

JEA
BOARD MINUTES
April 17, 2014

The JEA Board held a Strategic Workshop and Pre-Board Meeting at 12:55 PM on Tuesday, April 17, 2014, in the Conference Room on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Mike Hightower, Lisa Strange Weatherby, Helen Albee, Peter Bower, Ron Townsend, Wyman Winbush, Husein Cumber, Paul McElroy, Cindy Laquidara, Office General Counsel, and Nate Monroe, Florida Times-Union. Also present were JEA staff Angie Hiers, Melissa Dykes, Mike Brost, Brian Roche, Bud Para, Ted Hobson, Paul Steinbrecher, Karl Hankin, Alyson Morgan, and Gerri Boyce.

A Strategic Workshop discussion on Water Supply Management was led by Brian Roche, Vice President/General Manager Water/Wastewater Systems, and consisted of the following topics:

1. JEA's Water Cycle – Present and Future
2. Water Supply Alternatives
3. Key Components of the Total Water Management Plan (TWMP)
4. Consumptive Use Permit (CUP)
5. JEA's Reclaimed Water System and Projects
6. Regulatory Impacts and Strategic Plans

A Strategic Workshop discussion on the Timber Management Plan was led by Melissa Dykes, Chief Financial Officer, and consisted of the following topics:

1. Mission of the Timber Management Plan
2. Peterson and Miller Land Tracts
3. Reforestation Plan and Projected Revenue
4. Additional Revenue Growth Opportunities
5. Electrification
 - a. On Road – Plug in Electric Vehicles
 - b. Off Road – Commercial / Industrial Processes
 - c. Off Road – Residential / Small Commercial

The Strategic Workshop adjourned at 1:40 PM; the Members remained in the Conference Room on the 8th Floor and moved immediately into the Pre-Board Meeting.

The Pre-Board Meeting discussions consisted of the following:

1. CEO Goals and Objectives
2. Wells Fargo Housing Chartbook 2014
3. Correspondence Received from St. Johns County and Nassau County Boards of County Commissioners Related to Proposed Pension Contributions
4. Board Substance Testing – May 20, 2014
5. Schedule of Today's Meetings

With no action taken and no further business claiming the attention of the Board, the Pre-Board Meeting was adjourned at 1:54 PM 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, April 17, 2014, in the 8th Floor Board Meeting Room, 21 W. Church Street, Jacksonville, Florida. Present were Mike Hightower, Lisa Strange Weatherby, Helen Albee, Peter Bower, Ron Townsend, Wyman Winbush, and Husein Cumber.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 2:03 PM by Chair Hightower.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Mr. Bower.
- D. **Adoption of Agenda** – The agenda was approved on **motion** by Ms. Strange Weatherby and second by Mr. Townsend.
- E. The **Safety Briefing** was given by Dennis Burns, Manager Recruitment Services.

Agenda Item II – Presentations and Comments

- A. **American Public Power Association (APPA) RP3 Award** – Stephen Cooper, Director Electric Systems Asset Management, presented the Board of Directors and Paul McElroy with the APPA Reliable Public Power Provider (RP3) Diamond Award. JEA is one of 184 of the nation's 2,000-plus public power utilities to earn the RP3 designation from the APPA. The distinction goes to utilities that provide consumers with the highest degree of reliable and safe electric service. Proficiency in reliability, safety, workforce development, and system improvement are the criteria and are based on business practices. JEA was presented the award at the April 7, 2014 annual APPA Engineering and Operations Technical Conference in Oklahoma City, OK. This presentation was received for information.
- B. **Arbor Day Foundation Tree Line USA Award** – Kim Wheeler, Manager T&D Preventative Maintenance and Joe Anderson, Arborist, presented the Board of Directors and Paul McElroy with the Arbor Day Foundation Tree Line USA Award. Ms. Wheeler provided an overview of the services that JEA's arborists and foresters provide. Mr. Anderson provided an overview of the designation and the selection criteria. The criteria for winning the designation included: formally adopting best management practices in utility horticulture, annual training of employees and contractors, planting of trees in the community, and joining with the community to celebrate National Arbor Day. Mr. Anderson expressed appreciation for staff's hard work. Present at the Board Meeting were: Garry Moore, Electric Systems Engineer; Joe Dunbar, Forester; Scott Souder, Forester; Landall Demby, Arborist; Greg Preston, Arborist; and Paul Traylor, Arborist. This presentation was received for information.
- C. **Heart of JEA** – Monica Whiting, Chief Customer Officer, provided information on a recent initiative to engage the hearts and minds of JEA's employees. JEA is driving the culture change of creating an unbeatable team. Based on input from JEA's leadership team, employees, and customers, JEA developed an employee and a customer commitment. To begin the transformation of bringing employees and customers together, Human Resources and Customer Relationships collaborated to develop the Customer Experience 101 training program. The training will be provided to all new and existing employees. This training will include: JEA's Mission, Vision, Values, and Strategy, Employee and Customer Commitments, and the "Heart of JEA" video. Ms.

Whiting presented the “Heart of JEA” video. This presentation was received for information.

