

**Report**  
**Board of Directors Meeting**  
**March 17, 2016**  
**9:00 AM**

**Board of Directors**

Bill Conrad, Newberry – Chairman	Vacant, Lake Worth
Barbara Quiñones, Homestead – Vice Chairman	Patrick Foster, Leesburg
Larry Mattern, Kissimmee – Treasurer	Alan Shaffer, Lakeland
Lynne Tejeda, Key West – Secretary	Harry Ogletree, Moore Haven
Gary Hardacre, Alachua	Charles Revell, Mount Dora
Bradley Hiers, Bartow	W. Ray Mitchum, New Smyrna Beach
Vacant, Blountstown	Sandra Wilson, Ocala
Bruce Hickle, Bushnell	Claston Sunanon, Orlando
Elmon Lee Garner, Chattahoochee	Mike Wade, Quincy
Lynne Mila, Clewiston	Donna Cooley, St. Cloud
Fred Hilliard, Fort Meade	Tom Ernharth, Starke
Clay Lindstrom, Fort Pierce	Jim O’Connor, Vero Beach
Ed Bielarski, Gainesville	Terry Atchley, Wauchula
Robert Page, Green Cove Springs	Scott Lippmann, Williston
Howard McKinnon, Havana	Vacant, Winter Park
Allen Putnam, Jacksonville Beach	

**Meeting Held 9:00 a.m.**  
**Thursday, March 17, 2016**  
**Florida Municipal Power Agency**  
**8553 Commodity Circle**  
**Orlando, Florida 32819**



Florida Municipal Power Agency

Nicholas P. Guarriello  
General Manager and CEO

# MEMORANDUM

**TO:** FMPA Board of Directors  
**FROM:** Nicholas P. Guarriello  
**DATE:** March 8, 2016  
**RE:** Board of Directors Meeting  
Thursday, March 17, 2016 – 9:00 a.m. **[NOTE TIME]**  
**PLACE:** Florida Municipal Power Agency, 8553 Commodity Circle,  
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** ..... 4
- 2. **Recognition of Guests**..... 5
- 3. **Public Comments (Individual Public Comments to be Limited to 3 Minutes)** ... 6
- 4. **Set Agenda (by vote)** ..... 7
- 5. **Report from the General Manager (Nicholas Guarriello)**..... 8
- 6. **Consent Agenda**
  - a. Approval of Minutes –Meeting Held January 21, 2016 ..... 10
  - b. Approval of the Projects’ Financials as of December 31, 2015 and January 31, 2016 ..... 16
  - c. Approval of the Treasury Reports as of December 31, 2015 and January 31, 2016 ..... 18

**7. Action Items**

- a. Approval of Use of the Project Development Fund for Development of an FMPA Solar PV Project (Michele Jackson) ..... 28

**8. Information Items**

- a. Annual Debt Report (Ed Nunez) ..... 31
- b. Discussion on Joint Action Solar PV Project Structure and Key Terms (Michele Jackson) ..... 37

**9. Member Comments..... 38**

**10. Adjournment..... 39**

NPG/su

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**

**Board of Directors Meeting  
March 17, 2016**

**AGENDA ITEM 2 – RECOGNITION OF  
GUESTS**

**Board of Directors Meeting  
March 17, 2016**

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

**Board of Directors Meeting  
March 17, 2016**

**AGENDA ITEM 4 – SET AGENDA (By  
Vote)**

**Board of Directors Meeting  
March 17, 2016**

# **VERBAL REPORT**

**AGENDA ITEM 5 – REPORT FROM  
THE GENERAL MANAGER**

**Board of Directors Meeting  
March 17, 2016**



**AGENDA ITEM 6 – CONSENT  
AGENDA**

- a. Minutes—Meeting Held January  
21, 2016**

**Board of Directors Meeting  
March 17, 2016**

**MINUTES**  
**FMPA BOARD OF DIRECTORS MEETING**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FLORIDA**  
**THURSDAY, JANUARY 21, 2016**  
**9:30 A.M.**

**MEMBERS PRESENT** Brad Hiers, Bartow (via telephone)  
Bruce Hickle, Bushnell  
Danny Williams, Clewiston (via telephone)  
Clay Lindstrom, Fort Pierce  
David Beaulieu, Gainesville (via telephone)  
Bob Page, Green Cove Springs  
Howard McKinnon, Havana  
Barbara Quiñones, Homestead  
Allen Putnam, Jacksonville Beach  
Lynne Tejeda, Key West  
Larry Mattern, Kissimmee  
Patrick Foster, Leesburg (via telephone)  
Charles Revell, Mount Dora (via telephone)  
Bill Conrad, Newberry  
Mike Poucher, Ocala \*  
Claston Sunanon, Orlando  
Donna Cooley, St. Cloud (via telephone)  
Tom Ernharth, Starke (via telephone)  
Jim O'Connor, Vero Beach

\*arrived after roll call [as noted].

**OTHERS PRESENT** Paul Jakubczak, Fort Pierce  
George Forbes, Jacksonville Beach (via telephone)  
Peter Batty, Key West  
Joe Hostetler, Kissimmee  
Grant Lacerte, Kissimmee  
David Anderson, Ocala  
Craig Dunlap, Dunlap & Associates, Inc.  
Matt Williams, Bank of America/Merrill Lynch  
John B. Kelly, Janney, Montgomery, Scott  
Steven Stein, nFront Consulting  
Mark White, Purvis Gray & Co.  
Helen Painter, Purvis Gray & Co.  
Kathryn Eno, Purvis Gray & Co.  
Jane Pope, US Bank

JoLinda Herring, Bryant Miller Olive, P.A.  
Tim Zorc, Indian River County

**STAFF PRESENT** Nick Guarriello, General Manager and CEO (via telephone)  
Jody Finklea, Deputy 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 Utley, Executive Asst./Asst. Secy. to the Board  
Michelle Pisarri, Power Resources Secretary II  
Tom Richards, Executive Consultant  
Rick Minch, Controller  
Brian Kosson, Accountant I  
Sharon Adams, Human Resources/Administrative Services Manager  
Janet Davis, Treasury Manager  
Ed Nunez, Assistant Treasurer/Debt  
Brian Kosson, Accountant I  
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 9:46 a.m. on Thursday, January 21, 2016, 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 votes out of a possible 48.5. Mike Poucher, Ocala, arrived after the roll call was taken, bringing the total votes present to 33.

