

JEA
Board Agenda

DATE: May 19, 2009

TIME: 9:30 AM

PLACE: JEA
21 West Church Street
8th Floor, Board Room

I. WELCOME

- A. Call to Order
- B. Invocation
- C. Pledge to Flag
- D. Safety Briefing – Randy Boswell, Vice President, Corporate Data Integration
- E. Florida Water Environmental Association (FWEA) Operational Excellence Award Presentation – James Chansler, Chief Operating Officer

II. PUBLIC HEARING

- A. Call to Order and Comments from the Chair
- B. Staff Presentation
- C. Comments from the Public
- D. Adjourn Public Hearing

III. ACTION ON PUBLIC HEARING

- A. Public Hearing for Rate Structure Modifications and Rate Adjustments to the Water and Sewer Rate Document and Service Charge Adjustments to the Electric Tariff Documentation

IV. COMMENTS

- A. Comments from the Public (not related to public hearing business)
- B. Council Liaison's Comments – Stephen Joost

V. FOR BOARD CONSIDERATION

- A. Consent Agenda (all items approved by a single motion)
 - 1. Adoption of Agenda – action required
 - 2. Approval of minutes of the April 21, 2009 meeting – action required
 - 3. JEA FY2008 Annual Disclosure Report – action required
 - 4. Monthly Operations Report – information only
 - 5. Monthly Financial Update – information only
- B. Strategic Discussions/Action - none
- C. Other New Business – none
- D. Old Business – none

VI. REPORTS

- A. Committees
 - 1. Finance & Audit – Ron Townsend, Chair
 - a. Minutes from May 11, 2009 meeting
 - b. Letter of Credit or Liquidity Support for Operational/Capital Purposes – action required
 - c. Liquidity Update – information only
 - d. FY2010 Budget – Final direction regarding assumptions and financial metric goals – action required
 - e. Internal Audit Services information only
- B. Managing Director/CEO's Report
- C. Chair's Report

VII. 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.



Building Community

AGENDA ITEM SUMMARY

III - A
5-19-2009

May 11, 2009



SUBJECT: PUBLIC HEARING FOR RATE STRUCTURE MODIFICATIONS AND RATE ADJUSTMENTS TO THE WATER AND SEWER RATE DOCUMENT AND SERVICE CHARGE ADJUSTMENTS TO THE ELECTRIC TARIFF DOCUMENTATION.

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

Issue: Staff began a series of presentations and discussions with the Board concerning water and sewer legacy rate structures in March 2008. Projected revenues at current rates are not sufficient to meet FY 2010 through 2013 revenue requirements for the Water and Sewer System. The \$2 branch transaction fee requires changes to the Electric Tariff Documentation. The Board is the rate making authority for JEA, thus approves all changes to rates.

Significance: The recommended budget includes a rate adjustment for the Water and Sewer System. JEA must submit a Board approved budget to City Council by July 1, 2009 for FY 2010.

Who/what is affected: Customers through the rates they pay for JEA services, as well as JEA's financial metrics and objectives.

Background: At the March 17, 2009 Board meeting, the Board directed that a Public Hearing would be held with the regularly scheduled Board meeting on May 19, 2009.

Background Examples: The proposed adjustments will increase a typical 5/8" residential customer monthly water and sewer bill at 6,000 gallons by \$5.54, including taxes and fees, from \$52.73 to \$58.27. Typical monthly bills for 3/4" residential irrigation customers at 14,000 gallons will increase \$7.91, including taxes and fees, from \$35.51 to \$43.42.

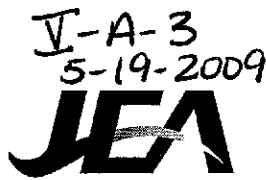
Cost to company/community: The rate adjustments will be difficult for customers facing other cost pressures. It will be important for JEA to continue conservation messaging.

Recommended course of action: That the Board approve Staff's recommendations including: modifications to rate structure and increases to rates for all water, sewer and reclaimed rate classes; adding an environmental charge for water, sewer and reclaimed rate classes; additions of new service charges and increases to a limited number of existing service charges; and administrative changes to the electric and water and sewer rate documents.

