



## **FINANCE COMMITTEE AGENDA PACKAGE**

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**June 25, 2025**

**2:00 p.m.**

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

**Meeting ID: 264 929 966 990 #**

### **Committee Members**

Jim Williams, Leesburg – Chair  
Howard McKinnon, Havana-Vice Chair  
Javier Cisneros, Fort Pierce  
Barbara Quiñones, Homestead  
Karen Nelson, Jacksonville Beach  
Jesse Perloff, Key West  
Kevin Crawford, Kissimmee  
Steve Langley, Mount Dora  
Dallas Lee, Newberry  
Efren Chavez, New Smyrna Beach  
Marie Brooks, Ocala  
James Braddock, Wauchula

### **Meeting Location**

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

## MEMORANDUM

TO: FMPA Finance Committee  
FROM: Rich Popp  
DATE: June 18, 2025  
SUBJECT: FMPA Finance Committee Meeting Thursday, June 25, 2025 at 2:00pm  
PLACE: Florida Municipal Power Agency Board Room  
8553 Commodity Circle,  
Orlando, FL 32819

**DIAL-IN INFORMATION: 321-299-0575, Meeting # 264 929 966 990**  
**(If you have trouble connecting via phone or internet, please call 407-355-7767)**

**[Join the meeting now](#)**

*Chairperson Jim Williams, Presiding*

### AGENDA

1. **Call to Order, Roll Call, Declaration of Quorum** ..... 4
2. **Recognition of Guests**..... 5
3. **Public Comment (Individual public comments limited to 3 minutes)**..... 6
4. **Set Agenda (by vote)** ..... 7
5. **Consent Agenda**
  - a. **Approval of Minutes – Finance Committee Minutes – Meeting Held June 12, 2025** ..... 9
6. **Chairperson’s Remarks**..... 13
7. **CFO Report**..... 14

## **8. Action Items**

- a.** Approval of FY 2025 Budget Amendment for All-Requirements Power Supply Project (Denise Fuentes) ..... 16
- b.** Approval of FY 2025 Budget Amendment for Stanton I, Tri-City, and Stanton II Projects (Louis DeSimone) ..... 26
- c.** Approval of All-Requirements Project Revenue Bonds Series 2025A (Sena Mitchell and Rich Popp) ..... 46

## **9. Information Items**

- a.** Natural Gas Price Stability Program Quarterly Update (John Bradley) ..... 60
- b.** Update on FY25 Capital Roll Status (Ken Rutter) ..... 72

## **10. Reports**

- a.** Risk Management Policy..... 75

## **11. Comments ..... 80**

## **12. Adjournment ..... 81**

RP/lj

One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or 1-(888)-774-7606, at least two (2) business days in advance to make appropriate arrangements.

**AGENDA ITEM 1 - CALL TO ORDER,  
ROLL CALL, DECLARATION OF  
QUORUM**

**Finance Committee Meeting  
June 25, 2025**

**AGENDA ITEM 2 – RECOGNITION OF  
GUESTS**

**Finance Committee Meeting  
June 25, 2025**

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

**Finance Committee Meeting  
June 25, 2025**

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

**Finance Committee Meeting  
June 25, 2025**

**AGENDA ITEM 5 – CONSENT  
AGENDA**

- a. Approval of Minutes – Finance  
Committee Meeting Held June 12,  
2025**

**Finance Committee Meeting  
June 25, 2025**



CLERKS DULY NOTIFIED ..... June 4, 2025  
AGENDA PACKAGE SENT TO MEMBERS..... June 5, 2025

**MINUTES  
FINANCE COMMITTEE MEETING  
THURSDAY, JUNE 12, 2025  
FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FL**

**PARTICIPANTS  
PRESENT**

Javier Cisneros, Fort Pierce (virtual)  
Barbara Quiñones, Homestead (virtual)  
Karen Nelson, Jacksonville Beach (virtual)  
Jesse Perloff, Key West (virtual)  
Kevin Crawford, Kissimmee (virtual)  
Jim Williams, Leesburg  
Steve Langley, Mount Dora (virtual)  
Marie Brooks, Ocala (virtual)  
James Braddock, Wauchula (virtual)

**PARTICIPANTS  
ABSENT**

Howard McKinnon, Havana  
Dallas Lee, Newberry  
Efren Chavez, New Smyrna Beach

**OTHERS  
PRESENT**

Jason Terry, Kissimmee (virtual)  
James Hughes, Starke (virtual)  
Michael Mace, PFM (virtual)

**STAFF PRESENT**

Rich Popp, Chief Financial Officer  
Jacob Williams, Chief Executive Officer  
Jody Finklea, General Counsel and Chief Legal Officer  
Ken Rutter, Chief Operating Officer  
Sharon Adams, Chief People and Member Services Officer  
Jason Wolfe, Financial Planning, Rates, Budget and Fuels Director  
Denise Fuentes, Budget and Financial Analyst III  
Louis DeSimone, Financial Planning and Rates Analyst II  
Mary Kathryn Patterson, Senior Public Relations Specialist  
Emily Maag, Public Relations Specialist  
Danyel Sullivan-Marrero, Controller  
Lindsay Jack, Administrative Services Supervisor  
Liyuan Woerner, Audit Manager  
Sue Utle, Executive Assistant to CEO/Ass Sec to the Board of Directors  
Resaul Misra, Financial and Data Analyst II  
Andrei Benjamin, Cloud Systems Administrator

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

Chair Jim Williams, Leesburg, called the FMPA Finance Committee Meeting to order at 2:00 p.m. on Thursday, June 12, 2025. A video and audio connection for public attendance and participation was broadcast in the Frederick M. Bryant Board Room, FMPA, 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared, with 9 of 12 members present.

## **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:** Javier Cisneros, Fort Pierce, moved approval to set the agenda as presented. Barbara Quiñones, Homestead, seconded the motion. Motion carried 9-0.

## **ITEM 5 –CONSENT AGENDA**

- a. Approval of Meeting Minutes, Meeting held May 14, 2025

**MOTION:** Javier Cisneros, Fort Pierce, moved approval of the Consent Agenda. Barbara Quiñones, Homestead, seconded the motion. Motion carried 9-0.

## **ITEM 6 – CHAIRPERSONS REMARKS**

None.

## **ITEM 7 – CFO REPORT**

Rich Popp reported that two Finance Committee meetings are scheduled this month, with the next one on June 25 to discuss budget amendments and ARP Project's Revenue Bonds Series 2025A and 2025B. He also noted that the Board of Directors and Executive Committee meetings are set for June 26. He mentioned that on May 30, staff worked with Bartow to finalize a Pooled Loan, allowing them to build a substation at a competitive 4.5% interest rate, in partnership with our new loan provider, Truist. He reported that this week, the line of credit for \$100 million is being finalized on June 16, following the Executive Committee's approval at the last meeting. He thanked the staff for their efforts and recognized Denise Fuentes and Louis DeSimone for their contributions to budget growth.

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## **ITEM 8 – ACTION ITEMS**

### **a. Review and Approval of the 2026 Agency Allocation for Recommendation to the Board of Directors for Approval**

Denise Fuentes presented the 2026 Agency Allocation for Recommendation to the Board of Directors for Approval.

**MOTION:** Javier Cisneros, Fort Pierce, moved to recommend FY 2026 Agency Allocation to the Board of Directors for approval. Barbara Quiñones, Homestead, seconded the motion. Motion carried 9-0.

### **b. Review and Approval of FY 2026 Small Project Budgets (Stanton, Tri-City, Stanton II, St. Lucie, Solar II, Pooled Loan) for Recommendation to the Board of Directors for Approval**

Louis DeSimone and Denise Fuentes presented the FY 2026 Small Project Budgets for Recommendation to the Board of Directors for Approval.

**MOTION:** Barbara Quiñones, Homestead, moved to recommend the FY 2026 Stanton Project Budget, the FY 2026 Tri-City Project Budget, FY 2026 Stanton II Project Budget, FY 2026 St. Lucie Project Budget, FY 2026 Solar II Project Budget And the FY 2026 Pooled Loan Project Budget for recommendation to the Board of Directors for approval. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 9-0.

### **c. Review and Approval of the ARP FY 2026 Budget for the Recommendation to the Executive Committee for Approval**

Denise Fuentes presented the ARP FY 2026 Budget for the Recommendation to the Executive Committee for Approval.

**MOTION:** Javier Cisneros, Fort Pierce, moved approval of the FY 2026 All-Requirements Power Supply Project Budget for recommendation to the Executive Committee. Karen Nelson, Jacksonville Beach, seconded the motion. Motion carried 9-0.

## **ITEM 9 – INFORMATION ITEMS**

### **a. FY 2025 Budget Amendment for All-Requirements Power Supply Project**

Denise Fuentes presented the FY 2025 Budget Amendment for All-Requirements Power Supply Project

### **b. FY 2025 Budget Amendment for Stanton, Tri-City, Stanton II Projects**

Louis DeSimone presented the FY 2025 Budget Amendment for Stanton, Tri-City and Stanton II Projects.

## **ITEM 10 – REPORTS**

a. None.

**ITEM 11 – COMMENTS**

None.

**ITEM 12 – ADJOURNMENT**

There being no further business, the meeting was adjourned at 3:00 p.m.

Approved Date \_\_\_\_\_

RP/lj

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

**Finance Committee Meeting  
June 25, 2025**

## **AGENDA ITEM 7 – CFO REPORT**

**Finance Committee Meeting  
June 25, 2025**

## **AGENDA ITEM 8 – ACTION ITEMS**

- a. Approval of FY 2025 Budget  
Amendment for All-Requirements  
Power Supply Project**

**Finance Committee Meeting  
June 25, 2025**



## **8a – Approval of FY 2025 Budget Amendment for All-Requirements Power Supply Project**

Finance Committee

June 25, 2025



# ARP Budget Amendment Requested

## *Expenses Expected to Exceed Approved Spending Authority*

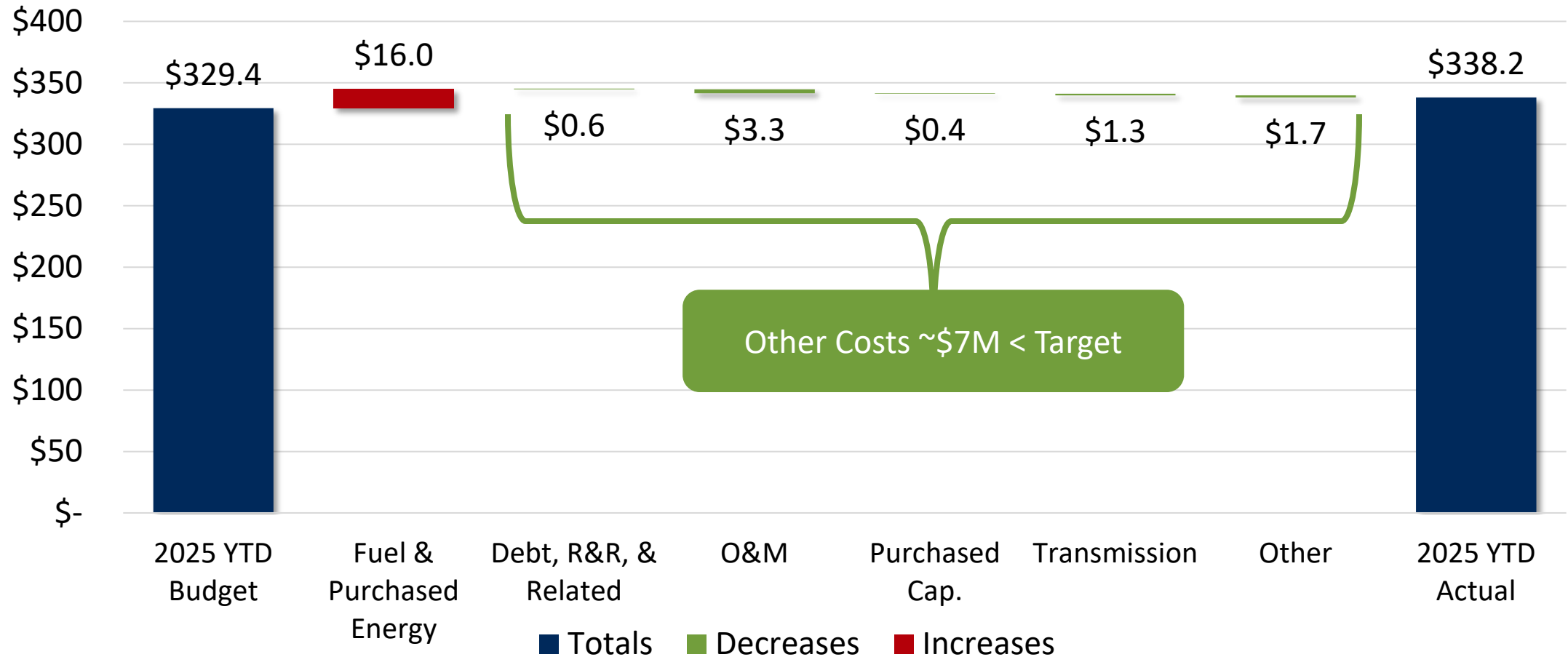
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- Based on current projections, ARP expected to be \$31M over approved spending authority, with expenses near limit in August
- Fuel expenses above budget with higher than budgeted energy and physical gas sales to others; other costs running below YTD target
- Gas prices also running above budget with current curve ~\$0.40/MMBtu > budget for balance of year; summer months see highest gas burns
- Staff requesting spending authority increase from \$588M to \$630M for FY 2025
  - Ensures FMIPA has sufficient spending authority to pay FY 2025 project expenses
- Additional requested funds will not impact demand or transmission billings to participants; energy billings reflect actual costs

