

JEA BOARD MINUTES
May 26, 2020

The JEA Board met in regular session on Tuesday May 26, 2020, via WebEx. Pursuant to State of Florida Executive Order 20-69 (Emergency Management-COVID-19-Local Government Public Meetings), this meeting is permitted to be conducted by communications media technology. In attendance were John Baker, Joe DiSalvo, Dr. Leon Haley, Marty Lanahan, Bobby Stein, and Tom VanOsdol. Also in attendance was Jody Brook, Office of General Counsel.

Agenda Item I – Welcome

- A.** Chair John Baker **called the meeting to order** at 9:00 am.
- B.** **Time of Reflection** was observed by all.
- C.** **Introductions** – All board members were in attendance excluding Dr. Zachary Faison.
- D.** **Adoption of Agenda** – On *motion* Marty Lanahan and seconded by Bobby Stein the agenda was approved.
- E.** The **Safety Briefing** – was given by Paul McElroy.
- F.** **Sunshine Law/Public Records Statement** – Jody Brooks, 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. Shawn Eads, Chief Information Officer, provided WebEx instructions.

Agenda Item II – Comments / Presentations

- A.** **Comments from the Public** – N/A
- B.** **Comments from Council Liaison** – Council Member Becton thanked the board and had no additional comments.
- C.** **Florida Water Resources Conference Awards Recognition** – Deryle Calhoun, V.P. Water/Wastewater, opened the presentation with highlights of two of the Florida Water Environment Association (FWEA) awards received by JEA this year. The Earle B. Phelps Award was presented to JEA’s Southwest and Cedar Bay wastewater treatment facilities each honored as runners-up in their categories, and the Buckman and Arlington East facilities received honorable mention in their categories. Paul Steinbrecher, V.P. Environmental Services, highlighted the FWEA David W. York Water Reuse Project of the Year Award. This honor is FWEA’s highest award given for reclaimed water providers. He also highlighted the OneWater Professional of the Year Award which is the highest award for a professional advancing the concept of “OneWater” in Florida. This year’s recipient of the OneWater Award is Ryan Popko, JEA Engineer. Congratulations were given and board member Marty Lanahan suggested when appropriate all award recipients come before the Board to be thanked in person. Chair John Baker was in agreement with this recommendation.

Agenda Item III. Consent Agenda

- A. **Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On *motion* by Marty Lanahan and seconded by Dr. Leon Haley the consent agenda was approved.

Appendix A: Board Meeting Minutes April 28, 2020 – approved

Appendix B: Special Board Meeting Minutes May 5, 2020 – approved

Appendix C: Monthly FY20 Communications & Engagement Calendar and Plan Update – information only

Appendix D: Sole Source & Emergency Procurement/Procurement Appeals Board Report – information only

Agenda Item IV. For Board Consideration

- A. **Monthly Operation and Financial Dashboard** – Kerri Stewart, Chief Customer Officer, led the presentation highlighting the JD Power customer measurements for Overall First Contact Resolution which is performing very well during Covid-19 and JEA Volunteers which the company expects to meet its goal by the end of the fiscal year. Next, Caren Anders, VP Energy Systems, provided an overview of the company's liability metrics which include outages, safety, environmental and financial. Ms. Anders highlighted one exception in environmental, a permit exceedance, resulting in a violation. This noted this exception has been corrected. Next, Deryle Calhoun, VP Water/Wastewater, reviewed the company's water metrics which are tracking very well year-to-date. Lastly, Mr. Calhoun reviewed the Information Technology metrics which are tracking very well year-to-date and meeting all targets. He also provided highlights of the FY20 Scoreboard noting despite a few challenges the company is doing very well.
- B. **Simplified Earnings Report - Monthly Financial Statements** – Joe Orfano, Chief Financial Officer, gave an April 2020 Financial Review for Energy Systems and Water/Wastewater. He reviewed year-to-date results including operating expenses, operating income, actuals, forecast and budget metrics. Lastly, he informed the board that he will be working with his staff to coordinate a webinar for JEA employees to better understand the financial statements.
- C. **JEA Training Facility** – Steve McInall, VP Energy and Water Planning, citing materials contained in the board's package, presented on the company's real estate purchase of two adjacent parcels of approximately six acres to be used as a technical training facility. The financial impact is \$3,000,000 and JEA is seeking approval from the Board as outlined in Resolution 2020-03.

RESOLUTION 2020-03

A RESOLUTION TO DELEGATE AUTHORITY TO NEGOTIATE AND EXECUTE A PURCHASE AGREEMENT TO THE INTERIM CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR IN ACCORDANCE WITH JEA CHARTER SECTION 21.10.

Jody Brooks, OGC, noted a minor technical revision to Paragraph 2 of Resolution 2020-03 to be corrected to read: “*The Board hereby delegates to the Interim Chief Executive Officer and Managing Director or his designee to execute the Agreement in its substantial form and any and all documents in connection with the Agreement and all other documentation as may be reasonably required to consummate the real estate transaction for the new JEA Training Facility.*” Also, a technical revision to Page 7, Paragraph 14 (Notice Provision) of the Purchase Agreement amend to read Jody Brooks with email address.

Questions were asked and answered and on *motion* by Marty Lanahan and seconded by Tom VanOsdol, Resolution 2020-03 was unanimously approved with noted revisions.

