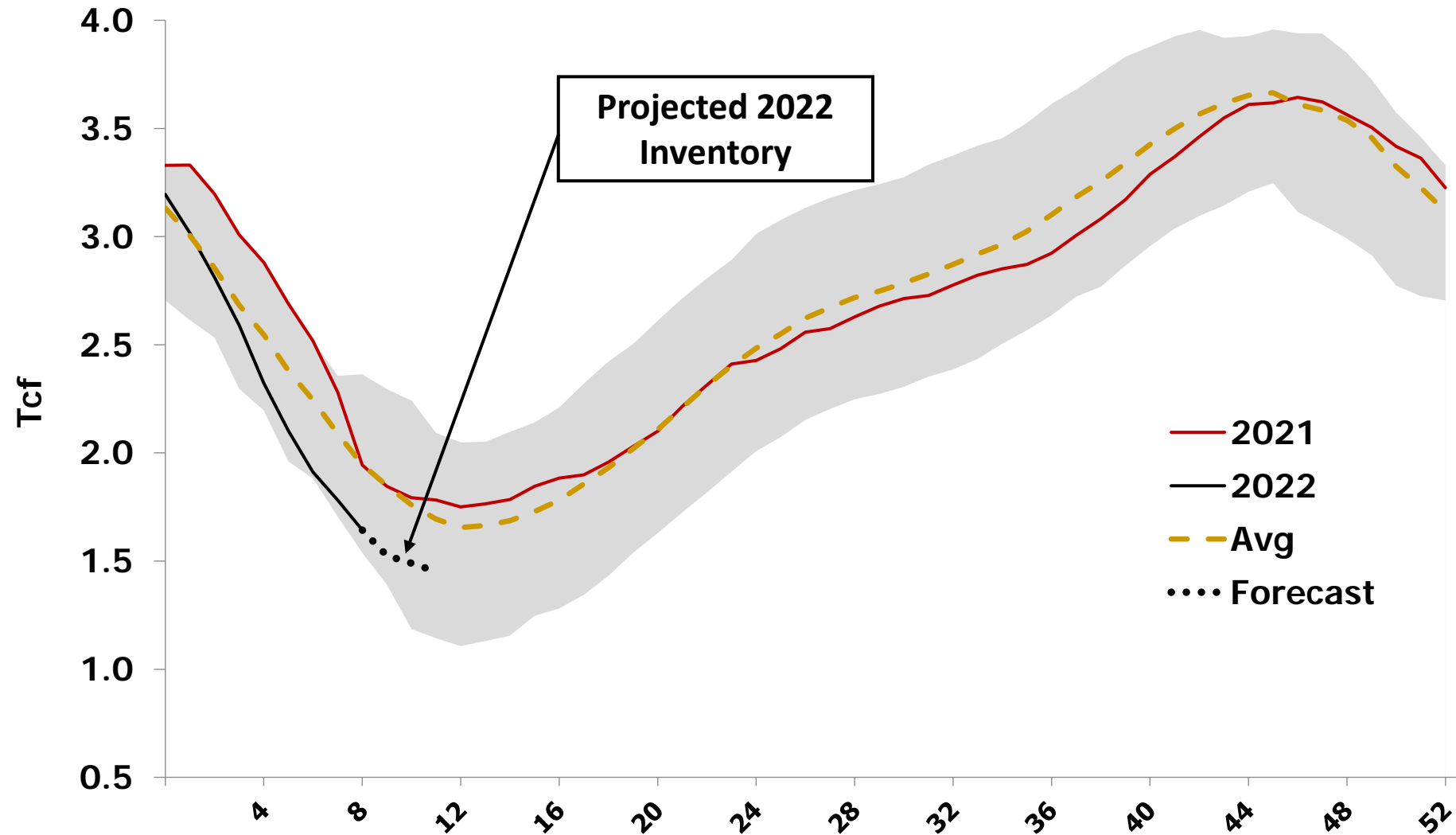
WTI Prices rise above the \$110 range (as of March 7th)

US Drilling Rig Count vs WTI Prompt



Gas Storage Inventory as of Week Ending March 4th

2022 Withdrawal Season forecasted to remain in the Lower Level of the 5 Year Average



Goal		Status	Actual	YTD Actual	YTD Target	FY 2022 Target	Comment
5.Cyber-security	Breaches		0	0	0	0	
	Phishing tests		7.1%	5.2%	3% or <	3% or <	Five people clicked on ema fake email simulating "New Mobile Device Policy"
6. Reliability	CC EAF		79.1%	76.9%	80.6%	89%	Cane 3 scheduled outage went longer due steam turbine generator.
	SI black start and trans. backup		100%	73%		100%	One successful start. DVAR Transformer out for painting, reduced import capability.
7. Member Reliability	Individual member reliability recommendations/projects		2	3	5	12	Mount Dora protection coordination review, Clewiston reduction of lateral customer count
8. Member Services	Leadership member visits		15	38	31.25	75	
	Projects managed for members		2	11	10	24	Mount Dora protection coordination review, NSB PV Feasibility Study

Goal		Status	Actual	YTD Actual	YTD Target	FY 2022 Target	Comment
9. Value of Muni	Presentations, social media		1	3	3	10	<ul style="list-style-type: none"> • Newberry Town Hall – Nov. 16 • KUA Board – Dec. 1 • KEYS Board – Feb. 9 • Williston – March 10 • Starke Comm. – March 15 (sch) • Quincy – April 28 (sch)
10. Financing	15K of Prepaid gas min. svgs. of \$0.25/mmBtu		7.4	7.4	4	15k /day	7.4k/day of deals completed at \$0.30/mmBtu savings. In Feb. executed 10k/day at \$0.32
	Refinance Stanton II					1	Forward delivery approved; soft closing on 2/28/22; final close set for 7/6/22
11. Solar Phase III							<ul style="list-style-type: none"> • 7 developers responded to RFP; final selection 6/21 • Three to five 75MW sites + battery storage
12. People			1	1	1	2	<ul style="list-style-type: none"> • 41 team members attended emotional intelligence training in February
			8	8	3.33	8	<ul style="list-style-type: none"> • Leadership training for supervisors/potential leaders

