

JEA
BOARD MINUTES
December 13, 2016

The JEA Board met in regular session on Tuesday, December 13, 2016, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Kelly Flanagan, Ed Burr, Husein Cumber and Alan Howard. Delores Kesler was absent and excused.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 12:01 PM by Chair Petway.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Chair Petway.
- D. **Adoption of Agenda** – The agenda was approved on **motion** by Mr. Howard and second by Mr. Cumber.
- E. The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Chief Legal Officer, stated this Board Meeting is being held in compliance with Florida’s Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Presentations and Comments

- A. **Comments from the Public** – none
- B. **Council Liaison’s Comments** – Council Member Greg Anderson was not in attendance.
- C. **Office of the Mayor Liaison’s Comments** – Dr. Gaffney offered greetings from the Mayor and wished everyone Happy Holidays.
- D. **Nassau County’s Ex-Officio Representative’s Comments** – Mr. Mullin was not in attendance.
- E. **American Waterworks Association (AWWA) Operator Challenge – Florida Competition** – Brian Roche, Vice President/General Manager, Water/Wastewater Systems, presented the JEA winners (Charles Barr, James Haspel, Samuel Howard, Buddy Kennedy, Michael Mace, Philip Graham and Erick Ingram) who participated in the American Waterworks Association (AWWA) Operator Challenge held on November 27 – December 1, 2016 in Orlando, Florida. Mr. Roche advised the Board that some of the winners would move forward to the competition in Philadelphia in June 2017. Mr. Roche stated that these competitions allow JEA employees to strengthen teamwork, sharpen skills and network with other utilities.
Chair Petway introduced potential new Board Member, Reverend Frederick Newbill.
- F. **Stanton Robotics Club Presentation** – Todd Lovelace, Electric Systems Engineer, presented information on the Stanton Robotics program and JEA’s involvement. Mr. Lovelace advised the Board of the remarkable accomplishments of the team and the continued involvement of its past members. Board Members were invited to a demonstration after the Board Meeting.

Agenda Item III – For Board Consideration

A. Consent Agenda – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Mr. Cumber and second by Vice Chair Burr, items 1 and 2 on the Consent Agenda was unanimously approved and items 3 through 6 were received for information.

1. Approval of Board Meeting Minutes November 15, 2016 – approved
2. 2017 Board and Committee Meetings Schedule – approved
3. Customer Correspondence Summary – received for information
4. Monthly JEA Financial Review & Statements – received for information
5. Monthly JEA Operations Report – received for information
6. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information

B. Strategic Discussions/Action

1. Monthly Operational and Financial Presentation – Paul McElroy, Managing Director/Chief Executive Officer, presented the monthly review of JEA’s operational and financial metrics for electric and water/wastewater services. This item was received for information.

C. Open Discussion

1. Chair Petway advised of the successful meetings with the ratings agencies in New York. Chair Petway thanked Council President Lori Boyer and Mayor Curry for their support and also congratulated the JEA executive team on a job well done.
2. Mr. Cumber addressed communication issues during the recent water main break in the San Marco area. Mr. McElroy provided an overview of the root cause of the break and the repair. Mr. McElroy also advised the Board of the numerous methods used to communicate to customers in the area, both residential and business. Mr. McElroy stated the water/wastewater team will continue to work on ways to better improve communication to the community.
3. Mr. McElroy advised that individual Board Members recently received white papers regarding overhead and underground transmission lines. The Board was also advised of opportunities for broadband on JEA poles, which would create additional revenue streams.

D. Other New Business – none

E. Old Business – none

Agenda Item IV – Reports

A. Finance & Audit Committee Report – Kelly Flanagan, Committee Chair, advised the Board of the Finance & Audit Committee meeting on December 1, 2016. Committee Chair Flanagan thanked the JEA Management team and Ernst & Young for the timeliness of the financial reports for the meetings with the ratings agencies in New York. An overview of the meeting was provided.

1. Approval of Minutes – August 8, 2016 – received for information
 2. Approval of Minutes – October 18, 2016 – received for information
 3. Audit Services – Quarterly ERM/Audit Report – received for information
 4. Ethics Officer Quarterly Report – received for information
 5. Electric System and Water and Sewer System Reserve Fund Quarterly Report – received for information
 6. JEA Energy Market Risk Management Policy Report – received for information
 7. JEA Calendar Years 2017 and 2018 Fixed Rate Refunding Debt Parameter Resolutions for Electric, Water and Sewer and St. Johns River Power Park Systems – **On motion** by Committee Chair Flanagan and second by Board Vice Chair Burr, the Board approved Resolutions No. 2016-21, 2016-22, 2016-23, 2016-24 and 2016-25 establishing delated parameters and authorizing the Managing Director/CEO to price and execute future fixed rate refunding bond issues to be sold no later than December 31, 2018.
 8. Ernst & Young FY2016 External Audit Report – received for information
 9. Committee Discussion Sessions
 - a. Ernst & Young – received for information
 - b. Director, Audit Services – received for information
 - c. Council Auditor’s Office – received for information
- B. Compensation Committee Report** – Delores Kesler, Committee Chair – the Compensation Committee did not meet on November 8, 2016. The Board was advised that the Compensation Committee meeting would be rescheduled and a report would be provided to the Board.
- C. Government Affairs Committee Report** – Alan Howard, Committee Chair, provided a report to the Board of the various initiatives related to regulatory and legal affairs that are currently being monitored. Committee Chair Howard advised the Board that the amendment for the reduction of required Board meetings is before the City Council Rules Committee and has been worded as “every other month” versus “at least 6 times a year”. The Board was also advised that the appointment of Frederick Newbill to the JEA Board has been presented to the Rules Committee.
1. Approval of Minutes – May 6, 2016 – received information
 2. Review of Current Litigation – received for information
 3. JEA Government Relations Local, State and Federal Update – received for information
 4. Other New Business - none
 5. Announcements – received for information
 - a. Schedule Next Meeting as Appropriate
- D. Managing Director/CEO’s Report** –
1. Mr. McElroy advised that JEA is on top of the Equal Employment Opportunity (EEOC) Commission issues that have been reported in the media. JEA is being fully transparent as the EEOC reviews the cases. Mr. McElroy further advised that there

has been increased training and awareness of diversity and inclusion, especially in the in the last 3-5 years.

- 2. The bargaining unit negotiations are in progress and occur on a 3-year cycle.
- 3. Mr. McElroy discussed solar power and the limitations in policies for private usage. The management team will begin providing a monthly net metering subsidy report to the Board.
- 4. Mr. McElroy thanked the Mayor for his support and representation of the city during the meetings with the ratings agencies. Chair Petway thanked Melissa Dykes, Mike Brost and Brian Roche for their participation in the meetings.
- 5. Mr. McElroy wished everyone a Merry Christmas and a happy and healthy New Year and welcomed Frederick Newbill.

E. Chair’s Report –

- 1. Chair Petway introduced the newly assigned members of the Board Nominating Committee, consisting of the current Board Chair, Vice Chair Burr and Mr. Howard.
- 2. The Board was reminded that the Chair speaks for the Board in all media inquiries.

Agenda Item V – Closing Considerations

A. Announcements – Next Board Meeting – January 17, 2017

B. Adjournment

With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 1:04 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock
Executive Assistant