

JEA BOARD AGENDA

DATE: November 19, 2013

TIME: 9:30 AM

PLACE: JEA
21 West Church Street
8th 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 – Victor Monfort, Meter Services Operations and Maintenance

Meeting participants are asked to turn their cell phones completely off

II. PRESENTATIONS AND COMMENTS

- A. 30th Annual International Lineman's Rodeo – Ron Kersten, Manager Distribution Maintenance – 10 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 October 15, 2013 – action
 - 2. 2014 JEA Board Meeting and Finance & Audit Committee Dates – action
 - 3. JEA Board of Directors Education and Development Policy – action
 - 4. Independent Audit Services Contract Renewal – action
 - 5. Significant Strategic Issues – Ted Hobson, Chief Compliance Officer – information
 - 6. Monthly JEA Operations Report – information

7. Monthly JEA Financial Review – information
8. Monthly FY14 Communications & Community Outreach Plan Update – information
9. JEA FY14 Community Engagement Calendar – information

B. Strategic Discussions/Action

1. Bi-Monthly Operations Presentation – Brian Roche, Vice President/General Manager Water/Wastewater Systems, Mike Brost, Vice President/General Manager Electric Systems, and Monica Whiting, Chief Customer Officer – 30 minutes – presentation/information
2. JEA Five -Year Financial Assumptions and Projections FY2014 - FY2018 – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/action
3. Water and Sewer Infrastructure Expansion Economics – Brian Roche, Vice President/General Manager Water/Wastewater Systems – 15 minutes – presentation/information
4. Annual Report on JEA's Jacksonville Small and Emerging Business (JSEB) Program – John McCarthy, Director Supply Chain Management – 10 minutes – presentation/information

C. Other New Business

D. Old Business – none

IV. REPORTS

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

V. CLOSING CONSIDERATIONS

- 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.



Building Community

AGENDA ITEM SUMMARY

III. A. 2.
11-19-13

November 8, 2013

SUBJECT: 2014 JEA BOARD MEETING AND FINANCE & AUDIT COMMITTEE DATES

Purpose: ☐ Information Only ☒ Action Required ☐ Advice/Direction

Issue: Provide the Board Members and JEA staff with the calendar dates for 2014 JEA Board and Finance & Audit Committee meetings.

Significance: N/A

Effect: N/A

Cost or Benefit: N/A

Recommended Board action: The Board approve the 2014 JEA Board and Finance & Audit Committee Meeting dates.

For additional information, contact: Melissa Charleroy

Submitted by: PEM/MMC



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



Building Community

AGENDA ITEM SUMMARY

III. A.3.
11/19/13

November 4, 2013

SUBJECT: JEA BOARD OF DIRECTORS EDUCATION AND DEVELOPMENT POLICY

Purpose: ☐ Information Only ☒ Action Required ☐ Advice/Direction

Issue: Board Members shall have the opportunity to attend appropriate education and development training, conferences, and meetings as it relates to their work as a JEA Board Member.

Significance: To develop industry knowledge as it relates to their work as a JEA Board Member, JEA Board Members will be reimbursed for attending training, conference, and meetings.

Effect: LOW

Cost or Benefit: Each Board Member shall have an annual budget for education and development expenses not to exceed \$5,000 per year.

Recommended Board action: The Board approve the JEA Board of Directors Education and Development Policy.

For additional information, contact: Melissa Charleroy

Submitted by: PEM/MMC



Commitments to Action

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AGENDA ITEM SUMMARY

III. A-4
11/19/13

November 4, 2013

SUBJECT: INDEPENDENT AUDIT SERVICES CONTRACT RENEWAL

Purpose: ☐ Information Only ☒ Action Required ☐ Advice/Direction

Issue: At its meeting on August 20, 2013, the Board approved staff to negotiate an extension of the contract with Ernst & Young with the provision that the contract be submitted for the Board's approval. The duration of the contract will be from December 12, 2013 through June 30, 2015 with an option for additional one-year extensions.

Significance: The fiduciary responsibilities of JEA and the Board include the engagement of an external auditor.

Effect: Not having a nationally qualified firm in place could leave room for exposure in such a highly regulated environment.

Cost or Benefit: The extension will increase the contract amount by approximately \$587,800 for the period included above.

