

CLERKS DULY NOTIFIED..... OCTOBER 13, 2015
AGENDA PACKAGES/CDS SENT TO MEMBERS OCTOBER 13, 2015

MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA
THURSDAY, OCTOBER 22, 2015
9:00 A.M.

MEMBERS PRESENT Roland Davis, Alachua (via telephone)
Bruce Hickle, Bushnell
Lee Garner, Chattahoochee (via telephone)
Danny Williams, Clewiston (via telephone)
Clay Lindstrom, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Barbara Quinones, Homestead
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Alan Shaffer, Lakeland (via telephone)
Patrick Foster, Leesburg
Charles Revell, Mount Dora (via telephone)
Bill Conrad, Newberry
Mike Poucher, Ocala
Claston Sunanon, Orlando *
Donna Cooley, St. Cloud (via telephone)
Tom Ernharth, Starke
Randy Old, Vero Beach **

* - arrived after action items
** - joined via telephone after roll call

OTHERS PRESENT Paul Jakubczak, Fort Pierce
Grant Lacerte, Kissimmee
David Anderson, Ocala
Elizabeth Columbo, Nixon Peabody
Art McMahan, Nixon Peabody
Craig Dunlap, Dunlap & Associates, Inc.
Steven Stein, nFront Consulting
Wayne Bertsch, Wilson & Associates

STAFF Nick Guarriello, General Manager and CEO (via telephone)
PRESENT 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 Utey, Executive Asst./Asst. Secy. to the Board
Michelle Pisarri, Power Resources Secretary II
Rick Minch, Controller
Sharon Adams, Human Resources/Administrative Services Manager
Rich Popp, Contract Compliance Audit and Risk Manager

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

Chairman Bill Conrad, Newberry, called the Board of Directors meeting to order at 9:00 a.m. on Thursday, October 22, 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 18 members present representing 31.5 votes out of a possible 48.5. Randy Old, Vero Beach, joined via telephone after roll call bringing the total members present to 19 bringing the total number of votes to 33.5 out of a possible 48.5. Claston Sunanon, Orlando, arrived after the action items.

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: Allen Putnam, Jacksonville Beach, moved approval of the agenda as presented. Lee Garner, Chattahoochee, seconded the motion. Motion carried 33.5-0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Nicholas Guarriello reported on the Crystal River 3 Settlement closing scheduled for October 30, 2015 and reported that Jerry Warren, Winter Park, retired October 2, 2015.

ITEM 6 – Consent Agenda

- a. Approval of Minutes – Minutes from September 17, 2015 Meeting will be on the agenda for the November 19, 2015 Board of Directors Meeting
- b. Approval of the Projects' Financials as of August 31, 2015
- c. Approval of the Treasury Reports as of August 31, 2015

MOTION: Lynne Tejeda, Key West, moved approval of the Consent Agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 33.5-0.

ITEM 7 – ACTION ITEMS

- a. **Approval of Revision to the FMPA Audit and Risk Oversight Committee Charter**

MOTION: Howard McKinnon, Havana, moved approval of the revised AROC Charter. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 33.5-0.

- b. **Approval of Use of Development Funds for Initial SMR Technology Feasibility Studies for a Potential Future Power Supply Project for Non-ARP Members and (possibly) the ARP**

MOTION: Larry Mattern, Kissimmee, moved approval of expenditure of funds from the Agency Development Fund, not to exceed \$100,000, for participation in initial fact-finding and feasibility studies of SMR technology. Mike Poucher, Ocala, seconded the motion. Motion carried 31.5-2. Fort Pierce voted nay.

- c. **Approval of Per Diem and Travel Expense Policy – Auditor General Finding No. 12**

MOTION: Howard McKinnon, Havana, moved approval of the recommended changes to FMPA's Per Diem and Travel Expense Policy effective December 1, 2015, and have it replace the Per Diem and Travel Expense Policy in the FMPA Policy and Employee Manual. Bruce Hickie, Bushnell, seconded the motion. Motion carried 29.5-4. Leesburg and Newberry voted nay.

Grant Lacerte, Kissimmee, stated for the record that FMPA's General Manager and CEO, Nicholas Guarriello, has integrity that goes beyond question.

- d. **Authorization to Transfer the CR3 Nuclear Decommissioning Trust Funds and Assign the Forward Delivery Agreement to Duke Energy Florida**

MOTION: Larry Mattern, Kissimmee, moved approval to authorize and direct staff to take the necessary actions to, on behalf of the applicable CR3 joint owners, transfer the assets from the FMPA-administered decommissioning trust funds to Duke at the CR3

settlement closing in accordance with the terms of the CR3 settlement agreement, and authorize staff to enter into an Assignment and Assumption Agreement between FMPA and Duke Energy Florida transferring the Forward Delivery Agreement to DEF, to be made effective upon CR3 settlement closing, and authorize the FMPA General Manager and CEO, or his designee, to execute same. Lee Garner, Chattahoochee, seconded the motion. Motion carried 33.5-0.

ITEM 8 – INFORMATION ITEMS

a. Trustee, Registrar and Paying Agent RFP

Ed Nunes, Assistant Treasurer/Debt, reported on the upcoming Request for Proposals for Trustee, Registrar and Paying Agent.

b. Solicitation of Interest in an FMPA Solar PV Project

Michele Jackson, System Planning Manager, reported on a potential solar PV project and solicited input from Members who would like a presentation to their Council, Commission or Board. Also requested was for Members to send a letter of interest from their City to Michele Jackson.

*Claston Sunanon, Orlando, arrived at 9:55 a.m.

c. Succession Planning for the General Manager and CEO

Bill Conrad, Chairman, read a letter from Nicholas Guarriello of his intent to retire after giving the Board a required 180 days' notice.

Mr. Guarriello told the Board he would stay on for a period of time if a new General Manager and CEO was not hired before his 180 days was up.

Discussion ensued on succession planning and the possible process and procedures for filling the General Manager and CEO position.

d. Discussion of Nicholas Guarriello, General Manager and CEO's Contract – Auditor General Finding #7

After discussion, following receipt of Mr. Guarriello's notice of retirement, the Board of Directors expressed consensus that it was not necessary to pursue further action on his employment contract. However, the Board of Directors also expressed its intent that the Auditor General's comments on Mr. Guarriello's contract be considered when negotiating a contract with a new General Manager and CEO.

e. Discussion of Contract for Fred Bryant, General Counsel – Auditor General Finding #6

The Board of Directors engaged in considerable discussion on this item. The consensus of the discussion was that it was more favorable to FMPA if Mr. Bryant remain as an at-will employee in the role of General Counsel and Chief Legal Officer. However, the Board of Directors also expressed its consensus that in future annual evaluations of Mr. Bryant, the Board should be presented with a document that describes all of his compensation items (salary and benefits, which today are included in Mr. Bryant's personnel file) in one record, as a part of the Board approved General Manager/General Counsel Evaluation Process, and that record be updated each time the Board takes action to adjust Mr. Bryant's compensation. The Board of Directors also expressed its desire to follow the same practice for the new General Manager and CEO.

ITEM 9 – MEMBER COMMENTS

Bob Page, Green Cove Springs, said since he criticized Nick Guarriello and Fred Bryant for not attending the March 30, 2015 Joint Legislative Auditing Committee meeting, he wanted to congratulate them on their performance at the October 5, 2015 Joint Legislative Auditing Committee meeting.

ITEM 10 – ADJOURNMENT

There being no further business, the meeting was adjourned at 11:06 a.m.



Bill Conrad
Chairman, Board of Directors



Lynne Tejada
Secretary

Approved: November 19, 2015

BC/LT/su

Seal

