



FMPA BOARD OF DIRECTORS AGENDA PACKAGE

December 14, 2023

9:00 a.m. [NOTE TIME]

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

Conference ID Number: 252 509 908 668#

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
Jan Bagnall, Fort Meade
Javier Cisneros, Fort Pierce
Dino DeLeo, Gainesville
Robert Page, Green Cove Springs
Howard McKinnon, Havana
Raynetta Curry Marshall, Jacksonville
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 Npvaord, 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: December 7, 2023
RE: **FMPA Board of Directors Meeting – 9:00 a.m., December 14, 2023**
PLACE: Florida Municipal Power Agency
 8553 Commodity Circle, Orlando, FL 32819
DIAL-IN: **DIAL-IN INFO 321-299-0575**
Meeting Number 252 509 908 668#
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)** 8
- 5. **Report from the General Manager (Jacob Williams)**..... 11
- 6. **Sunshine Law Update (Dan O’Hagan)**..... 20
- 7. **Consent Agenda**
 - a. **Approval of the Minutes for the Meeting Held November 16, 2023** 26
 - b. **Approval of the Projects’ Preliminary Financials as of October 31, 2023** 31
 - c. **Approval of the Treasury Reports as of October 31, 2023** 33
 - d. **Acceptance of Annual Late Payment Report FY2023** 37

8. Action Items

- a. Approval of Resolution 2023-B6 – Resolution of Appreciation for Claston Sunanon (Chair Barbara Quiñones) 40
- b. Approval to Extend Agreement with Purvis Gray & Co. (Danyel Sullivan-Marrero)..... 42
- c. Approval of Appendix C Investment Policy * (Liyuan Woerner)..... 46

9. Information Items

- a. Solar Phase II – Rice Creek and Whistling Duck Update * (Susan Schumann)..... 73
- b. Compliance Update* (Dan O’Hagan/LaKenya VanNorman) 78
- c. Human Resources Update (Sharon Adams) 87
- d. Member Services Update (Sharon Adams) 94

10.Member Comments..... 100

11.Adjournment..... 101

***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
December 14, 2023**

**AGENDA ITEM 2 – RECOGNITION OF
GUESTS**

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

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

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

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

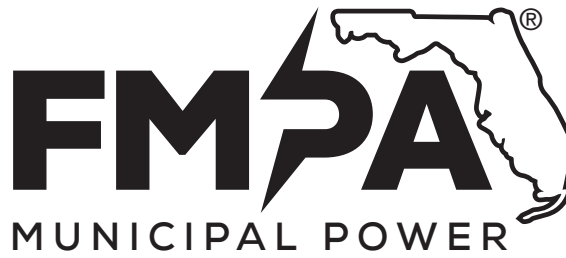
**Board of Directors Meeting
December 14, 2023**

Claston Sunanon Has Served 17 Years on FMPA's Board

OUC's Board Representative Since March 2006

- FMPA's longest serving Board member
- Served 10 years on Audit & Risk Oversight Committee (Finance Committee)
- Strong advocate for diversity of resources
- Helped keep power costs low for members through participation in Power Pool
- Was pivotal in solar negotiations to provide value through joint ownership
- Worked with members to mitigate risks during unique market events and unit trips





***Resolution of Appreciation
for
Claston Sunanon***

Whereas, Claston Sunanon has more than 40 years of experience in utility industry and more than 34 years of experience with Orlando Utilities Commission, the Reliable One (OUC), during which time he has selflessly shared his experience and talent for the betterment of public power in Florida, the Florida Municipal Power Pool, and Florida Municipal Power Agency, contributing countless hours to FMPA's business activities during his more than 17 years of service as a director on the FMPA Board of Directors;

Whereas, Claston Sunanon has served as the Director of Fuels, Power Marketing, Contracts & Settlement for OUC for more than 24 years, following many previous years of key leadership roles in engineering, generation portfolio planning, generation optimization, operations, transmission and distribution, fuel supply and logistics, power marketing, and renewables development at OUC, including his close involvement in the operation and policymaking for the Florida Municipal Power Pool;

Whereas, Whereas, Claston Sunanon has distinguished himself as a thoughtful collaborator and director of FMPA, including his nearly 10 years of service as a member of the Audit and Risk Oversight Committee, from May 2009 to February 2019;

Whereas, Claston Sunanon has also supported the success of FMPA in fuels matters as a director of Florida Gas Utility, aiding FMPA, including the All-Requirements Power Supply Project, and its gas-reliant member cities in addressing periods of natural gas price spikes and considering price mitigation efforts for the benefit of FMPA's and all of Florida public power's end-use customers;

Whereas, Claston Sunanon was pivotal in the negotiation of the first utility scale solar photovoltaic generation project for FMPA and in coordinated efforts with OUC, which provided value opportunities to all of FMPA's member utilities through joint action;

Whereas, Claston Sunanon's leadership, voice, and thoughtful input as a director of FMPA will be missed.

Now, therefore, let it be known to all that the members of the Florida Municipal Power Agency will be forever grateful to Claston Sunanon for his years of service and significant leadership in support of FMPA and its mission.

Furthermore, this Resolution of Appreciation shall become a permanent public record of the Florida Municipal Power Agency as a tribute to Claston Sunanon's enduring service.

We, the Board of Directors of the Florida Municipal Power Agency, in a unanimous vote adopt this Resolution of Appreciation on this 14th day of December, Two Thousand Twenty-Three.

Florida Municipal Power Agency

By: _____
Barbara Quiñones, Chair

By: _____
Lynne Tejeda, Vice Chair

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

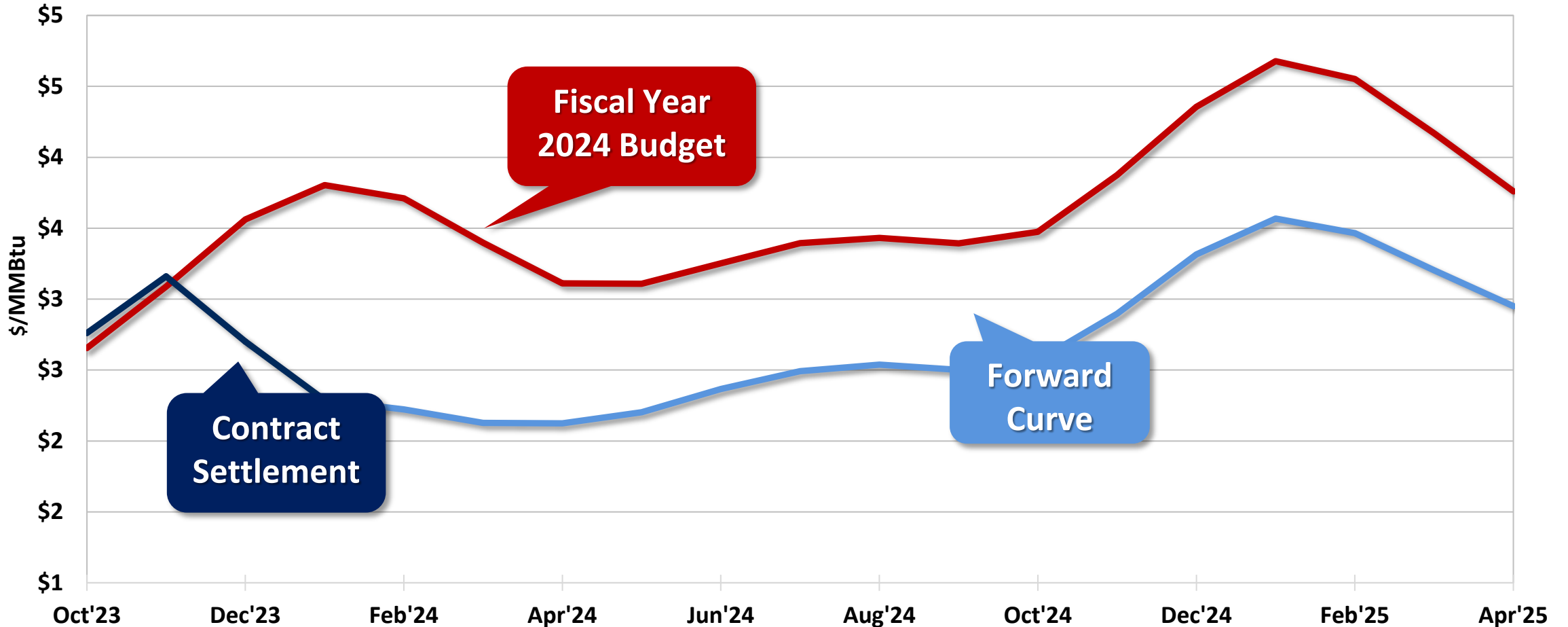
**Board of Directors Meeting
December 14, 2023**

Fiscal Year 2024 Management Goals – Nov. Data

Goal	Status	Actual	YTD Actual	YTD Target	FY 2024 Target	Comment
1. Safety	Lost-time Accidents	0	0	0	0	
	OSHA Recordables	0	0	0	0	
2. Compliance	Environmental	0	0	0	0	Complete Playbook in FY24
	Financial				0	
	<u>Regulatory</u> Compliance Playbook				0	
3. Low Cost (\$/MWh)	FY24 Rate Objective	69.11	69.11	69.04	78.72	Data estimate for October. YTD 2024 MWh sales 6% < budget. YTD Rate ~ YTD Target. YTD fuel \$1.85 > YTD Target.
	Fuel	24.03	24.03	22.18	29.97	
	Non-Fuel	45.07	45.07	46.86	48.75	
4. Strategic LT Cost Reductions Pool Expansion Decision or Alternative Structure Reduce Cost Exposure to Stanton						Complete by FY24 Pool Expansion study Started OUC discussions ongoing

