



## FMPA BOARD OF DIRECTORS AGENDA PACKAGE

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**September 14, 2023**  
**9:00 a.m. [NOTE TIME]**  
**Dial-in info: 1-321-299-0575**  
**Conference ID Number: 228 890 049 078#**

### **Board of Directors**

Barbara Quiñones, Homestead –Chair  
Lynne Tejada, Key West – Vice Chair  
Robert C. Page, Green Cove Springs – Secretary  
Allen Putnam, Jacksonville Beach – Treasurer  
Rodolfo Valladares, Alachua  
Bradley Hiers, Bartow  
Traci Hall, Blountstown  
Christina Simmons, Bushnell  
Robert Presnell, Chattahoochee  
Lynne Mila, Clewiston  
Vacant, Fort Meade  
Javier Cisneros, Fort Pierce  
Dino DeLeo, Gainesville  
Robert Page, Green Cove Springs  
Howard McKinnon, Havana  
Raynetta Curry Marshall, Jacksonville  
Brian Horton, Kissimmee

Ed Liberty, Lake Worth Beach  
Mike Beckham, Lakeland  
Brad Chase, Leesburg  
Vacant, Moore Haven  
Steve Langley, Mount Dora  
Mike New, Newberry  
  
Joe Bunch, New Smyrna Beach  
Janice Mitchell, Ocala  
Claston Sunanon, Orlando  
Rob Nixon, Quincy  
Kolby Urban, St. Cloud  
Drew Mullins, Starke  
Tony Guillen, Tallahassee  
James Braddock, Wauchula  
Terry Bovaird, 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:** September 5, 2023  
**RE:** **FMPA Board of Directors Meeting**  
**DATE** **Thursday, Sept. 14, 2023, 9:00 a.m.**  
**PLACE:** Florida Municipal Power Agency  
8553 Commodity Circle, Orlando, FL 32819  
**DIAL-IN:** **DIAL-IN INFO 321-299-0575, MEETING NO. 228 890 049 078#**  
**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 August 17, 2023**..... 24
  - b. **Approval of the Projects’ Preliminary Financials as of July 31, 2023**..... 29
  - c. **Approval of the Treasury Reports as of July 31, 2023**..... 31

**8. Action Items**

- a. Approval of Recommendation of FMPA’s Officers for Evaluations of the General Manager and CEO and General Counsel and CLO (Chair, Barbara Quiñones) ..... 35
- b. Approval of IT Data Center Modernization (Chris Gowder) ..... 38

**9. Information Items**

- a. St. Lucie Transmission Agreement Extension (Chris Gowder)..... 67
- b. Solar Prepay Structure and Market Update (Rich Popp) ..... 74
- c. Stanton Update (Jacob Williams) ..... 85
- d. Draft FY 2024 Goals (Jacob Williams)..... 91
- e. Quarterly Compliance Update\* (Dan O’Hagan/LaKenya VanNorman)..... 95

**10. Member Comments** ..... 102

**11. Adjournment** ..... 103

**\*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  
September 14, 2023**

**AGENDA ITEM 2 – RECOGNITION OF  
GUESTS**

**Board of Directors Meeting  
September 14, 2023**

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

**Board of Directors Meeting  
September 14, 2023**

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

**Board of Directors Meeting  
September 14, 2023**

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

**Board of Directors Meeting  
September 14, 2023**

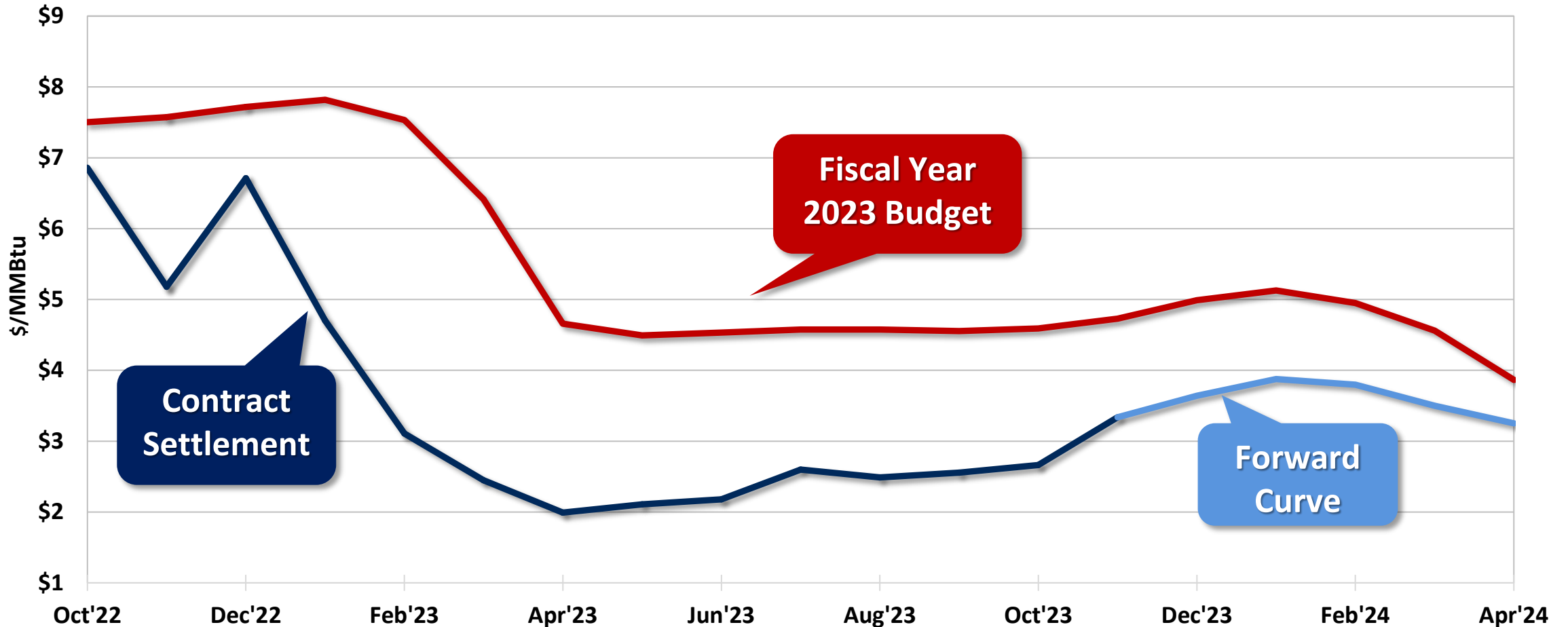


# Fiscal Year 2023 Management Goals – August Data

| Goal                               |  | Status | Actual | YTD Actual | YTD Target | FY 2023 Target   | Comment  |
|------------------------------------|--|--------|--------|------------|------------|------------------|--|
| 1. Safety                          | Lost-time Accidents                        |        | 0      | 0          | 0          | 0                | No lost-time accidents   |
|                                    | OSHA Recordables                           |        | 0      | 0          | 0          | 0                |  |
| 2. Compliance                      | Environmental                              |        | 0      | 0          | 0          | 0                |  |
|                                    | Financial                                  |        | 0      | 0          | 0          | 0                |  |
|                                    | Regulatory                                 |        | 0      | 0          | 0          | 0                |  |
| 3. Low Cost (\$/MWh)               | Fiscal Year 2023 Rate Objective            |        | 67.32  | 95.28      | 107.33     | < \$105.99       | <ul style="list-style-type: none"> <li>Overall fuel costs below target</li> <li>YTD managed fuel costs &gt; target due to margin recovery</li> <li>Market-exposed fuel &lt; target is a combination of low gas prices and margins on external sales</li> <li>Non-fuel costs &lt; YTD target</li> </ul> |
|                                    | Managed Fuel                               |        | 11.39  | 30.99      | 30.16      | \$29.40          |  |
|                                    | Market-Exposed Fuel                        |        | 21.97  | 15.15      | 27.05      | \$26.92          |  |
|                                    | Non-Fuel                                   |        | 33.96  | 49.14      | 50.12      | \$49.67          |  |
| 4. Natural Gas Rate Stability Plan | Discuss need & goals for a structured plan |        |        |            |            | Complete by June | Workshop conducted on programmatic effort for natural gas/power price stability. Followed up in May. Will discuss in Sept./Oct. before Winter Gas Season   |

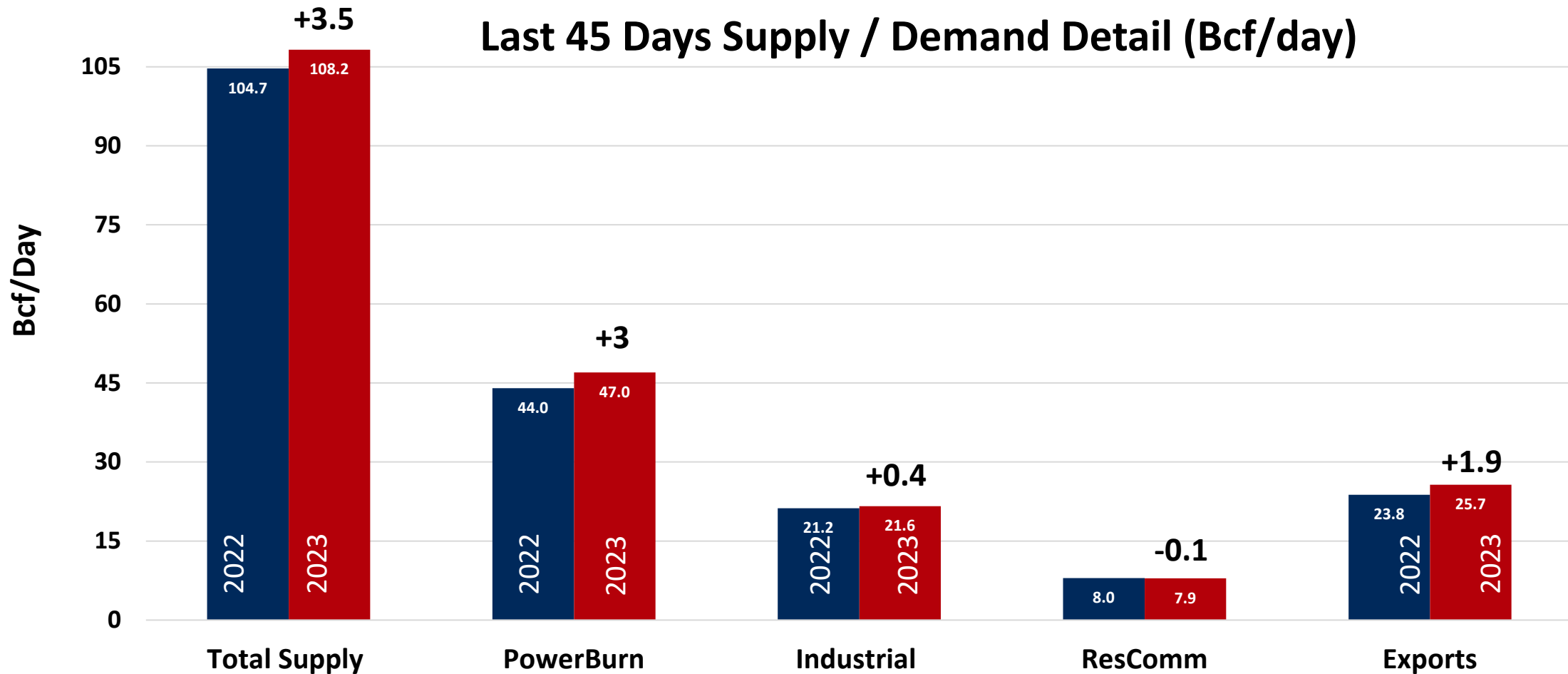
# NYMEX Settlement \$1.92/MMBtu Below Budget FYTD

## Forward Natural Gas Curve as of October 5th



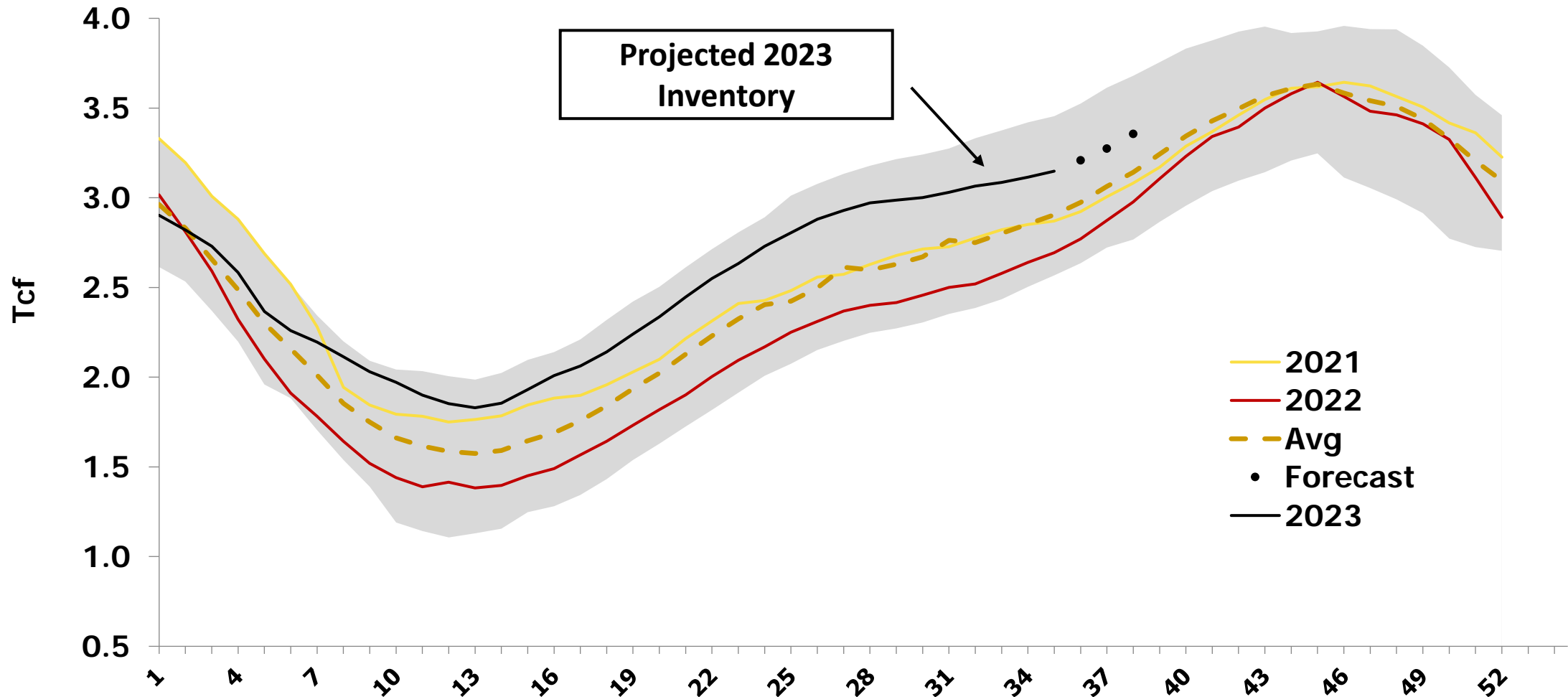
# Natural Gas Supply Continued Expansion

