

CLERKS DULY NOTIFIED.....AUGUST 11, 2015
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MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA
THURSDAY, AUGUST 20, 2015
9:30 A.M.

MEMBERS PRESENT Roland Davis, Alachua (via telephone)
Brad Hiers, Bartow * (via telephone)
Bruce Hickle, Bushnell
Danny Williams, Clewiston (via telephone)
Fred Hilliard, Fort Meade (via telephone)
Clay Lindstrom, Fort Pierce
David Beaulieu, Gainesville (via telephone)
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Barbara Quinones, Homestead (via telephone)
Allen Putnam, Jacksonville Beach
Lynne Tejada, Key West
Larry Mattern, Kissimmee
Alan Shaffer, Lakeland (via telephone)
Patrick Foster, Leesburg
Charles Revell, Mount Dora (via telephone)
Bill Conrad, Newberry
Sandra Wilson, Ocala (via telephone)
Donna Cooley, St. Cloud (via telephone)
Randy Old, Vero Beach
Jerry Warren, Winter Park * (via telephone)

*arrived after roll call

OTHERS PRESENT Paul Jakubczak, Fort Pierce
George Forbes, Jacksonville Beach (via telephone)
Joe Hostetler, Kissimmee
Grant Lacerte, Kissimmee
Michael Poucher, Ocala
David Anderson, Ocala
Craig Dunlap, Dunlap & Associates, Inc.
Donna Painter, nFront Consulting

STAFF PRESENT Nick Guarriello, General Manager and CEO (via telephone)
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
Sue Utleigh, Executive Asst./Asst. Secy. to the Board
Michelle Pisarri, Power Resources Secretary II
Carol Chinn, Regulatory Compliance Officer
Tom Richards, Executive Consultant
Rick Minch, Controller
Luis Cruz, Information Technology Manager
Sharon Adams, Human Resources/Administrative Services Manager
Janet Davis, Treasury Manager
Brian Kosson, Accountant I
Rich Popp, Contract Compliance Audit and Risk Manager
Jim Arntz, Senior Financial Analyst

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

Chairman Bill Conrad, Newberry, called the Board of Directors Meeting to order at 9:30 a.m. on Thursday, August 20, 2015 in the Board Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 19 members present representing 33 votes out of a possible 48.5.

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 Tejeda, Key West moved approval of the agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 33-0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Nicholas Guarriello reported that FMPA's efforts towards our settlement with Duke over the use of a more just and reasonable Return on Equity in their formula rate for transmission service benefitted not only the 13 ARP Participants, but 12 non-ARP FMPA Members. We expect that FERC will accept the settlement by the end of the year at which time Duke will provide refunds to the ARP and FMPA Members going back thru 2012. As of August 1, we are all currently enjoying reduced transmission service rates.

ITEM 6 – Consent Agenda

- a. Approval of Minutes – Board of Directors Meeting held July 24, 2015
- b. Approval of the Projects' Financials as of June 30, 2015
- c. Approval of the Treasury Reports as of June 30, 2015

MOTION: Bruce Hickle, Bushnell, moved approval of the Consent Agenda as presented. Lynne Tejeda, Key West, seconded the motion. Motion carried 33-0.

ITEM 7 – ACTION ITEMS

a. Approval of Resolution 2015-B2 – FMPA Non-ARP Projects' Budgets and Agency Allocations for Fiscal Year 2015

Resolution 2015-B2 was read by title as follows:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) ESTABLISHING THE ANNUAL BUDGET FOR THE PROJECTS OF THE FLORIDA MUNICIPAL POWER AGENCY, OTHER THAN THE ALL-REQUIREMENTS POWER SUPPLY PROJECT, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016; (II) DEFINING BUDGET AMENDMENTS; (III) ESTABLISHING LEVELS OF APPROVAL REQUIRED FOR BUDGET AMENDMENTS; (IV) PROVIDING FOR ACCOUNT ADJUSTMENTS; (V) PROVIDING FOR LAPSE OF UNEXPENDED FUNDS; (VI) APPROVING AND ADOPTING THE ANNUAL BUDGET FOR THE PROJECTS OF THE FLORIDA MUNICIPAL POWER AGENCY, OTHER THAN THE ALL-REQUIREMENTS POWER SUPPLY PROJECT, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016, AND THE CORRESPONDING BUDGET DOCUMENTS; (VII) PROVIDING FOR ALLOCATIONS OF THE FLORIDA MUNICIPAL POWER AGENCY GENERAL BUDGET TO THE PROJECTS; (VIII) PROVIDING FOR INTERIM FUNDING AND REIMBURSEMENT FROM DEBT FINANCING OF CAPITAL IMPROVEMENTS AND PROVIDING FOR DELEGATION TO AUTHORIZED OFFICERS; (IX) MAKING A DETERMINATION OF A PUBLIC PURPOSE FOR BUDGETED EXPENDITURES; AND (X) PROVIDING AN EFFECTIVE DATE.

