

**JEA**  
**BOARD MINUTES**  
February 21, 2017

**The JEA Board met in regular session on Tuesday, February 21, 2017, on the 19<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Delores Kesler, Kelly Flanagan, Husein Cumber, Frederick Newbill and Alan Howard. Ed Burr attended telephonically.**

**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 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.
- G.** **Recent Mutual Aid Work by JEA Line Crews** – Andy Yeager, Manager, Distribution Maintenance, presented videos of JEA crews who were deployed twice to Albany, GA in January to assist with power outages due to tornadic weather. Mr. Yeager provided information on damage and customer outages in Albany, as well as Tallahassee during an additional mutual aid trip.

*At this time, Chair Petway recognized Council Member Greg Anderson and Dr. Johnny Gaffney; however, the minutes reflect the original order of the agenda.*

**Agenda Item II – Public Hearing**

**Public Hearing to Implement JEA’s SmartSavings Residential Pilot Program; Tariff Changes and Modifications to Electric Service Charges; Modifications to Water and Sewer Service Charges and Administrative Changes to the Fire Protections Section.**

Chair Petway suspended the JEA regular Board Meeting at 12:18 PM.

The JEA Board held a public hearing on February 21, 2017, as duly noticed in the Florida Times-Union to consider, as advertised:

1. Modification of the Electric Tariff Documentation implementing the JEA SmartSavings Residential Pilot Program; and
2. Modification of the Electric Tariff Documentation introducing two new street lighting options; and
3. Modification of the Electric Tariff Documentation introducing new service charges and modifying existing service charges; and

4. Modification of the Water and Sewer Rate Document introducing new service charges and modifying existing service charges; and
  5. Modification of the Water and Sewer Document modifying the language in the fire protection section.
- A. Call to Order and Comments from the Chair – The Public Hearing was called to order** at 12:18 PM by Chair Petway.
- B. Staff Presentation and Board Discussion** – Melissa Dykes, Chief Financial Officer, presented a summary of the JEA SmartSavings Pilot, which was previously presented at the January 17, 2017 Board Meeting. Ms. Dykes advised the Board of the additional recommendations in Resolution 2016-28 and offered to provide further information, if needed.
- C. Comments from the Public** – none

*Chair Petway adjourned the Public Hearing at 12:25 PM.*

**Agenda Item III – Action on Public Hearing**

- A. Public Hearing to Modify the Electric Tariff Documentation and the Water and Sewer Rate Document** – On motion by Secretary Kesler and second by Mr. Cumber, the Board unanimously adopted Resolution 2016-28 and its attachments to implement the JEA SmartSavings Residential Pilot Program, modify electric service charges regarding fraud, non-payment and meter testing, implement two additional standard decorative LED lighting options, modify the water and sewer service charges regarding fraud, non-payment, meter testing and backflow prevention testing and make administrative changes to the fire protections section to bring it into alignment with the Rules and Regulations for Water and Sewer Service and authorized the staff to take any necessary administrative actions to implement the approved modifications as described in Exhibits II through VI as recommended by staff. Resolution 2016-28 and Exhibits II through VI are attached and made part of these minutes.

**RESOLUTION 2016-28**

**A RESOLUTION REGARDING RATE SCHEDULE CHANGES AND ADDITIONS TO THE EXISTING ELECTRIC TARIFF DOCUMENTATION AND WATER AND SEWER RATE DOCUMENT; CONDUCTING A PUBLIC HEARING AND FINDING THE MODIFICATIONS OF THE TARIFF DOCUMENTATION AND RATE DOCUMENT TO BE REASONABLE; IMPOSING THESE MODIFICATIONS FOLLOWING THE PUBLIC HEARING; PROVIDING FOR THE IMPLEMENTATION OF THESE MODIFICATIONS, AND PROVIDING FOR AN EFFECTIVE DATE.**

**Agenda Item IV – Presentations and Comments**

- A. Comments from the Public** – none
- 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 and he is keeping up to date with its progress. Council Member Anderson informed the Board that the request for a new term for Vice Chair Burr on the JEA Board has been filed by the mayor’s office. Council Member Anderson further advised that the next major legislation piece will be the mayor’s pension plan. He also thanked the JEA crews for their mutual aid service.
- C. Office of the Mayor Liaison’s Comments** – Dr. Gaffney offered thanks from the mayor for the continued service of the Board.
- D. Nassau County’s Ex-Officio Representative’s Comments** – Mr. Mullin was not in attendance.