*Power/LNG Demand Offsetting Supply Growth in August*



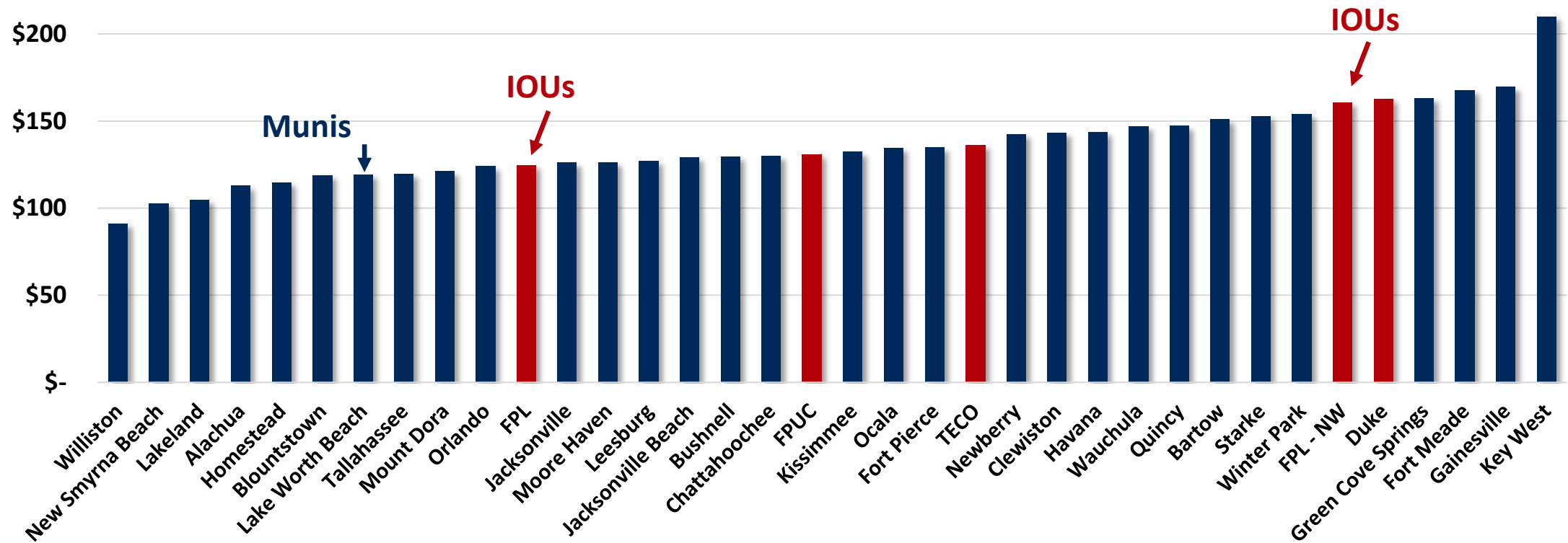
# Gas Storage Inventory as of Week Ending September 8th

*Last 30 days, storage excess decreased by 56 bcf over its 5-year average.*



# 2022 - Municipals Pass Through Higher Gas Prices Led to Higher Prices for 2nd Half of 2022

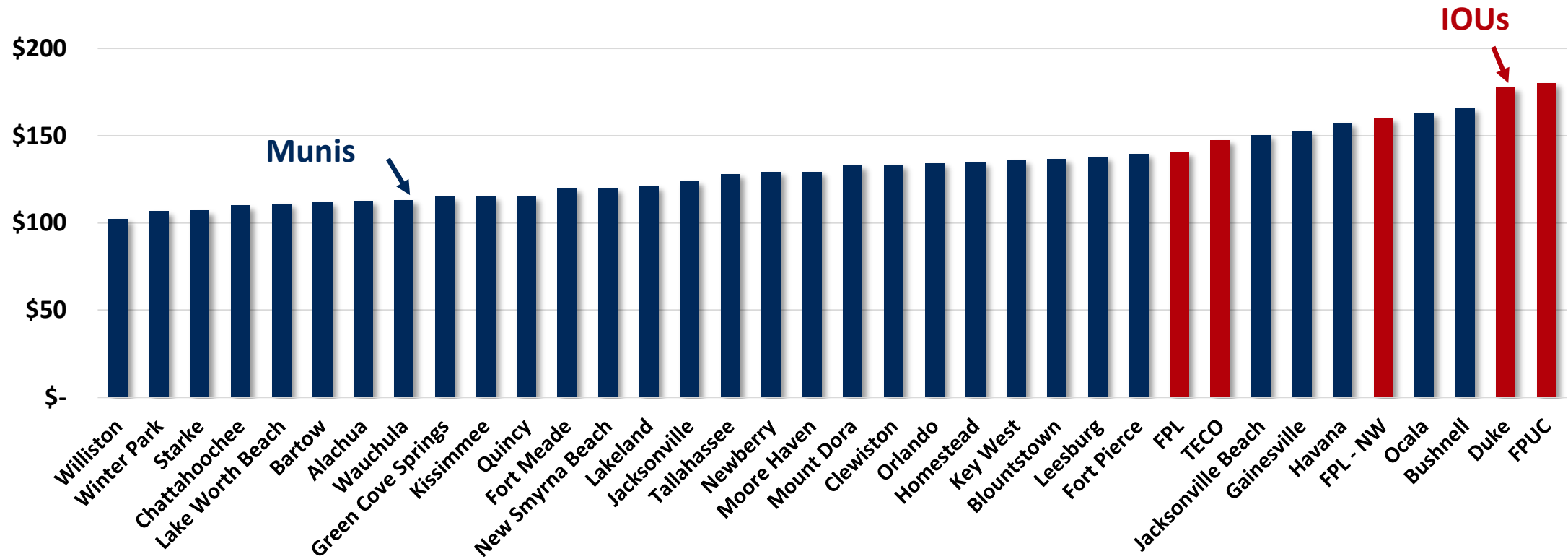
1,000 kWh Residential Bill (\$) – June 2022



# July 2023 – Municipals Extremely Competitive

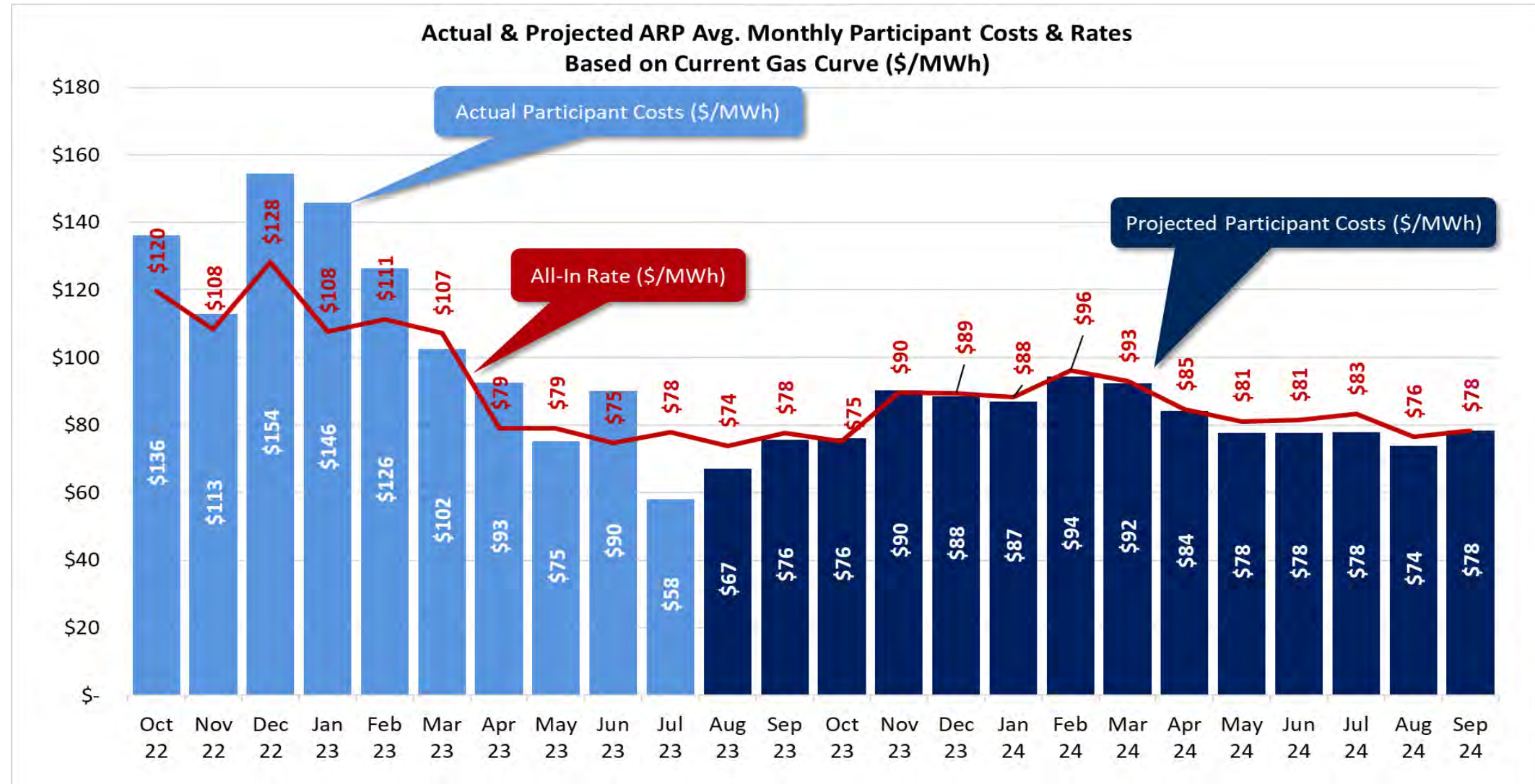
## *Municipals Lowering Rates with IOU's Going Up*

1,000 kWh Residential Bill (\$) – July 2023



# All-in Rate and Cost Projections through FY 2024 (\$/MWh)

## Rates Projected < \$80/MWh through October



| Goal                  | Status  | Actual | YTD Actual | YTD Target | FY 2023 Target | Comment   |
|-----------------------|---|--------|------------|------------|----------------|---|
| 5. Cyber-security     | Breaches  | 0      | 0          | 0          | 0              |   |
|                       | Advance phishing tests  | 1.4%   | 3.1%       | 9.2%       | < 10%          | We had 1 click on the campaign. We had 56.8% report the Phish.  |
| 6. Reliability        | Large CC EAF  | 99.9%  | 87.7%      | 89.2%      | 90%            | TCEC shut down briefly for a relay issue.   |
|                       | SI EAF  | 80.7%  | 86.6%      | 91.5%      | 92%            | 2 CTs had outages due to parts availability.  |
|                       | SI black start and trans. backup                                      | 9      | 33         | 100%       | 100%           | 9 runs for tie-line support in Aug, 33 for the year   |
| 7. Member Reliability | Project recommendations Major >8 hrs                                  | 1      | 12         | 11         | 12             | Keys Min/Max substation asset management  |
|                       | Projects recommendations Minor < 8 hrs                                | 3      | 18         | 16.5       | 18             | Bartow power quality support<br>Tallahassee, assisted with LTC training vendor<br>Lakeland transmission planning software |
| 8. Member Services    | Leadership member visits  | 8      | 76         | 68.75      | 75             | 8 Member visits in August   |
|                       | Member/Community presentations, communications & social media support | 1      | 22         | 18         | 20             | Total: 21 presentations<br>1 communication support<br>(Aug: Wauchula) Page 16 of 103                                      |



| Goal   | Status | Actual | YTD Actual | YTD Target | FY 2023 Target   | Comment  |
|--|--------|--------|------------|------------|------------------|--|
| <b>9. Strategic Plan &amp; IRP</b><br>Staff will complete IRP for 20-year planning horizon |        |        |            |            | Complete by EOFY | <ul style="list-style-type: none"> <li>IRP assumptions agreed upon during strategic plan (Phase 1)</li> <li>Phase 2 complete w/August EC Update</li> <li>Working with TEA to finalize Phase 3 base case</li> </ul> |
| <b>10. Financing</b><br>Complete Member Pooled Loans<br>Complete Gas Prepays               |        | 1<br>1 | 1<br>3     |            | 1<br>0           | Signed 3 contracts in FY23<br>Annual savings: \$4.3M<br>1 Additional approved.<br>Total annualized pre-pay savings: \$11.7M  |
| <b>11. Solar Phase III</b><br>Complete contract negotiations on Phase III sites            |        |        |            |            | Complete by EOFY | Final execution August 15.   |
| <b>12. People</b><br>Complete All Team In-House Training Sessions                          |        | 0      | 2          | 1          | 3                | All managers at "Managing a remote workforce".<br>20 Team member at 7 Habits   |

**AGENDA ITEM 6 – SUNSHINE LAW  
UPDATE**

**Board of Directors Meeting  
September 14, 2023**



# Government in the Sunshine Law Update

September 14, 2023

FMIPA Board of Directors

OS Orlando Sentinel

## Court upholds Osceola violated Sunshine laws, another lawsuit possible

During the COVID-19 pandemic Osceola County held a meeting that violated Sunshine Laws, according to a ruling an appeal court recently upheld.

2 weeks ago



- Osceola County emergency management group – includes city, county and emergency management officials – held meeting during COVID 19 pandemic
  - Meeting was not noticed, public not able to attend, no notes/minutes taken
  - Group adopted emergency orders requiring county residents to wear masks
  - Resident brought lawsuit
  - Court – Violated Sunshine Law
    - Emergency did not relieve county of Sunshine Law requirements
- Hurricane Idalia - County holds another meeting to discuss preparations.
  - Not open to public, no minutes taken
  - Group decides not to open public sandbag locations; determines county retention/drainage sufficient
  - Sunshine Law violation?

# Emergency Meetings & the Sunshine Law

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- States of Emergency do not obviate Sunshine Law requirements
  - Certain aspects may be waived
    - E.g. Quorum requirements waived by Governor Executive Order during COVID; notice requirement recommendations eased
  - BUT, general requirement of Sunshine Law should be adhered to
    - Public Notice
    - Open to public
    - Minutes taken
  - Recommendation: Take steps to make reasonable accommodations.
    - Provide as much notice as reasonably possible under circumstances
    - Provide a virtual attendance option if possible
    - Record meeting if possible, but at a minimum take minutes and make them available to public

# Delegated Authority of Public Agency Meeting

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- Advisory boards, committees, or even employee meetings may be subject to Sunshine Law
  - Has the committee has been delegated “decision-making authority,” as opposed to mere “information-gathering or fact-finding authority”?
  - Groups created to develop recommendations, narrow field of potential decisions, or otherwise act as the “alter ego” of the agency on any matters are subject to Sunshine Law
    - Example: Employee RFP/bid evaluation teams

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- a. Approval of the Minutes for the  
Meeting Held August 17, 2023**

**Board of Directors Meeting  
September 14, 2023**

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

**MEMBERS PRESENT** Christina Simmons, Bushnell (virtual)  
Randy Martin, Clewiston (virtual)  
Jan Bagnall, Fort Meade \* (virtual)  
Javier Cisneros, Fort Pierce (virtual)  
Bob Page, Green Cove Springs  
Howard McKinnon, Havana  
Barbara Quinones, Homestead (virtual)  
Ricky Erixton, Jacksonville (virtual)  
Allen Putnam, Jacksonville Beach (virtual)  
Lynne Tejeda, Key West (virtual)  
Larry Mattern, Kissimmee  
Mike Beckham, Lakeland (virtual)  
Brad Chase, Leesburg (virtual)  
Steve Langley, Mount Dora  
Joe Bunch, New Smyrna Beach (virtual)  
Janice Mitchell, Ocala  
Claston Sunanon, Orlando  
Kolby Urban, St. Cloud  
Drew Mullins, Starke  
Tony Guillen, Tallahassee (virtual)  
James Braddock, Wauchula (virtual)

\*Joined after roll call.

**OTHERS PRESENT** Daniel Retherford, Fort Pierce (virtual)  
Barbara Mika, Fort Pierce (virtual)  
Jason Terry, Kissimmee  
Craig Dunlap, Dunlap & Associates, Inc.  
Bob Hamrick, Enercon

**STAFF PRESENT** Jacob Williams, General Manager and CEO  
Jody Finklea, General Counsel and CLO  
Rich Popp, Chief Financial Officer  
Linda S.Howard, Former Chief Financial Officer  
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  
Susan Schumann, Manager of External Affairs and Solar Projects  
Jason Wolfe, Financial Planning, Rates and Budget Director  
David Schumann, Power Generation Fleet Director  
LaKenya VanNorman, Regulatory Compliance Specialist  
Wayne Koback, IT Manager  
Chris Gowder, Vice President, IT/OT and System Ops  
Mary Kathryn Patterson, Senior Public Relations Specialist  
Emily Maag, Public Relations Specialist  
Jose C. Molina-Bravo, 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 9:00 a.m. on Thursday, August 17, 2023, in the Frederick M. Bryant Board Room, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. Chair Quiñones said we will be scheduling a meeting of the Board Officers to solicit input from the Board on Jacob Williams' and Jody Finklea's past year's performance. Chair Quiñones then turned the meeting over to Secretary, Bob Page, Green Cove Springs. The roll was taken, and a quorum was declared with 20 members present representing 32.5 votes out of a possible 48.5 votes. Jan Bagnall, Fort Meade, joined the meeting bringing total Members present to 21 representing 34.5 votes out of a possible 48.5 votes.