FMPA to Host Michael Shellenberger on April 20

Virtual Presentation to Cover Climate, Energy and Politics

- Leading climate and environmental activist
- Advises policymakers around the world including in the U.S., Japan, Taiwan, South Korea, the Philippines, Australia, United Kingdom, the Netherlands and Belgium
- Reported on major environmental stories that created change and enhanced communities
- Best-selling author of “Apocalypse Never”



Invite emailed by Ryan Dumas on January 26

VERBAL REPORT

**AGENDA ITEM 6 – SUNSHINE LAW
UPDATE**

**Board of Directors Meeting
March 17, 2022**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of the Minutes for the
Meeting for the Meeting Held
February 17, 2022**

**Board of Directors Meeting
March 17, 2022**

CLERKS DULY NOTIFIED FEBRUARY 8, 2022
AGENDA PACKAGES POSTED..... FEBRUARY 8, 2022

**MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
THURSDAY, FEBRUARY 17, 2022
9:00 A.M.**

MEMBERS PRESENT Brad Hiers, Bartow
Steve Macholz, Bushnell
Lynne Mila, Clewiston
Javier Cisneros, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Barbara Quiñones, Homestead
Allen Putnam, Jacksonville Beach (via telephone)
Lynne Tejeda, Key West (via telephone)
Larry Mattern, Kissimmee
Michael Beckham, Lakeland (via telephone)
Brad Chase, Leesburg (via telephone)
Joe Bunch, New Smyrna Beach (via telephone)
Bill Kaufman, Ocala (via telephone)
Claston Sunanon, Orlando
Keith Trace, St. Cloud (via telephone)
Dan D'Alessandro, Winter Park

*joined after roll call.

OTHERS PRESENT Paul Jakubczak, Fort Pierce
Gloria Eby, Winter Park
Jonathan Nunes, nFront Consulting (via telephone)
Craig Dunlap, Dunlap & Associates, Inc.

STAFF PRESENT Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Linda S. Howard, Chief Financial Officer
Mark McCain, Vice President, Member Services and Public Relations
Dan O'Hagan, Assistant General Counsel and Regulatory Compliance Counsel
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Mike McCleary, Member Services Manager
Sharon Adams, Chief People and Member Services Officer
Cairo Vanegas, Manager of Member Services Development
Susan Schumann, Manager of External Affairs and Solar Projects

David Schumann, Power Generation Fleet Director
Carter Manucy, IT/OT & Cybersecurity Director
Jason Wolfe, Financial Planning, Budget and Rates Director
LaKenya VanNorman, Regulatory Compliance Specialist
Louis DeSimone, Financial Planning & Rates Analyst II
Rich Popp, Treasurer and Risk Director
Chris Gowder, Business Development and System Operations Director
Ed Nunez, Assistant Treasurer, Debt
John Bradley, Business Development Analyst
Ryan Dumas, Senior Public Relations Specialist
Angel Diaz, IT Support Specialist
Isaac Barbosa, IT Security Analyst
Wayne Koback, IT Manager

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

Chair Barbara Quiñones, Homestead, called the Board of Directors meeting to order at 9:00 a.m. on Thursday, February 17, 2022, in the Frederick M. Bryant Board Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 18 members present representing 30.5 votes out of a possible 47.5.

ITEM 2 – Recognition of Guests

Chair Barbara Quiñones welcomed Gloria Eby, Winter Park and John Bradley, FMPA's new Business Development Analyst.

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

None

ITEM 4 – SET AGENDA (by vote)

MOTION: Bob Page, Green Cove Springs, moved approval of the agenda as presented. Howard McKinnon, Havana, seconded the motion. Motion carried 30.5 – 0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Jacob Williams reported on the following items:

1. Goals Scorecard
2. PMLC meeting with guest speaker Michael Schellenberger April 20, 2022
3. FMPA new Administrator email address for meeting invitations
4. Upcoming APPA Legislative Rally in Washington, DC
5. Solar subscriptions update
6. Behind the Switch social media campaign
7. NERC/EISAC Level 2 alert – Russian/Ukraine cybersecurity threat
8. Member salary survey due March 4

9. FMPA furniture and computers available for members
10. Upcoming Certified Power Executive training

ITEM 6 – SUNSHINE LAW UPDATE

Dan O'Hagan discussed the difference between public records requests and requests for information, and the Florida Public Record Law requirements and other considerations when responding to both.

ITEM 7 – CONSENT AGENDA

- a. Approval of Minutes – Meeting Held January 20, 2022
- b. Approval of the Projects' Preliminary Financials as of December 31, 2021
- c. Approval of the Treasury Reports as of December 31, 2021

MOTION: Larry Mattern, Kissimmee, moved approval of the Consent Agenda as presented. Bob Page, Green Cove Springs, seconded the motion. Motion carried 30.5 – 0.

ITEM 8 – ACTION ITEMS

- a. Approval of Resolution 2022-B1 – Budget Amendment for Pooled Loan Project

Resolution 2022-B1 was read by title:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING THE INITIAL POOLED LOAN PROJECT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; (II) ADOPTING THE AMENDED BUDGET FOR THE INITIAL POOLED LOAN PROJECT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; AND (III) PROVIDING AN EFFECTIVE DATE.