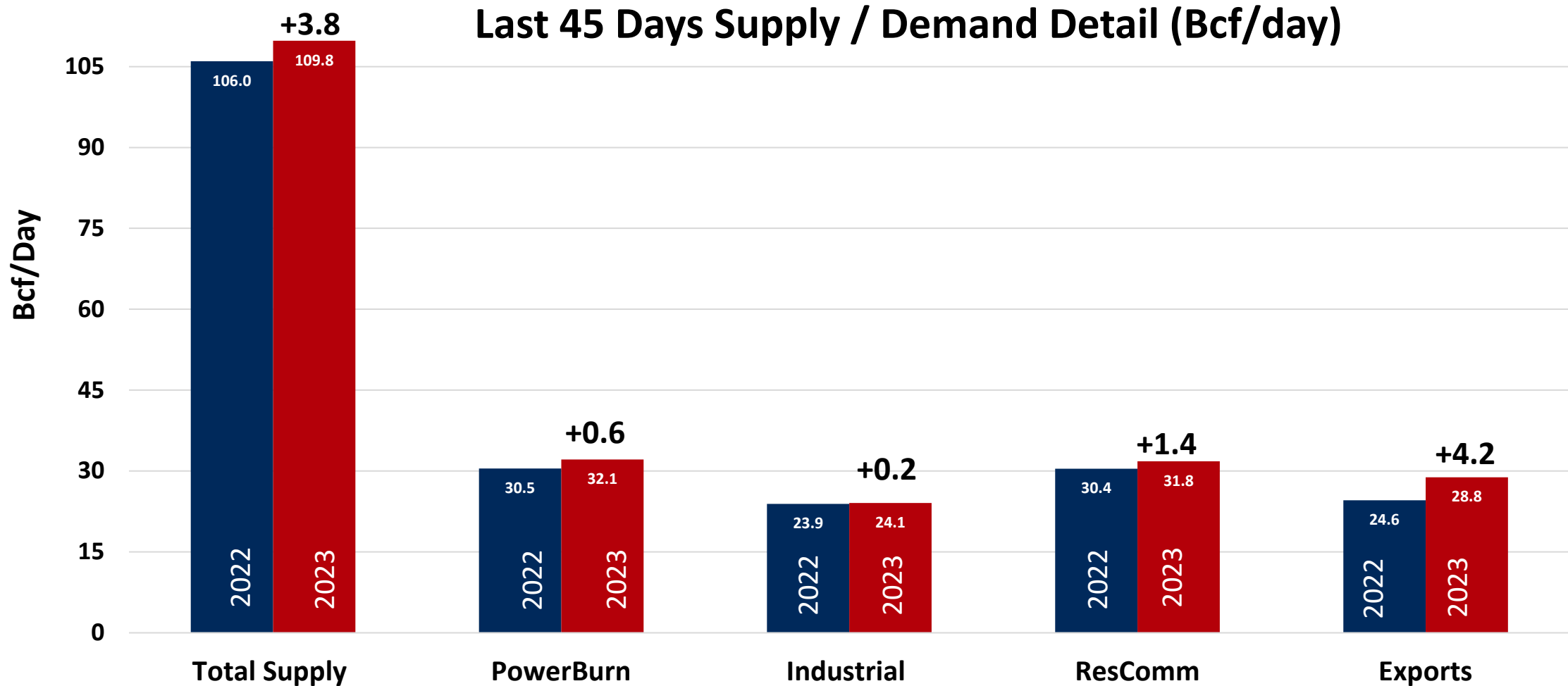
NYMEX Settlement \$0.86/MMBtu Below Budget FYTD

Forward Natural Gas Curve as of December 6th



Natural Gas Supply Continued Expansion

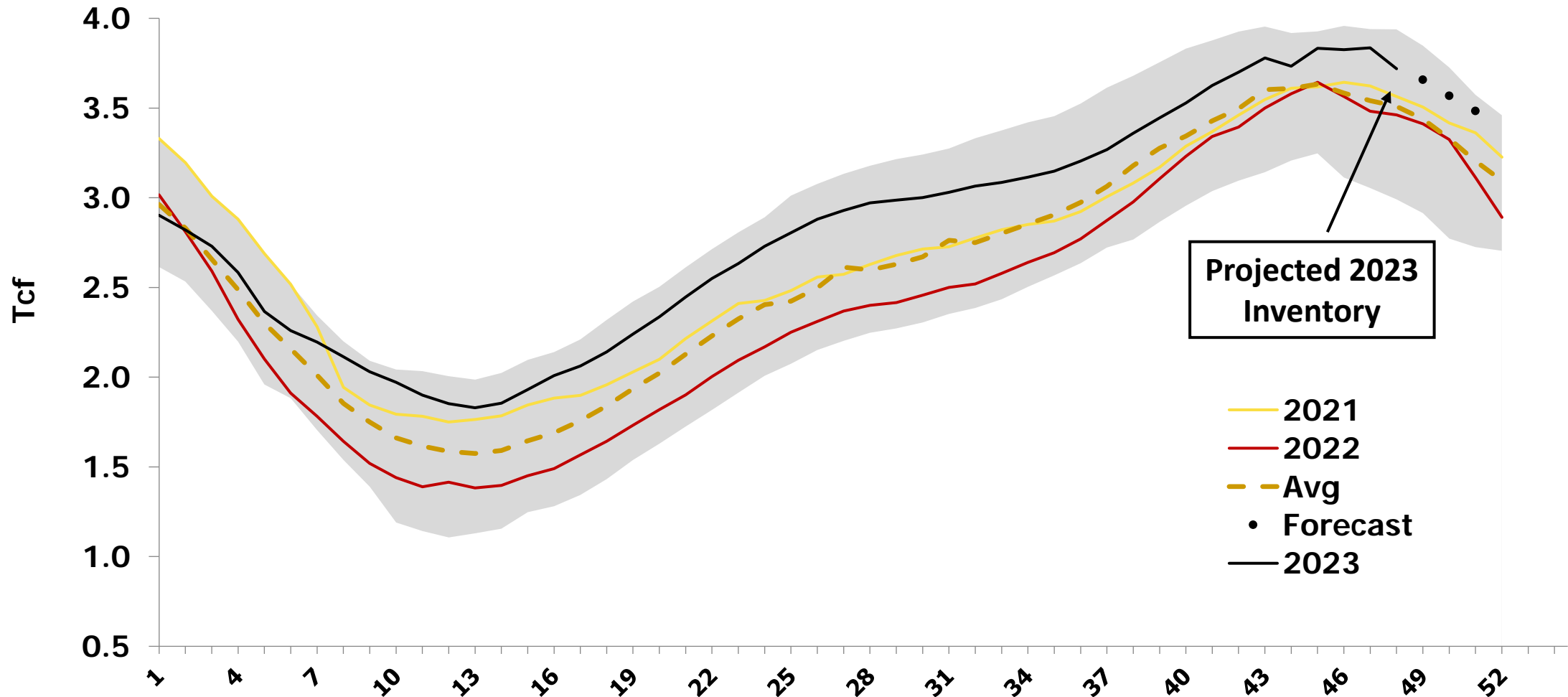
Power/LNG Demand Offsetting Supply Growth



Goal	Status	Actual	YTD Actual	YTD Target	FY 2024 Target	Comment
5. Cyber-security	Breaches	0	0	0	0	
	Phishing tests % Acknowledge Phishing	6.8% 60%	3.4% 60%	<7.5% >60%	<7.5% >60%	We had 5 clicks for the month, and 44 of 73 reported the phish.
6. Reliability	CC EAF	88.1%	93.8%	95.6%	90%	TCEC Short planned outage for liquid fuel reliability, Cane 4 began its scheduled fall outage.
	SI black start and trans. backup	0	0	100%	100%	
	SI EAF	96.1%	94.8%	98.0%	92%	Communication problem with controller.
7. Member Reliability	Reliability Major	0	2	2	12	Williston, Alachua, Bushnell – Digital outage reporting utilizing MS Forms thorough FMPPA.
	Reliability Minor	3	4	3	18	
	Aiding Reporting & Doc.	0	1	1	6	
8. Member Services	Leadership member visits	5	13	12.5	75	
	Community/Stakeholder Presentations/Support	3	4	3	20	FGU Annual Conference (Oct 12) EWLC Leadership Conference (Dec 5) FPUA Board (Dec 5) Starke Facility Tours (Dec 13)

Gas Storage Inventory as of Week Ending November 24th

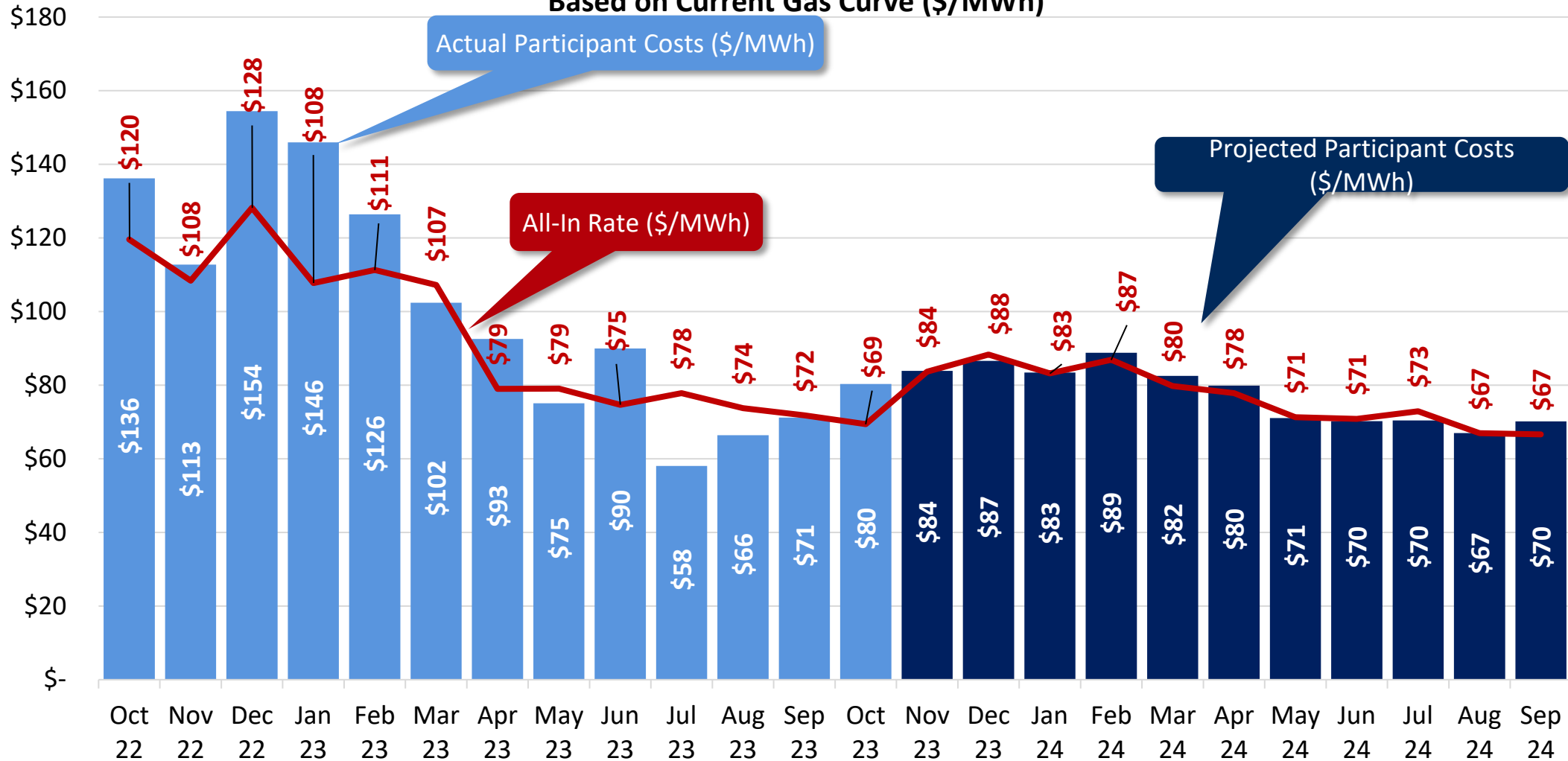
Last 30 days, storage excess decreased by 18 bcf over its 5-year average.