# YTD ARP Expenses ~\$9M > Target Through April

## *Driven by Energy and Physical Gas Sales Above Budget*

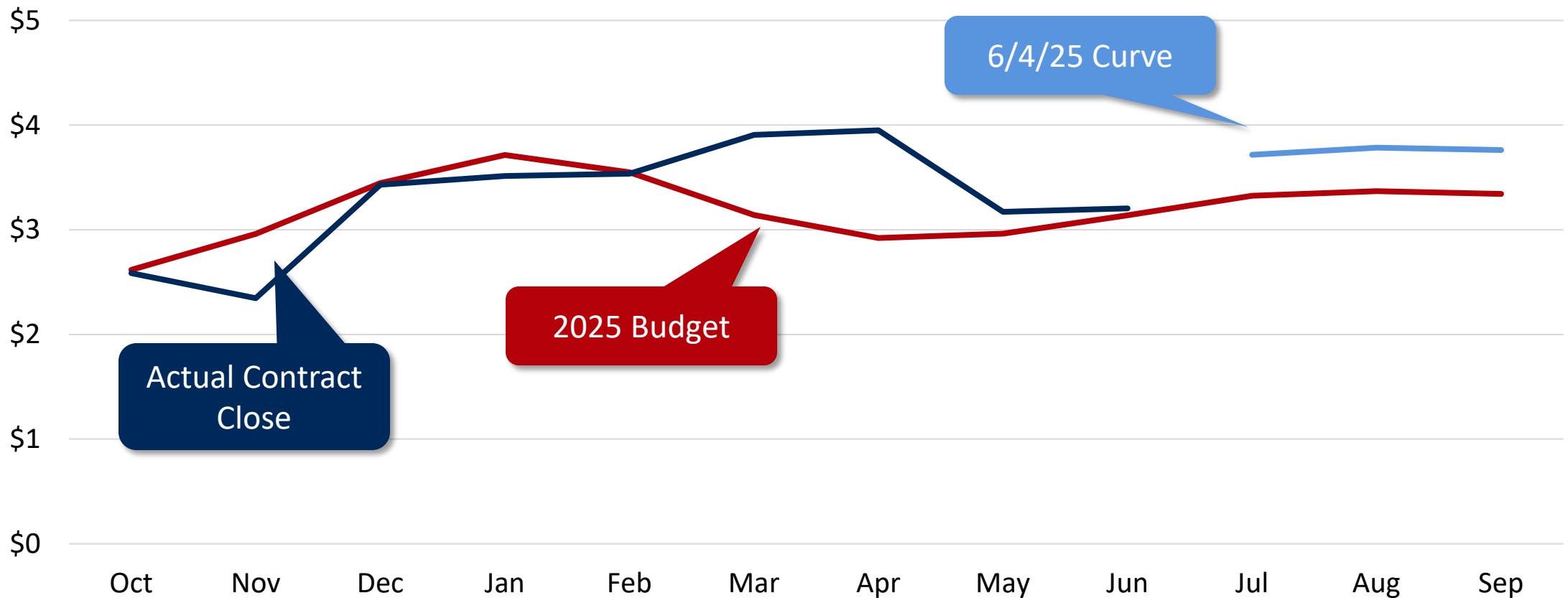
ARP FY 2025 YTD Budget vs. Actual Expenses through April (\$Millions)



# Gas Prices > Budgeted Curve Since March

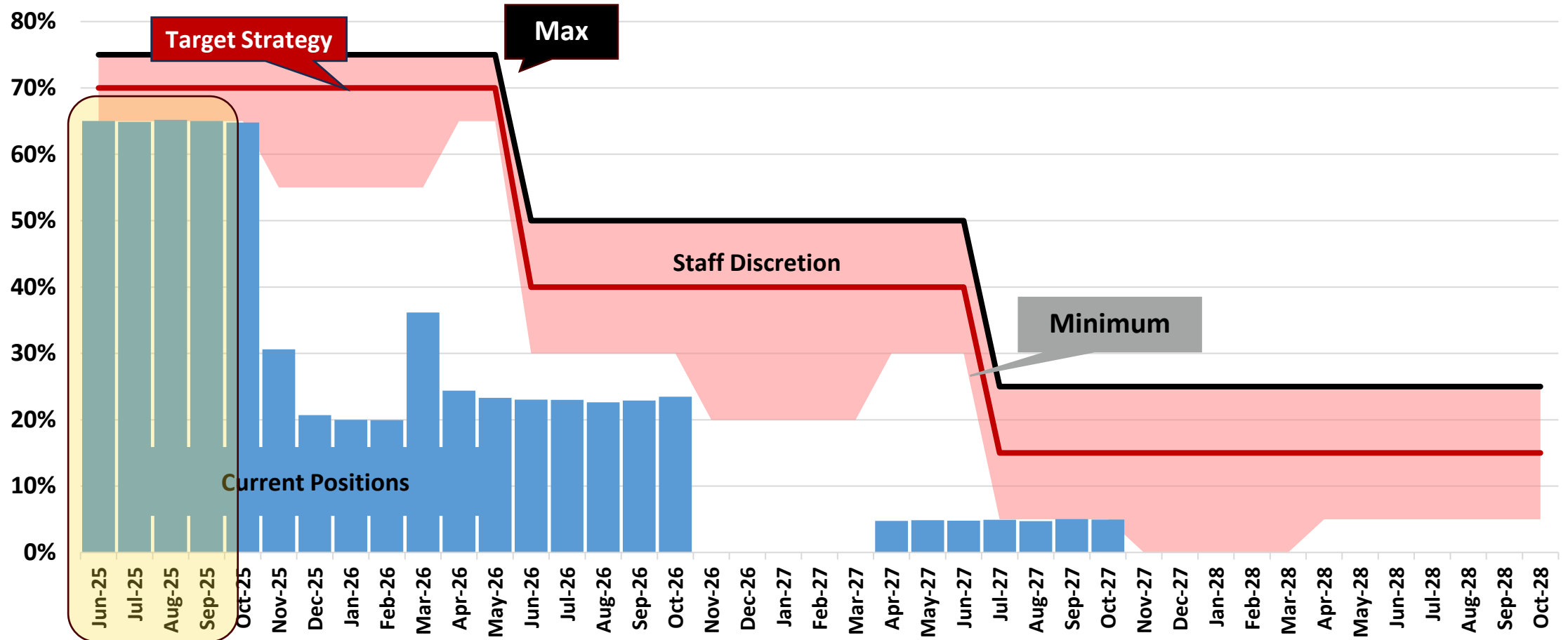
*Balance of Year ~\$0.40/MMBtu > Budget in High Burn Months*

FY 2025 Gas Prices vs. Budget (\$/MMBtu)



# ~65% of Summer 2025 Gas Needs Price Managed

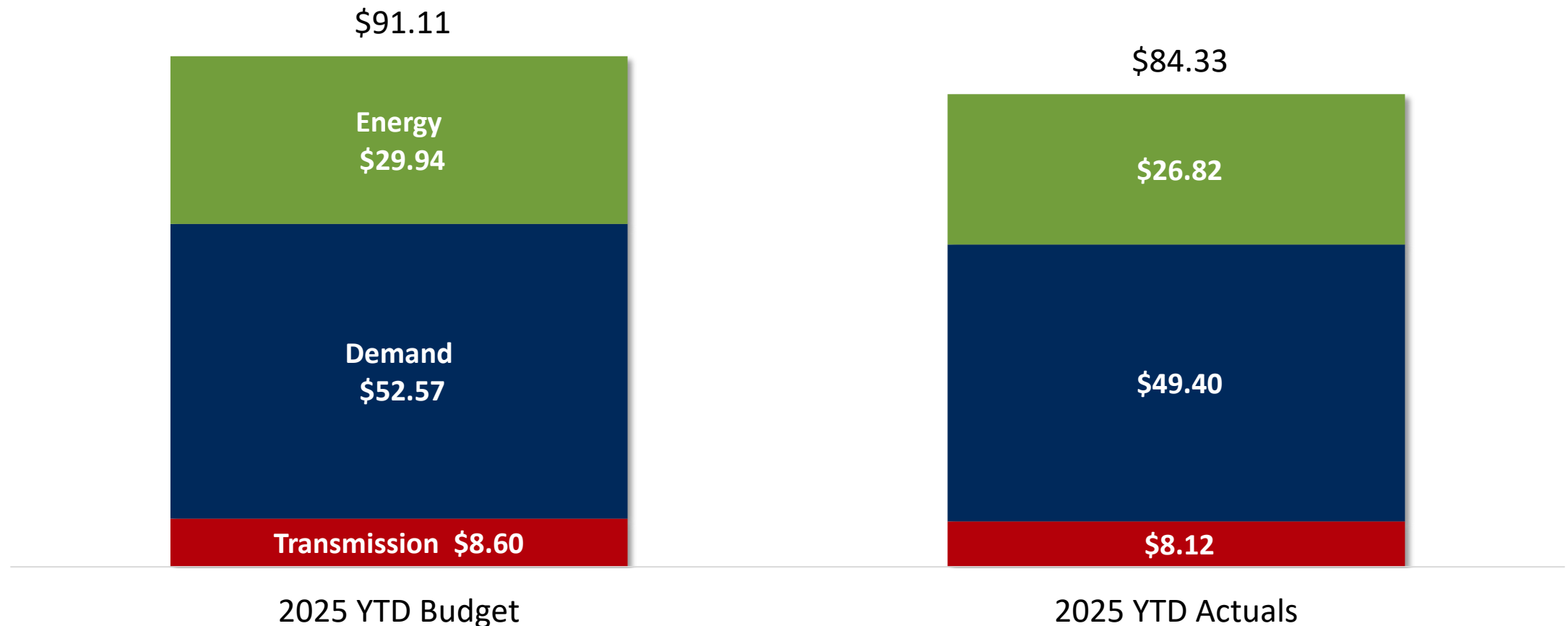
## *Reduces ARP Cost Exposure to High Gas Curve*



# Energy & Gas Sales Bring \$/MWh Benefit to ARP

*Energy Costs ~\$3/MWh < Budget Despite Higher \$ Expense*

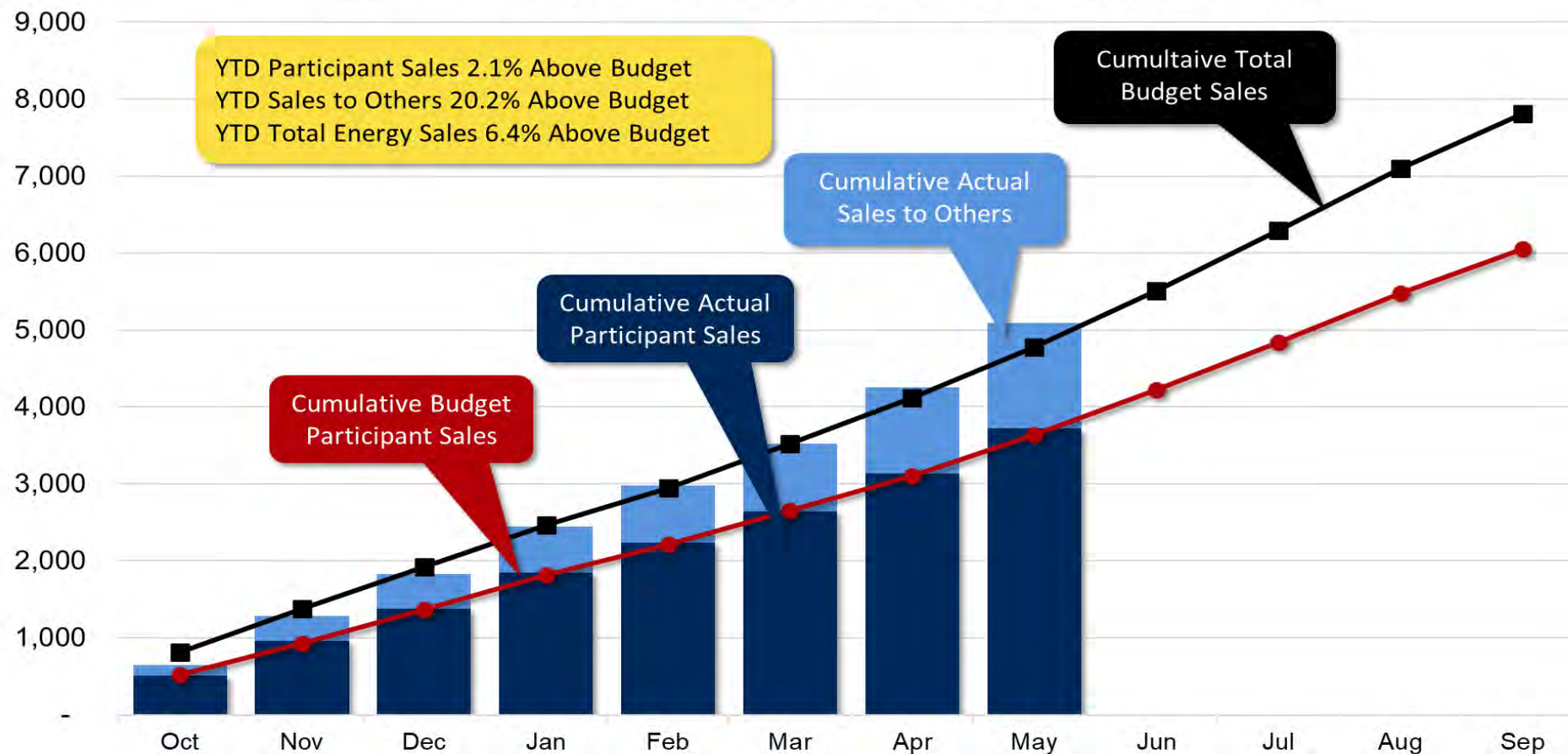
ARP FY 2025 YTD Budget vs. Actual Participant Costs through April (\$/MWh)



