

**JEA**  
**BOARD MINUTES**  
May 17, 2016

**The JEA Board met in regular session on Tuesday, May 17, 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, Warren Jones, and Alan Howard.**

**Agenda Item I – Welcome**

- A.** The meeting was **called to order** at 12:05 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 agenda was approved on **motion** by Secretary Kesler and second by Mr. Cumber.
- 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.** **Board of Directors Ethics Training** – Ms. Carla Miller, City of Jacksonville, Director, Office of Ethics, Compliance and Oversight, led the Annual Board of Directors Ethics Training, as required by City Ordinance of all agency boards. Ms. Miller praised JEA for its performance from an ethics standpoint and its excellent resources in Walette Stanford, Director of Ethics, JEA and Jody Brooks, OGC. Ms. Miller presented the Top 10 Ethics Danger Areas. Ms. Miller advised the Board that any questions could be directed to Walette Stanford, Jody Brooks, Kirby Oberdorfer, Deputy Director, Office of Ethics, Compliance and Oversight for the City of Jacksonville, as well as herself.
- B.** **Comments from the Public** – none
- C.** **Council Liaison's Comments** – The Honorable Bill Gulliford urged the Board to support the upcoming Pension Referendum.
- D.** **Office of the Mayor Liaison's Comment** – Dr. Johnny Gaffney offered the Mayor is pleased with the things he is hearing about the JEA Board and its diligence with the community.
- E.** **Nassau County's Ex-Officio Representative – Mike Mullin** – Mr. Mike Mullin shared his appreciation of the JEA Board and staff and their collaboration with Nassau County.
- F.** **Arbor Day Foundation Tree Line USA Award** – Kim Wheeler, Manager T&D Preventative Maintenance and Joe Anderson, Arborist, shared the evolution of the preventative maintenance area and provided an overview of the communication methods JEA uses with customers related to tree trimming. Mr. Anderson provided information related to the award received by JEA, and how the work of the department assists in providing energy. Mr. Anderson recognized staff in the audience and those in the field for their efforts.

- G. 2016 J. D. Power Electric Utility Residential Customer Service Satisfaction Results for Wave 3 and Letter from Governor Rick Scott for J. D. Power Business Award** – Monica Whiting, Chief Customer Officer, shared Wave 3 produced the highest wave JEA has ever accomplished at 720 points and moved JEA into the top quartile nationally overall. JEA has moved almost 100 utilities from the start of the process. For the first time in JEA history, each driver ranked in the top quartile nationally for residential. Ms. Whiting also provided individual results for each of the drivers and the top movers YTD, including Power Quality & Reliability, Price and Corporate Citizenship. Ms. Whiting stated that the year-end results will be available in July. Ms. Whiting also presented a letter from Governor Rick Scott extending his congratulations on the J. D. Power Business Award and the importance of JEA's results for the state.

### **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 Secretary Kesler and second by Mr. Cumber, items 1 and 2 on the Consent Agenda were unanimously approved and items 3 and 4 were received for information.
1. Approval of Board Workshop Minutes April 7, 2016 – approved
  2. Approval of Board Meeting Minutes April 19, 2016 – approved
  3. Monthly JEA Financial Review & Statements – received for information
  4. Monthly FY16 Communications & Engagement Calendar and Plan Update – received for information
- B. Strategic Discussions/Action**
1. JEA 401(a) Defined Contribution Retirement Plan Restatement – Resolution 2016-10 – Angie Hiers, Chief Human Resources Officer, presented the 401(a) Defined Contribution Retirement Plan was created in 2002 to allow non-Collective Bargaining Unit (CBU) employees the opportunity to defer a portion of their compensation on a tax-deferred basis. Ms. Hiers indicated that Mass Mutual serves as trust and plan document administrator and a committee of JEA employees with financial and investment backgrounds oversees the plan regarding the monitoring of investment plan performance and the portfolio of investment options. Periodically, due to changes in the law, the Plan must be restated. Ms. Hiers stated each Board Member received copies of the restated Plan, the Plan of Adoption Agreement from Mass Mutual and a letter from the Department of Treasury indicating the acceptance of the Plan for employee benefit. Ms. Hiers advised that the Plan must be approved by the Board prior to submission. This item is presented for information and will be presented to the Board for approval at the June 21, 2016 Board Meeting.
  2. Approval of Resolution: FY2016 Budgetary Transfers – Melissa Dykes, Chief Financial Officer and Mike Brost, Vice President/General Manager, Electric Systems – Ms. Dykes presented Resolution 2015-05, dated October 20, 2015, delegates authority to the Managing Director/CEO to approve budget transfers up to \$5.0 million, emergency, or year-end transfers. Emergency and year-end transfers exceeding \$5.0 million would be brought to the Board of Directors for ratification. Mr. Brost provided information related to the planned outage on the Brandy Branch Combined Cycle Unit, including the additional, unforeseen repairs that were required in this fiscal year's capital budget to repair the unit and return it to service. Ms. Dykes advised the additional cost resulted in a necessary budget

transfer exceeding the approval limit of the Managing Director/CEO and further requiring approval by the Board. Upon **motion** by Mr. Cumber and second by Mr. Howard, this item was unanimously approved. Further discussion by the Board resulted in an action item for the Finance & Audit Committee to review the resolution to determine if the budget transfer process should be modified to remove the Board from the daily operations of JEA.