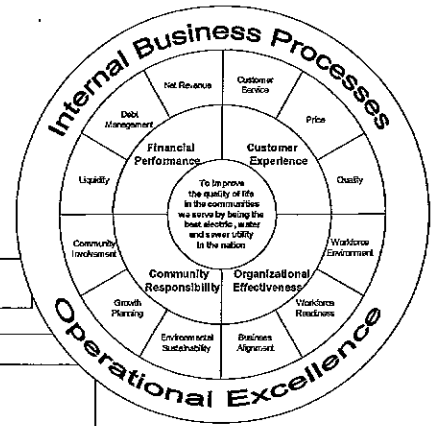
Why? The Board is the rate making authority for JEA and is required to approve all changes to rate documents and to support financial metrics consistent with a AA- rating.

Recommended Board action: Approve proposed rate structure modifications and rate adjustments by adopting Resolution 2009-20.

Submitted by: BJR



Building Community
AGENDA ITEM SUMMARY



May 7, 2009

SUBJECT: JEA FY 2008 ANNUAL DISCLOSURE REPORT

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

Issue: JEA staff is requesting an authorization and approval of the filing and use of the Annual Disclosure Report to comply with JEA's continuing disclosure undertakings for its bonds and various credit agreements.

Significance: High.

Who/what is affected: Filing of the annual disclosure report facilitates disclosure to the marketplace for potential buyers of JEA bonds.

Background: Each year, JEA files with DisclosureUSA an Annual Disclosure Report in compliance with JEA's continuing disclosure undertakings for its bonds and various credit agreements. DisclosureUSA is the "central post office" recognized by the United States Securities and Exchange Commission for continuing disclosure information that is required to be prepared and disseminated by issuers of municipal securities. This Annual Disclosure Report is incorporated by reference in official statements subsequently used by JEA for its bond offerings.

Background Examples: JEA has been in compliance with the continuing disclosure covenants in bond resolutions and various agreements by filing timely the Annual Disclosure Reports every year.

Cost to company/community: To avoid non compliance with JEA's continuing disclosure agreements.

Recommended course of action: Authorize and approve the filing and use of the Annual Disclosure Report in order to comply with JEA's continuing disclosure undertakings for its bonds and various credit agreements.

Why? To be in compliance with JEA's continuing disclosure covenants.

Recommended Board action: That the Board authorize and approve (i) the Annual Disclosure Report in substantially the form attached, with such changes as are approved by the Managing Director and Chief Executive Officer of JEA and (ii) the filing and use of the Annual Disclosure Report as described above.

Submitted by: Pi Tao Hsu *PH*

VI-A-1
5-19-2009

**JEA
FINANCE & AUDIT COMMITTEE AGENDA**

DATE: May 11, 2009
TIME: 8:30 am
PLACE: JEA, 21 W. Church Street,
8th Floor Conference Room

I. OPENING CONSIDERATIONS

- A. Call to Order
- B. Adoption of Agenda

II. FOR COMMITTEE CONSIDERATION

- A. New Business
 - 1. Approval of the minutes from the March 9, 2009 meeting – action
 - 2. Letter of Credit or Liquidity Support for Operational/Capital Purposes – Helen Kehrt – action (5 mins)
 - 3. Liquidity Update – Paul McElroy - information (5 mins)
 - 4. FY 2010 Completed Budget – Paul McElroy – action (60 mins)
 - 5. Discussion with Director, Audit Services – Doris Champ – information (10 mins)
 - 6. Comments from Ernst & Young (5 minutes)

III. CLOSING CONSIDERATIONS

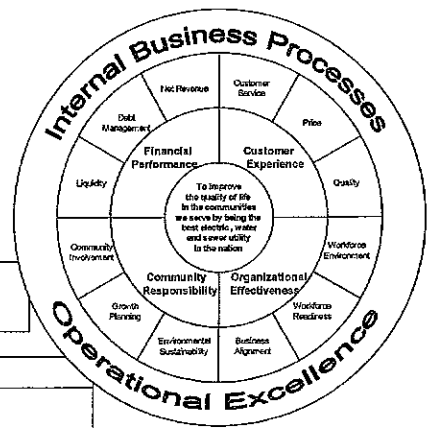
- A. Announcements
- B. Adjournment

VI-A-1-b
5-19-2009



Building Community

AGENDA ITEM SUMMARY



May 7, 2009

SUBJECT: LETTER OF CREDIT OR LIQUIDITY SUPPORT FOR OPERATIONAL/CAPITAL PURPOSES

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: Liquidity Support for operational or capital funding is critical to provide for the cash flow necessary to fund capital projects or operational expenditures especially if credit markets are difficult to access.

