

**JEA**  
**BOARD MINUTES**  
February 18, 2014

**The JEA Board Nominating Committee consisting of Committee Chair Cynthia Austin, Board Member Ron Townsend (present), and Board Chair Michael Hightower met at 11:30 AM on Tuesday, February 18, 2014, in the Chair's Office on the 8<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. Also present were Gerri Boyce, Cindy Laquidara, Office of General Counsel, and Nate Monroe, Florida Times-Union.**

Mr. Townsend moved the following slate of officers: Michael Hightower for a renewed term as Chair, Lisa Strange Weatherby as Vice Chair, Helen Albee as Secretary, and Peter Bower as Chair of the Finance & Audit Committee. Discussion was held over seniority and length of time for each recent appointment on the Board. Committee Chair led discussions of various issues and alternatives, following which Mr. Townsend made the formal motion on the aforementioned slate of Officers. The vote was unanimous in support of the motion.

*With no further business claiming the attention of the Nominating Committee, the meeting was adjourned at 12:00 PM; the Members took a short break and moved to the 8<sup>th</sup> Floor Board Conference Room for a Strategic Workshop and Pre-Board Meeting.*

**The JEA Board held a Strategic Workshop and Pre-Board Meeting at 12:11 PM on Tuesday, February 18, 2014, in the Conference Room on the 8<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. Present were Cynthia Austin, Helen Albee, Ron Townsend, Lisa Strange Weatherby, Peter Bower, Paul McElroy, Bill Bishop, JEA City Council Liaison, Cindy Laquidara and Jody Brooks, Office General Counsel, and Nate Monroe, Florida Times-Union. Mike Hightower and Wyman Winbush participated telephonically. Also present were JEA staff Melissa Dykes, Mike Brost, Ted Hobson, Bud Para, Doris Champ, Nancy Kilgo, Paul Steinbrecher, Steve McInall, and Gerri Boyce.**

The Strategic Workshop discussions were led by Mike Brost, VP/GM Electric Systems, and consisted of the following topics:

1. Air Emissions Reduction Regulatory Initiatives
2. Coal Combustion By-Product Designation
3. Mercury and Air Toxics Standard (MATS)
4. Effluent Limitation Guidelines (ELG) for Steam Units
5. Cooling Water Intake Structure, 316(b)

*Chair Hightower discontinued participation by phone and physically joined the meeting at 12:37 PM.*

The Strategic Workshop adjourned at 12:49 PM; the Members remained in the Conference Room on the 8<sup>th</sup> Floor and moved immediately into the Pre-Board Meeting.

The Pre-Board Meeting discussions consisted of the following:

1. LNG Contract Award – Mr. McElroy provided Board Members with an update on the LNG contract award.
2. CEO Update to City Council Members and Jacksonville Pension Reform Task Committee – Chair Hightower and Paul McElroy provided the quarterly CEO update to City Council Members on January 28, 2014. At the request of the Jacksonville Pension Reform Task Committee, Chair Hightower and Paul McElroy provided a presentation to the Committee on January 29, 2014 to discuss JEA metrics, revenue

challenges, and provided a framework for future discussions. Information related to pension was provided to the Board Members. A copy is available on file.

3. Interview with Florida Times-Union – Board Chair Hightower, Paul McElroy, and Melissa Dykes, Chief Financial Officer met with Nate Monroe, Florida Times-Union on February 5, 2014 to discuss key topics related to JEA.
4. FY2014 CEO Goals and Objectives – Mr. McElroy informed Board Members that a framework for the FY2014 CEO Goals and Objectives will be forthcoming.
5. Today's Meetings – Mr. McElroy provided the Board Members with a schedule of today's meetings and presentations.

***With no action taken and no further business claiming the attention of the Board, the Pre-Board Meeting was adjourned at 1:28 PM and the Board moved to the 8<sup>th</sup> Floor Board Meeting Room for the regularly scheduled meeting.***

**The JEA Board met in regular session on Tuesday, February 18, 2014, in the 8<sup>th</sup> Floor Board Meeting Room, 21 W. Church Street, Jacksonville, Florida. Present were Mike Hightower, Cynthia Austin, Helen Albee, Ron Townsend, Lisa Strange Weatherby, and Peter Bower. Wyman Winbush joined the meeting at 1:42 PM.**

#### **Agenda Item I – Welcome**

- A. The meeting was **called to order** at 1:37 PM 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 on **motion** by Mr. Townsend and second by Mrs. Austin.
- E. The **Safety Briefing** was given by Pat Maillis, Director Employee Services.

