

CLERKS DULY NOTIFIED FEBRUARY 17, 2015
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MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
THURSDAY, FEBRUARY 19, 2015
10:00 A.M.

MEMBERS PRESENT Roland Davis, Alachua (via telephone)
Bruce Hickle, Bushnell (via telephone)
Fred Hilliard, Fort Meade* (via telephone)
Bill Thiess, Fort Pierce
David Beaulieu, Gainesville (via telephone)
Howard McKinnon, Havana
Barbara Quinones, Homestead (via telephone)
Harry Royal, Jacksonville Beach
Lynne Tejeda, Key West (via telephone)
Larry Mattern, Kissimmee
Clay Lindstrom, Lake Worth
Alan Shaffer, Lakeland (via telephone)
Patrick Foster, Leesburg
Bill Conrad, Newberry
Sandra Wilson, Ocala
Tom Ernharth, Starke (via telephone)
Randy Old, Vero Beach

* arrived after the roll call

OTHERS PRESENT Paul Jakubczak, Fort Pierce
Mike Perri, Fort Pierce
Allen Putnam, Jacksonville Beach
Grant Lacerte, Kissimmee
David Anderson, Ocala
Mike Poucher, Ocala
Donna Painter, nFront Consulting
Craig Dunlap, Dunlap & Associates, Inc.
Matt Williams, Bank of America Merrill Lynch
Lisa Zahner, Vero Beach 32963 Media
Tim Zorc, Indian River County Commissioner

STAFF PRESENT Nick Guarriello, General Manager and CEO
Fred Bryant, General Counsel
Jody Finklea, Assistant General Counsel and Manager of
Legal Affairs
Frank Gaffney, Assistant General Manager, Power Resources
Mark McCain, Assistant General Manager, Member Services, Human
Resources and Public Relations
Mark Larson, Assistant General Manager, Finance and Information
Technology and CFO
Janet Davis, Treasury Manager
Bud Boudreaux, Executive Consultant
Sue Utley, Executive Asst./Asst. Secy. to the Board
Michelle Pisarri, Power Resources Secretary II

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

Chairman Bill Conrad, Newberry, called the Board of Directors Meeting to order at 10:00 a.m. on Thursday, February 19, 2015 at the Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 16 members present, representing 29 votes out of a possible 48.5. Fred Hilliard, Fort Meade, joined via telephone after roll call bringing the total number of members present to 17, representing 31 votes out of a possible 48.5.

ITEM 2 – Recognition of Guests

Harry Royal, Jacksonville Beach, introduced Allen Putnam, the city's new Electric Director.

Mark Schultz, Electric Director of Green Cove Springs, said he was on the telephone.

Ricky Thompson, Starke, introduced, via telephone, Starke's new City Manager, Tom Ernharth.

Nat Singer, Swap Financial, said he was present via telephone.

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

Tim Zorc, Indian River County Commissioner, addressed the Board.

ITEM 4 – SET AGENDA (by vote)

MOTION: Larry Mattern, Kissimmee, moved approval of the agenda as presented, with the addition of item 5a – Chairman's Comments. Howard McKinnon, Havana, seconded the motion. Motion carried 31-0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Nicholas Guarriello recognized Harry Royal, retiring from Jacksonville Beach, with a letter and plaque. Mr. Guarriello read the letter as follows:

Dear Harry,

On behalf of the Florida Municipal Power Agency (FMPA) and its members and staff, I would like to congratulate you on your retirement. For well over a decade, you have been an active contributor to FMPA and its governing committees.

Your active participation has made a lasting contribution to FMPA and its members. Your dedicated service of more than nine years to the Audit and Risk Oversight Committee has helped shape important business decisions for FMPA. You also helped found FMPA's Finance Advisory Committee and were an active participant on the Board of Directors, All-Requirements Project Executive Committee, Member Services Advisory Committee, and Conservation and Renewable Energy Advisory Committee. Your contributions to these committees have provided tremendous value to FMPA and its members.

Thank you for your tireless service to FMPA and its members. We wish you all the best in your retirement.

Sincerely,

Nicholas P. Guarriello
General Manager and CEO

A plaque was presented to Mr. Royal by Chairman Bill Conrad.

Nicholas Guarriello recognized Bill Thiess, retiring from Fort Pierce Utilities Authority, with a letter and plaque. Mr. Guarriello read the letter as follows:

Dear Bill,

On behalf of the Florida Municipal Power Agency (FMPA) and its members and staff, I would like to congratulate you on your retirement. You have been a valued contributor to FMPA and a strong leader to Fort Pierce Utilities Authority (FPUA).

Your two terms as Treasurer of the Board of Directors have made a lasting contribution to the FMPA and its members. You have served FMPA's Board and Executive Committee for nine years, including six as an alternate and three as a member of both governing bodies. Your leadership and vision have helped steer FMPA through a challenging time into a new era of competitiveness. FMPA's members are grateful for your service.

We also recognize your excellent leadership at FPUA. During your tenure, FPUA received the prestigious Reliable Public Power Provider Diamond Level designation. Your leadership also helped FPUA enhance its competitiveness and its relationships with the community.

Thank you for your tireless service to your community and to municipal utilities statewide. We wish you all the best in your retirement.

Sincerely,

Nicholas P. Guarriello
General Manager and CEO

A plaque was presented to Mr. Thiess by Chairman Bill Conrad.

