

**JEA
BOARD AGENDA**

DATE: October 21, 2008

TIME: 9:00 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 – Athena Mann, Vice President Environmental Services
Meeting participants are asked to turn their cell phones off.
- E. Adoption of Agenda
- F. Approval of Minutes
 - 1. Regular meeting held September 16, 2008
 - 2. Special meeting held October 7, 2008

II. PRESENTATIONS & COMMENTS

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

III. FOR BOARD CONSIDERATION

A. New Business

1. Quarterly Financial Review (presentation, 10 mins) – information only.
2. Quarterly Operations Update (presentation, 10 mins) – information only.
3. Current Market Impact on JEA (presentation, 60 mins) – information only.
4. ~~Variable Fuel Rate and Fuel Reserve Discussion – information only (Paul McElroy will address – 20 mins).~~
5. Approval of Resolution: Budgetary Transfer – action required (Paul McElroy will address – 3 mins).
6. Fair Accurate Credit Transactions (FACT) Act (2003) Identity Theft Red Flag Ruling – action required (Marlene Murphy-Roach will address – 10 mins).
7. Purchase of JEA Variable Rate Debt – action required (Paul McElroy will address – 3 mins).
8. Monthly Financial Statements – September, 2008 – information only.

B. Old Business – none

IV. REPORTS & COMMENTS

A. Committee Reports

1. Finance & Audit Committee – Ron Townsend, Chair
 - a. Approval of minutes—September 16, 2008 meeting
 - b. Selection of Independent Auditors

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.

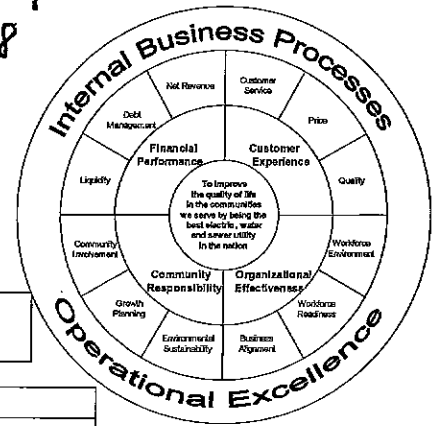
III-A-4
10-21-08



Building Community

AGENDA ITEM SUMMARY

October 15, 2008



SUBJECT: VARIABLE FUEL RATE AND FUEL RESERVE DISCUSSION

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

Issue: JEA's Rate Tariff was changed in April 2005 to include a Fuel and Purchase Power Cost Recovery Charge Policy including a Variable Fuel Rate that is normally calculated annually.

Significance: High. Potential change to the Rate Tariff

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

Background: At the Special Board meeting on August 25, 2008, the Board expressed interest in re-visiting the Variable Fuel Rate Policy. At the Board meeting on September 16, 2008, the Board requested Staff to present in October five options for consideration.

Background Examples:

Cost to company/community:

Recommended course of action: The Board receive the presentation and options for discussion.

Why? Staff to provide recommended option and prompt discussion of the Variable Fuel Rate Policy.

Recommended Board action: The Board receive the presentation and discuss the options for future action in anticipation of a final decision at the November Board meeting.

Submitted by: BJR/NCR

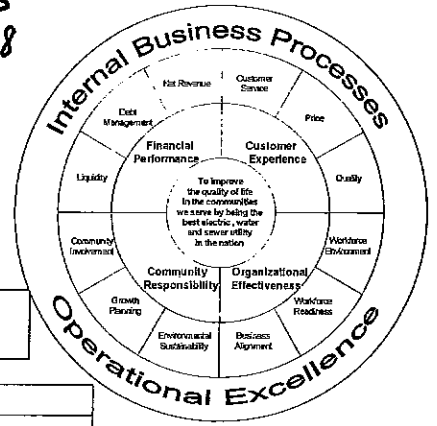
III-A-5
10-21-08



Building Community

AGENDA ITEM SUMMARY

September 22, 2008



SUBJECT: APPROVAL OF RESOLUTION: BUDGETARY TRANSFER

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 type="checkbox"/> Customer Experience
<input type="checkbox"/> Advice/Direction	<input type="checkbox"/> Organizational Effectiveness
	<input type="checkbox"/> Community Responsibility

Issue: Authorize the Managing Director to approve transfers between the accounts within JEA.