### **ITEM 2 – Recognition of Guests**

Jane Pope, US Bank, introduced herself.

Fred Bryant introduced JoLinda Herring, Bryant Miller Olive, P.A.

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

None

### **ITEM 4 – SET AGENDA (by vote)**

**MOTION:** Howard McKinnon, Havana, moved approval of the agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 31-0.

## **ITEM 5 – REPORT FROM THE GENERAL MANAGER**

Nicholas Guarriello reported that after today's agenda item on Auditor General Finding No. 5, all action is complete on the 15 Findings from the Auditor General's Operational Audit of FMPA completed in March 2015.

Mr. Guarriello also reported that in the second week of the Legislative Session, the House Energy and Utilities Subcommittee passed, by a vote of 6 to 5, an amended bill submitted by Rep. Debbie Mayfield.

## **ITEM 6 – Consent Agenda**

- a. Approval of Minutes – Meeting Held December 17, 2015
- b. Approval of the Projects' Financials as of November 30, 2015
- c. Approval of the Treasury Reports as of November 30, 2015
- d. Approval of the Consent to Co-Location of Solar Facilities for the Stanton Energy Center

**MOTION:** Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Howard McKinnon, Havana, seconded the motion. Motion carried 31-0.

[Note: Mike Poucher, Ocala, arrived just after this vote.]

## **ITEM 7 – ACTION ITEMS**

### **a. Approval of Staff Recommendation of Trustee Selection**

Ed Nunez, Assistant Treasurer/Debt, presented the staff's recommendation for Trustee Services for FMPA.

**MOTION:** Jim O'Connor, Vero Beach, moved approval of staff's recommendation of TD Bank as provider of Trustee Services for the Agency. Bruce Hickle, Bushnell, seconded the motion. Motion carried 33-0.

### **b. Approval of Annual Audited Financial Report (AAFR) for Fiscal Year 2015**

Mark Larson, Assistant General Manager, Finance and IT and CFO, Rick Minch, Controller, and Mark White, Helen Painter, Kathryn Eno from Purvis Gray & Co. presented the annual audited financial report for fiscal year 2015.

**MOTION:** Howard McKinnon, Havana, moved approval of the fiscal year ended September 30, 2015 AAFR, and the associated Purvis, Gray & Co. reports. Also, move approval to recover or refund all over-or-under-recovery amounts through the billing true-up process Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 33-0.

**c. Acceptance of Reports on OPEB, Compensated Absences, and Actuarial Valuation – Auditor General Finding No. 5**

Mark McCain, Assistant General Manager, Member Services, Human Resources and Public Relations, and Mark Larson, Assistant General Manager, Finance and IT and CFO, presented information on the Other Post-Employment Benefits and Compensated Absences – Auditor General Finding No. 5.

**MOTION:** Lynne Tejeda, Key West, moved approval to accept the special report on Other Post-Employment Benefits and Compensated Absences at FMPA and accept Foster & Foster’s reports on actuarial valuation. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 33-0.

**d. Approval of Search Committee Recommendation of Executive Search Consultant**

Chairman Bill Conrad, Newberry, recapped the meeting of the Executive Search Committee held January 14, 2016 via telephone and described the ranking of the Consultants who submitted RFPs.

**MOTION:** Howard McKinnon, Havana, moved approval of the Executive Search Committee’s short-listed ranking of executive search consultants, as follows: 1) Mycoff, Fry & Prouse LLC, 2) Russell Reynolds Associates, and 3) Little & Associates, Inc. In addition, the motion authorizes the Executive Search Committee to undertake to negotiate with the first-ranked consultant a contract for a scope of services at a level of compensation that the [Executive Search Committee] determines is fair, competitive and reasonable. If the [Committee] cannot reach a mutually acceptable agreement with the top-ranked consultant, the [Committee] can commence negotiation with the second-ranked consultant and so on until, at the [Committee’s discretion], a contract is executed. Lynne Tejeda, Key West, seconded the motion. Motion carried 33-0.

**ITEM 8 – INFORMATION ITEMS**

a. None

**ITEM 9 – MEMBER COMMENTS**

Patrick Foster, Leesburg, requested an update on the community solar project.

Larry Mattern, Kissimmee, pointed out that FP&L is raising its rates.

Grant Lacerte, Kissimmee, reported that he attended the APPA Joint Action Workshop and there was a good presentation and focus on distributed generation.

**ITEM 10 – ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:19 a.m.

\_\_\_\_\_  
Bill Conrad  
Chairman, Board of Directors

\_\_\_\_\_  
Lynne Tejeda  
Secretary

Approved: \_\_\_\_\_  
BC/LT/su

Seal

**AGENDA ITEM 6 – CONSENT  
AGENDA**

- b. Approval of the Projects’  
Financials as of December 31,  
2015 and January 31, 2016**

**Board of Directors Meeting  
March 17, 2016**



Florida Municipal Power Agency

**Mark Larson**  
Assistant General Manager,  
Finance and Information Technology and CFO

## AGENDA PACKAGE MEMORANDUM

**TO:** FMPA Board of Directors  
**FROM:** Mark Larson  
**DATE:** March 8, 2016  
**ITEM:** 6b – Approval of Projects’ Financials as of December 31, 2015 and January 31, 2016.