## **ITEM 2 – Recognition of Guests**

Secretary Bob Page, Green Cove Springs, welcomed Bob Hamrick of Enercon and Barbara Mike of Fort Pierce.

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

None

## **ITEM 4 – SET AGENDA (by vote)**

**MOTION:** Howard McKinnon, Havana, moved approval of the agenda as presented. Larry Mattern, Kissimmee, seconded the motion. Motion carried 32.5 – 0.

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

Jacob Williams reported on the following items:

1. Last month, the lost time accident we reported to the Board was actually not a lost time accident because the employee worked most of the day before falling here at the office. The employee was back at work the next day so technically, there was no lost time.

2. Goals Scorecard
3. Discussed the entities who filed comments to the EPA on their proposed rules and the presentations given to the FPSC and the Power-Hungry podcast on the topic.
4. APPA's Power Purchase Agreement and Planned Capacity Survey. Coordinate with Chris Gowder for non-ARP Members. FMPPA will file for the ARP Members.
5. The General Fund Survey is due August 25<sup>th</sup>.

#### **ITEM 6 – SUNSHINE LAW UPDATE**

Dan O'Hagan reported on the code of ethics of public officers and employees and explained how the Florida Commission on Ethics works and how they were recently in the news.

#### **ITEM 7 – CONSENT AGENDA**

- a. Approval of Minutes – Meeting Held July 19, 2023
- b. Approval of the Projects' Preliminary Financials as of June 30, 2023
- c. Approval of the Treasury Reports as of June 30, 2023

**MOTION:** Howard McKinnon, Havana, moved approval of the consent agenda. Steve Langley, Mount Dora, seconded the motion. Motion carried 34 – 0.

#### **ITEM 8 – ACTION ITEMS**

- a. None

#### **ITEM 9 – INFORMATION ITEMS**

- a. **IT Data Center Modernization**

Chris Gowder presented information on the IT Data Center Modernization.

- b. **HR Quarterly Update**

Sharon Adams presented the HR quarterly update.

**ITEM 10 – MEMBER COMMENTS**

Barbara Quiñones, Homestead, thanked Bob Page, Green Cove Springs, for Chairing the rest of the meeting for her. She also thanked Linda S. Howard for her years of dedicated service and leadership at FMPA and wished her well in her next chapter.

**ITEM 11 – ADJOURNMENT**

There being no further business, the meeting was adjourned at \_\_\_\_\_ a.m.

\_\_\_\_\_  
Barbara Quiñones  
Chairperson, Board of Directors

\_\_\_\_\_  
Sue Utley  
Assistant Secretary

Approved: \_\_\_\_\_

Seal

BQ/su

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- b. Approval of the Projects’  
Preliminary Financials as of July  
31, 2023**

**Board of Directors Meeting  
September 14, 2023**



**Rich Popp**  
Chief Financial Officer

## AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors  
FROM: Rich Popp  
DATE: August 30, 2023  
SUBJECT: 7b – Approval of Projects’ Financials as of July 31, 2023

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**Discussion:** The summary financial statements and detailed financial statements, which include GASB #62 transactions, of the Projects for the period ended July 31, 2023 are posted on the Document Portal section of FMPA’s website.

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**Recommended:** Move approval of the Projects’ Financial Reports for the month ended July 31, 2023.

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RP/GF

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- c. Approval of the Treasury Reports  
as of July 31, 2023**

**Board of Directors Meeting  
September 14, 2023**



**AGENDA PACKAGE MEMORANDUM**

TO: FMPA Board of Directors  
 FROM: Sena Mitchell  
 DATE: September 5, 2023  
 ITEM: BOD 7(c) – Approval of Treasury Reports as of July 31, 2023

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

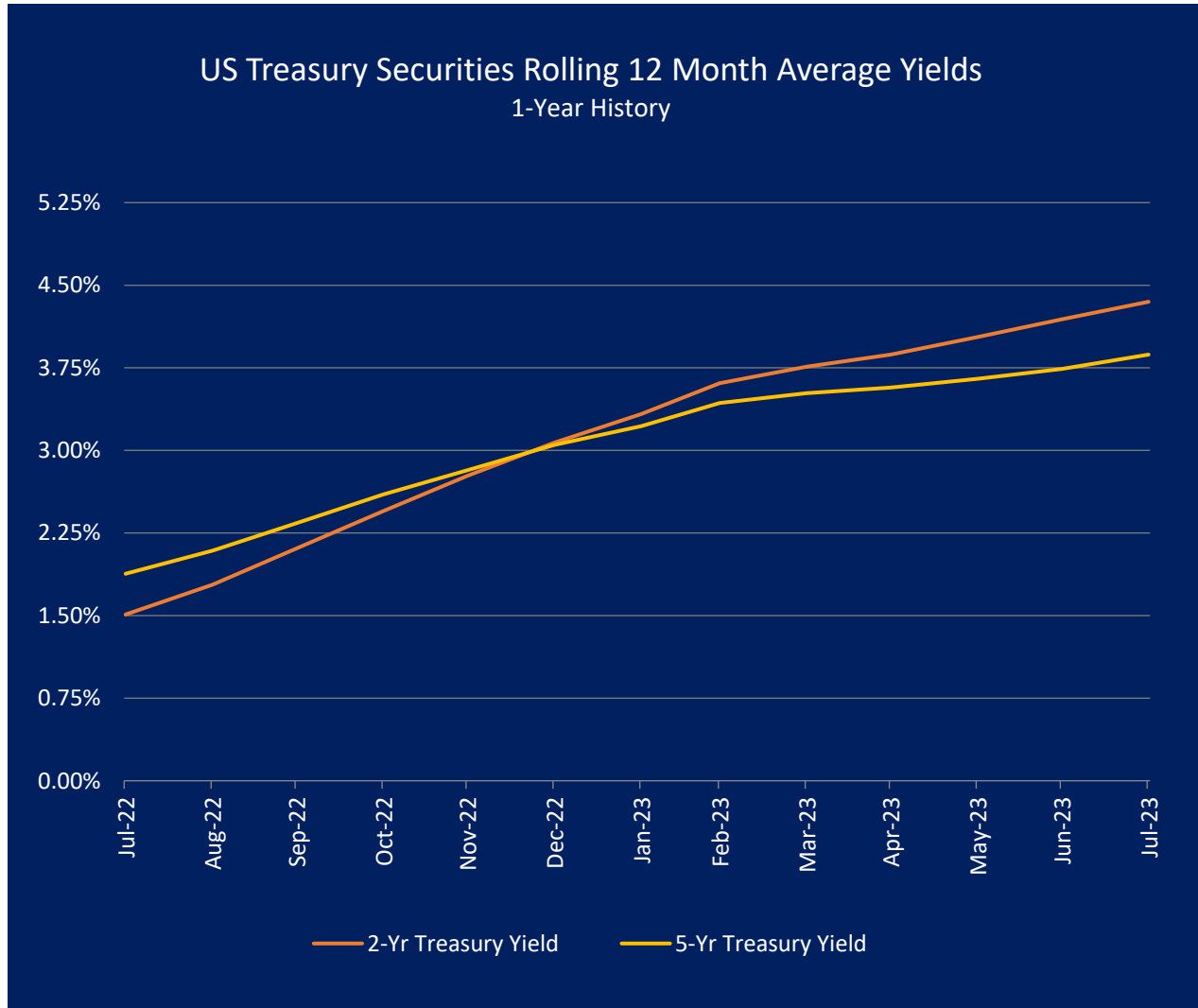
The Treasury Department reports for July are posted in the member portal section of FMPA’s website.

**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 July 31, 2023.

|            | <b>Total debt<br/>Outstanding</b> | <b>Fixed Rate</b> | <b>Variable<br/>Rate</b> | <b>Synthetically<br/>Fixed</b> |
|------------|-----------------------------------|-------------------|--------------------------|--------------------------------|
| Agency     | 0.00                              | 0%                | 0%                       | 0%                             |
| St Lucie   | 53,285,000.00                     | 100%              | 0%                       | 0%                             |
| Stanton    | 0.00                              | 0%                | 0%                       | 0%                             |
| Stanton II | 73,464,376.31                     | 100%              | 0%                       | 0%                             |
| Tri City   | 0.00                              | 0%                | 0%                       | 0%                             |

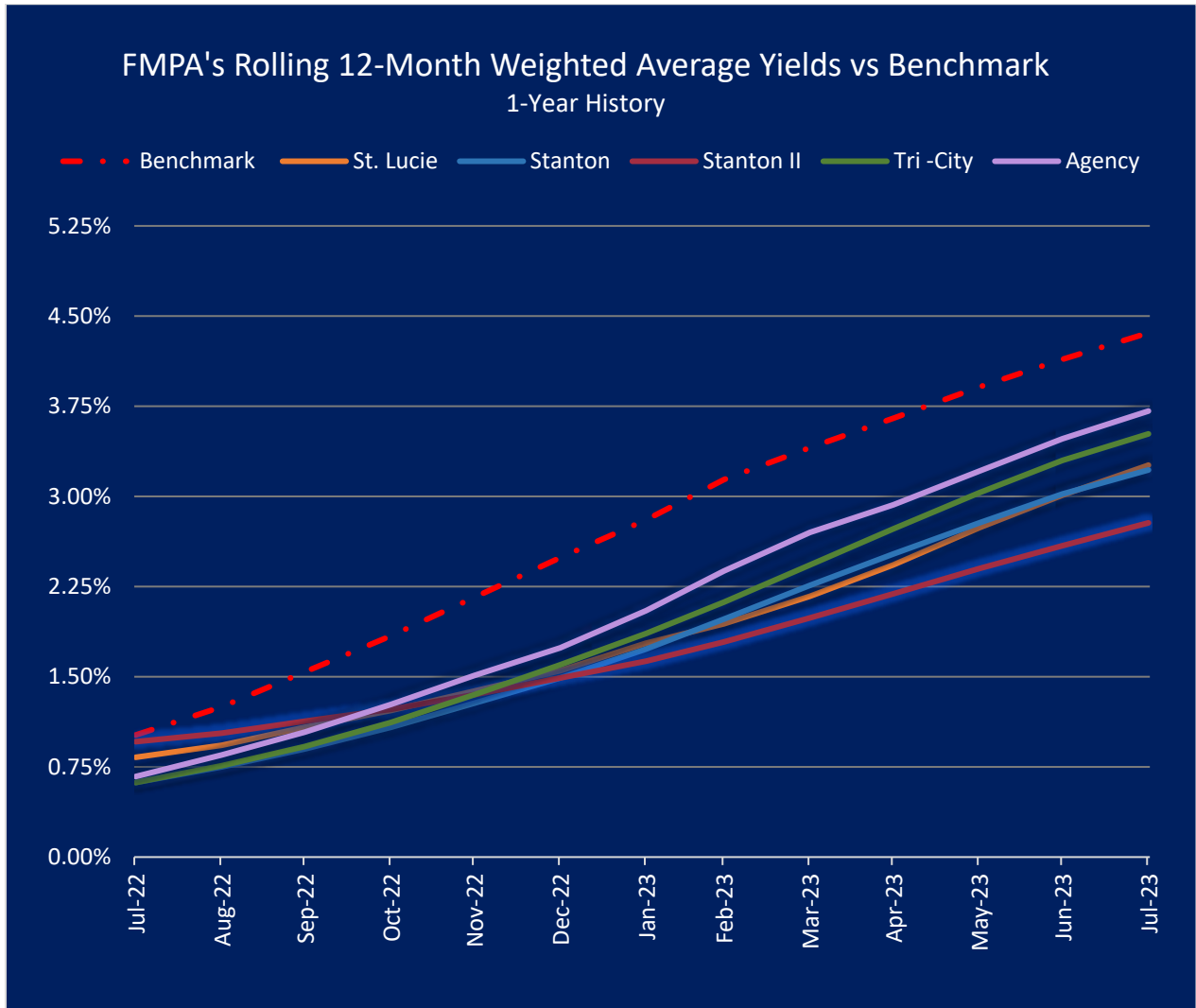
**Investment Discussion** The investments in the Projects are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well 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 the rolling 12-month average US Treasury yields for the past year. The orange line is the 2-year Treasury which had a rolling 12-month average yield on July 31, 2023, of 4.35 %. The yellow line is the 5-year Treasury rolling 12-month average yield which was 3.87 %.





The rolling 12- month weighted average yields on investments earned as of July, 31, 2023, 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 July 31, 2023.

**AGENDA ITEM 8 – ACTION ITEMS**

- a. Approval of Recommendation of FMPA's Officers for Evaluations of General Manager and CEO and General Counsel and CLO**

**Board of Directors Meeting  
September 14, 2023**



September 6, 2023

TO: FMPA Board of Directors

FROM: FMPA Board Officers  
Barbara Quiñones, Homestead, Chair  
Lynne Tejeda, Key West, Vice Chair  
Bob Page, Green Cove Springs, Secretary  
Allen Putnam, Jacksonville Beach, Treasurer  
Howard McKinnon, Havana, Executive Committee Chairman

RE: BOD Item 8a – Approval of Board Officers Recommendation on Evaluations of Jacob Williams, General Manager and CEO and Jody Finklea, General Counsel and CLO

On September 6, 2023, the Officers met via Microsoft Teams with the Board of Directors to solicit input on the performance of the General Manager and CEO and General Counsel and CLO. Officers present were Barbara Quiñones, Homestead, Chair, Lynne Tejeda, Key West, Vice Chair, Bob Page, Secretary, Allen Putnam, Jacksonville Beach, Treasurer.

Others present Joe Bunch, New Smyrna Beach, Dan D'Alessandro, Winter Park, Steve Macholz, Bushnell, Javier Cisneros, Fort Pierce, Ed Liberty, Lake Worth Beach, Jim Williams, Leesburg, Drew Mullins, Starke, James Braddock, Wauchula, and Daniel Retherford, Fort Pierce.

Staff present were Jacob Williams, General Manager and CEO, Jody Finklea, General Counsel and CLO and Sharon Adams, Chief People and Member Services Officer.

The purpose of the meeting was to give the Board an opportunity to provide input to the Board Officers on the General Manager and CEO's and General Counsel and CLO's past year's performance and to consider compensation or benefit adjustments for both the General Manager and CEO and General Counsel and CLO. These meetings also provided an opportunity for verbal comments from the Board members. Everyone provided positive comments on both the General Manager and CEO's performance and the General Counsel and CLO's performance this past year.

The Board Officers discussed previous reviews of the salary survey information for joint action agencies and cooperatives, and there was consensus that the move base salaries of the General Manager and General Counsel within the 75<sup>th</sup> percentile salary range for similar sized agencies (\$400 million + annual budget, and 50 employees or more) has been achieved. It was recommended at previous Officers' meetings that no further market adjustments were necessary in the near term. Additionally, during the FY 2024 Budget Development, in light of the previous market adjustments, the CEO's and

CLO’s merit increase for the year would be capped at the average payroll increase of 4 percent for FY 2024.

### **Recommendations in Salaries and/or Benefits for the General Manager and CEO**

The Board Officers and Executive Committee Chairman recommend to the Board of Directors the following:

- There was consensus by the Board Officers that Jacob Williams has done an outstanding job this past year. His many accomplishments on achieving great results on the Strategic Goals for this past year were highlighted.

**Recommended Motion:** Move approval of the Board Officers recommendation for a [redacted] percent merit increase to the base salary for excellent performance of the General Manager and CEO. The Officers recommend authorizing the Chairman to execute amendments to the employment agreements for the compensation changes approved by the Board. This percentage is being recommended by all the Board Officers and the Executive Committee Chairman.