Significance: High. Delegates authority to Managing Director to approve budget transfers for FY2009.

Who/what is affected: FY2009 O & M and Capital Budgets.

Background: In the past, the Board has delegated to the Managing Director the authority to make transfers during the fiscal year (FY) within the budget accounts.

Background Examples: Resolution approved by Board for FY2008, FY2007, FY 2006, FY2005 and earlier.

Cost to company/community:

Recommended course of action: That the Board approves the attached Resolution.

Why? Business continuity, administrative efficiency and budget effectiveness.

Recommended Board action: That the Board approves the attached Resolution which allows the Managing Director to process routine budget transfers.

Submitted by: BJR/NCR *pm*

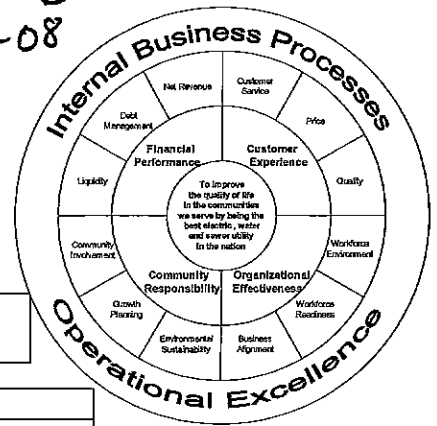
III-A-6
10-21-08



Building Community

AGENDA ITEM SUMMARY

October 13, 2008



SUBJECT: FAIR ACCURATE CREDIT TRANSACTIONS (FACT) ACT (2003) IDENTITY THEFT RED FLAG RULING

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

Issue: Effective Novemembr 1, 2008, JEA will be required to have a Board approved policy in place for complying with the identity protection provisions of the Fair Accurate Credit Transactions (FACT) Act (2003) Identity Theft Red Flag Ruling. The purpose of this agenda item is to obtain approval of the new policy to be used in the modifications to existing procedures and in the development of new procedures

Significance: These provisions apply to utilities, among other entities, which maintain customer accounts. The provisions are effective November 1, 2008.

Who/what is affected: All utilities, financial institutions, and any other institutions that extend credit to customers on a regular basis, are subject to the law. The law applies mainly to the customer service area but also impacts human resources and technology services processes.

Background: The purpose of the policy is to ensure compliance with the FACT Act (2003) Identity Theft Red Flag Ruling to prevent, detect and mitigate identity theft.

Background Examples: The law applies mainly to personal information (DOB, SS#, Drivers License #, etc.) obtained from residential customers when a new account is opened, or from changes made to an existing account. It also addresses security of employee data.

Cost to company/community: Unknown at this time.

Recommended course of action: That Identity Theft Prevention Policy be approved as developed and recommended by the newly established Privacy Committee.

Why? To ensure compliance with the FACT Act (2003) Identity Theft Red Flag Ruling.

Recommended Board action: That the Board approve the resolution accepting the Identity Theft Prevention Policy as required by the FACT Act of 2003.

