

JEA
BOARD MINUTES
June 16, 2009

The JEA Board held its pre-Board briefing at 8:30 AM on Tuesday, June 16, 2009 in the Chair's office on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Cathy Whatley, Ashton Hudson, Jay Fant, Jim Gilmore, Mike Hightower, Ron Townsend and Jim Dickenson. Debra Braga from the Office of General Counsel, David Hunt from the Florida Times Union and Billie Tucker of CEO Service Bureau were also in attendance. Cynthia Austin was absent and excused.

The pre-Board briefing discussion consisted of the following:

1. Summer Board meetings – Mr. Dickenson reviewed the subjects to be covered during this summer's Board meetings including:

June 16, 2009 – ENDS	August 18, 2009 – Water Resource Management
July 21, 2009 – Energy Policy	September 15, 2009 – Health of the St. Johns River
2. Greenland Energy Center - The project is moving forward with the two simple cycle combustion turbines for completion by summer of 2011. The 2nd phase to add a combined cycle unit has been deferred until after 2013.
3. JCCI Study: "Our Money, Our City: Financing Jacksonville's Future" – Mr. Dickenson distributed a copy of the study and highlighted information pertaining to JEA. A copy of the study is in the meeting file.
4. Other Items – The IGoogle Project and an update on the Southside Generation property were briefly discussed.

With no further business claiming the attention of the Board, the pre-Board briefing was adjourned at 9:25 AM; the Board took a short break and moved to the meeting room for its regularly scheduled meeting.

The JEA Board met in regular session on Tuesday, June 16, 2009, in the 8th floor Board meeting room, JEA Tower, 21 West Church Street, Jacksonville, Florida, with Cathy Whatley, Ashton Hudson, Jay Fant, Jim Gilmore, Michael Hightower and Ron Townsend present.

Agenda Item I – Welcome

The meeting was called to order at 9:32 AM by Vice Chair Whatley.

The **Invocation** was given by Mr. Gilmore.

The **Pledge of Allegiance** was led by Mr. Hightower.

The **Safety Briefing** was given by Athena Mann, Vice President Environmental Services.

Agenda Item II – Presentations and Comments

- A. **American Public Power Association (APPA) 2008 First Place Award, Group H, Large Utilities** –Jon Ridner, Manager, Safety and Health Services, presented the APPA Award JEA just received. Mr. Ridner stated this award is presented to those utilities whose employees achieve particularly safe operations. Utilities compete in categories according to their size (number of hours worked) and are evaluated by their recordable incident rate (RIR). Last year, more than 200 public utilities entered APPA's annual contest. While competing in the largest category, Group H, which consists of public utilities with more than 4 million worker-hours and with a 1.02 RIR for the calendar year of 2008, JEA earned APPA's 1st place award. The Board congratulated staff on receipt of this award. Mr. Dickenson commented he had just returned from an APPA Board meeting and thanked everyone for making him "look good" at that meeting. Mr. Hightower shared

his appreciation that award presentations are becoming routine each month at the meetings due to JEA's extraordinary work.

B. Comments from the Public – none

- C. Council Liaison's Comments** – Councilman Stephen Joost briefly commented on the Financial Audit report that the City had just received and suggested JEA also be mindful of how to book large environmental liabilities that may be coming in the future.

Agenda Item III – For Board Consideration

- A. Consent Agenda** - used for items that require no explanation, discussion or presentation and are approved by one motion and vote. When staff or Board Members wish to discuss an item on the Consent Agenda, it must be removed and addressed later in the meeting. Upon motion by Mr. Hightower and second by Mr. Gilmore, all action items on the consent agenda, 1, 2, 3 and 4, were approved. Items 5, 6 and 7 of the Consent Agenda were received for information only.