### **Recommendations in Salaries and/or Benefits for the General Counsel and CLO**

The Board Officers and Executive Committee Chairman recommend to the Board of Directors the following:

- There was consensus by the Board Officers that Jody Finklea has done an outstanding job this past year. His many accomplishments on achieving great results on the Strategic Goals for this past year were highlighted.

**Recommended Motion:** Move approval of the recommendation from the Board Officers and Executive Committee Chairman for the General Counsel and CLO of a [redacted] percent merit increase for excellent performance be added to the base salary of the General Counsel and CLO. The Officers recommend authorizing the Chairman to execute amendments to the employment agreements for the compensation changes approved by the Board. This percentage is being recommended by all the Board Officers and the Executive Committee Chairman.

BQ/LT/BP/AP/HM/sa

**AGENDA ITEM 8 – ACTION ITEMS**

**b. Approval of IT Data Center  
Modernization**

**Board of Directors Meeting  
September 14, 2023**



# 8b – IT Data Center Modernization

Board of Directors

September 14, 2023

# Aging IT Server Infrastructure Needs Replacing

## *Alturna-Tech's Nutanix Proposal Ranked 1<sup>st</sup> in RFP Process*

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- Backbone hardware of the agency IT systems that supports core functions and software.
- Alturna-Tech proposed an all-in-one Nutanix/HYCU HCI solution
  - Improved performance & flexibility, lower cost & staff effort versus 2<sup>nd</sup> ranked proposal
- If not replaced, current setup would cost \$100k-200k per year in licensing and support to keep running
  - Future cost increases uncertain
  - Some components may no longer be supported

# Large Expense Can Be Smoothed Over 5 Years

## *Pooled Loan Recommended Over Vendor Financing*

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- Total cost with 5 years of support is \$1,412,994
  - Annual cost before financing is \$282,599

### Options explored for funding:

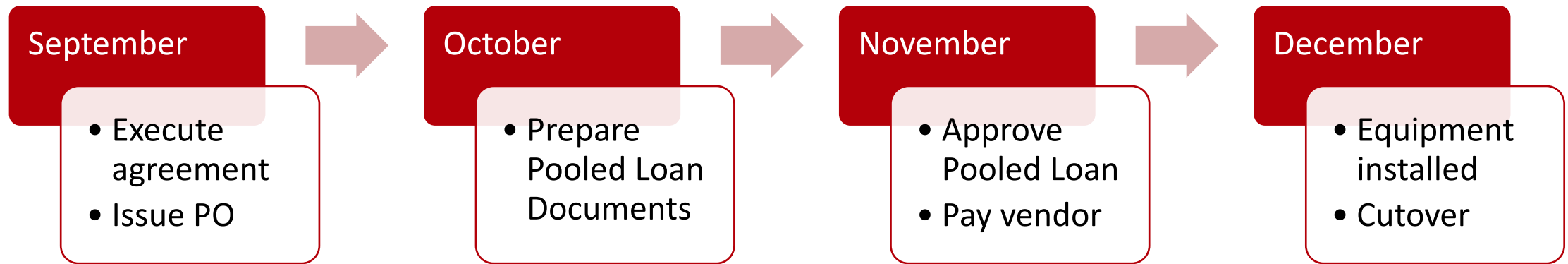
- Pay all at once with FY24 budget amendment
  - Immediate rate impact to all Projects
- Vendor financing with variable interest rate
  - Challenges with security requirements and characterization as “bond”
- Pooled Loan for Agency capital spend
  - Funds available with more favorable terms, requires more time



# Timeline Achievable Without Major Impacts

*Short Lapse in Some Support Services is Manageable*

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# Recommended Motion

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- Move approval of the services agreement and statement of work with Alturna-Tech; authorize the General Manager & CEO to enter the agreement including spending authority of \$1,413,000; and instruct staff to pursue a Pool Loan up to that same amount in order to finance the expense.



# Background Information



# Current Infrastructure a Mix of Hardware

*Identical Setups at FMPA Office and DataSite Orlando (DSO)*

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# Opportunity to Modernize and Simplify Approach

## *Balance of Cost, Performance, Flexibility, & Staff Effort*

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- Issued RFP seeking latest technology and approaches
  - Received 2 proposals:
    - Presidio – multi-technology environment like current setup
    - Alturna-Tech – hyper-converged infrastructure (HCI) solution
- Options considered in evaluation:
  - Multiple vendor hardware stack -vs.- Single vendor all-in-one solution
  - On-premises hardware -vs.- Cloud instances
  - Different physical locations for primary and backup installations
  - Various combinations of the above

# Both Proposals Received Meet Technical Needs

## *Nutanix Has Lower Overall Total Cost of Ownership*

- Alturna-Tech proposed an all-in-one Nutanix/HYCU HCI solution
- Alturna-Tech also works with financing firm to spread cost over 5 years with annual payments
  - Current estimate is \$307,800 per year
  - Equivalent to 4.47% interest rate, subject to change until locked in
- Sufficient capital budget in both FY23 and FY24 for annual payments

| Presidio Proposal             | Cost               |
|-------------------------------|--------------------|
| Hardware Purchase Cost        | \$1,135,835        |
| Annual Software & Licensing   | 5 x \$209,154      |
| Project Design & Installation | \$315,000          |
| <b>Total 5-year Cost:</b>     | <b>\$2,496,605</b> |

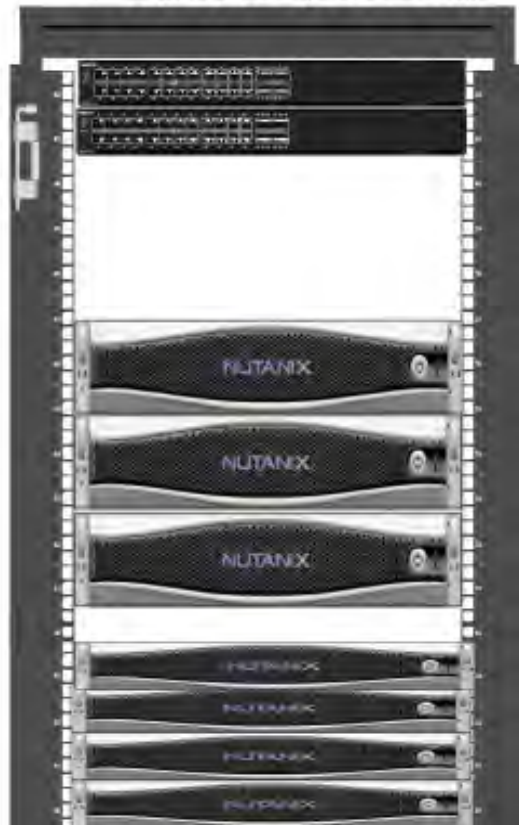
| Alturna-Tech Proposal                                 | Cost               |
|---|--------------------|
| Hardware, software, installation, setup, and support. | \$1,412,994        |
| <b>Total 5-year Cost:</b>                             | <b>\$1,412,994</b> |
| <b>Total 5-year Cost w/ Interest:</b>                 | <b>\$1,539,000</b> |

# Staff Recommends Alturna-Tech Proposal

*Nutanix/HYCU HCI will simplify IT operations, more affordable*

## Proposed Future State

**HQ FMPA Data Center  
Production**



(4) NX-8170N-G8 55TiB Usable (83TiB w/ 1:5:1)  
(3) NX-8155N-G8 (1-Node Per) 136TiB Usable  
HYCU Backup Software Protecting all VM's  
7 Rack Units

Dell Connectrix  
Switches

HYCU + Object Backup  
Cluster (3) Node NX8155N-  
G8

HYCU Backup Replication

Nutanix Advanced Replication

Nutanix (4) Node NX-  
8170N-G8 Cluster

**DR Site DataSite Orlando**



# Nutanix/HYCU HCI Solution Offers Numerous Benefits

## *More Cost-Effective Based on RFP Responses Received*

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Support by a single vendor, easier and quicker



Software maintenance costs fixed for contract term vs. unknown increases



Less time spent patching (currently takes 6 days/month, after office hours)



Scalable if additional storage or computing capacity is ever needed



Backup by replication to both duplicate hardware and to cloud instance



Faster disaster recovery time



# Cost Comparison over 5 years

| Proposals                     | Current infrastructure | Nutanix      | Pure         |
|-------------------------------|------------------------|--------------|--------------|
| Servers                       | \$ 409,600             | \$ 1,412,994 | \$ 1,135,835 |
| Backup                        | \$ 251,600             |              |              |
| Storage                       | \$ 368,000             |              |              |
| Cluster                       | \$ 72,000              |              |              |
| Software ( Vmware/ HCI/ Pure) | \$ 365,000             |              | \$ 1,045,770 |
| Support                       | \$ 145,000             |              | \$ 315,000   |
| Total over 5 year cost        | \$ 1,611,200           | \$ 1,412,994 | \$ 2,496,605 |

## Services Agreement

This Services Agreement is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2023, and is by and between Florida Municipal Power Agency, a governmental joint action agency organized and existing pursuant to Florida law, with its office located at 8553 Commodity Circle, Orlando, Florida 32819, (“FMPA”) and Alturna-Tech, with its principle place of business located at 6001 Broken Sound Pkway.#140, Boca Raton, FL (“Contractor”).

FMPA is a municipal electric joint action agency formed pursuant to section 163.01, Florida Statutes, and exercises powers pursuant to section 163.01 and chapter 361, part II, Florida Statutes.

Contractor is company offering Data Center Modernization services. The parties desire for Contractor to perform the services more fully described in this agreement and in Schedule A.

Now therefore, for and in consideration of the premises and mutual covenants made herein, the parties agree as follows:

### **Section 1. Services**

Contractor shall provide its services (the “Services”) to FMPA as described in Schedule A to this agreement, which is attached hereto and incorporated into this agreement by this reference and which may be amended at the sole discretion of FMPA. In the event that any terms or conditions provided in Schedule A conflict with any terms or conditions of this agreement, the terms of this agreement shall control.

### **Section 2. Term & Termination**

This agreement shall commence upon the date stated in the introductory clause of this agreement, and, unless sooner terminated, shall continue in force until both parties have completed all of their obligations hereunder, including, without limitation, completion of all delivery of all deliverables and payment of all undisputed invoices hereunder.

At any time, FMPA may terminate this contract, in whole or in part, for failure of Contractor to perform in accordance with the terms of this contract, or for any reason, at FMPA’s sole discretion, upon 30 days prior written notice. Contractor may terminate this contract for cause upon 30 days prior written notice.

Upon Contractor’s receipt of FMPA’s notice of termination, Contractor shall cease all performance related to the Services, unless directed to do otherwise by FMPA in writing. FMPA shall pay Contractor for any Services that were completed by Contractor prior to the termination of this agreement. Upon such termination, Contractor shall submit to FMPA a final invoice in a manner that is sufficient for FMPA to verify the Services performed by Contractor prior to the date of termination. In no event shall the final reimbursement include any anticipated profits or revenue or other economic loss for unperformed services. No payment shall be made for any work

performed by Contractor after the termination date unless Contractor is expressly requested in writing to perform such work by FMPA.

### **Section 3. Compensation and Payment**

FMPA shall pay Contractor for Services furnished under this agreement upon submission of invoice(s) as described in Schedule A. Contractor shall not furnish additional services or incur additional expenses without written authorization and additional funding from FMPA. FMPA shall make payment for completed Services within 30 days after receipt of an invoice.

### **Section 4. Independent Contractor Status**

It is understood and agreed that Contractor is an independent contractor, is not an agent or employee of FMPA, and is not authorized to act on behalf of FMPA. Contractor agrees not to hold him or herself out as, or give any person any reason to believe that he or she is an employee, agent, or partner of FMPA. Contractor will not be eligible for any employee benefits, nor will FMPA make deductions from any amounts payable to Contractor for taxes or insurance. All payroll and employment taxes, insurance, and benefits shall be the sole responsibility of Contractor. Contractor retains the right to provide services for others during the term of this Agreement and is not required to devote his or her services exclusively for FMPA. Contractor agrees that it shall bear the responsibility for verifying the employment status, under all applicable immigration laws, of all persons it employs in the performance of this contract.

### **Section 5. Standard of Care**

The Services and any deliverables provided pursuant to this agreement shall be free from material defect. Contractor represents that the Services shall be performed with reasonable care in a diligent and competent manner and in accordance with generally accepted professional practices.

### **Section 6. Confidentiality**

(a) For purposes of this Section 6, "Confidential Information" means the confidential and proprietary information of a party (including, with respect only to FMPA, the confidential and proprietary information of any one or more of its member municipal electric utility systems, including the FMPA), and includes without limitation all data, specifications, calculations, estimates, plans, drawings, construction or technical documents, photographs, summaries, spreadsheets, reports, memoranda, letters, email, and any other documents, instruments, information and materials of any nature whatsoever, whether oral, written or recorded in another medium, relating to the business of a party (including, with respect only to FMPA, the business of one or more of its member electric utility systems, including the FMPA) which has been or may afterwards be provided or disclosed in relation to the Services. Each party may disclose its Confidential Information (including, with respect only to FMPA, the Confidential Information of any one or more of its member municipal electric utility systems, including the FMPA) (the "Disclosing Party") to the other Party (the "Receiving Party"). Tangible

items of Confidential Information may be marked “CONFIDENTIAL” or “PROPRIETARY” or “CONFIDENTIAL AND PROPRIETARY” by either party, except that no such mark is necessary to cause tangible items to be considered Confidential Information if such tangible items are otherwise included in the definition provided in this section.

(b) The Receiving Party agrees that Confidential Information received must be considered confidential and proprietary property of the Disclosing Party and the Receiving Party, unless prohibited by Florida law, shall hold the same in confidence, and shall not use Confidential Information for purposes other than the purposes contemplated by this agreement, which for Contractor is limited to its rendering of the Services to or for the FMPA. The Receiving Party, to the extent permitted by Florida law, shall not disclose, publish, or otherwise reveal any Confidential Information to any third party whatsoever except after receipt of the specific prior written authorization of the Disclosing Party. Contractor, as the Receiving Party, further agrees, without limiting the other provisions of this agreement, to not utilize the Confidential Information received in association with the agreement, in any way, for any client other than the FMPA and for any matter other than in performance of the Services contemplated hereunder.

(c) Notwithstanding any other provision of this contract, FMPA as the Receiving Party may disclose Confidential Information if necessary, in the opinion of legal counsel for FMPA, to comply with applicable law (including, without limitation, the Florida Public Records Law, Chapter 119, Florida Statutes), order, regulation, ruling, subpoena, or order of a governmental authority or tribunal with competent jurisdiction. In the event that FMPA as the Receiving Party is requested or required to disclose any Confidential Information, FMPA shall promptly notify Contractor of the request or requirement prior to disclosure, if reasonably possible, so that Contractor may, if it elects, seek an appropriate protective order or other designation of such Confidential Information as containing trade secrets or other commercially sensitive information or otherwise seek to contest, limit or protect the confidentiality of any such requested or required disclosure. All costs of seeking any protective order or other designation and for contesting, limiting, or protecting the disclosure of Confidential Information in response to a valid request to or demand upon FMPA as the Receiving Party shall be borne and paid in full by Contractor. With respect to any disclosure made by FMPA as the Receiving Party pursuant to this section 3, FMPA shall furnish only that portion of the Confidential Information that it reasonably determines, in consultation with its legal counsel, is consistent with the scope of the request or demand to disclose and to exercise reasonable efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

(d) The Receiving Party has no obligation under this agreement with respect to Confidential Information which (1) is, or becomes publicly available without breach of this agreement by the Receiving Party; (2) is rightfully received by the Receiving Party without obligations of confidentiality; (3) is developed by the Receiving Party without breach of this agreement; or (4) is a public record which Receiving Party is obligated by Florida law to disclose to a third party in the opinion of legal counsel for the Receiving Party; provided however, the Confidential Information described in clauses (1), (2), (3),

and (4) of this section shall not be disclosed, in response to a formal request, until 20 days after written notice (as defined in section 10) of the intent to disclose is given to the Disclosing Party along with the asserted grounds for disclosure (unless pursuant to clause (4) only a shorter response is required by Florida law and the Disclosing Party is given advance notice of such response requirement by the Receiving Party not less than one business day prior to disclosure by the Receiving Party).

