



**Committee Members will meet on the 8<sup>th</sup> Floor**  
 Other Board Members may join via conference call  
 by dialing 904-665-7100 - No password is needed.

## COMPENSATION COMMITTEE AGENDA

**DATE:** January 5, 2016  
**TIME:** 11:00 – 12:00 PM  
**PLACE:** 21 W. Church Street  
 8<sup>th</sup> Floor

	<b>Responsible Person</b>	<b>Action (A) Info (I)</b>	<b>Total Time</b>
<b>I. OPENING CONSIDERATIONS</b>	Delores Kesler		
A. Call to Order			
B. Adoption of Agenda		A	
C. Approval of Minutes – December 15, 2015	Cheryl Mock	A	
<b>II. NEW BUSINESS</b>			
A. Compensation Committee Charter	Paul McElroy	A	5 mins.
B. Market Definition	Angie Hiers	I	10 mins.
C. FY2016 Pay for Performance Plan: Goals and Compensation	Angie Hiers	A	15 mins.
D. FY2016 CEO Goals	Paul McElroy	A	10 mins.
E. Open Discussion			10 mins.
F. Announcements			
1. Schedule Next Meeting as Appropriate			
G. Adjournment			

JEA COMPENSATION COMMITTEE MINUTES  
December 15, 2015

The Compensation Committee of JEA met on Tuesday, December 15, 2015, in the 8<sup>th</sup> Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

**Agenda Item I – Opening Considerations**

- A. Call to Order – Committee Chair Delores Kesler called the meeting to order at 11:00 AM with Members Tom Petway and Kelly Flanagan in attendance. Also present were Paul McElroy, Angie Hiers, Jane Upton, Judi Spann, Gerri Boyce, Rick Lehman, Jacksonville Supervisors Association (JSA) and Robert Campbell, Office of the Council Auditor.
- B. Adoption of Agenda – The Agenda was adopted on **motion** by Mr. Petway and second by Ms. Flanagan.

Committee Chair Kesler thanked Angie Hiers, Chief Human Resources Officer, and her team for their hard work in putting together the information for today's meeting.

**Agenda Item II – New Business**

- A. Committee Charter Draft – Paul McElroy, Managing Director/Chief Executive Officer, provided the Committee with an overview of the draft Compensation Committee Charter. Mr. McElroy stated the draft Committee Charter indicates the Board Chair will annually appoint three committee members. The Committee Charter was received for information. A revised charter will be presented at the next meeting for action.
- B. JEA Compensation Review – Angie Hiers, Chief Human Resources Officer, presented the JEA Compensation Review, bringing the following topics to the Committee for information: composition of workforce, Collective Bargaining Units and Civil Service protections and benefits of JEA and St. Johns River Power Park employees. Ms. Hiers noted the highly technical nature of the majority of the workforce and the replacement costs of members. Ms. Hiers discussed the JEA Compensation Market Studies, led by Pat Maillis, Director, Employee Services, who has worked with several local and international companies. JEA includes many municipalities, as well as some independently-owned utilities (IOU) in its market studies. JEA utilizes the firms of Towers Watson and Mercer to conduct the studies. JEA management shares the market studies with the Collective Bargaining Units to demonstrate the good faith negotiating strategies of the management team. Ms. Hiers also advised that JEA does not benchmark all jobs each year, but does stay current with market trends and studies. Ms. Hiers shared information pertaining to the CEO agreement benchmarking, as well as the Senior Leadership Team market studies. She indicated that JEA was provided market pricing for all Senior Leadership Team positions and that they were adjusted for geographical location. In reviewing the incentive programs, Ms. Hiers indicated that JEA gleans information from other municipalities, non-profits, IOUs and other local companies with similar revenues. She also provided information related to rankings vs ratings and their relevance to the incentive program. After the presentation, the committee held discussions regarding retention, possible pension change impacts and goal-setting. Mr. McElroy provided a review of the most recent General Counsel opinion regarding Collective Bargaining Units.
- C. Announcements – Mr. McElroy provided a brief summary of deliverables for the next meeting which include a definition of JEAs market, the final charter and incentive goals and objectives.
  - 1. The next committee meeting is scheduled on January 5, 2016.

D. Adjournment – With no further business claiming the attention of this Committee, the meeting was adjourned at 11:57 AM.

APPROVED BY:

\_\_\_\_\_  
Delores Kesler, Committee Chair

Date: \_\_\_\_\_

Submitted by:

\_\_\_\_\_  
Cheryl Mock  
Executive Assistant



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**AGENDA ITEM SUMMARY**

December 28, 2015

<b>SUBJECT:</b>	<b>COMPENSATION COMMITTEE CHARTER</b>
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<b>Purpose:</b>	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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**Issue:** As a newly created committee of the JEA Board of Directors, the Compensation Committee requires a charter.

**Significance:** Each committee of the JEA Board of Directors has a charter detailing its role, membership and responsibilities.

**Effect:** N/A

**Cost or Benefit:** The committee charter allows for an understanding of the role of the committee, its membership and responsibilities, as well as provides the number and frequency of meetings.

**Recommended Board action:** Staff recommends that the Board approve and adopt the attached Compensation Committee Charter.

**For additional information, contact:** Angelia Hiers, Chief Human Resource Officer, 665-4747

Submitted by: PEM/ARH/cwm

<b>MISSION</b>	<b>VISION</b>	<b>VALUES</b>
		
Energizing our community through high-value energy and water solutions.	JEA is a premier service provider, valued asset and vital partner in advancing our community.	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Service</li> <li>• Growth<sup>2</sup></li> <li>• Accountability</li> <li>• Integrity</li> </ul>

**Commitments to Action**

- 1** Earn Customer Loyalty
- 2** Deliver Business Excellence
- 3** Develop an Unbeatable Team

# JEA Board of Directors Compensation Committee Charter

## **Role of the Compensation Committee**

The Compensation Committee is appointed by, and is a standing Committee of, the Board of Directors of JEA. The Committee's primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing JEA's compensation policies and strategies. In conjunction with its primary function, it is the responsibility of the Committee to provide an open avenue of communication between the Board and Management. The Compensation Committee shall review and approve various agenda items and make recommendations to the JEA Board for final approval. It will keep the Board apprised of its activities.

## **Membership**

The Committee shall consist of three Board members, appointed annually by the Board Chair. The Board Chair shall appoint one of the Committee members as Chairperson. The Chief Human Resources Officer shall have direct access to Compensation Committee members.

## **Meetings**

The Committee will meet on an as needed basis. The Committee may invite members of Management and/or others to attend meetings and provide pertinent information, as necessary. Meetings shall be subject to open meetings and public information laws.

## **Responsibilities**

The Committee shall:

- Establish, monitor, review and revise, at least annually, performance guidelines for the CEO
- Assist the Board in assessing and evaluating the CEO's performance
- Review and recommend the CEO's compensation, including salary and incentives
- Review compensation plans for the Senior Leadership Team (SLT), including salary and incentives
- Review and approve annual pay for performance program relative to establishing goals, structure and payout amounts
- Approve proposed wages (related to negotiations) to be presented to legislative body for final approval
- Report Committee actions and recommendations to the Board
- Annually review and approve the Committee's Charter, updating as needed



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### AGENDA ITEM SUMMARY

December 28, 2015

<b>SUBJECT:</b>	<b>MARKET DEFINITION</b>
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<b>Purpose:</b>	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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**Issue:** The newly created Compensation Committee of the JEA Board of Directors requested that staff provide a clear definition and explanation of the market used for compensation purposes.

**Significance:** A clearly defined market allows the committee members to understand the information provided regarding the compensation plans of the JEA organization.

**Effect:** N/A

**Cost or Benefit:** The information will provide the Compensation Committee members with an understanding of the markets used by JEA, as well as the sources used by JEA for compensation purposes.

**Recommended Board action:** Staff is providing the documentation for information purposes only, no action is required.

**For additional information, contact:** Angelia Hiers, Chief Human Resource Officer, 665-4747

Submitted by: PEM/ARH/cwm

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Energizing our community through high-value energy and water solutions.	JEA is a premier service provider, valued asset and vital partner in advancing our community.	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Service</li> <li>• Growth?</li> <li>• Accountability</li> <li>• Integrity</li> </ul>

#### Commitments to Action

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# “MARKET” – Relative to Compensation & Benchmarking

## MARKET DEFINED

The established or accepted rate of pay for a particular job or job class that considers:

- Similar or same work performed
- Similar region where work is performed
- Number of people available in the employers' locale to perform the work

## BENCHMARKING DEFINED

Using market reference points when comparing and analyzing compensation. When benchmarking it is important to:

- Select survey sources that are appropriate for the positions being examined
- Match right job, right geographic area, right company size (i.e. revenue, employee base, customer base)
- Use job description content as opposed to title only

