

JEA
BOARD MINUTES
June 18, 2013

The JEA Board held a Pre-Board Briefing at 8:28 AM on Tuesday, June 18, 2013, in the Chair's Office on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Mike Hightower, Ron Townsend, Helen Albee, Peter Bower, Lisa Strange Weatherby, Wyman Winbush, and Paul McElroy. Cynthia Austin participated telephonically until her arrival at 8:30 AM. Also present were Gerri Boyce, JEA, John Germany and Cindy Laquidara, Office of General Counsel, David Edwards, Edwards Cohen, Attorneys at Law representing Office of General Counsel, and Joe Wilhelm, Financial News and Daily Record.

The Pre-Board Briefing discussion consisted of the following:

1. Storm Preparedness – Mr. McElroy provided a brief history of the training exercises that JEA staff has undergone to prepare for potential storms. JEA has taken inventory of poles, transformers, and key items, and is prepared better than ever. JEA is aligned with Mayor Alvin Brown and has the full support of the City.
2. Current News from Washington: Mr. McElroy provided updates on the following:
 - Commodity Futures Trading Commission (CFTC) and HR1038 – Mr. McElroy provided information on the H.R. 1038, Public Power Management Act of 2013. With a vote of 423/0, the House of Representatives passed the Public Power Management Act of 2013 bill which will allow public power utilities to adequately plan for the future, continue to provide reliable service and affordable rates to their customers, and will put JEA on equal footing with investor-owned electric and gas utilities. Mr. McElroy distributed the Public Power Daily article authored by the American Public Power Association (APPA). A copy of the article is in the meeting file.
 - Tax Exempt Financing – Mr. McElroy met with industry CEOs at the Large Public Power Council (LPPC) CEO Strategy Meeting in Washington, D.C. on June 10 – 11, 2013, where the topic of tax exempt financing was discussed.
 - Cyber Security – JEA continues to work through self-imposed and federally regulated regulations and standards.
 - Coal Ash – The Environmental Protection Agency (EPA) continues to study existing regulations covering coal ash. There is recognition of the economic impact any change may have, and thus a growing support for legislative solutions.
3. Pension Plan – Mr. McElroy stated that at this time, the best approach is for JEA to allow the City to work through their economic issues, which will assist JEA in setting a path in the future. JEA will continue to review the pension plan upon the completion of the City's pension review.
4. Southside Generation Station (SSGS) – Mr. McElroy provided the history of the Southside Generation Station and stated JEA has received informal requests regarding the sale of SSGS. After further review and analysis of the property, Mr. McElroy may bring before the Board a request for the potential sale of SSGS.
5. Mayor Brown – Confirmed attendance at the July 16, 2013 Pre-Board Briefing.
6. Open Discussions – The Board held open discussions related to current JEA topics.
7. The September Board Meeting has been changed to Monday, September 16, 2013.

8. October Pre-Board to Post Board with Lunch Provided – In support of Mr. McElroy providing the welcome speech at the North American Electric Reliability Corporation (NERC) Grid Security Conference on October 15, 2013, the regularly scheduled Pre-Board Briefing has been rescheduled to a Post-Board Briefing. The Board Meeting is scheduled to begin at 10:00 AM.
9. Upcoming Events – A schedule of upcoming JEA and Board related events were reviewed. A copy is in the meeting file.
10. Future Board Meeting Presentations – A schedule of upcoming Board presentations was reviewed. A copy is in the meeting file.

With no action taken and no further business claiming the attention of the Board, the Pre-Board Briefing was adjourned at 9:25 AM and the Board moved to the 8th Floor Board Meeting Room for the regularly scheduled meeting.

The JEA Board met in regular session on Tuesday, June 18, 2013, in the 8th Floor Board Meeting Room, 21 W. Church Street, Jacksonville, Florida. Present were Mike Hightower, Cynthia Austin, Helen Albee, Ron Townsend, Lisa Strange Weatherby, Peter Bower, and Wyman Winbush.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 9:30 AM by Chair Hightower.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Mr. Winbush.
- D. **Adoption of Agenda** –The agenda was approved on **motion** by Ms. Strange Weatherby and second by Mrs. Austin.
- E. The **Safety Briefing** was given by Darren Hollifield, Director Water/Wastewater System Controls and Dan Mishra, Director CIP Compliance.

Agenda Item II – Presentations and Comments

- A. **United States Green Building Council Awards** – Jane Upton, Director Communications and Community Outreach presented two awards to the Board, the Green Initiative Award and the Green Hero Award.

The United States Green Building Council (USGBC) is a non-profit organization committed to a prosperous and sustainable future for our nation through cost efficient and energy saving green buildings. The North Florida Chapter of the USGBC provides annual awards for buildings, programs, and individuals who have demonstrated leadership in improving efficiency and reducing impacts on the environment.