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

Rates Projected < \$90/MWh through Sep 2024

Actual & Projected ARP Avg. Monthly Participant Costs & Rates
Based on Current Gas Curve (\$/MWh)



Goal	Status	Actual	YTD Actual	YTD Target	FY 2024 Target	Comment
9. Day 1 Plant Integrations Operating Vendor Integration Team Members Payroll						Integration activities on schedule with currently no high risk items identified that would impact overall goal
10. Financing Pre-pay Gas/Solar					2	Pre-pay Solar for Dec. Approval 7.5% min savings or \$15M
Debt vs R&R Guidelines						Develop Board Level Guidance
11. People Day 1 Offers to Everyone Minimum Acceptance Agency-wide Engagement		100% 100%	100% 100%	100% 80%	100% 80% 82%	11 offers made 11 accepted
12. Nuclear Explore expansion at existing FL sites						Discussions have begun with site holders and major potential stakeholders

**AGENDA ITEM 6 – SUNSHINE LAW
UPDATE**

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



Sunshine Law Update

Board of Directors

December 14, 2023





The Gifts Laws Before Christmas



Twas the Holiday Season, and all through FMPA,
not a Gift Law would be broken before Christmas Day.

So, with Jody in his kerchief, and Dan in his cap, Legal settled
down for a long winters' nap.

When on the phone, there arose such a clatter,
Karen answered the call to see what was the matter.

Dan yelled, "the Holiday Gift Law reminder is way overdue!"
"Not to worry" said Jody, the rules are simple and few*:

- Don't *solicit* gifts from vendors, no matter the reason.
- No *quid-pro-quo* gifts, no matter the season.
- Accepting on behalf of FMPA is easy and neat.
Just put it on the front desk for everyone to eat!
- "Reporting Individuals"** have a special rule:
 - Gifts over \$100 from vendors will make you look like a fool.

So, let the entire FMPA team enjoy FMPA Holiday gifts all alike;
And Happy Holidays to all, and to all a good night!

* A note from Dan "Scrooge" O'Hagan and Jody "Jacob Marley" Finklea: "Bah Humbug!!! The rules are neither simple nor few. If you have any questions about the gift laws, please give us a call. Accepting on behalf of the agency and putting the gift in an agency common area for all to enjoy is an easy solution to most common holiday gifts (e.g. cookies, candies, holiday baskets). Happy Holidays!"

** FMPA "Reporting Individuals" include Jacob, Rich, Ken, David, Jody and FMPA Board members.



The Gifts Laws Before Christmas



- **Don't *solicit* gifts from vendors, no matter the reason.**
- **No *quid-pro-quo* gifts, no matter the season.**
- **Accepting on behalf of FMMPA is easy and neat. Just put it on the front desk for everyone to eat!**
- **“Reporting Individuals”** have a special rule:**
 - **Gifts over \$100 from vendors will make you look like a fool.**

* A note from Dan: Humbug!!! The rules, please give us agency common are cookies, candies, hol

** FMMPA “Reporting Board members.



The Gifts Laws Before Christmas



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not a Gift Law would be broken before Christmas Day!

• *Don't solicit gifts from vendors, no matter the*

**So, let the entire FMPA team enjoy FMPA Holiday gifts all alike;
And Happy Holidays to all, and to all a good night!**

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** FMPA "Reporting Individuals" include Jacob, Linda, Ken, David, Jody and FMPA Board members.



**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of the Minutes for the
Meeting Held November 16, 2023**

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

MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819
OCTOBER 19, 2023
9:00 A.M.

MEMBERS PRESENT Lynne Mila, Clewiston
Javier Cisneros, Fort Pierce (virtual)
Dino DeLeo, Gainesville (virtual)
Bob Page, Green Cove Springs
Howard McKinnon, Havana (virtual)
Barbara Quinones, Homestead (virtual)
Allen Putnam, Jacksonville Beach (virtual)
Jason Terry, Kissimmee
Ed Liberty, Lake Worth Beach (virtual)
Brad Chase, Leesburg (virtual)
Mike Beckham, Lakeland * (virtual)
Steve Langley, Mount Dora * (virtual)
Efren Chavez, New Smyrna Beach
Janice Mitchell, Ocala (virtual)
Ken Zambito, Orlando
Rob Nixon, Quincy * (virtual)
Drew Mullins, Starke *
Tony Guillen, Tallahassee (virtual)
James Braddock, Wauchula (virtual)

*Joined after roll call.

OTHERS PRESENT Randy Martin, Clewiston (virtual)
Danny Retherford, Fort Pierce (virtual)
Barbara Mika, Fort Pierce (virtual)
Tony Carroll, Gainesville (virtual)
Ricky Erixton, Jacksonville (virtual)
Mike Staffopoulos, Jacksonville Beach (virtual)
Larry Mattern, Kissimmee
Kevin Crawford, Kissimmee (virtual)
Jim Williams, Leesburg (virtual)
Doug Peebles, Ocala (virtual)
Marie Brooks, Ocala (virtual)
Olivia Minshew, Wauchula (virtual)
Craig Dunlap, Dunlap & Associates, Inc.
Mike Mace, PFM
Rob Taylor, GDS Associates

STAFF PRESENT Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Rich Popp, 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
David Schumann, Generation Fleet Engineering Director
Jason Wolfe, Financial Planning, Rates and Budget Director
Sena Mitchell, Treasury Manager
Liyuan Woerner, Audit Manager
LaKenya VanNorman, Regulatory Compliance Specialist
Lindsay Jack, Senior Administrative & Member Services Assistant
Wayne Koback, IT Manager
Chris Gowder, Vice President, IT/OT and System Ops
Jose C. Molina-Bravo, Manager of Member Services Development
Mary Kathryn Patterson, Senior Public Relations Specialist
Emily Maag, Public Relations Specialist

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

Chair Barbara Quiñones, Homestead (virtual), called the Board of Directors meeting to order at 9:00 a.m. on Thursday, November 16, 2023, in the Frederick M. Bryant Board Room, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared with 15 members present representing 25 votes out of a possible 48.5 votes. Just after roll call, Mike Beckham, Lakeland, Steve Langley, Mount Dora, Rob Nixon, Quincy and Drew Mullins, Starke, joined after roll call bringing the total members present to 19 representing 30 votes out of a possible 48.5 votes.

ITEM 2 – Recognition of Guests

None

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

None

ITEM 4 – SET AGENDA (by vote)

MOTION: Lynne Mila, Clewiston, moved approval of the agenda as presented. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 25 – 0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Jacob Williams reported on the following items:

1. Goals Scorecard
2. Update on Central Florida Tourism Oversight District's Solar Purchases
3. Reminder to Board Members to attend the December meeting so we can get photographs.

Bob Page, Green Cove Springs, joined in person (having been present virtually from the beginning of the meeting) and Chair Barbara Quiñones turned the meeting over to Bob Page to run the meeting in person.

ITEM 6 – SUNSHINE LAW UPDATE

Dan O'Hagan reported on circumstances where private entities could be subject to the Sunshine Law.

ITEM 7 – CONSENT AGENDA

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

MOTION: Drew Mullins, Starke, moved approval of the consent agenda. Lynne Mila, Clewiston, seconded the motion. Motion carried 31 – 0.

ITEM 8 – ACTION ITEMS

- a. Approval of 2021-2022 St. Lucie Audit report

Liyuan Woerner presented the 2021-2022 St. Lucie audit report.

MOTION: Drew Mullins, Starke, moved approval of the 2021-2022 St. Lucie audit report. Lynne Mila, Clewiston, seconded the motion. Motion carried 31 – 0.

ITEM 9 – INFORMATION ITEMS

- a. **Closing Memo for Resolution 2023-B5 – Agency Pooled Loan**

Sena Mitchell presented the closing memo for Resolution 2023-B5 – Agency Pooled Loan.

ITEM 10 – MEMBER COMMENTS

Barbara Quiñones, Homestead, asked Members if they use CPI to increase their base rates. Jacob Williams said to send the information to him and he will get the info to Homestead.

Bob Page, Green Cove Springs, congratulated Jacob Williams on making the Florida Trend Magazine’s Florida 500 – Florida’s Most Influential Business Leaders.

ITEM 11 – ADJOURNMENT

There being no further business, the meeting was adjourned at 9:37 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
October 31, 2023**

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



Rich Popp
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

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

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

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

RP/GF

**AGENDA ITEM 7 – CONSENT
AGENDA**

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

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



AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors
 FROM: Melissa Cain
 DATE: December 8, 2023
 ITEM: BOD 7(c) – Approval of Treasury Reports as of October 31, 2023

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

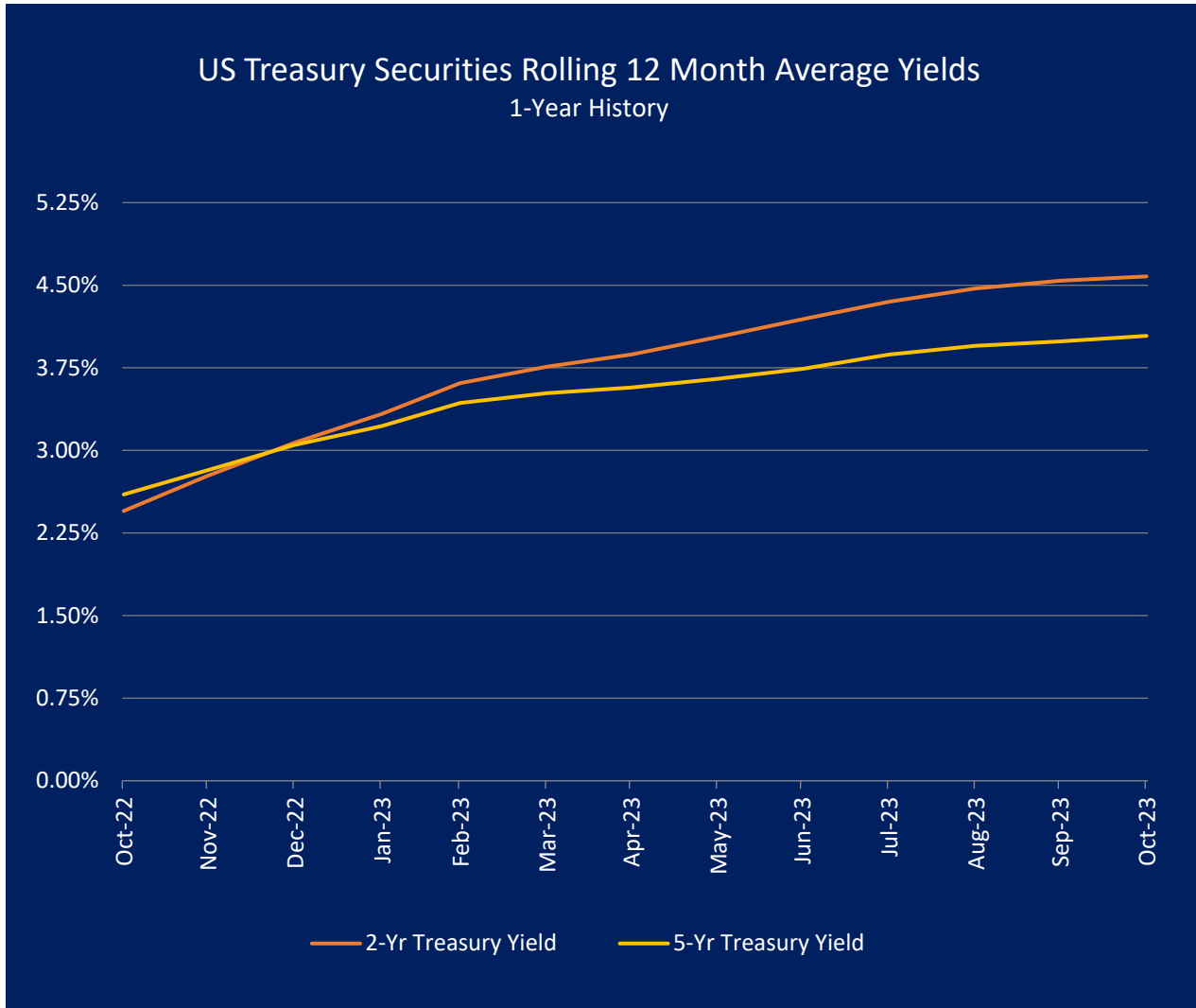
The Treasury Department reports for October are posted in the member portal section of FMPA’s website.