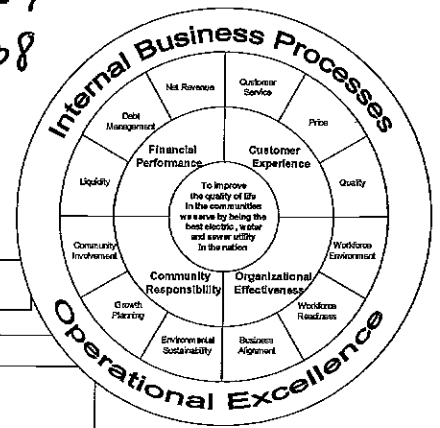
Submitted by: Marlene Murphy-Roach



Building Community

AGENDA ITEM SUMMARY

III-A-7
10-21-08



October 13, 2008

SUBJECT: PURCHASE OF JEA VARIABLE RATE DEBT

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: JEA variable rate debt is experiencing higher than normal interest rates due to current turmoil in the global financial markets. In some case, JEA variable rate debt cannot be remarketed and backup lines of credit have been drawn upon to repay investors

Significance: High. JEA wants to mitigate the negative impact of potentially higher interest rates coupled with the difficulty remarketing agents are experiencing marketing the debt to investors by providing the ability for JEA to purchase our variable rate debt.

Who/what is affected: Electric System debt service expense.

Background: The current turmoil in the global financial markets has negatively impacted the variable rate debt market for both taxable and tax exempt issuers. Many remarketing agents cannot find investors for the variable rate debt which has resulted in the back-up lines of credit provided by the banks to be drawn upon at a time when the worldwide banking system was seeking governmental assistance.

Background Examples: N/A

Cost to company/community: Substantially higher interest costs if the variable rate debt cannot be remarketed to investors and the line of credit is drawn upon. Interest rates range from 5% to 12%.

Recommended course of action: Amend the current Standby Bond Purchase Agreements/Bank Liquidity Facilities as well as the E/S and W&S supplemental resolutions to provide for the ability of JEA to tender Bank Bonds to the liquidity provider and for JEA to purchase our own variable rate debt from the remarketing agents.

Why? The ability to purchase variable rate debt from the liquidity bank should lower the interest cost to JEA.

Recommended Board action: That the Board authorize (i) the Managing Director to amend the liquidity facilities and related amendatory documents for variable rate debt including commercial paper and variable rate bonds "upon such terms and conditions as shall be determined by the CEO/Managing Director to be advantageous to JEA and commercially reasonable, such determination to be confirmed in writing by the firm serving at the time as JEA's financial advisor, provided that the form of each such document or instrument shall be approved by the Office of general Counsel of the City prior to execution and (ii) approve the four (4) supplemental resolutions as described in the Board Agenda item.

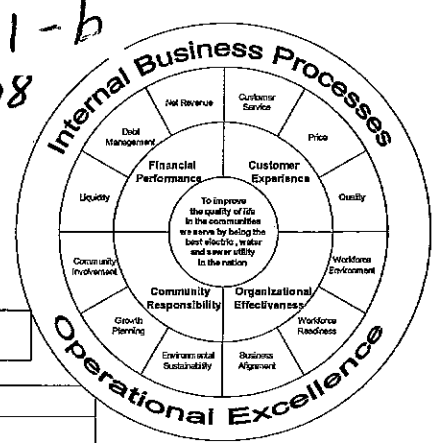
Submitted by: Ross Byers



Building Community

AGENDA ITEM SUMMARY

IV A-1-b
10-21-08



October 10, 2008

SUBJECT: SELECTION OF INDEPENDENT AUDITORS

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

Issue: Selection of Independent Auditors

Significance: The upcoming audit for fiscal year ending September 30, 2008 will complete the final term of the current auditor's contract. A new contract will be required for future audit periods.

Who/what is affected: Financial audits and agreed upon procedures related to issuance of debt.

Background: JEA has solicited and evaluated proposals from CPA firms to perform independent audit services. A Request for Proposal (JPS 105-08) was prepared to procure these services.

Background Examples: N/A

Cost to company/community: A three year contract with (two) one year extension options will be awarded to the selected firm.

Recommended course of action: Review and approve staff's rankings of firms.

Why? Board's involvement is part of "Auditor's Selection Process".

Recommended Board action: Approve staff to negotiate a contract with top ranked firm (Ernst & Young, LLP)

Submitted by: Janice Nelson