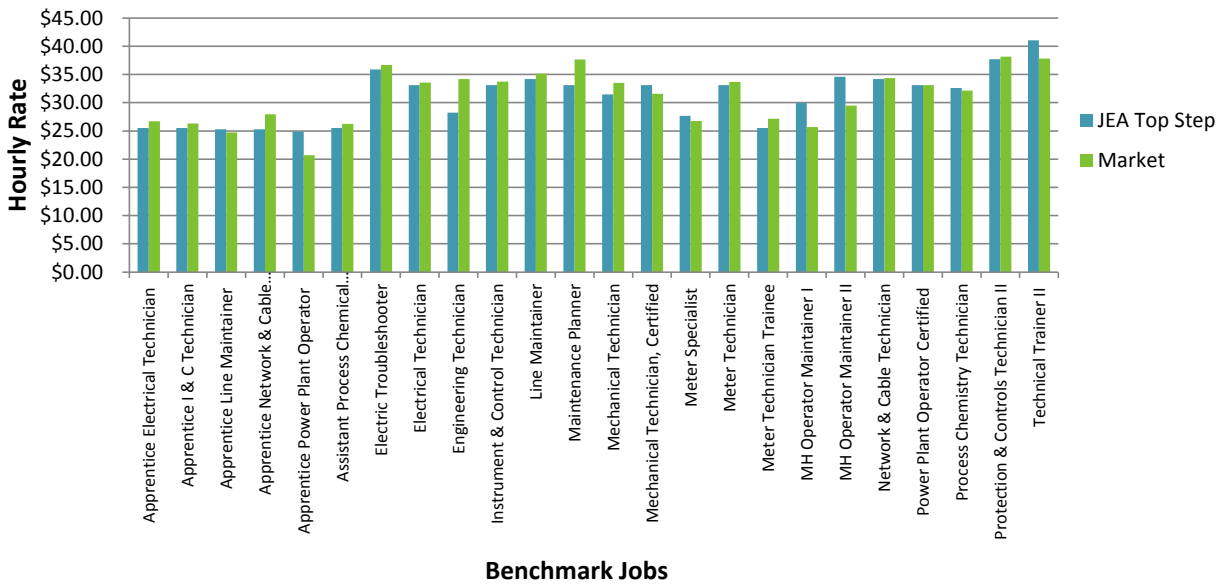


## JEA defines its market as:

- Local utilities and similar industries in the immediate area
- Utilities and similar industries in adjacent areas (may include Alabama and Georgia)
- Other municipalities in the area
- Local companies that are in different lines of business but have same or similar jobs
- JEA uses industry-recognized data sets from Towers Watson, Mercer, Western Management, American Public Power Association (APPA), American Water Works Association (AWWA), Large Public Power Council (LPPC), etc. and also neighboring local municipalities and others to develop the 50<sup>th</sup> percentile figures around which our compensation structures are built



## 2015 IBEW-2358 Market Analysis



<u>Job Title</u>	<u>JEA Top Step</u>	<u>Market</u>	<u>Compared to Market</u>
Apprentice Electrical Technician	\$25.54	\$26.73	At Market
Apprentice I & C Technician	\$25.54	\$26.32	At Market
Apprentice Line Maintainer	\$25.27	\$24.73	At Market
Apprentice Network & Cable Splicing	\$25.27	\$27.94	At Market
Apprentice Power Plant Operator	\$24.87	\$20.70	Above Market
Assistant Process Chemical Technician	\$25.54	\$26.23	At Market
Electric Troubleshooter	\$35.87	\$36.68	At Market
Electrical Technician	\$33.08	\$33.56	At Market
Engineering Technician	\$28.22	\$34.17	Below Market
Instrument & Control Technician	\$33.08	\$33.73	At Market
Line Maintainer	\$34.18	\$35.14	At Market
Maintenance Planner	\$33.08	\$37.62	Below Market
Mechanical Technician	\$31.44	\$33.53	At Market
Mechanical Technician, Certified	\$33.08	\$31.55	At Market
Meter Specialist	\$27.66	\$26.74	At Market
Meter Technician	\$33.08	\$33.69	At Market
Meter Technician Trainee	\$25.54	\$27.15	At Market
MH Operator Maintainer I	\$29.95	\$25.70	Above Market
MH Operator Maintainer II	\$34.59	\$29.47	Above Market
Network & Cable Technician	\$34.18	\$34.36	At Market
Power Plant Operator Certified	\$33.08	\$33.09	At Market
Process Chemistry Technician	\$32.58	\$32.16	At Market
Protection & Controls Technician II	\$37.72	\$38.15	At Market
Technical Trainer II	\$41.06	\$37.81	At Market

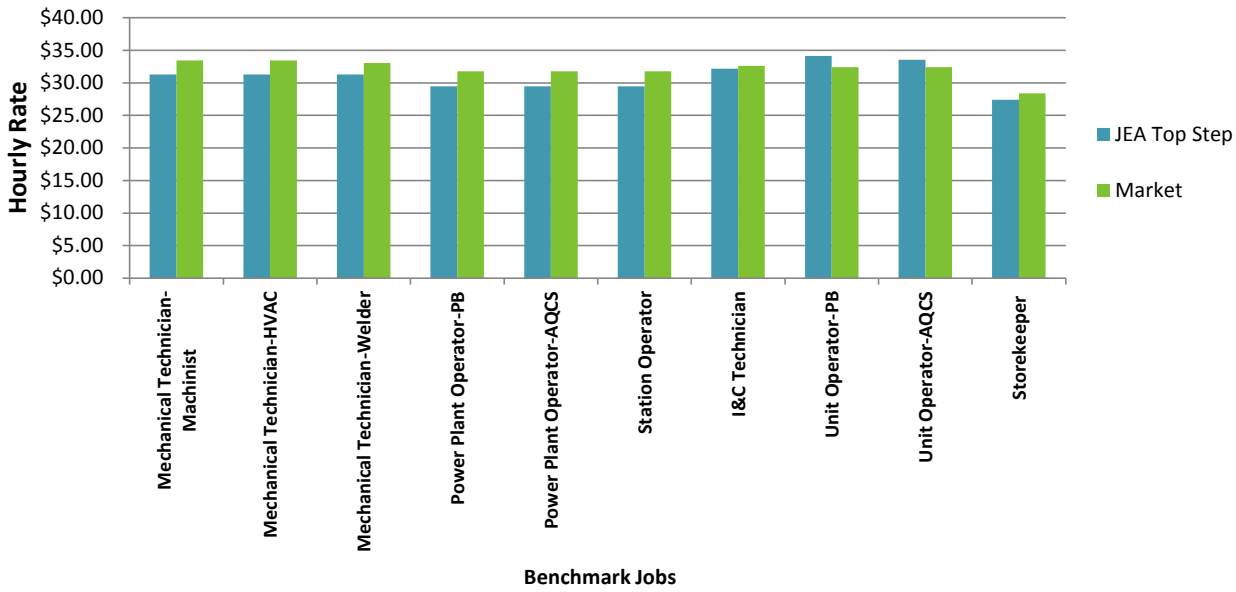
Benchmark data was obtained from:

- Florida Municipal and Investor Owned Utilities
- Southeast US Public and Investor Owned Utilities

Specifically, the market data sources used included:

- City of Tallahassee Electric Utility
- Gainesville Regional Utilities
- City of Lakeland Electric Utility
- Orlando Utilities Commission
- Seminole Electric Cooperative Inc.
- Three Investor Owned Utilities with operations in Florida and southeast US

## 2015 IBEW-1618 Market Analysis

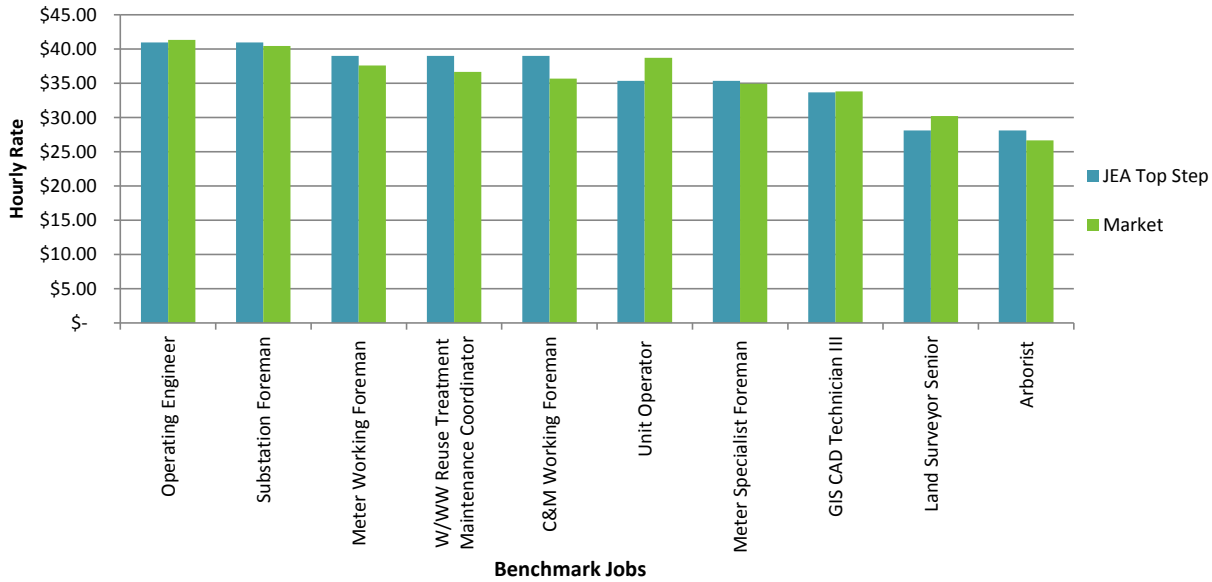


<u>Job Title</u>	<u>JEA Top Step</u>	<u>Market</u>	<u>Compared to Market</u>
Mechanical Technician-Machinist	\$31.30	\$33.44	At Market
Mechanical Technician-HVAC	\$31.30	\$33.44	At Market
Mechanical Technician-Welder	\$31.30	\$33.05	At Market
Power Plant Operator-PB	\$29.45	\$31.78	At Market
Power Plant Operator-AQCS	\$29.45	\$31.78	At Market
Station Operator	\$29.45	\$31.78	At Market
I&C Technician	\$32.18	\$32.64	At Market
Unit Operator-PB	\$34.15	\$32.43	At Market
Unit Operator-AQCS	\$33.56	\$32.43	At Market
Storekeeper	\$27.41	\$28.38	At Market