#### **Agenda Item II – Presentations and Comments**

- A. **J. D. Power Customer Satisfaction Update** – Monica Whiting, Chief Customer Officer presented the J. D. Power 2014 Electric Utility Business Customer Satisfaction Final Results. Mrs. Whiting announced that JEA moved from the fourth quartile in 2013 to the first quartile in 2014, ranking 17<sup>th</sup> out of more than 90 utilities, to become one of the most improved utilities nationally, as well as the highest ranked Florida utility rated in the 2014 study. Mrs. Whiting extended congratulations to the entire JEA team for their support in this movement. Mrs. Whiting provided data regarding improvement drivers and noted that JEA showed improvement in every driver including the top drivers of power quality and reliability, price, and communication. Mrs. Whiting extended special congratulations to Mike Brost, VP/GM Electric Systems and to Melissa Dykes, Chief Financial Officer and their teams for contributing to the success of the J. D. Power results.
- B. **Comments from the Public**
  1. Mrs. Madelyn Rubin, 5318 Heronview Drive, Jacksonville, FL 32257 spoke to the Board regarding JEA's utility bill payment policy. Following Mrs. Rubin's presentation, Monica Whiting, Chief Customer Officer met with Mrs. Rubin to discuss this issue.
- C. **Council Liaison's Comments** – Council Member Bill Bishop was not in 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 Ms. Strange Weatherby and second by Mr. Townsend, item 1 on the Consent Agenda was unanimously approved and items 2, 3, 4, 5, 6, and 7 were received for information.
1. Approval of Board Meeting Minutes January 21, 2014 – approved
  2. Monthly JEA Operations Report – received for information
  3. Monthly JEA Financial Review – received for information
  4. Monthly FY14 Communications & Community Outreach Plan Update – received for information
  5. JEA FY14 Community Engagement Calendar – received for information
  6. 2014 Board Member Educational Opportunities – received for information
  7. JEA Early Debt Retirement Strategy – received for information
- B. Strategic Discussions/Action**
1. Bi-Monthly Financials Presentation – Melissa Dykes, Chief Financial Officer, provided a presentation highlighting key financial metrics and results of JEA's Electric, Water and Sewer Systems ending January 31, 2014, which was received for information. *\* Correction acknowledged at the March 18, 2014 Board Meeting. Mrs. Dykes stated JEA's load research group estimates that growth in residential new electric meters of 2.5% per year would be required to achieve flat sales.*
  2. JEA Water/Wastewater/Reclaim Development Policies – Raynetta Marshall, Director Water/Wastewater Grid Project Engineering & Construction provided a presentation regarding the policies and procedures relating to JEA's development process. The proposed revisions to the Cost Participation Procedure and the Cost Recovery Policy were presented to the Board Members at the August 20, 2013 Board Meeting. Mrs. Marshall stated that with updated development related policies, JEA can provide more timely and effective services to meet the demands of of the development community during this period of growth. On **motion** by Ms. Strange Weatherby and second by Mr. Townsend, the Board unanimously approved staff's proposed modifications to the following JEA Water/Wastewater/Reclaim Development Policies: 1) JEA Cost Participation Policy and 2) Developer Cost Recovery Policy.
  3. Strategic Plan Implementation Update/Quarter 1 – Vickie Cavey, Director Strategy Development & Execution presented the Strategic Plan Implementation, 1<sup>st</sup> Quarter – FY2014 Update. The JEA strategic planning process was launched less than four months ago. The quarterly Extended Leadership Team Meeting was held on January 27, 2013 where staff reviewed and discussed metrics, best practices, and challenges. The next step is to conduct mini cascade meetings throughout the organization over the next month. Mrs. Cavey reviewed JEA's Mission, Vision, and Values and provided metrics on the strategic initiatives which include Commitments to Action A) Earn Customer Loyalty, B) Deliver Business Excellence, and C) Develop an Unbeatable Team.

**C. Other New Business** – Chair Hightower provided an update regarding the City of Jacksonville’s request to form a partnership to address the City of Jacksonville Police and Fire Pension liability. On January 31, 2014, Board Chair Hightower sent a letter to the City of Jacksonville’s Administration requesting a written proposal and outlined JEA’s commitment to thoroughly analyze a proposal. On February 17, 2014, JEA received a letter and proposal from Mayor Alvin Brown outlining their proposal to enter into a partnership with JEA and to accelerate the payment of the Police and Fire Pension Fund’s unfunded liability. Gerri Boyce, Media Relations Coordinator, provided Chair Hightower with a document which he formally presented JEA’s commitment to a transparent and thorough analysis to include: 1) assignment of the analysis to JEA’s Finance and Audit Committee, 2) dedication of staff to work with internal and external experts as deemed appropriate by the Finance & Audit Committee and Board, 3) future discussions in public meetings including the Finance & Audit Committee and ultimately the JEA Board Meeting, and 4) recommendations will be presented to the JEA Board for action. Chair Hightower officially provided Mayor Brown’s letter with attachments to Paul McElroy for action. A copy of the document outlining the process was provided to Board Members.

**D. Old Business** – none

#### **Agenda Item IV – Reports**

**A. Nominating Committee** – Mr. Townsend reported that the Nominating Committee met prior to the Pre-Board Meeting to deliberate on a new slate of Officers. The Nominating Committee recommended the following slate of Officers:

Michael Hightower, Chair  
Lisa Strange Weatherby, Vice Chair  
Helen Albee, Secretary  
Peter Bower, Chair, Finance & Audit Committee

Upon **motion** by Mr. Townsend and second by Mrs. Austin, the Board unanimously approved the aforementioned slate of Officers.

**B. Managing Director/CEO Report** – Mr. McElroy wished Chair Hightower a Happy Birthday.

**C. Chair’s Report** – Chair Hightower read a Board of Directors Resolution dated February 18, 2014, honoring Cynthia Austin for her service as a Member of the Board from May 19, 2006 until February 28, 2014. Ms. Strange Weatherby and Mr. Townsend provided sentiments of gratitude for her service at JEA. Mrs. Austin thanked the Board and JEA staff for their time, talent, and wished everyone future success.

#### **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 3:30 PM.*

APPROVED BY:

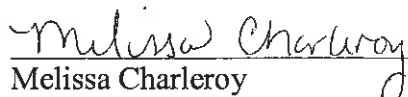
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AS AMENDED

  
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SECRETARY

DATE: \_\_\_\_\_

3/19/14

Board Meeting recorded by:

  
\_\_\_\_\_  
Melissa Charleroy  
Executive Assistant