

JEA
BOARD MINUTES
March 21, 2017

Revised April 18, 2017
per Tom Petway, Chair
Pro Tem

The JEA Board met in regular session on Tuesday, March 21, 2017, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Ed Burr, Delores Kesler, Frederick Newbill and Alan Howard. Kelly Flanagan and Husein Cumber were absent and excused.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 12:00 PM by Chair Petway.
- 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 Secretary Kesler.
- E. The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Chief Legal Officer, 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 – Presentations and Comments

- A. **Comments from the Public** – none
- B. **Council Liaison’s Comments** – Council Member Greg Anderson advised of two JEA items in current legislation: Ordinance 2017-171, which is the reappointment of Ed Burr to the JEA Board of Directors and Ordinance 2016-764, which corresponds to JEA Resolution 2017-29 on which the Board is voting to amend the JEA charter regarding frequency of Board meetings.
- C. **Office of the Mayor Liaison’s Comments** – Dr. Gaffney advised that the mayor appreciates the work and support of JEA during this year’s negotiations.
- D. **Nassau County’s Ex-Officio Representative’s Comments** – Mr. Mullin was not in attendance.
- E. **Resolution 2017-30 To Highlight and Support April as Florida’s Water Conservation Month** – Paul Steinbrecher, Director, Permitting & Regulatory Conformance, advised the Board of JEA’s water conservation activities and requested the Board approve a resolution showing JEA’s support of April as Florida’s Water Conservation Month. On **motion** by Secretary Kesler and second by Mr. Howard, Resolution 2017-30 was unanimously approved.

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. On **motion** by Vice Chair Burr and second by Secretary Kesler, item 1 on the Consent Agenda was unanimously approved and items 2 through 4 were received for information.
 - 1. Approval of Board Meeting Minutes February 21, 2017 – approved

2. Monthly JEA Financial Review & Statements – received for information
3. Monthly JEA Operations Report – received for information
4. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information

B. Strategic Discussions/Action

1. Resolution 2017-29 To Request That The City of Jacksonville Amend JEA Charter Regarding Board Meeting Requirements – Jody Brooks, Chief Legal Officer, presented a copy of the resolution to modify the language of JEA’s prior resolution to amend the JEA Charter regarding Board meeting frequency to generally once a month rather than monthly. On **motion** by Vice Chair Burr and second by Mr. Newbill, Resolution 2017-29 was unanimously approved.
2. JEA Supervisors Association, Inc. (JSA) Collective Bargaining Agreement – Paul McElroy, Managing Director/CEO, presented to the Board the ratified agreement between JEA and JSA and requested that the Board approve the agreement and its presentation to City Council. On **motion** by Secretary Kesler and second by Vice Chair Burr, the Board unanimously approved the ratified agreement between JEA and JSA.
3. American Federation of State, County and Municipal Employees (AFSCME) Council 79 Collective Bargaining Agreement – Paul McElroy, Managing Director/CEO, presented to the Board the ratified agreement between JEA and AFSCME and requested that the Board approve the agreement and its presentation to City Council. On **motion** by Vice Chair Burr and second by Secretary Kesler, the Board unanimously approved the ratified agreement between JEA and AFSCME.
4. JEA Disclosure Policies and Procedures – Review – Refresher – Jody Brooks, Chief Legal Officer, provided the Nixon Peabody refresher disclosure training to the Board, to support continued compliance with JEA’s disclosure policies and procedures. This item was received for information.
5. JEA FY2016 Annual Disclosure Reports – Jody Brooks, Chief Legal Officer, advised the Board of the draft annual disclosure reports that are available for their review. Prior to requesting approval at the April 18, 2017 Board meeting, staff has scheduled time for discussions with Board Members, if necessary. Ms. Brooks advised bond counsel is available for questions, and copies of the reports would be placed in their offices. This item was received for information.
6. Electric Generation Planning – Mike Brost, Vice President/General Manager, Electric Systems, presented information to the Board regarding the agreement with Florida Power & Light (FPL) to decommission the St. Johns River Power Park (SJRPP). FPL will pay JEA to terminate the Power Purchase Agreement (PPA) early and will be responsible for its pro-rata share of environmental remediation, pension and employee severance benefits. Mr. Brost acknowledged Melissa Dykes’ for her leadership on this project, her team for their work, Mary Guyton-Baker from Electric Systems, Mike Hightower and his team in Public Affairs and Angie Hiers and her team in Human Resources. Mr. Brost provided a history of SJRPP and its 50% decline in production since 2007. Mr. Brost commended the past and current SJRPP employees for their work and dedication. Mr. Brost provided the benefits of this transaction, the potential for economic development of the 1,500 acre site, the employee impact of the transaction and the risks and considerations of the entirety of

this project. Mr. Brost further advised the Board of the next steps, including filings with regulatory agencies and approval of definitive agreements. While this item was received for information, Mr. McElroy stated he would be executing a term-sheet for this transaction after the Board meeting.

