

**JEA**  
**BOARD MINUTES**  
April 16, 2013

**The JEA Board held a Pre-Board Briefing at 9:00 AM on Tuesday, April 16, 2013, in the Board Conference Room on the 8<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. Present were, Ron Townsend, Helen Albee, Peter Bower, Cynthia Austin, Lisa Strange Weatherby, Paul McElroy, Gerri Boyce, John Germany, Office of General Counsel, and Joe Wilhelm, Financial News and Daily Record. Mike Hightower was absent and excused.**

The Pre-Board Briefing discussion consisted of the following:

1. Senior Leadership Team Status – Mr. McElroy distributed an overview of the Senior Leadership Team, which with the addition of Monica Whiting, Chief Customer Officer, is now complete. A copy is in the meeting file.
2. City Council Presentation - Mr. McElroy provided a copy of the presentation used when he and JEA staff met with City Council on April 9, 2013. A copy is in the meeting file.
3. 6 Month Update – CEO Goals and Objectives – Mr. McElroy provided Members with the first 6 months' results of company Goals and Objectives. A copy is in the meeting file.
4. FY2013 Incentive Pay Plan – A proposed draft Incentive Pay Plan was submitted for review, with the same timing and structure of last year, based upon stretch goals for Safety, O&M Expenses, and Customer Satisfaction. A copy is in the meeting file.
5. Annual Disclosure Report – Mr. McElroy reminded Members a copy of the Electric Annual Disclosure Report had been provided two weeks prior to consideration, as requested in the past. Members suggested that receiving this information 30 days prior would allow them time to review and ask questions since it is such a detailed document.
6. Plant Vogtle Update – Mr. McElroy advised the Board that the Plant Vogtle project is behind schedule by 18 – 24 months. Although this delay does not impact the timing of JEA's commitment to pay any bond principal, with the lack of sales growth, JEA will benefit with the delivery of energy at the end of the 20 year contract while having already paid the debt service requirements. A copy of the handout is in the meeting file.
7. Streaming Board Meetings, reviewing options to get customer feedback – The Board was reminded that as we continue to stream Board Meetings, we are seeking methods to receive customer feedback.
8. News from Washington – Mr. McElroy shared that the move to restrict or eliminate tax exemptions for interest paid on municipal bonds is gaining strength in Washington.
9. LPPC and APPA Board Nominations – Mr. McElroy advised the Board that he has been nominated to the American Public Power Association Board, Executive Committee and Treasurer.

10. Mr. McElroy's general comments included:

- Annual Drug Testing is scheduled for May 21, 2013 for Board Members. Notification of Drug Testing Acknowledgement forms are on the dais for Member signatures.
- Specimen Signature/Certificate for Facsimile Signature for New Officers need to be completed and are on the dais.
- Board Meeting Streaming continues and a new procedure is in place for the Chair to signal the Executive Assistants who will in turn activate the microphones.
- Reviewed upcoming events including Workshop Schedules, JEA Community Events, and Utility Governance Webinar Series.

11. Mr. Bower stated that he would be asking Mike Pattillo, Ernst and Young, to provide financial efficiency comparison of JEA to others in the industry. This comparison will allow Board members to assess the financial performance of JEA using metrics other than those commonly used by the rating agencies, measuring the effective return on investment to JEA's owner.

*With no action taken and no further business claiming the attention of the Board, the Pre-Board Briefing was adjourned at 9:40 AM and the Board moved to the 8<sup>th</sup> Floor Board Meeting Room for the regularly scheduled meeting.*

**The JEA Board met in regular session on Tuesday, April 16, 2013, in the 8<sup>th</sup> Floor Board Meeting Room, 21 W. Church Street, Jacksonville, Florida. Present were Cynthia Austin, Ron Townsend, Helen Albee, Lisa Strange Weatherby, and Peter Bower.**

#### **Agenda Item I – Welcome**

- A. The meeting was **called to order** at 9:42 AM by Vice Chair Austin.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Ms. Albee.
- D. **Adoption of Agenda** –The agenda was approved as amended on **motion** by Ms. Strange Weatherby and second by Ms. Albee.
- E. The **Safety Briefing** was given by Bill Kearson, Director Information Services and Steve Selders, Director IT Project Management Services.

#### **Agenda Item II – Presentations and Comments**

- A. **Item pulled due to time constraints**
- B. **2013 American Heart Association Fit-Friendly Worksites Platinum Award and 2013 American Heart Association Fit-Friendly Worksites Gold Award** – ReShawndia Mitchell, Benefits and Wellness Specialist introduced Meredith Bass, Senior Heart Director and Mike Vatter, Heart Walk Director, American Heart Association, who recognized JEA as a Fit-Friendly Worksite on the First Coast for making health and wellness of JEA employees a priority. Mr. Vatter presented the Platinum Award, the American Heart Association's pinnacle of corporate wellness to the Board.