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**Discussion:** The summary and detailed financial statements of the Projects for the periods ended December 31, 2015 and January 31, 2016 are posted on the Member Portal section of FMPA’s website.

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**Recommended** Move approval of the Projects’ Financial Reports for the months ended December 31, 2015 and January 31, 2016.

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ML/df



**AGENDA ITEM 6 – CONSENT  
AGENDA**

- c. Approval of the Treasury  
Reports as of December 31, 2015  
and January 31, 2016**

**Board of Directors Meeting  
March 17, 2016**



**AGENDA PACKAGE MEMORANDUM**

TO: FMPA Board of Directors  
FROM: Gloria Reyes  
DATE: February 9, 2016  
ITEM: BOD 6(c) – Approval of Treasury Reports as of December 31, 2015

Strategic Relevance FMPA’s **Relevant Strategic Goals**

1. Be the lowest cost, sustainable wholesale power provider in Florida
2. Foster a positive communication culture

**Policy Decisions/Implications**

- To report operation and effectiveness of asset management
- To report on the current opportunities and risk environment affecting FMPA

Introduction This agenda item is a quick update of the Treasury Department’s functions. The Treasury Department reports for December are posted in the member portal section of FMPA’s website.

Debt Discussion Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of December 31, 2015.

	Total Debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
Agency	820,000	100%	0%	0%
St Lucie	322,805,000	50.01%	0%	49.99%
Stanton	32,365,000	100%	0%	0%
Stanton II	139,815,000	51%	0%	49%
Tri City	12,580,000	100%	0%	0%

The St Lucie investment strategy to pay down St Lucie debt:

As of December 31, 2015, the St. Lucie Project holds investments with a market value of \$159 million that can be used for future bond principal payments. These investments and the Merrill Lynch investment contract (Forward Sale Agreement) will mature between now and 2026 with a value of \$239 million, assuming the Merrill Lynch investment contract is executed as it currently stands.

The market value is the estimated value, calculated by Bloomberg, if we had sold all of the assets as of December 31, 2015.

St Lucie Accounts	Future Holdings 10/1/26 (Estimated)	12/31/15 Market Value of Holdings (Estimated)
2011A&B Debt Service Reserve	7,751,150	6,881,040
2012 Debt Service Reserve	3,494,839	3,498,469
ML Forward Sale Agreement	139,475,000	67,602,023
ML FSA Collateral	9,194,001	7,609,273
General Reserve	79,255,976	74,261,205
<b>Total</b>	<b>239,170,966</b>	<b>159,852,010</b>

The future holdings on 10/1/26 as listed above, assumes that the investments mature sans default and then are held in cash until 10/1/26. Note that the final value of the Forward Sale Agreement (\$139.5 million) is contingent on the St Lucie Project continuing to make the purchases as per the Merrill Lynch agreement and that the assets are held until maturity.

Our expectation is that at least, an estimated \$239 million will be used to pay the outstanding debt of the St Lucie Project. The remainder of the cash needed to pay off all the current debt of \$94.6 million will be collected from monthly Participant billings as currently budgeted.

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Swap Discussion      The St Lucie and Stanton II Projects have a total of 13 interest rate swap contracts. As of December 31, 2015, the market values are (\$21,133,470) for the St. Lucie Project and (\$12,997,119) for the Stanton II Project.

The Swap Valuation Report is a snap shot of the mark-to-market values at the end of the day on December 31, 2015. The report for December is posted in the “Member Portal” section of FMPPA’s website.

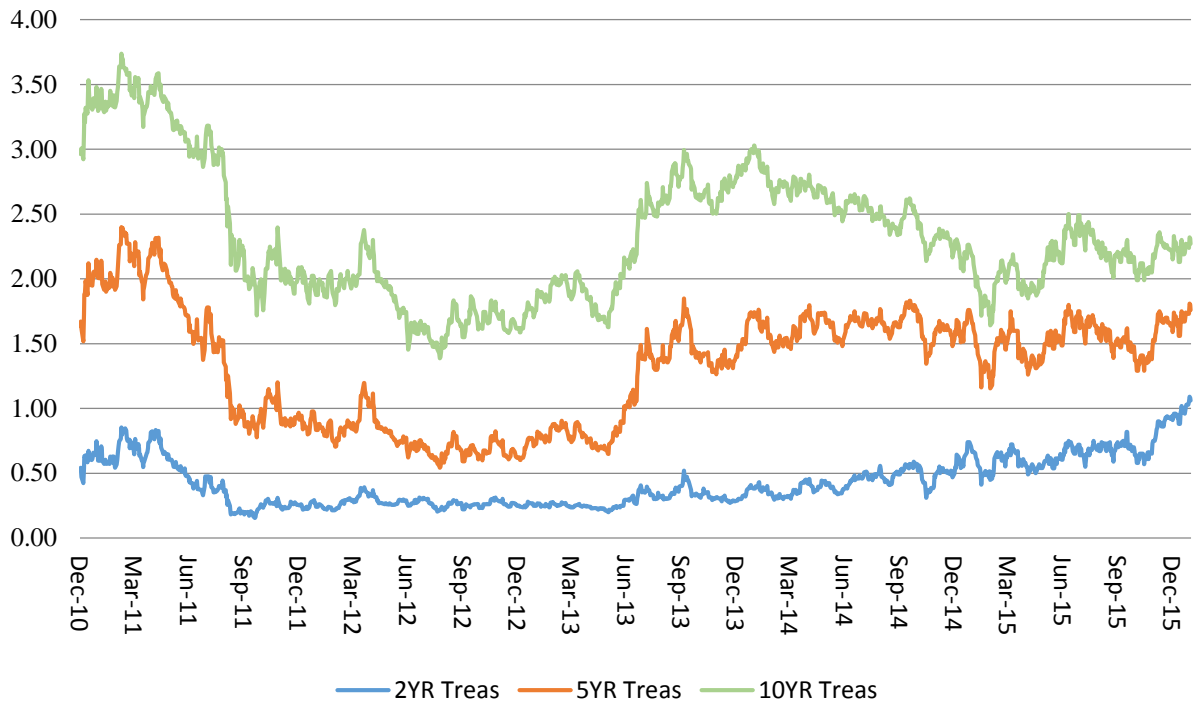
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Investment  
Discussion

The investments in the Projects are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Commercial Paper, Municipal Bonds and Money Market Mutual Funds.