Market data was obtained from:

- Two Investor Owned Utilities with Florida operations
- One Investor Owned Utility with operations in a Florida border state
- City of Tallahassee Electric Utility

## 2015 JSA Market Analysis

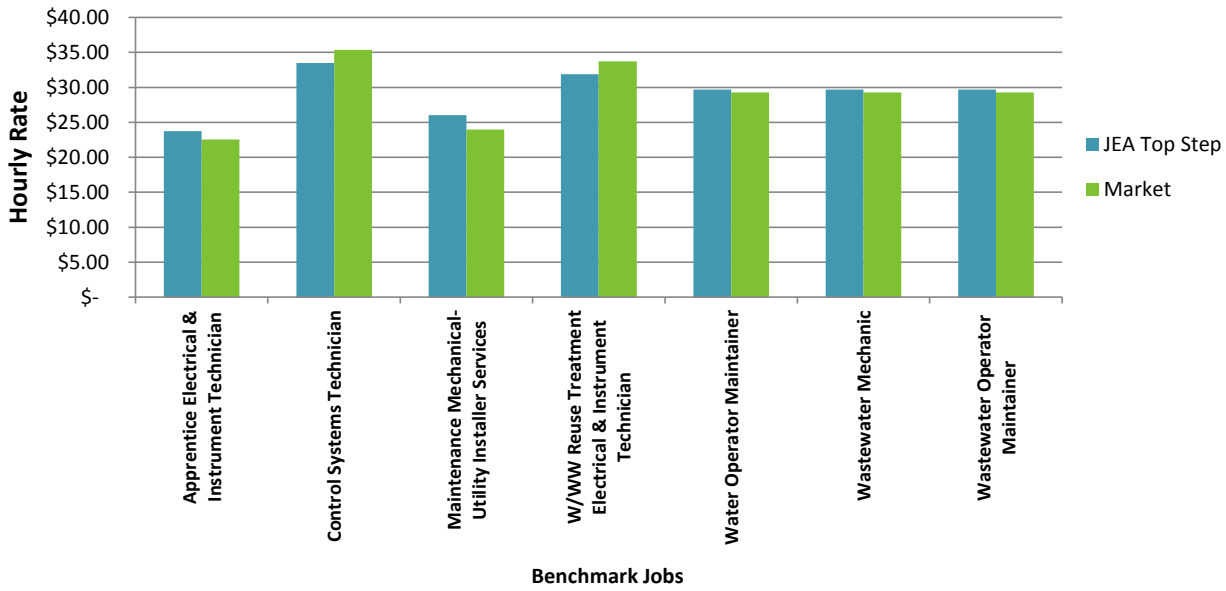


<u>Job Title</u>	<u>JEA Top Step</u>	<u>Market</u>	<u>Compared to Market</u>
Operating Engineer	\$ 40.97	\$ 41.34	At Market
Substation Foreman	\$ 40.97	\$ 40.47	At Market
Meter Working Foreman	\$ 39.02	\$ 37.60	At Market
W/WW Reuse Treatment Maintenance Coordinator	\$ 39.02	\$ 36.67	At Market
C&M Working Foreman	\$ 39.02	\$ 35.71	At Market
Unit Operator	\$ 35.38	\$ 38.73	At Market
Meter Specialist Foreman	\$ 35.38	\$ 34.94	At Market
GIS CAD Technician III	\$ 33.70	\$ 33.83	At Market
Land Surveyor Senior	\$ 28.14	\$ 30.22	At Market
Arborist	\$ 28.14	\$ 26.70	At Market

The five (5) market data sources used included:

- Florida Municipals (2)  
City of Tallahassee, City of Lakeland
- Florida Utilities (1)  
Gainesville Regional Utility
- National (2)  
CompData, Towers Watson Energy

## 2015 LIUNA Market Analysis



<u>Job Title</u>	<u>JEA Top Step</u>	<u>Market</u>	<u>Compared to Market</u>
Apprentice Electrical & Instrument Technician	\$ 23.74	\$ 22.56	At Market
Control Systems Technician	\$ 33.48	\$ 35.35	At Market
Maintenance Mechanical-Utility Installer Services	\$ 26.03	\$ 23.98	At Market
W/WW Reuse Treatment Electrical & Instrument Technician	\$ 31.89	\$ 33.72	At Market
Water Operator Maintainer	\$ 29.66	\$ 29.26	At Market
Wastewater Mechanic	\$ 29.66	\$ 29.26	At Market
Wastewater Operator Maintainer	\$ 29.66	\$ 29.26	At Market

Benchmark data was obtained from:

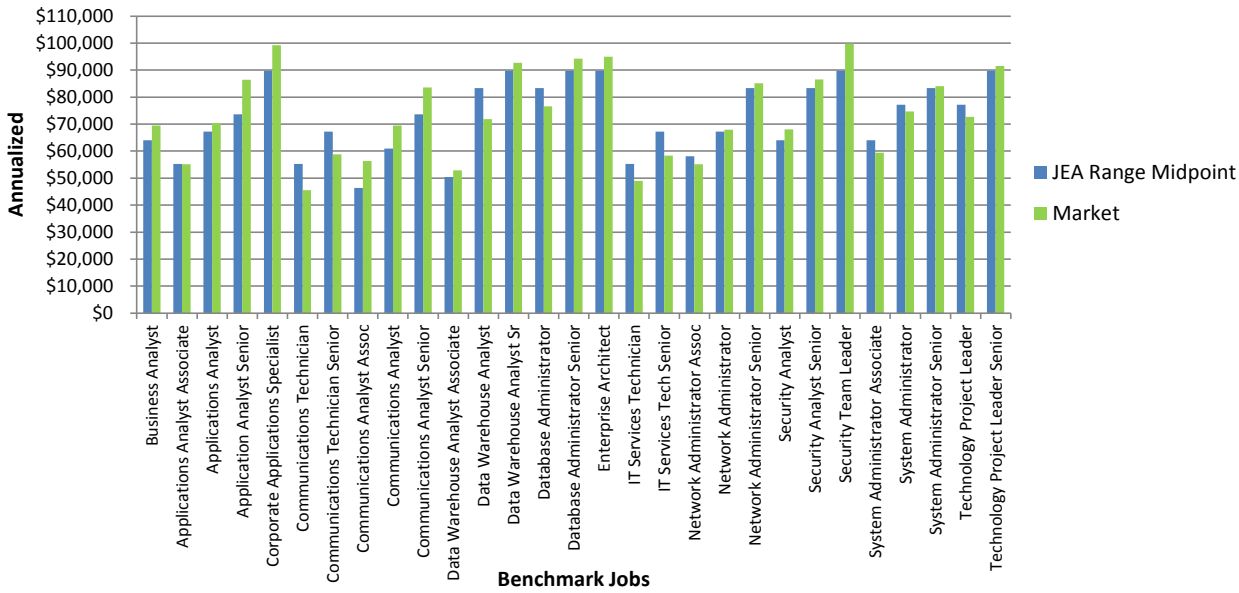
- Six (6) Florida Municipal Water and Wastewater Utilities and
- Two Confidential Water Surveys:  
 2014 Data Information Solutions Technical, Craft & Clerical Survey  
 2014 American Water Works Association, Large Water and Wastewater Utilities

Specifically, the Florida Municipal Water and Wastewater Utilities data sources were:

- City of Ocala
- Miami Dade County
- Orange County
- Seminole County
- Tallahassee
- Gainesville Regional Utility