MOTION: Howard McKinnon, Havana, moved approval of the Resolution 2022-B1. Bob Page, Green Cove Springs, seconded the motion. Motion carried 30.5 – 0.

b. Approval of Resolution 2022-B2 – Stanton II Direct Placement Note 2022A

Resolution 2022-B2 was read by title:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY (“FMPA”) (I) RECITING STATEMENT OF AUTHORITY; (II) APPROVING AND ADOPTING THE SERIES 2022A SUPPLEMENTAL STANTON II PROJECT REVENUE BOND RESOLUTION (FIXED RATE BONDS – FORWARD DELIVERY) WHICH AUTHORIZES THE ISSUANCE OF THE FLORIDA MUNICIPAL POWER AGENCY STANTON II PROJECT REFUNDING REVENUE BONDS, SERIES 2022A (FORWARD DELIVERY) TO BE SOLD ON OR BEFORE OCTOBER 1, 2022 IN A PRINCIPAL AMOUNT PLUS ANY ORIGINAL ISSUE PREMIUM AND MINUS ANY ORIGINAL ISSUE DISCOUNT NOT TO EXCEED TWENTY-SIX MILLION DOLLARS (\$26,000,000) IN GROSS REFUNDING PROCEEDS FOR THE PURPOSE OF PAYMENT OF ALL OR ANY PART OF THE COST OF REFUNDING FMPA’S STANTON II PROJECT REVENUE BONDS, SERIES 2012A AND PAYMENT OF COSTS OF ISSUANCE OF THE FLORIDA MUNICIPAL POWER AGENCY STANTON II PROJECT REFUNDING REVENUE BONDS, SERIES 2022A (FORWARD DELIVERY) AND DELEGATES TO AUTHORIZED SIGNATORIES AND AUTHORIZED OFFICERS, AS APPLICABLE, CERTAIN MATTERS RELATING TO THE ISSUANCE OF SUCH SERIES 2022A BONDS INCLUDING, BUT NOT LIMITED TO, (1) WHEN TO ISSUE SUCH SERIES 2022A BONDS, (2) DETERMINATION OF THE PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, SINKING FUND INSTALLMENTS (IF ANY) AND OTHER REDEMPTION PROVISIONS OF THE SERIES 2022A BONDS, (3) DETERMINATION OF REDEMPTION PRICES AND TERMS FOR THE SERIES 2022A BONDS, (4) DETERMINATION OF AMOUNT, IF ANY, OF THE DEBT SERVICE RESERVE REQUIREMENT FOR THE SERIES 2022A BONDS, (5) DETERMINATION OF THE PRESENT VALUE SAVINGS FROM FMPA ISSUING THE SERIES 2022A BONDS AS COMPARED TO THE REFUNDED BONDS, (6) APPROVAL OF THE SALE AND PURCHASE PRICE FOR THE SERIES 2022A BONDS, AND (7) EXECUTION AND DELIVERY OF A FORWARD BOND PURCHASE AGREEMENT AND AN ESCROW DEPOSIT AGREEMENT; (III) MAKING CERTAIN FINDINGS AS TO THE REASONS REQUIRING THE NEGOTIATED SALE OF THE BONDS AUTHORIZED BY SUCH SERIES 2022A SUPPLEMENTAL STANTON II PROJECT REVENUE BOND RESOLUTION (FIXED RATE BONDS – FORWARD DELIVERY) ON A NEGOTIATED BASIS AND AS TO THE OBJECTIVES TO BE ACHIEVED BY ISSUING SUCH SERIES 2022A BONDS; (IV) DESIGNATING AUTHORIZED OFFICERS; (V) APPROVING AND TAKING CERTAIN OTHER ACTIONS; AND (VI) PROVIDING AN EFFECTIVE DATE.

MOTION: Javier Cisneros, Fort Pierce, moved approval of Resolution 2022-B2. Bob Page, Green Cove Springs, seconded the motion. Motion carried 30.5 – 0.

ITEM 9 – INFORMATION ITEMS

a. Annual Debt Report

Ed Nunez presented the annual debt report.

b. Member Services CY 2021 Year-in-Review

Mark McCain presented the Member Services calendar year 2021 year in review.

c. Tri-City Project O&M Fund Status

Jason Wolfe updated the Board on the Tri-City Project O & M fund status.

d. Summary of Finance Committee Items

Linda S. Howard gave a summary of the Finance Committee items.

ITEM 10 – MEMBER COMMENTS

Chair Barbara Quiñones thanked Mark McCain for his 35 years of service to FMPA and its members and wished him well in his retirement.

ITEM 11 – ADJOURNMENT

There being no further business, the meeting was adjourned at 10:35 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
January 31, 2022**

**Board of Directors Meeting
March 17, 2022**



Linda S. Howard, CPA, CFP
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: FM&PA Board of Directors
FROM: Linda Howard
DATE: March 8, 2022
ITEM: 7b – Approval of Projects’ Financials as of January 31, 2022

Discussion: The summary financial statements and detailed financial statements, which include GASB #62 transactions, of the Projects for the period ended January 31, 2022 are posted on the Document Portal section of FM&PA’s website.

Recommended: Move approval of the Projects’ Financial Reports for the month ended January 31, 2022.