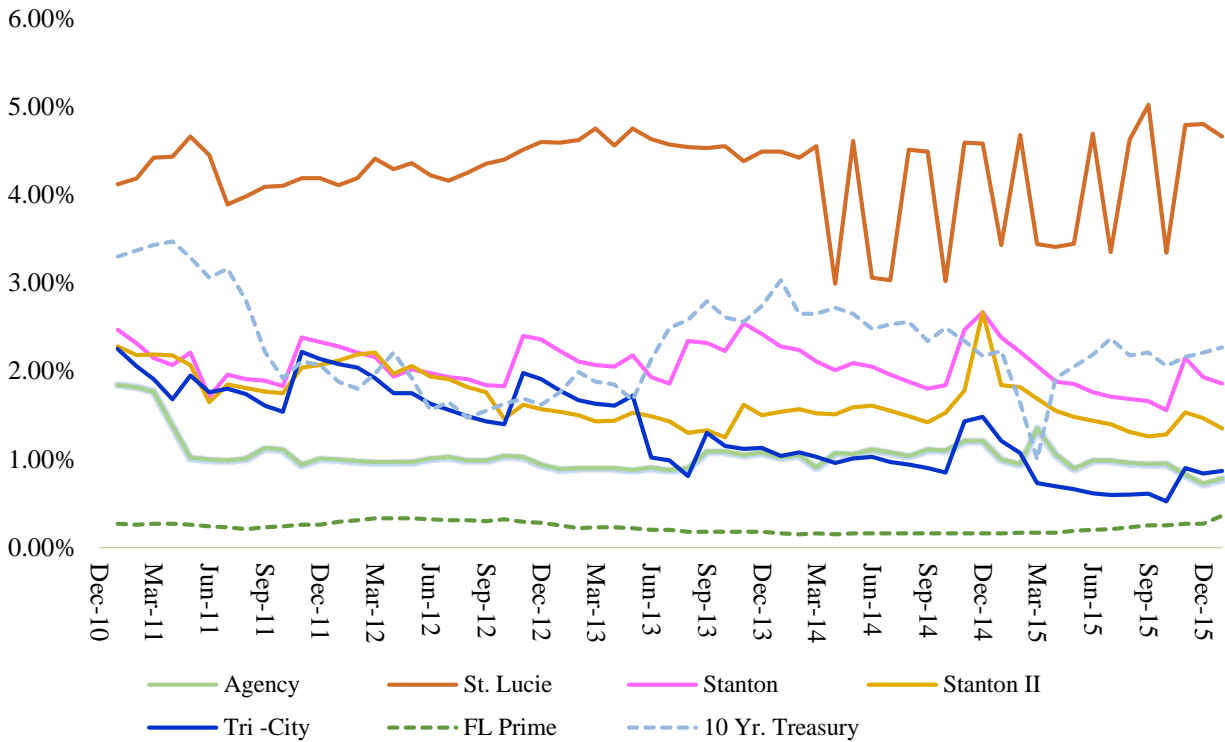
Below is a graph of US Treasury yields for the past 5 years. The blue line is the 2 year Treasury which closed the month of December at 1.06%. The red line is the 5 year Treasury which was 1.76%, and the green line is the 10 year Treasury which was 2.27%.

### US Government Treasury Securities Interest Rates 5-Year History



The weighted average yields on investments earned as of December 31, 2015 in the Projects, along with their benchmarks (SBA’s Florida Prime Fund and the 10 Year US Treasury Note), are as follows:

### FMPA Project's Weighted Average Yields 5-Year History



Recommended  
Motion

Move approval of the Treasury Reports for December 31, 2015.



**AGENDA PACKAGE MEMORANDUM**

TO: FMPA Board of Directors  
FROM: Gloria Reyes  
DATE: March 8, 2016  
ITEM: BOD 6(c) – Approval of Treasury Reports as of January 31, 2016

Strategic Relevance FMPA’s **Relevant Strategic Goals**

1. Be the lowest cost, sustainable wholesale power provider in Florida
2. Foster a positive communication culture

**Policy Decisions/Implications**

- To report operation and effectiveness of asset management
- To report on the current opportunities and risk environment affecting FMPA

Introduction This agenda item is a quick update of the Treasury Department’s functions. The Treasury Department reports for January are posted in the member portal section of FMPA’s website.

Debt Discussion Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of January 31, 2016.

	Total Debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
Agency	820,000	100%	0%	0%
St Lucie	322,805,000	50.01%	0%	49.99%
Stanton	32,365,000	100%	0%	0%
Stanton II	139,815,000	51%	0%	49%
Tri City	12,580,000	100%	0%	0%

The St Lucie investment strategy to pay down St Lucie debt:

As of January 31, 2016, the St. Lucie Project holds investments with a market value of \$165 million that can be used for future bond principal payments. These investments and the Merrill Lynch investment contract (Forward Sale Agreement) will mature between now and 2026 with a value of \$240 million, assuming the Merrill Lynch investment contract is executed as it currently stands.

The market value is the estimated value, calculated by Bloomberg, if we had sold all of the assets as of January 31, 2016.

