

JEA
BOARD MINUTES
October 18, 2016

The JEA Board met in regular session on Tuesday, October 18, 2016, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Kelly Flanagan, Delores Kesler, Ed Burr, Warren Jones, Husein Cumber and Alan Howard.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 12:00 PM by Chair Petway.

Mayor Curry was in attendance at the Board meeting and expressed his appreciation to JEA staff for efforts during the storm. Mayor Curry stated he was happy to hear about today's workshop and JEA's desire to identify areas for improvement in storm responses.

Mayor Curry departed the Board Meeting at 12:03 PM.

- B.** A **Moment of Reflection** was observed by all.
- C.** The **Pledge of Allegiance** was led by Chair Petway.
- D.** **Adoption of Agenda** – The amended agenda was approved on **motion** by Vice Chair Burr and second by Mr. Jones.
- E.** The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.
- F.** **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Hurricane Matthew Workshop

- A. A-E – Planning, Event and Impact, Restoration, Questions, Reports, Follow-up and Future Mitigation** – Paul McElroy, Managing Director/Chief Executive Officer, thanked the mutual aid crews who assisted JEA in restoring services. Mr. McElroy also thanked Mayor Curry for his leadership and support, city council members for riding with crews and providing encouragement and Governor Scott for his extraordinary leadership and encouragement, as well as providing resources. Mr. McElroy thanked the Florida Department of Environmental Protection (FDEP) for its partnership, our customers for being JEA's true partners, JEA employees and the Board for the resources to respond.

Mr. McElroy provided a detailed review of JEA's storm preparedness efforts, including training, material, mutual aid agreements and fuel, as well as lodging, transportation and meals for over 400 mutual aid crew members assisting in the restoration. Mr. McElroy reviewed the various communications sent to customers during the storm, the technological resources necessary for the operation and the financial impact to JEA. Full details of the restoration process and challenges, as well as outstanding issues regarding the Sewer System Overflows (SSOs) were presented.

Upon the conclusion of the presentation, Board members presented their congratulations to the JEA team for the work provided during Hurricane Matthew, as well as their comments on possible improvements to the storm response process.

Agenda Item III – Presentations and Comments**A. Comments from the Public** – none

Comments from Council Member Anderson and Dr. Gaffney were reordered within the agenda; however, the minutes reflect the original order of the agenda.

B. Council Liaison’s Comments – Council Member Anderson thanked the JEA team for restoration efforts, with special thanks to Nancy Kilgo, Jordan Pope and Renee Goode for constant updates to the city council. Council Member Anderson thanked the leadership team for reaching out to the city council and indicated his appreciation to the JEA Board for their leadership.

C. Office of the Mayor Liaison’s Comments – Dr. Gaffney echoed comments of the mayor and further emphasized the hard work of the JEA team, the leadership within JEA and the comfort of knowing that JEA teams were working while others slept and sought shelter in order to get the electricity back on.

Agenda Item IV – For Board Consideration

A. Consent Agenda – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Mr. Howard and second by Mr. Jones, item 1 on the Consent Agenda was unanimously approved and items 2 through 5 were received for information.

1. Approval of Board Meeting Minutes September 20, 2016 – approved
2. Real Estate Acquisition Status Report – received for information
3. Monthly JEA Financial Review & Statements – received for information
4. Monthly JEA Operations Report – received for information
5. Monthly FY16 Communications & Engagement Calendar and Plan Update – received for information

B. Strategic Discussions/Action

1. JEA Five-Year Financial Assumptions and Projections FY2017–FY2021 – Melissa Dykes, Chief Financial Officer, provided information on the financial assumptions that are part of strategic planning and the first step in preparing reports for the rating agency presentations. Ms. Dykes advised the Board that the assumptions were based on rate changes that were anticipated to have been made at the start of this month’s Board meeting. Ms. Dykes provided the different results that would be indicated if the rates remain the same. This item was presented for information.
2. Approval of Resolution: FY2017 Budgetary Transfers – Melissa Dykes, Chief Financial Officer, presented that the Board, in the past, has delegated to the Managing Director/CEO the authority to make transfers during the fiscal year between budget line items. Upon **motion** by Vice Chair Burr and second by Secretary Kesler, the Board unanimously approved Resolution 2016–04 authorizing the Managing Director/CEO to approve transfers between approved budget line items within the JEA budget for FY2017 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.
3. Real Estate Purchase & Sale Agreement for Southside Generating Station (SGS) Property – Update & Second Time Extension Request – Nancy Kilgo, Director,