LH/GF

**AGENDA ITEM 7 – CONSENT
AGENDA**

**c. Approval of the Treasury Reports
as of January 31, 2022**

**Board of Directors Meeting
March 17, 2022**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors
FROM: Gloria Reyes
DATE: March 17, 2022
ITEM: BOD 7(c) – Approval of Treasury Reports as of January 31, 2022

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

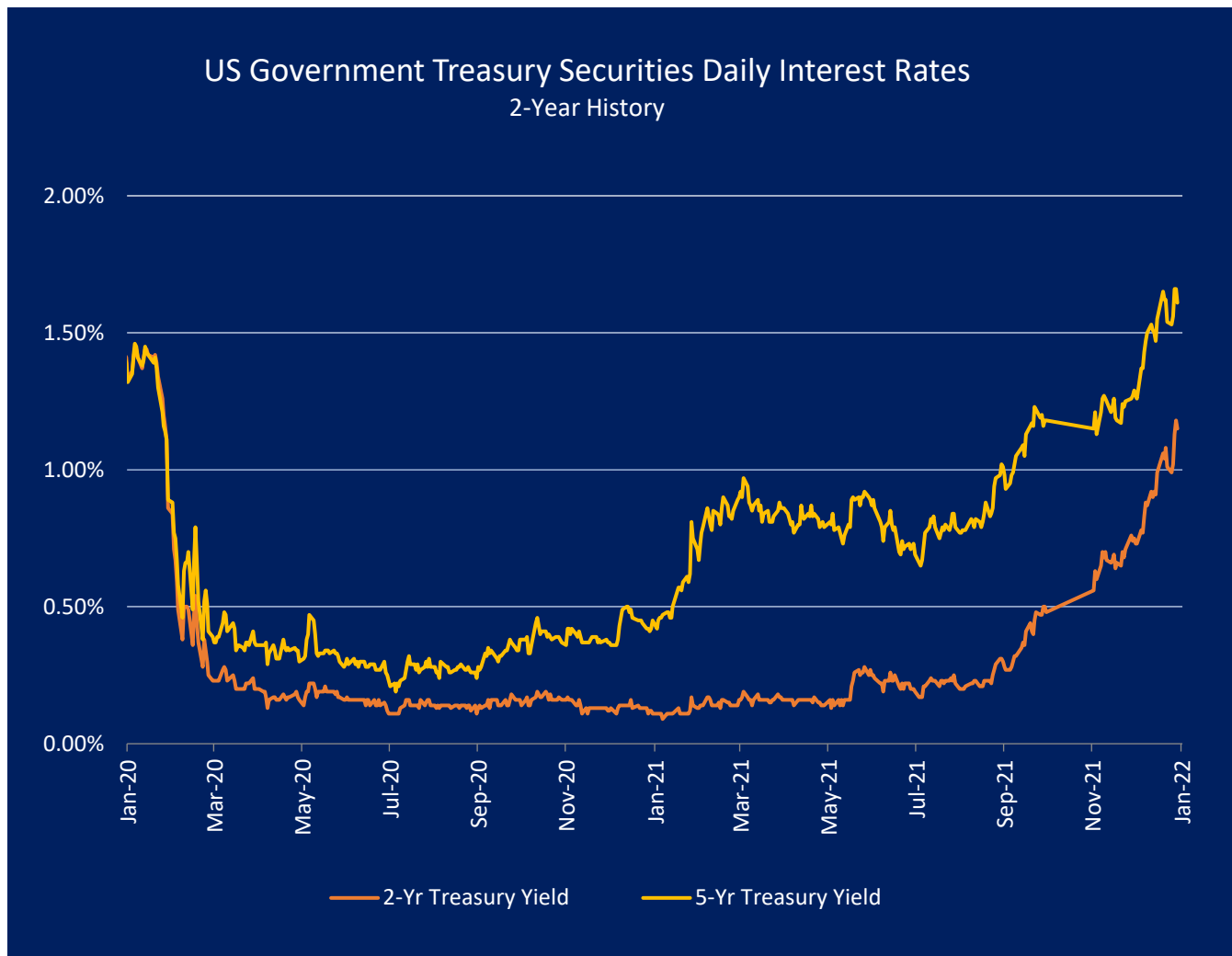
The Treasury Department reports for June are posted in the member portal section of FMPA's website.

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 January 31, 2022.