## 2015 PEA Market Analysis - Technology Jobs

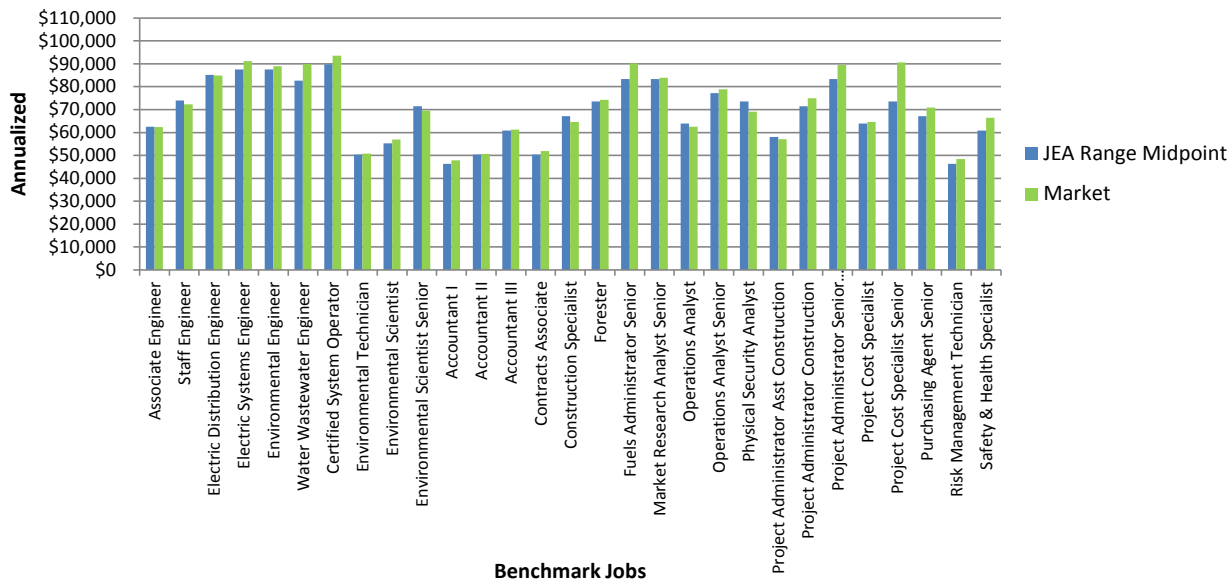
(Chart 1 of 2)



<u>Job Title</u>	<u>JEA Range Midpoint</u>	<u>Market</u>	<u>Compared to Market</u>
<b>Business Analyst</b>	\$63,996	\$69,477	At Market
<b>Applications Analyst Associate</b>	\$55,219	\$55,195	At Market
<b>Applications Analyst</b>	\$67,194	\$70,458	At Market
<b>Application Analyst Senior</b>	\$73,572	\$86,450	Below Market
<b>Corporate Applications Specialist</b>	\$89,757	\$99,180	At Market
<b>Communications Technician</b>	\$55,219	\$45,505	Above Market
<b>Communications Technician Senior</b>	\$67,194	\$58,805	Above Market
<b>Communications Analyst Assoc</b>	\$46,318	\$56,335	Below Market
<b>Communications Analyst</b>	\$60,904	\$69,477	Below Market
<b>Communications Analyst Senior</b>	\$73,572	\$83,632	Below Market
<b>Data Warehouse Analyst Associate</b>	\$50,351	\$52,915	At Market
<b>Data Warehouse Analyst</b>	\$83,397	\$71,868	Above Market
<b>Data Warehouse Analyst Sr</b>	\$89,757	\$92,720	At Market
<b>Database Administrator</b>	\$83,397	\$76,538	At Market
<b>Database Administrator Senior</b>	\$89,757	\$94,240	At Market
<b>Enterprise Architect</b>	\$89,757	\$94,968	At Market
<b>IT Services Technician</b>	\$55,219	\$48,988	Above Market
<b>IT Services Tech Senior</b>	\$67,194	\$58,393	Above Market
<b>Network Administrator Assoc</b>	\$58,063	\$55,195	At Market
<b>Network Administrator</b>	\$67,194	\$67,957	At Market
<b>Network Administrator Senior</b>	\$83,397	\$85,152	At Market
<b>Security Analyst</b>	\$63,996	\$68,020	At Market
<b>Security Analyst Senior</b>	\$83,397	\$86,545	At Market
<b>Security Team Leader</b>	\$89,757	\$99,845	Below Market
<b>System Administrator Associate</b>	\$63,996	\$59,375	At Market
<b>System Administrator</b>	\$77,232	\$74,670	At Market
<b>System Administrator Senior</b>	\$83,397	\$84,012	At Market
<b>Technology Project Leader</b>	\$77,232	\$72,723	At Market
<b>Technology Project Leader Senior</b>	\$89,757	\$91,485	At Market

## 2015 PEA Market Analysis - Engineering & Other Professional

(Chart 2 of 2)



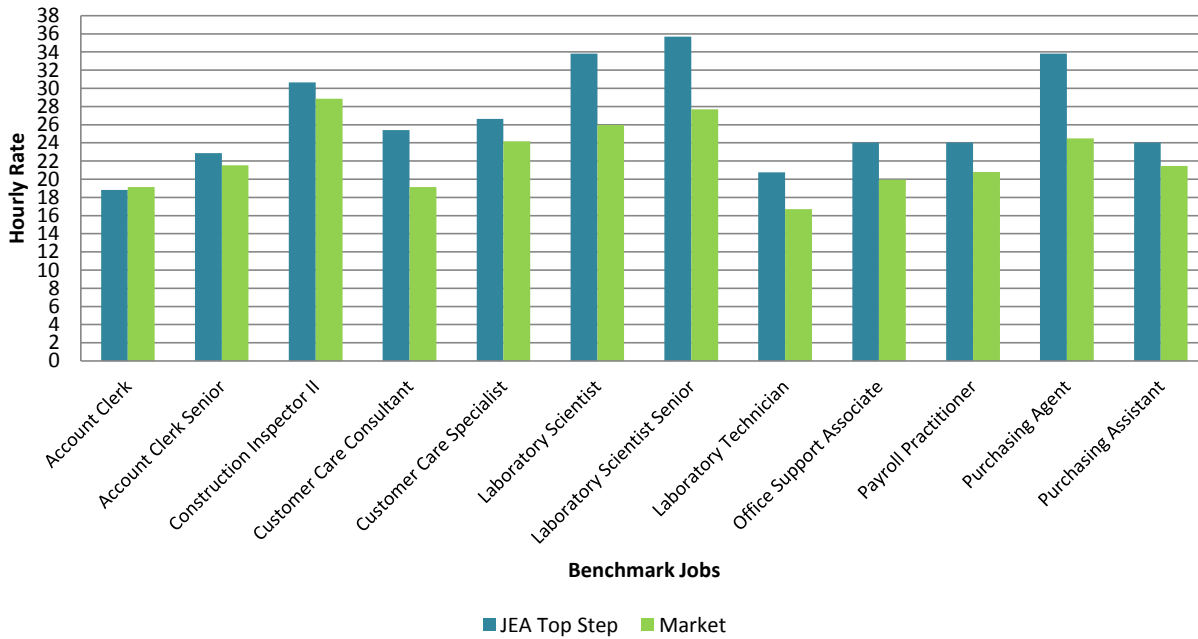
<u>Job Title</u>	<u>JEA Range Midpoint</u>	<u>Market</u>	<u>Compared to Market</u>
Associate Engineer	\$62,500	\$62,368	At Market
Staff Engineer	\$74,000	\$72,343	At Market
Electric Distribution Engineer	\$85,100	\$84,930	At Market
Electric Systems Engineer	\$87,500	\$91,200	At Market
Environmental Engineer	\$87,500	\$88,898	At Market
Water Wastewater Engineer	\$82,638	\$89,866	At Market
Certified System Operator	\$89,757	\$93,518	At Market
Environmental Technician	\$50,351	\$50,825	At Market
Environmental Scientist	\$55,219	\$57,000	At Market
Environmental Scientist Senior	\$71,475	\$69,477	At Market
Accountant I	\$46,318	\$47,912	At Market
Accountant II	\$50,351	\$50,667	At Market
Accountant III	\$60,904	\$61,212	At Market
Contracts Associate	\$50,351	\$51,870	At Market
Construction Specialist	\$67,194	\$64,600	At Market
Forester	\$73,572	\$74,290	Above Market
Fuels Administrator Senior	\$83,397	\$90,151	At Market
Market Research Analyst Senior	\$83,397	\$83,980	At Market
Operations Analyst	\$63,996	\$62,558	At Market
Operations Analyst Senior	\$77,232	\$78,945	At Market
Physical Security Analyst	\$73,572	\$69,106	Above Market
Project Administrator Asst Construction	\$58,063	\$57,095	At Market
Project Administrator Construction	\$71,475	\$75,017	At Market
Project Administrator Senior Construction	\$83,397	\$89,431	At Market
Project Cost Specialist	\$63,996	\$64,600	At Market
Project Cost Specialist Senior	\$73,572	\$90,630	Below Market
Purchasing Agent Senior	\$67,194	\$70,870	At Market
Risk Management Technician	\$46,318	\$48,355	At Market
Safety & Health Specialist	\$60,904	\$66,405	At Market

Utilized market data for analysis to include, but not limited to:

Towers Watson General Industry  
 Towers Watson Energy  
 Mercer

Independent Energy Human Resources Association  
 American Public Power Association (APPA)  
 American Water Works Association (AWWA)

## 2015 AFSCME Market Analysis



<u>Job Title</u>	<u>JEA Range Midpoint</u>	<u>Market</u>	<u>Compared to Market</u>
Account Clerk	\$19	\$19	At Market
Account Clerk Senior	\$23	\$22	Above Market
Construction Inspector II	\$31	\$29	At Market
Customer Care Consultant	\$25	\$19	Above Market
Customer Care Specialist	\$27	\$24	Above Market
Laboratory Scientist	\$34	\$26	Above Market
Laboratory Scientist Senior	\$36	\$28	Above Market
Laboratory Technician	\$21	\$17	Above Market
Office Support Associate	\$24	\$20	Above Market
Payroll Practitioner	\$24	\$21	Above Market
Purchasing Agent	\$34	\$24	Above Market
Purchasing Assistant	\$24	\$21	Above Market

This sample was benchmarked using data from:

- Florida Municipals
- Florida Utilities
- National salary survey sources

The fifteen (15) market data sources used included:

- Florida Municipals (7)

City of Lakeland, City of Ocala, City of Orlando, City of St. Petersburg, City of Tallahassee, Daytona Beach, Hillsborough County

- Florida Utilities (6)

Emerald Coast Utility Authority, Ft. Pierce Utility, Gainesville Regional Utility, Kissimmee Utility Authority, Orlando Utilities Commission, TOHO (Tallahassee) Water

- National (2)

Towers Watson Energy, Towers Watson General Industry



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### AGENDA ITEM SUMMARY

December 28, 2015

<b>SUBJECT:</b>	<b>FY2016 PAY FOR PERFORMANCE PLAN: GOALS AND COMPENSATION</b>
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<b>Purpose:</b>	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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**Issue:** Pay for Performance programs were introduced at JEA in 1990. The original program and successor programs have served to focus employees and managers on key enterprise-wide measures and objectives.