# YTD ARP Sales 2.1% Above Budget through May

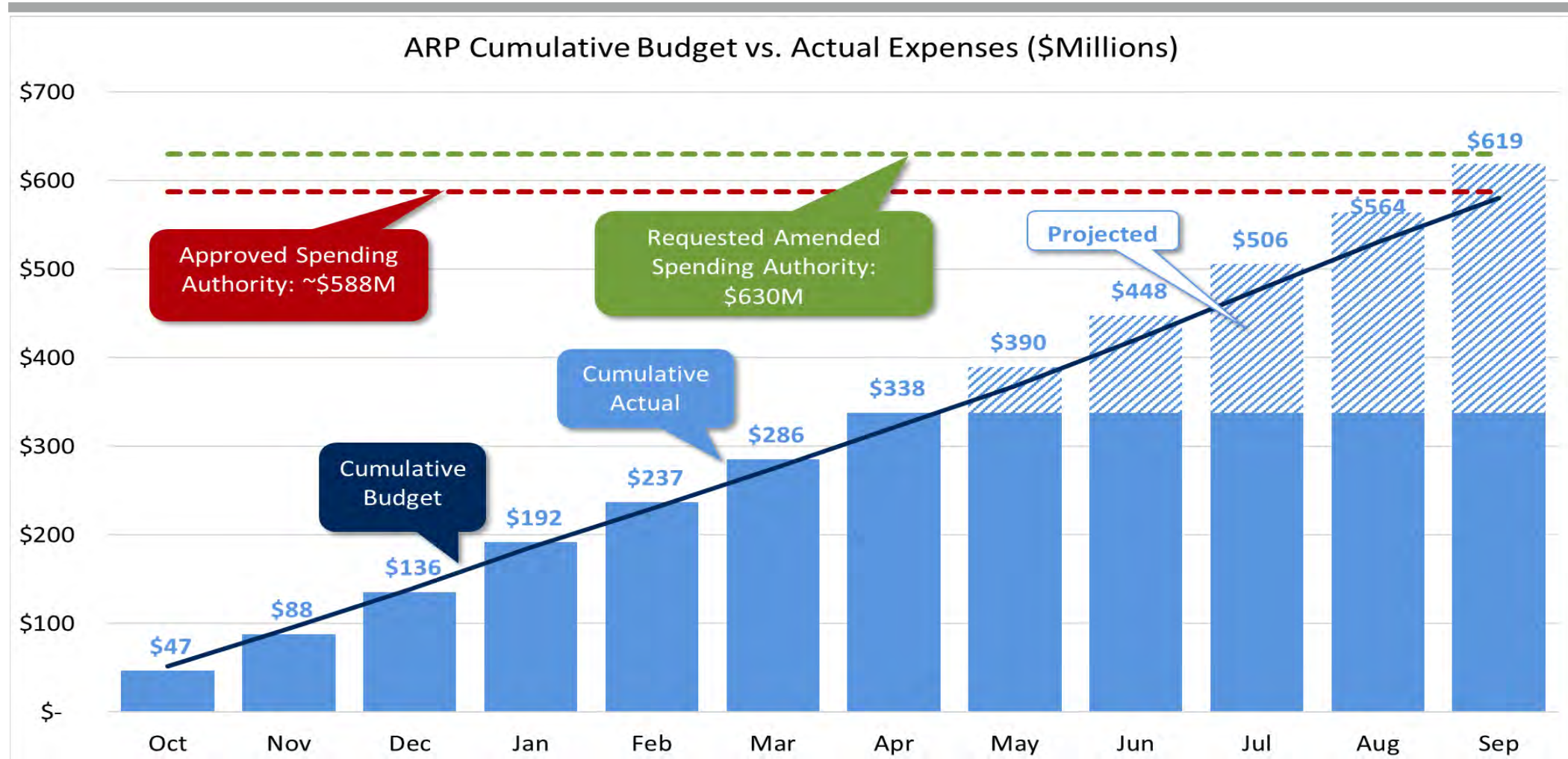
## *Sales to Others Bring Total Energy Sales 6% Above Budget*

ARP FY 2025 Cumulative Sales vs. Budget (GWh)



# Requesting \$42M Budget Increase

*Provides Cushion for Likelihood of Exceeding Current Spending Authority*



# Recommended Motion

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- Move approval of recommendation of Resolution 2025-EC5 to the Executive Committee for approval to increase the Fiscal Year 2025 All-Requirements Project budget spending authority by \$42,314,000.



## **AGENDA ITEM 8 – ACTION ITEMS**

- b. Approval of FY 2025 Budget  
Amendment for Stanton I, Tri-City,  
Stanton II Projects**

**Finance Committee Meeting  
June 25, 2025**



# **8b – Approval of FY 2025 Budget Amendment for Stanton, Tri-City, and Stanton II Projects**

Finance Committee

June 25, 2025

# FY 2025 Budget Increases Needed for Coal Projects

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- Stanton, Tri-City, and Stanton II projects need budget amendments to ensure FMPA has sufficient spending authority to pay project expenses
- Fuel expense above budget is sole driver of need for additional spending authority with applicable unit generation well above budget
- Based on current projections, each Project will be near or exceed currently authorized spending limits in August
- Seeking additional spending authority for FY 2025 for energy expenses
- Additional requested funds do not impact demand or transmission billings to participants; energy billings reflect actual costs

# Budget Amendment Summary

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Project	Current Spending Authority	Additional Spending Authority Requested	Requested Amended Spending Authority	Percent Increase
Stanton Project	\$16,742,000	\$4,258,000	\$21,000,000	25%
Tri-City Project	\$7,235,000	1,765,000	\$9,000,000	24%
Stanton II Project	\$47,130,000	\$7,870,000	\$55,000,000	17%

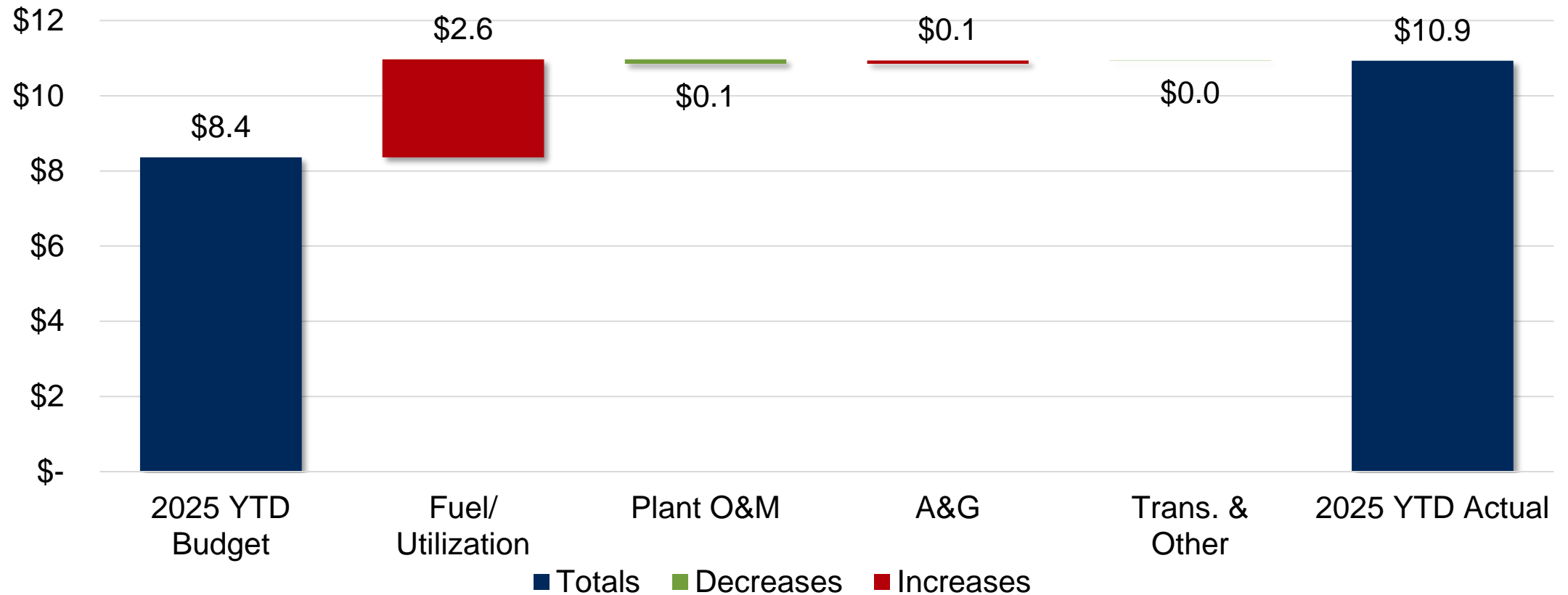


# Stanton Project

# Stanton Project YTD Expenses ~\$2.6M > Target

*Fuel Costs \$2.6M > Target Due to YTD Generation ~67% > Target*

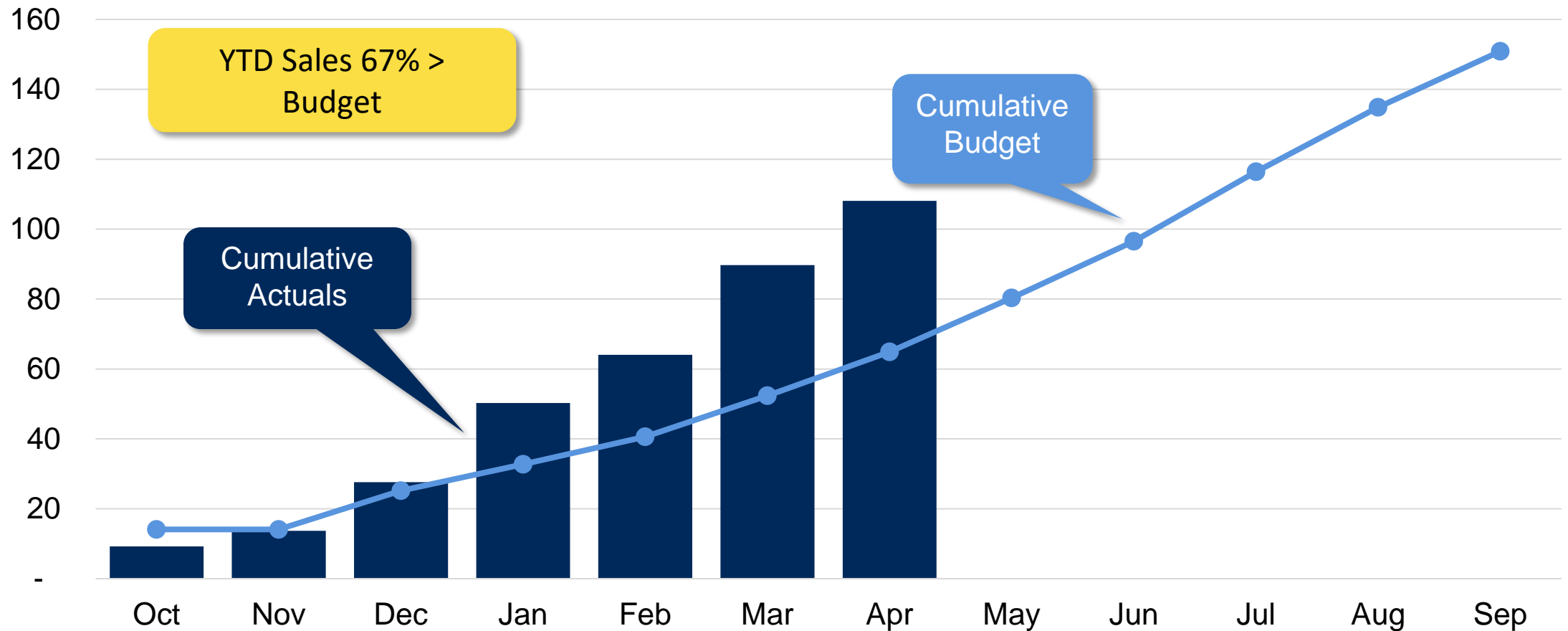
Stanton Project Budget vs. Actual Expenses through April (\$Millions)



