

JEA
BOARD MINUTES
October 21, 2014

The JEA Board held a Strategic Workshop and Pre-Board Meeting at 12:03 PM on Tuesday, October 21, 2014, in the Conference Room on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Mike Hightower, Lisa Weatherby, Helen Albee, Peter Bower, Ron Townsend, Wyman Winbush, and Paul McElroy. Also present were JEA staff Mike Brost, Bud Para, Nancy Kilgo, John McCarthy, Joe Orfano, Renee McQuaig, Jordan Pope, and Gerri Boyce. Visitors included Jason Gabriel and Jody Brooks, Office General Counsel, Nate Monroe, Florida Times-Union, Andrew Thurlow, Jacksonville Business Journal, Max Marbut, Financial News & Daily Record, David Goldman, Kimley-Horn and Associates, Inc., Joe Mecca, Kimley-Horn and Associates, Inc., Doug Skyles, EnVision Design + Engineering, Peter Rummell, Rummell Companies, Michael Munz, Dalton Agency, Lara Diettrich, Diettrich Planning, Michael Balanky, Chase Properties, Inc., Patrick Leonard, RocaPoint Partners, Nnenna Lynch, The Georgetown Company, Steve Diebenow, DMP&H, and J.J. Connors, Fairlead of North Florida, LLC. Husein Cumber was absent and excused.

The Strategic Workshop focused on the Southside Generating Station site and consisted of the following information:

1. JEA Solicitation 058-14 for the purchase and development of JEA's Southside Generating site – Chair Hightower provided the process for today's presentation of proposals for the Southside Generating site. Chair Hightower drew from a sealed envelope the order in which the presentations would take place, noting Elements of Jacksonville would present first, followed by RocaPoint Partners. John McCarthy, Director Shared Services, provided the background information related to the solicitation, an overview of the Request for Proposal (RFP), including the evaluation methodology and criteria, the scores that were tallied during the Request for Proposal Scoring Meeting held on the morning of October 21, 2014, the purpose of today's Board workshop, and the protocol for today's Board Meeting. Copies of the materials are available in the meeting file.

Nancy Kilgo, Director Government Affairs, provided a comparison of the proposals from Elements of Jacksonville and RocaPoint Partners, including the scoring as tallied by the Evaluation Committee. Ms. Kilgo also provided an overview of the proposed development design, proposed economic development opportunities, due diligence period, financing, and the proposed closing and construction timelines for both proposers. J.J. Connors, Partner and Senior Managing Director, Fairlead of North Florida, LLC, provided guidance related to the contracts. Jason Gabriel, General Counsel, City of Jacksonville Office of General Counsel, provided guidance on pricing.

The Strategic Workshop adjourned at 12:48 PM; the Members remained in the Conference Room on the 8th Floor and moved immediately into the Pre-Board Meeting.

The Pre-Board Meeting discussion consisted of the following topics:

1. Schedule for Today's Meeting
2. Upcoming JEA Meetings

With no action taken and no further business claiming the attention of the Board, the Pre-Board Meeting was adjourned at 12:52 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, October 21, 2014, in the 8th Floor Board Meeting Room, 21 W. Church Street, Jacksonville, Florida. Present were Mike Hightower, Lisa Weatherby, Helen Albee, Peter Bower, Ron Townsend, and Wyman Winbush. Husein Cumber was absent and excused.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 1:01 PM by Chair Hightower.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Vice Chair Weatherby.
- D. **Adoption of Agenda** – The agenda was approved as amended on **motion** by Mr. Townsend and second by Vice Chair Weatherby.
- E. The **Safety Briefing** was given by Tim Konopka, C & M Working Foreman.