**Significance:** The current Pay for Performance program is supportive of JEA's strategic plan, with focus on Customer Satisfaction, Safety and Costs. The program is one way to engage and energize the entire workforce around JEA's strategic objectives.

**Effect:** The entire JEA workforce is eligible to qualify for the program.

**Cost or Benefit:** This program is designed to incent employees to achieve established goals, as well as to focus on being "good stewards" of resources, which in turn maximizes value to customers. A payout may only occur if the actual corporate savings minus the earned payout equals or exceeds the amount of any payout. If the organization achieves all company and individual goals, the targeted payout is between 3.3% and 4.8% of salaries.

**Recommended Board action:** Submitted to the Board for discussion, consideration, and possible action, such as:

- Approve the FY2016 Pay for Performance Program which incorporates changes from the FY2015 plan including:
  - a. removing any payout for less than 100% achievement
  - b. lowering cost targets to prior years' actual and
  - c. reducing targeted pay maximums for ELT and SLT

**For additional information, contact:** Angelia R. Hiers, Chief Human Resource Officer, 665-4747

Submitted by: PEM/ARH/PLM

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Energizing our community through high-value energy and water solutions.	JEA is a premier service provider, valued asset and vital partner in advancing our community.	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Service</li> <li>• Growth?</li> <li>• Accountability</li> <li>• Integrity</li> </ul>

#### Commitments to Action

- 1** Earn Customer Loyalty
- 2** Deliver Business Excellence
- 3** Develop an Unbeatable Team





**INTER-OFFICE MEMORANDUM**

December 28, 2015

**SUBJECT: FY2016 PAY FOR PERFORMANCE PLAN: GOALS AND COMPENSATION**

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**FROM:** Paul E. McElroy, Managing Director/CEO

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**TO:** JEA Compensation Committee

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Delores Kesler, Chair  
Tom Petway  
Kelly Flanagan

**BACKGROUND:**

Pay for Performance Programs were introduced at JEA in 1990. The original program and successor programs have successfully served to focus employees and managers on key corporate measures and objectives, as well as to push the organization toward a continuous improvement culture with resulting operational excellence. Since its reinstatement in 2012, following a brief suspension of the program in 2007 due to the economic downturn, the program has continued to incent employees to pursue operational excellence.

As has always been the case at JEA, the program utilizes shared savings to fund the cost of the program. In other words, JEA shared a portion of the savings produced by employees' superior performance, with the employees who produced the savings.

**DISCUSSION:**

The primary purpose of the pay for performance program is to incent exceptional performance as measured against pre-established goals. These goals will serve to drive both individual and collective focus on important metrics. In FY2016, JEA will continue to focus on the company's strategic initiatives and areas of focus. It is, therefore, recommended that the company continue to focus on five key metrics: Customer Satisfaction, Safety, and Cost per unit of Electricity delivered (Kwh), Cost per unit of Water delivered (Kgal) and Cost per unit of Wastewater collected (Kgal). Exceptional performance in these five metrics clearly furthers JEA's business objectives: keeping employees safe, while delivering essential utility services to our customers in a cost effective and customer friendly manner.

The FY2016 program consists of two performance components, 50% company performance for all employees, and for appointed and managerial employees an additional 50% for individual performance. Pre-defined thresholds of performance for both components must be met in order to receive a payout. This type of pay for performance plan is commensurate with the market and the organization's ability to remain competitive with the local market as well as to attract and retain talent.

1. Customer Satisfaction

- JEA has elected to measure customer satisfaction using the JD Power Residential Electric Industry Customer Satisfaction Survey, Total Industry.

- JEA FY15 performance improved from the third quartile, to an unprecedented, first quartile for residential customer satisfaction, and continues to improve in the first quartile for the commercial markets.
- JEA FY16 customer satisfaction goal is to maintain, lower 25% of first quartile JDP residential survey while improving at least one position.

## 2. Safety

- JEA believes that our employees are our greatest asset. We continue to emphasize safety as a part of everything we do. This continued focus on safety has resulted in JEA maintaining an OSHA recordable incident rate (RIR) for the year (FY15) well below the current average for Public Sector Utilities of 6.1 injuries per 100 employees (RIR of 6.1).
- The safety performance goal for FY16 is to improve to an RIR of 1.2. The company's Plan for Zero campaign focused on a renewed safety commitment for FY2016. JEA achieved a final RIR of 1.56 in FY2015.

## 3. Cost Control

- JEA is committed to holding firm on production costs, as well as, product and service delivery costs, for services delivered, recognizing its impact on our valued customers and their perception of JEA as a contributing community citizen. Wise budget management by each employee, working more effectively and efficiently, and using resources and materials prudently continues to better position JEA to control and reduce the cost of essential utility services.

- Cost per unit of Electricity delivered (Kwh): No increase from FY15 baseline of \$49.44
- Cost per unit of Water delivered (Kgal): No increase from FY15 baseline of \$3.98
- Cost per unit of Wastewater (Kgal): No increase from FY15 baseline of \$7.26

Attached are the recommended targets and commensurate payout levels for the FY16 Customer Satisfaction, Safety and Cost Control metrics. A payout may only occur if the actual corporate savings minus the earned payout equals or exceeds the amount of any payout and there is sufficient increased operating cash flow to cover any payout.

Total Corporate Savings - Performance Payout ≥ Performance Payout.

\$25.8M Corporate Savings - \$5.5M ≥ \$5.5M

Payouts will be awarded following an audit of FY16 year end results. If JEA employees achieve a meets in all five goal categories, the estimated payout would be \$4,600,000 or 3.3% of base pay. If performance is exemplary in all five goal categories, the maximum estimated payout would be \$6,700,000 or 4.8% of base pay.

### **RECOMMENDATION:**

Submitted to the Board for discussion, consideration, and possible action, such as:

- Approve the FY2016 Pay for Performance Program which incorporates changes from the FY2015 plan including:
  - a. removing any payout for less than 100% achievement
  - b. lowering cost targets to prior years' actual and
  - c. reducing targeted pay maximums for ELT and SLT

\_\_\_\_\_  
Paul E. McElroy, Managing Director/CEO

PEM/ARH



## FY 2016 Performance Program Summary

### Summary of Corporate Performance Factors v2

#### Safety

OSHA Recordable Incident Rate (RIR)

FY12 Results: 1.48 RIR

FY13 Results: 1.78 RIR

FY14 Results: 2.4 RIR

FY15 Results: 1.56 RIR

FY16 Goal: 1.2  $\geq$  RIR

RIR		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
RIR > 1.2	Below	\$0	\$0	\$0	\$0	\$0	\$0
1.2 $\geq$ RIR > 1.1	Meets	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
1.1 $\geq$ RIR > 1.0	Exceeds	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
.99 $\geq$ RIR	Exemplary	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

#### Customer Satisfaction

JD Power Residential Electric Industry Customer Satisfaction Survey: Total Industry

FY12 Results: No Metric for Customer Satisfaction

FY13 Results: Top of the Third Quartile

FY14 Results: Top 25% of the Third Quartile

FY15 Results: First Quartile

FY16 Goal: Bottom 25% of 1st Quartile

SURVEY RANKING		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Top 25% of second quartile	Below	\$0	\$0	\$0	\$0	\$0	\$0
Bottom 25% of first quartile > 2015	Meets	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Bottom 26% - 49% of first quartile	Exceeds	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
Top 26% - 50% of first quartile	Exemplary	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

#### Cost Control: Electric Mwh

Cost per Mwh

FY12 Baseline: \$54.73

FY13 Results: \$53.92

FY14 Results: \$49.81

FY15 Results: \$49.44

FY16 Goal: \$49.44

COST/Mwh		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$49.44	Below	\$0	\$0	\$0	\$0	\$0	\$0
\$49.44 $\geq$ cost $\geq$ \$48.94	Meets	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
\$48.94 > cost $\geq$ \$48.44	Exceeds	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
\$48.43 > cost	Exemplary	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Cost Control: Water Kgal**