St Lucie Accounts	Future Holdings 10/1/26 (Estimated)	1/31/16 Market Value of Holdings (Estimated)
2011A&B Debt Service Reserve	7,751,150	7,018,001
2012 Debt Service Reserve	3,501,966	3,504,366
ML Forward Sale Agreement	139,475,000	70,874,075
ML FSA Collateral	9,194,001	7,725,652
General Reserve	80,400,844	76,062,267
<b>Total</b>	<b>240,322,961</b>	<b>165,184,361</b>

The future holdings on 10/1/26 as listed above, assumes that the investments mature sans default and then are held in cash until 10/1/26. Note that the final value of the Forward Sale Agreement (\$139.5 million) is contingent on the St Lucie Project continuing to make the purchases as per the Merrill Lynch agreement and that the assets are held until maturity.

Our expectation is that at least, an estimated \$240 million will be used to pay the outstanding debt of the St Lucie Project. The remainder of the cash needed to pay off all the current debt of \$94.6 million will be collected from monthly Participant billings as currently budgeted.

Swap Discussion      The St Lucie and Stanton II Projects have a total of 13 interest rate swap contracts. As of January 31, 2016, the market values are (\$23,769,572) for the St. Lucie Project and (\$14,297,449) for the Stanton II Project.



The Swap Valuation Report is a snap shot of the mark-to-market values at the end of the day on January 31, 2016. The report for January is posted in the “Member Portal” section of FMPA’s website.

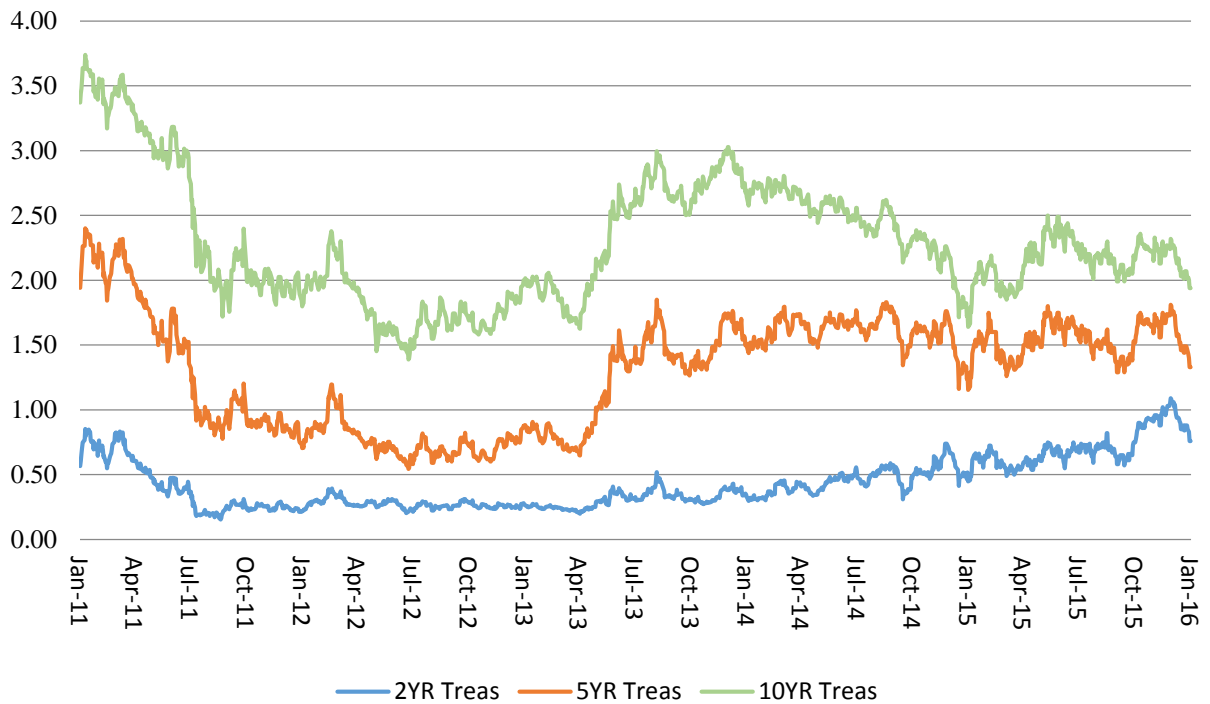
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Investment  
Discussion

The investments in the Projects are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Commercial Paper, Municipal Bonds and Money Market Mutual Funds.

