



FINANCE COMMITTEE AGENDA PACKAGE

June 22, 2022

2:00 p.m.

Dial-in Info: 1-321-299-0575

Meeting Number: 733 493 582#

Committee Members

Jim Williams, Leesburg – Chair
Barbara Mika, Fort Pierce
Howard McKinnon, Havana
Barbara Quiñones, Homestead
Karen Nelson, Jacksonville Beach
Jesse Perloff, Key West
Larry Mattern, Kissimmee
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 14, 2022
SUBJECT: FMPA Finance Committee Meeting
June 22, 2022 at 2:00pm
PLACE: Florida Municipal Power Agency Board Room
8553 Commodity Circle,
Orlando, FL 32819

DIAL-IN INFORMATION: 321-299-0575, Meeting # 224 771 238

LINK: [Click here to join the meeting](#)

(If you have trouble connecting via phone or internet, please call 407-355-7767)

Chairperson Jim Williams, Presiding

AGENDA

1. Call to Order, Roll Call, Declaration of Quorum
2. Recognition of Guests
3. Public Comment (Individual public comments limited to 3 minutes)
4. Set Agenda (by vote)
5. Approval of Minutes
 - a. Approval of Minutes – Special Finance Committee Minutes – Meeting Held on June 9, 2022.
6. Chairperson's Remarks

7. CFO Report

8. Action Items

- a. Recommended Approval of Resolution for ARP Budget Amendment 2022-EC2
(Jason Wolfe)

9. Information Items

- a. None

10. Reports

None

11. Comments

12. Adjournment

LSH/su

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
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**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

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

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

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**AGENDA ITEM 5 – CONSENT
AGENDA**

- a. Approval of Minutes – Special
Finance Committee Minutes –
Meeting Held June 9, 2022**

**Finance Committee Meeting
June 22, 2022**

CLERKS DULY NOTIFIED.....JUNE 2, 2022
AGENDA PACKAGE SENT TO MEMBERS.....JUNE 2, 2022

MINUTES
SPECIAL-CALLED FINANCE COMMITTEE MEETING
THURSDAY, JUNE 9, 2022
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL

PARTICIPANTS
PRESENT
VIA
TELEPHONE

Barbara Mika, Fort Pierce
Howard McKinnon, Havana
Barbara Quinones, Homestead
Karen Nelson, Jacksonville Beach
Jesse Perloff, Key West
Larry Mattern, Kissimmee
Jim Williams, Leesburg
Marie Brooks, Ocala
James Braddock, Wauchula

PARTICIPANTS
ABSENT

Steve Langley, Mount Dora
Dallas Lee, Newberry

OTHERS
PRESENT
VIA
TELEPHONE

Javier Cisneros, Fort Pierce
Craig Crawford, Fort Pierce
Daniel Retherford, Fort Pierce
Allan Putnam, Jacksonville Beach
Brad Chase, Leeseburg
Pete Lee, Ocala
Doug Pebbles, Ocala
Bob Page, Green Cove Springs
Mike Null, Green Cove Springs
Steve Kennedy, Green Cove Springs
Lynne, Clewiston
Mike New, Newberry

STAFF PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Rich Popp, Treasurer and Risk Director
Jason Wolfe, Financial Planning Rates and Budget Director
Denise Fuentes, Budget & Financial Analyst II
Sue Utley, Executive Assistant to CEO/Asst. Sec. Bd. Dir.
Lindsay Jack, Administrative Specialist
Liyuan Woerner, Audit Manager
Ryan Dumas, Senior Public Relations Specialist
Mike McCleary, Member Services Manager
Rachel Ilardi, Public Relations Specialist

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

Chair Jim Williams called the Special-called FMPA Finance Committee Meeting to order at 2:00 p.m. on Thursday, June 9, 2022. 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 11 members present.

ITEM 2 – RECOGNITION OF GUESTS

Craig Dunlap, Dunlap and Associates, Inc.

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

None

ITEM 4 – SET AGENDA (BY VOTE)

MOTION: Larry Mattern, Kissimmee, moved approval of the agenda as presented. Barbara Wuinones, Homestead, seconded the motion. Motion carried 9-0.

ITEM 5 – APPROVAL OF MINUTES

a. Approval of Minutes – Finance Committee Minutes – Meeting Held May 18, 2022

MOTION: Larry Mattern, Kissimmee, moved the approval of the May 18, 2022 Finance Committee Minutes. Howard McKinnon, Havana, seconded the motion. Motion carried 9-0.

