



**Telephonic Board of  
Directors Meeting  
February 3, 2015  
10:30 AM**

**Board of Directors**

Bill Conrad, Newberry, Chairman  
Barbara Quiñones, Homestead – Vice Chairman  
William Thiess, Fort Pierce, Treasurer  
Lynne Tejeda, Key West, Secretary  
Gary Hardacre, Alachua  
Bradley Hiers, Bartow  
Vacant, Blountstown  
Bruce Hickle, Bushnell  
Elmon Lee Garner, Chattahoochee  
Danny Williams, Clewiston  
Fred Hilliard, Fort Meade  
David Beaulieu, Gainesville  
Vacant, Green Cove Springs  
Howard McKinnon, Havana  
Harry Royal, Jacksonville Beach

Larry Mattern, Kissimmee  
Clay Lindstrom, Lake Worth  
Patrick Foster, Leesburg  
Alan Shaffer, Lakeland  
Harry Ogletree, Moore Haven  
Charles Revell, Mount Dora  
W. Ray Mitchum, New Smyrna Beach  
Sandra Wilson, Ocala  
Claston Sunanon, Orlando  
Mike Wade, Quincy  
Donna Cooley, St. Cloud  
Ricky Thompson, Starke  
Randy Old, Vero Beach  
Terry Atchley, Wauchula  
Scott Lippmann, Williston  
Jerry Warren, Winter Park

**Telephonic Meeting Held 10:30 a.m.  
Tuesday, February 3, 2015  
Florida Municipal Power Agency  
8553 Commodity Circle  
Orlando, Florida 32819**



Florida Municipal Power Agency

Nicholas P. Guarriello  
General Manager and CEO

**TO: FMPA Board of Directors**  
**FROM: Nicholas P. Guarriello**  
**DATE: January 30, 2015**  
**RE: Special-Called Telephonic Board of Directors Meeting  
Tuesday, February 3, 2015 – 10:30 a.m. (or immediately following the  
Telephonic Executive Committee Meeting)**  
**PLACE: Florida Municipal Power Agency, 8553 Commodity Circle,  
Library, Orlando, FL 32819**

**Chairman Bill Conrad, Presiding**

**DIAL-IN INFORMATION:**  
**Toll Free 866-411-8247, Local 321-239-1100**  
**ACCESS CODE 91583#**  
**(If you have trouble connecting via phone please call 407-355-7767)**

## **AGENDA**

- 1. Call to Order, Roll Call, Declaration of Quorum**
- 2. Set Agenda (by vote)**
- 3. Public Comments (Individual Public Comments to be Limited to 3 Minutes)**
- 4. Action Items**
  - a. Approval of FMPA-ECG Alliance Agreement – Services Confirmation Document (Mark McCain/Sharon Smeenk)
- 5. Information Items**
  - a. Resolution 2015-B1 – Authorizing the Commencement of CR-3 Decommissioning on Behalf of the CT-3 Municipal Joint Owners (Dan O’Hagan)
- 6. Member Comments**
- 7. Adjournment**

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**

**Telephonic Board of Directors  
Meeting  
February 3, 2015**

**AGENDA ITEM 2 – SET THE AGENDA**

**Telephonic Board of Directors  
Meeting  
February 3, 2015**

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

**Telephonic Board of Directors  
Meeting  
February 3, 2015**

**AGENDA ITEM 4 – ACTION ITEMS**

- a. Approval of FMPA-ECG Alliance Agreement – Services Confirmation Document**

**Telephonic Board of Directors Meeting  
February 3, 2015**



Florida Municipal Power Agency

Sharon Smeenk  
Member Services Manager

## AGENDA PACKAGE MEMORANDUM

TO: Board of Directors  
FROM: Mark McCain & Sharon Smeenk  
DATE: January 30, 2015  
ITEM: BOD Item 4a – Approval of FMPA-ECG Alliance Agreement – Service Confirmation Document

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### Overview

In 2011, FMPA's Board of Directors approved the FMPA-ECG Alliance Agreement, which has enabled FMPA members to participate in a variety of services offered by Electric Cities of Georgia (ECG), including a range of lineworker safety training programs. To make some changes in the agreement that are beneficial to both the Florida and Georgia cities, ECG is proposing that FMPA execute the attached Service Confirmation agreement each year to document the current budget and conditions of service for the lineworker safety training program.