MOTION: Howard McKinnon, Havana, moved adoption of the Budget Resolution 2015-B2, with an amendment to the budget book (found at page 66 of the Board agenda package) to clarify that the term "unlimited" should be modified to read: "unlimited, within contract parameters." Larry Mattern, Kissimmee, seconded the motion. Motion carried 33-0.

*Jerry Warren, Winter Park, joined via telephone after this item bringing the total members present in person or via telephone to 20, representing 34 votes out of a total of 48.5 votes.

b. Approval of Disaster Recovery – Auditor General Finding No. 15

Discussion ensued.

MOTION: Jerry Warren, Winter Park, moved to keep the Disaster Recovery site in Orlando, as it is currently. Bruce Hickle, Bushnell, seconded the motion. A roll call vote was taken. Motion failed 14-20. Gainesville, Green Cove Springs, Havana, Homestead, Jacksonville Beach, Key West, Lakeland, Leesburg, Mount Dora, Newberry, St. Cloud, and Vero Beach voted nay.

Board of Directors discussion on this item continued.

SECOND MOTION: Howard McKinnon, Havana, moved to table this item until the September 17, 2015 meeting. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 34-0.

c. Evaluations of Nicholas P. Guarriello, General Manager and CEO and Frederick M. Bryant, General Counsel

MOTION: Howard McKinnon, Havana, moved for the General Manager and CEO, Nicholas P. Guarriello, to receive a 5 percent (5%) increase (\$13,750) to be allocated to wherever the General Manager chooses; whether it be an increase to his salary, and/or retirement health savings account and/or vacation. Patrick Foster, Leesburg, seconded the motion. A roll call vote was taken. Motion carried 28.5-5.5. Fort Meade, Fort Pierce and St. Cloud voted nay.

MOTION: Howard McKinnon, Havana, moved for the General Counsel and Chief Legal Officer, Frederick M. Bryant, to receive a 5 percent (5%) increase (\$10,907) to be allocated to wherever the General Counsel chooses; whether it be an increase to his salary and/or retirement health savings account and/or vacation. Patrick Foster, Leesburg, seconded the motion. Motion carried 34-0. Fort Meade voted nay.

Discussion continued.

MOTION: Lynne Tejada, Key West, moved approval for FMPA staff to draft a Request for Qualifications and Pricing (RFQ) for a salary and benefits study for the Agency. The motion includes requesting pricing options for two separate studies, one for the senior management team, only, and one for all Agency employees. Patrick Foster, Leesburg, seconded the motion. Motion carried 34-0.

ITEM 8 – INFORMATION ITEMS

a. Status of the 2015 Management Letter Comments

Mark Larson, Assistant General Manager, IT and Finance and CFO, reported on the 2015 Management Letter comments.

b. Update on Employee Benefits – Auditor General Finding No. 5

Mark McCain, Assistant General Manager, Member Services, Human Resources and Public Relations, reported on Auditor General Finding No. 5 – Employee Benefits.

c. Employee Separation Report

Mark McCain, Assistant General Manager, Member Services, Human Resources and Public Relations, reported on the Employee Separation Report.

ITEM 9 – MEMBER COMMENTS

None

ITEM 10 – ADJOURNMENT

There being no further business, the meeting was adjourned at 11:20 a.m.



Bill Conrad
Chairman, Board of Directors



Lynne Tejada
Secretary

Approved: September 17, 2015

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