1. Green Initiative Award – This award recognizes activities, initiatives, programs, and concepts that have made a significant impact on sustainability in North Florida. The JEA Home Energy Evaluation Backpack Program submitted by Green Team Project was the recipient of this award. Through this program, JEA provides backpacks to public libraries on loan. Customers have the opportunity to check out the backpacks and use the tools included to conduct a home energy audit. David Reed, Conservation and Efficiency Specialist is the creator of the program and was recognized for making a significant impact on sustainability in North Florida. The frame of the award was salvaged from various HabiJax deconstruction projects as well as an old skating rink.

2. Green Hero Award – This award recognizes members of the community who have made a significant impact on sustainability in North Florida. Recipients of this award included Bruce Doueck, Manager Customer Conservation and Efficiency for JEA.

B. HabiJax 25th Anniversary Blitz Build – Jane Upton, Director Communications and Community Outreach – Mrs. Upton provided details of the HabiJax 25th Anniversary Blitz Build that took place June 1 – 8, 2013, in the New Town neighborhood of Jacksonville. JEA played a critical role in leadership by providing 178 JEA employees, including 55 team leaders, who participated in the build of 25 homes within 7 days. Mrs. Upton presented a video that highlighted the event and shared a note received from a JEA employee, which included sentiments of appreciation for the project. Mrs. Upton introduced Ms. Mary Kay O'Rourke, President and CEO of HabiJax. Ms. O'Rourke extended her appreciation to JEA for their many years of continued support. She was appreciative of Mr. McElroy leading JEA staff and noted that we share the same customers and work in the same community.

Mr. Winbush briefly departed during the HabiJax 25th Anniversary Blitz Build and returned at 9:52 AM.

Mrs. Austin stepped out of the meeting at 9:52 AM during Mr. Dendor's presentation.

C. Emergency Preparedness – Ed Dendor, Director Emergency Preparedness provided a summary of emergency preparedness activities within the last 60 days including: training with 160 upper and middle management, training with the Senior Leadership Team and the Incident Command Team, a joint hurricane exercise with JEA and the City of Jacksonville, damage assessment training which included over 60 engineers and specialists, table top exercises with the Port Unified Command, and training exercises with the Emergency Preparedness Planning Council. Mr. Dendor also provided the importance of the implementation of a flexible organization in accordance with the National Incident Management System for emergency situations. This flexibility prepares JEA for the transition from our normal “blue sky” organization structure into the “grey sky” organizational structure for operational recovery. JEA's Incident Command Structure is in alignment with city, state, and federal standards to ensure our ability to respond, recover, and maximize our federal reimbursement.

D. Comments from the Public – none

E. Council Liaison's Comments – Council Member Stephen Joost presented to the Board there have been recent inquiries from City Council regarding the benefits to converting to LED lights. Mr. Wayne Young, Director Government Affairs is working with Council to coordinate efforts to provide information as it is requested.

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 Ms. Strange Weatherby and second by Mr. Winbush, item 1 on the Consent Agenda was unanimously approved and items 2, 3, 4, and 5 were received for information.

1. Approval of Board Meeting Minutes May 21, 2013 – approved.
2. Monthly JEA Operations Report – received for information.
3. Monthly Financial Review – received for information.

4. Monthly FY13 Communications & Community Outreach Plan Update – received for information.
5. JEA FY13 Community Engagement Calendar – received for information.

B. Strategic Discussions/ Action

1. Water and Sewer System Bond Resolution Amendments Relating to Investments, Surety Policies and Capacity Charges – On **motion** by Mr. Townsend and second by Mr. Bower, the Board unanimously approved and adopted Resolution 2013-10 to amend its Water and Sewer System Bond Resolution and First Supplemental Water and Sewer System Revenue Bond Resolution in the manner as provided in the proposed Fortieth Supplemental Water and Sewer System Revenue Bond Resolution to: (1) modify the definition of “Investment Securities” in the Bond Resolution to refer to investments permitted by Florida law for the investment of JEA’s funds, (2) amend the First Supplemental Resolution to revise certain provisions relating to the use of a reserve fund credit instrument to fund the Initial Subaccount in the Debt Service Reserve Fund under the Bond Resolution, and (3) clarify and correct the definition of the term “Capacity Charges”. The proposed amendments outlined in items (1) and (2) above will require consent from greater than 50 percent of Water and Sewer System bondholders affected by such amendments to be effective. The amendments relating to item (3) above will become effective upon approval from the JEA Board.
2. Authorization to Execute and Deliver Documentation to Enable JEA and Its Counterparties to Comply with Dodd-Frank Wall Street Reform and Consumer Protection Act – Ms. Strange Weatherby declared a conflict of interest and filed Form 8B Memorandum of Voting Conflict for County, Municipal, and other Local Public Officers. A signed copy is in the meeting file. On **motion** by Mr. Townsend and second by Mr. Winbush, the Board unanimously approved and adopted Resolution No. 2013-11 providing JEA authorization for the execution and delivery of documentation to enable JEA and its counterparties to comply with applicable requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.
3. Florida Public Utilities Base Rate Adjustment – On **motion** by Ms. Albee and second by Ms. Strange Weatherby, the Board unanimously approved the proposed Florida Public Utilities (FPU) base rate adjustments effective October 1, 2013. The current recommended increase to FPU’s base rates is \$2.04/MWh effective October 1, 2013.