## **Section 7. Insurance**

Contractor shall maintain, at its own expense, insurance during the performance of the Work under this contract, with the limits of liability of not less than the following:

Worker's Compensation: Statutory

Professional Liability: \$1,000,000

Cyber Liability: \$1,000,000

Contractor shall provide FMPA with Certificates of Insurance evidencing these insurance requirements and naming FMPA as an additional insured, except on the worker's compensation policy, prior to the start of work. Any deductibles or self-insured retentions on referenced insurance coverages must be borne by the Contractor. Any insurance or self-insurance programs maintained by FMPA do not contribute with insurance provided by the Contractor under the Agreement. Contractor shall provide FMPA with at least 10 days' notice of cancellation of any such insurance. At no time shall Contractor be without insurance in the above amounts during any performance related to this contract.

Cyber Liability Insurance, with limits not less than \$1,000,000 per occurrence or claim, \$1,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but not limited to, information theft, damage to or destruction of electronic information, release of private information, liability to third parties for failure to handle, manage, store, and control personal identifiable information, alteration of electronic information, extortion, network security, legal fees, judgments, settlements, forensic experts and public relations efforts. The policy shall provide coverage for regulatory fines and penalties as well as credit monitoring expenses.

## **Section 8. Indemnification**

To the fullest extent permitted by law, the Contractor, its heirs, successors and assigns shall indemnify and hold harmless FMPA and the FMPA members, its successors and assigns, and its employees, against any and all claims, suits or actions at law, regardless of cause and/or all damages, costs and judgments (including reasonable attorneys' fees), incurred by FMPA or the FMPA members, or both, arising from the negligence of Contractor while performing work under this Agreement. The liability of the Contractor is full and complete in all respects and subcontracting any part of the work shall not relieve it of primary liability.

**Section 9. General Terms and Conditions**

- (a) Any notices given pursuant to this agreement shall be in writing, delivered to the address set forth in the introductory clause of this agreement, and shall be considered given when received.
- (b) No term of this agreement shall be deemed waived, and no breach of this agreement excused, unless the waiver or consent is in writing signed by the other party granting such waiver or consent.
- (c) If any provision of this agreement is determined to be illegal or unenforceable, such term or provision shall be deemed stricken, and all other terms and provisions shall remain in full force and effect.
- (d) This agreement shall be governed by the laws of the State of Florida. All controversies, claims or disputes arising out of this agreement shall be brought exclusively in appropriate court in Leon County, Florida.
- (e) In the event that either party is required to enforce the terms of this agreement by court proceedings or otherwise, the prevailing party of such proceedings shall be entitled to recover from the non-prevailing party all fees and costs incurred, including reasonable attorney’s fees and costs and expenses for trial, alternative dispute resolution and appellate proceedings.

IN WITNESS WHEREOF, the parties have duly executed this agreement as of the date first stated in the introductory paragraph.

FLORIDA MUNICIPAL POWER AGENCY

ALTURNA-TECH

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Name Printed

\_\_\_\_\_  
Name Printed

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

**Schedule A**

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*as a place holder for awarded contractor's pricing information.*



## STATEMENT OF WORK

|                     |                                |
|---------------------|--------------------------------|
| DATE:               | 07/15/2022                     |
| CUSTOMER:           | Florida Municipal Power Agency |
| PROJECT NAME:       | Nutanix and HYCU Install       |
| VERSION:            | 1.0                            |
| ACCOUNT MANAGER:    | Scott Kindelmann               |
| SOLUTION ARCHITECT: | Jonathan Rullan                |

### INTRODUCTION

This Statement of Work ("SOW") is entered into by and between Florida Municipal Power Agency ("FMPA", "Customer") and Alturna-Tech ("Seller") to provide a resource in support of the Nutanix and HYCU Install project.

Florida Municipal Power Agency is looking to implement deploy and implement Nutanix as their infrastructure platform running AHV. There will be a production cluster and a DR cluster for workloads as well as Objects clusters for their backup targets. FMPA would also like to implement additional functionality, provided through Nutanix platform, by implementing Data-at-Rest encryption and Nutanix Flow. Nutanix Files will be implemented to alleviate some of their unstructured data needs. As part of this SOW, Alturna-Tech will also migrate VM's from their current ESXi cluster onto the new AHV cluster.

The proposed solution will support workload mobility between on-premise solutions, ensuring high availability and effective disaster recovery. The solution will incorporate technologies such as live migration and replication to facilitate seamless movement of workloads between different on-premise locations or environments.

It will also allow for incorporation of multiple storage tiers, both on-premise and cloud-based, to cater to different data types and access patterns. Data encryption will be implemented to ensure data security, both in transit and at rest. Cloud backup options will also be available for disaster recovery and long-term data retention purposes.

The proposed solution will support online upgrades for all areas of the software stack, allowing for seamless updates without significant downtime. Additionally, it will include built-in software-based encryption with FIPS 140-2 or better certification to meet stringent security standards.

It will also incorporate synchronous or near-synchronous replication capabilities, enabling failover and failback based on a scheduled plan. This ensures data consistency and minimal data loss in the event of a disaster or planned maintenance.



The proposed solution will include built-in file-sharing services with integrated analytics and auditing capabilities. This will allow users to share files securely while providing insights into file usage and access patterns.

It will also offer built-in micro-segmentation features, enabling logical separation of different servers or applications within the infrastructure. This enhances security by restricting access between different components of the system.

Altarna-Tech's solution will support the deployment of two standalone sites with on-premise hardware located in different geographical locations. This configuration ensures redundancy and improved resilience against site-wide failures.

Altarna-Tech will provide a clear and detailed licensing cost structure for each deliverable, along with a comprehensive cost summary for the initial year and subsequent years. Any usage-based pricing will be clearly identified and transparently presented.

## SCOPE

Altarna-Tech will provide a resource to perform the work (based on the estimated period of service) outlined below:

- Deployment of 4 Clusters consisting of 1 production cluster with 4 **NX-8170N-G8** nodes, 1 DR cluster with 4 **NX-8170N-G8** nodes and 2 Objects cluster with 4 **NX-8155N-G8** nodes each (16 nodes total)
  - Deployment of a production cluster with 4 **NX-8170N-G8** nodes and an Objects cluster with 4 **NX-8155N-G8** nodes (8 nodes total)
  - Rack and Stack: Physical installation of the hardware in the designated racks
  - Cabling: Properly connecting and organizing network and power cabling
  - Foundation Services: Configuring the foundation services required for the Nutanix platform
  - Clusters will be deployed with AHV as the chosen hypervisor
- Deployment of Data-at-Rest Encryption
  - Implementation of Data-at-Rest encryption to ensure data security on the Nutanix platform
- Deployment of Nutanix Flow
  - Deployment of Nutanix Flow, including up to 5 policies, to enhance network security and micro-segmentation.
- Deployment of Nutanix Files with Files Analytics
  - Implementation of Nutanix Files to address FMPA's unstructured data requirements.
  - Inclusion of Files Analytics for better insights into file usage and performance.
- Deployment of HYCU with Nutanix Mine
  - Configuration and deployment of HYCU with Nutanix Mine for data backup and protection.
  - Backing up up to 150 VMs to ensure business continuity
- Migrate VM's from ESXI cluster to Nutanix AHV Cluster
  - Migrating up to 150 VMs from the existing ESXI cluster to the newly deployed Nutanix AHV cluster

| Functional Role            | Est. Start Date |
|----------------------------|-----------------|
| Senior Solutions Architect | TBD             |

Florida Municipal Power Agency may extend the period of service upon two weeks advance notification in writing. In the case of an extension request to the period of service, Alturna-Tech may have to substitute the engagement of assigned personnel with another candidate with similar qualifications if the assigned personnel are unavailable.

### DELIVERABLES

The following deliverables will be provided at the completion of this service:

- As-Built Documentation:
  - Comprehensive documentation detailing the final configuration and setup of the deployed infrastructure
- Knowledge Transfer Throughout Install
  - Transfer of knowledge to FMPA's IT staff during the installation process for better understanding and management
- ½ Day Technical Workshop
  - In-person or virtual workshop providing an environment overview and technical training on the Nutanix platform
  - Note: This technical workshop does not substitute for official training and/or certification courses

### PREREQUISITES AND ASSUMPTIONS

- All hardware and/or software will be available for installation
- Any onsite work is to be completed during regular working hours (nominally 8:00AM until 5:00PM, Eastern Time)
- Remote work is expected to be during regular working hours (nominally 8:00AM until 5:00PM, Eastern Time) but Alturna-Tech understand that some services must be migrated after business hours. These migrations will be coordinated between Alturna-Tech consultant and Customer.
- Although actual passwords will not be requested by the Alturna-Tech consultant, procedures concerning password generation, changes and storage will be needed, therefore a trusted employee with Domain Administrator or equivalent login privileges will be assigned to work with Alturna-Tech Consultant for at least half the hours included in this engagement
- Customer is responsible for any network configuration including any uplink switches ready with appropriate ports configured
- Customer responsible for providing appropriate IP addresses and namespaces for deployment
- Customer responsible for performing a full working backup of its network and data prior to commencement of Service

- Customer will provide consultant with the appropriate levels of access and privilege to systems necessary for consultant performance of Service
- Customer shall resume all responsibility for site preparation, including space, cabling, HVAC, and electrical requirements that have already been provided
- Customer is responsible for all licensed software that the consultant will install on the Customer’s behalf

### OUT OF SCOPE

The following items are considered out of scope from this service:

- Remediation of any issues out of scope for this engagement
- Tasks not defined within this SOW

Services not specified in this SOW are considered out of scope and will be addressed with a separate SOW or Change Order.

### SERVICES COST

| Project Milestones                          | Product Cost | Services Cost | Total Cost   |
|---|--------------|---------------|--------------|
| Signature of SOW - Nutanix and HYCU Install |              |               | See Quote(s) |
|   |              |               |              |
| <b>Totals</b>                               |              |               | See Quote(s) |

### SOW TERMS AND CONDITIONS

#### PAYMENT TERMS

Customer will pay invoices containing amounts authorized by this SOW within thirty (30) days of Customer’s Receipt of the invoice. Any objections to an invoice must be communicated to the Seller contact person within fifteen (15) days after receipt of the invoice.

#### CHANGE ORDERS

This SOW may be modified or amended only in a writing signed by both Customer and Seller, generally in the form provided by Seller (“Change Order”)

In the event of a conflict between the terms and conditions set forth in a fully executed Change Order and those set forth in this SOW, the terms and conditions of the most recent fully executed Change Order shall prevail.

ACCEPTANCE AND APPROVAL

The duly authorized representatives of Florida Municipal Power Agency and Alturna-Tech hereby indicate their agreement of this Statement of Work by their signatures below:

**Alturna-Tech**

| Name | Title | Signature | Date |
|------|-------|-----------|------|
|      |       |           |      |
|      |       |           |      |
|      |       |           |      |

**Florida Municipal Power Agency**

| Name | Title | Signature | Date |
|------|-------|-----------|------|
|      |       |           |      |
|      |       |           |      |
|      |       |           |      |



6001 Broken Sound Pkwy., Suite 140, Boca Raton, FL 33487  
 Phone: 561-452-6065

**QUOTE # AAAQ1859**

**Date: Jul 19, 2023**

**Customer:**  
 FMPA Florida Municipal Power Agency  
 Contact: Sharon Samuels  
 Email: sharon.samuels@fmpa.com

**Account Executive:**  
 Scott Kindelmann  
 Phone: #407-516-9026  
 Email: scott@alturna-tech.com

*Project: Nutanix Data Center Modernization 5YR (RFP FMPA 2023-106)*

| Hardware - Production     |  | Unit Price  | Qty | Ext. Price   |
|---------------------------|--|-------------|-----|--------------|
| <b>NX-8170N-G8-T1</b>     | NX-8170N-G8: 1-Node; 2x Intel Xeon-Gold 5317 processor (3 GHz/ 12-core/ 150W, Ice Lake) per node   | \$18,246.93 | 4   | \$72,987.72  |
| <b>C-MEM-64GB-3200-CM</b> | 64GB Memory Module (3200MHz DDR4 RDIMM)  |             | 64  |              |
| <b>C-NVM-7.68TB-A-CM</b>  | 7.68 TB NVMe SSD   |             | 24  |              |
| <b>C-NIC-25G2B1-CM</b>    | Intel 25/10GbE, 2-port, NIC (Intel XXV710-DA2); transceiver not included   |             | 4   |              |
| <b>C-PSU-2000-A-CM</b>    | 2000 W Power supply unit   |             | 8   |              |
| <b>C-PWR-4FC13C14A-CM</b> | C13/C14,10A, 4ft Power cord  |             | 8   |              |
| Maintenance & Support     |  | Unit Price  | Qty | Ext. Price   |
| <b>S-HW-PRD-T4</b>        | 24/7 Production Level HW Support for Nutanix appliance   | \$2,967.67  | 4   | \$11,870.68  |
| <b>Support-Term</b>       | Support Term in Months   |             | 60  |              |
| Software                  |  | Unit Price  | Qty | Ext. Price   |
| <b>SW-NCP-PRO-MC</b>      | Subscription, Nutanix Cloud Platform Pro Software License & Mission Critical Software Support Service for 1 CPU Core   | \$2,922.55  | 96  | \$280,564.80 |
| <b>SW-NCP-NCI-ULT-MC</b>  | Subscription, (included in NCP) Nutanix Cloud Infrastructure (NCI) Ultimate Software License & Mission Critical Software Support Service for 1 CPU Core                | \$0.00      | 96  | \$0.00       |
| <b>SW-NCP-NCM-PRO-MC</b>  | Subscription, (included in NCP) Nutanix Cloud Manager (NCM) Pro Software License & Mission Critical Software Support Service for 1 CPU Core                            | \$0.00      | 96  | \$0.00       |
| <b>SW-NUS-PRO-MC-5YR</b>  | Subscription, Nutanix Unified Storage (NUS) Pro Software License & Mission Critical Software Support Service for 1 TiB of data stored, 5 Years                         | \$2,074.00  | 15  | \$31,110.00  |
| <b>SWA-NUS-ADR-MC-5YR</b> | Subscription, Nutanix Unified Storage (NUS) Advanced Replication add-on Software License & Mission Critical Software Support Service for 1 TiB of data stored, 5 Years | \$269.00    | 15  | \$4,035.00   |

