

JEA
BOARD MINUTES
November 18, 2008

The JEA Board received a presentation at 9:00 AM, from the Stanton Robotics Team prior to convening their normal Board meeting on Tuesday, November 18, 2008 in the meeting room on the 8th Floor, 21 West Church Street, Jacksonville, Florida. Present were Cathy Whatley, Ashton Hudson, Jay Fant, Jim Gilmore, Ron Townsend, and Jim Dickenson. In addition, Debra Braga from the Office of General Counsel (OGC) and members of JEA's Executive Management Team were in attendance.

Prior to the presentation in the meeting room, the Board had an opportunity to mingle with Stanton Robotics team members and watch an exhibition of one of the previous competition robots in the lobby of the 8th Floor. The presentation consisted of two videos. One showed the recent success of the team at regional competitions with the second providing a preview of the safety video they are producing for next year's competition. Following the videos, Todd Lovelace, JEA Engineer II at Northside Generating Station and mentor for the Team introduced the team members to the Board. Mr. Lovelace thanked the Board and Mr. Dickenson for JEA's continued support of this program.

The JEA Board met in regular session on Tuesday, November 18, 2008, in the 8th floor Board meeting room, JEA Tower, 21 West Church Street, Jacksonville, Florida, with Cathy Whatley, Ashton Hudson, Jay Fant, Jim Gilmore, and Ron Townsend present. Chair Austin and Mr. Hightower were absent and excused.

The meeting was **called to order** at 9:17 AM by Vice Chair Cathy Whatley.

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

Mr. Townsend led the **Pledge of Allegiance**.

The **Safety Briefing** was given by Greg Perrine, Vice President Facilities and Logistics Services.

The **Agenda** was unanimously adopted as published.

On motion from Mr. Gilmore and Mr. Townsend's second, the Board unanimously approved **Minutes** of the regular Board Meeting held October 21, 2008.

Agenda Item II – Presentations & Comments

- A.** Stanton Robotics Club – In the interest of time, Todd Lovelace, Engineer II, made a presentation to the Board prior to the meeting call to order.
- B.** CIO Award Presentation – Wanyonyi Kendrick, Chief Information Officer, presented the CIO Award that JEA received from the Energy Central. Mrs. Kendrick indicated that this award provides a reminder to focus on research, IT innovation and integration while partnering with other areas within JEA, such as Customer Relationships and Data Integration. Team members, Sharon Van Den Heuvel, Ajay Dhami, Faye Chatman and Bridget Shepherd were recognized for their efforts.
- C.** **Comments from the Public** – None

- D. Council Liaison's Comments** – Councilman Joost stressed his willingness to work with JEA in communicating with additional Financial Institutions for funding opportunities.

Agenda Item III - For Board Consideration

A. New Business

1. JEA Variable Rate Debt Remarketing Agents – Upon motion by Mr. Hudson and Mr. Townsend's second, approval was unanimous to amend five supplemental resolutions to permit a Remarketing Agent for JEA's various variable rate debt to be a national banking association or a state chartered bank or trust company or a member of the National Association of Securities Dealers, Inc, in each case having a capitalization of at least \$50,000,000.

B. Procurement Appeal Hearing before the Board – Dalton Agency

1. Call to Order – The hearing was called to order at 9:29 AM by Vice Chair, Cathy Whatley.
2. Presentation – Dalton Agency – Mr. Jim Dalton, President and CEO of the Dalton Agency reviewed key information included in the appeal of JSC-025-08 documents submitted by Dalton Agency. Mr. Dalton told the Board that it was not his intent to have the bid reversed, but he proceeded with the appeal process to bring issues of concern regarding the bid process to the attention of the Board. Mr. Dalton's two proposed remedies were a complete and thorough review of this bid's process by an outside auditor or the establishment of a special task force, including Board members, to review the bid process.
3. Comments from persons or entities, other than the Protestant, who have legal standing and will be directly affected by the resolution of the Protestant – none.
4. Comments from JEA Chief Purchasing Officer, John McCarthy – Mr. McCarthy reviewed JEA's procurement and bid process, including decisions made during this specific process as well as the appeals process that followed. Mr. McCarthy also reviewed the internal Audit report and the six steps that have been taken in response to audit recommendations, including the establishment of a high level checklist that will provide the participants clear information to better understand the bidding process.

Ms. Teala Milton, Chief Public Relations Officer, addressed the issue of the exclusion of a JSEB requirement in this bid and addressed other issues such as travel expenses and local market knowledge that Mr. Dalton raised.

