



**Florida Municipal Power Agency
Telephonic Executive Committee
Meeting**

November 17, 2016

Executive Committee

Howard McKinnon, Havana - Chairman
Lynne Tejada, Key West – Vice Chairwoman

Bruce Hickle, Bushnell
Lynne Mila, Clewiston
Fred Hilliard, Fort Meade
Clay Lindstrom, Fort Pierce
Robert Page, Green Cove Springs
Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee
Patrick Foster, Leesburg
Bill Conrad, Newberry
Mike Poucher, Ocala
Tom Ernharth, Starke

**Telephonic Meeting Held 9:15 a.m.
Thursday, November 17, 2016
Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819
407-355-7767**



Florida Municipal Power Agency

Jacob A. Williams
General Manager and CEO

TO: FMPA Executive Committee
FROM: Jacob A. Williams
DATE: November 8, 2016
RE: Telephonic Executive Committee Meeting
Thursday, November 17, 2016 at 9:15 a.m.
(Or Immediately Following the Telephonic Board of Directors Meeting)
PLACE: Florida Municipal Power Agency,
8553 Commodity Circle, Orlando, FL
Board Room, Orlando, Florida

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

Chairman Howard McKinnon, Presiding

AGENDA

- 1) Call to Order, Roll Call, Declaration of Quorum 4
- 2) Set Agenda (By Vote)..... 5
- 3) Recognition of Guests 6
- 4) Public Comments (Individual Public comments to be limited to 3 minutes) 7
- 5) Comments from the Chairman (Howard McKinnon) 8
- 6) Report from the General Manager (Jacob A. Williams) 9
- 7) Sunshine Law Update (Jody Finklea) 10

8) Consent Agenda

- a) None 11

9) Action Items

- a) Approval of FMEA Funding of Special Assessment (Mark McCain) 13

10) Information Items

- a) Draft Management Goals for 2017 (Jacob Williams)..... 17

11) Other Information

- a) None..... 20

12) Member Comments.....21

13) Adjournment.....22

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**

**Executive Committee
November 17, 2016**

AGENDA ITEM 2 – SET AGENDA (By Vote)

**Executive Committee
November 17, 2016**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
November 17, 2016**

**AGENDA ITEM 4 –PUBLIC COMMENTS
(INDIVIDUAL COMMENTS TO BE
LIMITED TO 3 MINUTES)**

**Executive Committee Meeting
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VERBAL REPORT

**AGENDA ITEM 5 – COMMENTS FROM THE
CHAIRMAN**

**Executive Committee
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VERBAL REPORT

**AGENDA ITEM 6 – REPORT FROM THE
GENERAL MANAGER**

**Executive Committee
November 17, 2016**

VERBAL REPORT

AGENDA ITEM 7 – SUNSHINE LAW UPDATE

**Executive Committee
November 17, 2016**

AGENDA ITEM 8 – CONSENT AGENDA

- a) None**

**Executive Committee
November 17, 2016**

AGENDA ITEM 9 – ACTION ITEMS

- a) Approval FMEA Funding of Special Assessment**

**Executive Committee
November 17, 2016**



AGENDA PACKAGE MEMORANDUM

TO: ARP Executive Committee
FROM: Mark McCain
DATE: November 8, 2016
ITEM: 9a – Approval of FMEA Funding of Special Assessment

Strategic Relevance **FMPA’s Relevant Strategic Goals**
1. D1: Work with the Florida Municipal Electric Association (FMEA) on public image projects.

Policy Decision
• Whether or not to support funding of FMEA’s special assessment for legislative and communication expenditures in 2016-2017.

Introduction

- FMEA’s Board of Directors met on Sept. 15, Sept. 23 and Oct. 24 to discuss an emerging issue related to municipal electric utilities that is expected to be raised in the 2017 Florida Legislative Session and to discuss a proposed legislative and communication response.
- Sen. Jack Latvala (R-Clearwater), who is slated to be the next chair of the Appropriations Committee, has said in recent media reports that there will be a bill in the 2017 Legislative Session dealing with municipal electric utilities on the subjects of emergency preparedness and rates.
- On Sept. 23 and Oct. 24, FMEA’s Board of Directors approved two proposals to secure additional assistance with legislative and communication efforts. FMEA has asked FMPA to participate on behalf of 13 All-Requirements Project (ARP) members, which are also FMEA members.
- The ARP Executive Committee discussed this request at its meeting on Oct. 20, 2017. At the Executive Committee meeting on Nov. 17, 2016, this item will be presented as an Action Item.