|  |  | Unit Price  | Qty             | Ext. Price          |
|--|--|-------------|-----------------|---------------------|
| <b>SWA-NUS-SEC-MC-5YR</b>              | Subscription, Nutanix Unified Storage (NUS) Security add-on Software License & Mission Critical Software Support Service for 1 TiB of data stored, 5 Years | \$269.00    | 15              | \$4,035.00          |
| <b>Term-Months</b>                     | Term in months   |             | 60              |                     |
|  |  |             | <b>SubTotal</b> | <b>\$404,603.20</b> |
| <b>Hardware - Backup Object Target</b> |  |             |                 |                     |
|  |  | Unit Price  | Qty             | Ext. Price          |
| <b>NX-8155N-G8-T1</b>                  | NX-8155N-G8: 1-Node; 2x Intel Xeon-Silver 4310 processor (2.1 GHz/ 12-core/ 120W, Ice Lake) per node   | \$18,638.00 | 3               | \$55,914.00         |
| <b>C-MEM-32GB-3200-CM</b>              | 32GB Memory Module (3200MHZ DDR4 RDIMM)  |             | 36              |                     |
| <b>C-HDD-18TB-8A-CM</b>                | 18 TB 3.5" HDD   |             | 24              |                     |
| <b>C-SSD-7.68TB-A-CM</b>               | 7.68 TB SSD  |             | 12              |                     |
| <b>C-NIC-25G2A2-CM</b>                 | Mellanox 25/10GbE, 2-port, NIC (Mellanox CX6);transceiver not included   |             | 6               |                     |
| <b>C-PSU-2000-A-CM</b>                 | 2000 W Power supply unit   |             | 6               |                     |
| <b>C-PWR-4FC13C14B-CM</b>              | C13/C14, 15A, 4ft Power cord   |             | 6               |                     |
| <b>Maintenance &amp; Support</b>       |  |             |                 |                     |
|  |  | Unit Price  | Qty             | Ext. Price          |
| <b>S-HW-PRD-T4</b>                     | 24/7 Production Level HW Support for Nutanix appliance   | \$2,756.29  | 3               | \$8,268.87          |
| <b>Support-Term</b>                    | Support Term in Months   |             | 60              |                     |
| <b>Software</b>                        |  |             |                 |                     |
|  |  | Unit Price  | Qty             | Ext. Price          |
| <b>SWA-NUS-SEC-PR-5YR</b>              | Subscription, Nutanix Unified Storage (NUS) Security add-on Software License & Production Software Support Service for 1 TiB of data stored, 5 Years       | \$234.00    | 135             | \$31,590.00         |
| <b>SW-NUS-STR-PR-5YR</b>               | Subscription, Nutanix Unified Storage (NUS) Starter Software License & Production Software Support Service for 1 TiB of data stored, 5 Years               | \$946.14    | 135             | \$127,728.90        |
| <b>SW-NCM-PRO-PR-5YR</b>               | Subscription, Nutanix Cloud Management (NCM) Pro Software License & Production Software Support Service for 1 CPU Core, 5 Years                            | \$576.29    | 72              | \$41,492.88         |
| <b>Term-Months</b>                     | Term in months   |             | 60              |                     |
|  |  |             | <b>SubTotal</b> | <b>\$264,994.65</b> |

| <b>Hardware - DR</b>             |   | <b>Unit Price</b> | <b>Qty</b>      | <b>Ext. Price</b>   |
|----------------------------------|---|-------------------|-----------------|---------------------|
| <b>NX-8170N-G8-T1</b>            | NX-8170N-G8, 1 Node; 2x Intel Xeon-Gold 5317 processor (3 GHz/ 12-core/ 150W, Ice Lake) per node  | \$18,246.93       | 4               | \$72,987.72         |
| <b>C-MEM-64GB-3200-CM</b>        | 64GB Memory Module (3200MHz DDR4 RDIMM)   |                   | 64              |                     |
| <b>C-NVM-7.68TB-A-CM</b>         | 7.68 TB NVMe SSD  |                   | 24              |                     |
| <b>C-NIC-25G2B1-CM</b>           | Intel 25/10GbE, 2-port, NIC (Intel XXV710-DA2); transceiver not included  |                   | 4               |                     |
| <b>C-PSU-2000-A-CM</b>           | 2000 W Power supply unit  |                   | 8               |                     |
| <b>C-PWR-4FC13C14A-CM</b>        | C13/C14, 10A, 4ft Power cord  |                   | 8               |                     |
| <b>Maintenance &amp; Support</b> |   | <b>Unit Price</b> | <b>Qty</b>      | <b>Ext. Price</b>   |
| <b>S-HW-PRD-T4</b>               | 24/7 Production Level HW Support for Nutanix appliance  | \$2,967.67        | 4               | \$11,870.68         |
| <b>Support-Term</b>              | Support Term in Months  | \$0.00            | 60              | \$0.00              |
| <b>Software</b>                  |   | <b>Unit Price</b> | <b>Qty</b>      | <b>Ext. Price</b>   |
| <b>SW-NCP-PRO-MC</b>             | Subscription, Nutanix Cloud Platform Pro Software License & Mission Critical Software Support Service for 1 CPU Core  | \$2,922.55        | 96              | \$280,564.80        |
| <b>SW-NCP-NCI-ULT-MC</b>         | Subscription, (included in NCP) Nutanix Cloud Infrastructure (NCI) Ultimate Software License & Mission Critical Software Support Service for 1 CPU Core   |                   | 96              |                     |
| <b>SW-NCP-NCM-PRO-MC</b>         | Subscription, (included in NCP) Nutanix Cloud Manager (NCM) Pro Software License & Mission Critical Software Support Service for 1 CPU Core   |                   | 96              |                     |
| <b>SW-NUS-PRO-MC-5YR</b>         | Subscription, Nutanix Unified Storage (NUS) Pro Software License & Mission Critical Software Support Service for 1 TiB of data stored, 5 Years  | \$2,074.00        | 15              | \$31,110.00         |
| <b>SWA-NUS-ADR-MC-5YR</b>        | Subscription, Nutanix Unified Storage (NUS) Advanced Replication add-on Software License & Mission Critical Software Support Service for 1 TiB of data stored, 5 Years  | \$269.00          | 15              | \$4,035.00          |
| <b>SWA-NUS-SEC-MC-5YR</b>        | Subscription, Nutanix Unified Storage (NUS) Security add-on Software License & Mission Critical Software Support Service for 1 TiB of data stored, 5 Years  | \$269.00          | 15              | \$4,035.00          |
| <b>Term-Months</b>               | Term in months  |                   | 60              |                     |
| <b>Education &amp; Services</b>  |   | <b>Unit Price</b> | <b>Qty</b>      | <b>Ext. Price</b>   |
| <b>EDU-C-NCPPREP-INV</b>         | Education, Individual seat for Nutanix Certified Professional - Multicloud Infrastructure (NCP-MCI) class. Delivery: default virtual instructor-led (vILT). Duration: 1 Day. Priced per individual seat. One single-use exam voucher included | \$849.00          | 2               | \$1,698.00          |
| <b>NTX-INSTALL</b>               | Nutanix installation & knowledge transfer. Includes two quarterly health checks.  | \$0.00            | 1               | \$0.00              |
|                                  |   |                   | <b>SubTotal</b> | <b>\$406,301.20</b> |

| Hardware - Replication Target Backup |  | Unit Price  | Qty | Ext. Price  |
|--------------------------------------|--|-------------|-----|-------------|
| NX-8155N-G8-T1                       | NX-8155N-G8: 1-Node; 2x Intel Xeon-Silver 4310 processor (2.1 GHz/ 12-core/ 120W, Ice Lake) per node | \$18,638.00 | 3   | \$55,914.00 |
| C-MEM-32GB-3200-CM                   | 32GB Memory Module (3200MHz DDR4 RDIMM)  |             | 36  |             |
| C-HDD-18TB-BA-CM                     | 18 TB 3.5" HDD   |             | 24  |             |
| C-SSD-7.68TB-A-CM                    | 7.68 TB SSD  |             | 12  |             |
| C-NIC-25G2A2-CM                      | Mellanox 25/10GbE, 2-port, NIC (Mellanox CX6);transceiver not included                               |             | 6   |             |
| C-PSU-2000-A-CM                      | 2000 W Power supply unit   |             | 6   |             |
| C-PWR-4FC13C14B-CM                   | C13/C14, 15A, 4ft Power cord   |             | 6   |             |

| Maintenance & Support |  | Unit Price | Qty | Ext. Price |
|-----------------------|--|------------|-----|------------|
| S-HW-PRD-T4           | 24/7 Production Level HW Support for Nutanix appliance | \$2,756.29 | 3   | \$8,268.87 |
| Support-Term          | Support Term in Months                                 |            | 60  |            |

| Software           |  | Unit Price | Qty | Ext. Price   |
|--------------------|--|------------|-----|--------------|
| SWA-NUS-SEC-PR-5YR | Subscription, Nutanix Unified Storage (NUS) Security add-on Software License & Production Software Support Service for 1 TiB of data stored, 5 Years | \$234.00   | 135 | \$31,590.00  |
| SW-NUS-STR-PR-5YR  | Subscription, Nutanix Unified Storage (NUS) Starter Software License & Production Software Support Service for 1 TiB of data stored, 5 Years         | \$946.14   | 135 | \$127,728.90 |
| SW-NCM-PRO-PR-5YR  | Subscription, Nutanix Cloud Management (NCM) Pro Software License & Production Software Support Service for 1 CPU Core, 5 Years                      | \$576.29   | 72  | \$41,492.88  |
| Term-Months        | Term in months   |            | 60  |              |

**SubTotal \$264,994.65**

| HYCU        |  | Unit Price | Qty | Ext. Price  |
|-------------|--|------------|-----|-------------|
| RPROTSTE5YR | Subscription HYCU Protege 5YR. Suite Includes protection for Nutanix clusters, virtual servers, file data, data bases, and DR replication. | \$1,680.00 | 40  | \$67,200.00 |

### Totals

Payment Terms- All Invoices Due Net30

Quote Expiration Date: Nov 16, 2023

GSA Schedule # 47QSWA18D008F

**Subtotal \$1,408,093.70**

**Shipping \$4,900.00**

**Grand Total \$1,412,993.70**



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**The above pricing, specifications, and conditions below are satisfactory and hereby accepted.**

The customer approval below is expressly invested with the requisite authority to bind their corporation in this matter.

To accept this quotation, sign here and return: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

**TERMS & CONDITIONS OF SALE**

Prices are conditioned upon timely payment and any past due balance will accrue interest at the monthly rate of one and one-half percent. Alturra-Tech reserves the right to modify terms prior to shipment, require payment in advance, delay or cancel any shipment of order should customer fail to fulfill any obligation when due.

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**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- a. St. Lucie Transmission Agreement  
Extension**

**Board of Directors Meeting  
September 14, 2023**



# 9a – St. Lucie Transmission Agreement Extension

Board of Directors  
September 14, 2023

# St. Lucie Unit 2 Has Been Operating for 40 Years

*License Extensions Have Been Filed to Extend Another 40 Years*

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- KUA receives St. Lucie Project entitlement share via OUC transmission
  - KUA is not connected directly to FPL
- Firm Transmission Service Contract between FMMPA and OUC
  - Term of 40 years tied to initial operating license of the plant
- OUC willing to extend agreement for an additional 40 years
  - Tied to expected operating license extensions
  - Options for either party to terminate early
  - OUC must replace transmission service upon electing to terminate

# Amendment to St. Lucie Project Agreement Attached

## *KUA Responsibility in St. Lucie Project; Excluded Resource Outside of ARP*

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- Original contract term language:

“The Delivery Service provided for herein shall commence upon the Commencement Date for Delivery Service and will thereafter terminate at the earlier of 1) 40 years, or 2) at the time FMPA is no longer entitled to receive [St. Lucie Nuclear Power Resources] SLNPR.”

- Amended contract term language:

“The Delivery Service provided for herein shall commence upon the Commencement Date for the Delivery Service and will thereafter terminate at the earlier of 1) eighty (80) years after the Commencement Date, 2) at the time FMPA is no longer entitled to receive SLNPR, 3) the date which is ninety (90) days after the date on which FMPA provides written notice to OUC of its decision to terminate this Contract, or 4) the date which is ninety (90) days after OUC provides written notice to FMPA stating that OUC shall, upon termination of this Contract, provide alternate transmission service arrangement that will deliver FMPA’s SLNPR to the same point of delivery upon substantially similar terms, conditions, and cost as this Contract that are agreeable to FMPA.”

# Information Only

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- Action item for approval in October.

**DRAFT**

**AMENDMENT NO. 01  
TO  
CONTRACT FOR FIRM POINT TO POINT TRANSMISSION SERVICE**

This Amendment No. 01 (the "Amendment") to the Contract for Firm Transmission Service is effective as of the \_\_\_\_ day of \_\_\_\_\_, 2023, is entered into, by and between **Orlando Utilities Commission ("OUC")** and **Florida Municipal Power Agency ("FMPA")**. OUC and FMPA shall be collectively referred to as the "Parties."

**WITNESSETH:**

**WHEREAS**, OUC and FMPA entered into that certain Contract for Firm Transmission Service dated August 12, 1983, pursuant to which FMPA was granted firm point to point electric transmission service over the OUC transmission system from the St. Lucie Unit No. 2 power facility to specified points of delivery ("FTS Agreement"); and,

**WHEREAS**, the Parties mutually agreed on changes to the FTS Agreement and desire to amend the FTS Agreement to reflect the agreed changes as set forth herein to extend the term of the FTS Agreement to better coincide with the expected life of the St. Lucie Unit No. 2 power generation facility.

**NOW THEREFORE**, for and in consideration of the foregoing premises, the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Recitals**. The above recitals are true and correct and are hereby incorporated herein.
2. **Definitions**. Each initially capitalized term used without definition shall have the meaning as ascribed to such term in the FTS Agreement, unless changed herein.
3. **Amendment to Article X**. Article X, Term, is hereby amended by replacing the entirety of Article X with the following:

*The Delivery Service provided for herein shall commence upon the Commencement Date for the Delivery Service and will thereafter terminate at the earlier of 1) eighty (80) years after the Commencement Date, 2) at the time FMPA is no longer entitled to receive SLNPR, 3) the date which is ninety (90) days after the date on which FMPA provides written notice to OUC of its decision to terminate this Contract, or 4) the date which is ninety (90) days after OUC provides written notice to FMPA stating that OUC shall, upon termination of this Contract, provide alternate transmission service arrangement that will deliver FMPA's SLNPR to the same point of delivery upon substantially similar terms, conditions, and cost as this Contract that are agreeable to FMPA.*

4. **Ratification of Remaining Terms.** All terms and conditions within the FTS Agreement not amended by this Amendment 1 shall remain enforceable and unchanged and the parties hereby ratify all such terms.

IN WITNESS WHEREOF, OUC and FMPA have caused this Amendment to be executed in duplicate in their names by their respective duly authorized officials.

**Orlando Utilities Commission**  
a Florida Statutory Commission

By: \_\_\_\_\_  
Clint P. Bullock  
General Manager & CEO

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form and legality  
OUC Legal Department

By: \_\_\_\_\_  
Date: \_\_\_\_\_

**Florida Municipal Power Agency**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form and legality  
FMPA Legal Department

By: \_\_\_\_\_  
Date: \_\_\_\_\_



**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**b. Solar Prepay Structure and Market  
Update**

**Board of Directors Meeting  
September 14, 2023**



# 9b –Solar Prepay Structure & Market Update

Board of Directors

September 14, 2023

# Solar/Energy Prepays Similar to Gas Prepays

## *MWh vs MMBtu Obligation*

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- IRS regulations allow Municipal Utilities to utilize tax-exempt bonds to “prepay” for long-term supplies of natural gas and electricity
  - reasonable expectation of municipal(s) will use 90% commodity
- Structured as a non-recourse Energy Prepayment, the tax-exempt bond investors are at risk to the credit of the Prepaid Power Supplier (Bank); bonds are rated accordingly
- Loss of Load will be an allowable exit to the prepay transaction
  - Municipal is not obligated to leave the transaction