Cost per Kgal

FY12 Baseline: \$4.47

FY13 Results: \$4.49

FY14 Results: \$4.07

FY15 Results: \$3.98

FY16 Goal: \$3.98

COST/KGL		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$3.98	Below	\$0	\$0	\$0	\$0	\$0	\$0
\$3.98 ≥ cost ≥ \$3.91	Meets	\$150	\$300	\$425	\$500	\$690	\$815
\$3.91 > cost ≥ \$3.84	Exceeds	\$200	\$400	\$565	\$665	\$920	\$1,085
\$3.84 > cost	Exemplary	\$250	\$500	\$705	\$835	\$1,150	\$1,355

**Cost Control: Wastewater Kgal**

Cost per Kgal

FY12 Baseline: \$7.96

FY13 Results: \$7.53

FY14 Results: \$7.34

FY15 Results: \$7.26

FY16 Goal: \$7.26

COST/KGL		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$7.26	Below	\$0	\$0	\$0	\$0	\$0	\$0
\$7.26 ≥ cost ≥ \$7.16	Meets	\$150	\$300	\$425	\$500	\$690	\$815
\$7.16 > cost ≥ \$7.06	Exceeds	\$200	\$400	\$565	\$665	\$920	\$1,085
\$7.06 > cost	Exemplary	\$250	\$500	\$705	\$835	\$1,150	\$1,355

## Example Overall Payout Opportunity at Meets

### Example of FY 16 Payout: Company Performance<sup>1</sup>

JEA Actual Payout	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Safety	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Customer Satisfaction	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Cost Control: Electric	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Cost Control: Water	\$150	\$300	\$425	\$500	\$690	\$815
Cost Control: Wasterwater	\$150	\$300	\$425	\$500	\$690	\$815
<b>Total Estimated Payout for Corporate Results</b>	<b>\$1,200</b>	<b>\$2,400</b>	<b>\$3,400</b>	<b>\$4,000</b>	<b>\$5,505</b>	<b>\$6,505</b>

<sup>1</sup>Corporate Results for Managerial / Appointed employees comprises 50% of overall incentive opportunity

### Appointed / Managerial:

### Example of FY 16 Appointed / Managerial Individual Performance Opportunity<sup>2</sup>

Employee Performance	Grade E	Grade F	Grade G	Grade H	Grade I	Grade J	Grade K
Below	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meets	\$1,100	\$1,600	\$2,200	\$3,400	\$4,000	\$5,500	\$6,500
Exceeds	\$1,155	\$1,680	\$2,310	\$3,570	\$4,200	\$5,775	\$6,825
Exemplary	\$1,210	\$1,760	\$2,420	\$3,740	\$4,400	\$6,050	\$7,150

<sup>2</sup>Individual Performance Results for Appointed / Managerial employees comprises 50% of overall incentive opportunity

## Total Estimated Cost for FY 2016 Pay for Performance Program

### Payout Potential - JEA Goal Thresholds Are Met & Employee Performance is Satisfactory

SLT*	No. Emp. 8	\$119,608	The total amount represents 3.3% of salaries
Appointed	No. Emp. 341	\$2,517,505	
Non appointed	No. Emp. 1595	\$1,914,000	
<b>Total</b>	No. Emp. 1910	<b>\$4,561,547</b>	

### Payout Potential - JEA Goal Thresholds Are Exceeded & Employee Performance is Satisfactory

SLT*	No. Emp. 8	\$134,559	The total amount represents 4.1% of salaries
Appointed	No. Emp. 341	\$2,939,215	
Non appointed	No. Emp. 1595	\$2,552,000	
<b>Total</b>	No. Emp. 1910	<b>\$5,686,250</b>	

### Payout Potential - JEA Goal Thresholds Are Exemplary & Employee Performance is Satisfactory

SLT*	No. Emp. 8	\$153,500	The total amount represents 4.8% of salaries
Appointed	No. Emp. 341	\$3,380,090	
Non appointed	No. Emp. 1595	\$3,190,000	
<b>Total</b>	No. Emp. 1910	<b>\$6,746,755</b>	

\*SLT Pay for Performance is based on the achievement of corporate and individual performance metrics. The payout opportunities are determined as a percent of base salary.

NOTE: All performance payouts are subject to JEA's ability to pay as determined by JEA's Board of Directors with input from JEA's Finance group, and minimum individual



## FY 2016 Performance Program Summary

### Summary of Corporate Performance Factors v2

#### Safety

OSHA Recordable Incident Rate (RIR)

FY12 Results: 1.48 RIR

FY13 Results: 1.78 RIR

FY14 Results: 2.4 RIR

FY15 Results: 1.56 RIR

FY16 Goal: 1.2  $\geq$  RIR

RIR		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
RIR > 1.2	Below	0%	0%	0%	0%	0%	0%
1.2 $\geq$ RIR > 1.1	Meets	.3 - 1.0%	.7 - 1.2%	.7 - 1.2%	.8 - 1.2%	.9 - 1.4%	1.1 - 1.3%
1.1 $\geq$ RIR > 1.0	Exceeds	.4 - 1.4%	.9 - 1.6%	.9 - 1.5%	1.1 - 1.6%	1.2 - 1.8%	1.4 - 1.7%
.99 $\geq$ RIR	Exemplary	.4 - 1.7%	1.1 - 2.0%	1.2 - 1.9%	1.4 - 2.0%	1.5 - 2.3%	1.8 - 2.1%

#### Customer Satisfaction

JD Power Residential Electric Industry Customer Satisfaction Survey: Total Industry

FY12 Results: No Metric for Customer Satisfaction

FY13 Results: Top of the Third Quartile

FY14 Results: Top 25% of the Third Quartile

FY15 Results: First Quartile

FY16 Goal: Bottom 25% of 1st Quartile

SURVEY RANKING		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Top 25% of second quartile	Below	0%	0%	0%	0%	0%	0%
Bottom 25% of first quartile > 2015	Meets	.3 - 1.0%	.7 - 1.2%	.7 - 1.2%	.8 - 1.2%	.9 - 1.4%	1.1 - 1.3%
Bottom 26% - 49% of first quartile	Exceeds	.4 - 1.4%	.9 - 1.6%	.9 - 1.5%	1.1 - 1.6%	1.2 - 1.8%	1.4 - 1.7%
Top 26% - 50% of first quartile	Exemplary	.4 - 1.7%	1.1 - 2.0%	1.2 - 1.9%	1.4 - 2.0%	1.5 - 2.3%	1.8 - 2.1%

#### Cost Control: Electric Mwh

Cost per Mwh

FY12 Baseline: \$54.73

FY13 Results: \$53.92

FY14 Results: \$49.81

FY15 Results: \$49.44

FY16 Goal: \$49.44

COST/Mwh		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$49.44	Below	0%	0%	0%	0%	0%	0%
\$49.44 $\geq$ cost $\geq$ \$48.94	Meets	.3 - 1.0%	.7 - 1.2%	.7 - 1.2%	.8 - 1.2%	.9 - 1.4%	1.1 - 1.3%
\$48.94 > cost $\geq$ \$48.44	Exceeds	.4 - 1.4%	.9 - 1.6%	.9 - 1.5%	1.1 - 1.6%	1.2 - 1.8%	1.4 - 1.7%
\$48.43 > cost	Exemplary	.4 - 1.7%	1.1 - 2.0%	1.2 - 1.9%	1.4 - 2.0%	1.5 - 2.3%	1.8 - 2.1%

**Cost Control: Water Kgal**

Cost per Kgal

FY12 Baseline: \$4.47

FY13 Results: \$4.49

FY14 Results: \$4.07

FY15 Results: \$3.98

FY16 Goal: \$3.98

COST/KGL		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$3.98	Below	0%	0%	0%	0%	0%	0%
\$3.98 ≥ cost ≥ \$3.91	Meets	.1 - .5%	.3 - .6%	.4 - .6%	.4 - .6%	.4 - .7%	.5 - .6%
\$3.91 > cost ≥ \$3.84	Exceeds	.2 - .7%	.4 - .8%	.5 - .8%	.5 - .8%	.6 - .9%	.7 - .9%
\$3.84 > cost	Exemplary	.2 - .8%	.6 - 1.0%	.6 - 1.0%	.7 - 1.0%	.7 - 1.1%	.9 - 1.1%

**Cost Control: Wastewater Kgal**

Cost per Kgal

FY12 Baseline: \$7.96

FY13 Results: \$7.53

FY14 Results: \$7.34

FY15 Results: \$7.26

FY16 Goal: \$7.26

COST/KGL		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$7.26	Below	0%	0%	0%	0%	0%	0%
\$7.26 ≥ cost ≥ \$7.16	Meets	.1 - .5%	.3 - .6%	.4 - .6%	.4 - .6%	.4 - .7%	.5 - .6%
\$7.16 > cost ≥ \$7.06	Exceeds	.2 - .7%	.4 - .8%	.5 - .8%	.5 - .8%	.6 - .9%	.7 - .9%
\$7.06 > cost	Exemplary	.2 - .8%	.6 - 1.0%	.6 - 1.0%	.7 - 1.0%	.7 - 1.1%	.9 - 1.1%

