JEA
BOARD MINUTES
November 19, 2013

The JEA Board held a Pre-Board Briefing at 8:55 AM on Tuesday, November 19, 2013, in the Board Conference Room 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, Jody Brooks, Office of General Counsel, and Nate Monroe, Florida Times-Union. Cynthia Austin participated telephonically.

Pre-Board discussions consisted of the following:

1. Mayor Brown has confirmed his December 17, 2013 Pre-Board meeting attendance.
2. City Items:
    - JEA's CEO update meeting with City Council was cancelled.
    - An inter-local agreement has been signed to resolve the water issue for 10 of the 100 residents in the Larson neighborhood and state assistance is being requested for the remaining residents.
    - Economic Development
3. Natural Gas Opportunities, Sempra Agreement
    - Pipeline Capacity
    - LNG
    - CNG
    - Franchise Agreement
4. Rating Agency Presentations speaking roles and logistics were discussed.
5. CEO Scorecard Evaluation process was established. Members are to meet one-on-one with Cindy Laquidara, Office of General Counsel, and then discuss and approve tabulated responses as a group during the December Board meeting.
6. St. Johns River Water Management District – Comprehensive Water Supply Planning Initiative has been escalated to the State with no current mitigation with JEA.
7. Today's Meeting Agenda was reviewed and will include presentations on 30th Annual International Lineman's Rodeo, Water and Sewer Infrastructure Expansion Economics, and the Annual Report on JEA's Jacksonville Small and Emerging Business (JSEB) Program.

With no action taken and no further business claiming the attention of the Board, the Pre-Board Briefing was adjourned at 9:28 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, November 19, 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.

<u>Agenda Item I – Welcome</u>

A. The meeting was **called to order** at 9:32 AM by Chair Hightower.

B. A **Moment of Reflection** was observed by all.

C. The **Pledge of Allegiance** was led by Mr. Townsend.

D. **Adoption of Agenda** –The agenda was approved as amended to include a presentation on Safe Reliable Natural Gas Opportunities on **motion** by Ms. Strange Weatherby and second by Mrs. Albee.

E. The **Safety Briefing** was given by Victor Monfort, Director Meter Services Operations and Maintenance.

Agenda Item II – Presentations and Comments

A. **30th Annual International Lineman's Rodeo** – Ron Kersten, Manager Distribution Maintenance, introduced the 2013 International Lineman's Rodeo Champion Team of Michael Corbitt, Brian Gregg, and Robert Hess. This JEA team competed against 210 teams in Bonner, Kansas, and came home as world champions. Following a video highlighting the competition, the team displayed their championship trophies and belt buckles, thanking the Board and JEA for their support of JEA linemen participating in these events to learn and share new skills and techniques with other professionals. This presentation was received for information.

B. **Safe Reliable Natural Gas Opportunities** – Sue Bradham, Sempra U.S. Gas & Power Regional Vice President – Commercial Development, presented an overview of Sempra Energy including its history, organizational structure, Liquid Nitrogen Gas Assets, U.S. Gas and Power footprint, commitment to the Florida market, and domestic natural gas fuels. Ms. Bradham also reviewed goals and values that Sempra and JEA share. This presentation was received for information.

C. **Comments from the Public** – none

D. **Council Liaison's Comments** – Council Member Bill Bishop apologized for missing the last few meetings due to conflicts and looks forward to continued attendance.

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 Mr. Winbush, items 1, 2, 3, and 4 on the Consent Agenda were unanimously approved and upon **motion** by Ms. Strange Weatherby and second by Mr. Winbush items 5, 6, 7, 8, and 9 were received for information.

1. Approval of Board Meeting Minutes October 15, 2013 – approved
2. 2014 JEA Board Meeting and Finance and Audit Committee Dates – approved
3. 2014 JEA Board of Directors Education and Development Policy – approved
4. Independent Audit Services Contract Renewal with Ernst & Young was approved to extend the contract from December 12, 2013 through June 30, 2015 per the negotiated fee schedule, with an option for additional one-year extensions.
5. Significant Strategic Issues – received for information
6. Monthly JEA Operations Report – received for information
7. Monthly Financial Review – received for information
8. Monthly FY14 Communications & Community Outreach Plan Update – received for information
9. JEA FY14 Community Engagement Calendar – received for information

B. Strategic Discussions/ Action

1. Bi-Monthly Operations Presentation – received for information
   a. Brian Roche, Vice President/General Manager Water/Wastewater Systems, reviewed the operations metrics through October 31, 2013, relating to safety metrics and Water and Wastewater System performance objectives, environmental compliance, and FY2014 financial forecast.
   b. Mike Brost, Vice President/General Manager Electric Systems, reviewed the operations metrics results through October 31, 2013, relating to FY2014 performance objectives and financial forecast.
   c. Monica Whiting, Chief Customer Officer, reviewed important indicators and metrics relating to earning customer loyalty. Some of these include customer satisfaction, customer solution participation, billing and payment solutions, first contact resolution, customer education, service delivery costs, and receivables – write offs.
2. JEA Five-Year Financial Assumptions and Projections FY2014-FY2018 were presented by Melissa Dykes, Chief Financial Officer, for Board feedback and direction regarding the FY2014 – FY2018 Financial Assumptions and Projections. This item was received for information.
3. Water and Sewer Infrastructure Expansion Economics – Brian Roche, Vice President/General Manager Water/Wastewater Systems, presented information on expansion economics of JEA's water and sewer infrastructure including: conversion of private wells in JEA's service area, Septic Tank Phase-Out comparison, Larsen Acres and US1/I-295 Community Initiatives, Industry Standard Infrastructure Cost Model, Cost of Service and Revenue Requirements, and an overview of an average water bill. This presentation was received for information.
4. Annual Report on JEA's Jacksonville Small and Emerging Business (JSEB) Program – John McCarthy, Director Supply Chain Management presented the annual review of JEA's JSEB Program, including a brief history, goals, outreach activities, and procurement strategies. JEA is chairing a Joint Agency Task Force with other City agencies to identify opportunities for improvement. Mr. McCarthy's presentation was received for information.

Ms. Strange Weatherby departed the meeting at 11:45 AM during the above presentation.

C. Other New Business – none

D. Old Business – none

IV. Reports

A. Committee Reports – none

B. Managing Director/CEO's Report – Mr. McElroy advised the Board that JEA recently hosted a National Electric Reliability Grid exercise and is currently hosting 30 industry peers from the North American Transmission Forum for a comprehensive peer review of JEA and its compliance to standards for electric reliability. JEA takes physical and cyber security very seriously.

C. Chair's Report – Chair Hightower reaffirmed the Board's pride in the accomplishments of JEA's World Champion Linemen and thanked staff for their presentations and contributions to today's meeting.

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 11:57 AM.

APPROVED BY:

SECRETARY
DATE: 12/17/2013

Board Meeting recorded by:

Jeanne Ryan
Executive Assistant

**** (Scrivener corrections, post-approval at its December17, 2013 Board meeting. J. Ryan)***