

**JEA**  
**BOARD MINUTES**  
April 19, 2016

**The JEA Board met in regular session on Tuesday, April 19, 2016 on the 19<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Ed Burr, Delores Kesler, Husein Cumber, Kelly Flanagan and Warren Jones. Alan Howard was absent and excused.**

**Agenda Item I – Welcome**

- A.** The meeting was **called to order** at 12:06 PM by Chair Petway.
- B.** A **Moment of Reflection** was observed by all.
- C.** The **Pledge of Allegiance** was led by Mr. Petway.
- D.** **Adoption of Agenda** – The agenda was approved on **motion** by Ms. Kesler and second by Mr. Cumber.
- E.** The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.

*At the direction of the Chair, the 2016 FMEA Lineman Competition winners were recognized at this point; however, the minutes reflect the order of the agenda.*

- 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.
- G.** **2016 Florida Municipal Electric Association (FMEA) Lineman Competition** – AJ Smith, Manager, Distribution Electric, introduced JEA Journeymen Robert Hess, Clay Cook and Brian Gregg, as well as JEA Apprentice, Cody Stokes. JEA's journeyman team was awarded the State of Florida Journeyman Team Champs title for their performance at the March 12, 2016 FMEA Lineman Competition in Orlando, FL, competing against 21 other teams from across the state. Cody Stokes, JEA apprentice, won first place in the Hurtman Rescue and third place in the Pole Top Pin Insulator Change Out competition. The team went on to compete in Minnesota in freezing temperatures and winds of 30+ mph, to bring home the title American Public Power Association (APPA) Best Overall Journeyman Team. Mr. Smith presented a video demonstrating some of the various competitions that took place. Mr. Smith added that competing in these events provides the members of the team education and hands-on experience with the latest safety and industry equipment, as well as an opportunity to meet and learn from others in the industry. Mr. Smith reviewed the Water/Wastewater Competition to be held on April 25-26, 2016 and introduced Nate Rouse, Utilities C&M Crew Leader, one of the team captains from last year's Water/Wastewater competition. Mr. Petway thanked the teams for their hard work and acknowledged others who played a supporting role in these victories.

*Prior to the commencement of the Public Hearings, Mr. Petway introduced the Board Members and Mr. McElroy.*

**Agenda Item II – Public Hearing - I****Public Hearing to Add New Customer Rate Options and Implement Administrative Changes to the Electric Tariff Documentation**

Chair Petway suspended the JEA regular Board Meeting at 12:24 PM.

The JEA Board held a public hearing on April 19, 2016, as duly noticed in the Florida Times-Union to consider, as advertised:

1. Modification of the Electric Tariff Documentation creating a JEA SolarSmart Rider;
  2. Modification of the Electric Tariff Documentation modifying one and introducing four new street lighting options; and
  3. Administrative changes to the Electric Tariff Documentation.
- A. Call to Order and Comments from the Chair** – The Public Hearing was **called to order** at 12:24 PM by Chair Petway.
- B. Staff Presentation and Board Discussion** – Melissa Dykes, Chief Financial Officer, presented a summary of the proposed rate options, which were previously presented at the February 16, 2016 Board Meeting and the April 7, 2016 Board Workshop. Ms. Dykes provided an overview of JEA SolarSmart, which is an optional program for those customers that desire to utilize solar energy, but do not have the ability to do so individually. JEA SolarSmart would allow customers to allot a certain percentage of their energy use to be distributed from solar. JEA also proposed adding two additional standard decorative lighting options and two new LED lighting options for street lights, as well as removing an existing street light rate for an option that is no longer provided in the JEA service area. Ms. Dykes also advised there are two proposed administrative changes to the electric tariff, including a distributed generation application fee to recover engineering costs for large customer-owned distributed energy systems and a modification to the Economic Development Rider to allow these customers to participate in JEA SolarSmart.
- C. Comments from the Public** – Chair Petway called for comments from the public regarding the Public Hearing.
1. Barry Moline, PO Box 10114, Tallahassee, FL, addressed the Board regarding the JEA SolarSmart Program.
  2. Nick Brissey, 16138 Magnolia Grive Way, Jacksonville, FL 32218, addressed the Board regarding centralized vs. decentralized power provision.  
*With no further public comments, Chair Petway adjourned the Public Hearing at 12:32 PM. However, another member of the public wished to address the Board concerning this matter. The Public Hearing was readjusted at 12:33 PM.*
  3. Dave Brudderly, 1221 Molokai Road, Jacksonville, FL 32256 addressed the Board regarding rooftop rates and fuel rates.  
*With no further public comments, Chair Petway adjourned the Public Hearing at 12:38 PM.*