Mr. McCarthy re-addressed the Board and reviewed the lessons learned from this appeal process. The most important lesson learned was that perceptions are real. This is why the new checklist was established. In addition, the communication process within the bid process will be improved.

5. Rebuttal by Protestant – Mr. Dalton reviewed information presented by JEA that he believed needed to be questioned. A year is too long for the appeals process. There appears to be too great a discrepancy in the scores. However, if the changes in the process presented by Mr. McCarthy are put into place, he feels his appeal will have accomplished something positive.
6. Questions by the Board – The Board posed questions to all involved to address specific concerns or questions the Members had concerning the bid, the re-bid, the audit review, the

process and the Procurement Appeals Board decision.

7. Board action – On motion from Mr. Townsend and Mr. Fant’s second, the Board unanimously approved staff recommendation to uphold the award.

At 10:30 AM, the Board took a short break, reconvening at 10:39 AM.

C. New Business - continued

1. JEA Bulk Power Supply (BPS) System Revenue Bonds, Scherer 4 Project Issue, Series 2008A, were unanimously approved upon motion by Mr. Gilmore and Mr. Hudson’s second. The Board approved the amendments to the Restated BPS Resolution and authorized and awarded the BPS 2008A Bonds by adopting the Authorizing Resolution and approving the financing documents.
2. Amended Natural Gas Advance Agreement between JEA and The Energy Authority was unanimously approved upon motion by Mr. Townsend and Mr. Gilmore’s second. The Board authorized the CEO and Managing Director to annually execute guarantees under the Restated and Amended Natural Gas Advance Agreement in substantially similar form as the existing guarantees, with approval of the Office of General Counsel, so long as the advance is not greater than \$60,000,000.
3. Record of Sole Source and Emergency Procurements report was provided for information only.
4. Economic and Market Update and Financial Impact presentation by Paul McElroy, Chief Financial Officer was provided for information only.
5. Variable Fuel Rate and Fuel Reserve Discussion presentation by Paul McElroy, Chief Financial Officer was received for information only. At the Board’s direction, an agenda item will be presented at a future meeting to authorize a public rate hearing to consider modifications to the Variable Fuel Rate Policy.
6. Operations Report for October 2008 was received for information only. Mr. James Chansler briefly reviewed new information that will be included in future reports.
7. Monthly Financial Statements – October 2008 was received for information only.

D. Old Business – none

Agenda Item IV – Reports & Comments

A. Committee Reports - none

B. Managing Director’s Report – Jim Dickenson

1. Mr. Dickenson recognized Susan Hughes for her appointment to Chair the Board of the St. Johns River Water Management District.
2. Mr. Dickenson brought greetings from Chair Austin as she recuperates at home.

3. A report was distributed that provides the most current staffing changes that have taken place this fiscal year. Mr. Dickenson indicated that he is actively monitoring staffing levels to ensure that JEA's service levels are not negatively impacted and will lift the hiring freeze for exceptions only if it is determined that appropriate service levels are not being maintained.

C. Vice Chair's Report – Cathy Whatley

1. Vice Chair Whatley asked for and received unanimous approval upon motion by Mr. Gilmore and Mr. Townsend's second for Board members' and City Council Vice President's travel to New York for Bond Agency presentations.
2. Mrs. Whatley presented Jim Dickenson, Managing Director and CEO, with his 35 Year Service Pin in recognition for his extended service to JEA, reminding him how highly regarded he is by staff and the community.

Agenda Item V - Closing Considerations

- A. Announcements - none

With no further business claiming the attention of the Board, the meeting was adjourned at 12:40 PM and the Board moved to the 17th floor for its post-Board briefing and lunch.

The JEA Board held its post-Board briefing on Tuesday, November 18, 2008, at 12:45 PM in the conference room on the 17th Floor, 21 West Church Street, Jacksonville, Florida. Present were Cathy Whatley, Ashton Hudson, Ron Townsend, Jay Fant, Jim Gilmore, Jim Dickenson, Paul McElroy, James Chansler, Helen Kehrt, Brian Roche, Councilman Joost, Billie Tucker, CEO Service Bureau and Debra Braga from the Office of General Counsel (OGC).

The financial projections for the next five years were reviewed and discussed.

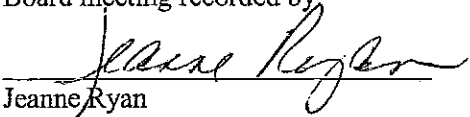
With no action taken and no further business claiming the attention of the Board, the meeting was declared adjourned at 1:50PM.

APPROVED BY:


SECRETARY

DATE: 12-16-08

Board meeting recorded by:


Jeanne Ryan

JEA Process Support Associate (PSA)