### JEA BOARD AGENDA

DATE:

October 15, 2013

TIME:

10:00 AM

PLACE:

**JEA** 

21 West Church Street 8<sup>th</sup> Floor, Board Room

#### I. WELCOME

- A. Call to Order
- B. Time of Reflection
- C. Pledge to Flag
- D. Adoption of the Agenda action
- E. Safety Briefing Jay Worley, Director Environmental Programs

  Meeting participants are asked to turn their cell phones completely off

# II. PRESENTATIONS AND COMMENTS

- A. JEA's Great Tree Giveaway Monica Whiting, Chief Customer Officer 5 minutes presentation/information
- B. Comments from the Public
- C. Council Liaison's Comments Bill Bishop

# 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.
  - 1. Approval of Board Meeting Minutes September 16, 2013 action
  - 2. Approval of Board Retreat Minutes August 27, 2013 action
  - 3. Approval of Resolution: FY2014 Budgetary Transfers action
  - 4. Monthly JEA Operations Report information
  - 5. Monthly JEA Financial Review information
  - 6. Monthly FY13 Communications & Community Outreach Plan Update information
  - 7. JEA FY13 Community Engagement Calendar information

#### B. Strategic Discussions/Action

- 1. Sole Source & Emergency Procurement Report John McCarthy, Director Supply Chain Management 5 minutes presentation/information
- 2. Real Estate Acquisition Status Report Hamid Zahir, Director Shared Services 5 minutes presentation/information
- 3. Bi-Monthly Financial Presentation Melissa Dykes, Chief Financial Officer 10 minutes presentation/information
- 4. Fiscal Year 2013 Pay for Performance Final Results Angie Hiers, Chief Human Resources Officer 5 minutes presentation/action
- 5. Fiscal Year 2014 Pay for Performance Program Angie Hiers, Chief Human Resources Officer 5 minutes presentation/action
- 6. JEA Five-Year Financial Assumptions FY2014 FY2018 Melissa Dykes, Chief Financial Officer 10 minutes presentation/information
- 7. JEA Pricing Policy Melissa Dykes, Chief Financial Officer 5 minutes presentation/action
- C. Other New Business
- D. Old Business none

### IV. REPORTS

- A. Managing Director/CEO's Report
- B. Chair's Report

## V. <u>CLOSING CONSIDERATIONS</u>

- A. Announcements
- B. Adjournment

A. If you have a disability that requires reasonable accommodations to participate in the above meeting, please call **665-7550** by **8:30 AM** the day before the meeting and we will provide reasonable assistance for you.

B. If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.



riomal

September 26, 2013

SUBJECT:	APPROVAL OF RESOLUTION: FY2014 BUDGETARY TRANSFERS  Circle of Excellence Impact			
Purpose		Circle	of Excellence Impact	ational Excell
☐ Information On ☐ Action Required ☐ Advice/Directio	ed [	Financial Performance Customer Experience Organizational Effectivenes Community Responsibility	Net Revenue	
		th past practices and Boa get transfers up to \$5.0 i		horize the Managing Director to
Significance:	High. [	Delegates authority to Ma	anaging Director to approve bu	udget transfers for FY2014.
Who/what is a	iffecte	d: FY2014 Operating an	d Capital Budgets.	
during the fisca	al year		e items, where in December 2	or the authority to make transfers 008 a modification was made to
		lles: Budgetary Transfer 2008, and earlier.	Resolutions approved by Boa	rd for FY2013, FY2012, FY2011,
Cost to compa	any/co	ommunity:		
Recommende	d cou	rse of action: That the E	Board approves the attached R	Resolution.
Why? Busines	s conti	inuity, administrative effic	ciency and budget effectivenes	SS.

**Recommended Board action:** That the Board approves the attached Resolution which allows the Managing Director to process budget transfers within JEA budget for FY2014 up to \$5.0 million per transfer, except in the event of an emergency or year-end adjustments, where transfers over \$5.0 million will be brought to the

Submitted by: PEM/MHD/DRJ

arm

Board for ratification.