ITEM 6 – CHAIRPERSON'S REMARKS

None

ITEM 7 – CFO REPORT

Linda S. Howard reported that this meeting is a special-called meeting and we will still have the June 22 meeting.

ITEM 8 – ACTION ITEMS

a. Approval of FMPA Fuel Portfolio Management Risk Policy

MOTION: Larry Mattern, Kissimmee, moved approval of entering into a gas price risk mitigation transaction with Florida Gas Utility (FGU), based on the advice of FMPA's and FGU's leadership, at a price of no more than \$6.50 per MMBtu for 50 percent of the ARP's gas needs from spring 2023 (beginning April or May) through spring 2024 (ending March or April, respectively), and 25 percent of the ARP's gas needs from spring of 2024 (beginning April or May) through spring of 2025 (ending March or April, respectively), and recommend

the same to the Executive Committee for approval. Mike New, Newberry, seconded the motion. Motion carried 8-0. Barbara Quinones, Homestead, left the meeting bringing the total Members present to 8 out of 11 Members..

b. Approval of FY 2023 Agency Allocation for Recommendation to the Board of Directors for Approval.

MOTION: Larry Mattern, Kissimme, moved approval of the FY 2023 Agency Allocation for recommendation to the Board of Directors for approval. Barbara Mika, Fort Pierce, seconded the motion. Motion carried 8-0.

c. Review and Approval of the FY 2023 Small Projects Budgets (Stanton, Tri-City, Stanton II, St. Lucie, Solar, Solar II, Pooled Loan) for Recommendation to the Board of Directors for Approval

MOTION: Larry Mattern, Kissimme, moved approval of:

- 1) FY2023/FY2024 Stanton Project Budget for recommendation to the Board of Directors for approval.
- 2) FY2023/FY2024 Tri-City Project Budget for recommendation to the Board of Directors for approval.
- 3) FY2023/FY2024 Stanton II Project Budget for recommendation to the Board of Directors for approval.
- 4) FY2023/FY2024 St. Lucie Project Budget for recommendation to the Board of Directors for approval.
- 5) FY2023/FY2024 Solar Project Budget for recommendation to the Board of Directors for approval.
- 6) FY2023/FY2024 Solar II Project Budget for recommendation to the Board of Directors for approval.
- 7) FY2023/FY2024 Pooled Loan Project Budget for recommendation to the Board of Directors for approval.

Barbara Mika, Fort Pierce, seconded the motion. Motion carried 8-0.

d. Review and Approval of the ARP FY 2023 Budget/FY 2024 Plan for Recommendation to the Executive Committee for Approval

MOTION: Larry Mattern, Kissimme, moved approval of the FY 2023 All-Requirements Power Supply Project Budget for recommendation to the Executive Committee for approval. Karen Nelson, Jacksonville Beach, seconded the motion. Motion carried 8-0.

ITEM 9 – INFORMATION ITEMS

- a. None

ITEM 10 – REPORTS

- a. None

ITEM 11 – COMMENTS

Larry Mattern, Kissimme, complimented FMPA's Finance team for all the good information and efforts during this difficult year.

ITEM 12 – ADJOURNMENT

There being no further business, the meeting was adjourned at 3:41 p.m.

