

**JEA  
BOARD AGENDA**

**DATE:** January 20, 2009

**TIME:** 8:30 AM

**PLACE:** JEA  
21 West Church Street  
8<sup>th</sup> Floor Meeting Room

**I. OPENING CONSIDERATIONS**

- A. Call to Order
- B. Invocation
- C. Pledge to Flag
- D. Safety Briefing – Ted Hobson, Vice President, Fuels, Purchased Power & Compliance

**Meeting participants are asked to turn their cell phones off.**

- E. Adoption of Agenda
- F. Approval of Minutes
  - 1. Regular meeting held December 16, 2008

**II. PRESENTATIONS & COMMENTS**

- A. Comments from the Public
- B. Council Liaison's Comments – Stephen Joost

**III. FOR BOARD CONSIDERATION**

- A. New Business
  - 1. Electric System Subordinated Revenue Bonds, 2009 Series A –action required (Helen Kehrt will address, 5 minutes)
  - 2. Sole Source & Emergency Procurement Report – information only
  - 3. Quarterly Operations Report – Presentation—information only (James Chansler)

4. Quarterly Financial Report and Economic Update – Presentation – information only (Paul McElroy)
  5. Other New Business
- B. Old Business – none

**IV. REPORTS & COMMENTS**

- A. Finance and Audit Committee Report
- B. Managing Director's Report
- C. Chair's Report

**V. CLOSING CONSIDERATIONS**

- A. Announcements
- B. Adjournment

---

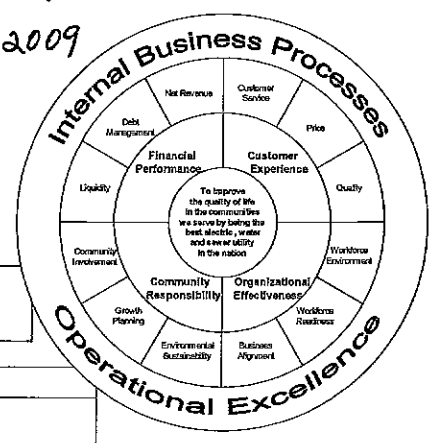
A. If you have a disability that requires reasonable accommodations to participate in the above meeting, please call **665-7550** by **8:30 AM** the day before the meeting and we will provide reasonable assistance for you.

B. If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

III - A - 1  
1-20-2009



Building Community  
**AGENDA ITEM SUMMARY**



January 9, 2009

**SUBJECT: JEA ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, 2009 SERIES A**

| Purpose   | Circle of Excellence Impact                               |                 |
|---|---|-----------------|
| <input type="checkbox"/> Information Only           | <input checked="" type="checkbox"/> Financial Performance | Debt Management |
| <input checked="" type="checkbox"/> Action Required | <input type="checkbox"/> Customer Experience              |                 |
| <input type="checkbox"/> Advice/Direction           | <input type="checkbox"/> Organizational Effectiveness     |                 |
|   | <input type="checkbox"/> Community Responsibility         |                 |

**Issue:** The fiscal year 2009 Electric System capital budget will be partially financed from proceeds of this bond issue. Included with this bond transaction are amendments to the master Electric System Resolution which redefines the calculation of the debt service reserve requirement by utilizing the fixed swap rate for our hedged variable rate debt.

**Significance:** High.

**Who/what is affected:** Available funding for our FY 2009 Electric system capital project.

**Background:** The Board in August 1988 adopted the Subordinated Electric System Resolution to allow JEA to issue bonds to provide for the funding of additional capital improvements to Electric System.

**Background Examples:** JEA anticipates approximately \$100 million of proceeds from this bond issue will be used to fund projects for FY 2009, primarily generation, in addition to about \$12.5 million of a deposit to the Construction Reserve account in the Subordinated Bond Construction Fund and \$10 million of capitalized interest.

**Cost to company/community:** Increased demand on JEA's cash liquidity if such capital projects had to be funded with JEA internal funds as opposed to the ability to fund such projects with proceeds of bonds. In regards to the resolution amendment, without the ability to calculate the requirement using the fixed swap rate, JEA could experience higher debt service reserve funding especially during a rising interest environment, which will need to be funded either from available revenues or through short-term borrowings.

**Recommended course of action:** JEA staff is requesting approval at this time to issue new money Electric System Subordinated Revenue Bonds, 2009 Series A in an aggregate amount of approximately \$125 million in order to provide funding for capital expenditures to the Electric System and to amend the Electric System Resolution to redefine the calculation of the debt service reserve fund requirement.

**Why?** To assist JEA in meeting its Fiscal Year 2009 capital expenditure funding needs and amends the calculation of the debt service reserve fund requirement to allow JEA to utilize the fixed swap rate for our hedged variable rate debt.