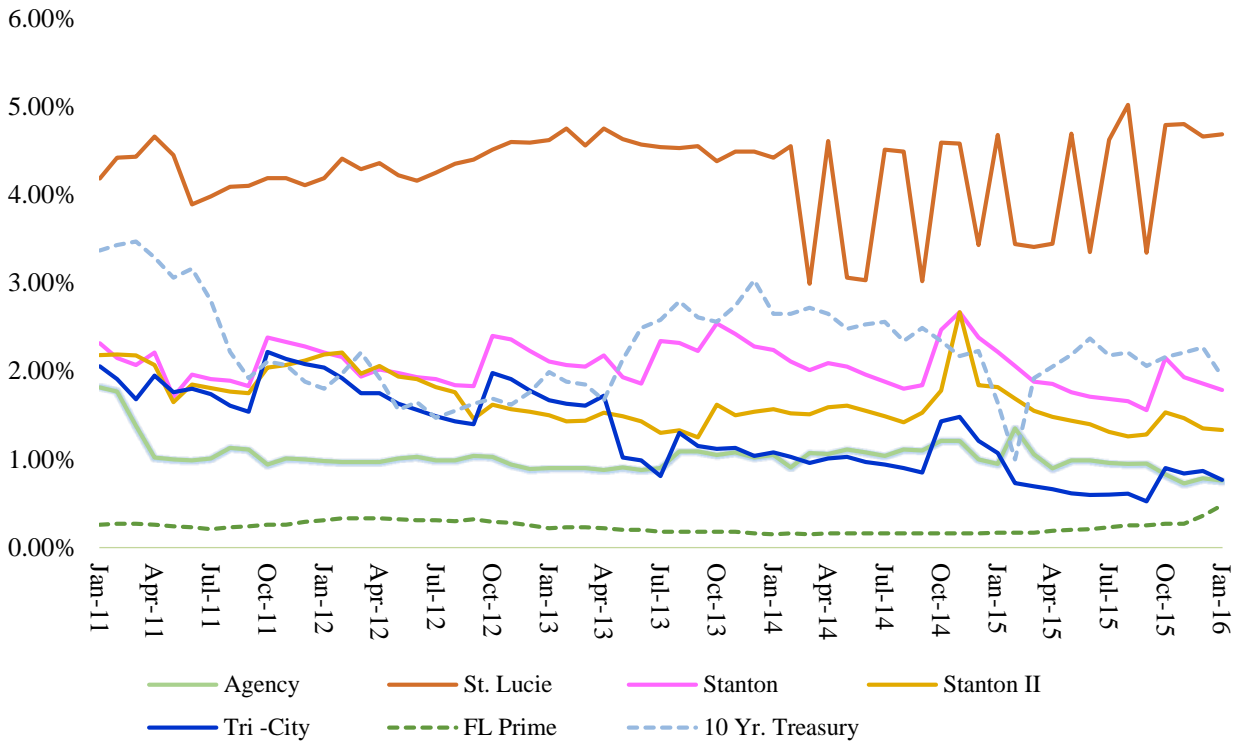
Below is a graph of US Treasury yields for the past 5 years. The blue line is the 2 year Treasury which closed the month of January at .76%. The red line is the 5 year Treasury which was 1.33%, and the green line is the 10 year Treasury which was 1.94%.

**US Government Treasury Securities Interest Rates**  
5-Year History



The weighted average yields on investments earned as of January 31, 2016 in the Projects, along with their benchmarks (SBA’s Florida Prime Fund and the 10 Year US Treasury Note), are as follows:

### FMPA Project's Weighted Average Yields 5-Year History



Recommended  
Motion

Move approval of the Treasury Reports for January 31, 2016.

**AGENDA ITEM 7 – ACTION ITEMS**

- a. Approval of Use of the Project  
Development Fund for  
Development of an FMPA Solar PV  
Project**

**Board of Directors Meeting  
March 17, 2016**



Florida Municipal Power Agency

AGENDA PACKAGE MEMORANDUM

TO: Board of Directors
FROM: Michele Jackson
DATE: March 8, 2016
ITEM: Item 7a - Approval of Use of Development Funds for a Joint-Action Solar PV Project

Strategic Relevance Board of Directors' Goal A: Provide competitively priced power supply alternatives, including both short-term and long-term options.
Board of Directors' Target Aa: Propose at least one new power supply or transmission project.
ARP Executive Committee Strategy A4: Diversify power supply resources.
ARP Executive Committee Strategy A5: Continually evaluate the overall industry trends.

Background At the October 2015 Board of Directors (Board) meeting, we presented the idea of a joint-action solar photovoltaic (PV) project for greatest economy of scale. Project participants could use their entitlement share of the project towards their renewable energy goals, including Community Solar Programs. At the December 2015 Board meeting we reviewed results from a preliminary solicitation of interest which indicated interest from both non-ARP FMIPA Members and ARP Participants in a utility-scale solar PV project. The following Table is a summary of quantifiable Member interest: (Note: Fort Peirce and Homestead expressed interest but were unable to quantify a level of interest at the time.)

Table with 2 columns: Member, Desired Entitlement Amount (MW). Rows include Jacksonville Beach (1), Key West (0.5), Kissimmee (2), Leesburg (0.873), Ocala (2), Orlando (10), and Total (16.373 MW).

During Info Item 8c, staff will present and discuss the potential structure of the project.

Subject to the Board ' s approval of the use of the Development Fund, staff intends to hire Black & Veatch to provide technical support during a Request for Proposals (RFP) process. The RFP will seek competitive proposals from

companies (Proposers) for Power Purchase Agreements for the output of solar PV facilities that the Proposer is to construct and interconnect to the Florida transmission network for delivery by FMPA to the participating Members and ARP Participants. We expect that Black & Veatch will assist with preparing the RFP documents, establishing the proposal evaluation methodology and criteria, and reviewing and evaluating proposals. Black & Veatch have proposed a cost for this scope not to exceed \$85,000.

Staff intend that the RFP be ready for issuance in the August timeframe. Staff plan to work with Members and the ARP prior to August to firm up the amount of entitlement each Member or the ARP may want to subscribe to. If there is not sufficient interest and agreement among the ARP Participants for the ARP to participate in the solar PV project, ARP Participants could be offered an opportunity to participate through the ARP on an individual basis. Once proposals are received and evaluated, staff will present market information so that interested Members and ARP Participants can proceed with their own evaluations of whether to subscribe to the project, and if so, at what level of commitment.

The Development Fund – with a fund balance of \$10.3M - was established by Board action for the purpose of funding initial work required to develop new power supply opportunities. If a project based on new power supply opportunity moves forward, the project repays the development fund; if not, the project costs are written-off. Staff believe it is appropriate to utilize funding from the Project Development Fund for development of a Solar PV Project. It is staff's recommendation for the Board to approve the use of the Development Fund on an incremental basis, as needed, to prudently support on-going development efforts of this joint-action project.

Recommended Action      Move approval of expenditure of funds from the Agency Development Fund, not to exceed \$85,000 for consulting assistance to support continued development of, and the RFP process for a joint-action solar PV project.

