

JEA
BOARD MINUTES
January 16, 2018

The JEA Board met in regular session on Tuesday, January 16, 2018, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Husein Cumber, and April Green. Frederick Newbill arrived at 12:19 pm. Dolores Kesler and Kelly Flanagan were absent and excused.

Agenda Item I – Welcome

Due to a lack of quorum at the start of the meeting, agenda items requiring approval were reordered within the agenda; however, the minutes reflect the original order of the agenda.

- A. The meeting was **called to order** at 12:03 PM by Chair Howard.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Chair Howard.
- D. **Adoption of Agenda** – The agenda was approved on **motion** by Husein Cumber and second by April Green.
- 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 – Presentations and Comments

- A. **Comments from the Public** –
 - 1. Todd Logsdon addressed the Board regarding funding options.
 - 2. John Nooney addressed the Board regarding The District.
- B. **Council Liaison’s Comments** – The Honorable Matt Schellenberg had no comments.
- C. **Office of the Mayor Liaison’s Comment** – Dr. Johnny Gaffney had no comments.

Board Member Newbill entered the meeting.

- D. **J. D. Power Business Customer Results** – Kerri Stewart, Chief Customer Officer, shared JEA received a record high score of 791, placing JEA in the 1st Quartile, 13th nationally out of 86 utilities, 2nd in the state of Florida and 5th in the South Mid-size category. Ms. Stewart added that JEA showed the most improvement in Billing & Payment (27 points), Communication (24 points), and Price (14 points). Of the six drivers of customer satisfaction, four were in the 1st Quartile out of 86 utilities nationwide with the Price driver on the cusp of the 1st Quartile and the Customer Service driver being firmly in the second Quartile. This presentation was provided for information.

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 Mr. Cumber and second by

Secretary Newbill, item 1 on the Consent Agenda was unanimously approved and items 2 through 5 were received for information.

1. Approval of Board Meeting Minutes December 12, 2017 – approved
2. Sole Source and Emergency Procurement/Procurement Appeals Board Report – received for information
3. Monthly JEA Financial Review & Statements – received for information
4. Monthly JEA Operations Report – received for information
5. Monthly FY18 Communications & Engagement Calendar and Plan Update – received for information

B. Strategic Discussions/Action

1. Recommendation to Call a Public Hearing to Modify the Water and Sewer Rate Document – Melissa Dykes, Chief Financial Officer, presented a request to call a public hearing to modify the Water and Sewer Rate Document to re-open the Limited Sewer rate to new large commercial sewer customers with sewer volume in excess of 1MGD who offer a positive economic impact to the community based on job creation and retention. On **motion** by Secretary Newbill and second by Mr. Cumber, Board Members held discussions and unanimously approved to call a public hearing to occur during the regularly scheduled Board Meeting on February 20, 2018.
2. Real Estate Purchase & Sale Agreement for Southside Generating Station (SGS) Property – Fifth Amendment Request by City of Jacksonville – Board Chair Howard introduced Michael Munz, co-owner, Elements of Jacksonville, LLC. Mr. Munz stated after additional discussions, Elements of Jacksonville proposes to revert back to the Fourth Amendment which provides for a Purchase and Sale (P&S) Agreement between Elements of Jacksonville, LLC and JEA with a closing date by July 16, 2018. On **motion** by Secretary Newbill and second by Ms. Green, Board Members held discussions and unanimously approved the modification of the P&S Agreement terms and delegated the execution of the documents to the Managing Director/CEO. Board Members came to a consensus that there should be no additional extensions.
3. CEO Contract Modification and Extension – Jody Brooks, Chief Legal Officer, presented at the direction of JEA Compensation Committee at the November 27, 2017 meeting, Chair Howard worked with Paul McElroy to modify and extend the CEO Employment Agreement. Ms. Brooks stated the proposed amended Employment Agreement removes the provision of an annual performance compensation incentive, provides an increased annual base salary, modifies the termination section to be consistent with Florida Statutes, adds a Change of Control section and extends the term an additional two years. Upon **motion** by Secretary Newbill and second by Ms. Green, Board Members held discussions. On **motion** by Mr. Cumber and second by Secretary Newbill, the Board unanimously approved to table discussions and schedule a Compensation Committee prior to the February 20, 2018 Board Meeting.
4. JEA Electric Distribution: Options for Storm Resiliency – Mike Brost, Vice President/General Manager, Electric Systems, provided a presentation on JEA's electric system including storm hardening, advantages and disadvantages of underground conversion, past and ongoing system improvements and plans for the future. This presentation was received for information.

- 5. Monthly Operational and Financial Review – 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 received for information.

C. Other New Business – none

D. Old Business – none

Agenda Item IV – Reports

A. Managing Director/CEO’s Report – Mr. McElroy thanked the Board for discussions on the CEO contract. Mr. McElroy stated this is a great reflection of the over 2,000 JEA employees.

B. Chair’s Report – Chair Howard had no additional comments.

Agenda Item V – Closing Considerations

A. Announcements – Next Board Meeting – February 20, 2018

B. Adjournment

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 1:32 PM.

APPROVED BY:

 SECRETARY
 DATE: _____

Board Meeting recorded by:

 Melissa M. Charleroy
 Executive Assistant