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 October 31, 2023.

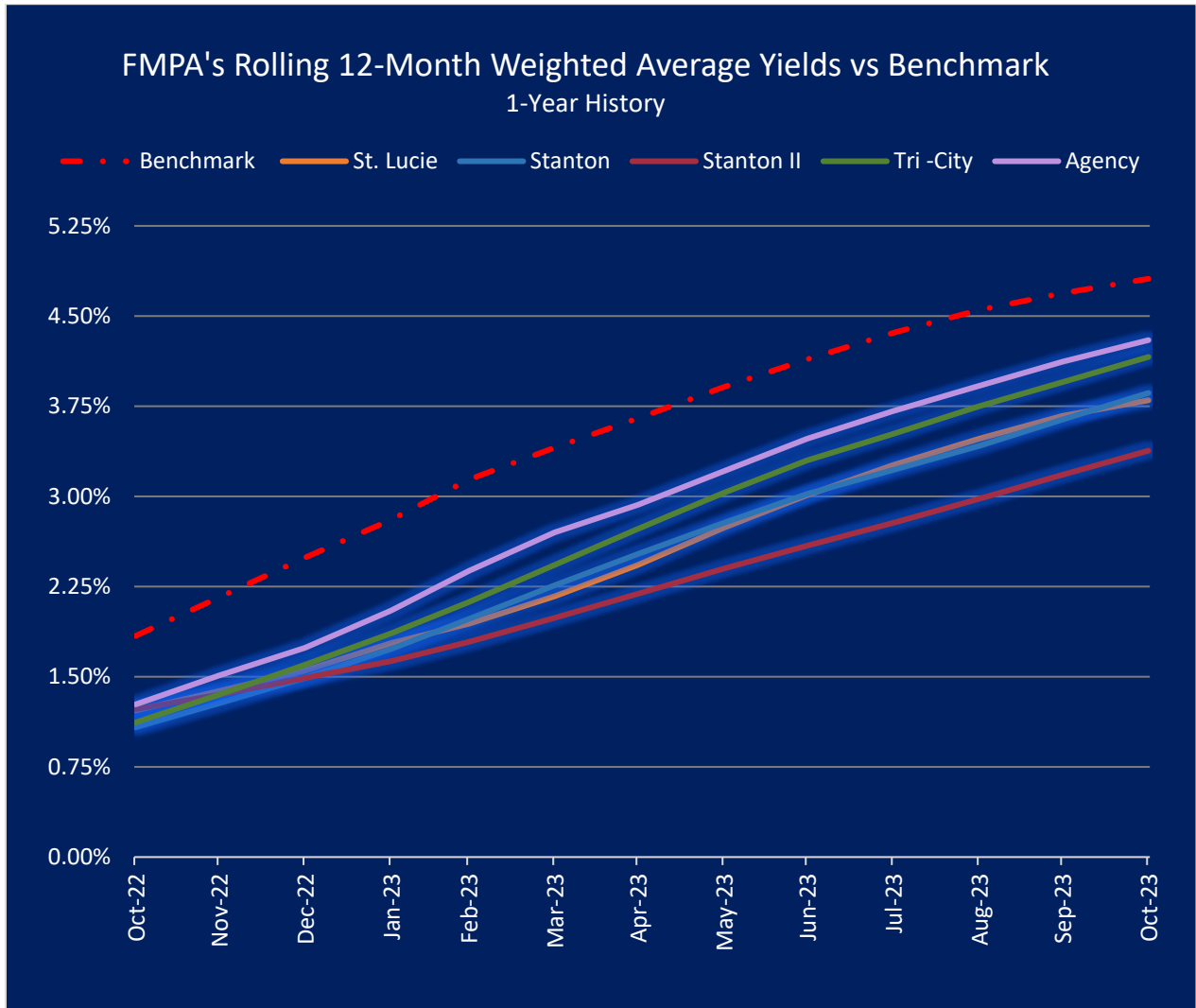
	Total debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
Agency	0.00	0%	0%	0%
St Lucie	50,600,000.00	100%	0%	0%
Stanton	0.00	0%	0%	0%
Stanton II	61,905,107.60	100%	0%	0%
Tri City	0.00	0%	0%	0%

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 October 31, 2023, of 4.58 %. The yellow line is the 5-year Treasury rolling 12-month average yield which was 4.04 %.



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

**AGENDA ITEM 7 – CONSENT
AGENDA**

- d. Acceptance of Annual Late
Payment Report FY 2023**

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



7d– Acceptance of Annual Report of Late Payments as of September 30, 2023

Board of Directors

December 14, 2023

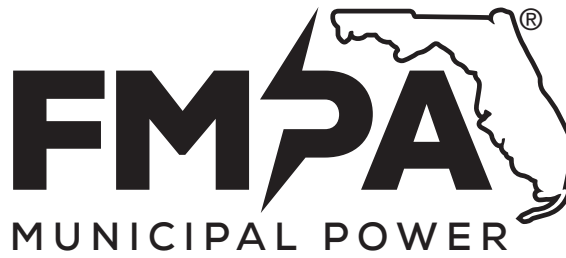
Late fees Reporting Policy

- In accordance with the Accounting and Internal Controls Policy, Section 7.0 Reporting
- The policy requires that the CFO shall report the total amount of interest paid for late fees during the preceding fiscal year
- Late Fees Paid were zero

AGENDA ITEM 8 – ACTION ITEMS

- a. Approval of Resolution 2023-B6 –
Resolution of Appreciation for
Claston Sunanon**

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



***Resolution of Appreciation
for
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Whereas, Claston Sunanon has more than 40 years of experience in utility industry and more than 34 years of experience with Orlando Utilities Commission, the Reliable One (OUC), during which time he has selflessly shared his experience and talent for the betterment of public power in Florida, the Florida Municipal Power Pool, and Florida Municipal Power Agency, contributing countless hours to FMPA's business activities during his more than 17 years of service as a director on the FMPA Board of Directors;

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Whereas, Whereas, Claston Sunanon has distinguished himself as a thoughtful collaborator and director of FMPA, including his nearly 10 years of service as a member of the Audit and Risk Oversight Committee, from May 2009 to February 2019;

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Whereas, Claston Sunanon was pivotal in the negotiation of the first utility scale solar photovoltaic generation project for FMPA and in coordinated efforts with OUC, which provided value opportunities to all of FMPA's member utilities through joint action;

Whereas, Claston Sunanon's leadership, voice, and thoughtful input as a director of FMPA will be missed.

Now, therefore, let it be known to all that the members of the Florida Municipal Power Agency will be forever grateful to Claston Sunanon for his years of service and significant leadership in support of FMPA and its mission.

Furthermore, this Resolution of Appreciation shall become a permanent public record of the Florida Municipal Power Agency as a tribute to Claston Sunanon's enduring service.

We, the Board of Directors of the Florida Municipal Power Agency, in a unanimous vote adopt this Resolution of Appreciation on this 14th day of December, Two Thousand Twenty-Three.

Florida Municipal Power Agency

By: _____
Barbara Quiñones, Chair

By: _____
Lynne Tejeda, Vice Chair

AGENDA ITEM 8 – ACTION ITEMS

- b. Approval to Extend Agreement
with Purvis Gray & Co.**

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



8b– Approval to Extend Contract with Purvis Gray & Company

Board of Directors

December 14, 2023

Request to Exercise Extension Option

An RFP was issued in 2019 & Purvis Gray & Co. was selected to continue auditing FMMPA

- The agreement is for 5 years, with two (1) year options to extend
- With the purchase of two new plants coming online in FY 2024,
 - Their experience with FMMPA is important for continuity through these changes
 - Staff has been satisfied with their services
 - The resources needed to issue an RFP in early 2024 would be ill-timed with the first plant coming online in mid-February
 - If another firm was selected, it will require a lot of staff time, during this busy year, to get the new firm acclimated

Recommended Motions

- Move approval of the extension of Purvis Gray & Company's contract for one year, for FY 2024.

AGENDA ITEM 8 – ACTION ITEMS

**c. Approval of Appendix C
Investment Policy**

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



8c – Approval of Investment Policy

Board of Directors

December 14, 2023

Investment Policy

Major Areas Covered

- Identify, Measure, and Minimize Investment types of risks
- Investment Objectives & Performance
- Custody & Internal Controls
- Reporting

Investment Policy

Changes to the Investment policy

Section	Changes Made
4.0 and 5.2	ESG Language in compliance of the Florida law for House Bill 3.
5.5	Percentage changes to Municipals, Corporate Bonds, SBA, LGIP, and Money Market Mutual Funds.
Appendix A	<ol style="list-style-type: none">1. Additional explanation for St Lucie Decommissioning investments2. Commercial Paper clarified to “two” highest rating categories.
Throughout	Title changes from Treasurer and Risk Director to Treasury Manager.
Glossary of Terms	Deleted definitions not used in Investment Policy.

Recommended Motions

- Move approval of these changes to Investment Policy.

