

CLERKS DULY NOTIFIED.....October 9, 2014
AGENDA PACKAGES/CDS FEDEXED TO MEMBERS.....October 9, 2014

MINUTES
EXECUTIVE COMMITTEE
THURSDAY, OCTOBER 16, 2014
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS PRESENT

Bushnell	-	Bruce Hickle
Clewiston	-	Danny Williams (via telephone)
Fort Pierce	-	Bill Thiess
Green Cove Springs	-	Ray Braly (via telephone)
Havana	-	Howard McKinnon
Jacksonville Beach	-	Harry Royal
Key West	-	Lynne Tejeda
Kissimmee	-	Larry Mattern
Leesburg	-	Patrick Foster
Newberry	-	Bill Conrad
Ocala	-	Matt Brower
Starke	-	Ricky Thompson (via telephone)

PARTICIPANTS ABSENT

Fort Meade	-	Fred Hilliard
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OTHERS PRESENT

Mike Perri, Fort Pierce
Tom Geoffrey, Florida Gas Utility (via telephone)
George Forbes, Jacksonville Beach (via telephone)
David Thornton, Wells Fargo
Clay Lindstrom, Lake Worth
Donna Painter, nFront Consulting LLC
Pilar Turner, Vero Beach
Mike New, Newberry
Mark Schultz, Green Cove Springs (via telephone)
Barbara Quinones, Homestead
Scott Roberts, Starke
David Anderson, Ocala
Larry Novak, Ocala
Joe Hostetler, KUA
Grant Lacerte, KUA
Craig Dunlap, Dunlap & Associates, Inc.
Sylvia Dunlap, Dunlap & Associates, Inc.
Matt Williams, Bank of America Merrill Lynch

STAFF PRESENT

Nick Guarriello, General Manager and CEO (via telephone)
Fred Bryant, General Counsel
Jody Finklea, Assistant General Counsel and Manager of Legal Affairs
Mark McCain, Assistant General Manager, Public Relations & Human Resources
Mark Larson, Assistant General Manager, Finance and Information Technology and CFO
Frank Gaffney, Assistant General Manager, Power Resources
Michelle Pisarri, Administrative Coordinator
Sue Utley, Executive Assistant to the CEO/Asst. Secy to the BOD
Bud Boudreaux, Executive Consultant
Edwin Nunez, Jr., Assistant Treasurer/Debt
Rich Popp, Contract Compliance Audit and Risk Manager
Rick Minch, Controller
Jim Arntz, Senior Financial Analyst
Janet Davis, Treasury Manager

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

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee meeting to order at 11:12 a.m. on Thursday, October 16, 2014 in the Boardroom, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 12 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE):

MOTION: Mr. Foster, Leesburg, moved to set the agenda as presented. Mrs. Tejada, Key West, seconded the motion. Motion carried 12-0.

ITEM 3 – RECOGNITION OF GUESTS:

Mr. Dunlap, recognized Sylvia Dunlap, Partner at Dunlap & Associates, Inc.

ITEM 4 – PUBLIC COMMENTS:

None.

ITEM 5 – COMMENTS FROM THE CHAIRMAN:

Chairman McKinnon welcomed everyone.

ITEM 6 – REPORT FROM GENERAL MANAGER:

Nick Guarriello, General Manager and CEO, reported on the following items: Duke/CR3 negotiations, recognizing staff, legal counsel, and others involved; FPL investing in gas reserves; and the 2014 Load Forecast Mid-Year Review.

ITEM 7 –SUNSHINE LAW UPDATE IN A MINUTE:

Jody Finklea, Assistant General Counsel and Manager of Legal Affairs, provided a verbal report on recent Sunshine Law news.

ITEM 8 –CONSENT AGENDA:

(Item 8a moved to Action Items agenda)

Item 8b - Approval of Agency and All-Requirements Project Financials as of August 31, 2014

MOTION: Mr. Mattern, Kissimmee, moved approval of the consent agenda as written with the exception of Item 8a2014, which is pulled for discussion. Mr. Brower, Ocala, seconded the motion. Motion carried 12-0.