October 3, 2013

#### AGENDA ITEM SUMMARY

Total Management Service Servi SUBJECT: SOLE SOURCE & EMERGENCY PROCUREMENT REPORT **Purpose** Circle of Excellence Impact Count Previous Bares Agreed Ag ☐ Action Required Customer Experience Advice/Direction Organizational Effectiveness Community Responsibility Issue: Sole Source and Emergency Procurements are authorized by JEA's Purchasing Code under Articles 3-207 and 3-209; and a record of Procurement Actions taken under this authority is required to be maintained and reported to the JEA Board on a quarterly basis. Significance: Full transparency of these procurement actions is necessary to maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest. Who/what is affected: JEA's Procurement Department is responsible for maintaining these records and reporting to the JEA Board. Background: This requirement has been in place since the JEA Purchasing Code was adopted in 1996. Background Examples: Past quarterly reports are on file in JEA's Procurement Department. Cost to company/community: Minimal Recommended course of action: Continue reporting to the JEA Board on a quarterly basis. Why? To maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest.

Submitted by: PEM/MHD/jpm

Recommended Board action: Provided for information; no action required.

MAD



III -B-2 10-15-2013

Net Revenue Customer Service Price On Control On Contro

September 24, 2013

SUBJECT:	REAL ESTATE ACQUISITION STATUS REPORT	Ucpuicity  To improve the quality of life in the communities we sarve by being the best et lectric, water
Purpose	Circle of Excellence Impact	Community and sever utility in the nation Workforce Environment Community Organizational
☐ Information On ☐ Action Required ☐ Advice/Directio	Customer Experience Customer Service	Grund Effectiveness Wandfrom Readness Southerable Danness Adjunction Readness Southerable Danness Adjunction Readness Southerable Danness Adjunction Readness Readness Southerable Danness Readness Readn
Issue: Provide has previously	the JEA Board with an update of Real Estate activities where ubeen granted.	se of Condemnation Authority
Significance:	Fimely acquisition of property rights provides for continued serv	ice reliability.
Who/what is a	ffected: Property owners whose real property is impacted by sp	pecific JEA work.
utilities. The va	IEA periodically acquires property and easements to facilitate in est majority of property is acquired through a normal negotiation Authority is sometimes authorized, as a last resort, to ensure p	process. However,
Deekeround E	vermales. IEA periodically apprired property rights for appoific	projecto to opeuro convico
reliability.	xamples: JEA periodically acquires property rights for specific	projects to ensure service
-	Iny/community: The cost to acquire property rights is a one-tin appropriate legal and other fees and expenses.	ne fee supported by certified
Why? Ensure t	imely completion of improvements at the lowest cost to JEA and	d its ratepayers.
Recommende	d Board action: The Real Estate Acquisition Status Report is for	or informational purposes only.

Submitted by: PEM/MHD/JAP

No action is recommended.

moor

III- B.4 10/15/2013



September 18, 2013

SHBJECT	FISCAL YEAR 2013 PAY FOR PERFORMANCE FINAL RESULTS	Financial Customer Performance Experience To improve the quality of the in the communities when the customer and sever utility in conformant to the marketon.
Purpose	Circle of Excellence Impact	Community Organizational Responsibility Effectiveness
☐ Information Only ☐ Action Required ☐ Advice/Direction		Grown Parroy Restricts Statistically Algement Statistically Algement
Issue: N/A		
Significance: N	'A	,
Who/what is aff	ected: The JEA employee population.	
Background: The Program was sur	ne Pay for Performance Plan was introduced at JEA in 1990. JE spended in 2007 due to economic downturn, and reinstated in 2	A's Performance Pay 012.
Background Ex	amples: N/A	
Cost to compar	y/community: The estimated savings is \$8.5M with an approxi	mate payout of \$4.4M.
Why? The program and objectives, a operational exce	ram has successfully served to focus employees and managers s well as to push the organization toward a continuous improver lence.	on key corporate measures ment culture with resulting

Recommended Board action: It is recommended that the Board recognize the excellent performance of the

JEA team and approve the Pay for Performance amounts as reflected in the attached summary.

