

JEA
BOARD MINUTES
October 15, 2013

The JEA Board met in regular session on Tuesday, October 15, 2013, in the 8th Floor Board Meeting Room, 21 W. Church Street, Jacksonville, Florida. Present were Chair Mike Hightower, Ron Townsend, Lisa Strange Weatherby, Helen Albee, Wyman Winbush and Peter Bower. Cynthia Austin participated telephonically.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 10:00 AM by Chair Hightower.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Ms. Strange Weatherby.
- D. **Adoption of Agenda** –The agenda was approved on **motion** by Ms. Strange Weatherby and second by Mrs. Albee.
- E. The **Safety Briefing** was given by Jay Worley, Director Environmental Programs.

Agenda Item II – Presentations and Comments

- A. **JEA's Great Tree Giveaway** – Monica Whiting, Chief Customer Officer discussed a program which is currently underway to increase customer participation in JEA's electronic billing program, EBill. As an incentive, the first 2,000 customers to register will receive a tree which they may pick up or donate. In addition, Mrs. Whiting provided an update on other recent programs that revolve around customers, which included: enhancements to online payments, a mobile website/app for smart phones, an initiative to refund customer deposits for approximately ten thousand customers as the deposit period was reduced from three years to two, and an identity protection program put in place to provide an opportunity for new customers to establish accounts online or via phone. This presentation was received for information.
- B. **Comments from the Public** – none
- C. **Council Liaison's Comments** – Council Member Bill Bishop was not present.

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 Mrs. Albee, items 1, 2 and 3 on the Consent Agenda were unanimously approved and items 4, 5, 6 and 7 were received for information.
 - 1. Approval of Board Meeting Minutes September 16, 2013 – approved
 - 2. Approval of Board Retreat Minutes August 27, 2013 – approved
 - 3. Approval of Resolution: FY2014 Budgetary Transfers – The Board unanimously approved and adopted Resolution 2013-21 to authorize the Managing Director/CEO to process routine budget transfers limited to \$5.0 million per transaction in the event of an emergency or year-end adjustments, and to require transfers exceeding \$5.0 million to be brought to the Board for ratification.
 - 4. Monthly JEA Operations Report – received for information
 - 5. Monthly Financial Review – received for information
 - 6. Monthly FY13 Communications & Community Outreach Plan Update – received for information

7. JEA FY13 Community Engagement Calendar – received for information

B. Strategic Discussions/ Action

1. Sole Source and Emergency Procurement Report – John McCarthy, Director Supply Chain Management presented the quarterly Sole Source and Emergency Procurement Report which was received for information.
2. Real Estate Acquisition Status Report – Hamid Zahir, Director Shared Services presented the quarterly Real Estate Acquisition Status Report which was received for information.
3. Bi-Monthly Financial Presentation – Melissa Dykes, Chief Financial Officer, reviewed fiscal year-end financial results which were supported by strong metrics. The Electric revenue shortfall of \$72 million was offset with the hard work of Mike Brost's team for \$32 million O&M savings and \$34 million Capital savings. Lower revenues on the Water/Wastewater side of the business were offset with O&M expenses \$2.7 million below budget and capital expenditures \$31 million below budget. JEA's FY2013 Refunding transactions netted \$53 million in savings. This presentation was received for information.

Ms. Austin departed the meeting during the previous presentation.

4. Fiscal Year 2013 Pay for Performance Final Results – Angie Hiers, Chief Human Resource Officer, provided an overview of the Fiscal Year 2013 Pay for Performance Final Results. Upon **motion** by Mr. Townsend and second by Mrs. Albee, the Board unanimously approved the Pay for Performance amounts as reflected in the agenda item to recognize the excellent performance of the JEA team. The approximate payout for FY2013 is \$1.9 million based on savings of \$31.4 million.
5. Fiscal Year 2014 Pay for Performance Program – Angie Hiers, Chief Human Resource Officer, presented the proposed Fiscal Year 2014 Pay for Performance Program and metrics. Upon **motion** by Ms. Strange Weatherby and second by Mr. Townsend, the Board unanimously approved the Performance Pay Program for FY2014 using the four metrics for Customer Service, Safety, and Cost Control (Electric and Water). In consideration of recent organizational changes, redefining strategic initiatives, and the opportunity to gain baseline data during FY14, the Managing Director/CEO was authorized to develop a more comprehensive framework for a proposed performance pay program for FY15, to be presented along with the budget.
6. JEA Five Year Financial Assumptions FY2014 – FY2018 – Melissa Dykes, Chief Financial Officer reviewed the five year financial assumptions and projections which are an essential component of the Rating Agency presentation to be brought before the Board for approval in November. This presentation was received for information.
7. JEA Pricing Policy – Melissa Dykes, Chief Financial Officer. Upon **motion** by Mrs. Albee and second by Mr. Winbush, the Board unanimously approved staff recommended updates to the Pricing Policy and adopted the updated policy document. With this approval, the October 2013 revision will become effective beginning with the FY2015 budget cycle.

C. Other New Business – none

D. Old Business – none

IV. Reports

A. Committee Reports – none

B. Managing Director/CEO's Report – In response to questions raised by Mr. Townsend and Mr. Winbush regarding monitoring of new conservation behaviors of customers, Mr. McElroy assured the Board that JEA works closely with professional organizations and industry peers in monitoring and evaluating the overall impact of conservation on the industry.

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, Chair Hightower adjourned the meeting at 10:57 AM.

Following a brief break, Board Members Mike Hightower, Ron Townsend, Helen Albee, Peter Bower, Wyman Winbush and Lisa Strange Weatherby moved to the 8th Floor Board Conference Room to meet in Shade with staff and counsel until 12:20 PM.

The JEA Board held a Post-Board Briefing at 12:25 PM on Tuesday, October 15, 2013, in the Board Conference Room on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Mike Hightower, Helen Albee, Peter Bower, Wyman Winbush and Lisa Strange Weatherby. Cynthia Austin participated telephonically. Paul McElroy, CEO/MD, and Jody Brooks, Office of General Counsel, were also in attendance. Ron Townsend was absent from the briefing and excused.

Post-Board briefing discussion consisted of the following:

1. Mayor Brown has confirmed his December 17, 2013 Pre-Board meeting attendance.
2. FY2013 CEO Evaluation end of year process was reviewed.
3. Board Education and Development Policy will be brought before the Board for consideration at the November meeting.
4. Northside Generating Station site visit will be moved from November to the first quarter of 2014.
5. Rating Agency Presentation travel arrangements and logistics were discussed.
6. The Big Picture : Mr. McElroy provided a brief update on the following subjects:
 - a. Natural Gas – Fuel Balance and Business Model
 - b. Water and Sewer Line Extension
 - c. St. Johns River Water Management District

In the interest of time, the following items were not covered, but Mr. McElroy reminded Members that he is always available for individual questions.

7. Today's Meeting
 - a. JEA Pricing Philosophy
 - b. JEA Five Year Financial Assumptions FY2014 – FY2018
 - c. FY2014 Pay for Performance Incentive Plan
8. 2014 Board and Finance and Audit Committee Meeting Dates will be brought to the Board in November for action.

9. Interlocal Agreements
10. Future Site Visits – Plant Vogtle
11. Junior Achievement of North Florida
12. Jacksonville Chamber of Commerce – Deep Water Now!
13. Upcoming Events – details can be found in meeting file.


With no further business claiming the attention of the Members, the Post-Board Briefing was adjourned at 1:25 PM.

APPROVED BY: 

SECRETARY

DATE: 11/19/13

Board Meeting recorded by:



Jeanne Ryan
Executive Assistant