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### Safety Training Program Background

Over the past four years, participation in the lineworker safety training program has increased. Currently, 17 FMPA members participate in the monthly lineworker safety training programs. As part of this program, a trainer travels to each participating member city and provides on-site training approximately once per month.

In response to input from FMPA members, ECG has also continued to develop and expand the other specialized course offerings. Most recently, ECG has begun offering a variety of training programs in Florida at Kissimmee Utility Authority, such as Groundman Certification, Apprentice Training, and Advanced Lineworker Training programs.

## **Revised Cost Allocation**

Within the past year, ECG has transitioned to new leadership, and as part of this process, ECG has been re-evaluating the budget allocation process for the lineworker safety training program. As part of this review, ECG determined that the previous budget allocation methodology had placed a greater share of the costs for the monthly safety training on the Georgia cities than the Florida cities. Also as part of this review, it was determined that the Florida cities were paying more for the specialized courses (Groundman, Apprentice, Advanced Lineworker training) than the Georgia cities.

ECG has been working with FMPA and our participating members on bringing the pricing structures for the Georgia cities and the Florida cities to where they are comparable. FMPA held a conference call with its safety and training participants in October 2014 as well as an in-person meeting in November 2014 to discuss the proposed changes.

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## **Additional Trainer**

In addition to adjusting the cost allocation methodology, ECG is considering hiring an additional safety trainer to support both the Florida and the Georgia cities. While this adds costs to the program, it has benefits for FMPA's members who have expressed concerns over the past few years about the extensive territory that is, today, covered by just one Florida trainer.

The current FMPA-ECG Alliance Agreement specifies that ECG would provide a trainer in Florida for up to 17 members. Beyond that limit, Florida cities would need to work with ECG on how to grow the program. The current Alliance Agreement anticipates that Florida cities would cover the full cost of an additional trainer.

As a result of the revised cost allocation methodology that ECG has proposed, the costs for an additional trainer can be shared among all participating Florida and Georgia cities, which is desirable for both the Florida and Georgia cities.

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## **Confirmation of Services**

FMPA and ECG have drafted the attached Service Confirmation form to document the following:

- Changes in the cost allocation methodology;
- Elimination of the 17 member limit in Florida; and



- FMPA's agreement to share in the costs of the additional trainer.

The Service Confirmation is presented as Attachment A in substantial form. It has been reviewed by FMPA's legal staff. The detailed budget numbers will be provided to participating members and incorporated into the document prior to final execution of the form prior to the beginning of each ECG Fiscal Year (July 1 – June 30).

Participating FMPA members have been briefed on the issues noted above. In addition, proposed budget estimates have been presented to participating members. Since the FMPA-ECG Alliance Agreement was originally approved by the Board of Directors, this Service Confirmation form must be approved by the Board of Directors as well.

FMPA staff presented this item to the Member Services Advisory Committee (MSAC) for review and approval on January 28, 2015. The MSAC has approved the ECG Service Confirmation in substantial form and is recommending approval by the Board of Directors. In addition, once available, the ECG Service Confirmation including final budget numbers will require MSAC and Board approval. The MSAC is recommending that the Board of Directors provide delegation to the MSAC to approve the dollar amounts that will be incorporated into the Service Confirmation this year and in subsequent years.

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**Recommended  
Motion**

Move approval of the ECG Service Confirmation document as presented in substantial form and delegate authority to the Member Services Advisory Committee to approve the annual ECG Service Confirmation for fiscal 2016 and in subsequent fiscal years.

# ATTACHMENT A

<b>ECG Service Confirmation</b>
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This Service Confirmation (this "Confirmation") is being executed pursuant to, and subject to, the Alliance Services Contract, dated as of January 1, 2011, by and between Electric Cities of Georgia, Inc. ("ECG") and Florida Municipal Power Agency ("FMPA"), as amended and supplemented (the "Contract"), and constitutes a confirmation as contemplated in Section (3)(b) of the Contract, respecting the ECG fiscal year beginning July 1, 2015 and ending June 30, 2016 ("FY16 Contract Year"), evidencing FMPA's agreement to take, and ECG's agreement to provide, the services indicated herein in accordance with the terms of the Contract, including as amended, supplemented or modified by this Confirmation. The terms of this Confirmation are binding upon execution and delivery by FMPA and acknowledgment by ECG. Capitalized terms used herein but not defined have the meaning set forth in the Contract.