Explanation

Hurricane Hermine struck Florida in early September. The city of Tallahassee was hard hit with approximately 80% of its customers without power following the storm. Four days later, 80% of its customers were restored. Five days later 90% were restored, and six days later, all customers were back in service. Research on storm restoration shows that Tallahassee’s electric restoration was on par or faster than restoration in the hardest hit areas of similar-strength storms in the past.

Despite the favorable comparisons to past storm response, there was public criticism of Tallahassee’s response. Some of the criticism was fueled by politics, government officials and social media. A news article headlined “[Hurricane Hermine exposes political tensions in Tallahassee](#)” explains some behind-the-scenes politics that was injected to the disaster recovery effort. FMEA’s Barry Moline published an op-ed in the Tallahassee Democrat titled, “[Hermine power restoration at least as good as previous major storms.](#)”

In early October, Hurricane Matthew hit the east coast of Florida, knocking out power to approximately one million Floridians. After a few days, the number of homes and businesses without power was down to approximately 176,000. The largest number of remaining outages were in the hardest-hit counties of Flagler, Volusia and Duval. All but two of the 20 municipal electric utilities affected by Hurricane Matthew had power restored within three days or less. A week after the storm, JEA was the final utility reporting storm-related outages with fewer than 5,000 customers without power.

In addition to discussion about storm response, the long discussed issue of electric customers outside city limits is expected to continue in the next legislative session. Rep. Debbie Mayfield was joined by Sen. Latvala in filing a joint letter dated Sept. 12, 2016, to the Florida Public Service Commission (PSC) regarding a request to modify the electric service territorial boundaries involving the city of Vero Beach and the Town of Indian River Shores. The letter strongly encouraged the PSC to “listen closely to the pleas from the aggrieved citizens of Indian River Shores.” The letter referred to municipal utilities as “unregulated utility providers acting as a monopoly and lacking accountability to its customers.”

Analysis

FMEA has been active in addressing misinformation related to the hurricane response. Some actions to date have included:

1. Being active on traditional media and social media to provide information and correct misinformation.
2. Initiating efforts to develop a statewide mutual aid network among investor-owned utilities, municipal electric utilities and electric cooperative.
3. Calling for a statewide database of excess field crews available for each storm.
4. Discussion of customer expectations in emergency communications.
5. Continued improvement on restoration methods employed by various utilities.

While these actions are constructive, some people seem focused on using these events for political purposes. They are attempting to discredit municipal utilities by suggesting that they are too small to adequately serve their citizens. FMEA expects an anti-public power regulatory proposal in the next state Legislative Session. In addition, the ongoing issues in Vero Beach will require FMEA’s attention as proposals may be offered that affect all municipal electric utilities.

Solutions

FMEA has met three times with its Board of Directors and at least once with its Executive Committee to discuss a response to this situation. From that, FMEA has proposed a special assessment in two phases to fund legislative and communications assistance, as follows:

Phase 1, which FMEA’s Board of Directors approved to fund immediately, includes the communication element and adjustments to lobbying retainers with Bill Peebles and Dean Cannon. The six largest FMEA members (JEA, OUC, Lakeland, Tallahassee, GRU plus ARP on behalf of 13 cities) would be assessed \$31,000 each, and the other FMEA members would contribute varying amounts based on Megawatt hours sales.

Phase 2, possibly funded in January or February, would retain additional lobbying assistance, if necessary. This will be determined after an assessment at that time. This phase is expected to cost the same as Phase 1. FMEA is hopeful that it will not be necessary, but that remains to be seen.

Evaluation

The engagement of key legislators and others is a clear and present challenge to the interests of municipal electric utilities. Municipal utilities must actively engage or risk adverse consequences in the Florida Legislature.