## Example Overall Payout Opportunity at Meets

### Example of FY 16 Payout: Company Performance<sup>1</sup>

JEA Actual Payout	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Safety	.3 - 1.0%	.7 - 1.2%	.7 - 1.2%	.8 - 1.2%	.9 - 1.4%	1.1 - 1.3%
Customer Satisfaction	.3 - 1.0%	.7 - 1.2%	.7 - 1.2%	.8 - 1.2%	.9 - 1.4%	1.1 - 1.3%
Cost Control: Electric	.3 - 1.0%	.7 - 1.2%	.7 - 1.2%	.8 - 1.2%	.9 - 1.4%	1.1 - 1.3%
Cost Control: Water	.1 - .5%	.3 - .6%	.4 - .6%	.4 - .6%	.4 - .6%	.5 - .6%
Cost Control: Wasterwater	.1 - .5%	.3 - .6%	.4 - .6%	.4 - .6%	.4 - .6%	.5 - .6%
<b>Total Estimated Payout for Corporate Results</b>	<b>1.1 - 4.1%</b>	<b>2.7 - 4.8%</b>	<b>2.8 - 4.6%</b>	<b>3.3 - 4.7%</b>	<b>3.5 - 5.4%</b>	<b>4.3 - 5.1%</b>

<sup>1</sup>Corporate Results for Managerial / Appointed employees comprises 50% of overall incentive opportunity

### Appointed / Managerial:

### Example of FY 16 Appointed / Managerial Individual Performance Opportunity<sup>2</sup>

Employee Performance	Grade E	Grade F	Grade G	Grade H	Grade I	Grade J	Grade K
Below	0%	0%	0%	0%	0%	0%	0%
Meets	1.8 - 2.1%	2.1 - 2.9%	2.4 - 3.4%	2.8 - 4.6%	3.3 - 4.7%	3.5 - 5.4%	4.2 - 5.1%
Exceeds	1.9 - 2.2%	2.2 - 3.0%	2.6 - 3.6%	3.0 - 4.9%	3.5 - 5.0%	3.7 - 5.7%	4.5 - 5.4%
Exemplary	2.0 - 2.3%	2.3 - 3.2%	2.7 - 3.8%	3.1 - 5.1%	3.6 - 5.2%	3.9 - 6.0%	4.7 - 5.6%

<sup>2</sup>Individual Performance Results for Appointed / Managerial employees comprises 50% of overall incentive opportunity

## Total Estimated Cost for FY 2016 Pay for Performance Program

### Payout Potential - JEA Goal Thresholds Are Met & Employee Performance is Satisfactory

	No. Emp.		
SLT*	8	\$119,608	The total amount represents 3.3% of salaries
Appointed	341	\$2,517,505	
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<b>Total</b>	<b>1910</b>	<b>\$4,561,547</b>	

### Payout Potential - JEA Goal Thresholds Are Exceeded & Employee Performance is Satisfactory

	No. Emp.		
SLT*	8	\$134,559	The total amount represents 4.1% of salaries
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<b>Total</b>	<b>1910</b>	<b>\$5,686,250</b>	

### Payout Potential - JEA Goal Thresholds Are Exemplary & Employee Performance is Satisfactory

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SLT*	8	\$153,500	The total amount represents 4.8% of salaries
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<b>Total</b>	<b>1910</b>	<b>\$6,746,755</b>	

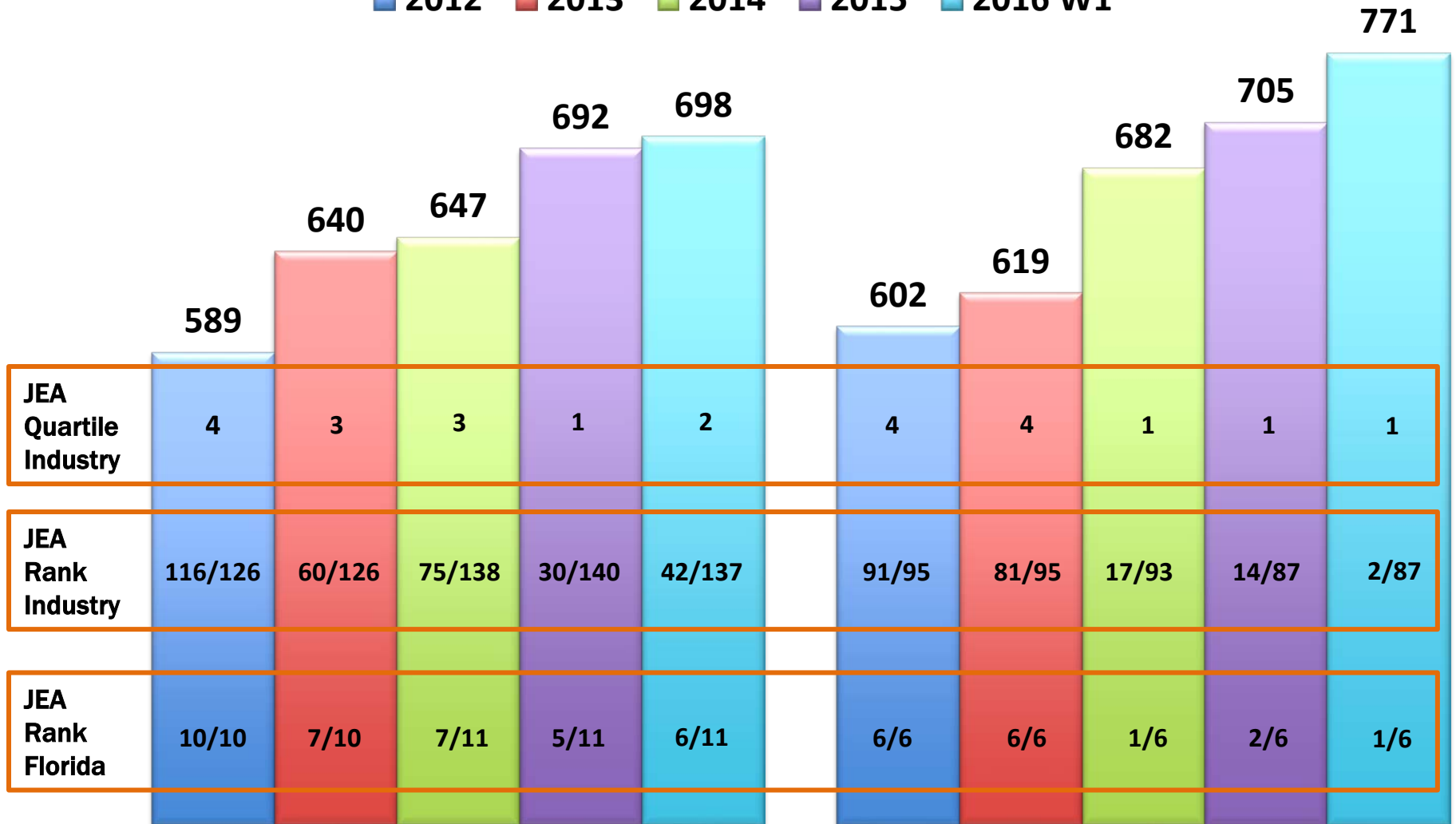
\*SLT Pay for Performance is based on the achievement of corporate and individual performance metrics. The payout opportunities are determined as a percent of base salary.

NOTE: All performance payouts are subject to JEA's ability to pay as determined by JEA's Board of Directors with input from JEA's Finance group, and minimum individual