**Agenda Item III – Action on Public Hearing I**

**Public Hearing to Add New Customer Rate Options and Implement Administrative Changes to the Electric Tariff Documentation** – On motion by Mr. Cumber and second by Secretary Kesler, the Board unanimously adopted Resolution 2016-09 and its attachments to implement the JEA SolarSmart Program, make administrative changes including the addition of a Distributed Generation Application Fee and modify the Economic Development Program Rider; and implement two additional standard decorative lighting options, two new LED lighting options, and an edit and removal of an existing street light option, and authorized the staff to take any necessary administrative actions to implement the approved modifications as described in Exhibits II through VII as recommended by staff. Resolution 2016-09 and Exhibits II through VII are attached and made part of these minutes.

## RESOLUTION 2016-09

A RESOLUTION REGARDING RATE SCHEDULE CHANGES AND ADDITIONS TO THE EXISTING TARIFF DOCUMENTATION; CONDUCTING A PUBLIC HEARING AND FINDING THE MODIFICATION OF THE TARIFF DOCUMENTATION TO BE REASONABLE; IMPOSING THESE MODIFICATIONS FOLLOWING THE PUBLIC HEARING; PROVIDING FOR THE IMPLEMENTATION OF THESE MODIFICATIONS, AND PROVIDING FOR AN EFFECTIVE DATE.

*At the discretion of the Chair, The Honorable Bill Gulliford, Dr. Johnny Gaffney and Public Service Commissioner Art Graham were recognized at this point; however, the minutes reflect the original order of the agenda.*

**Agenda Item IV – Public Hearing - II****Public Hearing on Modification to the Net Metering and Distributed Generation Policies**

- A. Call to Order and Comments from the Chair** – Chair Petway called Public Hearing II to order at 12:40 PM.

The JEA Board held a Public Hearing on April 19, 2016, as duly noticed in the Florida Times-Union to consider, as advertised:

1. Modification of the Net Metering Policy; and
  2. Modification of the Distributed Generation Policy.
- B. Staff Presentation and Board Discussion** – Melissa Dykes, Chief Financial Officer, presented a plan similar to that at the February 16, 2016 Board Meeting and April 7, 2016 Board Workshop. Ms. Dykes provided an overview of net metering, reviewing JEA's current policy, the starting point for the new proposal and the current proposal, based on months of meetings with stakeholders, city leadership and customer focus groups. Ms. Dykes stated staff has created alternative proposals around the grandfathering of pricing, the capacity limit and implementation dates, to allow the Board flexibility in their decision-making. Ms. Dykes also advised the Board of two constitutional amendments that have been presented in the state of Florida. Floridians for Solar Choice's language was approved by the Supreme Court, but did not receive enough signatures to be placed on the ballot. The language for the constitutional

amendment Yes on 1 for the Sun was approved by the Supreme Court and received enough signatures to appear on the ballot. The amendment would protect the rights of consumers to own or lease equipment to provide solar energy to their own homes, while allowing state and local governments to protect other consumers from subsidizing the costs of backup power and the electric grid, and will appear on the November 2016 ballot.

**C. Comments from the Public** – Chair Petway called for comments from the public regarding the Public Hearing.

1. David Shacter, 1321 N. Main Street, Jacksonville, FL 32206, addressed the Board regarding net metering.
2. Wayne Dunn, 3730 Harbor Acres Lane, Jacksonville, FL 32257, addressed the Board regarding net metering.
3. Mark Gelco, 2638 Stonegate Drive, Jacksonville, FL 32223, addressed the Board regarding net metering.
4. Gerald West, 2742 Coachman Lakes Drive, Jacksonville, FL 32246 and 5936 Sheffield Rd, Jacksonville, FL 32226, addressed the Board regarding net metering.
5. Jonathan Fletcher, 4310 Ish Brant Court E., Jacksonville, FL 32210, addressed the Board regarding net metering.
6. Sean Smith, 3820 Oak Street, Jacksonville, FL 32205, addressed the Board regarding net metering.
7. Kim Jowers, 463688 State Road 200, Yulee, FL 32097, addressed the Board regarding net metering.
8. David Berkhausen, 94 Carlson Court, Ponte Vedra, FL 32081, addressed the Board regarding net metering.
9. Tom Larson, 887 Marshside Court, Jacksonville, FL 32250, addressed the Board regarding net metering.
10. Kevin Doyle, 76 N Laura Street, Jacksonville, FL 32202, addressed the Board regarding net metering.
11. Michael Barger, 10418 New Berlin Road, Jacksonville, FL 32226, addressed the Board regarding net metering.
12. Pete Wilking, 10418 New Berlin Road, Jacksonville, FL 32226, addressed the Board regarding net metering.
13. Victor LeTourneaut, 324 E. 3<sup>rd</sup> Street, Jacksonville, FL 32206, addressed the Board regarding net metering.
14. Jared Elliott, 12165 Cheyenne Trail, Jacksonville, FL 32226, addressed the Board regarding net metering.
15. Barry Moline, PO Box 10114, Tallahassee, FL 32302, addressed the Board regarding net metering.
16. Derek Porter, 13773 Chipperfield Lane, Jacksonville, FL 32226, addressed the Board regarding net metering.
17. Jim Schwed, 2937 Egret Walk Terrace South, Jacksonville, FL 32226, addressed the Board regarding net metering.

