

**JEA
BOARD AGENDA**

DATE: May 20, 2008

TIME: 10:15 am

PLACE: JEA
21 West Church Street
8th Floor Meeting Room

I. OPENING CONSIDERATIONS

- A. Call to Order
- B. Invocation
- C. Pledge to Flag
- D. Safety Briefing – Teala Milton, Chief Public Affairs Officer
- E. Adoption of Agenda
- F. Approval of Minutes
 - 1. Regular meeting held April 15, 2008

II. PRESENTATIONS & COMMENTS

- A. Kiss of Life Proclamation – Jim Dickenson/Karen Perkins
- B. Comments from the Public
- C. Council Liaison’s Comments

III. FOR BOARD CONSIDERATION

- A. New Business
 - 1. St. Johns River Power Park (SJRPP) Pension Plan Amendment—action required.
 - 2. Resolution Requesting Reappointment of a Civil Service Board Member (Norm Reimer)—action required.

3. Quarterly Operations Update (presentation, 15 minutes) – deferred 4/15/08 - information only.
4. FY2009 Budget Workshop—direction requested.
5. Water, Sewer and Reclaimed Water Rates Adjustment—Call for Public Hearing—action required.
6. Monthly Financial Statements – April 2008 – information only.

B. Old Business – none

IV. REPORTS & COMMENTS

A. Managing Director's Report

B. Chair's Report

1. Request approval for Board Member to attend the American Public Power Association National Conference in June, 2008.

C. Committee Reports - none

V. CLOSING CONSIDERATIONS

A. Announcements

B. Adjournment

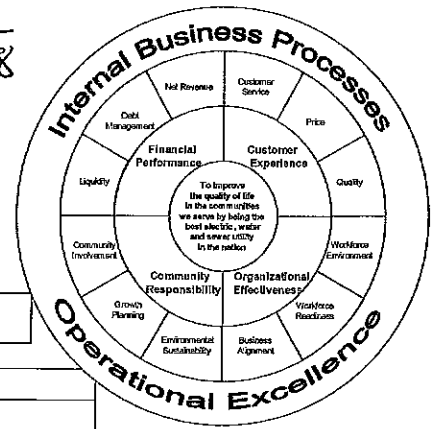
-
- A. If you have a disability that requires reasonable accommodations to participate in the above meeting, please call 665-7550 by 8:30 am the day before the meeting and we will provide reasonable assistance for you.
 - B. If a person decides to appeal any decision made by the JEA Board with respect 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.



Building Community

AGENDA ITEM SUMMARY

IIA-1
5/20/08



May 9, 2008

SUBJECT: SJRPP PENSION PLAN AMENDMENT

Purpose	Circle of Excellence Impact	
<input type="checkbox"/> Information Only	<input type="checkbox"/> Financial Performance	Click for Focus Area or blank line
<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Customer Experience	Click for Focus Area or blank line
<input type="checkbox"/> Advice/Direction	<input checked="" type="checkbox"/> Organizational Effectiveness	Workforce Environment
	<input type="checkbox"/> Community Responsibility	Click for Focus Area or blank line

Issue: The SJRPP Pension Plan would like to create additional Plan options for SJRPP employees : a partial lump-sum option (PLOP) and a backdrop retirement option.

Significance: The creation of these options will give the employees more retirement options at no cost to the SJRPP Pension Plan.

Who/what is affected: SJRPP employees

Background: In order to bring the SJRPP Pension Plan into parity with the City of Jacksonville General Employees Pension Plan we would amend the Plan to include a partial lump-sum option and a backdrop retirement option. Actuarial review supports that these options can be offered at no cost to the Plan.

Background Examples: The partial lump-sum option will allow the employees to receive a lump sum payment for the difference between the earned pension and the amount of the reduced benefit selected by the employee. The backdrop retirement option will provide a lump sum payment of the employee's contributions plus earnings for the period beyond full retirement age during which the employee continued to contribute to the Plan.

Cost to company/community: No cost to the JEA/SJRPP organization

Recommended course of action: Approval of Plan Amendment

Why? The additional options will provide flexibility for employees and potentially extend their years of employment to allow for longer transition time to support Workforce Readiness initiatives at SJRPP.

Recommended Board action: Approval of Plan Amendment reflecting additional retirement options for SJRPP employees.