# JEA's Customer Satisfaction Ranking

■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 W1



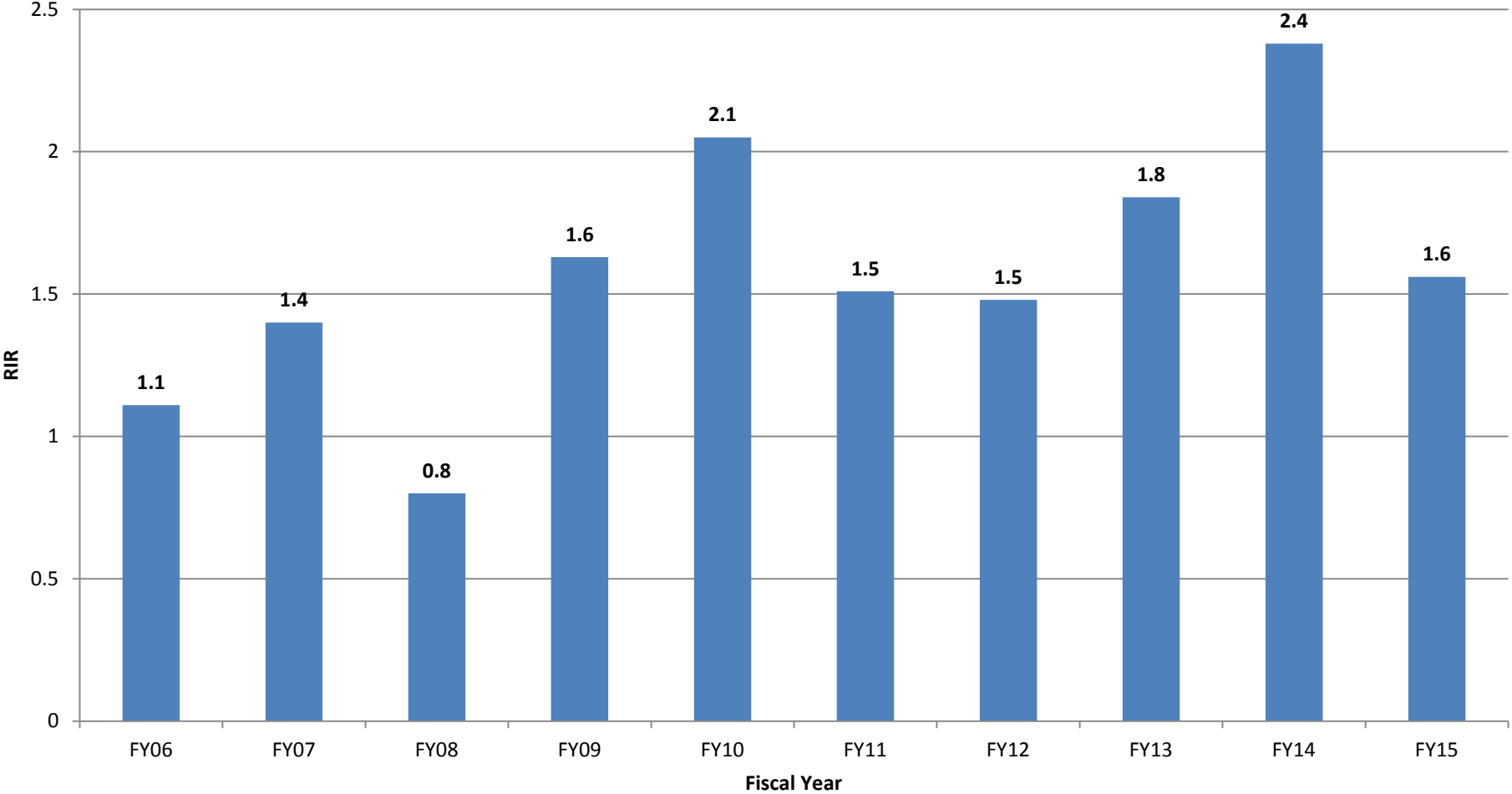
**Residential**

**Business**

Goal: 2016 1<sup>st</sup> Quartile Nationally

H. C.  
01/05/2016

## JEA Recordable Incident Rate (RIR) - Last 10 Years



**FY2016 Goal: 1.2**

\*Bureau of Labor Statistics  
\*\*Most Recent 2013 Avg

6.3 BLS\* Utilities (State and Local Government)\*\*  
5.48 American Public Power Association (APPA)  
2.1 BLS\* Utilities (Private Sector) \*\*

<b>Electric</b>	<b>Goal</b>	<b>Actual</b>
FY13	\$54.73	\$53.92
FY14	\$54.73	\$49.80
FY15	\$54.73	\$49.44
FY16	\$49.44	
<b>Water</b>	<b>Goal</b>	<b>Actual</b>
FY13	\$4.47	\$4.49
FY14	\$4.47	\$4.07
FY15	\$4.47	\$3.98
FY16	\$3.98	
<b>Sewer</b>	<b>Goal</b>	<b>Actual</b>
FY13	\$7.96	\$7.53
FY14	\$7.96	\$7.34
FY15	\$7.96	\$7.26
FY16	\$7.26	





Building Community

### AGENDA ITEM SUMMARY

I. D.  
01/05/2016

December 28, 2015

<b>SUBJECT:</b>	<b>FY2016 CEO GOALS</b>
-----------------	-------------------------

<b>Purpose:</b>	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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**Issue:** The CEO FY2016 goals were provided to the Board at the October 30 and November 30, 2015 Board Meetings for review and feedback. The Board Member's comments have been incorporated into the attached FY2016 CEO goals. This document is now being presented to the Board for approval, with the knowledge it may be amended by future Board action.

**Significance:** Consistent with prior years, the FY2016 CEO goals are primarily focused on executing JEA's strategic plan. In addition to providing leadership for JEA to achieve its mission, strive for its vision, and adhere to its values, the CEO will continue efforts to foster a cultural shift towards a more flexible organization.

**Effect:** The CEO's performance will be measured by the organization's performance in the strategic plan's three areas of focus: develop an unbeatable team, earn customer loyalty, and deliver business excellence.

**Cost or Benefit:** The CEO goals provide a framework for the overall goals of the organization.

**Recommended Board action:** It is requested the Board accept and approve the attached FY2016 CEO goals.

**For additional information, contact:** Melissa Charleroy 904-665-7313

Submitted by: PEM/MMC

<b>MISSION</b>	<b>VISION</b>	<b>VALUES</b>
		
Energizing our community through high-value energy and water solutions.	JEA is a premier service provider, valued asset and vital partner in advancing our community.	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Service</li> <li>• Growth<sup>2</sup></li> <li>• Accountability</li> <li>• Integrity</li> </ul>

#### Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



# FY2016 CEO Goals

II. D.  
01/05/2016

GOAL	WEIGHT	NEEDS IMPROVEMENT	MEETS REQUIREMENTS		EXCEEDS REQUIREMENTS	COMMENTS
			2	3		
Scale	%	1	2	3	4	
Exceed budgeted combined <sup>1</sup> annual net revenues (excluding weather contingency), per the "Schedules of Debt Service Coverage", this is a proxy for EBITDA (schedule and source documents attached)	14.3%					
Effectively execute the Capital Investment Plan or Capital Budget (schedule attached)	14.3%					
Improve utility reliability and environmental metrics, per the attached schedule and reported to the Board monthly	14.3%					
Achieve first quartile rankings for Residential and Commercial J.D. Power Customer Satisfaction Ratings	14.3%					
Improve employee satisfaction and engagement, as measured by an independent employee survey	14.3%					
Demonstrate significant progress on the Electric System revenue stabilization plan	14.3%					
Maintain positive and constructive relationships with all key stakeholders	14.2%					
<b>Total</b>	<b>100%</b>					

1. Please comment on any other aspect of the CEO's performance, including exceptional performance or other areas that require attention:

2. Please identify the three or four key areas facing the company that you would like the CEO to focus on in his objectives:

Strategic Focus:

Talent and Culture:

Other:

<sup>1</sup> Combined = Electric System plus Water and Sewer System plus District Energy

**FY2016 JEA Net Revenues Goal - Excluding Weather Contingency**

\$ in Millions	FY2016			FY2015	FY2014	FY2013
	<u>Actual</u>	<u>Goal</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Electric System		\$415.6	\$405.3	\$461.6	\$389.6	\$397.0
Water and Sewer System		\$288.7	\$273.8	\$278.5	\$281.7	\$276.8
District Energy System		\$3.7	\$3.5	\$3.9	\$3.9	\$3.4

**FY2016 JEA Capital Investment Plan/Budget Execution**

\$ in Millions	FY2016		FY2015	FY2014
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Electric System		\$153.2	\$116.7	\$86.2
Water and Sewer System		\$175.0	\$100.8	\$76.9
District Energy System		\$3.7	\$0.9	\$0.5

## FY2016 JEA Reliability and Environmental Metrics Goal

<u>Electric System</u>	<u>Improvement</u>		<u>Water and Sewer System</u>	<u>Improvement</u>	
	Yes	No		Yes	No
Customer Outage Frequency Experiencing More than 5 Outages in the Previous Year (CEMI <sub>5</sub> )			Unplanned Water Main Outages		
Customer Outage Duration			Water Distribution System Pressure		
Transmission Fault Frequency Index			Customer Response Time		
Fleet Forced Outage Rate			Consumptive Use Permits		
Reportable Environmental Events			Total Nitrogen Discharge		
			Sanitary Sewer Overflows		

Note: Assuming general reliability performance will remain consistent with the previous three years, CEMI<sub>5</sub> is perhaps the reliability index with the greatest impact on customer satisfaction.

\* Customers Experiencing Momentary Interruptions: 5 Times

### Electric Systems Reliability

- Customer Outage Frequency** – The number of extended outages (one minute or longer) experienced by the average JEA customer per year.
- Service Reliability** – The cumulative number of outage minutes experienced by the average JEA customer per year.
- CEMI<sub>5</sub>** – The percentage of JEA’s customers experiencing more than 5 extended outages (one minute or longer) in the last 12 months.
- Transmission Fault Frequency Index** – The number of transmission line faults experienced per 100 line miles in the last 12 months.
- Fleet Forced Outage Rate** - The amount of hours as a percentage of total hours, fiscal year-to-date, that JEA generators are not available and running when needed.
- Reportable Environmental Events REEs** - The number of environmental events that have occurred at power plants, fiscal year-to-date, that are reportable permit violations to FDEP and the EPA.

### Water and Sewer Systems Reliability

- Unplanned Water Main Outages**- # of Customers affected by unplanned water outages per year
- Water Distribution System Pressure** - Average minutes per month less than 30 psi across a total of 110 monitoring stations across the service area
- Customer Response Time** - Average annual minutes from a customer call to the ticket completion or transfer to a field crew for a more extensive repair
- Consumptive Use Permit (CUP)** - Meeting annual CY basis CUP requirements including Total System Limit and South Grid Wellfield Allocation Limits
- Total Nitrogen Discharge** - Amount of tons of Nitrogen discharged annually to the St. Johns River
- Sanitary Sewer Overflow** - # of annual sanitary sewer overflow events