- D. JEA/FPL Electric Territory Swap** – Steve McInall, VP Energy and Water Planning, citing materials contained in the board package, presented on the JEA / Florida Water & Light (FPL) territory swap located in Nocataee, FL. JEA will gain approximately 13.43 acres of service territory from FPL in exchange for ceding approximately 8.87 acres of service territory. This Board action is to approve the Third Amendment JEA/FPL Territory Agreement. Should the Board approve the territorial swap, the proposed territorial boundary amendment will be submitted to the Florida Public Service Commission for its approval.

On *motion* by Bobby Stein and seconded by Dr. Leon Haley the amendment was unanimously approved.

- E. Sale of 9201 Atlantic Boulevard** – Steve McInall, VP Energy and Water Planning, citing materials contained in the board package, presented on the company’s real estate sale of 9201 Atlantic Boulevard. The company has reached an agreement to sell the real property for \$3,150,000 subject to Board approval as outlined in Resolution 2020-04.

RESOLUTION 2020-04

A RESOLUTION TO DELEGATE AUTHORITY TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT TO THE INTERIM CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR IN ACCORDANCE WITH JEA CHARTER SECTION 21.10.

Jody Brooks, OGC, noted a revision to Paragraph 1 of Resolution 2020-04 to be corrected to read:.. “*Circle K Stores Inc. (the “Buyer”)*).

Hearing no further discussion and on *motion* by Bobby Stein and seconded by Marty Lanahan, Resolution 2020-04 was unanimously approved with noted revision.

- F. Jacksonville Small and Emerging Business (JSEB) Report** – John McCarthy, VP and Chief Supply Chain Officer, joined by Rita Scott, JEA JSEB Program Manager, provided the FY20 Q2 JSEB Program Report.

Agenda Item V – Board and Committee Reports

- A. Finance and Audit** – Committee Chair Marty Lanahan presented the committee report to the Board. The Committee met on May 18, 2020 and Chair Baker and Vice Chair Stein were in attendance at the meeting. Chair Lanahan, noting that all of the committee materials are included in the board package, summarized her report for the Board. Highlights included the Committee’s decision to delay the Market Risk Policy

Report in favor of a board workshop to include all things fuel related. Also, all action items were approved. Other Committee follow-up items included approval of the budget; the Pay for Performance Workshop to be held on May 29, 2019 and company policy reviews to be conducted during regular board meetings.

On *motion* by Bobby Stein and seconded by Dr. Leon Haley, the report was unanimously approved.

1. **Adoption of Agenda** – received for information
 2. **Approval of Minutes – December 9, 2019** – received for information
 3. **FY2021 Budget Presentation** – received for information
 4. **Quarterly Audit Services Update** – received for information
 5. **Ethics Officer Quarterly Report** – received for information
 6. **Electric System and Water and Sewer System Reserve Fund Quarterly Report** – received for information
 7. **Municipal Capital Market Update** – received for information
 8. **JEA Energy Market Risk Policy Report** – received for information
 9. **Next Meeting, August 17, 2020, 8:00 AM – 10:00 AM** – received for information
 10. **Committee Discussion Sessions** – received for information
 - a. **Ernst & Young**
 - b. **Director, Audit Services**
 - c. **Council Auditor’s Office**
- B. CEO Search Committee Report** – Chair Baker, acting as proxy for Committee Chair Stein, met with Angie Hiers, Special Assistant – Human Resources, and John McCarthy, VP and Chief Supply Officer, to interview seven search firms. The Committee scored each from high to low according to JEA’s criteria. Mycoff Fry, scoring a total of 186 points, was the chosen firm. Chair Baker recommended to the Board to approve Mycoff Fry as the firm to represent JEA in their CEO search. A brief discussion ensued to which the Board agreed to move forward with the option to meet with Owner Carl Mycoff at a later date.

Hearing no additional comments and on *motion* by Bobby Stein and seconded by Dr. Leon Haley, the recommendation to award the CEO search proposal to Mycoff Fry was unanimously approved.

Agenda Item VI– Other Business

- A. **Old Business** – N/A
- B. **Other New Business** – The Board established the committee members for the Governance and Transparency Committee: Joe DiSalvo (Chair), Tom VanOsdol and Dr. Leon Haley.
- C. **Open Discussion** – Tom VanOsdol asked the Board to consider a public way to recognize the FWEA award recipients. Paul McElroy will work with Staff to draft a letter to the Times Union recognizing JEA and each award recipient’s accomplishments.

- D. Interim Managing Director/CEO’s Report** – Paul McElroy provided board members key highlights. He reviewed the company’s Return To Work Plan; comprehensive hurricane preparedness exercises; the challenges facing the company’s wastewater system; capital budget projects; the Pay For Performance Workshop; the Fuel and Purchased Power Workshop; the Ethics rebranding and we continue to cooperate with the Council and Justice Department Investigation.
- E. Chair’s Report** – Chair Baker and Paul McElroy had a very good meeting with Moody’s. Discussion centered on resolving Plant Vogtle which Chair Baker suggests the Board have a follow-up meeting on this matter.

Agenda Item VII – Closing Considerations

- A. Announcements** – Next Board Meeting – June 23, 2020
- B. Adjournment**

With no further business claiming the attention of the Board, Chair John Baker adjourned the meeting at 10:45 a.m.

APPROVED BY:

SECRETARY
DATE: _____

Board Meeting recorded by:

DeLisa Johnigarn, Executive Assistant