# Stanton Project Sales ~67% > Target Through April

## *Unit Running More Than Anticipated in Budget*

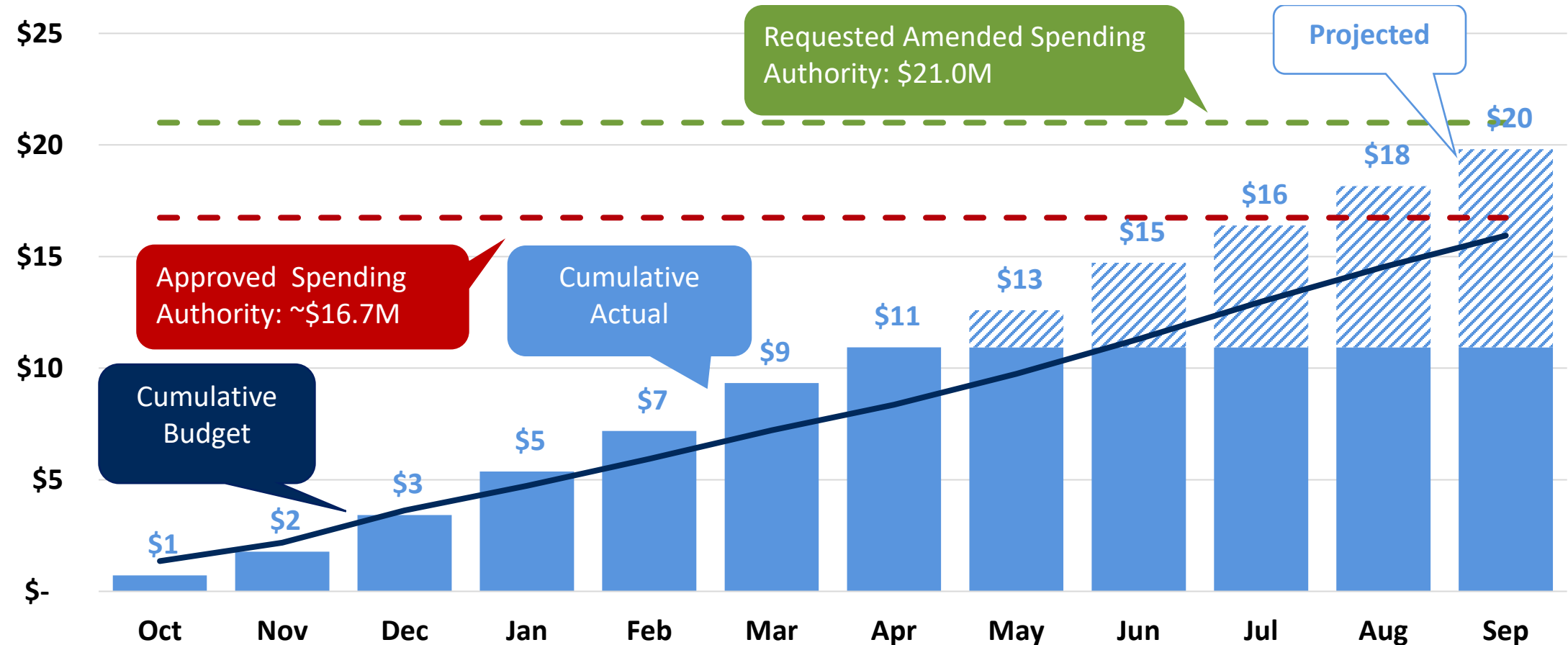
Stanton Project FY 2025 Cumulative Sales (GWh)



# ~\$4.3 Million Spending Authority Increase Requested

## *Total Amended Spending Authority Would Be \$21 Million*

Stanton Project Cumulative Budget vs. Actual Expenses (\$Millions)





# Participant Shares of Additional Spending Authority

*Amounts Shown Assume Full \$4,258,000 Is Spent*

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Participant	Share of Additional Spending Authority (\$Millions) [1]
Fort Pierce [2]	\$1.04
Homestead	\$0.52
KUA [2]	\$0.52
Lake Worth Beach	\$0.69
Starke [2]	\$0.10
ARP (Vero Beach) [2]	\$1.38
<b>Total</b>	<b>\$4.26</b>

*[1] Computed based on Power Entitlement Share*

*[2] Participant shares paid by the ARP. The total additional spending authority allocable to the ARP is \$3.04 million.*

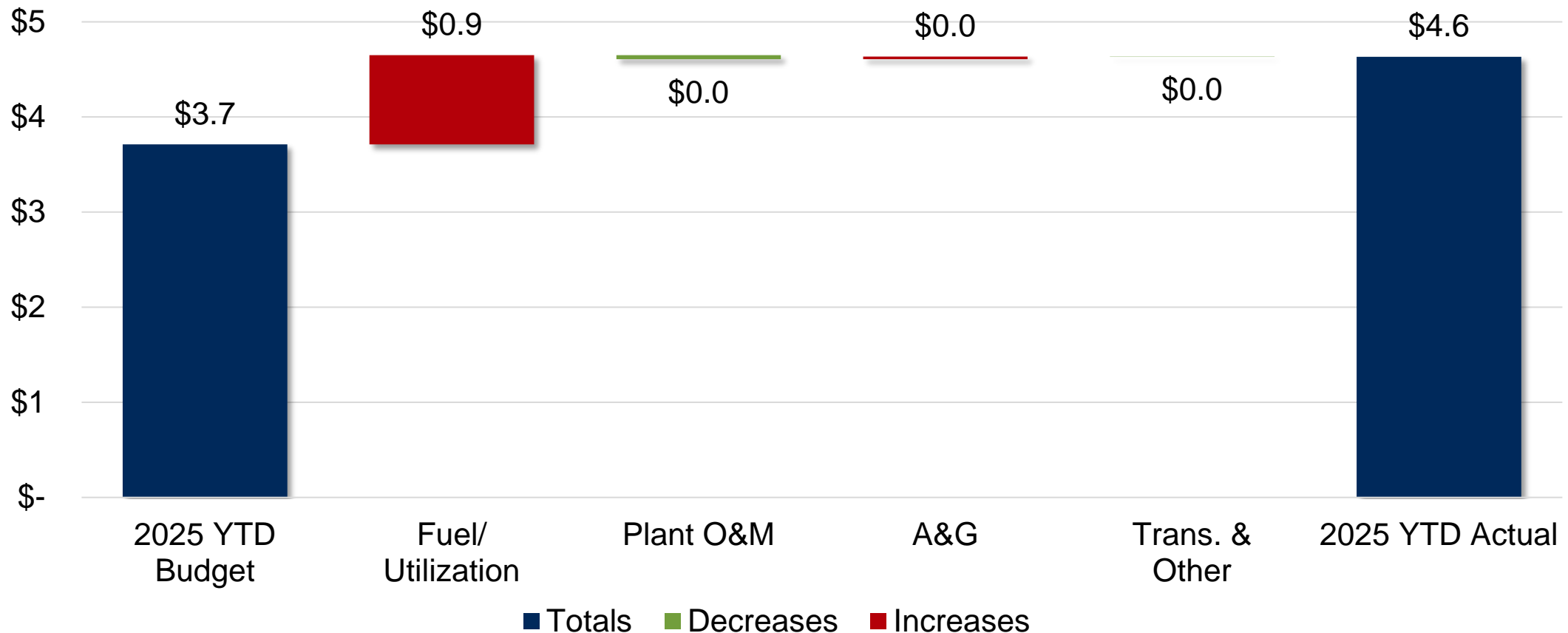


## Tri-City Project

# Tri-City Project YTD Expenses ~\$900k > Target

*Fuel Costs \$940k > Target Due to YTD Generation 60% > Target*

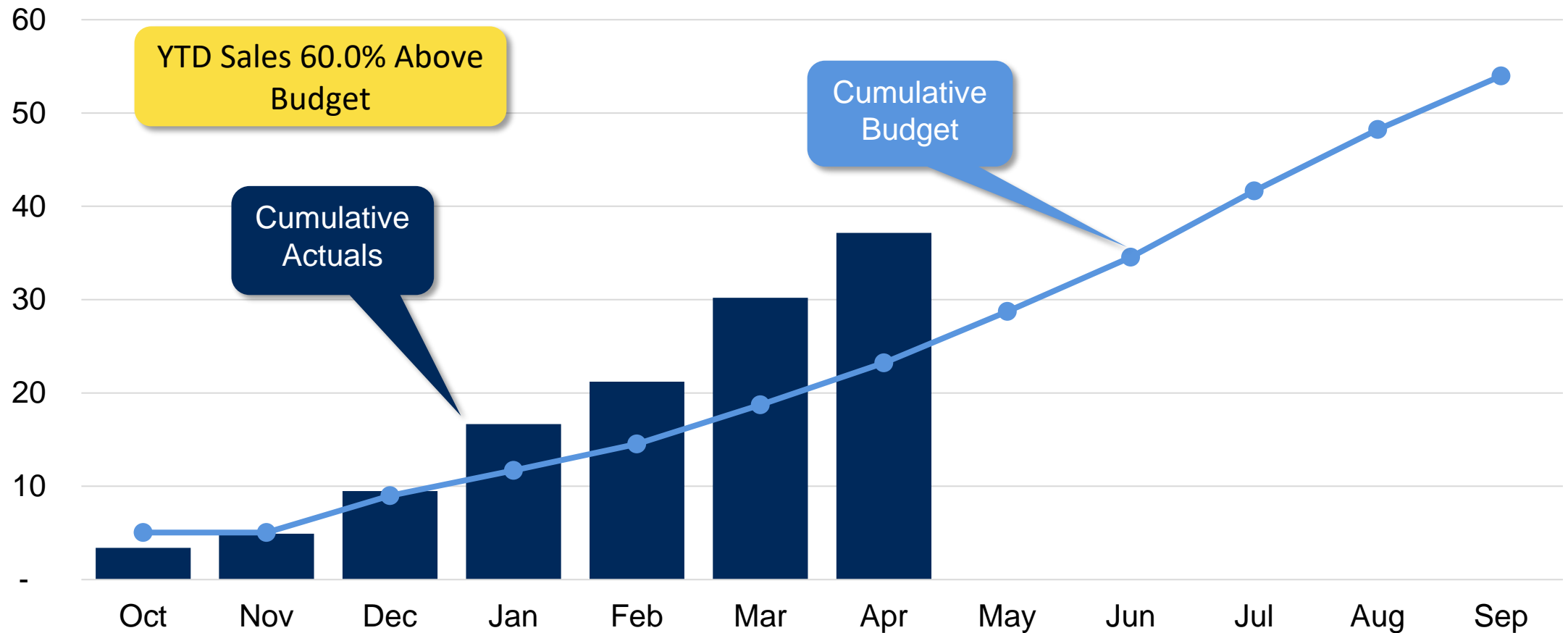
Tri-City Project Budget vs. Actual Expenses through April (\$Millions)