**FLORIDA MUNICIPAL POWER AGENCY
RISK MANAGEMENT POLICY - APPENDIX C**

INVESTMENT RISK MANAGEMENT POLICY

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INVESTMENT RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY

This Investment Risk Management Policy (the “Policy”) and any effective subordinate procedures establish the governance, framework and the controls under which Florida Municipal Power Agency (FMPA) may engage in activities to identify, measure and minimize future business risk resulting from the investment and management of FMPA’s financial assets. This Policy is Appendix C of the FMPA Risk Management Policy.

1.0 Policy Statement

The Executive Committee (EC) and Board of Directors (BOD) of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby authorized to put mechanisms into place, such as those more fully described in Sections 3.0 and 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse effect on FMPA’s ability to invest funds of the Agency and its Projects in a manner that will balance investment return with principal security, such that FMPA will meet the daily and long term cash flow demands of the Agency and its Projects.

It is the Policy of the EC and BOD that:

- ❖ The investment program shall conform to all federal, state, and local legal requirements.
- ❖ Authority is delegated to the Chief Financial Officer (CFO) to create procedures to administer this Policy.
- ❖ The preservation of capital is the foremost objective of the risk-considered investment practice strategies.
- ❖ Investments using derivatives are prohibited unless specifically approved by the EC or BOD.
- ❖ The CFO shall establish benchmarks against which portfolio performance shall be compared regularly.

INVESTMENT RISK MANAGEMENT POLICY

(Continued)

- ❖ Authority is delegated to the CFO to establish a system of written internal controls to regulate investment activities.
- ❖ The Treasury Manager shall provide investment reports for each regular meeting of the EC and BOD.
- ❖ Deviations from this Policy shall be reported to the Finance Committee (FC).

This Policy is created to ensure the prudent management of the Agency and its Projects' funds, and the availability of operating funds, bond proceeds and capital funds as needed. This Policy is applied individually to each Project, not in any combination of Projects. This Policy applies to all monetary assets of the Agency and all Projects with the exception of employee deferred contribution funds. The employees deferred contribution funds are placed with a third party administrator and are self-managed by the employees.

The standard of prudence to be used by FMPA investment staff shall be the "prudent person" rule as defined in Florida Statute 218.415: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

2.0 Scope

Investments purchased by the Agency shall conform to all federal, state, and local legal requirements governing the investment of Public Funds, including all bond resolutions and ordinances adopted by the EC or BOD. Responsibility for investment decisions, including day-to-day transactions undertaken, is hereby delegated to the Treasury Manager or designated Treasury staff, under the direction of the CFO. No person may engage in an investment transaction except as provided under the terms of this Policy.

FMPA may appoint an outside investment manager as "Agent" for the Agency's cash and investment reserves. The outside investment manager must meet the requirements detailed in the Investment Procedures.

3.0 Types of Investment Risk

This Policy is intended to define responsibility, clarify investment goals, establish strategies, achieve stated goals and set up the method of evaluation and control of all investment operations. The CFO will cause Investment Procedures to be written that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the following provides insight into the major areas of investment risk exposure for FMPA

3.1 Credit Risk:

The risk that a change in the credit quality of an institution will affect the value of a security or portfolio. An example of credit risk might occur if the issuer of a bond that FMPA has purchased as an investment defaults on its obligations, causing the loss of some or all of the investment value. Such risks can be reduced by diversifying securities and maturities.

3.2 Liquidity Risk:

The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Some investments are highly liquid and have low liquidity risk (such as money market funds) while other investments are highly illiquid and have high liquidity risk (such as real estate). An example of liquidity risk might occur if FMPA attempted to convert an investment into cash for operating needs, but was unable to do so due to the illiquid nature of the security. Such risk can be reduced by selecting investments with the liquidity to meet FMPA's cash flow needs.

4.0 Investment Objectives and Decisions

Investment decisions are to be based solely on pecuniary factors and balance those pecuniary factors with the primary objectives of FMPA's investment program. The Treasury Manager or designated staff will prudently assess the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objectives noted below. FMPA will not consider the furtherance of any social, political, or ideological interest when making investment decisions.

In priority order, the objectives are:

4.1 Safety:

Preservation of capital in the overall portfolio is the highest of the risk based investment practice objectives. To attain this objective, investment securities shall be selected from those deemed authorized and suitable as described in Section 5.0 of this Policy. Speculative strategies shall not be undertaken. Management defines speculation as the process of selecting investments in an attempt to profit from fluctuations in prices.

4.2 Liquidity:

The portfolio should be structured so that securities mature concurrent with cash needs to meet anticipated demands. Investments considered to be liquid are those held until maturity where maturity is less than three months. A sufficient level of liquidity must be maintained to meet the next thirty days of expected operating expenses and other disbursements, plus an extra, reasonable amount to meet unusual and unexpected needs.

4.3 Return:

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and the cash flow characteristics of the portfolio. Funds should be invested in high credit quality investment instruments (as allowed by Project Bond Resolutions and summarized in Appendix A) in anticipation of achieving a fair return. The methods used in selecting investments should balance market, credit, and liquidity risks.

5.0 Authorized and Suitable Investment Securities

FMPA is empowered by Ordinance 87-1, as amended, to invest in the types of securities listed in Appendix A for the Agency and its Projects. FMPA may buy or sell securities for other securities to improve yield, maturity, or reduce credit risk. Investment in securities that "derive" their value through financially engineered derivative indices or are highly interest-

rate sensitive are not permissible unless specifically recommended in writing and approved by the EC or BOD. FMPA will not allow leveraging (the borrowing of funds for the expressed purpose of reinvesting those funds) or invest in securities with a rating below that required in Appendix A at the time of purchase. The Treasury Manager must report on a monthly basis any security whose rating has fallen below the rating level identified in Appendix A after purchase and submit a rationale for maintaining such security if it has not been sold

5.1 Authorized Financial Institutions, and Broker/Dealers:

The Treasury Manager will cause to be maintained a list of financial institutions that meet the qualifications detailed in the Investment Procedures and are authorized to provide investment services. An annual (each fiscal year) review of the ratings from national rating agencies and financial condition of all qualified financial institutions and broker/dealers will be conducted in accordance with Investment Procedures.

5.2 Method of Selection:

FMPA shall select securities that provide the highest rate of return within the risk parameters of this Policy, given the current objectives, diversification, cash-flow needs, maturity requirements, and other solely pecuniary factors. FMPA will not consider the furtherance of any social, political, or ideological interest when making investment decisions.

Selection of securities shall be made using either competitive bids, wherein FMPA solicits proposals from at least three firms; or comparison to the current market price as indicated by one of the market pricing resources available, including but not limited to Bloomberg. Records will be kept of the bids or offers, the bids or offers accepted and if necessary a brief explanation of the decision which was made regarding the investment.

INVESTMENT RISK MANAGEMENT POLICY
(Continued)

5.3 Maximum Maturities:

The funds of Agency and Project Operating accounts are invested to achieve a market rate of return while meeting the Agency’s and its Projects’ cash flow needs. FMPA will match investment maturities with known cash needs and anticipated cash flow requirements, not to exceed maximum maturity requirements.

Unless matched to a specific cash flow, FMPA shall invest securities maturing in accordance to Appendix B and the following.

Fund/Account	Invested to Mature as Shown
<i>Operations and Maintenance Fund</i>	
1. Operations and Maintenance Account	The month-end duration of the Account will be less than 1.00.
2. Working Capital Account	Within 5 years.
3. Rate Stabilization Account	Within 5 years.
<i>Debt Service Fund</i>	
1. Debt Service Account	Not later than when needed for payment to be made from such Account.
2. Debt Service Reserve	Not later than the final maturity date of any Bonds that are outstanding.
3. Subordinated Debt Fund	Not later than when needed for payment to be made from such Account.
<i>Construction Fund or Proceeds Fund</i>	
	Not later than when needed for payments to be made from such fund.
<i>Reserve and Contingency Fund</i>	
1. Contingency Account	Within 5 years or when needed to make payments.
2. Renewal and Replacement	Within 5 years or when needed to make payments.
<i>General Reserve Fund</i>	
1. General Reserve Account	Within 5 years or when needed to make payments.
<i>Decommissioning</i>	
	Not later than when needed. (Applicable only to St. Lucie)

5.4 Collateralization:

INVESTMENT RISK MANAGEMENT POLICY

(Continued)

Collateralization, as detailed in the Investment Procedures, may be required for investments such as repurchase agreements and any approved investment agreement contract or agreement.

5.5 Diversification:

FMPA must diversify to avoid incurring unreasonable risks associated with over-investing in specific investments, individual financial institutions, maturities and in the future by geographic area or by any other reasonably determinable characteristic. Compliance with the specific diversification requirements shown in the chart below will be measured using market value at the time of purchase and monthly thereafter. In the event that a particular category exceeds the scheduled maximum percentage by 10% (for example, if Repurchase Agreements exceed 22%) for two consecutive months, the Treasury Manager must report such deviation and submit for approval a strategy for handling each such deviation. For risks potentially resulting from investments with high concentrations of other characteristics not itemized in the chart above, the Treasury Manager should bring these investments to the attention of the CFO for review. If the concentration risk is deemed significant enough by any one of the three noted here, the CFO must bring this concentration concern to the FC.

Diversification by Investment Type:	Percentage at time of purchase:
US Treasury Obligations	100%
Municipal Bonds	50%
US Gov. Agency and US Gov. Sponsored Instrumentality	100%
Banker’s Acceptances	50%
Commercial Paper	50%
Corporate Bonds and Notes (A or above) *(Excess of 20% AA/Aa or better)	30%*
Florida Local Government Surplus Fund Trust Fund (SBA)	30%
Local Government Investment Pools	30%
Collateralized CDs and Time Deposits	25%
Money Market Mutual Funds	30%
Repurchase Agreements	20%
Guaranteed Investment Contracts (GICs)	15%
Or as approved by the EC or BOD	

INVESTMENT RISK MANAGEMENT POLICY

(Continued)

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Diversification by Institution:	Percentage at time of purchase:
Money Market Mutual Fund	25%
US Gov. Agency by Agency	25%
Municipal Bonds by Issuer	20%
Commercial Banks (CDs, Time Deposits, or Commercial Paper)	10%
Bankers' Acceptance by Bank	10%
Corporate Notes	10%

Diversification by Geographic Location: Percentage of Portfolio

Within individual state	Not more than 25%

5.5.1 St. Lucie Decommissioning funds are not subject to the diversification requirements noted above. FMPA established an external Decommissioning Trust fund for the benefit of the NRC (Nuclear Regulatory Commission). Management of these funds is in accordance with 10 CFR 50.75(h) Nuclear Decommissioning Trust Investment Restriction Guidelines. These guidelines include a “prudent investor” standard.Exceptions:

Diversification percentages can be exceeded by approval from the EC / BOD.

6.0 Custody

All investment security transactions, including collateral for repurchase agreements, entered into by FMPA shall be settled on a delivery versus payment (DVP) basis. Securities will be held by a third party Custodian or Trustee designated by the CFO and evidenced by trade confirmations and bank statements.