3. Bi-Monthly Operations Presentation – Brian Roche, Vice-President/General Manager, Water/Wastewater Systems, Mike Brost, Vice-President/General Manager, Electric Systems, and Monica Whiting, Chief Customer Officer – Mr. Roche reviewed safety, water/wastewater performance objectives, environmental compliance, financial performance, and water/wastewater rates in Florida. Mr. Brost reviewed electric system MWH sales projections, performance objectives, financial results and cost metrics, and residential electric bill comparison information. Ms. Whiting provided an overview of JEA’s transactional volume, first contact resolution, power quality and reliability outage communication, customer communication, community involvement and continuous improvement information. Ms. Whiting also reviewed JEA’s website usability and phone satisfaction rankings by J.D. Power where JEA ranked among the best in the nation. At the request of the Board, Ms. Whiting provided the order of the utilities in the state of Florida, as it relates to the J. D. Power scores and rankings year-to-date for the Residential Electric survey.

**C. Other New Business** – none

**D. 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 May 9, 2016, bringing items to the Board for action and information.
  1. Approval of Minutes from March 7, 2016 – On **motion** by Mr. Cumber and second by Vice Chair Burr, the minutes were unanimously approved.
  2. FY2017 Budget Presentation – Committee Chair Flanagan recognized staff for their time and effort on the budget process.
  3. Update on Procurement for External Auditor – Committee Chair Flanagan thanked staff for their work on benchmarking for procurement of external auditors and stated the Finance & Audit Committee is fully supportive of staff’s recommendations.
  4. Audit Services – Quarterly ERM/Audit Report – received for information
  5. Chief Information Officer Report – received for information
  6. Identity Theft Protection Program Fair and Accurate Credit Transactions Act (FACTA) Annual Risk Assessment – received for information
  7. Ethics Officer Quarterly Report – received for information

8. Treasury
  - a. Electric System and Water and Sewer System Reserve Fund Quarterly Report – received for information
9. JEA Energy Market Risk Management Policy Report – received for information
10. Announcements
  - a. Next Meeting – August 8, 2016, 8:00 – 10:00 AM
11. Committee Discussion Sessions
  - a. The Committee met with Steve Tuten, Director, Audit Services.
  - b. The Committee met with Chris Edmunds, Ernst & Young.
  - c. The Committee met with Robert Campbell, Council Auditor’s Office.
- B.** Government Affairs Committee Report – Alan Howard, Committee Chair reviewed the Government Affairs Committee meeting held on May 6, 2016, bringing items to the Board for action and information.
  1. Review and Approval of the Government Affairs Committee Charter – Mr. Howard, Committee Chair, reviewed the Committee Charter. On **motion** by Committee Chair Howard and second by Mr. Jones, the Committee Charter was approved by the Board.
  2. Review of Current Litigation – Committee Chair Howard presented information on current litigation cases and referred all questions to Jody Brooks, OGC.
  3. JEA Government Relations Local, State, and Federal Update – received for information
  4. Other New Business – none
  5. Announcements – information
    - a. Schedule Next Meeting as Appropriate
- C.** Managing Director/CEO’s Report – Mr. McElroy reviewed the following items:
  1. Tree Line USA Award – Mr. McElroy thanked Kim Wheeler and her staff for the their work and advised the Board that JEA has evolved from being called to City Council over trees to receiving consistent positive feedback.
  2. Mr. McElroy advised the Board of the exercises JEA is undergoing in preparation for the hurricane season. Mr. McElroy related the various parts of the effort and documentation required for FEMA reimbursement in the event of a real storm. Mr. McElroy is involved with the City Emergency Operations Center (EOC) and is part of the Mayor’s Senior Council during actual storms.
- D.** Chair’s Report – Chair Petway asked Board Members to report any summer Board meeting scheduling conflicts to staff for accommodations to ensure quorums. Chair Petway thanked staff for the coordination of media opportunities and indicated his pleasure with the presence of JEA in the media. Secretary Kesler advised that she appreciated notices of upcoming media events. Chair Petway advised of JEA activity he has seen on Seminole Drive and how impressed he has been with traffic management. Prior to adjourning the meeting, Chair Petway read the letter JEA received from Governor Rick Scott related to JEA’s J.D. Power Business Award.

**Agenda Item V – Closing Considerations**

**A. Announcements** – Next Board Meeting – June 21, 2016

**B. Adjournment**

*With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 2:32 PM.*

APPROVED BY:

\_\_\_\_\_  
SECRETARY

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

Board Meeting recorded by:

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