# Tri-City Project Sales 60% > Target Through April

## *Unit Running More Than Anticipated in Budget*

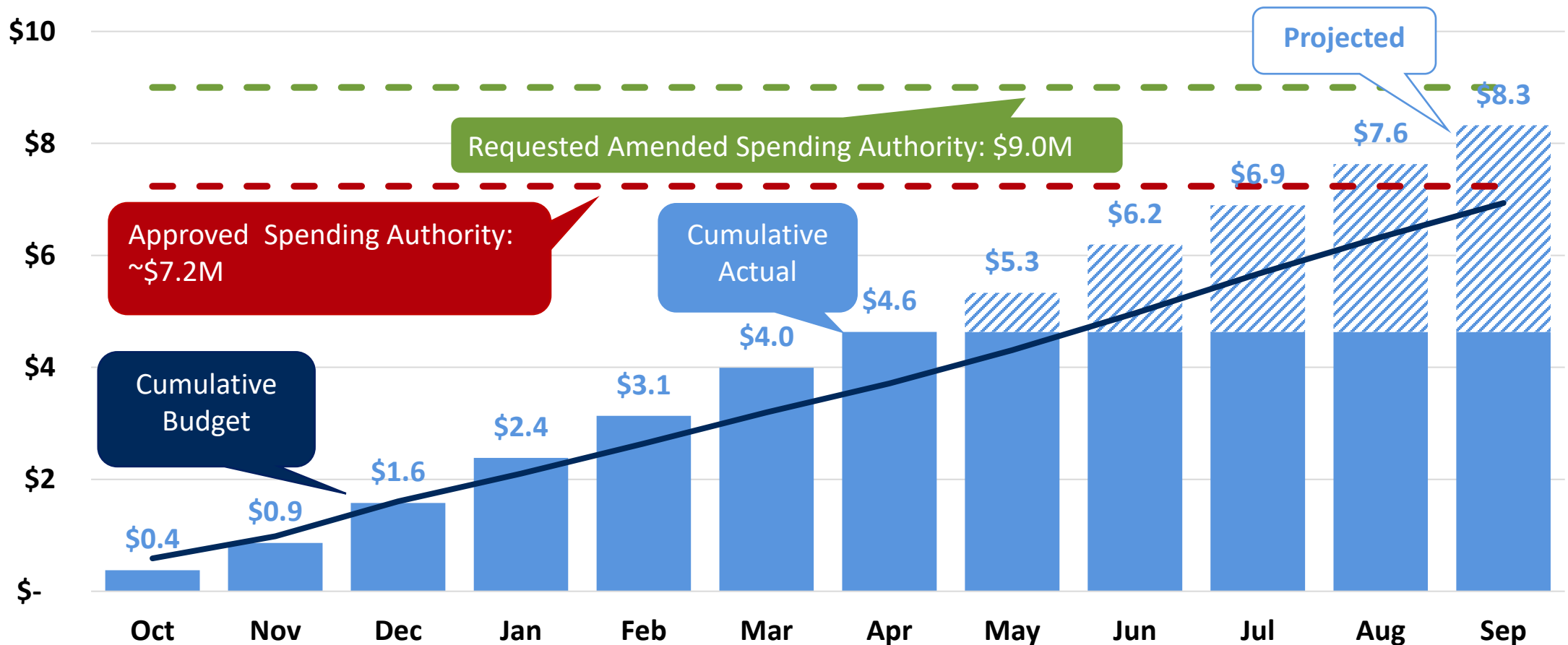
Tri-City Project FY 2025 Cumulative Sales (GWh)



# ~\$1.8 Million Spending Authority Increase Requested

## *Total Amended Spending Authority Would Be \$9 Million*

Tri-City Project Cumulative Budget vs. Actual Expenses (\$Millions)



# Participant Shares of Additional Spending Authority

*Amounts Shown Assume Full \$1,765,000 Is Spent*

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Participant	Share of Additional Spending Authority (\$Millions) [1]
Fort Pierce [2]	\$0.40
Homestead	\$0.40
Key West [2]	\$0.96
Total	\$1.77

*[1] Computed based on Power Entitlement Share*

*[2] Participant shares paid by the ARP. The total additional spending authority allocable to the ARP is \$1.36 million.*

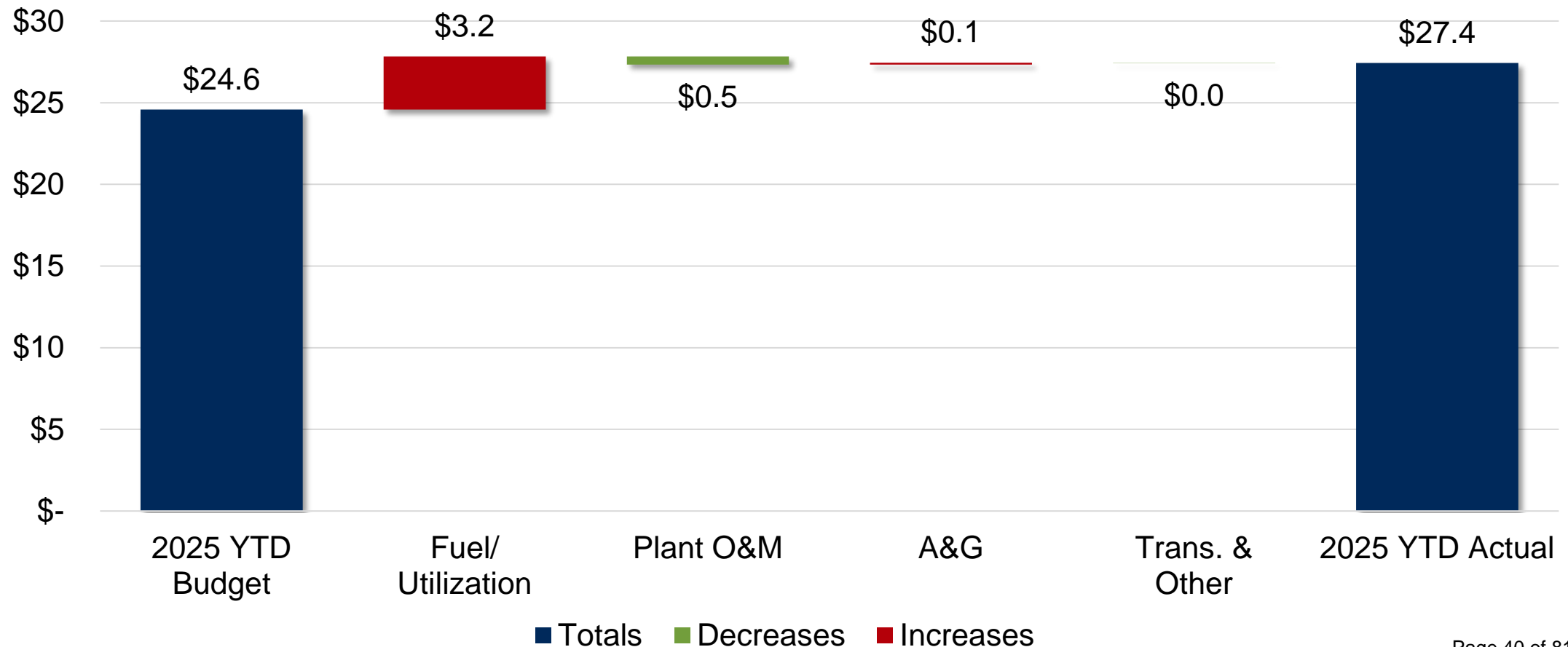


## Stanton II Project

# Stanton II Project YTD Expenses ~\$2.8M > Target

*Fuel Costs \$3.2M > Target Due to YTD Generation 37% > Target*

Stanton II Project Budget vs. Actual Expenses through April (\$Millions)

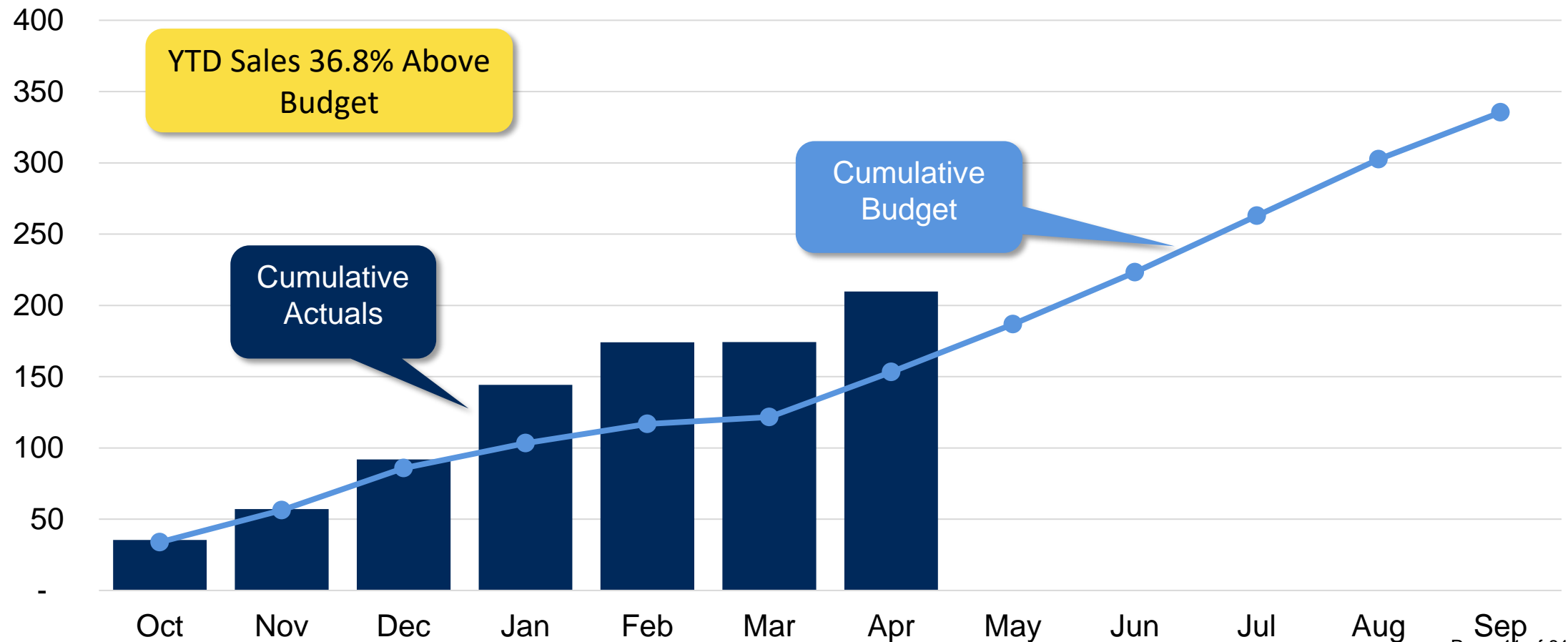




# Stanton II Project Sales ~37% > Target Through April

## *Unit Running More Than Anticipated in Budget*

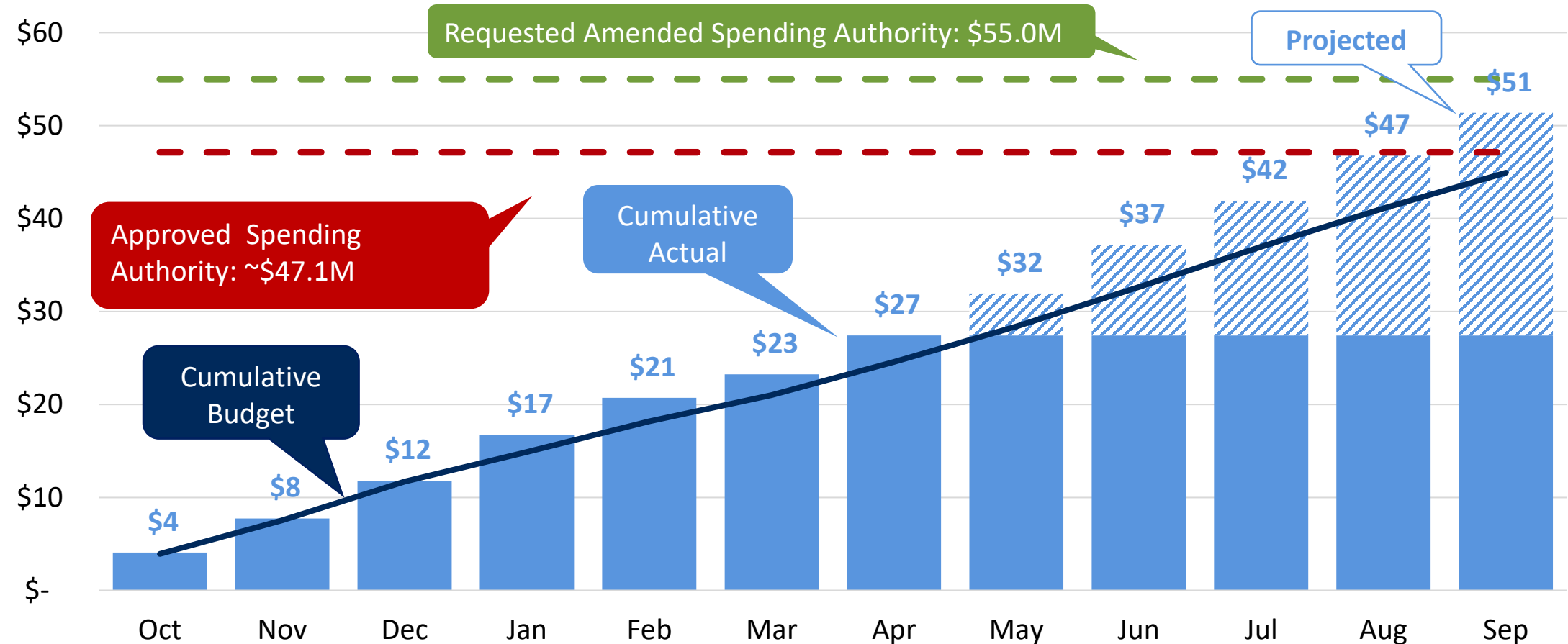
Stanton II Project FY 2025 Cumulative Sales (GWh)



# ~\$7.9 Million Spending Authority Increase Requested

## *Total Amended Spending Authority Would Be \$55 Million*

Stanton II Project Cumulative Budget vs. Actual Expenses (\$Millions)



# Participant Shares of Additional Spending Authority

*Amounts Shown Assume Full \$7,870,000 Is Spent*

Participant	Share of Additional Spending Authority (\$Millions) [1]	Participant	Share of Additional Spending Authority (\$Millions) [1]
Fort Pierce [2]	\$1.30	St. Cloud	\$1.15
Homestead	\$0.65	Starke [2]	\$0.10
Key West [2]	\$0.78	ARP (Vero Beach) [2]	\$1.30
KUA [2]	\$2.60	<b>Total</b>	<b>\$7.87</b>

*[1] Computed based on Power Entitlement Share*

*[2] Participant shares paid by the ARP. The total additional spending authority allocable to the ARP is \$6.07 million.*

# Recommended Motion

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- Move approval of recommendation of Resolution 2025-B3 to the Board of Directors for approval to increase the Fiscal Year 2025 Stanton Project budget spending authority by \$4,258,000, Stanton II Project budget spending authority by \$7,870,000, and Tri-City Project spending authority by \$1,765,000.