**Recommended Board action:** That the Board authorize and award the new money Electric System Subordinated Revenue Bonds, 2009 Series A by adopting the Authorizing Resolution and approving the financing documents and approve the amendments to the Electric System Resolution.

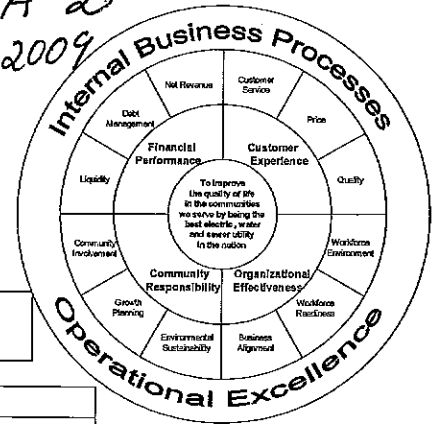
Submitted by: Pi Tao Hsu



Building Community

### AGENDA ITEM SUMMARY

III-A-2  
1-20-2009



January 20, 2009

|                 |   |
|-----------------|---|
| <b>SUBJECT:</b> | <b>SOLE SOURCE &amp; EMERGENCY PROCUREMENT REPORT</b> |
|-----------------|---|

| Purpose  | Circle of Excellence Impact                               |                 |
|--|---|-----------------|
| <input checked="" type="checkbox"/> Information Only | <input checked="" type="checkbox"/> Financial Performance | Debt Management |
| <input type="checkbox"/> Action Required             | <input type="checkbox"/> Customer Experience              |                 |
| <input type="checkbox"/> Advice/Direction            | <input type="checkbox"/> Organizational Effectiveness     |                 |
|  | <input type="checkbox"/> Community Responsibility         |                 |

**Issue:** Sole Source and Emergency Procurements are authorized by JEA's Purchasing Code under Articles 3-206 and 3-208; and a record of Procurement Actions taken under this authority is required to be maintained and reported to the JEA Board on a quarterly basis.

**Significance:** Full transparency of these procurement actions is necessary to maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest.

**Who/what is affected:** JEA's Procurement department is responsible for maintaining these records and reporting to the JEA Board.

**Background:** This requirement has been in place since the JEA Purchasing Code was adopted in 1996.

**Background Examples:** Past Quarterly reports are on file in JEA's Procurement department.

**Cost to company/community:** Minimal

**Recommended course of action:** Continue reporting to the JEA board on a quarterly basis.

**Why?** To maintain public confidence in JEA's bidding process and ensure competition is achieved when in JEA's best interest.

**Recommended Board action:** Information only, no action required.

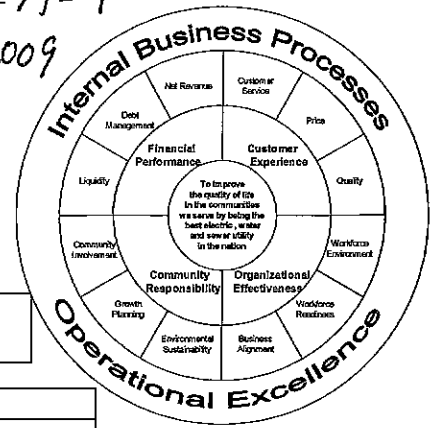
Submitted by: John McCarthy



Building Community

### AGENDA ITEM SUMMARY

III - A - 4  
1-20-2009



January 13, 2009

**SUBJECT:** QUARTERLY FINANCIAL REPORT AND ECONOMIC UPDATE

| Purpose  | Circle of Excellence Impact                               |           |
|--|---|-----------|
| <input checked="" type="checkbox"/> Information Only | <input checked="" type="checkbox"/> Financial Performance | Liquidity |
| <input type="checkbox"/> Action Required             | <input type="checkbox"/> Customer Experience              |           |
| <input type="checkbox"/> Advice/Direction            | <input type="checkbox"/> Organizational Effectiveness     |           |
|  | <input type="checkbox"/> Community Responsibility         |           |

**Issue:** Present to the Board financial highlights, an assessment of credit market conditions, revenue analysis, annual financial projections and an overview of the Water and Wastewater System Cost Structure and Rate Study.

**Significance:** High. Impact of the subject on JEA's financial status.

**Who/what is affected:** JEA's financial metrics and performance

**Background:** Financial highlights have been historically provided to the Board. Events in the domestic and global markets necessitate market updates to the Board.

**Background Examples:**

**Cost to company/community:**

**Recommended course of action:** The Board receive the presentation.

**Why?** Update the Board

**Recommended Board action:** The Board receive the presentation.

Submitted by: BJR/NCR