**AGENDA ITEM 8 – INFORMATION  
ITEMS**

**a. Annual Debt Report**

**Board of Directors Meeting  
March 17, 2016**



### AGENDA PACKAGE MEMORANDUM

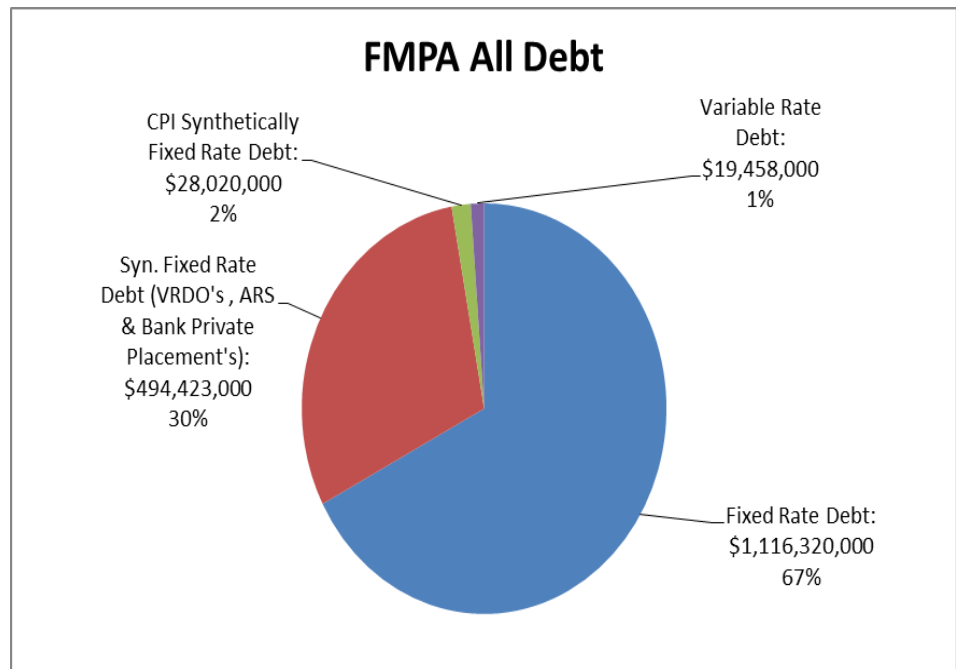
TO: FMPA Board of Directors  
 FROM: Edwin Nunez  
 DATE: March 8, 2016  
 ITEM: BOD 8a – Annual Debt Report

#### Introduction

Pursuant to Section 7.1 (B) of the Debt Risk Management Policy (see copy of this section as Attachment #1), the Treasury Department is required to report to the Executive Committee the annual debt report as of September 30, 2015. The information required by this policy does not include transactions capitalized due to accounting standards and reported as debt such as capitalized TARP payments to KUA and Keys Energy or the St. Lucie County commitment.

#### Explanation

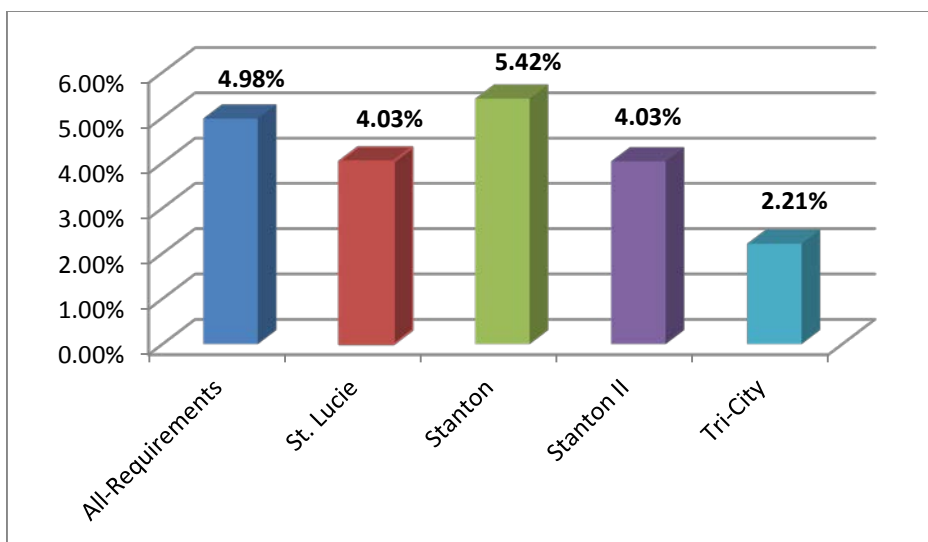
1. The percentage of the portfolio of bonded debt and loans (“All Debt”) that is fixed rate, variable rate, and synthetic fixed rate at fiscal year-end is as follows:.



2. The total amount of bonded debt and loans outstanding by Project is as follows:

	9/30/2015	9/30/2014
Agency	820,000	1,005,000
ARP	1,125,615,000	1,103,860,000
St Lucie	330,835,000	337,960,000
Stanton	39,204,000	45,411,000
Stanton II	145,991,000	153,680,000
Tri-City	15,756,000	18,676,000
<b>Total</b>	<b>1,658,221,000</b>	<b>1,660,592,000</b>

3. The total cost of bonded debt and loans (effective interest rate) per each Project for the previous year. Each Series of bonds times the all in interest rate, including the swaps attached to them. The total of all interest costs divided by the total of all bonds for each Project.





