

JEA
BOARD MINUTES
January 17, 2012

The Board conducted a Shade Meeting pursuant to Section 286.011(8), Florida Statutes, at 8:00 A.M on Tuesday, January 17, 2012, in the Board Conference Room on the 8th Floor, 21 W. Church Street, Jacksonville, Florida.

The Shade Meeting was adjourned at 9:00 AM. The Board took a short break and moved to the 8th Floor Chair's Office for a Pre-Board Briefing.

The JEA Board held a Pre-Board Briefing at 9:08AM on Tuesday, January 17, 2012, in the Chair's Office on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Ron Townsend, Ashton Hudson, Jim Gilmore, Cynthia Austin, Jay Fant, Mike Hightower, Jim Dickenson, John Germany, Office of General Counsel, Robert Campbell, Council Auditor's Office, Mary Kelli-Palka, Florida Times Union, Joe Wilhelm, Financial News and Daily Record and Gerri Boyce.

The Pre-Board Briefing discussion consisted of the following:

1. The schedule for today's meetings was reviewed.
2. CEO Succession Planning
 - a. Mr. Dickenson recently presented his intent to retire letter to Chair Townsend. After deliberating with the Board, Mr. Dickenson agreed to extend his Contract for an additional six (6) months to expire on February 1, 2013.
 - b. Determination has been made to engage a national search firm for the recruitment of Mr. Dickenson's replacement.
3. Bond Refunding Delegation – item added to the formal Board Meeting Agenda
4. Labor Contracts – scheduled for vote at the February 14, 2012 City Council Meeting
5. New Board Member Charlie Appleby's confirmation schedule:
 - a. February 6, 2012 – appear before Rules Committee
 - b. February 14, 2012 – final Council Confirmation
 - c. February 21, 2012 – first JEA Board Meeting

With no action taken and no further business claiming the attention of the Board, the Board took a short break and moved to the 8th Floor Board Meeting Room for its regularly scheduled meeting.

The JEA Board met in regular session on Tuesday, January 17, 2012 in the 8th Floor Board Meeting Room, 21 W. Church Street, Jacksonville, Florida. Present were Ron Townsend, Ashton Hudson, Jim Gilmore, Cynthia Austin, Jay Fant, and Mike Hightower.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 10:00 AM by Chair Townsend.
- B.** The **Invocation** was given by Mrs. Austin.
- C.** The **Pledge of Allegiance** was led by Mr. Fant.
- D.** **Adoption of Agenda** – the agenda was adopted on motion by Mr. Hudson and second by Mrs. Austin.

- E. The **Safety Briefing** was given by Melissa Fulmore, Manager Business Analyst – Oracle, and Darren Hollifield, Director Water/Waste Water System Control

Agenda Item II – Presentations and Comments

- A. United Way (UW) and Community Connections – Jay Worley, Director Environmental Programs. As JEA's 2011 United Way Chairperson, Mr. Worley introduced and recognized JEA's United Way Community Builder, Beth DiMeo, Professional Engineer. Beth provided engineering and management support when she organized the Vistikon volunteer project to build a baseball field at the Community Connections A.L. Lewis Center in the Ribault area of Jacksonville. Mr. Worley then introduced Mrs. Patricia Hannon, Executive Director and CEO of Community Connections, and a past JEA Board Member and Chair. Mrs. Hannon expressed her sincere appreciation and gratitude to Beth for her efforts at the Ribault Center which is utilized by 125 children in the after school program. Ms. DeMeo gave a review of the unfunded Vistikon project, and how they successfully completed the ball field project. After meeting with Vistikon and Community Connections Ms. DeMeo was instrumental in securing contractor sponsors to donate needed supplies, heavy equipment, and labor. The project was completed in a four day period concluding with a ceremony on December 8, 2011, with children playing a game of baseball on the new field. Beth shared some of the thank you cards and posters made by the children to symbolize their gratitude to all that brought the field to life. Mr. Townsend expressed his appreciation to Ms. DeMeo for her due diligence in completing such a rewarding project.
- B. Energy from Waste Water Video – Bruce Dugan, Director Organizational Performance Improvement, stated how the video illustrates the utilization of six sigma methodology, resulting in innovative improvements at the Buchman Water Reclamation Facility. The featured project is included in an International competition, and has been selected as one of the six finalists as one of the best projects for contributing to organization value, innovation, and sustainability. The project resulted in improving the quality of the captured methane and puts JEA on the brink of being able to capture enough energy to be able to power the whole plant. Mr. Dugan introduced Casey Nettles, Manager WW Treatment Reuse E NWS Core City Grid and project sponsor, who was very instrumental in the project's findings and success. Mr. Dugan stated how this video is an example of knowledge capture and transfer, on a technical basis, and gives an idea of how we intend to use video to capture technical processes – show the why, why we are doing what we are doing, and how we do it. Video's, such as this one, will be featured on the future improved jea.com. Also noted were the facts that the Buchman plant has made tremendous progress in the last several years with vast improvements and has actually gone from the worst to the first with recognition from EPA as one of the best in the Nation.
- C. **Comments from the Public** – None.
- D. **Council Liaison's Comments** – Council President Stephen Joost addressed the audience. Council President Joost thanked JEA and its employees for the good work constantly being done. He also relayed his encouragement to Mr. Ronnie Belton, COJ, to attend JEA Board Meetings to gain insight into JEA's big picture, and how Mr. Belton had stated many times the positive impressions he gained by attending the rating agency meetings with JEA personnel. Mr. Townsend thanked Council President Joost for his good thoughts and for being a great advocate for JEA.