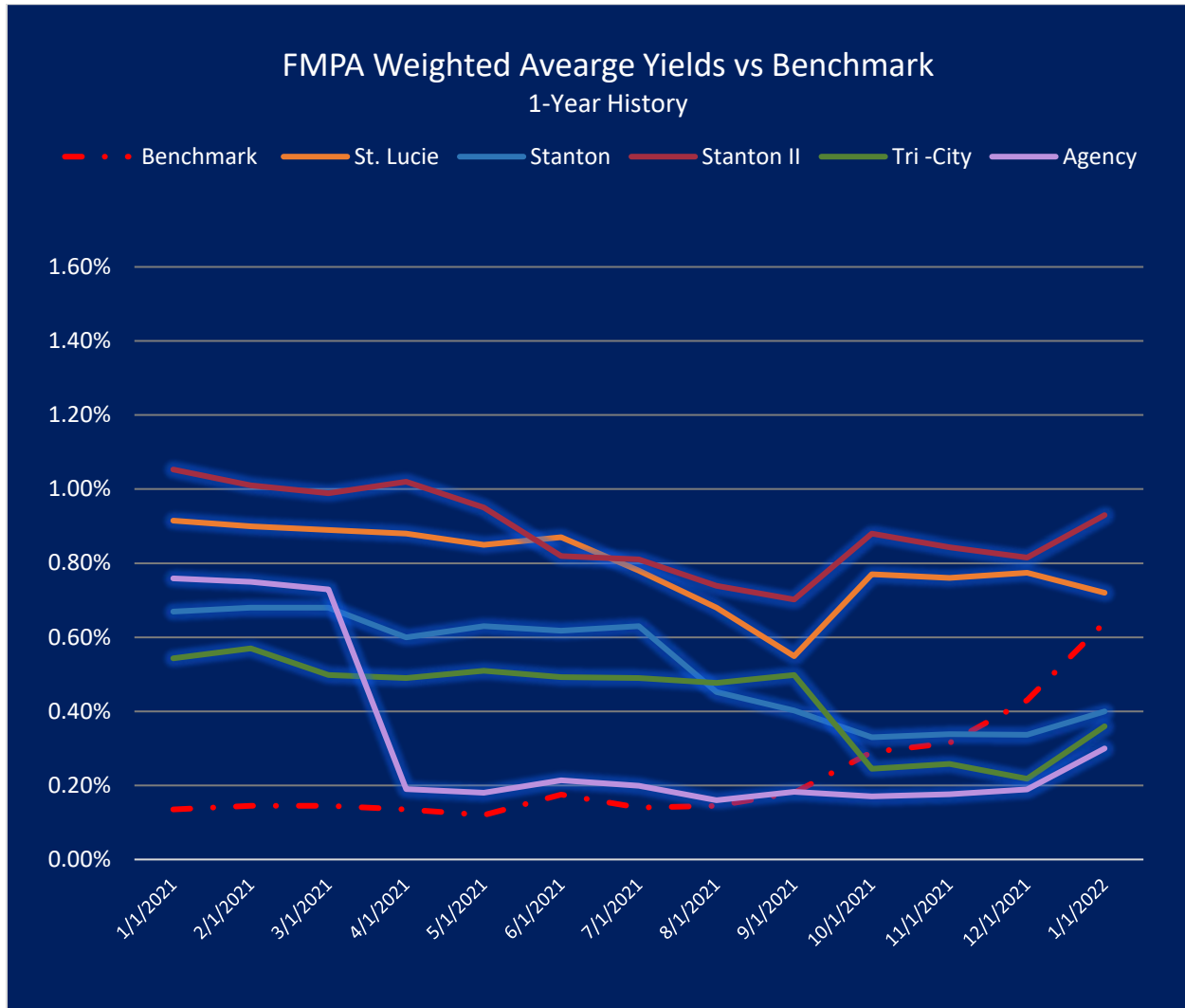
	Total debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
Agency	0.00	0%	0%	0%
St Lucie	80,790,000	100%	0%	0%
Stanton	0.00	0%	0%	0%
Stanton II	89,548,354	100%	0%	0%
Tri City	0.00	0%	0%	0%

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 January at 1.15%. The yellow line is the 5-year Treasury which was 1.61%.



The weighted average yields on investments earned as of January 31, 2022, in the Projects, along with their benchmark (Average of Florida Prime Fund and 2-year treasury), are as follows:



Recommended
Motion

Move approval of the Treasury Reports for January 31, 2022.

AGENDA ITEM 8 – ACTION ITEMS

a. None

**Board of Directors Meeting
March 17, 2022**

AGENDA ITEM 8 – ACTION ITEMS

- b. Approval of Resolution 2022-B2 –
Stanton II Direct Placement Note
2022A**

**Board of Directors Meeting
March 17, 2022**

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**a. Revising Guidelines for Chargeable Member
Services**

**Board of Directors Meeting
March 17, 2022**



9a – Revising Guidelines for Chargeable Member Service Projects

Board of Directors

March 17, 2022

Highlights of FMPA's Existing Chargeable-Service Policy

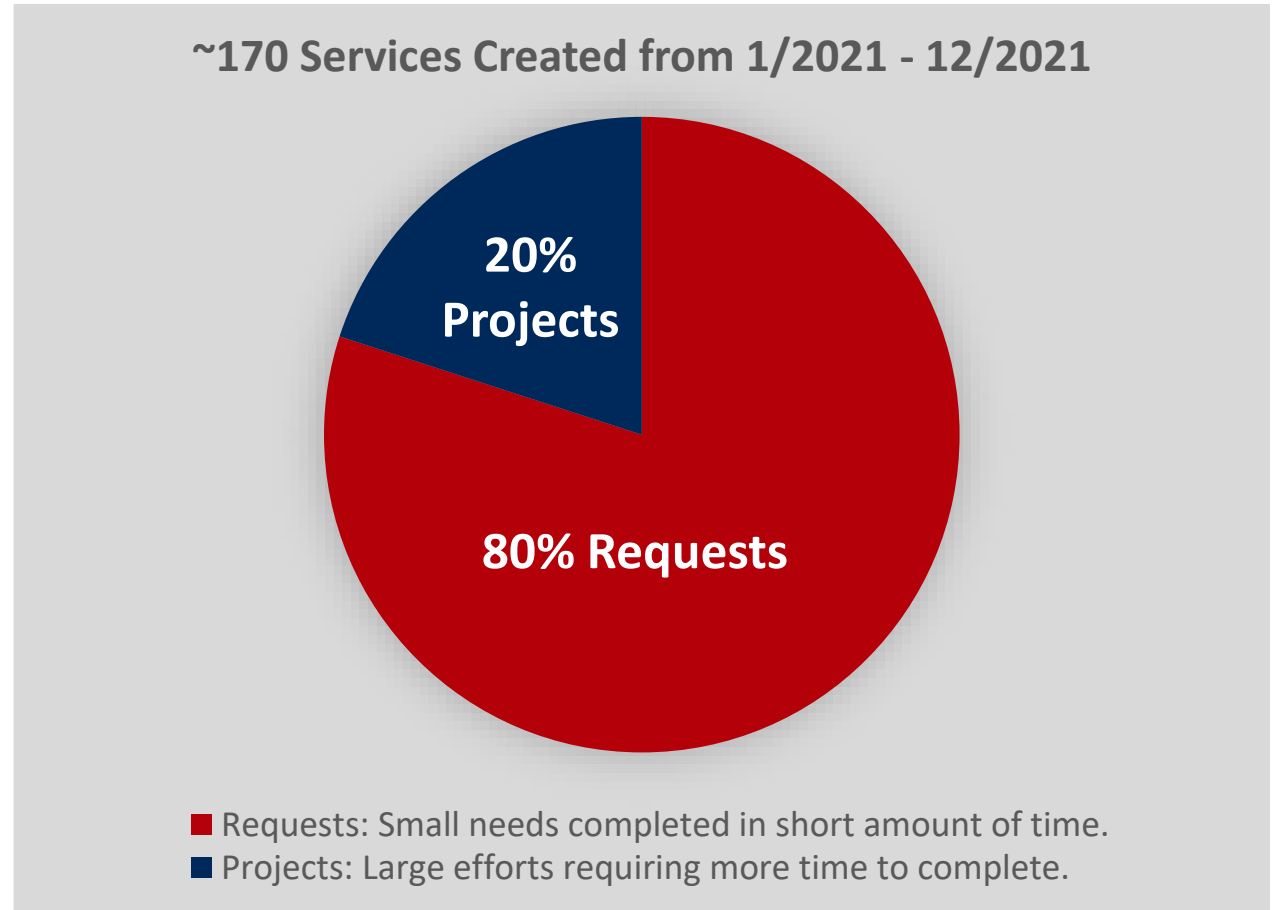
Billings Contribute to Cost Recovery for Significant Services