Submitted by: PEM/ARH

III B-5
10/15/2013

CARPITAL BUSINESS Proces



September 18, 2013

SUBJECT:	FISCAL YEAR 2014 PAY FOR PERFORMANCE PROGRAM  To improve the transmission of the production of the pro
Purpose	Circle of Excellence Impact  Circle Sexual England Sexual
☐ Information On ☐ Action Require ☐ Advice/Directio	y Financial Performance Customer Experience
Issue: N/A	
Significance:	n order to incent continued exceptional performance as measured against aggressive goals.
Who/what is a	fected: The JEA employee population.
	The Pay for Performance Plan was introduced at JEA in 1990. JEA's Performance Pay uspended in 2007 due to economic downturn, and reinstated in 2012.
Background E	kamples: N/A
Cost to compa	ny/community: The estimated savings is \$8.5M with an approximate payout of \$4.4M.
	gram has successfully served to focus employees and managers on key corporate measures as well as to push the orgainzation toward continuous improvement culture with resulting

**Recommended Board action:** It is recommended that the Board take action to approve the Performance Pay Program for FY14 using the four metrics for Customer Satisfaction, Safety and Cost Control (Electric & Water). In consideration of recent organizational changes, redefining strategic initiatives, and the opportunity to gain baseline data during FY14, it is recommended that JEA's MD/CEO be authorized to develop a more comprehensive framework for a proposed Performance Pay Program for FY15, to be presented along with the budget.

Submitted by: PEM/ARH

operational excellence.



October 3, 2013

SUBJECT:	JEA FIVE-YEAR FI FY2014 - FY2018	NANCIAL ASSUMPTIONS	Community Reaponsibility Effectiveness Workforce Planning Endormental Sustainability Alignment Alignment Sustainability Excellent
Purpose		Circle of Excellence Impact	ational Excelle
☐ Information Or ☐ Action Require ☑ Advice/Direction	ed 🛛 Customer Expe	rmance rience Effectiveness	
Issue: Presen and debt. The Rating Agencie	Five-Year Financial F	8 Financial Assumptions includi Projections are an essential com	ng unit sales, base rates, internal funding, ponent for the annual presentation to the
Significance:	High. Credibility in the	e credit markets and long-term fi	nancial planning for JEA customer rates.
Who/what is a	iffected: Bond ratings	s and efficient access to capital r	markets and JEA customer rates.
to provide an u Assumptions a	pdate of the current a	and projected financial state of J essential component of the Rat	nagement meet with the Rating Agencies EA. The Five-Year Financial ing Agencies presentations and are
Background E	Examples: N/A		
Cost to compa	any/community: N/A		
Recommende	d course of action: I	N/A	
Why? Staff to	receive Board feedba	ck and direction for the FY2014	- FY2018 Financial Assumptions.
Recommende	d Board action: The	Board receive the presentation	for consideration and provide staff

feedback and direction regarding the FY2014 - FY2018 Financial Assumptions.

Submitted by: PEM/MHD/RET

Ver.1.1: 2/27/2008

Business Process



October 7, 2013

SUBJECT:	JEA PRICING POLICY	Grand Panning Effectiveness Wardfree Readiness Statumately Statumately Approved
Purpose	Circle of Excellence Impact	Salvaria Salvaria
☐ Information O ☐ Action Requir ☐ Advice/Directi	red Customer Experience	Tal Ex

**Issue:** The intent of JEA's Pricing Policy is to establish revenue requirements to fully recover the costs necessary to operate and maintain the utility consistent with its mission.

**Significance:** High. Provides broad guidance and facilitates the management, control, and oversight of JEA's revenue requirements, pricing structure, and financial metrics.

**Who/what is affected:** The Pricing Policy provides policy guidance related to JEA's overall financial plans specifically related to revenues and thus impacts customer rates. The Pricing Policy includes guidance for capital funding, customer benefit programs, and environmental programs. This policy document also contains changes which allow JEA to adopt Regulatory Accounting standards for its financial reporting.

**Background:** JEA's Pricing Philosophy was established in November 2005 and was last updated with approval in March 2011.

**Background Examples:** A revised red-line version of the Policy document was presented for discussion and feedback to the Board on September 16, 2013.

Cost to company/community: None

Recommended course of action: That the Board approve staff's recommendations

**Why?** The Pricing Policy provides guidance to JEA on revenue requirements and pricing structure. The updates in this Pricing Policy are fully aligned with Five-Year Projections, Rating Agency presentations that will be reviewed by the Board, and do not include any specific rate actions or any new revenue concepts.

**Recommended Board action:** That the Board approve staff's recommendation of the Pricing Policy updates and adopt the updated policy document.

Submitted by: PEM/MHD/RET

< som

Business Process