Agenda Item II – Presentations and Comments

- A. **INROADS Outstanding Service in Leadership Development and Community Partnership Award** – Walette Stanford, Director Emerging Workforce Strategies, presented the Board of Directors and Paul McElroy with the 2014 Jacksonville Area Sexual Minority Youth Network (JASMYN) Gold Award. JASMYN is a non-profit organization serving youth ages 13-23. JASMYN's vision is to create a world where young people are respected and valued to be themselves. On October 10, 2014, JEA was recognized as a table patron at the annual JASMYN Coming Out Day Breakfast that was put together for people from the small business, corporate, educational, and professional communities that have been active in supporting equality. The INROADS Outstanding Service in Leadership Development and Community Partnership Award will be presented at a later date.
- B. **J.D. Power Customer Satisfaction Wave 1 Survey Results** – Monica Whiting, Chief Customer Officer, presented the current Residential and Business 2015 Wave 1 Customer Satisfaction results. Mrs. Whiting stated that with a score of 701, JEA received the highest residential score and the highest overall score in its history, ranking #23 out of 140 utilities. Additionally, JEA ranked second in Florida, 54 points above 2014 year end results, and 59 points above the 2014 Wave 1 results. Mrs. Whiting expressed appreciation to all of the employees that helped make this possible. Likewise, JEA ranked in the first quartile for the Business Customer Satisfaction Wave 1 results. A few key changes were noted that assisted in driving the scores, including power quality and reliability, customer rate uncertainty, and more customer options. Mrs. Whiting expressed appreciation for the Electric Systems, Technology Services, and Customer Relationships staff for their hard work. In the business market there are three key drivers that determine customer satisfaction including, businesses recognizing the work JEA does to improve the economy, reduced outages, and increased customer communications.
- C. **E-Source Key Account Customer Satisfaction, First Coast Manufacturers Association (FCMA) Commitment to Workforce Education, and Economic Development Finalist Awards** – Monica Whiting, Chief Customer Officer, recognized Deb Beaver, Director Business Development and Community Project Management and Maritza Rivera-Clapp, Manager Business Client Relationships Key Accounts, for their

work on the business customer benchmarking study. Ms. Beaver and Ms. Rivera-Clapp identified areas of improvement and implemented those changes. Due to their efforts, JEA was ranked by E-Source as the 2nd place award winner for the 2014 E-Source Award of Excellence for Top Large Utilities in Key Account Customer Satisfaction. E-Source is a market research firm that services over 300 utilities and large energy users. The determining factors for the award winners included information obtained from customers and best practices. Mrs. Whiting recognized Ray Tull, Manager Financial Planning and Rates and his team as a finalist for the First Coast Manufacturers Association (FCMA) Economic Development Award. JEA recently implemented two economic development oriented rate options, the High Load Factor Rate option and the Economic Development Rider, and was recognized by FCMA for assisting with economic development in the community. Mrs. Whiting also recognized Blake Osner, Manager Employee and Leadership Development and his training team for receiving the FCMA, award recognizing JEA for the importance that workforce readiness and training the workforce is to local business success and the local economy. Chair Hightower recognized all award recipients.

- D. September Safety Commitment Month Video** – Leah Greene, Manager, Safety and Health Services, presented information regarding the September Safety Commitment month. Each week in September, a safety video and materials were distributed to each department. Employees were asked to sign a poster to show their commitment to safety. Mrs. Greene noted that JEA has received one recordable this fiscal year, down from six this time in FY2014. Mrs. Green presented the Board with the week four video highlighting JEA employees that are committed to safety.
- E. Plug-In Electric Vehicle Program Presentation** – Monica Whiting, Chief Customer Officer, provided the Board with information regarding JEA's Plug-In Electric Vehicle program. JEA's strategy is to overcome adoption barriers such as customer awareness of the benefits, upfront costs and incentives, and range anxiety. To promote education and awareness of electric vehicles, JEA is utilizing social media, local community events, the WOKV radio show in December, and collaboration with community stakeholders. Mrs. Whiting introduced Jeff Sheffield, Executive Director, North Florida Transportation Organization (TPO). Mr. Sheffield shared information regarding the non-traditional partnership between JEA and the TPO. Through federal funds, the TPO is able to expand their initiatives, including alternative fuels. Mr. Sheffield recognized Jay Worley, Director Environmental Programs, for his work with the Jacksonville Community Council, Inc. (JCCI) to form the Clean Fuels Coalition. Mr. Sheffield also recognized Peter King, Manager Customer Solutions, for his work with the electric vehicle program. The TPO has had the opportunity to use the federal Congestion Mitigation and Air Quality Improvement (CMAQ) Program to invest in alternative fuel for public fleets. Through this funding, more than 30 charging stations will be installed within the region. This unique partnership with JEA also allows the TPO to create a model than can be used for future partnerships.
- F. Comments from the Public** – none
- G. 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. Weatherby and second

by Mr. Townsend, items 1 and 3 on the Consent Agenda were unanimously approved and items 4, 5, 6, 7, 8, 9, and 10 were received for information.