- Existing policy approved by MSAC in October 2019 and by FMPA's Board of Directors in January 2020
- “Significant projects” defined as more than 120 staff hours, includes worked performed by FMPA or FMPA's project-management efforts
- First 120 hours provided at no cost as a member benefit
- Applies to “distinct projects” “within a particular project period” that “divert FMPA human resources from their primary function”
- Hours in excess of 120 charged at rate of average salary plus benefits for FMPA's subject-matter-expert pay grades

FMPA Initiated ~170 Individual Service Projects/Request

*Provided Services Supporting 30 of FMPA's 31 Members**

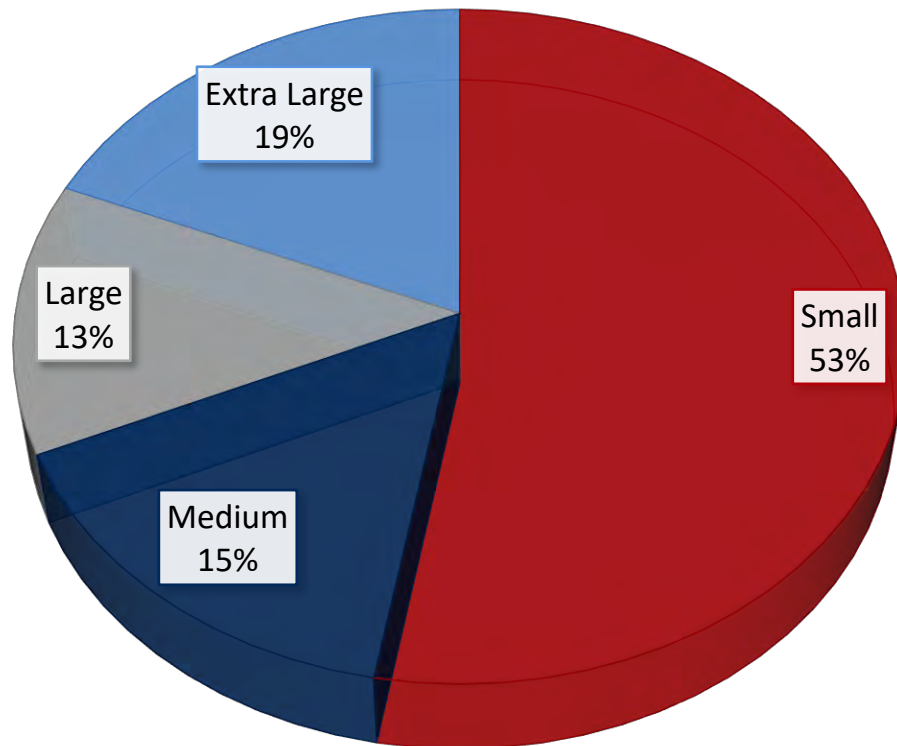
- FMPA initiated ~170 service projects/requests for individual members in 2021
- Only 7 were over the 120-hour threshold
- The services supported 30 of FMPA's 31 members