# Prepay Takes Advantage of Muni Tax-Exempt Status

*Saving From Difference Between Muni and Taxable Interest Rates*

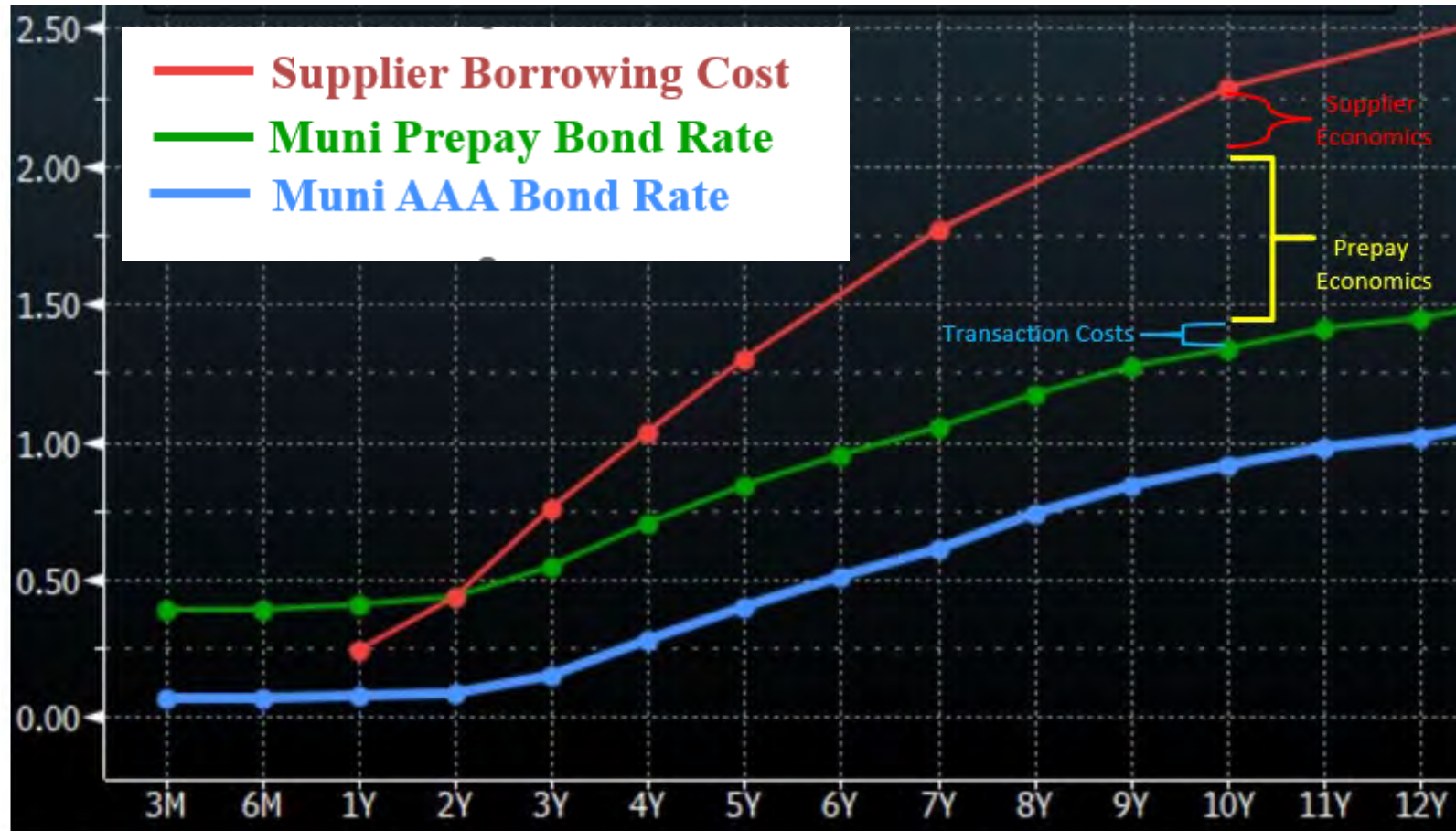
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- The bond proceeds provided to the Prepaid Power Supplier (Investment Bank) represent a cheaper funding source than the taxable debt market
- The savings to the Investment Bank are passed through to the Municipal Utility as a **discount** to the market price for the commodity



# Time, Spread & Taxable Entity's Credit Drive Savings

## *Banks Have High Borrowing Costs*



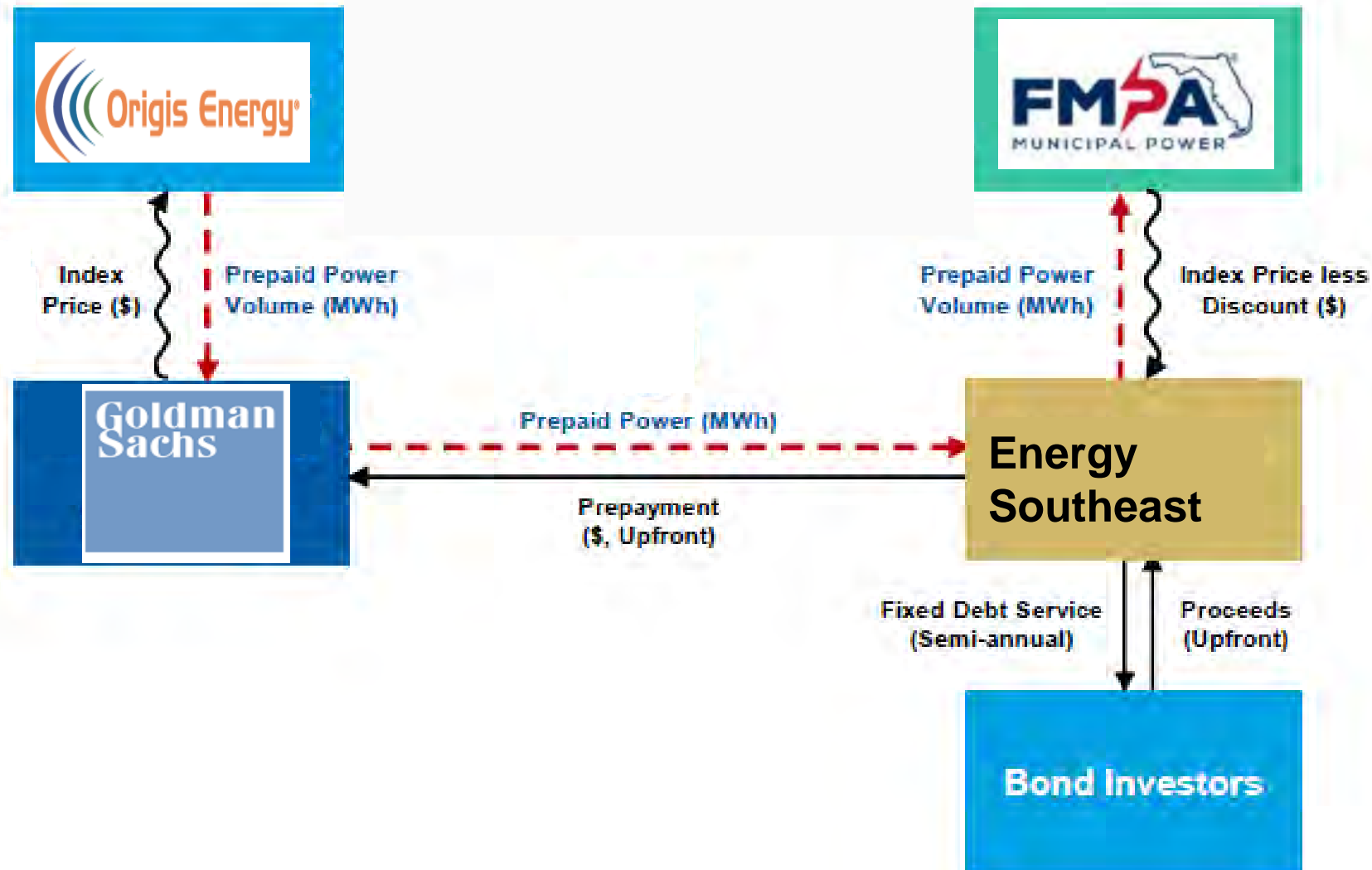
# Energy Southeast, the Entity Leading Energy Prepay

## *Similar to MainStreet and Black Belt Energy for Natural Gas*

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- AMEA Prepay Project – Energy Southeast
  - The Prepay Project is an entity that can issue tax-exempt debt and enter into contracts with AMEA, other municipal participants, and prepaid suppliers
  - AMEA used the Cooperative District Act to form a separate entity governed by the AMEA Board
  - AMEA incorporated Energy Southeast in December 2019
  - The Energy Southeast Board is the AMEA Board, and Fred Clark is the President and CEO
- Will Be Energy Southeast’s second transaction
  - Will earn an admin fee to manage all reporting, accounting, and processing

# Prepay Contract Structure

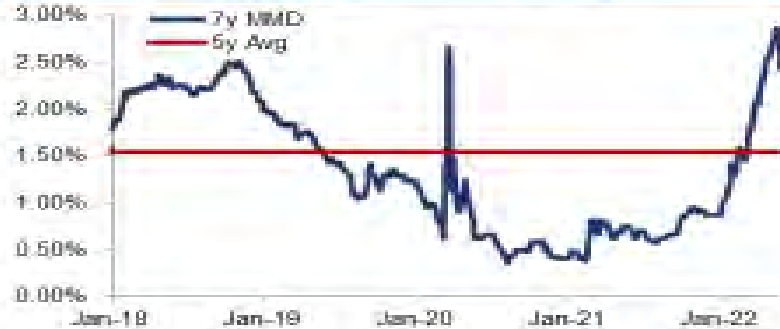


# Despite Recent Volatility, Higher Interest Rate Environment Will Continue to Foster Prepayments

7y UST (2018 – Present)



7y MMD (2018 – Present)



Taxable/Tax-Exempt Spread (2018 – Present)<sup>†</sup>



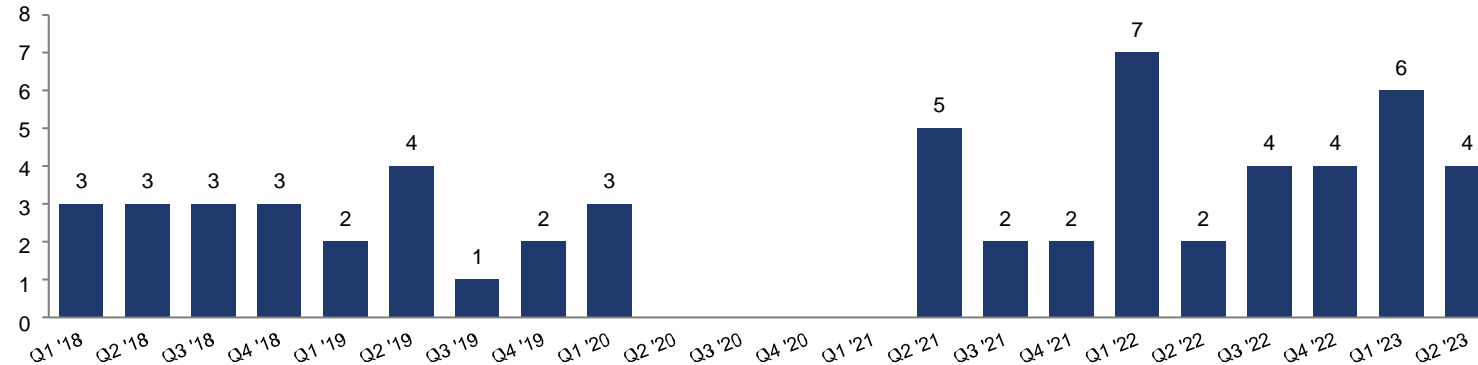
<sup>†</sup> 7 year LIBOR swaps/last 7 year MMD  
 Source: Refinitiv, Bloomberg, US Department of the Treasury  
 Note: For illustrative purposes only.



# Prepay Frequency has Picked Up in 2023

Over the last 4 quarters, more prepays have been completed than in any single year period ever!

Prepay Transaction Issues By Quarter



Recent Prepay Put Bond Transactions

| Sale     | Issuer      | Credit                     | Par (\$) | Put      | MMD Sprd. |
|----------|-------------|----------------------------|----------|----------|-----------|
| 11/21/22 | Tennergy    | Nomura                     | 558      | 12/01/30 | +229bp    |
| 11/30/22 | Black Belt  | Morgan Stanley             | 897      | 06/01/29 | +193bp    |
| 12/06/22 | CCCFA       | Goldman Sachs              | 460      | 08/01/29 | +175bp    |
| 01/17/23 | Main Street | Citi                       | 696      | 06/01/30 | +193bp    |
| 01/18/23 | CCCFA       | Morgan Stanley             | 842      | 08/01/29 | +176bp    |
| 01/20/23 | TEAC        | Goldman Sachs              | 787      | 05/01/28 | +203bp    |
| 02/02/23 | Main Street | Royal Bank of Canada       | 834      | 03/01/30 | +166bp    |
| 02/15/23 | CCCFA       | Deutsche Bank              | 999      | 10/01/31 | +231bp    |
| 03/01/23 | SEA         | Sumitomo Mitsui BC         | 675      | 07/01/29 | +192bp    |
| 04/12/23 | Black Belt  | Royal Bank of Canada       | 442      | 12/01/30 | +187bp    |
| 05/10/23 | Black Belt  | Goldman Sachs              | 386      | 11/01/30 | +202bp    |
| 06/02/23 | Main Street | Royal Bank of Canada       | 984      | 09/01/30 | +191bp    |
| 06/07/23 | CCCFA       | American General Life Ins. | 958      | 11/01/28 | +187bp    |
| 06/08/23 | ESE         | Morgan Stanley             | 501      | 01/01/31 | +195bp    |
| 07/25/23 | Black Belt  | Goldman Sachs              | 674      | 02/01/29 | +199bp    |
| 08/02/23 | SEA         | Royal Bank of Canada       | 549      | 06/01/30 | +169bp    |
| 08/09/23 | CCCFA       | Morgan Stanley             | 998      | 03/01/31 | +167bp    |

GS-led transactions

# Key Considerations for Participating in Prepay

## Savings

- **Current savings are between 7-10%** off existing and/or future electric supply

## Staff Time / Operations

- Transaction largely handled by the Issuer and Supplier
- Existing scheduling/operations remain essentially unchanged outside of billing and payment aspects

## Non-Recourse

- Fully non-recourse to municipal utility and does not impact the municipal utility's balance sheet or credit metrics
- No obligation to pay for debt issued, **only to pay for gas/power delivered**

## Future Resets

- **No guarantee of savings in future reset**
- If agreed upon a minimum discount for future resets is not achieved, the participant's option to opt-out

## Transaction Termination

- In the event the transaction terminates, assignments and all other contracts terminate, and municipalities return to status quo, but will forego savings

# Next Steps

## *Continue Negotiating with Energy Southeast on T&Cs*

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- Tie down Municipal Systems to participate in the next transaction
- Ensure flexible energy sourcing language
  - Allow for load loss and the optionality to switch from PPA to natural gas.
    - Gives FMPA flexibility after the 20-year PPAs expire
  - Allow for non-muni energy market purchases to be an energy source
- Target approval of Power Supply and Limited Assignment Agreements to Executive Committee by November.