18. Jeff Winkler, 40 E. Adams Street, Jacksonville, FL 32202, addressed the Board regarding net metering.
19. Geoff Selhorst, 3719 Salisbury Road, Jacksonville, FL 32216, addressed the Board regarding net metering.
20. Mary Kay O'Rourke, 2404 Hubbard Street, Jacksonville, FL 32206, left the meeting prior to being called.
21. Margaret Conner, 135 E 3<sup>rd</sup>. Street, Jacksonville, FL 32206, addressed the Board regarding net metering.
22. Dr. Todd Sack, Borland-Groover Clinic, left the meeting prior to being called.
23. The Rodriguez Family, Springfield area, address not provided, addressed the Board regarding net metering.
24. Louis Molina, 1317 Hubbard Street, Jacksonville, FL 32206, addressed the Board regarding net metering.
25. Manny Jaime, 1227 North Liberty Street, Jacksonville, FL 32202, was unable to attend the meeting, but provided written comments regarding net metering. His comments are on file.

*With no further public comments, Chair Petway adjourned Public Hearing II at 1:59 PM.*

### **Agenda Item III – Action on Public Hearing II**

#### **Public Hearing on Modification to the Net Metering and Distributed Generation Policies**

At the request of the Chair, Mr. McElroy provided a summary of the information received and actions taken by JEA. Mr. McElroy indicated that JEA is committed to increasing its solar generation by 300% and allowing all JEA customers the opportunity to participate in solar. He advised the Board that JEA is broaching the subject now as the conversation is occurring across the world. He reminded the Board that a constitutional amendment will be on the November 2016 ballot. With that in mind, Mr. McElroy recommended that the Board defer action on this item until such time as the voters of Florida have decided and possibly until the Public Service Commission has weighed in on the voters' decision. On **motion** by Vice Chair Burr and second by Mr. Jones, the Board voted to defer this matter. While there was no timeframe given for the deferment, Board Members held discussions and recommended a decision be made as soon as possible after the November 2016 vote results.

### **Agenda Item IV– Presentations and Comments**

- A. **Council Liaison's Comments** – None
- B. **Office of the Mayor Liaison's Comments** – None
- C. **Nassau County's Ex-Officio Representative** – Mr. Mike Mullin was not in attendance.
- D. **Comments from the Public** – None

**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. Upon **motion** by Mr. Cumber and second by Vice Chair Burr, item 1 on the Consent Agenda was unanimously approved and items 2 through 5 were received for information.

1. Approval of Board Meeting Minutes March 15, 2016 – approved
2. Real Estate Acquisition Status Report – received for information
3. Monthly JEA Financial Statements – received for information
4. Monthly FY16 Communications & Engagement Calendar and Plan Update – received for information
5. Monthly JEA Operations Report – received for information