**Confirmed Service:**

Monthly Safety & Training Meetings (True-Up Applicable). FMPA desires to take safety and training services as described in Exhibit B-1 to the Contract ("Safety & Training Services"), provided that the limitation respecting the maximum number of additional Participating FMPA Members is removed.

**Estimated Aggregate Budgeted Standard Cost:** The estimated aggregate cost allocable to, and budgeted for, Safety & Training Services for the FY16 Contract Year is **\$(Total FMPA Budget Less \$125,000 Alliance Fee)**, in addition to the annual FMPA-ECG Alliance Fee of \$125,000. The cost per person trained (based on such budget) for any additional Participating FMPA Members that begin participation hereafter is **\$\_\_\_\_\_** through the end of ECG FY16 Contract Year. This aggregate cost includes ECG's expectation of hiring an additional full-time employee to support such service for ECG and FMPA; however, FMPA's payment obligations respecting its allocable portion of such new employee costs shall not take effect until October 1, 2015, or at the time that the new employee begins providing training services, whichever is later, and FMPA's payment obligations for Safety & Training Services shall be reduced proportionately during the period beginning July 1, 2015 through September 30, 2015 (or such later date on which such new employee begins providing training services). **Schedule 1** attached hereto sets forth the monthly payments due from FMPA to ECG respecting Safety & Training Services based on such budget and other terms provided herein. All estimates are based on the expectation that Participating FMPA Members (approx. **[Add number]** persons to be trained) participate in the Safety & Training Services. During the ECG FY16 Contract Year, FMPA may request that additional Participating FMPA Members be added to Safety & Training Services or that additional persons be trained under such service. The estimated aggregate cost allocable to such service respecting each such addition is anticipated to be equal to the per person trained estimate set forth above, subject to the true-up provision at year-end.

Executed and delivered this ____ day of _____, 2015.  <b>FMPA:</b> <b>Florida Municipal Power Agency</b>  By: _____ Name: _____ Its: _____	Acknowledged and Accepted:  <b>ECG:</b> <b>Electric Cities of Georgia, Inc.</b>  By: _____ Name: _____ Its: _____
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**Schedule 1**

Schedule of Monthly Payments  
(Based on the Budget)

July, 2015	\$
August, 2015	\$
September, 2015	\$
October, 2015	\$
November, 2015	\$
December, 2015	\$
January, 2016	\$
February, 2016	\$
March, 2016	\$
April, 2016	\$
May, 2016	\$
June, 2016	\$
Total FY16 Contract Year Employees Trained	\$ \$ per employee

**AGENDA ITEM 5 – INFORMATION  
ITEMS**

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

**Telephonic Board of Directors Meeting  
February 3, 2015**



Florida Municipal Power Agency

## AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors  
FROM: Dan O'Hagan  
DATE: January 30, 2015  
ITEM: BOD 5a-Resolution 2015-B1 - Authorizing the Commencement of CR-3 Decommissioning on Behalf of the CR-3 Municipal Joint Owners

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### Discussion

Pursuant to the Crystal River unit 3 Decommissioning Agreement between FMPA and six of the eight CR3 municipal joint owners, dated July 1990, FMPA acts as agent for the administration of the nuclear decommission trust (“NDT”) funds for those six CR3 joint owners. In 1990, the Nuclear Regulatory Commission (“NRC”) issued Regulatory Guide 1-159 entitled “Assuring the Availability of Funds for Decommissioning of Nuclear Reactors.” The purpose of the Regulatory Guide was to assist nuclear licensees in their compliance with the NRC’s regulations regarding the funding of nuclear decommissioning. While the NRC rules allow for a number of decommissioning funding methods, the most common, and the one used by the six CR3 joint owners at issue, is the establishment of a nuclear decommissioning trust fund. To this end, the Regulatory Guide provides for and recommends a “pro forma” trust agreement. FMPA, on behalf of the six CR3 joint owners, largely adopted the pro forma trust agreement with its trustee – SunTrust Bank.

Per the trust agreement, the Trustee will only release trust funds upon written certification from the FMPA Board of Directors’ Treasurer or Secretary that the following conditions have been met:

1. Duke Energy is required to commence nuclear decommissioning of CR3;
2. The plans and procedures for decommissioning have been noticed and approved by the NRC; and
3. The FMPA Board of Directors has adopted a resolution authorizing the commencement of decommissioning.