**Agenda Item V – 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 Secretary Kesler, item 1 on the Consent Agenda was unanimously approved and items 2 through 4 were received for information.
  - 1. Approval of Board Meeting Minutes January 17, 2016 – approved
  - 2. Monthly JEA Financial Review & Statements – received for information
  - 3. Monthly JEA Operations Report – received for information
  - 4. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information
- B. Strategic Discussions/Action**
  - 1. Monthly Operational and Financial Review – Melissa Dykes, Chief Financial Officer, presented the monthly review of JEA’s operational and financial metrics for electric and water/wastewater services. This item was received for information.
  - 2. Human Resources: Recruiting, Retention and Engagement – Bruce Dugan, Director, Organizational Performance Improvement, presented information to the Board regarding the various activities of Human Resources related to recruiting talent for the technical positions within JEA, the department’s work in inclusion and diversity and how JEA’s workforce compares to the general population, as well as the training of current employees in numerous areas.
  - 3. Enterprise Asset Management Request for Proposals – Melissa Dykes, Chief Financial Officer, advised the Board regarding the Enterprise Asset Management (EAM) project. Ms. Dykes informed the Board that, due to declining electric sales, JEA is focused on expense discipline and operational efficiency more than ever. Ms. Dykes advised the Board that JEA is focused on two key areas this year, process improvement and knowledge transfer, and stated that industry experts were being engaged to assist JEA in these areas. This item was received for information.

*At the discretion of the Chair, Agenda Item V. B. 5. was presented at this time; however, the minutes will reflect the original order of the agenda.*

4. JEA Sewer System: Framework to Resiliency Update – Brian Roche, Vice President/General Manager, Water/Wastewater Systems, provided the Board an update on the progress that has been made on the multi-step Framework to Resiliency plan and highlighted early actions implemented to make significant improvements prior to the next hurricane season. The next step which is to analyze, plan and implement improvement activities is planned to be presented and discussed at the April Board Meeting.
5. Electric System Generation Planning – Mike Brost, Vice President/General Manager, Electric Systems, provided an overview of the current status of JEA's generation fleet and expected changes over the next several years. Mr. Brost advised that the fleet is long in capacity, due to the decrease in energy consumption. Melissa Dykes, Chief Financial Officer, advised the Board of Toshiba's anticipated writedowns associated with its two Westinghouse U.S. nuclear projects and its impact on JEA. Ms. Dykes and Mr. Brost advised that further information would be available after Toshiba's announcements on March 14, 2017. This item was received for information.

**A. Open Discussion** – none

**B. Other New Business** – none

**C. Old Business** – none

#### **Agenda Item IV – Reports**

**A. Nominating Committee Report** – Tom Petway, Committee Chair, reviewed the Nominating Committee meeting held on January 27, 2017, bringing items to the Board for information.

1. New Slate of Officers – Chair Petway introduced the following slate of officers to be reviewed and voted upon at the March 21, 2017 JEA Board Meeting. The nominations are: Chair, Ed Burr, Vice Chair, Alan Howard and Secretary, Delores Kesler. This item was received for information.

**B. Managing Director/CEO's Report** –

1. Mr. McElroy thanked the mutual aid crews for a great job in Albany and advised the Board that local media provided the video footage.
2. Mr. McElroy reported on the Pastor's luncheon held on February 7, 2017, which he attended with Rev. Newbill, during which staff was able to hear issues impacting the various congregations. Mr. McElroy advised that will be providing ambassadors to assist the congregations with billing, rates and JEA programs available to them. Rev. Newbill advised the Board that the luncheon was very positive, as a whole and that the pastors learned a lot about JEA and its ambassadors.
3. Mr. McElroy reported that four of the five bargaining units have tentative agreements. The target for completion of the bargaining unit agreements is mid-March.
4. Mr. McElroy advised the Board of two major issues, the Clean Power Plan and tax reform. Mr. McElroy provided information to the Board that the Clean Power Plan, in its current form, is expected to be replaced by a revised plan. Mr. McElroy also

expressed the concern of municipalities that the tax-exempt status related to municipal bonds could be eliminated and advised the Board of the implications to our industry and to JEA.

- 5. Mr. McElroy requested that the Board consider a planning workshop to work through issues related to electric generation.
- 6. Mr. McElroy advised the Board of the recent passing of Thomas John Thomas, Jr., a customer who appeared before previous Boards on numerous occasions and was passionate about the protection of churches and the community.

**C. Chair’s Report –**

- 1. Chair Petway discussed the difference in the advertising for Florida Power & Light and JEA.

**Agenda Item V – Closing Considerations**

**A. Announcements** – Next Board Meeting – March 21, 2017

**B. Adjournment**

*With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 1:46 PM.*

APPROVED BY:

\_\_\_\_\_  
SECRETARY

DATE: \_\_\_\_\_

Board Meeting recorded by:

\_\_\_\_\_  
Cheryl W. Mock  
Executive Assistant