1. Approval of Board Meeting Minutes September 16, 2014 – approved.
2. Approval of PEA Impasse Hearing Minutes August 19, 2014 – This agenda item was removed and deferred to a future Board Meeting.
3. Approval of Resolution: FY2015 Budgetary Transfers – The Board unanimously approved and adopted Resolution 2014-06 to authorize the Managing Director/CEO to process budget transfers up to \$5.0 million per transfer, except in the event of an emergency or year-end adjustments, where transfers over \$5.0 million will be brought to the Board for ratification.
4. JEA Early Debt Retirement Update – received for information.
5. Directors' & Officers' Liability Insurance – received for information.
6. Monthly JEA Operations Report – received for information.
7. Monthly JEA Financial Review – received for information.
8. Monthly FY14 Communications & Community Engagement Plan Update – received for information.
9. Community Engagement Calendar – September – November 2014 – received for information.

B. Strategic Discussions/Action

1. Southside Generating Station Request for Proposals – John McCarthy, Director, Supply Chain Management – Chair Hightower provided the history of the Southside Generating Station, the process of the current request for proposal, and the process for today's presentations. During a drawing at the Strategic Workshop, it was determined that Elements of Jacksonville would present first, followed by RocaPoint Partners. Chair Hightower also provided the options available to the Board: 1) approve a proposal for contract negotiations, 2) rank the proposals and approve negotiations with the second ranked proposal in the event negotiations do not proceed to closing with a top ranked proposal, 3) elect to take no action or request additional information, or 4) reject both proposals. Mr. McCarthy provided a summary of the evaluation and a brief overview of the RFP evaluation for the purchase and development of the Southside Generating Station site. Mr. McCarthy provided the evaluation criteria stating that on a 500 point scale, 200 points relate to price, and 300 points are spread across 17 different qualitative measures. Mr. McCarthy stated the Evaluation Committee that met earlier in the morning scored Elements of Jacksonville with 463 points and RocaPoint Partners with 385 points.

Chair Hightower called upon Elements of Jacksonville to provide a 20 minute presentation of their proposal. Michael Balanky, Principal, Chase Properties, Inc., introduced the Development Team of Elements of Jacksonville. Also present were Peter Rummell, Principal, Rummell Companies; Real Capital Solutions – Capital Partners; Laura Diettrich, Diettrich Planning, LLC; Ervin Lovett Miller (ELM) Land Planning Design and Architecture; Kimley-Horn and Associates, Inc.; and Doug Skiles, EnVision Design. Mr. Rummell provided examples of various other mixed use projects his company developed locally and abroad. Mr. Rummell also provided the vision of the proposed development which includes a mixed-use development with a "Healthy Town" theme, which incorporates design elements to promote

health and wellness in the planned community. Mr. Balanky provided information regarding the number of jobs that will be created by the Healthy Town development and why Healthy Town would be the best choice for the City of Jacksonville. Board Members were then provided 15 minutes to ask Elements of Jacksonville clarifying questions related only to the material presented.

Chair Hightower called upon Steve Diebenow with DMP&H on behalf of RocaPoint and their financial partner The Georgetown Company, to provide the presentation for **RocaPoint Partners**. Mr. Diebenow introduced the team members present including Nnenna Lynch, Director of Development, The Georgetown Company; Patrick Leonard, RocaPoint Partners; and Phil Mays, RocaPoint Partners. Mr. Diebenow highlighted RocaPoint Partner's proposal. Ms. Lynch provided a brief overview of The Georgetown Company highlighting their mission, assets, and current projects. Mr. Leonard provided an overview of the proposed use of the property which will consist of 800+ residential units consisting of condos, townhomes, apartments, in addition to, restaurants, health clubs, local shops, and parks. Mr. Mays provided an overview of recent projects collaborated on within the past 5 years between RocaPoint Partners and The Georgetown Company. At the conclusion of the presentation, Board Members were provided 15 minutes to ask RocaPoint clarifying questions related to only the material presented.

On **motion** by Mr. Townsend and second by Ms. Weatherby, the Board unanimously approved to award the contract to Elements of Jacksonville. Jason Gabriel, Office of General Counsel offered guidance regarding the contract, stating that if contract negotiations should fail, the contract will be awarded to the secondary bidder. On **motion** by Mr. Bower and second by Mr. Townsend the Board unanimously approved to amend the agenda item to state that if the contract fails, the award for negotiation should be brought back before the Board for approval. Further, staff will negotiate the contract on behalf of the Board and bring the final contract before the Board for final approval.

The Board took a recess at 2:53 pm and reconvened at 3:00 pm.