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. Upon motion by Mr. Hightower and second by Ms. Austin, items 1, 2, and 3 on the Consent Agenda were unanimously approved and items 4, 5, 6, 7, and 8 were received for information.

1. Approval of the December 20, 2011 Meeting Minutes – approved.
2. Amendments Providing for Bond Series Designation for Various Variable Rate Debt Programs – The Board delegated the authority to the Managing Director/CEO by adopting the attached resolutions (Resolution Numbers 2012-01, 2012-02, 2012-03, 2012-04, and 2012-05) to (1) permit multiple liquidity facilities for a single series or sub-series of bonds, and (2) divide a series into one or more series or sub-series and take actions to facilitate such division.
3. Amendments Providing for Bond Documents Certification Relating to Debt Financings – The Board delegated the authority to the Executive Assistants to provide financing documents certification as required at closing, by adopting Resolution Number 2012-06.
4. Sole Source and Emergency Procurement Report – received for information.
5. Real Estate Acquisition Status Report – received for information.
6. Monthly Operations Report – received for information.
7. Monthly JEA Financial Review – received for information.
8. Monthly FY12 Communications & Community Outreach Plan Update – received for information.

B. Strategic Discussions/Action

1. Bi-Monthly Operations Update – Mr. James Chansler, Chief Operating Officer, provided a presentation highlighting important indicators in the December 2011 Operations Report, which was received for information. Several first quarter operational significant highlights included:
 - a. Superb performance with safety continues, we are now below our goal on our OSHA recordable incident rate (RIR) and have gone 75 days without an OSHA recordable. SJRPP has set a new safety record at 307 days without an RIR. A really good year!
 - b. Only three Sanitary Sewer Overflows – excellent job on the sewer side.
 - c. Electric reliability – although we are on the high end for extended outages, at approximately 1.9 per year per customer, when compared to overall outages, including short duration outages and duration of outages, we are the best in our peer group. Council President Joost pointed out that JEA includes momentary outages and fuses in our tracking, where other utilities do not include anything less than one minute. It was JEA's decision to rate ourselves based on our customers experience versus industry standard.

Chair Townsend requested Mr. Chansler attach a one-page executive summary to the bi-monthly operations presentation.

*added to minutes 2/16/12. 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. C. Barnwell
2-22-12*

Mrs. Austin stepped out of the meeting at 10:45 AM during Mr. Chansler's presentation.

C. Other New Business

1. JEA Debt Parameter Resolution Amendment for Water & Sewer Refunding Transactions – Helen Kehrt, Director Treasury Services. Upon motion by Mr. Hightower and second by Mr. Hudson, the Board delegated the authority to the Managing Director/CEO by adopting Resolution Number 2012-07 to issue principal amounts to not exceed \$450 million of senior 'economic' refunding bonds and to increase the total senior bond authorization to \$689 million.

