

JEA
BOARD MINUTES
January 17, 2017

The JEA Board met in regular session on Tuesday, January 17, 2017, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Delores Kesler, Ed Burr, Husein Cumber, Frederick Newbill and Alan Howard. Kelly Flanagan 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. Cumber and second by Secretary Kesler.
- 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 –**
 - 1) Kim Jowers – addressed the Board regarding solar
 - 2) Pete Wilkings – addressed the Board regarding solar

At the request of Chair Petway, Mr. McElroy provided a response to the public comments and advised that staff will provide a solar report and recommendations to the Board in summer 2017.
- B. Council Liaison’s Comments** – Council Member Greg Anderson thanked the Board for their service. Council Member Anderson advised that Resolution 2016-20 requesting to amend the number of required meetings detailed in the JEA charter is proceeding through the Council. Council Member Anderson informed the Board that he had been briefed on the upcoming demand rate pilot program and looked forward to hearing more today.
- C. Office of the Mayor Liaison’s Comments** – Dr. Gaffney offered greetings from the Mayor and congratulations to Reverend Newbill for his appointment to the Board.
- D. Nassau County’s Ex-Officio Representative’s Comments** – Mr. Mullin was not in attendance.
- E. J. D. Power Final Business Results** – Richard Vento, Interim Chief Customer Officer, informed the Board that the final 2016 J.D. Power Business Results have been released, with the first wave occurring from February to June 2016 and the second wave from July to November 2016 that included the timeframe of the Hurricane Matthew recovery.

Mr. Vento advised the Board that JEA scored 780, a 26 point increase over last year. The results put JEA in the top quartile, but not in the top decile, which is JEA's goal. Mr. Vento also released results from the residential study, which indicated JEA is 10 points away from first place in the South Midsize segment. Further analysis will be conducted on the results and provided to the Board at a later date.

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. Howard and second by Vice Chair Burr, item 1 on the Consent Agenda was unanimously approved and items 2 through 8 were received for information.

1. Approval of Board Meeting Minutes December 13, 2016 – approved
2. Duval Legislative Delegation – received for information
3. Real Estate Acquisition Status Report – received for information
4. Sole Source and Emergency Procurement/Procurement Appeals Board Report – received for information
5. Monthly JEA Financial Statements – received for information
6. Monthly JEA Operations Report – received for information
7. Monthly Operational and Financial Presentation – received for information
8. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information

B. Strategic Discussions/Action

1. Quarterly Financial Report – Melissa Dykes, Chief Financial Officer, provided a presentation highlighting key financial metrics and results of JEA's Electric and Water and Sewer systems for the first quarter of fiscal year 2016, with explanations on the impact of weather and the increases in debt service. Ms. Dykes also reported on the credit ratings assigned to JEA's electric system debt, including rating affirmations from Moody's, Fitch and a positive outlook assigned by Standard & Poor's.
2. Electric System Generation Planning Discussion – Melissa Dykes, Chief Financial Officer shared a summary of the Energy Information Administration (EIA) national long-term outlook for electricity use through 2040 and the changing fuel mix for electric generation, with and without the Clean Power Plan. Mike Brost, Vice President/General Manager, Electric Systems, provided details on how the JEA system would mirror national projections and a summary of JEA's generating resources.
3. Recommendation to Call a Public Hearing to Modify the Electric Tariff Documentation and the Water and Sewer Rate Document – Melissa Dykes, Chief Financial Officer, presented a request to call a rate hearing to modify the electric tariff to include JEA's Smartsavings Residential Pilot Program. Ms. Dykes advised the Board that the modifications would include new electric and water and sewer service charges, additional streetlight offerings and administrative changes regarding fire protections charge clarifications to align with rules and regulations. Upon

motion by Secretary Kesler and second by Vice Chair Burr, the Board unanimously voted to call a public hearing at the February 21, 2017 Board Meeting to modify the electric tariff documentation and the water and sewer rate document.

C. Open Discussion – none

D. Other New Business – none

E. Old Business – none

Agenda Item IV – Reports

A. Compensation Committee Report – Delores Kesler, Committee Chair, reviewed the Compensation Committee meeting held on January 6, 2017, bringing items to the Board for action and information.

1. Approval of Minutes – November 8, 2016 – received for information
2. Weighting of Fiscal Year 2017 CEO Goals – Committee Chair Kesler presented the Board with recommendations for the weightings of the 2017 CEO goals. Upon **motion** by Board Vice Chair Burr and second by Mr. Cumber, the Board unanimously approved the revised weightings.
3. Performance Management and Pay Practices – Committee Chair Kesler advised that performance management and pay practices of JEA would be reviewed by an outside source to ensure best practices are being utilized in the future.
4. Other New Business - none
5. Announcements – information
 - a. Schedule Next Meeting as Appropriate

B. Managing Director/CEO's Report –

1. Mr. McElroy clarified the manner in which JEA reports Sanitary Sewer Overflows (SSOs) to the Florida Department of Environmental Protection (FDEP) and the impacts of an executive order and subsequent ruling by an administrative law judge. Mr. McElroy advised that solutions will result in further transparency of this issue.
2. Mr. McElroy indicated that JEA will most likely reach capacity for rooftop solar installations on the customer side during the summer. A full report and recommendations will be made to the Board for review and modifications.
3. Mr. McElroy reported on JEA crews providing mutual aid in Albany, Georgia.

C. Chair's Report –

1. The Chair reviewed the committees that are currently active under the JEA Board of Directors and advised that the Nominating Committee will meet in February. The Board briefly held discussions on the JEA Headquarters study.

Agenda Item V – Closing Considerations

A. Announcements – Next Board Meeting – February 21, 2017

B. Adjournment

With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 1:25 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock
Executive Assistant