2. JEA International Brotherhood of Electrical Workers (IBEW) Local 2358 Collective Bargaining Agreement – Angie Hiers, Chief Human Resources Officer, provided a presentation on the proposed labor contract for IBEW 2358. Negotiations have been ongoing since March 2013 and concluded on October 8, 2014. IBEW's ratification vote is scheduled on October 21, 2014. Assuming the membership ratifies the proposed contract, the Board action will become effective in accordance with Board procedures. Should the IBEW fail to ratify the proposed contract, the Board action will be null and void. Upon **motion** by Mrs. Albee and second by Mr. Townsend, the Board unanimously approved the agreement between JEA and the IBEW Local 2358. Mr. McElroy recognized Rodney Wickham, IBEW 2358 President for his hard work and leadership.
3. Sole Source & Emergency Procurement Report – John McCarthy, Director, Supply Chain Management, presented a report summarizing the total Sole Source and Emergency Procurement actions for the quarter ending September 30, 2014. This presentation was received for information.

In the interest of time, Chair Hightower reordered various agenda items; however the minutes reflect the original order of the agenda.

4. JEA Five-Year Financial Assumptions and Projections FY2015-FY2019 – Melissa Dykes, Chief Financial Officer, reviewed the five year financial assumptions and projections which are an essential component of the Rating Agency presentation. This presentation was received for information.
 5. Bi-Monthly Finance 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 September 30 2014.
- C. **Other New Business** – none
- D. **Old Business** – none

Agenda Item IV – Reports

- A. **EPA Committee Report** – Committee Chair Lisa Weatherby reviewed the October 10, 2014 EPA Committee meeting, bringing items to the Board for action and information.
1. Approval of Minutes from the September 9, 2014 Meeting – Upon **motion** by Chair Hightower and second by Mr. Winbush, the minutes were unanimously approved.
 - a. JEA's Comments to the EPA in Final Draft Form – At the October 10, 2014 EPA Committee Meeting, Bud Para, Chief Public Affairs Officer provided the committee with JEA's comments to the EPA in final draft form. The EPA has extended the deadline to receive comments until December 1, 2014. The EPA Committee will meet again on November 11, 2014 to review the final comments.
 - b. Review of JEA's EPA Symposium held at the Jacksonville Main Library on September 25, 2014 – Committee Chair Weatherby provided a review of the symposium including information regarding attendees, speakers, and facilitated discussions. Mr. Winbush added that the symposium was well attended.
- B. **Managing Director/CEO's Report** – Mr. McElroy stated Mayor Alvin Brown reached out to high ranking EPA officials on behalf of JEA and facilitated a meeting. The meeting included EPA representatives, JEA staff, Board Chair Hightower, Mayor Alvin Brown, Council President Yarborough, and other local business leaders to discuss the top key issues within the industry. Mr. McElroy provided the EPA representatives with additional issues related to biomass and the interstate flow of energy. JEA is currently working with the Florida Electric Power Coordinating Group, Inc. (FCG) to address the EPA's Proposed Clean Power Plan. Board Secretary Helen Albee has been working closely with JEA staff regarding water supply planning. Ms. Albee will provide an update at the November Board Meeting. Mr. McElroy stated the Senior Leadership Team has been working in depth on inclusion and diversity. Their focus is how to make JEA a more inclusive company, and ultimately a more inclusive community. Mr. McElroy stated that JEA has made great strides over the last 20 months moving from the bottom quartile for the J.D. Customer Satisfaction scores to the top quartile, ranking 23 out of 121 utilities. In the electric vehicle market, Mr. McElroy stated that he is proud of the work JEA has done, and offered appreciation to Peter King for his great work. And finally, he offered his appreciation to staff for the great work on the Southside Generating Station proposal process, stating that it has been a 20 year process, one that will ultimately make a huge difference in the Jacksonville community.
- C. **Chair's Report** – Chair Hightower provided appreciation to his colleagues and to John McCarthy and Nancy Kilgo for their collaborative efforts on the Southside Generating Station bid process. Chair Hightower thanked Ms. Weatherby, Mr. Cumber, Mr.

Winbush, and Mr. Para for their work on the EPA Committee. Mr. McElroy stated that the Finance & Audit Committee is scheduled to meet on November 18, 2014.

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 3:32 PM.

APPROVED BY:




SECRETARY

DATE: _____

11/18/2014

Board Meeting recorded by:



Melissa Charleroy
Executive Assistant