Chair Townsend announced that the Board recognizes and appreciates the excellent work done by Mrs. Kehrt and her staff.

2. Mr. John Germany, Office of General Counsel, asked for consideration of the negotiated settlement agreement (in meeting file) between JEA and the City of Jacksonville, and various other parties, assuming the adoption of Ordinance 2011-757 by the City of Jacksonville City Council. Upon motion by Mr. Gilmore and second by Mr. Hightower, the Board unanimously accepted the negotiated settlement agreement with the adoption of Ordinance 2011-757 by the City of Jacksonville City Council.

Mrs. Austin returned at 11:05 AM during Mr. Fant's oratory.

3. Mr. Fant announced that his term ends in February; however, his schedule will not allow him to be at the February meeting and that this will be his last meeting, and shared the following: He reminisced about how he came to the Board. Looking back, getting to the rate policy and how JEA now handles pricing, was significant. He served a term as Chairman, and was delighted to do so. He commended Mr. Dickenson and the Board for initiating the Board Governance Policy Manual into the organization, recognized that it was Mr. Dickenson's dedication and devotion of their time spent creating such to say how we would become excellent in Board governance, to do the things that are supposed to be done as a Board, and that it is his hope that the Board Governance Policy Manual remains in existence and is followed as new Board Members are appointed. He was very pleased to be a part of its development. He loved going and being a part the New York rating agencies presentations to show how JEA is on top of its game to some of the most prominent rating agencies in the country and how they have 'no questions asked' since JEA presents its business so well. He acknowledged JEA's management and how much he enjoyed getting to know all of the folks; how he has always been so impressed with employee tenure; and how it has been a good era for him here. He would like to be contacted when the Robotics team returns, so he may bring his family, who has, along with him, remained fascinated by seeing the team's demonstrations when they come to the meetings. Mr. Fant closed stating that is has been a tremendous honor to be associated with the agency and its unsung heroes; that he could not have been more pleased to work with Mr. Dickenson; and that all of his associations here have been a delight. He thanked all for the honor and that he has gained so much by being a part of JEA and its Board of Directors.
4. Mr. Dickenson presented a resolution, adopted and signed today, that will be mounted in the given plaque. Jim read the resolution to Mr. Fant and the audience, which recognized Mr. Fant's dedication, focus and calm professionalism, high ethical standards, etc., and expressed deep gratitude for his service. Upon Mr.

Hudson's motion and Mr. Hightower's second, the resolution was unanimously adopted, and an ovation was given to Mr. Fant.

A. Old Business – None

Agenda Item IV – Reports

A. Committee Reports – None

B. Managing Director/CEO's Report

1. Mr. Dickenson stated how he appreciates the Board helping him work through the process of his pending retirement. Because of the terms in the Contract, he needed to make the announcement today and move forward. A press release has now gone out and notice has been sent out to all JEA employees. Mr. Dickenson relayed how this will be our transition year and that he will faithfully continue to serve and work with the agency and the Board throughout the process.
2. Mr. Dickenson conveyed his personal appreciation to Mr. Fant for his support to the Board.

C. Chair's Report

1. Bylaws require new Board Officers be in place by the March Board Meeting. Chair Townsend, Mrs. Austin, and Mr. Hightower will serve on the nominating committee which will meet before the February Board Meeting to discuss and identify the slate of officers to be approved at the February 21, 2012 Board Meeting.
2. Several days ago, Mr. Dickenson gave Chair Townsend a letter indicating his intent to retire. Mr. Dickenson's current Contract ends August 3, 2012, and requires a six month notice of intent not to renew; therefore, this announcement is being made to the Board today. At the Board's request, Mr. Dickenson agreed to remain an additional six (6) months to take JEA through the next budget cycle and the next bond rating agency presentations, which will provide support to ensure an orderly transition. In order to make this effective, Chair Townsend asked the Board for a motion to accept Mr. Dickenson's notice of intent to retire as Managing Director/CEO and to authorize the Board's Chair to execute a six (6) month extension to his Contract with the same terms and conditions. On motion by Mr. Hudson and second by Mrs. Austin, the Board unanimously approved the acceptance of Mr. Dickenson's notice of intent to retire, and authorized Chair Townsend to execute a six (6) month extension to his Contract with the same terms and conditions.
3. The Board has discussed engaging a national search firm to assist in the process of selecting the replacement for Mr. Dickenson, which will involve internal and external candidates for the goal of assuring the choice of the best possible individual to lead JEA in the future. To make this official, Chair Townsend asked for a motion to have JEA staff engage a national search firm to support the Board in fulfilling its duty to hire a Managing Director/CEO to succeed Mr. Dickenson by utilizing JEA's normal procurement process. On motion by Mr. Hudson and second by Mr. Gilmore, the Board unanimously approved JEA staff to engage a national search firm to support the Board in fulfilling its duty to hire a Managing Director/CEO to succeed Mr. Dickenson by utilizing JEA's normal procurement process.
4. As Board Chair, Chair Townsend appointed Mrs. Austin, Mr. Hightower, and Mr. Hudson to serve with him on the Managing Director/CEO Search Committee, which