1. Adoption of Agenda – adopted as published
2. Approval of minutes of the May 19, 2009 meeting – approved
3. JEA Electric System Revenue Bonds, Series Three 2009B, C and D and Electric System Subordinated Revenue Bonds, 2009 Series E – The Board (a) unanimously authorized the bonds and approved the issuance thereof by adopting the Authorizing Resolution (Resolution No. 2009-21) and the related supplemental resolutions (Resolution Nos. 2009-22, 2009-23, 2009-24 and 2009-25) and approved the financing documents and the execution and delivery thereof, subject to the limitations set forth herein and therein, (b) authorized the Managing Director/CEO to execute the appropriate financing documents within the parameters mentioned above, and (c) authorized the Managing Director/CEO by the Amending Certificate to effectively amend the provisions of the 2008 A Supplemental Resolution to conform to the requirements of the substitute liquidity facility provider and the rating agencies in the manner described above.
4. JEA Water and Sewer System Subordinated Revenue Bonds, 2009 Series A – The Board unanimously (a) authorized the 2009 A Bonds and approved the issuance thereof by adopting the Authorizing Resolution (Resolution No. 2009-26) and the related supplemental resolution (Resolution No. 2009-27) and approved the financing documents and the execution and delivery thereof, subject to the limitations set forth herein and therein and (b) authorized the Managing Director/CEO to execute the appropriate financing documents within the parameters mentioned above.
5. JEA Electric System Subordinated Revenue Bonds, 2009 Series D – received for information only
6. Monthly Operations Report – received for information only
7. Monthly Financial Update – received for information only

B. Strategic Discussions/Action

1. Variable Fuel Rate Charge and Fuel Stabilization Fund Charge Adjustment effective October 1, 2009 – Upon motion by Mr. Gilmore and Mr. Hightower's second, the Board unanimously approved staff's proposed Variable Fuel Rate of \$41.26/MWh and the suspension of the Fuel Stabilization Fund charge of \$0.97/MWh effective October 1, 2009.
2. Proposed FY2010 Operating and Capital Budgets – Following CFO Paul McElroy's presentation, and upon motion by Mr. Gilmore and Mr. Hightower's second, the Board unanimously approved the proposed operating and capital budgets shown on Schedules A, B and C and authorized staff to transmit the recommended budgets to the Jacksonville City

Council for final action; approved JEA's share of the SJRPP and Plant Scherer operating and capital budgets shown on schedule D attached, and authorized the Managing Director/CEO, to adjust the budget approved by the Board of Directors and submitted to Council to reflect the most up to date projected energy costs for budget appropriation and to make minor modifications, if necessary, within the total approved budget amounts for each system.

3. "ENDS: What benefits, for whom, at what price?" – A presentation by Billie Tucker, President, CEO Service Bureau, was received for information and discussion.

C. **Other New Business** – none

D. **Old Business** – none

Agenda Item IV – Reports

A. **Committee Reports** – none

B. **Managing Director/CEO's Report**

Mr. Dickenson reminded the Board and staff he had just returned Saturday from the American Public Power Association (APPA) Board meeting in Salt Lake City. A presentation was made at that meeting regarding solar and electric energy costs in Spain. Mr. Dickenson made comparison of the solar and electric costs in Spain to JEA's electric costs per KWh.

C. **Vice Chair's Report** – none

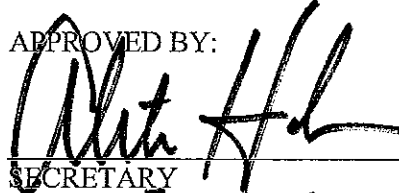
Agenda Item V – Closing Considerations

A. **Announcements** – none

B. **Adjournment**

With no further business claiming the attention of the Board, the meeting was adjourned at 10:44 AM.

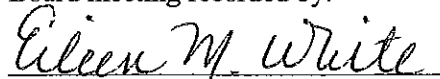
APPROVED BY:



SECRETARY

DATE: 7-21-09

Board meeting recorded by:



Eileen M. White

JEA Process Support Associate (PSA)