Rate Impact

The table below shows the rate impact to the ARP participants for the expense associated with Phase 1.

| Proposed Cost | Annual MWh Billed* | Rate Impact |
|---------------|--------------------|-----------------|
| \$31,000 | 5,463,000 MWh | \$0.005 per MWh |

* Source: Fiscal 2017 Budget for the All-Requirements Project, estimated Megawatt Hours billed

Recommended Action

Move approval authorizing the expenditure of \$31,000 payable to the Florida Municipal Electric Association (FMEA) to fund legislative and communications assistance (Phase 1) on behalf of 13 FMEA cities that purchase power from FMPA’s All-Requirements Project.

/mm

AGENDA ITEM 10 – INFORMATION ITEMS

- a) Draft Management Goals for 2017**

**Executive Committee
November 17, 2016**



AGENDA PACKAGE MEMORANDUM

TO: Board of Directors
 FROM: Jacob Williams
 DATE: November 8, 2016
 ITEM: 8c – FMPA Draft 2017 Top 10 Management Goals

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

1. To provide FMPA Team with Draft FY’17 Top 10 Goals to aid in departmental and individual goals setting for FY’17.
2. To provide FMPA’s Board of Directors with a draft of monthly Top 10 Metrics for performance of the FMPA Team.

Introduction

- FMPA’s annual employee performance review and development process starts in November and is completed by mid-December. As a part of that process, FMPA-level management goals for the next fiscal year are needed to anchor the development of departmental and individual goals.
- FMPA’s management Leadership Team met over several weeks to brainstorm and prioritize the Agency-level goals cutting across all areas. Over 30 high-levels goals were shared and discussed, many of which are likely to be goals at some level within FMPA.
- To aid in focusing FMPA’s team, we wanted to prioritize the Top 10 Goals for us to publicly measure and report on at the monthly team meeting. The Leadership Team individually ranked their Top 10 Goals from the list and, not surprisingly, approximately seven goals were on virtually everyone’s list with the other three on most lists.
- The Draft Top 10 Goals have been shared with FMPA’s team as they start the review and development process for FY’17.
- Similarly, the Leadership Team wants to share with the Board of Directors the draft Top 10 Goals, which we would report on at the monthly Board and Executive Committee meetings. We are open to feedback on the goals, and they will be reviewed and discussed during the Strategic Planning Session planned for February 15, 2017.

Draft Fiscal Year 2017 Top 10 Management Goals

1. **Safety** - No lost time accidents for employees or plant staff while on the job.
 2. **Compliance** - No regulatory violations (e.g., environmental, NERC, financial) that are not self-reported.
 3. **Power Costs** - Average ARP Participant cost of \$80.84/MWh. Adjusted for the actual gas prices versus what was used in the budget assumptions.
 4. **Reliability** - Equivalent Availability Factor (EAF) for ARP combined cycle units in aggregate of 85% or greater.
 5. **Power Sales Opportunities** - Engage all member utilities to understand power needs and competitively bid on all upcoming municipal power supply contract opportunities in Florida.
 6. **Legislative Preparedness** - Influence legislative proceedings to provide fair solutions to all parties while not adversely impacting FMPA or member utilities.
 7. **Joint Action Solar Project** - Obtain commitment from interested member utilities for a utility-scale joint action solar project, structure the project to ensure non-participating member utilities do not have project cost responsibility, and issue an RFP for solar power supply.
 8. **Member Relationships** - FMPA senior management visits each member utility twice per year.
 9. **Meeting Member Needs** - Expand or enhance member abilities to address distribution services and lineworker staffing needs.
 10. **Investment in People** - Ensure the effective development and retention of FMPA staff through several initiatives including the development of future Agency leaders through having 20% of staff attend leadership or management training.
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Next Steps

Staff will solicit initial feedback from the Board in December while the FMPA Team finalizes metrics and processes for monthly monitoring and presentation to the FMPA Team and Board. A more detailed review of FY2017 Goals will be discussed at the February 15, 2017 FMPA Strategic Planning Session.

Recommended Action

For information only. No action is requested.

AGENDA ITEM 11– OTHER INFORMATION

a) None

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AGENDA ITEM 12– MEMBER COMMENTS

**Executive Committee
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AGENDA ITEM 13– ADJOURNMENT

**Executive Committee
November 17, 2016**