

**JEA BOARD MINUTES
September 24, 2019**

The JEA Board met in regular session on Tuesday, September 24, 2019, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were April Green, Reverend Fredrick Newbill, Kelly Flanagan, and Andy Allen, and Henry Brown.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 9:01 AM by Chair April Green.
- B.** A **Moment of Reflection** was observed by all.
- C.** The **Pledge of Allegiance** was led by Chair Green.
- D.** **Introductions** were made by board members present, Aaron Zahn, and Lynne Rhode.
- E.** **Adoption of Agenda** – The agenda was approved on **motion** by Ms. Flanagan and second by Mr. Howard.
- F.** The **Safety Briefing** was given by Aaron Zahn, Managing Director/Chief Executive Officer.
- G.** **Sunshine Law/Public Records Statement** – Lynne Rhode, Office of General Counsel (OGC), 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 – Comments / Presentations

- A.** **Comments from the Public** – All information for speakers on file.
 - **James Taylor (Jim)** – provided his opinion on the recapitalization process.
 - **Casey Jones** – Spoke on his concerns of light pollution on Sea Turtles.
 - **Bruce Dueck** – provided his opinions on the strategic planning process.
- B.** **Comments from Council Liaison** – **Councilman Danny Becton** did not provide any comments.
- C.** **Mike Hightower Recognition** – Aaron Zahn presented Mike Hightower, former Board of Directors Chair and Vice President/Chief Public and Stakeholder Affairs Officer, with a Resolution and gift of appreciation for his service to JEA. Mike Hightower expressed his gratitude and stated that he enjoyed his time with JEA.

Agenda Item III – Operations (Discussion/Action)

- A.** **Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Vice Chair Newbill and second by Mr. Allen, Appendix A, B, C, and E were unanimously approved.

Appendix A: Board Meeting Minutes July 23, 2019 – approved

Appendix B: Clarification on Employee Protection and Retention Summary – approved

Appendix C: Real Estate Optimization – Sale of 9201 Atlantic Blvd – approved

Appendix E: Real Estate Purchase – Hart Bridge Conduit – approved

Chair Green abstained from the vote on Appendix D: Real Estate Acceptance – 2470 Talleyrand Ave (form on file) – On motion by Vice Chair Newbill and second by Mr. Allen, Appendix D unanimously approved.

- B. Monthly Reports and Updates** – The following monthly reports and updates are submitted to the Board as information only. These items require no explanation, discussion, presentation or action.

Appendix F: Monthly Financial Statements – received for information

Appendix G: Monthly FY19 Communications & Engagement Calendar and Plan Update – received for information

Appendix H: Corporate Campus Update – received for information

- C. Monthly Financials and Operations Dashboard** – Melissa Dykes, President/COO and Ryan Wannemacher, Chief Financial Officer provided the highlights from the Financial and Operations Dashboard. Ms. Dykes noted that electric debt is the lowest it has been in 34 years and water debt is the lowest it's been in 16 years. Ms. Dykes also highlighted the JD Power, CEMI-5 and environmental impact to the wastewater system metrics success. Mr. Wannemacher highlighted the capital spend, energy and water/wastewater financial performance metrics, and the STAR Plan Phase 2.

Agenda Item III. D. was skipped and presented later in the meeting.

- E. Collective Bargaining Agreements** – Jon Kendrick, VP/Chief Human Resource Officer, provided an update on the Collective Bargaining Agreements and requested approval from the Board for Appendix I – M.

On **motion** from Vice Chair Newbill and second from Mr. Brown, Appendix I – M were unanimously approved.

