

CLERKS DULY NOTIFIED.....December 09, 2015
AGENDA PACKAGES/CDS FEDEXED TO MEMBERS..... December 09, 2015

MINUTES
EXECUTIVE COMMITTEE
THURSDAY, DECEMBER 17, 2015
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS PRESENT

Bushnell	-	Bruce Hickle (via telephone)
Green Cove Springs	-	Robert Page (via telephone)
Havana	-	Howard McKinnon
Jacksonville Beach	-	Allen Putnam
Key West	-	Lynne Tejeda
Kissimmee	-	Larry Mattern
Leesburg	-	Patrick Foster
Newberry	-	Bill Conrad
Ocala	-	Mike Poucher

PARTICIPANTS ABSENT

Clewiston	-	Danny Williams
Fort Meade	-	Fred Hilliard
Fort Pierce	-	Clay Lindstrom
Starke	-	Tom Ernharth

OTHERS PRESENT

Donna Painter, nFront Consulting, LLC
Randy Old, Vero Beach
Claston Sunanon, OUC
David Anderson, Ocala
George Forbes, Jacksonville Beach
Mike Perri, Fort Pierce
Grant Lacerte, KUA
Craig Dunlap, Dunlap & Associates
Wayne Bertsch, Wilson & Associates
Tim Zorc, Indian River County
Grant Lacerte, Kissimmee
Russ Hisson, Baker Tilly (via telephone)

STAFF PRESENT

Nick Guarriello, General Manager and CEO
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

Edwin Nunez, Assistant Treasurer/Debt

Michele Jackson, System Planning Manager

Rich Popp, Contract Compliance Audit and Risk Manager

Jason Wolfe, Financial Analyst and Power Supply Contracts Administrator

Dan O'Hagan, Associate General Counsel

Tom Richards, Executive Consultant

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

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee meeting to order at 12:16 p.m. on Thursday, December 17, 2015 in the Boardroom, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 9 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE):

MOTION: Mr. Putnam, Jacksonville Beach, moved to set the agenda with Action Item 9d – Approval of Term Sheet for ARP Series 2008A and 2009A Bonds' Refunding pulled from the agenda, and Action Item 9c – Acceptance of Management Consultant's Report – Auditor General Findings Nos. 1 and 14 reordered to be Action Item 9a. Mr. Conrad, Newberry, seconded the motion. Motion carried 9-0.

ITEM 3 – RECOGNITION OF GUESTS:

None.

ITEM 4 – PUBLIC COMMENTS:

None.

ITEM 5 – COMMENTS FROM THE CHAIRMAN:

Chairman McKinnon stated that the Board of Directors workshop on hiring a new General Manager went well. He also expressed his condolences to Janet Davis, whose husband recently passed away.

ITEM 6 – REPORT FROM GENERAL MANAGER:

Nick Guarriello, General Manager and CEO, reported on the following items: Duke Network Integration Transmission Service Agreement (NITSA) Amendment to remove Quincy; the City of Moore Haven RFP; and PGP Oil Hedges Sale and proceeds update.

ITEM 7 –SUNSHINE LAW UPDATE IN A MINUTE:

Jody Finklea, Assistant General Counsel & Manager of Legal Affairs, provided a verbal report on recent Public Records Law news.

ITEM 8 –CONSENT AGENDA:

Item 8a – Approval of Meeting Minutes– Special Called Telephonic Meeting Held November 5, 2015; Special Called Telephonic Meeting Held November 9, 2015; Meeting Held November 19, 2015; Joint Board of Directors and Executive Committee Municipal Disclosure Policy and Procedures Workshop Minutes – Workshop Held October 22, 2015; ARP Telephonic Rate Workshop Minutes – Workshop Held November 9, 2015

Item 8b - Approval of Treasury Reports - As of October 31, 2015

Item 8c – Approval of the Agency and All-Requirements Project Financials as of October 31, 2015

Item 8d - Acceptance and Approval of Report of Late Payments During Fiscal Year Ending September 30, 2015

Item 8e - Approval of the Consent to Co-Location of Solar Facilities for the Stanton Energy Center

Item 8f - Annual Review and Approval of FRCC TOP Responsibilities and Authorities

MOTION: Mr. Mattern, Kissimmee, moved approval of the consent agenda as presented. Mr. Putnam, Jacksonville Beach, seconded the motion. Motion carried 9-0.

ITEM 9 – ACTION ITEMS:

Item 9a— Acceptance of Management Consultant’s Report – Auditor General Finding Nos. 1 and 14

MOTION: Mr. Foster, Leesburg, moved acceptance of Baker Tilly’s final report on its independent review of two findings from the March 2015 operational audit by the Florida Auditor General. Mr. Putnam, Jacksonville Beach, seconded the motion. Motion carried 9-0.