D. Comments from the Public – none

E. 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 Mr. Townsend and second by Mr. Winbush, items 1 and 2 on the Consent Agenda was unanimously approved and items 3, 4, 5, 6, 7, and 8 were received for information.

1. Approval of Board Meeting Minutes March 18, 2014 – approved.
2. JEA FY2013 Annual Disclosure Reports – The Board (i) approved and authorized the Annual Disclosure Reports for the Electric Utility System, Water and Sewer System, and District Energy System in substantially the forms provided to the Board on March 18, 2014, with such changes as are approved by the Managing Director and Chief Executive Officer of JEA and (ii) authorized the filing and use of the Annual Disclosure Reports.
3. Monthly JEA Operations Report – received for information.
4. Monthly JEA Financial Review – received for information.
5. Quarterly Customer Escalation Summary – received for information.
6. Monthly FY14 Communications & Community Engagement Plan Update – received for information.
7. Monthly FY14 Community Engagement Calendar – received for information.
8. Correspondence Received from St. Johns County and Nassau County Boards of County Commissioners Related to Proposed Pension Contributions – received for information.

B. Strategic Discussions/Action

1. Bi-Monthly Financial Presentation – Melissa Dykes, Chief Financial Officer, provided a presentation highlighting key financial metrics and results of JEA’s Electric and Water and Sewer Systems ending March 31, 2014. On April 2-3, 2014, Mrs. Dykes and staff attended an investors conference and had the opportunity to meet individually with 15 bond investors. Mrs. Dykes noted the feedback can best be summed up by one of the investors stating, “there are lots of other good credit buying opportunities, and it is easier to buy credits without the political headwinds that we have.” Mrs. Dykes added that it emphasizes the importance of maintenance of our financial metrics through some challenging external times. The message that Mrs. Dykes provided to the investors is that JEA has an independent seven member Board of Directors that has consistently demonstrated their commitment to the financial health of JEA. This presentation was received for information.
2. Sole Source and Emergency Procurement Report – John McCarthy, Director Supply Chain Management, provided a presentation highlighting information for all Sole Source and Emergency Procurement awards for the quarter ending March 31, 2014. This presentation was received for information.

3. **Educating Our Community's Children** – Jane Upton, Director Customer & Community Engagement and Walette Stanford, Director Emerging Workforce Strategies, provided a presentation on JEA's youth oriented educational programs which supports JEA's mission, vision, and values, and are an integral part of JEA's overall commitment to being socially responsible. Mrs. Upton stated that JEA currently participates in many youth oriented programs including: Keep Jacksonville Beautiful, Stanton Robotics, Junior Achievement, Museum of Science & History (MOSH), providing energy and water conservation, safety, and science materials to more than 32,000 students, JEA's Interactive Theatrical presentations in elementary and middle schools, and interactive programs at the Tree Hill Nature Center. Mrs. Stanford provided information on current Leadership Development, Co-op, Intern programs, and the addition of future programs to include high school career awareness, career academies, internship, and Co-op opportunities.
- C. **Other New Business** – none
- D. **Old Business** – none

Agenda Item IV – Reports

- A. **Managing Director/CEO Report** – Mr. McElroy thanked Board Members for their time today and throughout the month. Mr. McElroy stated that Board Members and staff had the opportunity to learn the scale, scope, and complexity of the water and sewer business as presented by Brian Roche, Vice President/General Manager Water/Wastewater Systems. Mr. McElroy recognized new JEA Manager, Dennis Burns, the contributors of the RP3 Award led by Stephen Cooper, and the team of arborists and foresters led by Kim Wheeler and Joe Anderson. Mr. McElroy encouraged Board Members and staff to view the "Heart of JEA" video. Mr. McElroy stated that he recently signed two interest swap agreements. These agreements symbolize the financial strength JEA brings to the marketplace.
- B. **Chair's Report** – Chair Hightower cited JEA Board Policy Manual Section 4.9.3 providing the Chair authority to establish a committee and to appoint members for each Board Committee as provided in section 4.4.1. At the March Pre-Board Meeting, Chair Hightower established the Workforce Readiness Committee that will collaborate and review strategies to address our emerging workforce needs and risks. Chair Hightower named Board Vice Chair Strange Weatherby as the Committee Chair and Mr. Townsend as a Committee Member. During the June 15, 2014 Board Meeting, Vice Chair Strange Weatherby will provide the first report of the Workforce Readiness Committee.

In March 2014, Mr. Bower took on the role as Chair of the Finance and Audit Committee. Chair Hightower stated our new slate of Committee Members for the Finance & Audit Committee includes: Peter Bower, Chair, Helen Albee, Wyman Winbush, and Husein Cumber.

Chair Hightower expressed appreciation to the Board Members for their continued dedication and to staff for the hard work accomplished each day.

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 3:02 PM.

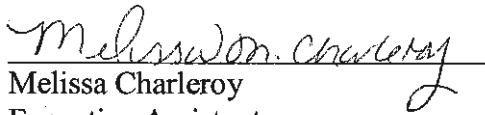
APPROVED BY:



SECRETARY

DATE: 5/20/2014

Board Meeting recorded by:



Melissa Charleroy
Executive Assistant