## **AGENDA ITEM 8 – ACTION ITEMS**

- c. Approval of All-Requirements  
Project Revenue Bonds Series  
2025A**

**Finance Committee Meeting  
June 25, 2025**



# **8c – Approval of ARP Revenue Bonds Series 2025A**

Finance Committee

June 25, 2025

# ARP 2025 Debt Issuance Overview

## *Purpose of Financing*

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- Support ARP Capital Spending over next 3 years and Refinance Bonds for debt service savings
- Minimum \$112 million in tax-exempt financing to include
  - \$55 million Capital New Money - to support capital improvements and life extension in plants
  - \$57 million Refinancing for the Series 2015B Bonds
  - Potential Tender Offer to refinance a portion of the Series 2016A Bonds
    - Target 2029, 2030 and 2031 candidates, currently \$146 million par outstanding
    - The tender offer, if executed, will be in addition to the estimated \$112 million financing

# New Money Proceeds Will Support Capital Projects

## *\$188 Million Total ARP Capital Need Over Next Three Years*

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### Examples of Use of Funds:

#### Cane Island

- Combustion turbine maintenance cycle = \$3.2M
- 480V breakers upgrade = \$4M

#### Treasure Coast

- Advanced Gas Path Upgrade = \$15M
- TCEC Rotar Refurbish = \$6.2M

#### Mulberry

- Combustion turbine, Steam turbine and Balance of Plant Ovation Controls upgrade = \$2.2M
- ST generator stator rewind = \$3M

#### Sand Lake

- Cooling tower fill and structure refurbishment = \$3M
- Air filter house refurbishment = \$2.1M



# 2015B Refinancing Current Market Conditions

## *Current Refunding Sensitivity Analysis*

- Combined Series PV Savings 5.95% or \$3,358,183
- Debt Policy requires minimum 3% savings

*\*Rates as of June 12, 2025*

### Series 2015B: Current Refunding Sensitivity Analysis

- Below, we provide a sensitivity analysis for the Series 2015B refunding candidates

- **Current Rates: \$3.4 million, or 6.0% (\$56.440 million refunded)**
- **Rates -50bps: \$4.4 million, or 7.8% (\$56.440 million refunded)**
- **Rates +50bps: \$2.3 million, or 4.1% (\$56.440 million refunded)**

			Current Refunding -50bps		Current Refunding		Current Refunding +50bps	
Maturity	Callable Par	Coupon	PV Savings (\$)	PV Savings (%)	PV Savings (\$)	PV Savings (%)	PV Savings (\$)	PV Savings (%)
2026	8,315,000	5.00%	190,757	2.29%	143,501	1.73%	96,660	1.16%
2027	1,735,000	3.25%	22,695	1.31%	4,625	0.27%	(13,208)	(0.76%)
2027	7,000,000	5.00%	328,221	4.69%	253,669	3.62%	180,095	2.57%
2028	9,140,000	5.00%	633,367	6.93%	491,094	5.37%	351,376	3.84%
2029	9,595,000	5.00%	868,699	9.05%	672,766	7.01%	481,045	5.01%
2030	10,075,000	5.00%	1,078,505	10.70%	825,382	8.19%	578,892	5.75%
2031	10,580,000	5.00%	1,281,233	12.11%	967,147	9.14%	662,667	6.26%
Total PV Savings			4,403,477	7.80%	3,358,183	5.95%	2,337,527	4.14%
Total Par Refunded			56,440,000		56,440,000		56,440,000	

Rates as of June 12, 2025. PV savings percentages based on refunded par.

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# Tender Offer Discussion

# Additional PV Savings with Tender Offering

## *Tender Can Lock in PV Savings for 2016 Bond Series*

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- What is a Tender Offering?
  - ARP offers to buy back the Series 2016 Bondholders' outstanding debt
    - Results in certainty of PV savings today vs waiting until the "Call" date in October 2026
    - ARP pays a premium above the market price to entice transaction
    - ARP uses new money to pay back Bondholders
  - EC to consider adding a Tender Offer to the 2025 Series
    - Eliminates refinancing interest rate risk before the Call date in a volatile and uncertain market
      - FMPA's Debt Policy allows for refinancing if PV savings are greater than 3%

# How Does a Tender Offer Work?

## *Bondholders Have Option to Redeem Debt*

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- ARP offers a premium to buy back outstanding debt
- Bondholders evaluate the offer and respond if willing to sell back outstanding debt
  - Normally, 40% of holders accept buy-back bids or participate
    - Series 2016 years 2029, 2030, and 2031 JPM has identified that over 50% of bondholders are considered sophisticated, who participate in Tender Offers
    - Savings calculations assume 30% participation
      - 60 to 70% of Series 2016 will remain outstanding and available to refinance in 2026

# Tender Offer Exceeds 5% PV Savings

*Achieving 80% of the PV Savings if Interest Rates Stay Flat*

			Current Refunding		Tender Refunding (100%)		
			Assuming Flat Interest Rates		Breakeven		
			(\$)	(%)	(\$)	(%)	(bps)
Maturity	Par Amount	Coupon					
10/1/2029	\$ 48,475	5.00%	2,554	5.27	1,946	4.01	41
10/1/2030	51,345	5.00%	3,368	6.56	2,698	5.26	32
10/1/2031	46,260	5.00%	3,553	7.64	2,906	6.28	27
<b>Summary of Savings</b>							
<b>Total PV Savings</b>			<b>\$9,455</b>		<b>\$7,550</b>	<b>5.17%</b>	<b>33</b>
<b>Total Candidates</b>			<b>\$146,080</b>		<b>\$146,080</b>		
<b>PV Savings 30% Candidates</b>					<b>\$2,265</b>		

As of June 12 market interest rates

- Breakeven is the increase in interest rates to be indifferent to issuing a tender offer
- FMPA Controls the Tender Offer Rate to Bondholders
- Some extra work on EMMA filings and Preliminary Offering Statement
- Will Seek Bondholder Interest Before Offering
- No Bondholder interest, then no action taken



# **ARP Revenue Bonds Debt Resolution Elements and Next Steps**

# ARP Series 2025A Tax-Exempt Debt Resolution

## *Minimum Criteria Outlined in Resolution*

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- Borrowing Gross Proceeds not to exceed \$267,000,000
  - \$60M New Money
  - \$57M 2015B Current Refunding
  - Up to \$150M 2016A Tender Refunding
  - Covers underwriters' fees and issuance costs
- All-in true interest costs less than 5.00%
- Minimum Net PV Savings 4.00%

# ARP Series 2025A Tax-Exempt Debt Resolution

## *Minimum Criteria Outlined in Resolution*

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- Max Maturity 10/1/2035
  - Refinancing portion will retain the existing final maturities
  - Principal payments for new money bonds will be placed in 2032–2035
    - Call option 10/1/2033
- Underwriter's discount less than \$4.00 per bond



# Next Steps After Approval

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Timeframe	Action
June 26, 2025	Executive Committee approval
June 30, 2025	Rating agency meetings
July 21, 2025	Final POS, Post Invitation to Tender*
August 5, 2025	Pricing of Series 2025 Bonds
August 6, 2025	Notice of Tender Acceptance*
August 13, 2025	Closing of Series 2025 Bonds
August 21, 2025	Executive Committee information update

# Recommended Motion

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- Move Approval of the All-Requirements Project Revenue Bonds Series 2025A

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- a. Natural Gas Price Stability  
Program Quarterly Update**

**Finance Committee Meeting  
June 25, 2025**



# **9a – Natural Gas Price Stability Program Quarterly Update**

Finance Committee

June 24, 2024

# Stability Program Looking Ahead To FY 2026

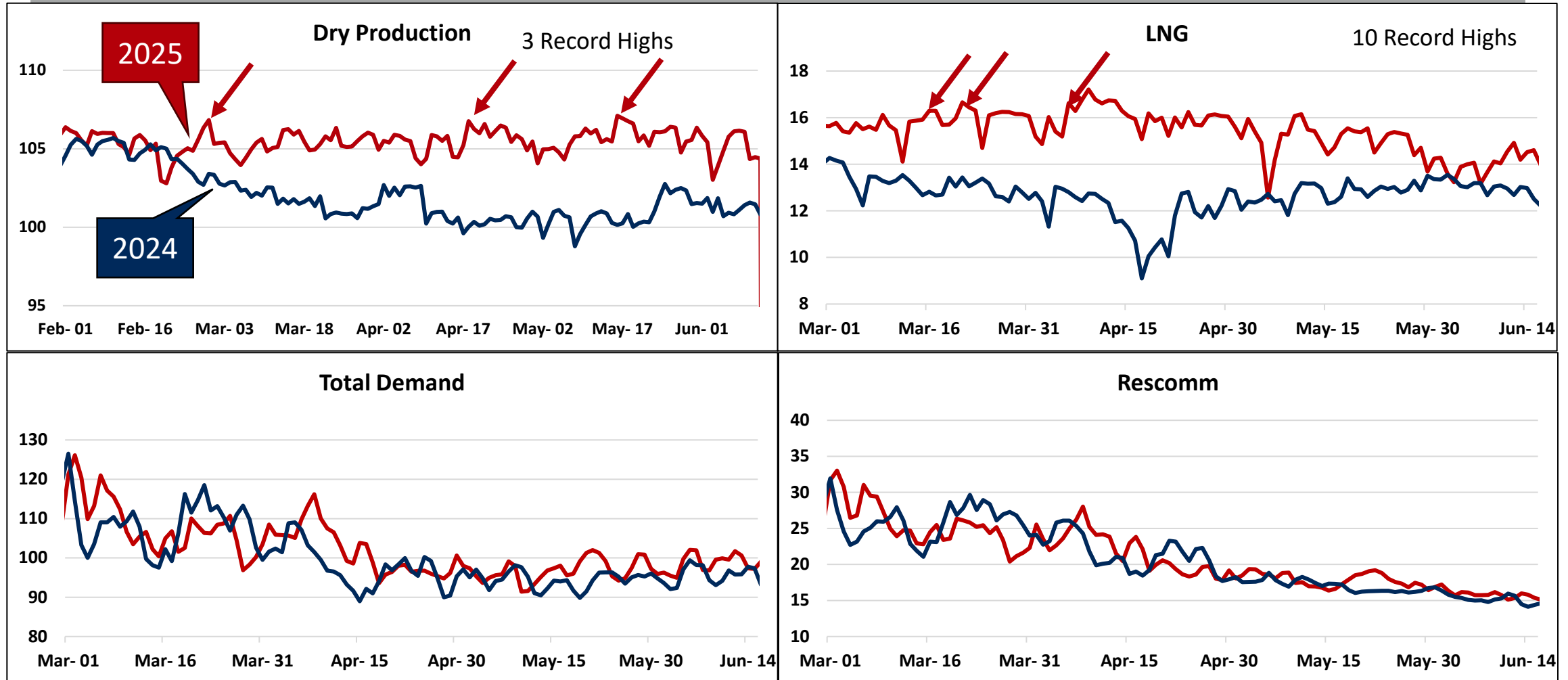
## *Seeking Member Input On Changing Season Strike Price*