Recommended Board action: Approve the contract extension and fees with Ernst & Young as outlined on the attached schedule.

For additional information, contact: Janice Nelson

Submitted by: PEM/ MHD/JRN



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AGENDA ITEM SUMMARY

III - A-5
11/19/13

November 6, 2013

SUBJECT: SIGNIFICANT STRATEGIC ISSUES

Purpose: ☒ Information Only ☐ Action Required ☐ Advice/Direction

Issue: The JEA Board has requested more information about some of the more significant strategic issues JEA will face over the next decade. Attached, in summary form, are the top corporate risks, which identify the top challenges facing JEA today. This list will be the starting point for the Board to identify and prioritize the order of strategic issues to be more fully discussed.

Significance: High

Effect: Board Members will be better informed about JEA's most significant strategic issues.

Cost or Benefit:

Recommended Board action: None, for information only.

For additional information, contact: Doris Champ, Director Audit Services, 665-5166

Submitted by: PEM/TEH/DAC

TEH



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AGENDA ITEM SUMMARY

III-8-2
11/19/13

November 8, 2013

SUBJECT: JEA FIVE-YEAR FINANCIAL ASSUMPTIONS AND PROJECTIONS FY2014 - FY2018

Purpose: ☐ Information Only ☐ Action Required ☒ Advice/Direction

Issue: Present the FY2014 - FY2018 Financial Assumptions and Projections including unit sales, base rates, capital expenditures and internal funding, debt and primary financial metrics. The Five-Year Financial Projections are an essential component for the annual presentation to the Rating Agencies.

Significance: High. Impacts credibility in the credit markets and long-term financial planning for JEA Customer rates.

Effect: Bond ratings and efficient access to capital markets, and JEA Customer rates.

Cost or Benefit: N/A

Recommended Board action: That the Board receive the presentation for consideration and provide Staff feedback and direction regarding the FY2014 - FY2017 Financial Assumptions and Projections.

For additional information, contact: Melissa Dykes

Submitted by: PEM/ MHD/ RET

MHD

[Signature]



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AGENDA ITEM SUMMARY

III.B-3

11/19/13

November 12, 2013

SUBJECT: WATER AND SEWER INFRASTRUCTURE EXPANSION ECONOMICS

Purpose: ☒ Information Only ☐ Action Required ☐ Advice/Direction

Issue: Duval County has an estimated 35,000 water supply wells and 65,000 septic tanks serving private property owners. Approximately 25% of the privately owned septic tanks have been designated to be in priority nuisance areas, and several areas in the community have failed water supply wells.

Significance:

Effect: The July 2013 Board meeting included a presentation which summarized Septic Tank Phase-out initiatives, environmental impacts, and the economic scale of septic tank issues. The economic considerations and challenges of converting private water supply wells to a public water distribution system are similar to the septic tank phase-out issues.

Cost or Benefit: The cost of a private property owner to convert from a private water supply well to the centralized JEA water system typically exceeds \$5,000. Aligned with industry standards, JEA's rate structure is designed such that the initial capital infrastructure cost is paid by the property owner.

Recommended Board action: Although no Board action is required, JEA has performed design and management functions to develop water supply alternatives in areas with failed private wells, and continues to work with City Council members and others who are seeking funding sources. This presentation is provided for information.

For additional information, contact: Brian Roche

Submitted by: PEM/BJR/ jer



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AGENDA ITEM SUMMARY

III B-4
11/19/13

November 8, 2013

SUBJECT:	ANNUAL REPORT ON JEA'S JACKSONVILLE SMALL & EMERGING BUSINESS (JSEB) PROGRAM		
Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
Issue: JEA has adopted, through its Purchasing Code, the City of Jacksonville's JSEB program. An annual report on the program's performance is required by the ordinance.			
Significance: Full transparency of these procurement actions is necessary to maintain public confidence in JEA's bidding process and to ensure JSEB program goals are achieved.			
Effect: JEA's Procurement Department is responsible for maintaining these records and reporting to the JEA Board.			
Cost or Benefit: Minimal			
Recommended Board action: Information only, no action required.			
For additional information, contact: John McCarthy, Director Supply Chain Management (904) 665-5544			

Submitted by: PEM/ VP/MHD/ GNC

mad

amy



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