ITEM 5a – CHAIRMAN’S COMMENTS (added under Item 4 Set Agenda)

Chairman Conrad said he reflected on Mayor of Kissimmee Jim Swan’s comments at the February 16, 2015 Board of Directors meeting that it’s important to all of us in our inter-governmental relationships that we sit down frequently and talk to each other and find out what we can do to work together, especially in our city/county relationships. Mayor Swan said he meets once a month with the leadership in Osceola County and the other cities in that county to talk about how they can support each other. It’s important that we work together to figure out how we can best solve our problems by working together and seeking compromise. There is no winner in lawsuits, but there are losers. The big losers are the tax payers and the rate payers who are ultimately paying for both sides of the lawsuit. If we throw out the political agendas and figure out what is best for the tax payers and rate payers, the solution becomes very clear and easy.

Chairman Conrad said there have been news reports about the lavish lifestyles of the FMPA Board and staff. He stated that he signs the travel expenses for both the General Manager and CEO and the General Counsel and can attest that both of these gentlemen do not have lavish lifestyles while traveling. Thus, the benefit of getting to know each other is that we are not so easily swayed by news reports. We haven’t been done justice in the press and I believe FMPA is one of the most solid and well-run, open and accountable, transparent Agencies that I’ve ever been a part of.

ITEM 6 – Consent Agenda

- a. Approval of Minutes – Board of Directors Meeting Held January 22, 2015
- b. Approval of the Projects’ Financials as of December 31, 2014
- c. Approval of the Treasury Reports as of November 30, 2014 (pulled from January 22, 2015 Board of Directors Meeting) and December 31, 2014

MOTION: Patrick Foster, Leesburg, moved approval of the Consent Agenda as presented. Harry Royal, Jacksonville Beach, seconded the motion. Motion carried 31-0.

ITEM 7 – ACTION ITEM

a. Approval of Resolution 2015-B1 – Authorizing the Commencement of CR-3 Decommissioning on Behalf of the CR-3 Municipal Joint Owners.

Dan O'Hagan, Associate General Counsel, reported on the refund by Duke Energy of certain nuclear decommissioning expenses paid as operation and maintenance expenses by the municipal joint owners of Crystal River 3. Mr. O'Hagan reported that the Trustee requires a Resolution by the FMPA Board of Directors to disburse the refund from the decommissioning trust fund.

MOTION: Patrick Foster, Leesburg, moved approval of Resolution 2015-B1. Larry Mattern, Kissimmee, seconded the motion.

Resolution 2015-B1 was read by title as follows:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) AUTHORIZING THE COMMENCEMENT OF CRYSTAL RIVER UNIT 3 DECOMMISSIONING; (II) DESIGNATING AUTHORIZED OFFICERS; AND (III) PROVIDING AN EFFECTIVE DATE.

Motion carried 31-0.

b. Approval of an Increase Lobbying Expenditures

Nicholas Guarriello, General Manager and CEO, reported on the need for additional funds for legislative and media relations expenses in hiring additional help for Bill Peebles, FMPA's Tallahassee lobbyist, to help with upcoming legislation to regulate FMPA and outside influences trying to undermine FMPA's purpose and mission.

MOTION: Larry Mattern, Kissimmee, moved approval of the letter agreement with William J. Peebles, P.A. to increase the firm's authorized compensation by \$100,000 to fund additional assistance with legislative and media relations, and authorize FMPA's General Manager and CEO to execute the agreement. Howard McKinnon, Havana, seconded the motion. Motion carried 25-6. Fort Meade, Leesburg, and Vero Beach voted nay.

ITEM 7 – INFORMATION ITEMS

a. Annual Debt Report

Janet Davis, Treasury Manager, reported on the Annual Debt report.

b. Syncora Buys Majority State in Swap Financial Group

Mark Larson, Assistant General Manager, Finance and IT and CFO, and Nat Singer, Swap Financial Group, LLC, reported on the purchase of an equity position in Swap Financial Group, LLC by Syncora Investment Holdings.

ITEM 8 – MEMBER COMMENTS

Bill Thiess, Fort Pierce, said he appreciates the recognition earlier in the meeting. This will be his last meeting. He wanted to let everyone know that Fort Pierce Utilities Authority’s Board hired Clay Lindstrom from Lake Worth as Bill’s replacement and Paul Jacubczak is their Electric Director and between the two of them they have almost 50 years’ experience. FPUA is in good hands. Bill said he has enjoyed working with the Board and we have faced some huge challenges that sometimes seemed insurmountable, but this group came together and met them head on and worked through them. We’ve made a lot of changes. The direction of this group is real good and I feel bullish on the future of FMPA. We have good leadership at our utility and a supportive Board back home. It has been a pleasure to be a part of FPUA and FMPA.


George Forbes, Jacksonville Beach, thanked Frank Gaffney, Carol Chinn, Joe McKinney and the team that helped Beaches Energy and KUA reach an agreement with OUC regarding transmission operator. Through the team’s efforts, they got us greatly reduced initial costs and I appreciate their help on this.

Larry Mattern, Kissimmee, said he would like to thank Bill Thiess and Harry Royal for all the service they have given to FMPA – they are great contributors to public power and it’s been a pleasure to work with both of them.


KUA is proud to have our name connected to FMPA. People need to understand what FMPA is – it’s a joint action agency – it’s not some consultant we’ve hired. FMPA is nearly every single municipal in the state of Florida that has an electric utility. The attacks in the press are on the Board of Directors, us. It’s the cities in FMPA. The electric utilities in this state make transfers to the cities’ general fund for services provided by the cities. The investor owned utilities make a profit for their stock holders. So the attacks on FMPA in the press are attacks on all of our cities.

ITEM 9 – ADJOURNMENT

There being no further business, the meeting was adjourned at 11:00 a.m.



Bill Conrad
Chairman, Board of Directors



Lynne Tejeda
Secretary

Approved: April 16, 2015
BC/LT/su

Seal

