

JEA
BOARD MINUTES
February 21, 2012

The JEA Board's Nominating Committee met on Tuesday, February 21, 2012, at 8:38 AM in the 8th Floor Board Chair's Office, 21 W. Church Street, Jacksonville, Florida. Present were Ron Townsend, Cynthia Austin and Mike Hightower.

On motion by Mr. Townsend and second by Mr. Hightower, the committee moved to recommend the following slate of Officers for the term March 1, 2012 through February 28, 2013, and that this action be voted on during the Board's regular session on this date:

Ashton Hudson, Chair
Mike Hightower, Vice Chair
Cynthia Austin, Secretary

The JEA Board met in regular session on Tuesday, February 21, 2012 in the 8th Floor Board Meeting Room, 21 W. Church Street, Jacksonville, Florida. Present were Ron Townsend, Ashton Hudson, Jim Gilmore, Charlie Appleby, Cynthia Austin and Mike Hightower.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 9:00 AM by Chair Townsend.
- B. The **Invocation** was given by Mr. Dickenson.
- C. The **Pledge of Allegiance** was led by Mr. Gilmore.
- D. **Adoption of Agenda** – the agenda was adopted on motion by Mr. Hightower and second by Mrs. Austin.
- E. The **Safety Briefing** was given by Kent Brumfield, Director Fleet Services and Deb Beaver, Director Commercial Customer Relationships.

Agenda Item II – Presentations and Comments

- A. **Comments from the Public** – None
- B. **Council Liaison's Comments** – Council President Joost reminded the group the union contracts did not go through the City Council at the last meeting. He said he does not know what the union's position is, but asked that employees not despair and stated we will get another shot at this. He stated it is not well known JEA took a 5% pay cut and laid off over 300 contract employees three to four years ago. JEA took the necessary steps and made the cuts we needed to take years ago while the other employees in the city were still getting their raises. He thinks this is a fairness issue; unfortunately we got caught up in the political atmosphere and the larger economy of what's going on. There is data out there that proves private industry is increasing pay. He thinks JEA needs to regroup and go back and make the case. He believes as the economy gets better, the political issue will ease somewhat. Council President Joost recommends instead of just Jim making the case, we get some of the unions over there to help make the case. Just like the police and fire do – they come over and pack the chambers. He stated it is a lot easier to criticize the Managing Director than it is to criticize or critique a room packed with rank and file employees. He stated there is nothing wrong with putting a little pressure on Council and feels optimistic that if we do, we can get that vote changed. It may take a while; it may take till the economy continues to improve. He believes, from his vote there is political expediency and there is doing what is right. He stated all we

are asking for is parity for the JEA. It is an issue of fairness in regards with what has happened to the rest of the City.

Council President Joost further stated the other thing, unfortunately, he does not think was stressed enough is the fact there were no increases at JEA for 15 or 16 years on the base rate and a lot of that was done at the expense of long term maintenance and capital projects. Unfortunately since 2004 JEA has become a victim of that and have had a 36% increase. What you have to do is look at it in its totality. In a 25 year period, a 36% increase in base rates is 1 ½ % per year – not even keeping up with inflation. He said JEA tried to make a point that the rates are lower than in 1983 if adjusted for inflation. We have to get those facts out and have to get the pressure on. At some point he thinks the Council will do what is fair.

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.

Before calling for a vote, Mr. Townsend asked Mr. Dickenson to comment on the January 17, 2012 Board minutes and item 7 on the Consent agenda. Mr. Dickenson stated item 7 “FY2012 Electric System Unit Sales and Revenue Impacts” was submitted in response to a request by Mr. Hudson. Mr. Dickenson requested the January 17, 2012 minutes be amended by adding the following sentence to the last paragraph on page 3: “Mr. Hudson asked that staff, at the next meeting, provide the Board with a budget impact analysis in light of the low year- to- date electric unit sales.” Mr. Hightower moved approval of the amended minutes; Mrs. Austin seconded and the vote was unanimous.

Mr. Dickenson further stated, regarding item 7, in the last three months staff has seen a decline in unit sales, primarily due to weather. Staff expects to not meet budget and is currently looking at where staff can make cuts. This subject will be included in monthly financial reports in the future.

Upon motion by Mr. Gilmore and second by Mr. Hudson, items 2 and 3 on the Consent Agenda were unanimously approved and items 4 through 10 were received for information.