Significance: High.

Who/what is affected: Ensure required cash flow.

Background: In August 2003, the JEA Board initially awarded an agreement for liquidity support in the form of a revolving line of credit to SunTrust Bank (SunTrust). Since that time, the total commitment amount under this agreement has increased to include the ability to execute borrowings for District Energy System, SJRPP and the Bulk Power Supply System in addition to the Electric System and Water and Sewer System. The current commitment amount under the SunTrust agreement is \$100 million and is scheduled to expire August 31, 2009.

Background Examples: Borrowings under this agreement have been used as a method to temporarily fund capital projects prior to issuing long term debt.

Cost to company/community: Maintain the ability to meet cash flow needs of the company especially in today's current market environment.

Recommended course of action: To renew the current agreement with SunTrust subject to new terms and conditions agreeable to both parties and select additional banks to provide liquidity support for a total commitment amount not to exceed \$200 million. To amend existing Bank Note Resolution to reflect the revisions needed to accomplish the foregoing. The timetable is to have the new credit agreements in place with multiple banks including SunTrust by the August 31, 2009 expiration date of the current agreement.

Why? Many financial institutions have tightened their lending standards over the past 12 months and liquidity support has been difficult to maintain.

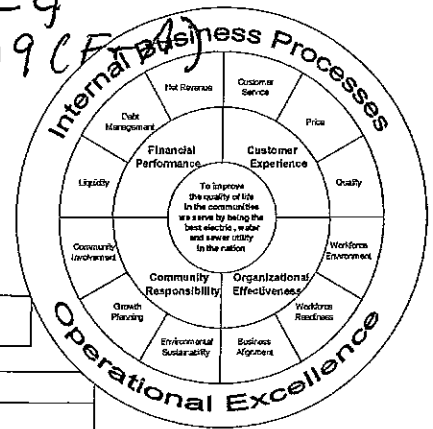
Recommended Board action: That the Board delegate the authority to the Managing Director/CEO 1) to renew the SunTrust line of credit agreement pursuant to mutually agreeable terms and conditions and 2) to negotiate and execute one or more additional liquidity support facilities subject to a bid process outlined in Section 5-318 of JEA's Procurement Code. All resulting commitment amounts from liquidity support agreements for these purposes will not exceed \$200 million. That the Board amend the existing Bank Note Resolution to permit the foregoing. This course of action has been approved by the Finance and Audit Committee at its May 11, 2009 meeting.

Submitted by: Helen Kehrt

VI-A-1-d
5-19-2009
JEA

II A-4
5-11-09 CF

Building Community
AGENDA ITEM SUMMARY



May 4, 2009

SUBJECT: FY2010 BUDGET ASSUMPTIONS

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

Issue: Present the FY2010 Budget key assumptions for Finance and Audit Committee final feedback and direction.

Significance: High. Key budget assumptions significantly impact the FY2010 budget.

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

Background: Final budget assumptions have historically been presented to the Board of Directors at the May meeting, then incorporated in the Budget presented for approval at the June Board meeting. After Board approval, the Budget must be submitted to City Council by July 1 as required by ordinance.

Background Examples: N/A

Cost to company/community: N/A

Recommended course of action: Provide feedback and direction regarding the final key assumptions for the FY2010 Budget covering: Revenue; O&M expense levels; Fuel – revenue and expense; interest rates and the resulting financial metrics.

Why? Receive Finance and Audit Committee feedback and direction for FY2010 Budget assumptions.

Recommended Board action: The Committee receive the presentation for consideration and provide Staff feedback and direction regarding the final key assumptions for the FY2010 Budget.

Submitted by: BJR/NCR 