Approved Date _____

LSH/su

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

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AGENDA ITEM 7 – CFO REPORT

**Finance Committee Meeting
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7 - CFO Report

Finance Committee

June 22, 2022



Items of Note

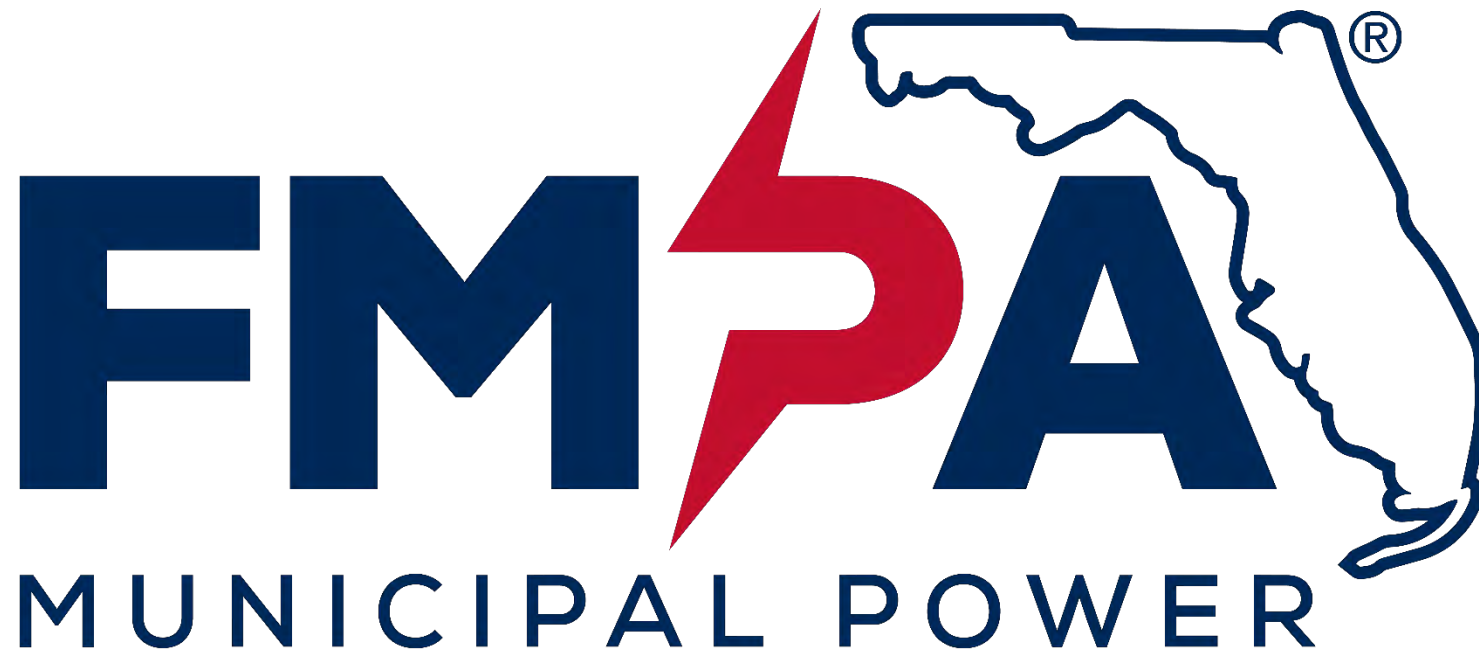
Focus

- Alternates to the Finance Committee

- Section II of the Charter as amended in December 2020 states

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

- There is only one current alternate - Wauchula



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AGENDA ITEM 8 – ACTION ITEMS

- a. Recommended Approval of
Resolution for ARP Budget
Amendment 2022-EC2**

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8a – Recommended Approval of Resolution 2022 EC-2 for ARP Budget Amendment

Finance Committee

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ARP Budget Amendment Needed

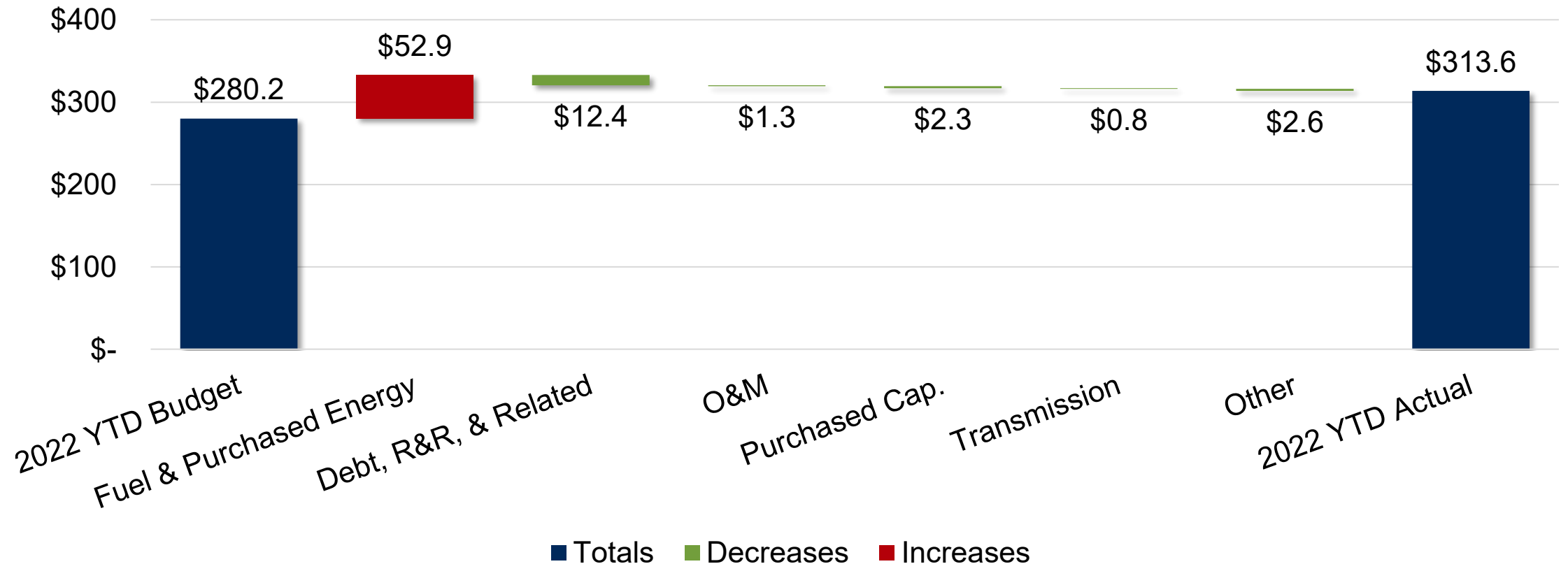
Expenses Expected to Exceed Approved Levels in July