Item 9b—Approval of Executive Committee 2016 Meeting Schedule

MOTION: Mr. Mattern, Kissimmee, moved approval of the Calendar 2016 Executive Committee meeting dates as presented. Mrs. Tejada, Key West, seconded the motion. Motion carried 9-0.

Item 9c— Approval of Amendment to the U.S. Sugar Interconnection Agreement

MOTION: Mr. Mattern, Kissimmee, moved approval of Amendment No. 1 to the Revised and Restated Interconnection Agreement among United States Sugar Corporation, the City of Clewiston, and Florida Municipal Power Agency, in substantially final form, and authorize the General Manager and CEO, or his designee, to execute the final Amendment. Mr. Poucher, Ocala, seconded the motion. Motion carried 9-0.

ITEM 10 – INFORMATION ITEMS:

- a. December 2015 Update to ARP Notices Names and Address
- b. Results of Trustee Selection
- d. DEF ROE Refund Status
- e. Baker Tilly’s Recommended Change to the Natural Gas and Fuel Oil Policy
- f. Hedge Portfolio Position Update – October 2015

Staff reported on each of the above items and there was discussion with the Executive Committee.

c. Results of Solicitation of Interest in Solar PV Project

Mrs. Jackson reviewed a presentation on the results of the solicitation of interest in a solar PV project. Discussion ensued. Chairman McKinnon took a straw poll vote on Option 1 – Adding solar PV to the ARP portfolio for all ARP participants. Straw vote was taken – 6 to 3 for it. Bushnell, Green Cove Springs and Newberry said no. Chairman McKinnon took a straw poll vote on Option 2 – Offering choice through a voluntary ARP solar PV project. Straw vote was taken. 7-1-1. Green Cove Springs was a no. Havana was a maybe.

ITEM 12 – MEMBER COMMENTS:

Mr. Mattern, Kissimmee, commented as follows:

In the AROC this morning, David brought up a good point when we had the report that natural gas is the cheapest its been in 17 years. I been around for a while and that's as low as I've seen it in last 20 years, 25 years, but its super low cost right now. There's two things we may want to think about consider and maybe talk about next meeting, one is while its so low, I'm not saying put a full blown GANT plan into effect or something, we've talked about before but that we think about possibly tacking 25 cents or some amount onto our bill and start paying debt down. While we have very low rates that would something that would be something would save us millions of dollars over the years if we could pay debt down early so that would be getting good return on the investment. The other thing is that we start getting reports from FGU again on the price of buying strips of gas that we consider if it keeps falling down low enough and our risk gets down to nothing that we buy a strip of gas like we did before last winter, 20% of our gas, if we can go out a couple of years with a \$1.50 gas or something that would be quite the deal with not much risk. So to consider that we start looking at some prices from FGU and get some strips of gas for us and the other is that we consider maybe collect a little bit more on our rates to start paying down debt while we have really low rates. That's it.

Mr. Lacerte, Kissimmee, commented as follows:

Thank you Mr. Chairman, I'll try to be brief. This is the time of year when folks a lot of times like to sit back and reflect on the year previous that we're just finishing and really we had a difficult year and we really shouldn't have. If you look at the bottom line, we had a great year, our wholesale rates are 10% less than the investor owned utility average. Nick Guarriello, our leader came onboard in 2009 when things were a mess. I believe our rates have dropped 30% since then. We have a great story to tell. But that gets lost in the sulfur ridden sewer

of politics. Everything's upside down when politics is involved. Good people on this board have had their integrity and their competence questioned. Unfairly. And when you look at the bottom line performance, this year has been really good. We should be celebrating. We're not. We have an ugly political season ahead of us. Starting in the new year. We have to steel ourselves for the fight and take comfort knowing that we're not the ones going to each others communities trying to pit neighbor against neighbor, county against city, we're not part of that ugly effort. But we'll fight that ugly effort and remember that we wear the white hats in this fight. Don't forget it. Merry Christmas.

Indian River Commissioner Tim Zorc commented as follows:

Mr. Chairman, if I might since I take most of those comments were directed probably at me or at least the commission in Indian River County. You know the big difference is rate disparity. \$600M this year went in higher rates whatever the composite structure is the wholesale rate, the retail rate of the municipals, \$600M more that the rate payers paid than if they had a choice to go to a private provider, a Duke, a FPL, or whoever. That's the reason we're here period. End of story. \$600M is a lot of money to anybody. My community \$22M of that \$600 so that's we're here and that's why we'll continue to be here. Thank you.

ITEM 13 – ADJOURNMENT:

There being no further business, the meeting was adjourned at 1:24 p.m.


Howard McKinnon
Chairperson, Executive Committee


Sue Utley
Assistant Secretary

Approved: January 21, 2016

Seal