Pursuant to the settlement agreement between the CR3 joint owners and Duke, the CR3 joint owners are entitled to withdraw \$429,560.21 from the NDTs prior to final settlement closing. This amount is a reimbursement for decommissioning expenses incurred and paid by the CR3 joint owners prior to settlement that are eligible for payment from the NDT. Duke has advised the CR3 joint owners to wait until the NRC grants Duke’s NURC rule exemption request

regarding the use of decommissioning funds for certain decommissioning activities. The NRC approved Duke's exemption request on January 26, 2015.

Although FMPA is not a CR3 joint owner, we believe it is appropriate at this time that the FMPA Board of Directors adopt, as agent for the six CR3 joint owners and in accordance with the trust agreement between FMPA and SunTrust, the attached resolution authorizing the commencement of decommissioning, which will allow staff to direct SunTrust bank to release \$429,560.21 upon NRC approval of Duke's exemption request. The resolution will be brought before the Board of Directors for approval at the February meeting.

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Recommended Motion

For information only. No action requested.

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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.

Whereas, pursuant to the Crystal River Unit 3 Decommissioning Agreement between FMPA and the City of Alachua, the City of Bushnell, the City of Gainesville, Kissimmee Utility Authority, the City of Leesburg, and the City of Ocala (the "CR3 Joint Owners"), FMPA has agreed to act as agent to administer the CR3 Joint Owners' CR3 nuclear decommissioning trust funds; and

Whereas, pursuant to the Trust Fund Agreement between FMPA and Sun Bank, N.A., dated July 19, 1990, as amended on March 24, 1992 and December 4, 2001 (the "Trust Fund Agreement"), and FMPA Executive Committee Resolution 90-E4, dated June 26, 1990, FMPA established a nuclear decommissioning trust on behalf of the CR3 Joint Owners in accordance with Nuclear Regulatory Commission requirements; and

Whereas, pursuant to the Trust Fund Agreement, in order to withdraw funds from the nuclear decommissioning trust, among other things, the FMPA Board of Directors is required to adopt a resolution authorizing the commencement of CR3 decommissioning on behalf of the CR3 Joint Owners; and

Whereas, pursuant to the CR3 Settlement, Release and Acquisition Agreement between Duke Energy Florida, the CR3 Joint Owners and certain municipal wholesale customers, dated as of September 26, 2014 (the "Settlement Agreement"), the CR3 Joint Owners may withdraw \$429,560.21 from the nuclear decommissioning trust funds prior to transferring such trust funds to Duke Energy Florida; and

Whereas, the conditions precedent in the Trust Fund Agreement permitting the withdrawal of funds, including, but not limited to the withdrawal of the aforementioned \$429,560.21, from the CR3 Joint Owners' nuclear decommissioning trusts have occurred.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

SECTION I. Authorization of CR3 Decommissioning. On behalf of the CR3 Joint Owners, the commencement of CR3 decommissioning is hereby authorized.

SECTION II. Designation of Authorized Officers. The General Manager & CEO; General Counsel; Associate General Counsel; Assistant General Manager, Finance and Information Technology and CFO; FMPA Treasurer, Treasurer of the Board of Directors, Secretary of the Board of Directors, and Assistant Secretary to the Board of Directors are each hereby designated as Authorized Officers of FMPA for the purposes of withdrawing funds from the nuclear decommissioning trusts in accordance with NRC regulations , including, but not limited to pursuant to the Settlement Agreement, on behalf of the CR3 Joint Owners and to take all other actions necessary to carry out the purposes of this Resolution.

SECTION III. Effective Date. This Resolution shall take effect immediately upon its adoption.

This Resolution 2015-B1 is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on February 3, 2015.

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Chairman, Board of Directors

I HEREBY CERTIFY that on February 3, 2015, the above Resolution 2015-B1 was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2015-B1.

ATTEST:

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Secretary or Assistant Secretary

SEAL



**AGENDA ITEM 6 – MEMBER COMMENTS**

**Telephonic Board of Directors Meeting  
February 3, 2015**

**AGENDA ITEM 7 – ADJOURNMENT**

**Telephonic Board of Directors  
Meeting  
February 3, 2015**