- C. American Public Power Association (APPA) Lineman Rodeo in Kissimmee, FL** – Ricky Erixton, Director Transmission and Distribution Maintenance introduced Chris Richardson, C&M Working Foreman. Mr. Richardson shared pictures of the recent competition and presented several trophies won by JEA's Linemen and Apprentices to the Board. Mr. Richardson introduced team members in attendance, including: Robert Hess, Alan Singley, Brian Gregg, J. J. Sabo, Dan Prescott, Larry Sparks, Lonnie Barr, Tommy Hayes and Clay Cook. Other participants, Andy Yeager, Gary Griffin, Greg Johnson, Jeremy Whittemore and Tracy Haas were recognized and not in attendance.
- D. Comments from the Public** – none
- E. Council Liaison's Comments** – Council Member Stephen Joost was present and had no comments.

### **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. Townsend and second by Ms. Strange Weatherby, items 1 and 2 on the Consent Agenda were unanimously approved and items 3, 4, 5, 6, 7, and 8 were received for information.
1. Approval of Board Meeting Minutes March 19, 2012 – approved, as amended.
  2. JEA FY2012 Annual Disclosure Report for Electric Utility System – The Board authorized and approved (i) the FY2012 Annual Disclosure Report for Electric Utility System in substantially the form attached, with such changes as are approved by the Managing Director and Chief Executive Officer of JEA, and (ii) the filing and use of the Annual Disclosure Report as described above.
  3. Sole Source and Emergency Procurement Report – received for information
  4. Real Estate Acquisition Status Report – received for information
  5. Monthly JEA Operations Report – received for information
  6. Monthly Financial Review – received for information
  7. Monthly FY13 Communications & Community Outreach Plan Update – received for information
  8. JEA FY13 Community Engagement Calendar – received for information
- B. Strategic Discussions/ Action**
1. Bi-Monthly Financial Update – Janice Nelson, Controller, provided a brief overview of JEA's financial results thru March 31, 2013, which was received for information.
  2. Presentation of Employee Volunteerism – Wanyonyi Kendrick, Chief Information Officer, presented an overview of JEA's Community Champions Team and one of its goals; to double the number of JEA community champions. Volunteerism is one of six initiatives established to improve customer satisfaction and loyalty. Ms. Kendrick introduced Glenn Johnson, Blackbelt, who provides overall team support, and team leads Brian Pippin – Showcasing Employees and Branding JEA Volunteers, Brian Novak – Rewards and Recognition, and Voncea Fuller – Coordinator of Volunteer Opportunities. Team lead Gregory Owens was not able to attend. This presentation was received for information.

3. **Electric System – Integrated Resource Plan (IRP)** – Steve McNall, Director Electric Production Resource Planning provided an overview of the process and need to update JEA’s Electric System Integrated Resource Plan due to high levels of uncertainty surrounding projections for future regulations, load growth, and fuel prices. The project kicked off in July 2011 and was completed in December 2012. This tool will be used to answer questions about the impacts to the existing fleet and on future generation plans of proposed environmental regulations and Clean Energy Standards; to determine the optimal level of participation in future nuclear plants; to consider the impact of natural gas prices on future generation plans and the drivers and impacts of a potential Northside 3 retirement; and to compare implications of variations in peak demand (capacity), energy (sales) and load factors. This presentation was received for information.
  4. **Water System – Integrated Resource Plan (IRP)** – Karl Hankin, Manager Water Sewer System Planning presented information on JEA’s initial Integrated Water Resource Plan (IWRP) to serve as a planning tool for the Water/Wastewater Systems Planning Department. It was motivated by high levels of uncertainty surrounding projections for future regulations on the Floridan Aquifer and customer growth. The initial phase of the IWRP was completed in February 2013 to assist JEA in developing the planning framework and provide a foundational tool (computer model) to assess regulatory and customer growth scenarios when considering issues such as: when water demand will outpace existing water supplies, what supply alternatives will offer the most cost effective and reliable solutions; how to cost effectively utilize demand-side-management alternatives and how and when infrastructures and facilities are placed in and out of service. Mr. Hankin’s presentation was received for information.
- C. **Other New Business** – none
- D. **Old Business** – none

#### **Agenda Item IV – Reports**

- A. **Committee Reports** – none
- B. **Managing Director/CEO’s Report** – Mr. McElroy thanked the last two speakers for demonstrating the complexity of our resource planning and for providing information as a forerunner to next month’s Strategic Planning Workshop. Mr. McElroy stated that JEA continues to work at the staff level to focus on winning customer loyalty, continuing to be committed to operational excellence, attracting unbeatable talent and embracing social responsibility and sustainability. Mr. McElroy shared recent successes in community involvement with the JEA Power Play exhibit launch and Science Theater at Museum of Science and History (MOSH), JEA’s support of One Spark by providing a carbon free zone, hosting the upcoming Florida Municipal Electric Association Lineman Rodeo on April 20, 2013, and by providing more than fifty team leads plus volunteers to work with HabiJax during their June blitz.
- 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, Vice Chair Austin adjourned the meeting at 10:57 AM.*

APPROVED BY:

SECRETARY

DATE:

5/21/13

Board Meeting recorded by:

Jeanne E. Ryan  
Jeanne Ryan  
Executive Assistant