Submitted by: _____

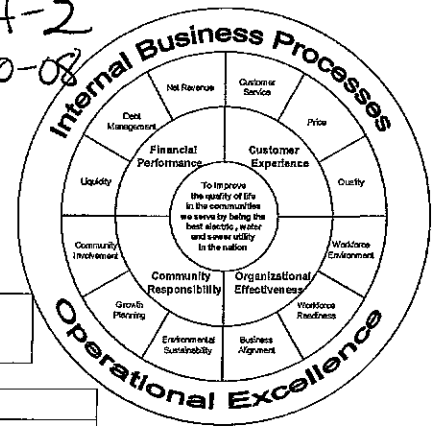


Building Community

AGENDA ITEM SUMMARY

May 9, 2008

II-A-2
5-20-08



SUBJECT: RESOLUTION REQUESTING REAPPOINTMENT OF A CIVIL SERVICE BOARD MEMBER

Purpose	Circle of Excellence Impact	
<input type="checkbox"/> Information Only	<input type="checkbox"/> Financial Performance	Click for Focus Area or blank line
<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Customer Experience	Click for Focus Area or blank line
<input type="checkbox"/> Advice/Direction	<input checked="" type="checkbox"/> Organizational Effectiveness	Business Alignment
	<input type="checkbox"/> Community Responsibility	Click for Focus Area or blank line

Issue: Mr. Norm Reimer's original appointment to the Civil Service Board expires on June 30, 2008. Prior to his retirement from JEA in 2004, Mr. Reimer routinely represented JEA Management during various bargaining unit contract negotiations. He is very familiar with JEA labor contracts as well as the Civil Service Rules. Mr. Reimer has agreed to serve another 3 year term on the nine (9) member Civil Service Board.

Significance: It is very important that JEA's appointments to the Civil Service Board understand and support JEA's best interests.

Who/what is affected: The Civil Service Board hears cases of appeal (grievances) brought forward by Civil Service employees regarding disciplinary actions, hiring and promotional issues, as well as other matters pertaining to the City of Jacksonville's Civil Service and Personnel Rules and Regulations.

Background: Mr. Norm Reimer was originally identified by a JEA management committee as a good candidate for JEA's appointment to the Civil Service Board. Mr. Reimer accepted the committee's nomination and the JEA Board subsequently approved the nomination. The Board recommendation was then sent to the City and Norm Reimer was approved by the City Council for appointment to the Civil Service Board.

Background Examples: JEA has made two (2) previous appointments to the Civil Service Board: Norm Reimer and Bill Cutts. Mr. Cutts, who retired from JEA in 2002 was also a long term management employee.

Cost to company/community: No direct costs will be incurred by JEA for this reappointment.

Recommended course of action: Take actions to reappoint Norm Reimer to the Civil Service Board.

Why? This reappointment is in the best interest of JEA, as Mr. Reimer worked over thirty (30) years for JEA in various management positions, and fully understands and supports JEA's business organization and needs.

Recommended Board action: That the JEA Board approve the attached Resolution, prepared by the Office of General Counsel, reappointing Norm Reimer to Civil Service Board of the City of Jacksonville for a three year term expiring June 30, 2011, and also requesting City Council confirmation of this appointment.

Submitted by: Ronald M. Kersten

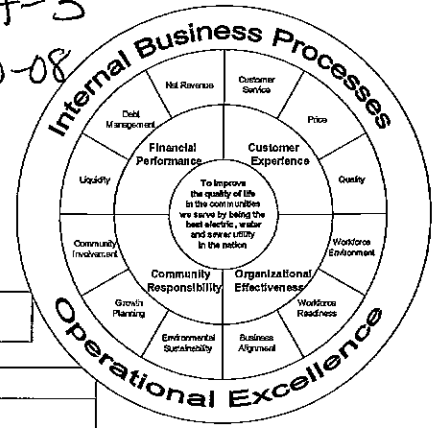


Building Community

AGENDA ITEM SUMMARY

II-A-3
5-20-08

May 13, 2008



SUBJECT: QUARTERLY OPERATIONS UPDATE

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

Issue: JEA staff presents an Operations Update on a quarterly basis to the Board for discussion.

Significance: High. JEA and its customers seek reliable and sustainable utility services at cost-competitive prices. These operations metrics give a snapshot of how the company is doing.

Who/what is affected: rate-payers and employees

Background: The Operations Quarterly Report was postponed from the last Board meeting...and will be presented along with April metric results.

Background Examples: n/a

Cost to company/community: n/a

Recommended course of action: Board to review and comment on the metrics presented

Why? To understand the status of indicative operations metrics

Recommended Board action: Review presentation by staff and provide feedback

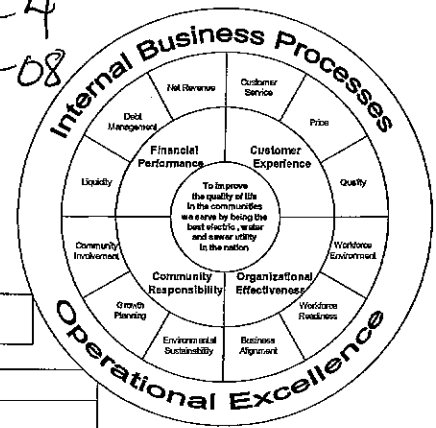
Submitted by: _____



Building Community

AGENDA ITEM SUMMARY

II-A-4
5-20-08



May 14, 2008

SUBJECT: FY2009 BUDGET WORKSHOP

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

Issue: JEA staff to present the Budget Workshop for the FY 2009 O & M and Capital Budgets to the Board for discussion.