Mr. Townsend will chair. The committee will remain in place throughout the entire search and at the end of the process will make a recommendation to the Board.

Upon motion by Mrs. Austin and second by Mr. Hightower, the Board unanimously approved the Managing Director/CEO Search Committee as Chair Townsend as Chair and Mrs. Austin, Mr. Hightower, and Mr. Hudson as committee members.

Agenda Item V – Closing Considerations

A. Announcements

Chair Townsend closed the meeting by giving Mr. Dickenson a standing ovation.

B. Adjournment

With no further business claiming the attention of the Board, the meeting was adjourned at 11:12 AM. The Board took a short break and moved to the 8th Floor Board Conference Room for a Shade Meeting.

The Board conducted a Shade meeting pursuant to Florida Statute 447.605 (1), at 11:30 AM on Tuesday, January 17, 2012, in the Board Conference Room on the 8th Floor, 21 W. Church Street, Jacksonville, Florida.

The Shade Meeting was adjourned at 12:15 PM. The Board took a short break and moved to the 8th Floor Board Conference Room for a Post-Board Briefing.

The JEA Board held a Post-Board Briefing at 12:29 PM on Tuesday, January 17, 2012, in the Board Conference Room on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Ron Townsend, Ashton Hudson, Jim Gilmore, Cynthia Austin, Jay Fant, Jim Dickenson, John Germany, Office of General Counsel, Susan Hughes, James Chansler, Paul McElroy, Bruce Dugan, Robb Mack, Walette Stanford, Sharon Patterson, Chad Poppell, Wayne Young and Bud Para. Mr. Hightower was absent and excused.

The Post-Board Briefing discussion consisted of a PowerPoint presentation by Bruce Dugan, Director Organizational Performance Improvement and Susan Hughes, Chief Human Resource Officer, regarding Workforce Readiness Update. Highlights of discussion included:

1. The first meeting of the Workforce Readiness/Succession Planning Committee was held in May, 2010, and the second meeting was held in February 2011.

Mrs. Austin left the briefing at 12:40 PM and returned at 12:48 PM.

2. Critical positions identified.
3. Exit interviews will be reinstated to gain better insight and informational statistics on the 'why' of employee departures.
4. Suggestion was made for staff to look at obtaining some kind of commitment from new employees to insure JEA's investment in their early tenure. Also to look at ways to retain employees, perhaps giving professional development opportunities such as Leadership Florida, Rotary, etc.
5. Much better positioned today than a few years ago – competitive market analysis base pay and total salary compensation.
6. Mr. Dickenson relayed that workforce plans should not require additional funds; and that leftover dollars will be utilized with employee training and development.

7. Chair Townsend requested an update on Workforce Readiness, with full briefing, be held every six (6) months. One (1) or two (2) Board Members should be Ad-Hoc members to be more closely informed, and the update shall be kept in committee forum.

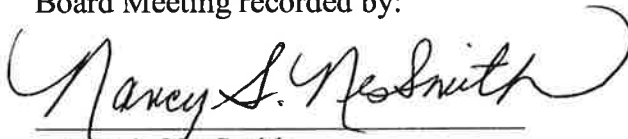
With no further business claiming the attention of the Board, the Post-Board Briefing was adjourned at 1:28 PM.

APPROVED BY:

SECRETARY

DATE: 2-21-2012

Board Meeting recorded by:



Nancy S. NesSmith
Executive Assistant