All securities purchased by FMPA will be properly designated as an asset of the Agency or its Projects and held by a third party Custodial or Trustee institution. The Custodial or Trustee institution shall annually (each fiscal year) provide a copy of their most recent report

on internal controls (Statement on Standards for Attestation Engagements No. 16 (SSAE 16). The Treasury Manager or designated Treasury Staff will provide this report, upon receipt, to the CFO.

7.0 Benchmarking Performance

The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates, taking into account investment risk constraints and cash flow needs. The CFO shall cause to be established a series of appropriate benchmarks against which portfolio performance shall be compared on a regular basis. Guidelines on selecting and managing benchmarks, which may include the use of duration and convexity as performance measurement tools, are contained in the Investment Procedures.

Any external investment managers, if hired, shall not independently select benchmarks. All benchmarks used by external investment managers must be approved by the CFO. Specific description and the source, including date of such benchmarks, should be provided in any external investment manager's performance report along with the exact methodology used in calculating the yields/returns on the portfolio and the benchmark.

8.0 Internal Controls and Ethics

The CFO shall cause to be established a system of written internal controls to regulate investment and related activities, consistent with this Policy and Investment Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. The controls shall be designed to meet the requirements as listed in Florida State Statute Section 218. As part of the year-end audit, the external auditors will be required to state whether the Agency has complied with Florida State Statute Section 218.415, regarding the investment of public funds.

The CFO and the Treasury Manager, or their designees, may do placement of funds. Accounting staff will not have any responsibility for investing funds. Further internal controls are established in the Investment Procedures to address safekeeping, repurchase agreement, collateral/depository agreements, banking service contracts, delivery vs. payment

procedures, and separation of transaction authority from accounting and record-keeping, and may include security controls contained within Treasury software programs.

The Agency Audit Manager shall be responsible to review all documented internal controls and procedures established to ensure they comply with the FMPA Risk Management Policy and adequately mitigate all applicable risks. If, after review, the Agency Audit Manager identifies areas of concern, the documented internal controls weakness(s) will be communicated to the CFO and FC as appropriate.

8.1 Policy and Procedure Compliance

Internal Audit staff shall ensure that compliance with this Policy and the Investment Procedures are monitored on an ongoing basis. Any unresolved compliance issues will be presented to the FC by the Agency Audit Manager at the next regularly scheduled meeting.

8.2 External Parties

All dealers, financial institutions, investment managers, or individuals, collectively referred to as the parties, investing on behalf of FMPA will be sent a copy of the Investment Policy by the Treasury Manager, along with a list of employees who are authorized to transact investment trades on behalf of FMPA. These parties will be required to respond, in writing, that the Policy was received, read, understood and will commit to adhere to the Policy. FMPA will pursue full recovery of all associated costs resulting from deviations from the Investment Policy.

8.3 Continuing Education

The CFO, Treasury Manager and other appropriate investment staff will be required to complete annually (each fiscal year) a minimum of 8 hours of continuing professional education (CPE's), or more as required by State Regulations, in subject courses of study related to investment practices and products.

9.0 Reporting

The Treasury Manager will produce investment reports in accordance with Investment Procedures and provide these reports to the General Manager and the CFO as and when requested, but for no less than each meeting of the EC and/or BOD.

The CFO shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. An annual report on the operation and effectiveness of this Policy shall be completed by the FC as described in Section 7.0 of the FMPA Risk Management Policy. The Treasury Manager shall report on the current risk environment affecting FMPA's investment program to the CFO as needed, and initiate and/or participate in any necessary discussion prior to moving items to the FC.

INVESTMENT RISK MANAGEMENT POLICY

Glossary of Terms

(See Also Glossary of Terms in FMPA's Risk Management Policy)

Glossary of Terms

ACCRUED INTEREST: The interest to be paid on a security from the last interest accrual date to the settlement date. The buyer of the security pays the market price plus accrued interest. Also called "Purchased Interest".

AGENCY: Florida Municipal Power Agency.

AGENCY SECURITIES: Corporations, such as GNMA, FNMA or FHLMC, which have varying degrees of federal sponsorship and/or regulatory oversight.

ANNUAL AUDIT: The official audit report for FMPA. It includes combined statements for each individual fund and account group prepared in conformity with GAAP.

BOND RATINGS: Evaluations by independent services such as Moody's, Fitch, or Standard & Poor's of a bond's investment quality and credit worthiness.

BROKER-DEALER: A broker-dealer firm is in the business of buying and selling securities—stocks, bonds, mutual funds, and certain other investment products—on behalf of its customers (as broker), for its account (as a dealer), or both.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit, or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CONVEXITY: A volatility measure, used in conjunction with duration, of how the price of a bond changes as interest rates change.

CORPORATE BONDS and NOTES: Public or private corporations and organizations issue corporate bonds and notes for the purpose of funding capital improvements,

INVESTMENT RISK MANAGEMENT POLICY

Glossary of Terms

(Continued)

expansions, acquisitions or debt refinancing. Investors essentially are lending money to the issuer.

COUPON RATE: The amount of interest return based upon par value which the issuer agrees to pay the bondholder.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: Delivery versus payment is delivery of securities with an exchange of money for the securities.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: The weighted average time to the receipt of value of the future cash flows of a security weighted by the present value of each of the cash flows in the series. Duration is used as a measure of the relative sensitivity of the price of the security to a change in market required yield.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The FHLB play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage

INVESTMENT RISK MANAGEMENT POLICY

Glossary of Terms

(Continued)

funds in the United States. FNMA is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL RESERVE SYSTEM ("FED"): The Central Bank of the United States created by Congress and composed of the presidentially appointed Board of Governors in Washington, D.C., the Federal Open Market Committee, 12 Regional Federal Reserve Banks, numerous private U.S. member banks, and various advisory councils.

FORWARD DELIVERY AGREEMENT (FDA) and FORWARD SALE AGREEMENT (FSA): See “Forward Contracts” in Agency-wide Risk Management Policy Glossary.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term “pass-through” is often used to describe Ginnie Mae.

GOVERNMENT SECURITIES: Securities that qualify under government securities are issued or guaranteed by more than 15 different entities/agencies of the U.S. government and corporations created by acts of Congress. Some are backed by the full faith and credit of the U.S. and some are not. The direct and guaranteed obligations of the U.S. government, where the securities are backed by the full faith and credits of the U.S., are considered AAA rated. A comprehensive listing of qualified investments for AAA financing is provided in Appendix A.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

INVESTMENT RISK MANAGEMENT POLICY

Glossary of Terms

(Continued)

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date a security comes due and fully payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MUNICIPAL BOND: A bond issued by a political unit, such as a state, county, city, town, or village or a political unit's agencies or authorities. In general, interest paid on municipal bonds is exempt from federal income taxes and state and local income taxes within the state of issue.

PAR VALUE: See "Face Value".

PORTFOLIO: Collection of securities held by an investor.

PROJECTS: St Lucie, Stanton, All-Requirements, Tri-City, Stanton II, Pooled Loan, and Solar I & II

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state- the so-called legal list. In other states the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state which has segregated eligible collateral having a value of not less than

INVESTMENT RISK MANAGEMENT POLICY

Glossary of Terms

(Continued)

its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP OR REPO): An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement by the first party to repurchase the securities at a specified price from the second party on a specified later date.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the yield curve.

TWO HIGHEST CREDIT RATING CATEGORIES: For long-term debt the two highest rating categories, namely AAA and AA, without regard to any gradation of that rating by a numerical, symbol or other such modifier however done by any of the different Rating Agencies. See table below. The two highest credit rating categories are highlighted. Likewise, short-term ratings of the two highest categories by rating firm are also highlighted. Table of ratings categories; partial listing of upper portion of complete table as herein needed:

Moody's	S&P	Fitch
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INVESTMENT RISK MANAGEMENT POLICY

Glossary of Terms

(Continued)

Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Aaa	P-1	AAA	A-1+	AAA	F1+
Aa1	P-1	AA+	A-1+	AA+	F1+
Aa2	P-1	AA	A-1+	AA	F1+
Aa3	P-1	AA-	A-1+	AA-	F1+
A1	P-1	A+	A-1	A+	F1
A2	P-1	A	A-1	A	F1
A3	P-2	A-	A-2	A-	F2
Baa1	P-2	BBB+	A-2	BBB+	F2

Please note, the table shown above is just the relevant part of a comprehensive ratings table in order to clarify the Investment Risk Management Policy meaning for the term “two highest credit rating categories.”

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

Investment Risk Management Policy

Appendix A

Allowable Investments by Project

Appendix A

Agency, All Requirements, St. Lucie, Stanton, Stanton II and Tri-City, Pooled Loan and Solar I & II Projects

Authorized Investments		Credit Rating/Security/Collateral
1.	U.S. Gov. obligations including Federal Agencies unconditionally guaranteed by the U.S. Govt.	Guaranteed by the U. S. Government.
2.	Non-callable bonds or other obligations of any U.S. State, Agency, Instrumentality or local Gov. unit.	Guaranteed by cash or U.S. Gov. securities or rated in the highest category by a nationally recognized bond rating agency.
3.	Bonds, debentures or other indebtedness issued or guaranteed issued by any Agency or Instrumentality of the United States of America.	Issued or guaranteed by any agency or corporation of the U.S. Gov.
4.	New Housing Authority Bonds and Project notes fully secured.	Fully secured by payment agreement with U.S. Gov.
5.	Direct and general obligations of any State, Agency or Instrumentality of the U. S. or any agency, instrumentality or local government.	Rated in either of the two highest credit rating categories.
6.	Obligations of any state agency or instrumentality of the U.S. Gov. or any local government entity (municipals).	Rated in either of the two highest credit rating categories.
7.	Certificates that evidence ownership of the right to payment as long as those securities are those described above, under 1, and are held by a trust company or bank.	Unsecured, uninsured and unguaranteed debt issue ranked in the two highest rating categories.
8.	Certificates that evidence ownership of the right to payment as long as those securities are those described above, under 1, and are held by a trust company or bank.	Guaranteed by the U.S. Gov.
9.	Certificates of deposit and banker's acceptance of the 50 largest banks in the U.S. or commercial paper issued by the parent holding company.	Unsecured, uninsured and unguaranteed debt issue ranked in the two highest rating categories.
10.	Commercial Paper other than that issued by a bank holding co.	Rated in the two highest rating category or issued by a U.S. Corp. which has an unsecured, uninsured and unguaranteed debt issue ranked in the two highest rating categories.
11.	Repurchase agreements with banks or trust companies.	Banks with combined capital of no less than \$50 million or primary dealer secured by securities described under 1, 3, 4, 9, or 10 above.
12.	Shares of Investment Companies organized under Inv. Co. Act 1940, which invests its assets exclusively in obligations described above, under 1, 6, 9, 10, or 11.	
13.	Local Gov. Surplus Trust Fund of the State of Florida.	
14.	Money Market Funds.	Rated in the highest category of comparable types of obligations.
15.	Investment agreements or guaranteed investment contracts.	Rated in the highest credit rating category.