**B. Strategic Discussions/Action**

1. JEA FY2015 Annual Disclosure Reports – Melissa Dykes, Chief Financial Officer, presented Board Members with drafts of the Annual Disclosure Reports (ADR) for the fiscal year ended September 30, 2015 for the (i) Electric Utility System and (ii) the Water and Sewer System and District Energy System in March for comment, prior to requesting authorization and approval of the ADRs at this meeting. Ms. Dykes stated the filing and use of the ADR is required in order to comply with JEA's continuing disclosure undertakings for its bonds and various credit agreements. Ms. Dykes provided Board Members with non-substantive revisions to the March draft ADRs. On **motion** by Secretary Kesler and second by Mr. Cumber, the Board approved and authorized the filing and use of the Annual Disclosure Reports.
2. Bi-Monthly Finance Presentation – Melissa Dykes, Chief Financial Officer, provided a presentation highlighting key financial metrics and results of JEA's Electric and Water and Sewer systems ending March 31, 2016. Ms. Dykes advised the Board that this presentation and the Financial Statements provided in the Consent Agenda are part of JEA's Standard & Poor's scorecard indicating JEA's financial transparency. As a result of the leadership shown by the attendance of the Mayor Curry and City Council President Anderson at the presentation provided to the ratings agencies, the stability of having a firm understanding of JEA's contribution to the city and JEA's financial health, JEA's senior lien water & sewer credit rating was upgraded by Standard & Poor's to a AAA rating.
3. JEA Hurricane Readiness – Ed Dendor, Director Emergency Preparedness & Business Continuity, delivered a presentation outlining JEA's current state of hurricane readiness and how JEA will communicate its readiness to its customers. JEA has a dedicated team that was established in 2013 that works on JEA's emergency preparedness every day and has fully implemented the National Incident Management System (NIMS). NIMS is a national, comprehensive approach to incident management that provides a common organizational structure that is fully integrated with County, State and Federal agencies. JEA's Senior Leadership Team and employees have completed over 7,600 hours of NIMS training requirements. On May 16 – 20, 2016, JEA staff will participate in a statewide table top exercise with participants from agencies across all 67 counties in Florida. While simulating an actual hurricane, staff will test its skills on JEA's hurricane readiness, which includes response and restoration, standards of preparedness, financial cost and reimbursement, and communication. Mr. Dendor provided information on

communication methods to the Board and customers. Mr. Dendor informed Board Members that on June 1, 2016 they will receive an email highlighting the types of communications they could expect during a storm. This presentation was provided for information only.

4. Sole Source & Emergency Procurement/Procurement Appeals Board Report – John McCarthy, Director Supply Chain Management, presented the quarterly report to the Board for the quarter ending March 31, 2016. The report included aggregated data for all formal/informal sole source and emergency awards during the current and previous 3 years, with detailed information for each formal award over the past year. Mr. McCarthy reported a combined Sole Source/Emergency Procurement award percentage of .24% for the second quarter of FY2016. Mr. McCarthy noted there were no Procurement Appeals Board actions taken during the most recent quarter. This presentation 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 their participation in the Board Meeting and Public Hearings, and reviewed the following items:
  - 1) Mr. McElroy shared with the Board a copy of a guest column written by Dr. Todd Sack. Dr. Sack was in attendance at today's meeting and requested to speak, but had to leave prior to the public comment period. Mr. McElroy complimented Dr. Sack and thanked him for his guidance and commitment to improving our environment. Unfortunately, Dr. Sack's column stated that JEA failed to meet a 7.5 percent renewable energy goal. Mr. McElroy provided Board Members with information and calculations consistent with Dr. Sack's methodology and reference to a renewable goal which demonstrates that JEA has achieved a 15% renewable energy goal. A copy is on file.
  - 2) Mr. McElroy advised the Board that First Coast Connect, a local radio program, interviewed a representative from Groundswell, who issued a report regarding the inequity of the cost of electricity nationwide. According to the report, JEA was highest in the percentage of income paid for electricity by lower-income households. Mr. McElroy stated the report did not indicate that, nationwide, households are heated by other sources of energy, such as oil or gas. Yet, in Florida, heating is sourced by electricity. This increases the amount of electricity needed by lower-income households in Florida versus those nationwide. That said, this is a big concern for JEA, leading it to partner with local agencies to assist families impacted by this imbalance.
  - 3) Mr. McElroy shared the potential for news coverage regarding a Joint Dispatch agreement that JEA is entering into with Gainesville Regional Utility. The agreement will have mutual benefits in lowering costs. JEA is working on public records requests that have been generated as a result of the news coverage.
  - 4) Mr. McElroy recognized the linemen winning both the state and national lineman competitions. He also reiterated JEA is pleased that the senior lien water & sewer credit rating with Standard & Poor's was upgraded to AAA. JEA has received the

preliminary results for the 3<sup>rd</sup> wave of the J.D. Power Residential scores, which indicates JEA scored its highest ever with a raw score of 720. In addition, there will be some future news regarding an award for system reliability and safety success from APPA.

- B. Chair’s Report – Chair Petway thanked everyone for their hard work and participation in today’s meetings.

**Agenda Item V – Closing Considerations**

- A. **Announcements** – Next Board Meeting – May 17, 2016

- B. **Adjournment**

*With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 2:55 PM.*

APPROVED BY:

\_\_\_\_\_  
SECRETARY

DATE: \_\_\_\_\_

Board Meeting recorded by:

\_\_\_\_\_  
Cheryl W. Mock  
Executive Assistant