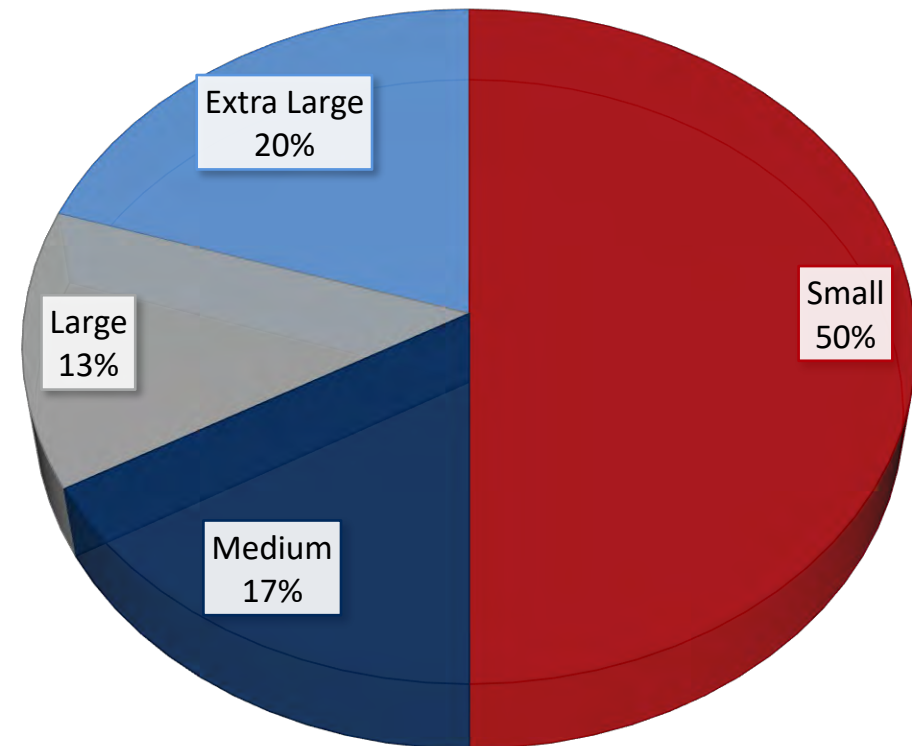
Individual Services Provided to Members of All Sizes

Breakdown of Services by Utility Size Mirrors FMPA's Members

SERVICES BY UTILITY SIZE



% OF MEMBERS IN EACH GROUP



In Past 2 Years, 7 Projects with Estimates \geq 120-Hours

Most Projects Fall Below the Chargeable 120-Hour Threshold

Completed Projects	Estimated Hours	Actual Hours	Chargeable Hours	Revenue ¹
Operational Business Plan	188	176.5	56.5	\$5,650
Information Technology Assistance	370	371.25	251.25	\$25,125
Financial Statement Preparation	140	76.5	--	

Ongoing Projects	Estimated Hours	Actual Hours to Date	Potentially Chargeable	Potential Revenue ¹
Substation Project	116	36.5	0	--
Substation Interconnection	388	107	268	\$26,800
Financial Statement	120	31	0	--
Substation Interconnection	406	61	286	\$28,600

Financial Impact of Policy, Plus an Option to Consider

Policy Intent to Offset Significant Services, Not Cover All Costs

Projects	Actual Hours to Date/ <i>Estimate</i>	Revenue at the Current 120-Hour Threshold	OPTION Revenue at an 80-Hour Threshold
Operational Business Plan	176.5	\$5,650	\$9,650
Information Technology Assistance	371.25	\$25,125	\$29,125
Financial Statement Preparation	76.5	--	--
Substation Project	116	--	\$3,600
Substation Interconnection	388	\$26,800	\$30,800
Financial Statement	120	--	\$4,000
Substation Interconnection	406	\$28,600	\$32,600
TOTAL		\$86,175	\$109,775

For the most active project managers, 80 hours/project, times 12 projects would equal nearly 50% of their annual time.

MSAC Recommends to Reduce the Threshold

Mitigate Any Subsidy Concerns

- MSAC requested periodic updates on policy's implementation
- During the first two years of implementation, there have been seven chargeable projects above or near the 120-hour threshold
- To mitigate any potential concerns about subsidizing individual members projects, MSAC decided to reduce the threshold
- Several FMPA members that used services indicated they would be willing to pay more, considering the services/value they received
- Reducing chargeable threshold to 80-hours will not impact current projects

Information Only

Future Motion: Move to amend the billable hours policy threshold from 120 hours to 80 hours.

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**b. Human Resources Quarterly
Update**

**Board of Directors Meeting
March 17, 2022**



9b - HR Quarterly Report

Board Of Directors

March 17, 2022

FMMPA Retirements in 2022

Richard Montgomery

Business Development and Power Pool

Jan. 28, 2022

John Lee

Transmission Planning Engineer III

April 29, 2022

Feb. 28, 2022

Mark McCain

VP of Member Services and Public Relations

Retirement Creates Development Opportunities

Created Four Internal Opportunities For Team

Susan Schumann

- Manage Public Relations team, Coordinate Policy Makers Liaison Committee and Legislative Rallies

Maria Veiga

- Manage Human Resources and Administrative Services Team

Mike McCleary

- Manage Member Services Team

Sharon Adams

- Leadership role Human Resources, Member Services Administrative Services and Facilities

Seven Vacant Positions

Recruiting for five positions

Manger of
Member Services
Development

HR Generalist

Administrative
Specialist

Transmission
Engineer

Infrastructure
Systems
Administrator

Supporting Other Staffing Needs

Mechanic TCEC
– succession
plan

FMPP
Operations
Analyst

Future Northern
Star staffing
coordination

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**c. Results of Stanton II Project
Series 2022 A Bond Closing**

**Board of Directors Meeting
March 17, 2022**



9c – Results of Stanton II Project Series 2022 A Debt Offerings

Board of Directors

March 17, 2022

Stanton II Raymond James Bank Loan Refinancing

Locked In Rates Lower Than Current Market

- RFP Rate Lock Option Saved The Transaction
 - Interest Rates Increased ~60 bps (Similar Credits to STN II)
- **NPV savings of ~\$2.2 million or ~5.69%**
 - Issued \$25.51 million 2022A Bonds refunding \$35.4 million 2012A Bonds on Oct. 1, 2022, (cash contributed from debt service and debt service reserve ~\$10.935 million)