Investment Risk Management Policy

Appendix A

Allowable Investments by Project

(Continued)

16.	CORPORATE BONDS and NOTES: Public or private corporations and organizations issue corporate bonds and notes for the purpose of funding capital improvements, expansions, acquisitions or debt refinancing. Investors essentially are lending money to the issuer.	Minimum rated A without regard to any gradation of that rating by a numerical, symbol or other such modifier, by all rating agencies.
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Decommissioning Funds - St. Lucie Unit No. 2

Authorized Investments		Credit Rating/Security/Collateral
1.	Securities or other obligations of the Federal, State government or any agency or instrumentality.	
2.	Time deposits or demand deposits of the Trustee.	Insured by an agency of the Federal Gov.
3.	Forward delivery agreements.	Guaranteed by any agency of the U.S. Gov.
4.	In accordance with instructions from FMPA subject to the provisions of Nuclear Decommissioning Trust Investment Restrictions Guidelines.	

Investment Risk Management Policy

Appendix B

Flow of Funds Under the Resolution

Appendix B

Pursuant to the Resolution, all revenues are deposited with FMPA to the credit of the Revenue Fund established under the Bond Resolution. In each month, funds are to be first transferred from the Revenue Fund to the Operation and Maintenance Fund (i) for credit to the Operation and Maintenance account in the amount, if any, required so that the balance credited to said Account shall equal the amount necessary for the payment of Operation and Maintenance Expenses for the succeeding month, (ii) for credit to the Working Capital Account in the amount budgeted therefore, and (iii) for credit to the Rate Stabilization Account in the amount, if any, budgeted therefore. After these transfers from the Revenue Fund, FMPA will make in each month the following deposits from the Revenue Fund in the order of priority set forth below:

First, to the Debt Service Account held by the Trustee, the amount required so that the balance in such Account (excluding capitalized interest on deposit therein in excess of the amount thereof to be applied to pay interest accrued and to accrue on all outstanding Bonds to the end of the then current calendar month) shall equal the Accrued Aggregate Debt Service;

Second, to the Debt Service Reserve Account held by the Trustee (and each sub account therein), after giving effect to any surety bond, insurance policy, letter of credit or other obligation deposited therein pursuant to the terms of the Resolution, the amount required to be deposited into such Account in such month to make up any deficiency in the Debt Service Reserve Requirement;

Third, to the Subordinated Debt Fund held by FMPA for credit to the various accounts therein, including the Offered Securities Account, the amount, if any, required to pay principal or sinking fund installments of and interest on each issue of Subordinated Debt (including the Offered Securities) and reserves therefore, as required by the supplemental Bond Resolution authorizing such issue of Subordinated Debt;

Fourth, to the Reserve and Contingency Fund held by FMPA (a) for credit to the Renewal and Replacement Account, the amount budgeted therefore, and (b) for credit to the Contingency Account the amount required for such account to equal the Contingency Requirement;

Fifth, for deposit to the Decommissioning Fund (which is not pledged to the Offered Securities), the amount budgeted therefore; (applicable for St. Lucie Project) and

Sixth, for credit to the General Reserve Fund held by FMPA, any remaining monies in the Revenue Fund.

Investment Risk Management Policy

Appendix C

Reporting Calendar

Appendix C

Florida Municipal Power Agency Risk Management Reporting Calendar Investment Risk Management Reporting Requirements				
Reporting Item	Frequency Of Report	Responsible Party	Policy Section Reference	Policy Category Reference
Security Ratings Compliance	Monthly	Treasury Manager	Section 5.0	
Financial Condition	Annually	Treasury Manager	Section 5.1	
Diversification Percentage	Monthly	Treasury Manager	Section 5.5	
SSAE 16 Report for Trustees and Custodians	Annually	Treasury Manager	Section 6.0	
Policy Compliance Deviations	As Needed	Agency Audit Manager	Section 8.1	
Investment Reports	EC/BOD meetings	Treasury Manager	Section 9.0	
Policy Operation and Effectiveness	Annually	FC	Section 9.0	

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- a. Solar Phase II – Rice Creek and
Whistling duck Update**

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



9a - Solar Phase II – Rice Creek and Whistling Duck Update

FMIPA Board of Directors
December 14, 2023

FMSP Phase II Solar Update

Origis has provided Notice of Permitted Extension per PPA

- Phase II sites delayed due to Transmission Owner Interconnection Delays
 - Rice Creek Solar (FPL-interconnected facility)
 - Revised Target Commercial Operation Date August 30, 2024
 - Whistling Duck Solar (Duke-interconnected facility)
 - Revised Target Commercial Operation Date July 31, 2025
- PPA Identifies Maximum Permitted Extension Allowed
 - Rice Creek still within Permitted Extension period, Whistling Duck exceeds
- If Permitted Extension period is exceeded:
 - FMSP is entitled to draw upon Performance Assurance for liquidated damages equal to Daily Delay Damages per the terms of the PPA (unless PPA is amended)

Interconnection Delays are Nationwide Issue

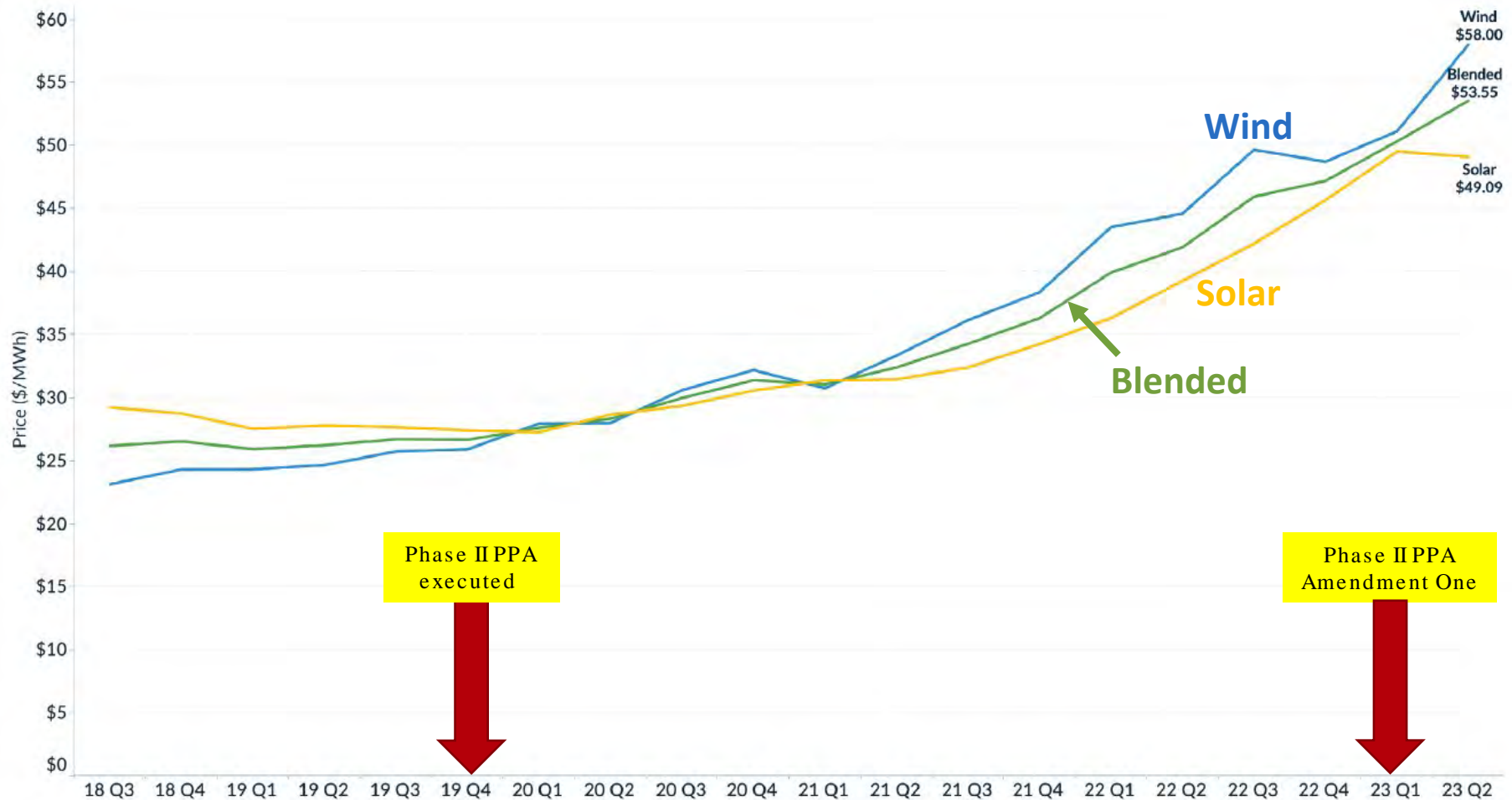
Joint Solar II Committees Considering PPA Amendment

- Frequent Origis communications to FMPA indicate diligent attempts to streamline activities to prevent/mitigate delays
- Origis and FMPA have communicated with FPL and Duke to encourage urgency
- FERC Order 2023 recently issued to alleviate similar interconnection backlogs across nation; but changes not in effect in time for these interconnections
- Solar II Joint Committee Meetings October 17 and December 11
 - Participants will consider Origis request to amend Solar II PPA's to reflect revised TCODs
 - Amendments will require local approvals and FMPA Board and Executive Committee approvals

Intermittent Wind/Solar Prices Doubling Since 2020

IRA - Inflationary Prices as Developers Bid for Scarce Materials

Market-Averaged P25 Continental Index for North America – Quarterly Power Purchase Agreement Prices



**AGENDA ITEM 9 – INFORMATION
ITEMS**

b. Compliance Update

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



9b – Regulatory Compliance Update

Board of Directors
December 14, 2023

FERC Commissioners

- FERC is composed of up to five commissioners who are appointed by the President and confirmed by the Senate.
- No more than three commissioners may be of the same political party.