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- Mitigation Efforts Provided Certainty in FY 25 (Summer All-In-Rate less than \$75 MWh)
  - FY-25 at 65% gas exposure mitigated, no action needed,
  - **FY26 – 28 concern of emerging exposure with 10% average mitigation**
    - Authorized Strike Prices are on average \$0.68 lower than the current market
- Calendar Year 25 Natural Gas Prices are trending higher
  - Historical Normal 2024 winter has led to a floor price of \$3/MMbtu as the “New Normal”
  - Projected Winter 26/27 peak price above \$5/MMbtu

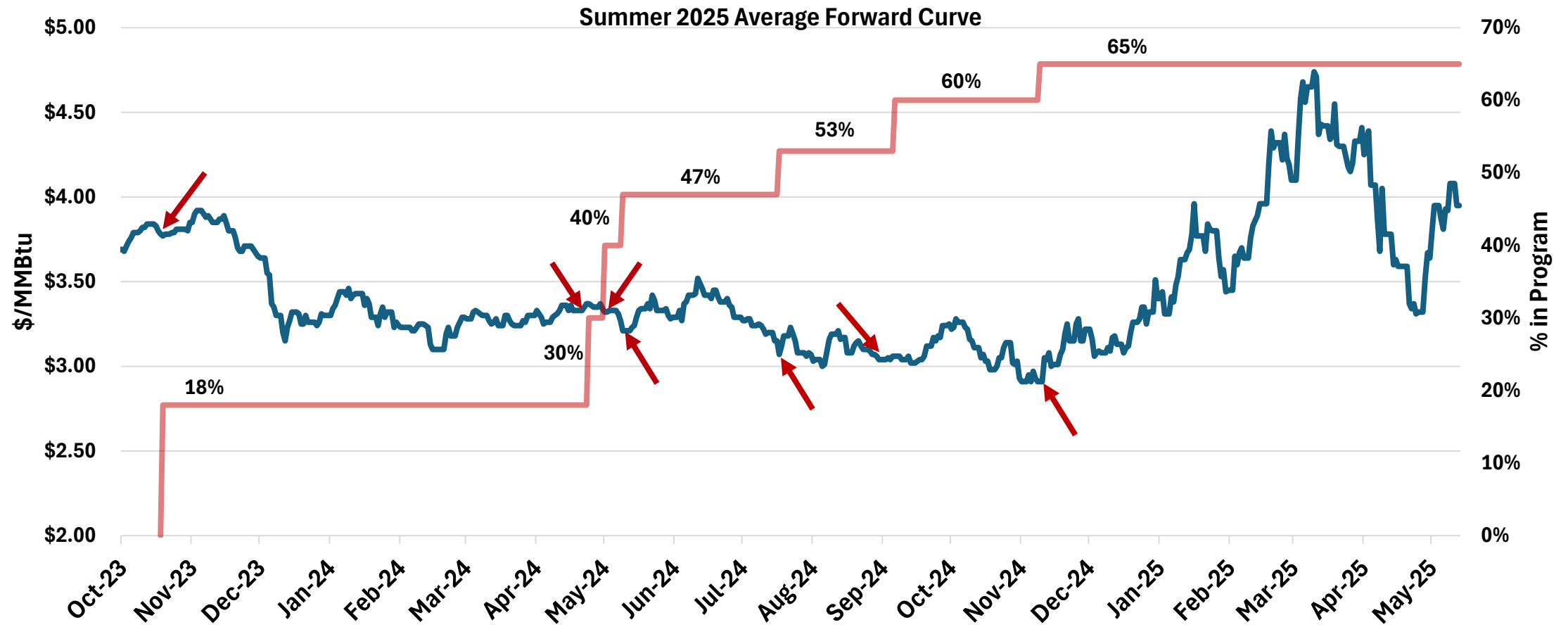
# LNG Taking Any Surplus Production

*Production Up 3.4 BCF, Total Demand, LNG & ResCom Up 6.5, 2.7 & 5.1 Respectively*



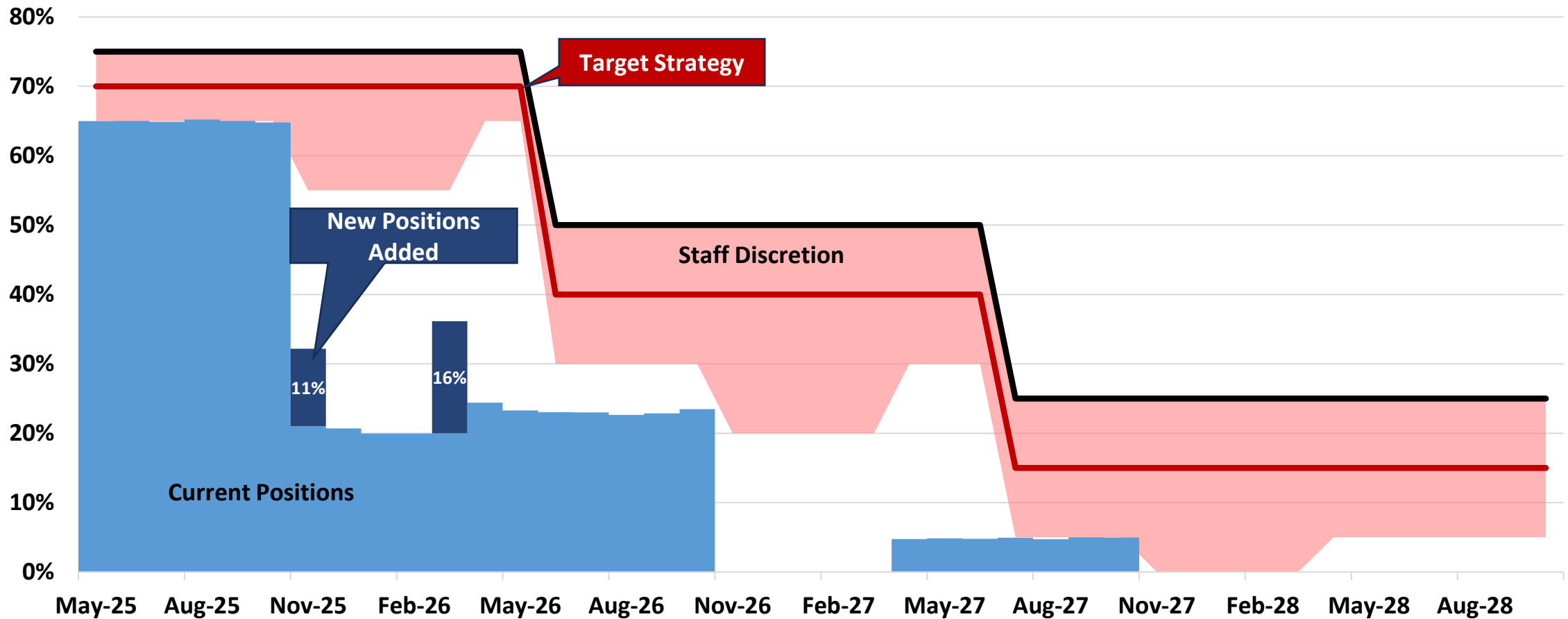
# Process of Buying New Positions

*Methodical Buying Reduced Overall Risk for Summer '25 Avg.*



# Stability Programs Current Positions

## *Looking for Winter '25 - '26 and Summer '26*





# Target Pricing Approved on March 2025

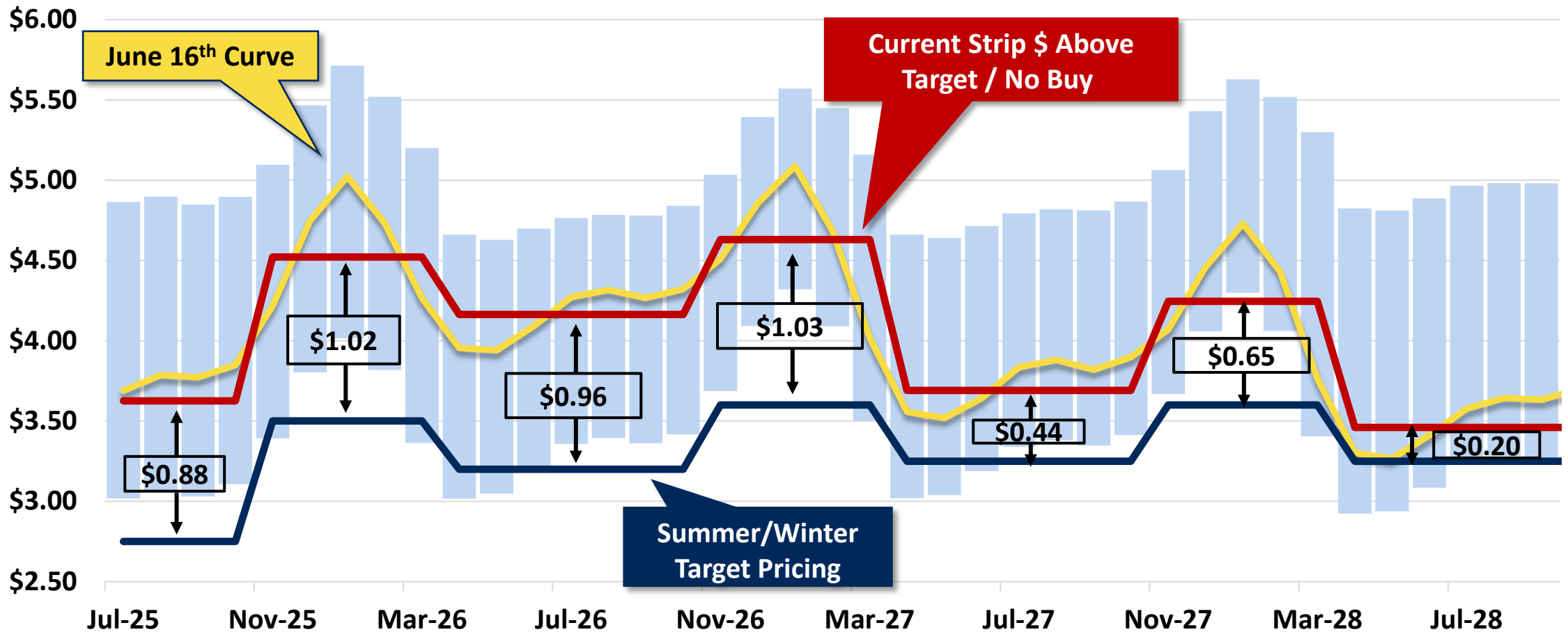
*New Projected Rates Based on Forward Curve – June 2025*

Market Pricing Dates	Today - Oct 25	Nov 25 - Mar 26	April 26 - Oct 26	Nov 26 - Mar 27	April 27 - Oct 27	Nov 27 - Mar 28	April 28 - Oct 28
Target Gas Price (\$/MMBtu)	\$2.75	\$3.90	\$3.45	\$3.90	\$3.25	\$3.90	\$3.25
Target Rate (\$/MWh)	\$69.78	\$89.04	\$76.30	\$89.47	\$78.39	\$90.27	\$78.90

Fiscal Year	FY 25	FY 26	FY 27	FY 28
Target Rate (\$/MWh)	\$77.23	\$81.62	\$83.06	\$83.63

# Current Targets for Approved Positions

## *Approved Prices Staying Below Market Pricing*



# New Rate Projections Target for Next 36 Months

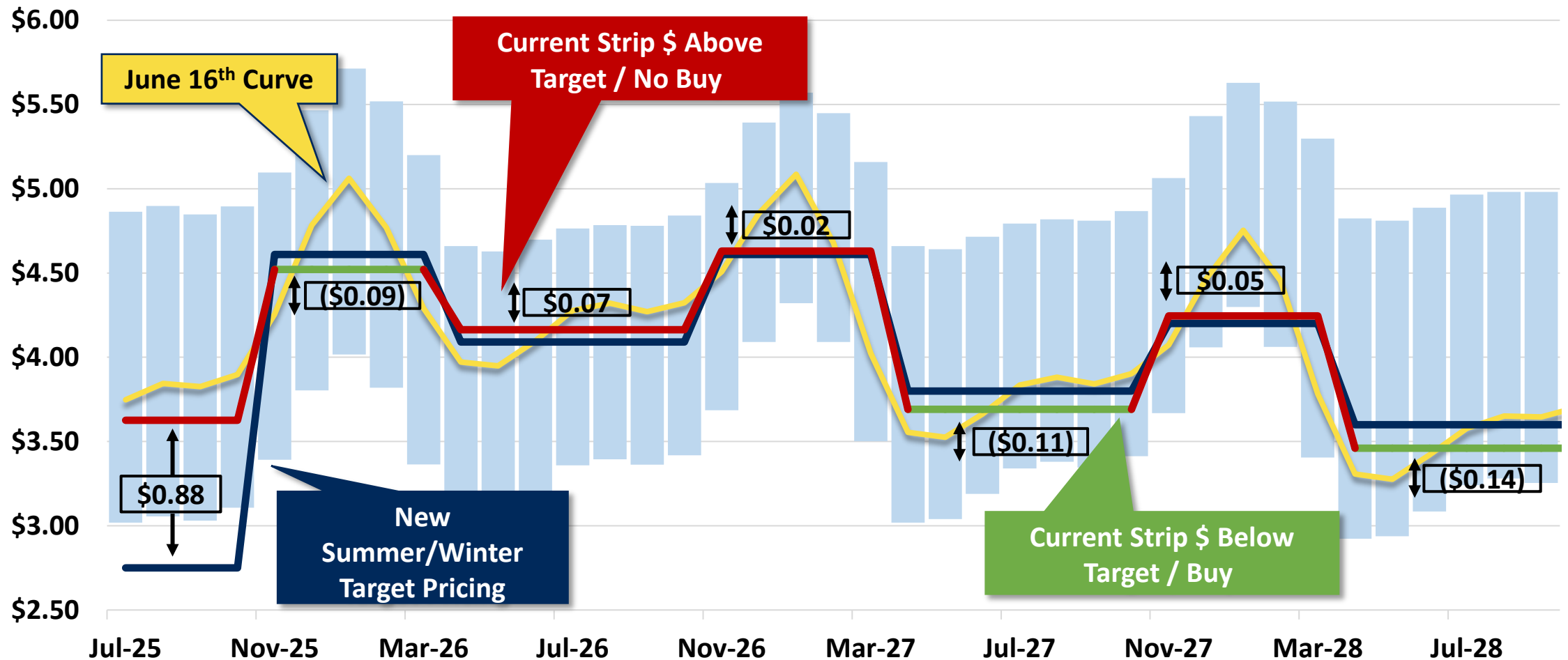
## *Projected Rates Based on New Budget for 2026*