Government Affairs, presented that Elements Development of Jacksonville, LLC, the prospective buyer for the Southside Generating Station property, has done due diligence in obtaining the necessary approvals required for the purchase. Ms. Kilgo advised that Elements Development of Jacksonville, LLC currently has pending approvals from the City and the Downtown Investment Authority (DIA), as well as resolution of the Brownfield Agreement with Florida Department of Environmental Protection (FDEP) and has requested an extension of the contract length to obtain these requirements. Mr. Cumber declared a conflict of interest and filed Form 8B Memorandum of Voting Conflict for County, Municipal, and other Local Public Officers. Upon **motion** by Secretary Kesler and second by Mr. Jones, the Board approved the extension.

4. Resolution 2016–20 to Request that the City of Jacksonville Amend JEA Charter to Amend the JEA Board Meeting Requirements – Jody Brooks, Chief Legal Officer, advised that, based on a request from the Chair, the Board is requesting that the JEA Charter be amended to change the meeting requirements from “at least monthly” to “at least six times per year”. Upon **motion** by Mr. Jones and second by Mr. Burr, the Board held discussions. With Mr. Cumber voting in opposition of the motion, it carried by a vote of 6–1.
5. Sole Source and Emergency Procurement/Procurement Appeals Board Report – John McCarthy, Director, Supply Chain Management reported that JEA had an opportunity to procure a used Water Treatment Package Plant to replace existing equipment. Mr. McCarthy advised that the equipment cost of a used plant is approximately 25-30% of a new plant and there is no common ground for the bidding process. This item was presented for information.
6. Monthly Operational and Financial Presentation – Melissa Dykes, Chief Financial Officer, presented the monthly review of JEA’s operational and financial metrics for electric and water/wastewater services. This item was presented for information.

C. Open Discussion – none

D. Other New Business – none

E. Old Business – none

Agenda Item V – Reports

A. Finance & Audit Committee Report – Kelly Flanagan, Committee Chair

1. Committee Recommendation Regarding External Audit Services Contract – Chair Flanagan presented the process used to rate the bidders for the external audit services contract. Upon **motion** by Mr. Cumber and second by Mr. Howard, the Board voted unanimously to move forward with the negotiations to secure Ernst & Young as JEA’s external auditor service provider.

B. Managing Director/CEO’s Report – none

C. Chair’s Report – The Chair indicated that he appreciated all of the hard work of the Board and the JEA staff. Mr. Petway also reported that Mr. Burr’s birthday is in the month of October and all should wish him a happy birthday. Congratulations and goodbyes were extended to Mr. Jones, who is leaving the JEA Board for the Duval County School Board.

Agenda Item V – Closing Considerations

- A. Announcements** – Next Board Meeting – November 15, 2016
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 2:04 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock
Executive Assistant

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME Humber, Husein		NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE JEA Board of Directors	
MAILING ADDRESS W. Church Street		THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:	
CITY Jacksonville	COUNTY Duval	<input checked="" type="checkbox"/> CITY	<input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY
DATE ON WHICH VOTE OCCURRED October 18, 2016		NAME OF POLITICAL SUBDIVISION:	
		MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, Husein Cumber, hereby disclose that on October 18, 20 16 :

(a) A measure came or will come before my agency which (check one or more)

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, _____ ;
- inured to the special gain or loss of my relative, _____ ;
- inured to the special gain or loss of _____ , by whom I am retained; or
- inured to the special gain or loss of Florida East Coast Industries, LLC , which is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

JEA Board action item - To hear an update on and approval of a second time extension for the Real Estate Purchase and Sale Agreement for Southside Generating Station (SGS) Property to Elements Development of Jacksonville, LLC.

Florida East Coast Industries, LLC and the purchaser, Elements Development of Jacksonville, LLC, of the SGS property conducts or will conduct business with one another that could result in a financial gain or loss regarding the development of the SGS property.

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

Date Filed _____


Signature _____

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.