ITEM 9 – ACTION ITEMS:

PULLED FROM CONSENT AGENDA - Item 8a – Approval of Meeting Minutes– Meeting Held September 18, 2014; ARP Telephonic Rate Workshop Minutes – Workshop Held September 9, 2014

MOTION: Mr. Brower, Ocala, moved approval of Item 8a with the amendment and restatement of the motion for item 9b on page 15 of 97 in the agenda package as follows:

Item 9b—Taylor Swaps Update and Termination Authorization Change Recommendation

MOTION: Mr. Conrad, Newberry, moved approval of changing the Executive Committee’s standing authorization to automatically terminate any and all Taylor Swaps when the net cost to do so does not exceed \$5,000,000 for each swap contract. (Equates to \$45,000,000 for the 9 remaining swaps. Plus any advisory

and non-termination bank costs, which shall not be subject to the \$5 million limitation.) Additionally, move approval for staff to notify the Executive Committee on at least a 24 hour notice to schedule a meeting when any individual swap contract termination value reaches \$7,000,000 or less, and direct to staff to prepare amendments to appropriate documentation to permit the existing lines of credit for the ARP to be used to pay termination costs. Staff is further directed to report weekly to the Executive Committee the termination value for the 9 remaining swaps. Mr. Mattern, Kissimmee seconded the motion. Roll Call Vote was taken. Motion passed unanimously 12-0.

Mrs. Tejada, Key West, seconded the motion. Motion carried 12-0.

Item 9a—Approval of Strategic Plan

MOTION: Mr. Mattern, Kissimmee, moved approval of the Action Plans for the Executive Committee's Strategic Plan and Measurable Target "Aa" as presented. Mr. Brower, Ocala, seconded the motion. Motion carried 12-0.

Item 9b—Approval of Winter 2015 Fixed Price Natural Gas Structure

MOTION: Mr. Mattern, Kissimmee, moved approval to authorize FMPA staff to direct FGU to purchase fixed price natural gas under the terms of pricing Structure B in the agenda memo for a volume of 15% of the total natural gas exposure for a term of December 2014 to February 2015 and for a strip price of all in cost at or less than \$4.10 MMBtu, in addition to purchase 10% volume of the total natural gas exposure for the same term if natural gas strip price of all in cost drops to at or less than \$3.90 MMBtu. Mr. Brower, Ocala, seconded the motion. Motion carried 10-2. Jacksonville Beach and Green Cove Springs voted nay.

The meeting was recessed at 12:15pm.

The meeting was reconvened at 12:48pm.

Item 9c—Taylor Swaps Update and Approval of Recommendations

MOTION: Mr. Braly, Green Cove Springs, moved approval to eliminate both Taylor Swap Alternatives Option 3 (Terminate \$350M of swaps (variable rate debt(1.35% SIFMA +0.45% LOC assumed) with 5 yr BULLET) PLUS use \$100M of swaps in synthetic Advance Refunding PLUS Current Market Refunding of UNREFUNDED 2008a and 2009a bonds) and Option 2 (Terminate Swaps (Variable Rate Debt (1.35% SIFMA + 0.45% LOC assumed) with 5 yr BULLET) PLUS Cash Market Current Refunding of UNREFUNDED 2008A and 2009A bonds), and direct staff to further develop Option 1 (Terminate Swaps (FIXED RATE DEBT; LEVEL

DEBT SERVICE) PLUS Cash Market CURRENT Refunding of UNREFUNDED 2008A and 2009A bonds) and the new Hybrid Scenario Option (50/50 split) presented at the meeting. Mrs. Tejada, Key West, seconded the motion. Motion carried 11-0. Leesburg had left the meeting and was not present for the vote.

MOTION: Mr. Thiess, Fort Pierce, moved approval of the amendments to (i) the supplemental resolution related to the Taylor Swaps (Exhibit 2), (ii) the supplemental resolution for the JPMorgan Line of Credit Agreement (Exhibit 3) and (iii) the supplemental resolution for the Wells Fargo Line of Credit Agreement (Exhibit 4). Mr. Braly, Green Cove Springs, seconded the motion. Motion carried 11-0.

ITEM 10 – INFORMATION ITEMS:

- a. **Governing Board Self-Assessment Objectives and Approach**
- b. **CROD Implementation Protocols**
- c. **Hedge Portfolio Position Update – August 2014**

Staff reported on each of the above items.

ITEM 12 – MEMBER COMMENTS:

None.

There being no further business, the meeting was adjourned at 2:55 p.m.


Howard McKinnon
Chairperson, Executive Committee


Sue Utley
Assistant Secretary

Approved: November 20, 2014

Seal