Market Pricing Dates	Today - Oct 25	Nov 25 - Mar 26	April 26 - Oct 26	Nov 26 - Mar 27	April 27 - Oct 27	Nov 27 - Mar 28	April 28 - Oct 28
Target Gas Price (\$/MMBtu)	\$2.75	\$4.60 (+\$0.70)	\$4.09 (+\$0.64)	\$4.60 (+\$0.70)	\$3.80 (+\$0.55)	\$4.20 (+\$0.30)	\$3.60 (+\$0.35)
Target Rate (\$/MWh)	\$71.68 (+\$1.90)	\$90.65 (+\$1.61)	\$76.50 (+\$0.20)	\$94.16 (+\$4.69)	\$74.51 (-\$3.88)	\$91.95 (+\$1.68)	\$74.06 (-\$4.84)

Fiscal Year	FY 25	FY 26	FY 27	FY 28
Target Rate (\$/MWh)	\$78.62 (+\$1.39)	\$81.96 (+\$0.34)	\$81.84 (-\$1.22)	\$80.51 (-\$3.12)

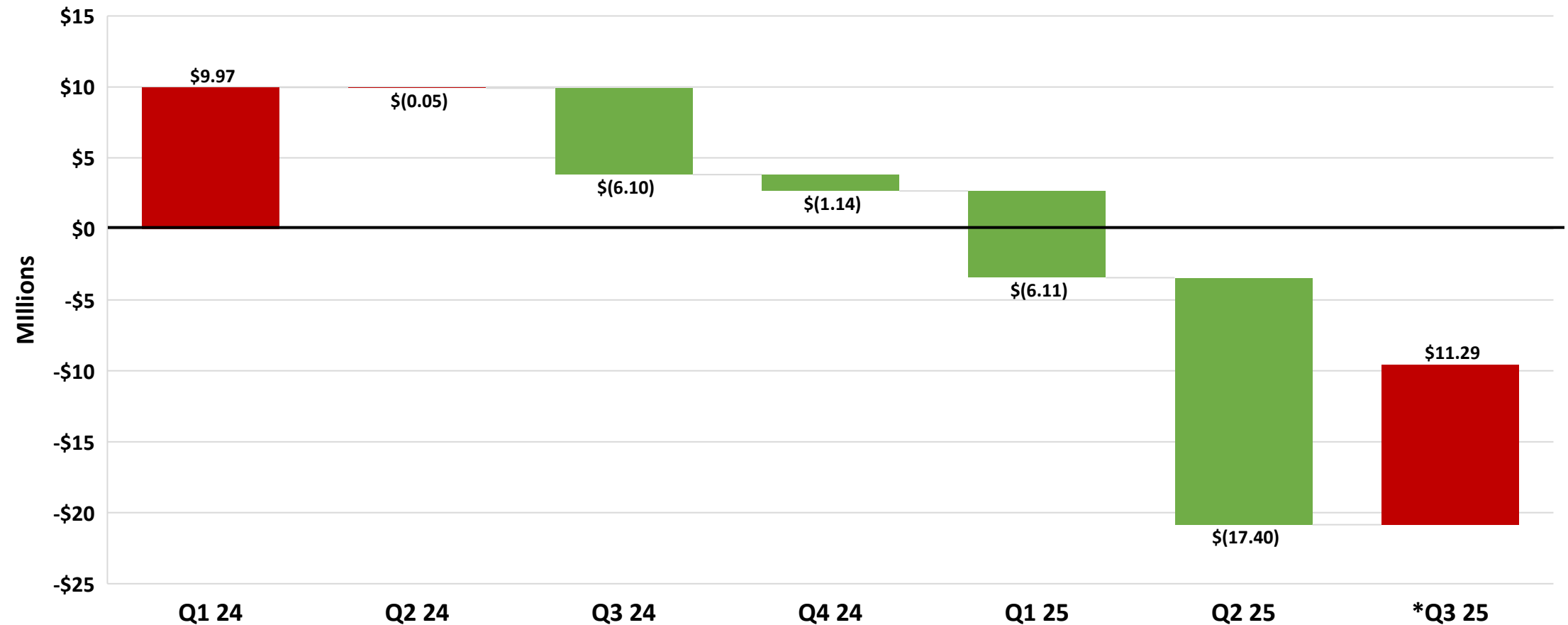
# New Targets Closer to Current Markets

## *Ability to Layer New Positions Creates Stability*



# Margin Required

*Price Increases Has Reduced Margin by \$12.2M this Fiscal Year*



\*As of June 12<sup>th</sup> Close  
Page 69 of 81

# Motion to Approve

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- Motion to approve new target pricing for Stability Program

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**b. Update on FY25 Capital Roll  
Status**

**Finance Committee Meeting  
June 25, 2025**



## **9b – FY2025 Capital Rollover Status**

Finance Committee

June 25, 2025



# Lead Times & Vendor Invoicing Drive Budget Challenges

## *Late FY24 Invoices With FY25 Spend Exceed Approved Rollover Budget*

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- Executive Committee approved \$4.3M for FY25 “Rollover” capital projects
  - Some FY24 budgeted projects’ completions were delayed into FY25 due to lead times and project work level
  - Vendors also tending to have lag in timing of sending FMPA invoices
- As of end-of-May, staff estimates \$5.5M of capital associated with rollover projects/invoices
- \$2.7M of invoices for work completed in FY24 were received in FY25
- Absent late invoices, rollover capital estimated at \$2.8M within approved budget level
  - Some line items exceed initial anticipated project estimates, but in aggregate within the \$4.3M authorized levels
- Overall capital spend budget amendment expected later this year, no rate impact expected

## **AGENDA ITEM 10 – REPORTS**

### **a. Risk Management Policy**

**Finance Committee Meeting  
June 25, 2025**

FMPA Risk Management  
Policy Compliance Review  
**FMPA Risk Management Policy**

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This Policy compliance review is conducted by the Internal Audit Department to assess the status of risk management practices for the time period noted below. The Internal Audit Department completes this form and submits to responsible manager(s) for additional information and comment. Documentation or attestation of compliance may be required during this review. The final form is submitted to the appropriate Chief Officer and the CEO prior to being presented to the Finance Committee (FC) as an information item.

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**Review period:** March, 2024 to April, 2025

**Responsible Manager(s):** Rich Popp, Chief Financial Officer

**Policy Compliance:** Indicate whether the following items required in the FMPA Risk Management Policy were completed during the review period.

REQUIREMENT	YES	NO	EXPLANATION
The Agency Risk Management team governance structure includes segregation of duties among the parties in the enterprise risk management program, independence of the Agency Risk Management Team such that risk and control information flows without restriction or bias due to self-interest and all FMPA staff are required to work in cooperation with the RMT to facilitate risk management processes. (Section 4.0)	X		
The Agency Risk Management Team used discretion to report Policy violations directly to the CEO and/or the FC as deemed necessary. (Section 4.1)	X		No violations
The FC advised the Agency Risk Management Team and the General Manager on the desired next steps for addressing the Policy violation. (Section 4.1)	X		N/A
This Policy and all included appendices are to be reviewed on an annual basis by the Internal Audit Department. Completed policy compliance reviews were reported to the FC. (Section 4.1)	X		The policies have been reviewed on a staggered basis throughout the year.
Risks are prioritized by the RMT using the Agency's risk framework for level of severity, likelihood of occurrence, and quality of controls, as well as the judgment of the Agency Risk Manager/CFO. (Section 4.4)	X		Internal Audit Manager reported in February 2025.
The following Agency activities have risk management policies approved by the FC and appropriate governing body, consistent with this Policy and included as Appendices. (Section 5.0)	X		Approved in FC meeting in April 2024.
When deciding between two or more competing alternate courses, each course of action or decision was evaluated using the risk framework. (Section 6.0)			N/A

FMPA Risk Management  
Policy Compliance Review  
**FMPA Risk Management Policy**

Manager presented or caused to be presented with a written risk assessment report to the FC for approval at least annually. (Section 7.0)	X		Same as Section 4.4.
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**Internal Control Assessment:** Evaluate the effectiveness of the current process in achieving the following control objectives. Use a scale of 1 to 4 as defined on attached page.

OBJECTIVE	1	2	3	4	EXPLANATION
There is appropriate segregation of duties in the enterprise risk management program.			X		
There is a strong governance path from employee to governing body back to employee.			X		
The Risk Management Team facilitates a risk management culture.			X		
All staff work in cooperation with the Risk Management Team.			X		
The FC appropriately oversees the FMPA Risk Management Policy.			X		
Internal Audit Manager causes risk exposures to be prioritized and reported to the FC.			X		
The Agency risk assessment communicates the agency risk exposure to the FC and governing bodies.			X		

Are there any concerns related to the enterprise risk management program which should be brought to the attention of the CEO as part of this review?

Yes ☐ No ☒ If yes, describe below.

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Are there internal control concerns related to the enterprise risk management program which require immediate attention?

Yes ☐ No ☒ If yes, describe below including any change to risk inventory controls score.

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FMPA Risk Management  
Policy Compliance Review  
**FMPA Risk Management Policy**

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FMPA Risk Management  
Policy Compliance Review  
**FMPA Risk Management Policy**

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Rate the overall functioning of enterprise risk management practices using a scale of 1 to 4 as defined on attached page.

1	2	3	4	EXPLANATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FMPA has implemented a SharePoint site for tracking policies, SME's and review schedule. Therefore, the risk review process has become more effective.

**Additional comments from responsible Manager(s):**

Are there any emerging risks or environmental changes which impact the enterprise risk management program?

Yes ☐ No ☒ If yes, describe below including any proposed changes to risk inventory.

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Other comments:

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<p><i>Liyuan Woerner</i></p> <hr/> <p><small>44587DB4176AB1D6937A461E1978F69F</small></p> <p><b>Internal Audit Manager Signature</b></p>	<p style="text-align: center;">06/18/2025</p> <hr/> <p style="text-align: center;"><b>Date</b></p>
<p><i>Richard M. Popp</i></p> <hr/> <p><small>8F3C20F5CA44E10611D06408B0F5585E8</small></p> <p><b>Responsible Manager Signature</b></p>	<p style="text-align: center;">06/18/2025</p> <hr/> <p style="text-align: center;"><b>Date</b></p>
<p><i>Richard M. Popp</i></p> <hr/> <p><small>8F3C20F5CA44E10611D06408B0F5585E8</small></p> <p><b>Responsible Executive Officer Signature</b></p>	<p style="text-align: center;">06/18/2025</p> <hr/> <p style="text-align: center;"><b>Date</b></p>

FMPA Risk Management  
Policy Compliance Review  
**FMPA Risk Management Policy**

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Rating scale for Policy compliance reviews:

- 1 = Risk management practices not in place.
- 2 = Risk management practices in place are not effective in meeting Policy requirements.
- 3 = Risk management practices in place meet Policy requirements.
- 4 = Risk management practices in place exceed Policy requirements.

Standard of compliance:

Completion of this review indicates that the Risk Management Reviewer has verified existence of applicable procedures or process documentation and believes them to be reasonably sufficient and up-to-date.

## **AGENDA ITEM 11 – COMMENTS**

**Finance Committee Meeting  
June 25, 2025**



## **AGENDA ITEM 12 – ADJOURNMENT**

**Finance Committee Meeting  
June 25, 2025**