Within Allowable Internal Targets

Final Numbers Compared to Resolution/Debt Policy

Description	Actual	Limit Per Resolution or Debt Policy
Bonds Issued A	\$25.51 million	\$26.00 million
True Interest Cost (A)	1.651092%	2%
Final Maturity A	October 2027	October 2027

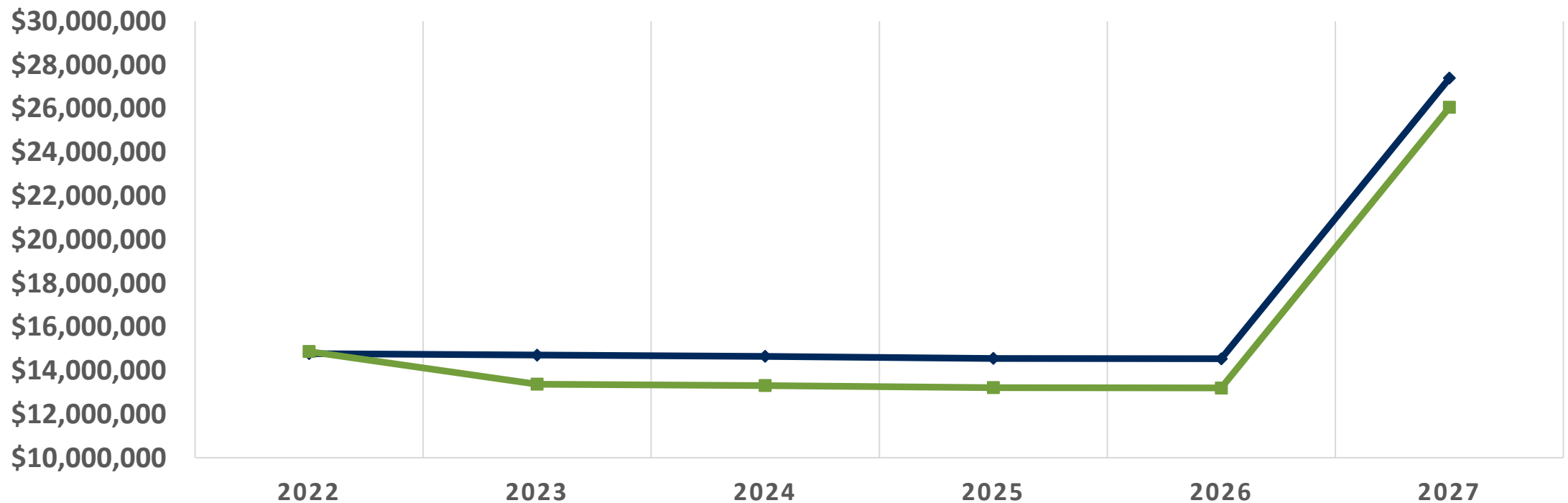
Description	Actual	Limit Per Resolution or Debt Policy
Issue Costs	\$150,430	N.A.
Underwriters Discount	\$.20 per \$1,000	N.A.
Method of Sale	Negotiated	Negotiated
“Soft” Closing Date “Hard” Closing Date	February 28, 2022 July 6, 2022	N.A. N.A.
Underwriters	Raymond James	Raymond James

\$73.7 Million Remaining Total Debt After 10/1/2022

\$27.0 Million Less Debt Than 9/30/2021

STANTON II ANNUAL DEBT SERVICE PAYMENTS

◆ Before Refinancing ■ After Refinancing



**AGENDA ITEM 9 – INFORMATION
ITEMS**

d. Quarterly Compliance Update

**Board of Directors Meeting
March 17, 2022**



Quarterly Compliance Update

BOD 9d / EC 9e

Board of Directors & Executive Committee
March 17, 2022

Roles of FMPA Regulatory Compliance Department

- FMPA's Regulatory Compliance Department performs three main functions related to NERC mandatory reliability standards:
 - FMPA compliance
 - Member support
 - Industry influence

FMPA Compliance

Internal Compliance

- 2022 Annual Goal - Regulatory Compliance Update
 - NERC Compliance Steering Committee will review a staff report reviewing all processes and procedures for compliance with all applicable NERC Reliability Standards”.
 - Compliance-SME one-on-one meetings
 - The process began with high risk, new, and plant applicable standards
 - Top-down standards review
 - Approximately 20% complete
 - Per registered function: 56 applicable standards and 851 applicable requirements
 - Per registered function internal responsibility: 33 applicable standards; 617 applicable requirements; 317 direct internal applicable requirements

FMPA Compliance

Internal Compliance

- FMPA had no reportable compliance violations since December 2021
 - CIP-003 Self-reports
 - Determination in progress
 - Under review
- Cyber Security
 - Level II NERC Alert – Preparation for Potential Russian Cyber Activity against Industry from Russia-linked Actors

FMPA Compliance

Member Support

- In-process peer review
- Bi-weekly compliance calls are a continued success
- Compliance Department is available for support and help with peer reviews, spot checks, balloting and commenting, or to answer any compliance questions

Industry Influence

- Submitted comments and/or cast ballots
 - CIP-012; FAC-008; TPL-001 & MOD-032
- Align release 3 – Q2 2022
- Align release 4 – TBD dependent upon release 3
- Cold Weather Standard Development
 - FMPA continues participation in Cold Weather Preparedness standard development & implementation efforts

**AGENDA ITEM 10 – MEMBER
COMMENTS**

**Board of Directors Meeting
March 17, 2022**

AGENDA ITEM 11 – ADJOURNMENT

**Board of Directors Meeting
March 17, 2022**