

JEA
BOARD MINUTES
March 20, 2018

The JEA Board met in regular session on Tuesday, March 20, 2018, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Husein Cumber, Kelly Flanagan, Frederick Newbill, April Green and Aaron Zahn.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 12:01 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 Mr. Cumber and second by Secretary Newbill.
- 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. Michael Barger addressed the Board regarding net metering.
 - 2. Thomas Bledsoe addressed the Board regarding net metering.
 - 3. Catherine Pierce addressed the Board regarding privatization.
- B. Council Liaison’s Comments** – The Honorable Matt Schellenberg thanked Chair Howard and the Board for hosting today’s workshop.
- C. Office of the Mayor Liaison’s Comment** – Dr. Johnny Gaffney was not in attendance.
- D. Recognition of JEA Employees** – Chair Howard postponed the recognition of JEA employees to the April 17, 2018 JEA Board Meeting. In honor of former Chair Tom Petway, Chair Howard read a resolution in appreciation for his lasting contributions to the JEA Board of Directors. On **motion** by Ms. Flanagan and second by Mr. Zahn, the resolution was unanimously adopted.

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 Ms. Flanagan and second by Secretary Newbill, items 1 and 2 on the Consent Agenda was unanimously approved and items 3 through 5 were received for information.
 - 1. Approval of Special City Council Meeting Minutes February 14, 2018 – approved
 - 2. Approval of Board Meeting Minutes February 20, 2018 – approved
 - 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. Annual Report on JEA’s Jacksonville Small & Emerging Business (JSEB) Program – John McCarthy, Senior Director, Supply Chain Management and Operations Support, provided a presentation highlighting the history of the program, annual spend percentages, FY17 highlights, program successes, current projects including septic tank phase out and JSEB outreach activities. This presentation was received for information.
2. JEA FY2017 Annual Disclosure Reports – Melissa Dykes, Chief Financial Officer, advised the Board of the draft annual disclosure reports that are available for their review and comment. Prior to requesting approval at the April 17, 2018 Board meeting, staff has scheduled time for discussions with Board Members, if necessary. Ms. Dykes stated copies of the reports would be placed in their offices. This item was received for information.
3. 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. Open Discussion – Board Members held discussions regarding the Managing Director/CEO contract. Chair Howard requested a Compensation Committee meeting be held before the April 17, 2018 Board Meeting.

D. Other New Business – Chair Howard welcomed new Board Member Aaron Zahn.

E. Old Business – none

Agenda Item IV – Reports

A. Finance and Audit Committee Report – Kelly Flanagan, Committee Chair reviewed the Finance and Audit Committee meeting held on March 12, 2018, bringing items to the Board for action and information.

1. Approval of Minutes – December 5, 2017 – received for information
2. FY2019 Budget Assumptions – received for information
3. JEA Annual Disclosure Policy Report – received for information
4. Dark Fiber Utility Services for the 21st Century Digital Utility – Committee Chair Flanagan called upon Paul Cosgrave, Chief Information Officer. Mr. Cosgrave provided an overview of dark fiber including the future state of the dark fiber business, benefits, financial projections, program governance and what JEA is not doing. On **motion** by Secretary Newbill and second by Ms. Flanagan, the Board unanimously approved Resolution #2018-01 authorizing JEA to invest in expansion and enhancement of the existing fiber optic network with the intention to lease dark fiber.
5. Quarterly Audit Services Update – received for information
6. Ethics Officer Quarterly Report – received for information
7. Treasury

- a. Electric System and Water and Sewer System Reserve Fund Quarterly Report – received for information
- b. Recap of Recent JEA Water and Sewer System and Electric System Fixed Rate Debt Refunding Delegated Transactions – received for information
8. JEA Energy Market Risk Management Policy Report – received for information
9. Announcements
 - a. Next Meeting, May 7, 2018, 8:00 – 10:00 AM
10. Committee Discussion Sessions
 - a. Ernest & Young – received for information
 - b. Director, Audit Services – received for information
 - c. Council Auditor’s Office – Council Auditor’s representative was not in attendance

B. Nominating Committee Report – Alan Howard, Committee Chair

1. JEA Board of Directors – Slate of Officers – Chair Howard presented the Board with the following slate of officers for approval, Alan Howard for a second term as Board Chair, Husein Cumber as Vice Chair, and Frederick Newbill for a second term as Secretary – upon **motion** by Ms. Flanagan and second by Secretary Newbill, the new slate of officers was unanimously approved.

C. Managing Director/CEO’s Report – Mr. McElroy provided an update on universal solar expansion and net metering stating that with the addition of 250 MW of solar and 10 - 12 MW of net metering, on top of the current 50 MW of solar, will place Jacksonville on the map as the city with the highest concentration of solar generating assets within its service territory. Additionally, with the historic closing of SJRPP, JEA has made a significant commitment to the environment with the reduction of CO₂.

D. Chair’s Report – Chair Howard stated the Board Meeting will adjourn and immediately begin the Board Workshop. Chair Howard stated that he and Mr. McElroy will make themselves available for questions from the media immediately following the workshop. Additionally all materials provided to the Special Committee on the Potential Sale of JEA will be made available on jea.com.

Agenda Item V – Closing Considerations

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

B. Adjournment

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 1:20 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Melissa M. Charleroy
Executive Assistant