Acting Chairman Phillips (D)
Dec. 3, 2021 – June 30, 2026



Commissioner Danly (R)
March 31, 2020 – June 30, 2023



Commissioner Clements (D)
Dec. 8, 2020 – June 30, 2024



Commissioner Christie (R)
Jan. 4, 2021 – June 30, 2025



VACANT

FERC Update

- Update on TAPS – FERC Commissioner meetings in D.C.
- Update on TAPS Fall Conference
- FERC Order 2023 – Generator Interconnection Reform
- November 9 – FERC Technical Conference - discussion of EPA's proposed rule and its impact on electric reliability
 - FMPPA to file post-workshop comments
- FERC, NERC Release Final Report on Lessons from Winter Storm Elliot

Roles of FMPA Regulatory Compliance Department



FMPA Compliance



Member Support



Industry Influence

Compliance - 2023 In Review

Compliance Workshops

For Members

- Hometown Physical Security Workshop
- Cold Weather Preparedness Roundtable

Applicable Standards

2023

- TPL-007-4 R3, R4, R8
 - EOP-011-2
 - IRO-010-4
 - TOP-003-5
 - TPL-001-5.1
- Cold Weather Standards

Data Requests

- NERC Alerts
 - Level II IBR
 - Level III Cold Weather
- Section 1600 Data Request
 - INSM
- NERC Annual FFT/CE Survey
- Section 800 Data request

Conducted 2 Member Peer Reviews of 4 standards

Industry Group Participation

APPA

TAPS

Agency-wide Compliance update at September staff meeting

Internal Compliance

- FMPA has no self-reportable compliance violations since the last quarterly update
- FMPA participated in GridEx VII
- PRC-005 internal audit update
- Plant coordination
 - Training
 - Weekly Plant coordination meetings
- Keys BES Exemption Recertification*

Compliance Playbook Example



MOD-025-2 Standard Overview

Version 0

- Standard Overview
- Title & Standard Description
- Applicable Requirements
- Applicable Registered Entities
- Standard Summary
- FMPA Compliance Activities

MOD-025-2 – Verification and Data Reporting of Generator Real and Reactive Power Capability and Synchronous Condenser Reactive Power Capability

Applicable Requirements: R1, R2, R3

Applicable Registered Entities: GO, TO

MOD-025-2 Summary:

To ensure that accurate information on generator gross and net Real and Reactive Power capability at each existing applicable Facility with a periodicity of every 60 calendar months and not to exceed 66 calendar months from the last verification is available to the Transmission Planner (TP) using Attachment 2 in order to assess Bulk Electric System (BES) reliability.

FMPA Compliance Activities:

FMPA complies with MOD-025-2 by conducting a staged test per the interval in Attachment 1. After completing the staged test, the data is submitted to the Transmission Planner on a modified Attachment 2 which includes the calculated values for both combustion turbine and steam turbine, where applicable, at P_{max}/Q_{max} , P_{min}/Q_{min} , P_{avg}/Q_{avg} and P_{net}/Q_{net} .

FMPA utilizes a work order tracking system, Maximo, for its testing intervals. Each unit is assigned a Preventative Maintenance (PM) number and generates a work order to coincide with the maximum interval, with enough time to complete the work order before the actual compliance due date. Maximo is automated to generate a work order through the PM within a user entered time frame.

Compliance Playbook Example cont'd

- Standard & requirement(s) SME responsibilities
- Compliance contacts
- Supporting Documentation
 - Standard
 - RSAW
 - Procedures & process documents
- Approvals & Revision History

Registered Function	Requirement(s)	SME Assigned	SME Supervisor/Director
GO	R1, R2	David Readio	David Schumann
TO	R3	FMPA does not have any synchronous condenser	

NERC Compliance Specialist: LaKenya VanNorman
 Manager of Regulatory Compliance: Dan O'Hagan

Supporting Documentation

Link to [MOD-025-2 Standard](#)

Link to [MOD-025-2 RSAW](#)

Link to procedures and process documents:

- [Maximo PMs Spreadsheet](#)

Approvals & Revision History

Version	Authority	Name	Action	Date
0	Senior Power Generation Electrical Engineer	David Readio	Initial Creation and Dissemination	09/27/2023
	Sr. Regulatory Compliance Specialist	LaKenya VanNorman	Reviewed and Updated	10/10/2023
	Generation Fleet Engineering Director	David Schumann	Approved	

**AGENDA ITEM 9 – INFORMATION
ITEMS**

c. Human Resources Update

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



9c - HR Quarterly Report

Board Of Directors

Dec. 8, 2022

Nine Team Members Pursued Other Opportunities

3 - Growth Opportunities

2 - Work remotely

2 - Retirement

2 - Other

14 Promotions/Growth Opportunities

Created by vacancies and new plant resources



New Plants Changing Agency Dynamics

66 Team members will be ARP resources

- 13 Current team members
- 6 Treasure Coast Energy Center
- 1 Stock Island
- 12 Sand Lake Energy Center
- 17 Mulberry
- 17 Orange

Succession Planning

- No known retirements planned for 2024
- 5 team members currently qualify for retiree benefits
- Development opportunities for future retirements
- Succession planning for retirements in our generation fleet
- Mulberry & Orange acquisitions will add more staffing options

Significant Milestones

- Zero lost time accidents FY 2023
- Team involved in ~150 member projects/services
- Team fully engaged in Power Price stabilization
- SLEC integration proceeding to plan, on budget and on time
- TCEC successfully transitioned Plant Manager and Assistant Plant Manager
- Top employer for four years
- All Municipals are members of FMPA
- Resolved KEYS environmental event

**AGENDA ITEM 9 – INFORMATION
ITEMS**

d. Member Services Update

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



9d – Member Services Update

Board of Directors

December 14, 2023

Member Service Advisory Committee

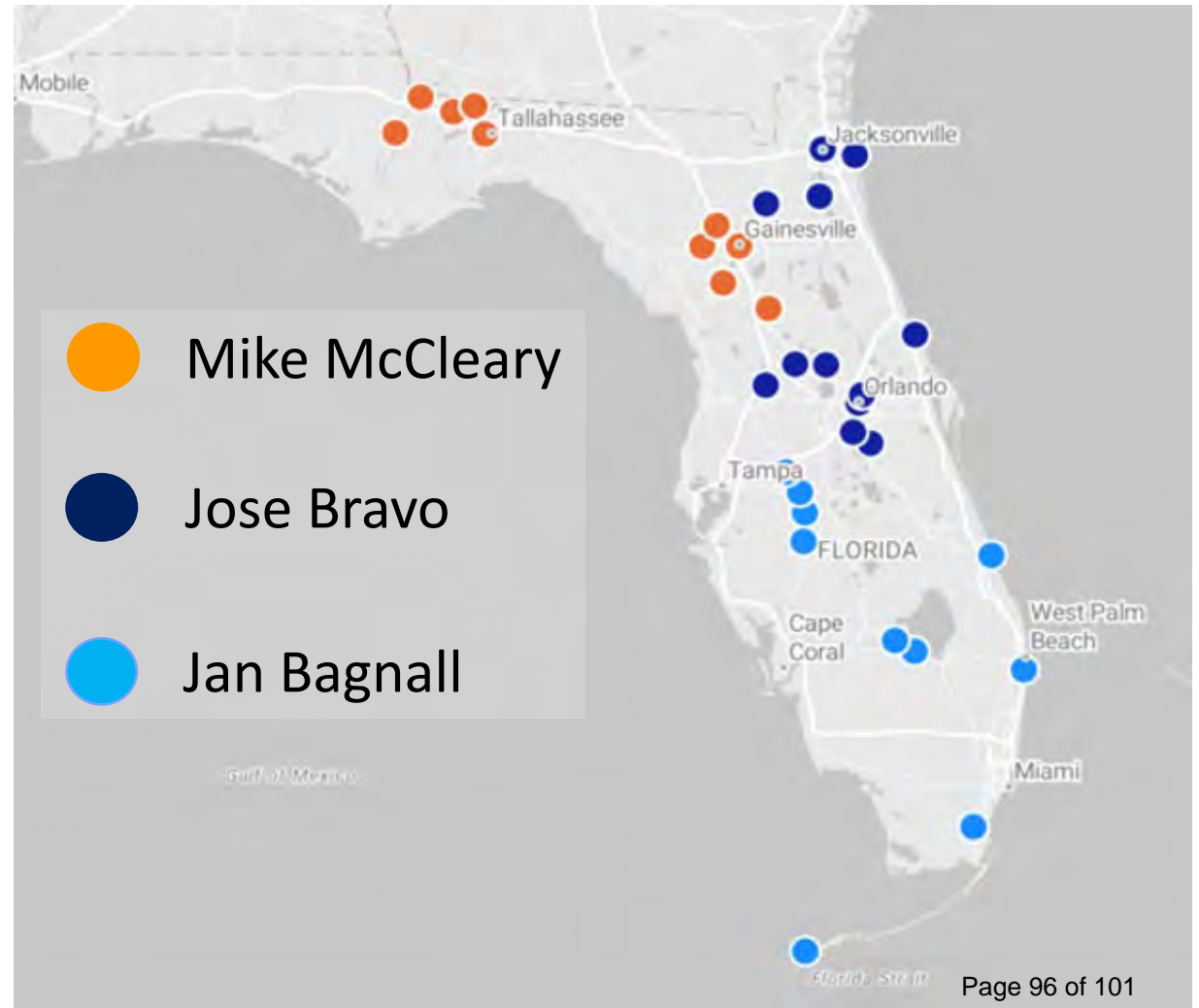
Discussions and recommendations

- First year complete as a formal committee
- Assistance with Member Services continues to increase
- Research ways to make trainings more affordable
- Changes to procurement process to include all members
- Member Service Team fully staffed
- Utility system support personnel
- Surveys indicate that line worker safety program is still valuable

Member Services Support

Divided Geographical Area

- Designated member service team
- First point of contact for members
- Current on projects
- Keeps projects moving forward
- Team still works in areas of expertise



FMPA Moved Reliability Site to SharePoint This Year

Easier Data Input and Immediate Availability

Members Brought Excel Report Issues to Our Attention

- Report wasn't updating automatically
- Traditional charts and graphs were not automatically part of download

A Solution Has Been Implemented

- The SharePoint site will refresh the Excel report each night
- Charts and graphs have been added to the Excel report download

MSAC Recommends Round Tables

Visit FMPA.COM/EVENTS To Signup

ROUND TABLES

- AMI
- GIS
- SCADA
- Substation
- Meter Tech
- Lineman
- Purchasing
- Human Resources
- Regional Foreman
- Transportation Fleet

MSAC Recommends Trainings

Visit FMPA.COM/EVENTS to sign up

TRAININGS

- Certified Power Supervisor Program
 - Fundamental Supervisory Skills
 - Goal Setting & Planning
 - Interpersonal Supervisory Skills I
 - Communicating Effectively with Utility Customers
- Certified Safety Coordinator
- OSHA Hot Weather
- Buddy to Boss with Succession Planning
- General Power Quality
- Foreman Academy Certification
 - Track 1
 - Track 2
 - Track 3
- Certified Safety Coordinator Program
 - OSHA 30 Hr Card (Part 1)
 - OSHA 30 Hr Card (Part 2)
 - OSHA Utility Work Practices Rule Compliance
 - Rigging, Hoisting, Hand and Power Tool Safety
 - Transportation Safety
 - Accident Investigation
 - National Electrical Safety Code Review

**AGENDA ITEM 10 – MEMBER
COMMENTS**

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

AGENDA ITEM 11 – ADJOURNMENT

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