7. Monthly Operational and Financial Review – Paul McElroy, Managing Director/Chief Executive Officer, presented the monthly review of JEA's operational and financial metrics for electric and water/wastewater services. This item was received for information.

C. Open Discussion

Chair Petway indicated it has been a pleasure to work with this Board, including Board Members not present, Ms. Flanagan and Mr. Cumber. Chair Petway also indicated that it has been a pleasure to work with CEO Paul McElroy and his executive staff. ~~humbling and surprising experience to work with JEA staff and to learn about the business.~~

D. Other New Business

1. Mr. McElroy provided the Board with an overview of the ratified agreement with the Professional Employees Association (PEA), which was received after the Board package had been completed. As with the previous bargaining unit agreements, it is requested that the Board approve the ratified agreement and its presentation to City Council. On **motion** by Secretary Kesler and second by Mr. Newbill, the item was unanimously approved.
2. Mr. McElroy presented the International Brotherhood of Electrical Workers (IBEW) had a tentative agreement with management, which was taken to vote and was rejected. Mr. McElroy advised the Board that a new tentative agreement was reached on Monday, March 20, 2017 and would be presented to the members for a vote on Thursday, March 23, 2017. Mr. McElroy indicated that it is requested if the agreement is ratified with its current wage increases, he be allowed to approve and forward to City Council on the Board's behalf. On **motion** by Vice Chair Burr and second by Mr. Newbill, the item was unanimously approved.
3. Mr. McElroy advised the Board of a tentative agreement with Laborers' International Union of North America (LIUNA), after a previously rejected agreement with the bargaining unit membership. Mr. McElroy requested that, if the agreement is ratified prior to the end of the city's legislative filing deadline of March 27, 2017, he be allowed to approve and forward to City Council on the Board's behalf. On **motion** by Vice Chair Burr and second by Secretary Kesler, the amended motion allowing Mr. McElroy to approve the plan as long as the cost remains at approximately \$4.2 million and to forward it to City Council.

E. Old Business – none

Agenda Item IV – Reports

- A. **Finance and Audit Committee Report** – Joe Orfano, Treasurer, reviewed the Finance & Audit Committee meeting of March 13, 2017, bringing items to the Board for review and approval.
 1. Approval of Minutes – December 1, 2016 – received for information

2. FY2018 Budget Assumptions – Ryan Wannemacher, Director, Financial Planning & Analysis reviewed the key strategic issues, risks, major challenges and assumptions for the FY2018 budget and advised the Board that the information provided did not include results from the SJRPP plant closure but that the final budget would reflect changes.
 3. JEA Annual Disclosure Policy Report – received for information
 4. Ernst & Young FY2016 Revised Management Letter – received for information
 5. Audit Services
 - a. Quarterly ERM/Audit Update – received for information
 - b. Finance & Audit Committee Members – Self-Assessment Survey Questionnaire – received for information
 6. Cyber Security Activities – received for information
 7. CIP Compliance Update – received for information
 8. Ethics Officer Report – received for information
 9. JEA Energy Market Risk Management Policy Report – received for information
 10. Resolution Determining the Sufficiency of Revenues – St. Johns River Power Park – Mr. Orfano presented the resolution for approval. Upon **motion** by Secretary Kesler and second by Mr. Newbill, the item was unanimously approved.
 11. Recap of Recent JEA Electric System Fixed Rate Debt Refunding Delegated Transactions – received for information
 12. Electric System and Water and Sewer System Reserve Fund Quarterly Report – received for information
 13. Announcements
 - a. Next Meeting – May 8, 2017, 8:00-10:00 AM
 14. Committee Discussion Sessions
 - a. Director, Audit Services
 - b. Ernst & Young
 - c. Council Auditor’s Office
- B. Nominating Committee Report – Tom Petway, Committee Chair**
1. Approval of Nominating Committee Minutes January 27, 2017 – upon **motion** by Vice Chair Burr and second by Mr. Howard, the item was unanimously approved.
 2. New Slate of Officers – Chair Petway presented the Board with the following slate of officers for approval, Ed Burr as Board Chair, Alan Howard as Vice Chair and Delores Kesler for a second term as Secretary – upon **motion** by Mr. Newbill and second by Secretary Kesler, the new slate of officers was unanimously approved.
- C. Managing Director/CEO’s Report**
1. Mr. McElroy thanked Mr. Petway for his service as Board Chair and indicated that he is looking forward to working with Mr. Burr.
 2. Mr. McElroy advised the Board that JEA is working with Nassau County assisting with their growth and planning for the future.

- 3. Mr. McElroy indicated that JEA may need to ramp up the One Water campaign to further advance water conservation.

D. Chair's Report – no additional information provided

Agenda Item V – Closing Considerations

A. Announcements – Next Board Meeting – April 18, 2017

B. Adjournment

With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 1:33 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock
Executive Assistant