4. The interest rate swaps counterparty diversification report. Swap percentages by dealer per Project.<sup>1</sup>

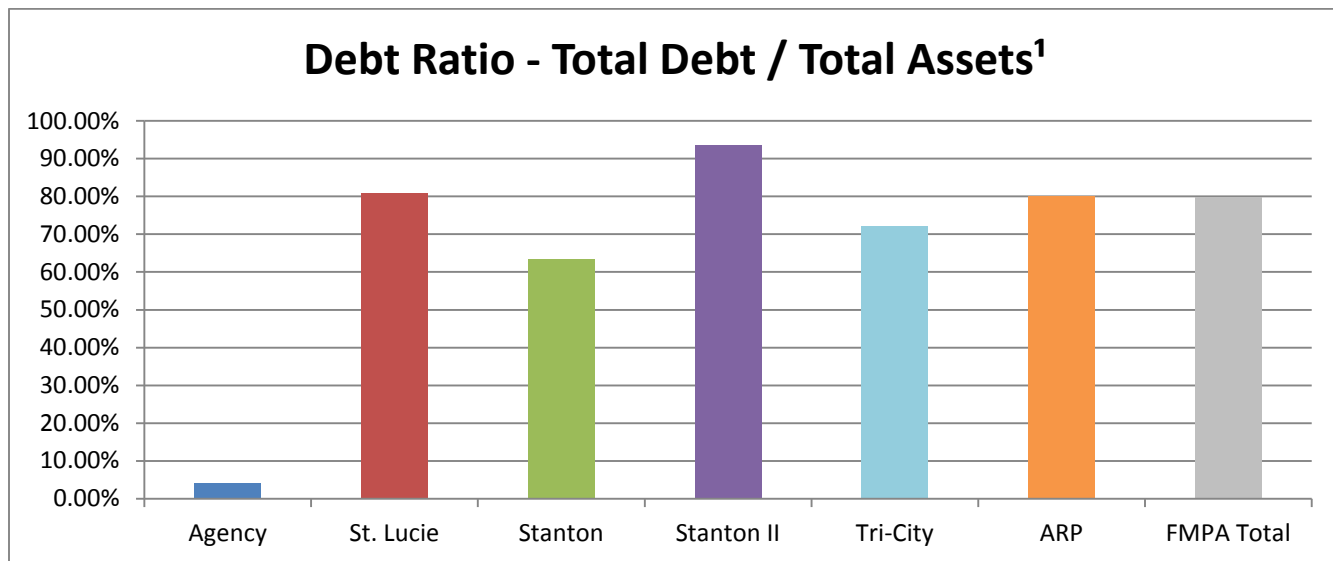
All-Requirements Project		
B of A / Merrill Lynch	48,095,003	4%
Goldman Sachs	33,179,999	3%
JPMorgan Chase	83,958,000	7%
Morgan Stanley	46,284,998	4%
UBS	20,125,000	2%
Wells Fargo	61,050,000	5%
Unswapped Debt	832,922,000	74%
Total Debt Outstanding	1,125,615,000	100%

St Lucie Project		
B of A / Merrill Lynch	119,699,541	36%
Goldman Sachs	41,750,458	13%
Unswapped Debt	169,385,000	51%
Total Debt Outstanding	330,835,000	100%

Stanton II Project		
B of A / Merrill Lynch	32,860,674	23%
JPMorgan Chase	10,226,826	7%
UBS	25,212,500	17%
Unswapped Debt	76,790,000	53%
Total Debt Outstanding	145,090,000	100%

<sup>1</sup> – Numbers may not add due to rounding.

5. The debt ratio per project for the previous year.



1 – Total Debt divided by Total Assets.

	Agency	St. Lucie	Stanton	Stanton II	Tri-City	ARP	FMPA Total
Total Debt \$*	820	320,801	38,920	147,794	15,251	1,139,272	1,662,858
Total Assets \$*	20,854	396,926	61,425	157,816	21,105	1,424,560	2,082,686
Debt Ratio	3.93%	80.82%	63.36%	93.65%	72.26%	79.97%	79.84%

\*From the FMPA Financial Statement Fiscal Year End 9/30/15. “Total Assets” was taken from the Financial Statement page 13. “Total Debt” was taken from Section, VIII. Long Term Debt, pages 36-42 less TARP payments and St. Lucie County Commitment. The “Total Debt” figures have been adjusted by the balances of unamortized premiums and discounts and unamortized losses on refunding’s.

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Recommended Action: For information only. No action requested.

Attachment #1

## Attachment #1

From Debt Risk Management Policy

**7.1 Debt Portfolio Reports:** The Treasurer is responsible for the completion of the following reporting requirements:

- B. Annual debt report to Executive Committee and Board of Directors at their first regular meetings following approval of audited financial statements. Such annual debt reports shall include at a minimum:
  - 1) Percentage of portfolio that is fixed rate, variable rate, and synthetic fixed rate at fiscal year-end.
  - 2) Total cost of debt (effective interest rate) per Project for the previous fiscal year.
  - 3) Interest rate swap counterparty diversification report.

**AGENDA ITEM 8 – INFORMATION  
ITEMS**

- b. Discussion on Joint Action Solar  
PV Project Structure and Key  
Terms**

**Board of Directors Meeting  
March 17, 2016**



Florida Municipal Power Agency

## AGENDA PACKAGE MEMORANDUM

TO: Board of Directors  
FROM: Michele Jackson  
DATE: March 8, 2016  
ITEM: Item 8b – Discussion on Joint-Action Solar PV Project Structure and Key Terms

### Background

Staff will discuss the potential structure for a joint-action Solar PV Project that could be offered to FMPA Members and the ARP, or, if there is not sufficient interest and agreement among the ARP Participants for the ARP to participate in the project, to individual ARP Participants. The purpose of the project is to bring economy of scale to FMPA Members who are interested in applying their share of solar energy towards their renewable energy goals, including Community Solar Programs.

Topics for discussion include:

- Design Elements of the Solar Project
- Key Terms for Participation; and
- Contract Overview

The slides that will be used during the discussion will be emailed to the Board of Directors before the March 17, 2016 meeting.

Recommended Action None. This item is for information only.

**AGENDA ITEM 9 – MEMBER COMMENTS**

**Board of Directors Meeting  
March 17, 2016**

**AGENDA ITEM 10 – ADJOURNMENT**

**Board of Directors Meeting  
March 17, 2016**