Appendix I: Professional Employees Association Collective Bargaining Agreement – approved

Appendix J: International Brotherhood of Electrical Workers (IBEW) Collective Bargaining Agreement – approved

Appendix K: Laborers' International Union of North America (LIUNA) Collective Bargaining Agreement – approved

Appendix L: American Federation of State, County and Municipal Employees (AFSCME) Collective Bargaining Agreement – approved

Appendix M: JEA Supervisors Association (JSA) Collective Bargaining Agreement – approved

Agenda Item IV – JEA Invitation to Negotiate Update

- A. JEA Invitation to Negotiate** – Lynne Rhode, Chief Legal Officer, read the “Cone of Silence” Statement followed by a summary of the strategic process and the development of the non-traditional response and its objectives by Aaron Zahn, Managing Director/CEO. Herschel Vinyard, VP/Chief Administrative Officer recapped the presentation from July’s Board of Director’s Meeting on the process of removing the constraints and becoming a non-government owned utility.

Kevin Hyde, Partner at Foley & Lardner LLP, provided an overview of the ITN Procurement Process. Mr. Hyde explained the requirements of a successful replier, the evaluation process, further explained the “Code of Silence”, and expound on the opportunities for the public to comment. Mr. Hyde stated that any contracts approved will go to voter referendum. Mr. Zahn explained that on October 7 names won’t be released, just the number of respondents in order to protect the process and keep it competitive.

Steve Amdur, Chair of the New York Corporate Department at Pillsbury Winthrop Shaw Pittman LLP, reviewed scenarios 3A – 3F.

3A: Community Ownership

3B: IPO (become public with stock issuance)

3C: Private Placement Equity (shares with private sector investors)

3D: Technology Conversion (tech focused company purchases controlling interest)

3E: Oil and Gas Conversion

3F: Utility company purchases controlling interest

Mr. Amdur concluded his presentation by reviewing key anticipated process dates.

A discussion followed the presentation amongst Board Members concerning why names aren’t released on October 7, rating agency updates, why it is important to maintain an open process, and requirements for submissions for a particular scenario to continue the process.

Agenda Item III

- D. 2020 Proposed Meeting Board of Directors Meeting Schedule** – Proposed schedule opened to comments. There were no comments or suggested changes. Board meetings will continue to be on the fourth Tuesday of every month, with the exception of November and December 2020 due to holidays.

Agenda Item – Committee Reports

- A. Finance & Audit Committee** – Kelly Flanagan, Finance and Audit Committee Chair, reviewed items from the August 19, 2019 committee meeting and deferred action to the board due to a lack of quorum. Ryan Wannemacher, CFO presented the added item, Authorizations for the Use of Electrical Environmental Funds to Approved Projects.

On **motion** by Kelly Flanagan and second by Vice Chair Newbill, agenda items VI. 1, VI. 2, VI. 4, VI. 5, VI. 9, VI. 10, and VI. 14 were unanimously approved.

VI. 1. Adoption of Agenda – August 19, 2019 – approved

VI. 2. Approval of Minutes – May 20, 2019 – approved

VI. 4. Annual Approval of Internal Audit Charter – approved

VI. 5. Approval of Annual Audit Internal Plan – approved

VI. 9. Pricing Policy Revision – approved

VI.10. Debt Management Policy Revision – approved

VI.14. Authorizations for the Use of Electrical Environmental Funds to Approved Projects – approved

Henry Brown has also agreed to join the Finance and Audit Committee.

Agenda Item VII – Other Business

- A. Old Business – N/A**
- B. Other New Business – N/A**
- C. Open Discussion –** Vice Chair Newbill empowered staff to pursue traditional response just the same as the non-traditional response. Mr. Zahn stated staff will follow the action and provide further analysis if directed by the Board to do so.
- D. Managing Director/CEO’s Report –** Mr. Zahn announced John Campion’s resignation from the Board of Directors. He will be recognized at October’s Board Meeting.
- E. Chair’s Report –** Chair Green thanked Kerri Stewart, the Communications team, Aaron Zahn, and Melissa Dykes for the work during Hurricane Dorian.

Agenda Item VIII – Closing Considerations

- A. Announcements –** Next Board Meeting – October 22, 2019
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Green adjourned the meeting at 10:44am.

APPROVED BY:

SECRETARY
DATE: _____

Board Meeting recorded by:

Madricka L. Jones, Executive Staff Assistant