Mrs. Austin rejoined at 10:12 AM prior to action taken below.

4. Proposed FY2014 Operating and Capital Budgets – Mrs. Dykes, Chief Financial Officer provided the Board the opportunity to ask questions regarding the FY2014 Operating and Capital Budgets. With no further information discussed, on **motion** by Mr. Townsend and second by Mr. Winbush, the Board unanimously:
 - 1) approved the proposed operating and capital budgets as shown on Schedules A, B, and C and authorized staff to transmit the recommended budgets to the Jacksonville City Council for final action, and transmit the Five-Year Capital Improvement Program, Schedule C, as required by the Jacksonville City Planning Department, and

- 2) approved JEA's share of the SJRPP and Plant Scherer Operating and Capital Budgets as shown on Schedule D, and
- 3) authorized the Managing Director/CEO, to adjust the budget approved by the Board of Directors and submitted to Council, if necessary, within the total approved budget amounts for each system.

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 stated that JEA and the City are prepared relative to storm recovery. JEA is in the process of messaging to employees, and to the population at large, that having a personal plan in place for our homes, friends, and families is very important for us to be successful if we incur a storm. For the Board's perspective, Mr. McElroy stated we are prepared to deal with a storm, but after the storm, we will rebuild from the power plant out to the customer. The strategy is to get the plants, transmission grid, and the larger areas of distribution back online.

Mr. McElroy stated on behalf of the team and JEA employees that participated, HabiJax is a phenomenal organization. We were proud to support and to be a part of the building of 25 homes this year, building a total of 1800 homes over the past 25 years. Mr. McElroy shared that he was deeply touched and humbled to be a part of the JEA team.

C. Chair's Report – Chair Hightower thanked the JEA family for a great month and offered appreciation for what they do every day. Immediately following the Board Meeting, the Board Members will be participating in a "dutch treat" lunch honoring former Chair Ashton Hudson and former Board Member Jim Gilmore for their years of service.

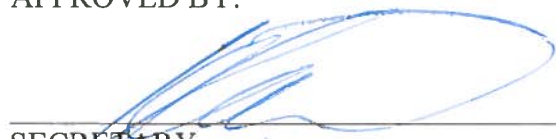
Agenda Item V – Closing Considerations

A. Announcements – none

B. Adjournment


With no further business claiming the attention of the Board, Chair Hightower adjourned the regular meeting at 10:33 A.M.

APPROVED BY:



SECRETARY
DATE: 7/16/13

Board Meeting recorded by:



Melissa Charleroy
Executive Assistant

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

NAME—FIRST NAME—MIDDLE NAME Weatherby, Lisa Strange		NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE JEA Board	
MAILING ADDRESS 21 W. Church Street Duval		THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: <input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY	
CITY Jacksonville	COUNTY Duval	NAME OF POLITICAL SUBDIVISION:	
DATE ON WHICH VOTE OCCURRED		MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTEE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

Person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which results to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

APPOINTED OFFICERS:

Though you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, Lisa Strange Weatherby, hereby disclose that on _____, 20 _____:

a) A measure came or will come before my agency which (check one)

☐

inured to my special private gain or loss;

_____ inured to the special gain or loss of my business associate, _____;

_____ inured to the special gain or loss of my relative, _____;

_____ inured to the special gain or loss of _____, by
whom I am retained; or

☒ inured to the special gain or loss of Wells Fargo N.A., which
is the parent organization or subsidiary of a principal which has retained me.

b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

The voting conflict pertains to a contract amendment with Wells Fargo, N.A., the parent company of my employer, Wells Fargo Advisors, LLC. The contract in question was entered into before I became a JEA Board member. I am not an officer, director or material interest owner of Wells Fargo, N.A., and have no financial interest in the contract in question or the performance of such contract.

ate Filed

6/18/13

Lisa Strange Weatherby
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.