Significance: High. JEA and its customers seek reliable and sustainable utility services at cost competitive price within a global market where fuels, commodities, and financial resources have been volatile.

Who/what is affected: Customers through the rates they pay for JEA services, employees through resource decisions, and JEA's financial objectives.

Background: JEA's annual planning and budget cycle includes milestones for the formation and discussion with the Board of budget assumptions in April, a budget workshop in May, final staff recommendations and Board approval in June to submit to the City Council in July with their approval typically in August each Fiscal Year.

Background Examples: The budget workshop includes the capital plan, organic changes in customers, revenues and expenses, staffing levels, commodity costs, specific initiative and alternative approaches to meet revenue requirements including variable fuel adjustments and other rate adjustments.

Cost to company/community: Current budget assumptions will produce a forecasted \$1.6 billion O & M and \$625 million capital budget for FY 2009.

Recommended course of action: Board to review and comment on the presented budget assumptions, such that staff can include the feedback from the Board in alternative course of actions to be included in the budget to be presented for approval by the Board in June.

Why? The Board will be requested to approve the the budget at the June meeting.

Recommended Board action: Review workshop and provide feedback

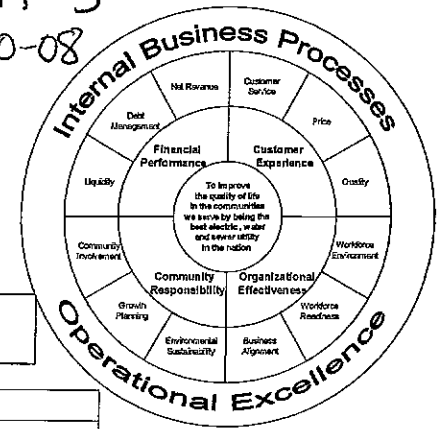
Submitted by: NCR



Building Community

AGENDA ITEM SUMMARY

II-A-5
5-20-08



May 14, 2008

SUBJECT:	WATER, SEWER AND RECLAIMED WATER RATES ADJUSTMENT
-----------------	--

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: Current rates are projected to generate revenues that are not sufficient to meet FY 2009 revenue requirements. The Board is the rate making authority for JEA and is required to approve all changes to rate tariff documents.

Significance: The adjustment of water, sewer and reclaimed water rates will lead to higher customer bills. JEA must submit a Board approved budget to City Council by July 1, 2008 for FY 2009. The budget will need to include a rate adjustment, reduction in O&M expenses or a combination of both.

Who/what is affected: Customers will receive higher water, sewer and reclaimed water bills if a rate adjustment is approved. JEA's Water and Sewer business currently has expense pressures and reduction initiatives embedded in the rate adjustment in the current financial plans, and will need to further reduce expenditures in order to achieve adequate financial performance.

Background: JEA staff proposes increasing water, sewer and reclaimed water rates in Fiscal Year 2009. In accordance with Florida Statutes Chapter 180.136 JEA is required to notify water and sewer customers through the billing system of the date, time, and place of the hearing where the increase will be considered.

Background Examples: The proposed rate adjustment will increase the average residential customers' bills (7,000 gallons per month) approximately \$2.25 from \$54.84 to \$57.09 per month including current taxes and fees. Commercial customers will also see a proportionally similar increase in their water, sewer and reclaimed water bills.

Cost to company/community: The rate adjustment will be difficult for customers already facing higher energy and other costs. It will be important for JEA to continue, perhaps at a greater intensity, its conservation messaging. Alternatives to this revenue increase are reducing operating and maintenance expenses by 11% which will result in lower service levels or reducing financial metrics, which will result in higher debt.

Recommended course of action: That the Board call a rate hearing for July 15, 2008 and authorize staff to notify customers of that meeting through the billing system approximately 35 days before the rate hearing.

Why? JEA is responsible for meeting the water, sewer and reclaimed water needs of our community. JEA must recover sufficient revenues to meet those needs. A rate adjustment, or rate adjustment combined with diligent expense control will allow JEA to provide expected service levels, and should achieve adequate financial performance.

Recommended Board action: Staff recommends that the Board call a rate hearing for the regularly scheduled Board meeting on July 15, 2008 and authorize staff to notify customers of that meeting through the billing system in accordance with Florida Statutes Chapter 180.136.