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. Stanton Update**

**Board of Directors Meeting  
September 14, 2023**



# 9c - Stanton Energy Center Update

Board of Directors  
September 14, 2023

# OUC and FMPA in Discussions of on Future of Stanton

## *Targeting December 1 for Framework of an Agreement*

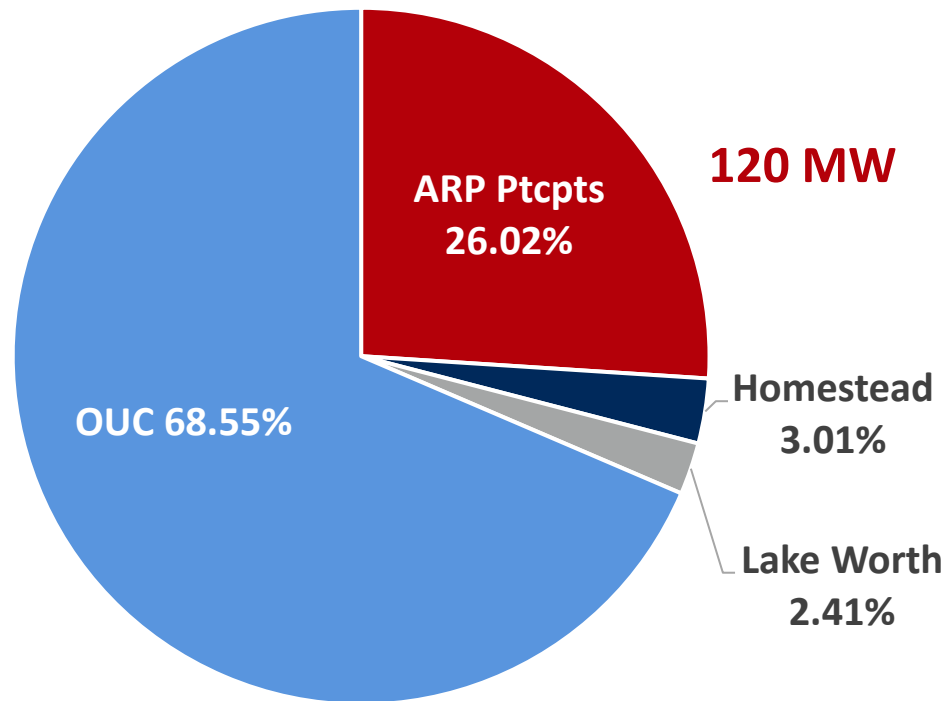
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- 9/8 OUC and FMPA agreed to enter discussions on future of Stanton Energy Center
- FMPA desires to end participation in the project
- OUC has concerns over long term liability of coal ash disposal site
- Teams will work to develop a viable option that meets both parties needs
- Targeting December 1 for framework of an agreement

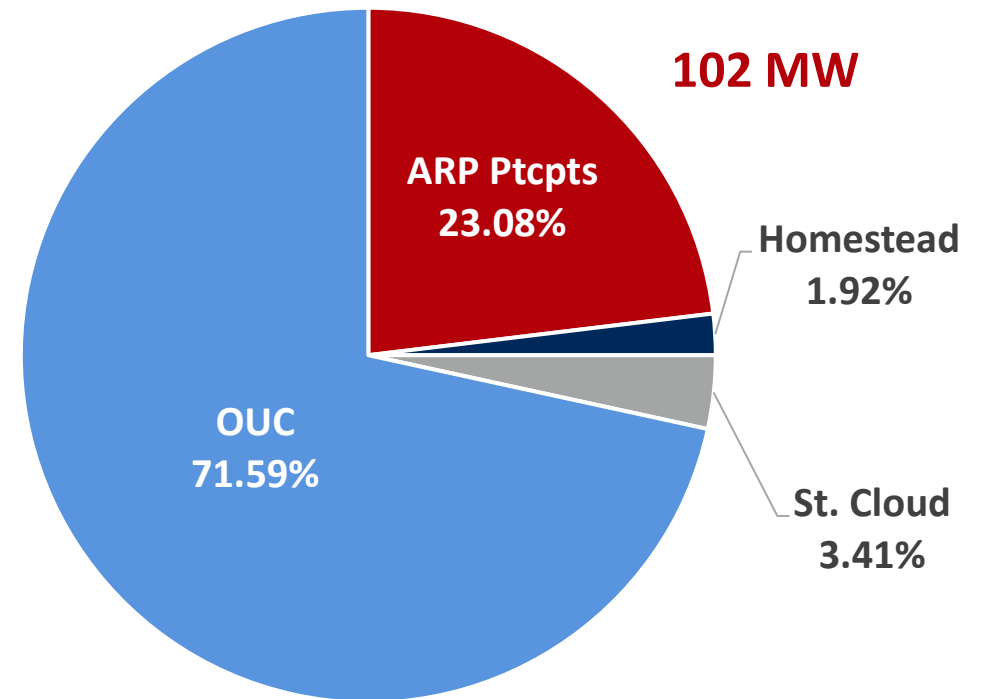
# Member's Stanton Ownership Divided By Projects

*Non-ARP Owners Share 5.42% of SEC1 & 5.32% of SEC2*

## SEC Unit 1 Ownership Shares



## SEC Unit 2 Ownership Shares



Stanton Project: Ft. Pierce, Homestead, KUA, Lake Worth, Starke, ARP

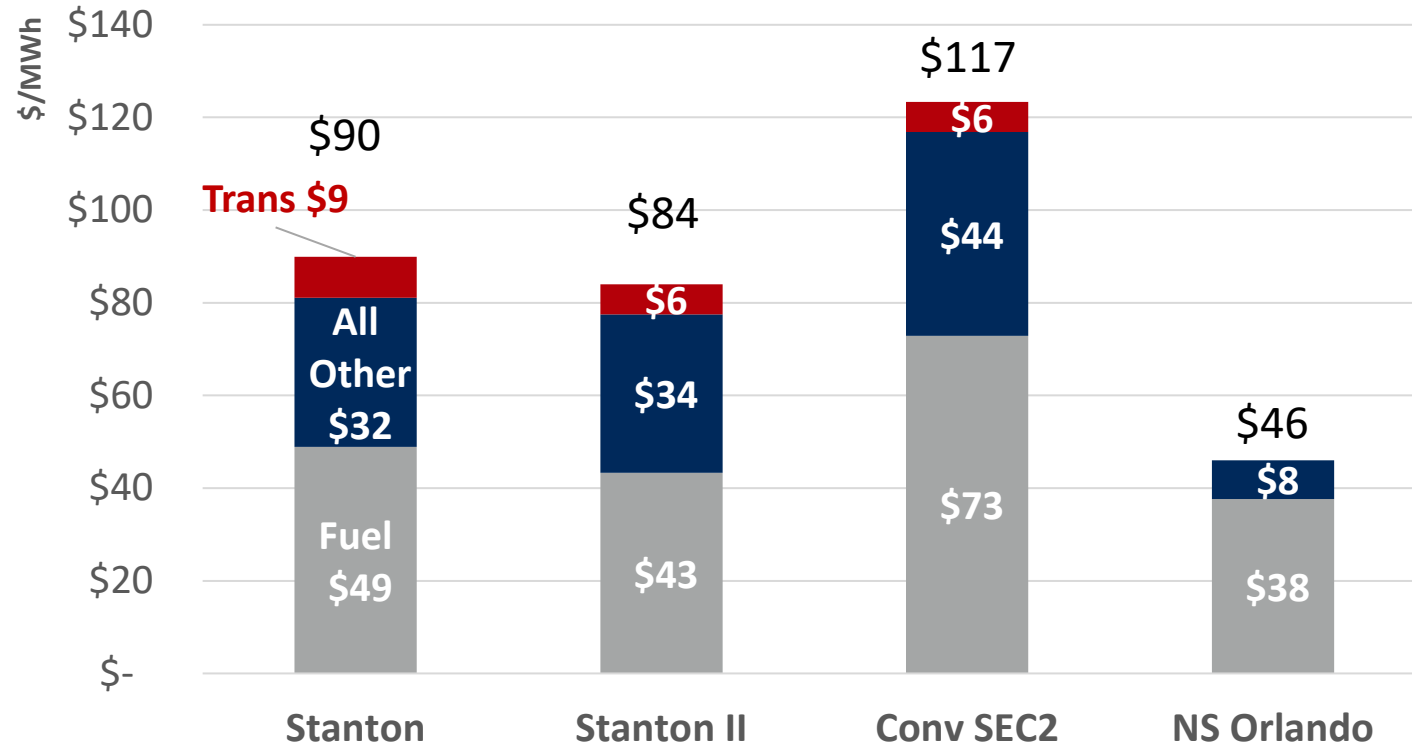
Tri-City Project: Ft. Pierce, Homestead, Key West

Stanton II Project: Ft. Pierce, Homestead, Key West, KUA, St. Cloud, Starke, ARP

# Levelized, Stanton Costs Not Competitive To Alternatives

*Adjusted to Common Capacity Factor, New Generation Lower Cost*

Stanton Projects & NS Orlando Operating Costs \$/MWh at Levelized 45% Capacity Factor



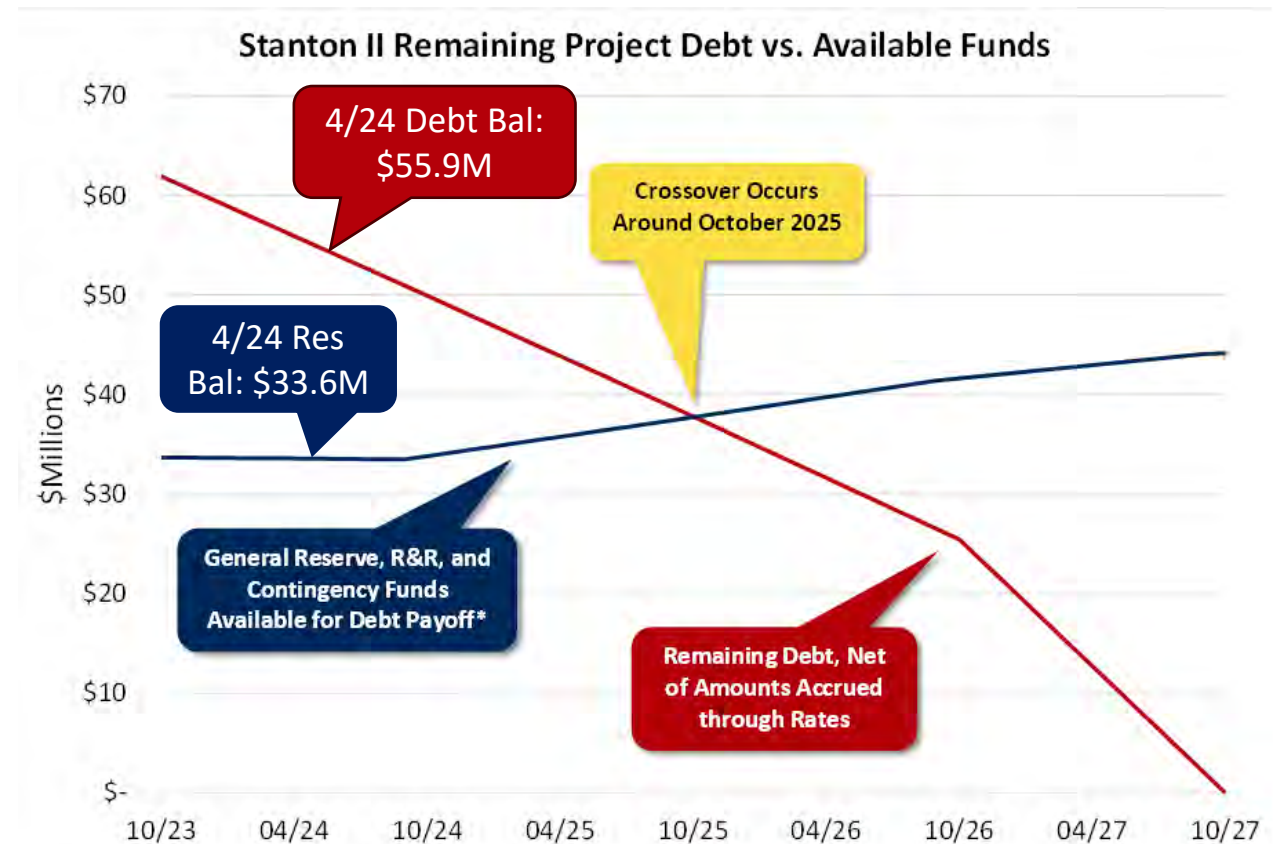
- FMPA incurs OUC Transmission Costs annually:
  - Stanton & Tri-City: \$2.3M
  - Stanton II: \$2.7M



# Stanton II Debt Currently Retired By End of FY27

## *Bonds Can Be Paid Early with Minimal Financial Penalty*

- All current Project bonds have early call provisions
- ~2/3 of FY27 debt already anticipated to be funded
- Could use Stanton 2 funds (\$33.6M) and ARP and Homestead use residual Stanton/Tri-City (\$13.6M) to pay off debt 4/2024
- Some funds would be needed pay OUC the anticipated decommissioning costs



**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**d. Draft FY 2024 Goals**

**Board of Directors Meeting  
September 14, 2023**

# Fiscal 2024 Management Goals – DRAFT

| Goal   | Status                                   | Actual | YTD Actual | YTD Target | FY 2024 Target | Comment                   |
|--|--|--------|------------|------------|----------------|---------------------------|
| <b>1. Safety</b>   | Lost-time Accidents                      |        |            |            | 0              |                           |
|  | OSHA Recordables                         |        |            |            | 0              |                           |
| <b>2. Compliance</b>   | Environmental                            |        |            |            | 0              | Complete Playbook in FY24 |
|  | Financial                                |        |            |            | 0              |                           |
|  | <u>Regulatory</u><br>Compliance Playbook |        |            |            | 0              |                           |
| <b>3. Low Cost</b><br>(\$/MWh)   | FY24 Rate Objective                      |        |            |            |                |                           |
|  | Fuel                                     |        |            |            |                |                           |
|  | Non-Fuel                                 |        |            |            |                |                           |
| <b>4. Strategic LT Cost Reductions</b><br>Pool Expansion Decision or<br>Alternative Structure<br><br>Reduce Cost Exposure to Stanton |  |        |            |            |                | Complete by FY24          |

| Goal                  | Status  | Actual | YTD Actual | YTD Target | FY 2024 Target | Comment |
|-----------------------|---|--------|------------|------------|----------------|---------|
| 5. Cyber-security     | Breaches  |        |            |            | 0              |         |
|                       | Phishing tests<br>% Acknowledge Phishing              |        |            |            | <7.5%<br>>60%  |         |
| 6. Reliability        | CC EAF  |        |            |            | 90%            |         |
|                       | SI black start and trans.<br>backup                   |        |            |            | 100%           |         |
|                       | SI EAF  |        |            |            | 92%            |         |
| 7. Member Reliability | Reliability Major<br>Minor<br>Aiding Reporting & Doc. |        |            |            | 12<br>18<br>6  |         |
| 8. Member Services    | Leadership<br>member visits                           |        |            |            | 75             |         |
|                       | Community/Stakeholder<br>Presentations/Support        |        |            |            | 20             |         |

| Goal  | Status | Actual | YTD Actual | YTD Target | FY 2023 Target     | Comment                      |
|---|--------|--------|------------|------------|--------------------|------------------------------|
| <b>9. Day 1 Plant Integrations</b><br>Operating Vendor Integration Team Members Payroll       |        |        |            |            |                    |                              |
| <b>10. Financing</b><br>Pre-pay Gas/Solar   |        |        |            |            | 2                  |                              |
| Debt vs R&R Guidelines  |        |        |            |            |                    | Develop Board Level Guidance |
| <b>11. People</b><br>Day 1 Offers to Everyone<br>Minimum Acceptance<br>Agency-wide Engagement |        |        |            |            | 100%<br>80%<br>82% |                              |
| <b>12. Nuclear</b><br>Explore expansion at existing FL sites                                  |        |        |            |            |                    |                              |

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**e. Quarterly Compliance Update**

**Board of Directors Meeting  
September 14, 2023**



# 9e – Regulatory Compliance Update

Board of Directors  
September 14, 2023

# FERC Update

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- **Order 2003 - Improvement to Generator Interconnection Procedures and Agreements**
  - FERC finds: (1) existing pro forma is insufficient because backlogs and delays, and resulting timing and cost uncertainty, hinder development of new generation...; and (2) problem is worsening in both RTO and non-RTO regions.
  - Reforms:
    - Increase pre-queue interconnection information access
    - Implement new cluster study process
    - Allocation of cluster network upgrade costs
    - Increased financial commitments (i.e. deposits) and readiness requirements
    - Additional reforms to increase speed of interconnection queue process
- November 9 – FERC Technical Conference - discussion of EPA’s proposed rule and its impact on electric reliability
  - FMPA nominated Jacob Williams to provide the Florida perspective
- Joint FERC/NERC Physical Security Technical Conference
- Upcoming TAPS FERC Meetings in D.C.



# NERC Update

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- Board approved the 2024 NERC proposed business plan and budget
- The Board also approved revisions to NERC's Rules of Procedure (ROP) for Reliability Standards
- The board adopted modifications to TOP-003-6 and IRO-010-5
- The board accepted The 2023 ERO Reliability Risk Priorities Report

# Roles of FMPA Regulatory Compliance Department

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**FMPA Compliance**



**Member Support**



**Industry Influence**

# Internal Compliance

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- FMPA has no self-reportable compliance violations since the last quarterly update
- Upcoming PRC-005 internal audit
- Plant coordination
  - Compliance Playbook Update
  - Weekly Plant coordination meetings
- Cold Weather
  - Level III NERC Alert – Due Oct. 6
  - Upcoming winter training

# Member Support

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- Two Member Peer Reviews
- Member bi-weekly calls

# Industry Influence

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- APPA and TAPS
  - Weekly APPA calls
  - Monthly TAPS calls and committees
  - Standards Balloting

**AGENDA ITEM 10 – MEMBER  
COMMENTS**

**Board of Directors Meeting  
September 14, 2023**

**AGENDA ITEM 11 – ADJOURNMENT**

**Board of Directors Meeting  
September 14, 2023**