- Based on current projections, ARP will exceed currently authorized spending limit in July
- ARP projected to end FY 2022 approximately \$150-200 million (30-40%) above budget based on current gas prices
- Natural gas prices, along with extended Cane Island 3 outage, are the primary drivers of the need for additional spending authority
- Requesting \$225 million additional spending authority to cover anticipated expenses above budget and provide cushion in the event of continued gas price increases
- These additional funds will help ensure that FMPA has sufficient spending authority to pay FY 2022 project expenses
- Additional requested funds will not impact demand or transmission billings to participants; energy billings reflect actual costs

YTD ARP Expenses \$33.6M (10%) > Target

Primarily Due to Fuel Expense \$53M > Budgeted Levels

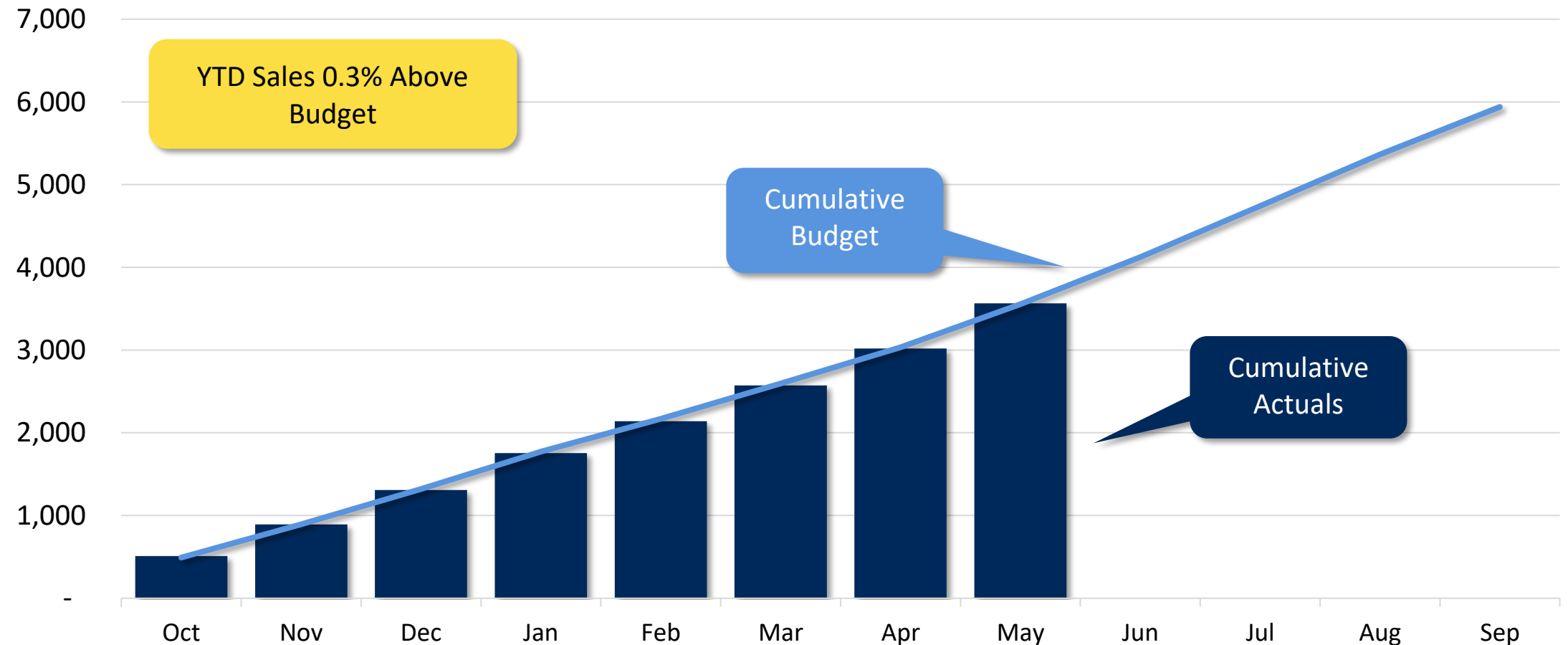
ARP FY 2022 YTD Budget vs. Actual Expenses through April (\$Millions)