1. Approval of the January 17, 2012 Meeting Minutes – approved as amended.
2. Deferred Compensation Plan (457) and Defined Contribution Plan (401a) Approval and Adoption – action required. The Board approved and adopted Resolution No. 2012-08 to ratify and adopt the restated Defined Contribution Plan 401(a) and Deferred Compensation Plan 457(b) Plan documents as of the effective dates stated in the Resolution. Further, the Board authorized JEA’s Managing Director/CEO or his designee to execute the Plan documents, together with any and all amendments, administrative services agreements, trust agreements and other documents related to the Plans that the Managing Director/CEO or his designee may approve.

3. JEA Variable Rate Debt Remarketing Agents – action required. The Board adopted Resolution Numbers 2010-09 and 2012-10 to amend the criteria for permitted Remarketing Agents for the Supplemental Resolutions referred to in the agenda item to include being a national banking association or a state chartered bank or trust company or a member of the Financial Industry Regulatory Authority, Inc., in each case having a capitalization of at least \$50 million.
4. JEA Electric System Revenue Bonds, Series Three 2012A and Subordinated Revenue Bonds 2012 Series A – received for information
5. JEA Water and Sewer System Revenue Bonds, 2012 Series A and Subordinated Revenue Bonds, 2012 Series A – received for information
6. Integrated Resource Plan (IRP) Update – received for information
7. FY2012 Electric System Unit Sales and Revenue Impacts – received for information
8. Monthly Operations Report – received for information.
9. Monthly JEA Financial Review – received for information.
10. Monthly FY12 Communications & Community Outreach Plan Update – received for information.

B. Strategic Discussions/Action - None

C. Other New Business - None

D. Old Business – None

Agenda Item IV – Reports

- A. Nominating Committee Report** – Ron Townsend reported the Nominating Committee met this morning and proposed the following slate of officers for the period of March 1, 2012 to February 28, 2013:

Ashton Hudson, Chair
Mike Hightower, Vice Chair
Cynthia Austin, Secretary

Mr. Hightower moved approval of the slate of officers, Mr. Gilmore seconded and the motion passed unanimously.

Mr. Hudson stated the Finance and Audit Committee members would change effective March 1, 2012. He recommended Ron Townsend as Chair and Charlie Appleby and Mike Hightower as members. The next Finance and Audit Committee meeting is March 12, 2012. Mr. Hightower moved approval of the Finance & Audit Committee members, Mrs. Austin seconded and the motion passed unanimously.

Mrs. Austin left the meeting at 9:20 AM and did not return until the meeting had been adjourned.

B. Managing Director/CEO's Report - None

C. 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 9:25 AM.

The JEA Board convened the scheduled IBEW 1618 Impasse Hearing at 9:30 AM on Tuesday, February 21, 2012, in the 8th Floor Board Meeting Room. The Impasse Hearing adjourned at 12:20 PM.

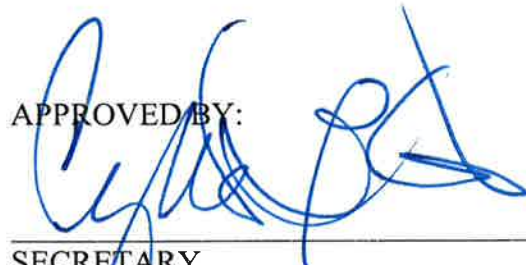
The JEA Board held a Post-Board Briefing at 12:30 PM on Tuesday, February 21, 2012, in the Chair's office on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Ron Townsend, Ashton Hudson, Charlie Appleby, Jim Gilmore, Jim Dickenson, John Germany and Mary Jarrett, Office of General Counsel.

Mr. Dickenson briefly discussed:

1. The outcome of last week's City Council vote on union contracts and employee engagement.
2. Business strategy initiatives and customer goals for 2012.
3. JEA checks commercial drivers' licenses (CDL) quarterly and random drug screenings are conducted. All CDL licenses are up- to- date. For non-CDL drivers, JEA does annual random checks on drivers' licenses.
4. 2013 budget assumptions will be discussed at the March 12, 2012 Finance & Audit Committee meeting.

With no further business claiming the attention of the Board, the Post-Board Briefing was adjourned at 12:55 PM.

APPROVED BY:



SECRETARY

DATE 3/22/12

Board Meeting recorded by:



Cathy Barnwell
Executive Assistant