International Municipal Lawyers Association

2020 Virtual Annual Conference

Session: Addressing Financial Impacts of the Pandemic

Linda S. Howard, CFO Florida Municipal Power Agency

©2020 International Municipal Lawyers Association. This is an informational and educational report distributed by the International Municipal Lawyers Association during its 2020 Virtual Annual Conference, held September 21 – October 16, 2020. IMLA assumes no responsibility for the policies or positions presented in the report or for the presentation of its contents.

COVID-19 Disclosure

The outbreak of COVID-19, a respiratory virus which was first reported in China, has since spread to other countries, including the United States, and is considered a Public Health Emergency of International Concern by the World Health Organization. The United States State Department and the Center for Disease Control, as well as other governmental authorities, nations and airlines have issued travel restrictions and warnings for a number of countries in Asia and Europe. The spread of COVID-19 has led to quarantine and other "social distancing" measures throughout the United States. These measures have included recommendations and warnings to limit non-essential travel and promote telecommuting.

The State of Florida (the “State”) and local governments within the State are heavily reliant upon tourism, which has been negatively impacted by travel restrictions and the spread of COVID-19. As a result of the spread of COVID-19, the Governor of Florida declared a state of emergency on March 9, 2020. On March 27, 2020, the Governor issued an executive order suspending vacation rentals operations and such vacation rentals are prohibited from making new reservations or accepting new guests for check-in for the duration of the order.

COVID-19 Disclosure (contd.)

On April 1, 2020, the Governor issued a mandatory "safer at home" order for the entire State which was effective from April 3, 2020 through April 30, 2020. On April 29, 2020, the Governor announced the first phase of reopening businesses began on May 4, 2020 and allowed for certain businesses to open at 25% capacity, which includes, but is not limited to restaurants, retail stores, museums and libraries. On May 8, 2020, the Governor extended the state of emergency within the State for 60 days and stated barber shops and salons may reopen in counties operating under a Phase 1 reopening plan. On June 3, 2020, the Governor announced the second phase of reopening businesses began on June 5, 2020. Phase 2, reopening included movie theaters, bars, and personal service businesses with some restrictions.

Many cities and counties where Participants are located have issued a number of emergency orders that supplement and are, in some cases, more restrictive than the Governor’s Orders

Measures Taken by Utilities with Customers

- Suspended disconnects
- Provided flexible payment plans
- Waived late payment fees
- Supported financial assistance programs
- Referred customers to federal, state and local assistance programs

Measures Taken by Utilities with Employees

- Limited access to plants
- Restricting access to control rooms
- Requesting operators limit travel
- Prepping plant and staff for quarantine
- Screening contractors coming onsite with questionnaire and thermal scans
- Office staff working remotely for some period of time

Impacts

Altered behaviors causing negative impacts on global and local economies

Impact on revenues, expenses and cash flow or ratings are uncertain and cannot be quantified at this time

Many business (large and small) have gone out of business

The unprecedented nature and duration of this event is uncomfortable and requires patience, hope and stamina for the long haul

FMPA MUNICIPAL POWER

Positives For Utilities

Reserves	Past experience	People	Not alone
• Cashflow not impacted extensively yet • Tempered use of reserves is ok	• Hurricanes • Temporary loss of revenue	• Employees • Customers	• Wide spread issue • Commonalities across the board

QUESTIONS

Linda S. Howard

Linda.howard@fmpa.com

407.355.7767