YTD Sales Slightly Above Budget through May

Likely to Continue to Exceed Budget During Summer Months

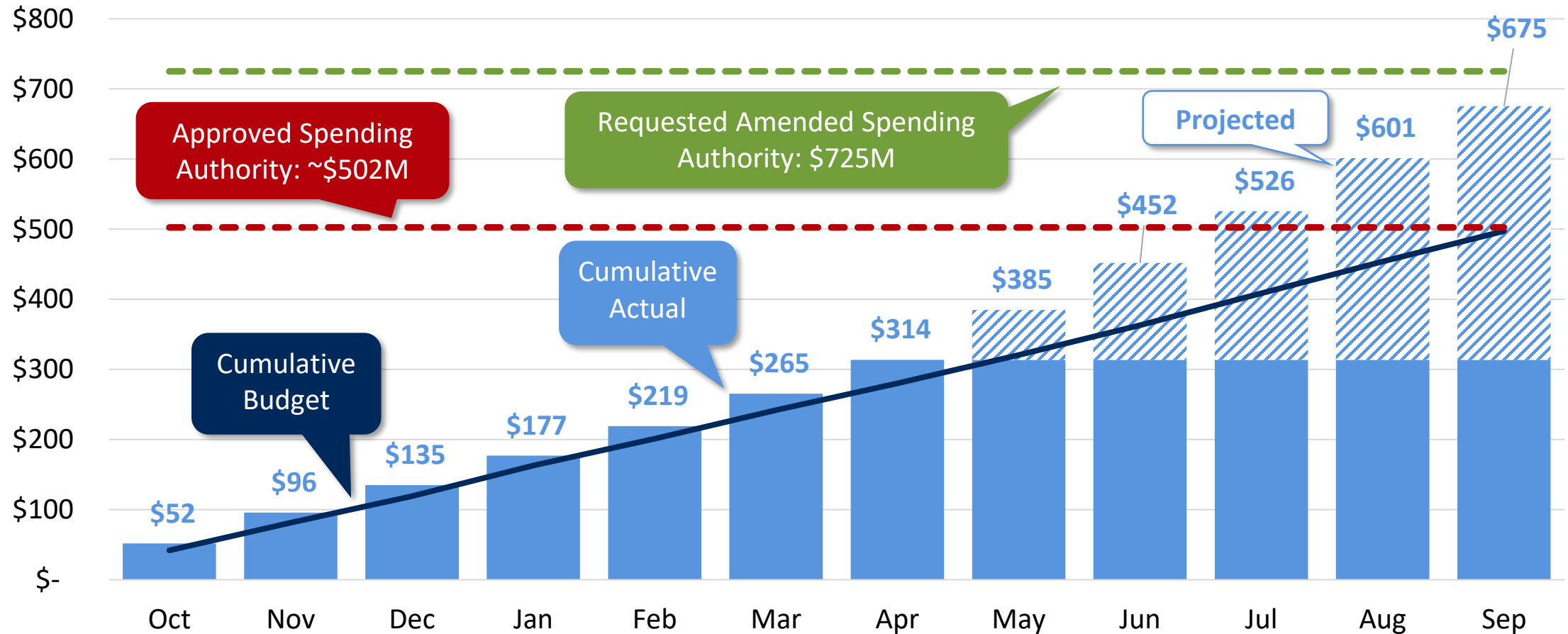
ARP FY 2022 Cumulative Sales vs. Budget (GWh)



Requesting \$225M Budget Increase

Provides Cushion If Gas Prices Continue to Rise

ARP Cumulative Budget vs. Actual and Forecasted Expenses (\$Millions)



Recommended Motion

- Move approval of Resolution 2022-EC2 to the Executive Committee for approval to increase the Fiscal Year 2022 All-Requirements Project budget spending authority by \$225,000,000.

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- a. None**

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AGENDA ITEM 10 – REPORTS

a. None

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AGENDA ITEM 11 – COMMENTS

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AGENDA ITEM 12 – ADJOURNMENT

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